Integrated Report 2023

Creating Solutions for Our Changing World

About the Cover

2023 was a milestone year for Vivant as the company celebrated its 20th anniversary.

Tracing its roots from the humble beginnings of a family-owned enterprise that was in the abaca trade and shipping business, Vivant currently boasts of a diversified investment portfolio with interests in the energy and water infrastructure space.

The company's portfolio was meticulously built over time driven by its mission of bringing excellence to industries that improve everyday living. Vivant remains committed to stay on this journey as it continues to foster inclusive growth and development for its stakeholders by creating solutions for our changing world.

This report may contain "forward-looking statements" that relate to the strategic goals, investments, and overall performance involving Vivant and its subsidiaries. The forward-looking statements were made based on certain assumptions hence, these are not guarantees of future performance and undue reliance should not be placed on the statements. The forward-looking statements involve known and unknown risks and uncertainties which may cause actual results, performance or achievements to differ materially from any projections of future performance or result disclosed in the statements.

Vivant undertakes no obligation to update or revise the forward-looking statements, whether as a result of new information or future events, even if the information released in the original statement becomes obsolete, except as may be required by applicable laws.

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About the Report

Vivant Corporation (Vivant or the Company) is pleased to present its 2023 Integrated Report (IR or the Report). This Report features the Company's performance for the year, addressing key aspects of its business operations comprising financial, operational, environmental, social, and governance factors.

This Report contains extensive discussions on the Company's efforts and accomplishments as it continues its journey towards a sustainable future. It will outline an overview of its sustainability goals and associated metrics to measure the Company's performance in 2023.

This IR is the result of the collaborative efforts of the Company and the various units across the Vivant group. The Company's Risk and Sustainability team reviewed all information in this Report. The Board of Directors of Vivant granted approval for the publication of this 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 as a holding company and provider of corporate and shared services;
- Vivant Energy Corporation (Energy) as a holding company that owns and manages the investment portfolio of the Company in the power industry; and
- Vivant Infracore Holdings, Inc. (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 associates that have material impact on the Company's operating and financial performance. The companies that are not included in this IR are: those with minority investments and minimal control/influence, those not yet operational, and those that are part of the portfolio of 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 <IR> Framework, this 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 2023 audit engagement and has been the principal handling the Company's account for four years. The audit partner that leads and handles the audit of the Company's account is rotated every seven years in compliance with the revised regulation issued by the Securities and Exchange Commission and the Code of Ethics for professional CPAs.

Company Information

Vivant welcomes inquiries and feedback from its stakeholders. Please contact:

Governance	corporatesecretary@vivant.com.ph
Sustainability	risk@vivant.com.ph
Careers	careers@vivant.com.ph
Media	corpcomm@vivant.com.ph

For shareholder 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.
34th Floor, Rufino Plaza, Ayala Avenue, Makati City
Tel. no. (02) 8403 2410 and (02) 8403 2412
Fax no. (02) 8403 2414
Email address: mfyumol@stocktransfer.com.ph, jscortez@stocktransfer.com.ph

Vivant's full audited financial statements and SEC reports are available on the Vivant website:
www.vivant.com.ph

Statement from the Board

The Board is keenly aware of its role to ensure the integrity of the 2023 Vivant Integrated Report (IR or the Report) and confirms that the Report is a fair presentation of the Company's performance and impact for the period January 1 to December 31, 2023. The Board provided general oversight to the team that prepared the IR.

The Report was a product of collaboration works among internal contributors across the business units under the supervision of Vivant's Chief Risk Officer, Ms. Minuel Carmela N. Franco. Efforts on reviewing, validating and updating the disclosures against the relevant framework and standards used were done by the team, together with the assistance of Convene ESG, a firm that provides Vivant the digital platform for data collection and storage and support on best practices on reporting.

The IR contains forward-looking statements. Said statements are made based on certain views and assumptions, which are subject to certain known and unknown risks and uncertainties and may involve external factors that the Company may have no influence or control over. The shareholders and other readers of the Report are cautioned not to place undue reliance on the statements when making any decision involving the interpretation and use of information provided in this Report.

The Board Risk and Sustainability Committee reviewed and endorsed the Report for the approval of the Board on March 25, 2024. The Board unanimously approved the Report and authorized its release on April 5, 2024.

Francis A. Garcia
Chairman

Laurence R. Rogero
Chairman, Board Risk and Sustainability Committee

Francis Damasus A. Garcia
Chairman of the Board

Laurence R. Rogero
Chairman, Board Risk and Sustainability Committee

Vivant at a Glance

Vivant is a holding company that is publicly-listed in the Philippine Stock Exchange. The Company's portfolio is consisted of investments in companies engaged in the energy and water infrastructure businesses. The Garcia-Escaño family of Cebu collectively owns approximately 76% of the outstanding capital stock of Vivant.

Portfolio

Energy

Electricity Distribution

Investment in the 2nd largest distribution utility in the country

3,549 GWh
Total electricity distributed in 4 cities and 4 municipalities in Cebu as of end-2023

Power Generation

Investments in On Grid and Off Grid generation facilities with attributable capacity of 447 MW as of end-2023

4,922 GWh
Total energy sold by On Grid assets as of end-2023

214 GWh
Total energy sold by Off Grid assets as of end-2023

398 GWh
Total ancillary services provided by On-Grid assets as of end-2023

Retail Electricity

Investments in 2 Retail Electricity Suppliers (RES)

272 GWh
Energy sold to 38 retail customers nationwide as of end-2023

Investments in Solar Rooftop

6 GWh
Solar energy generated and sold to 17 customers as of end-2023

Water

Water Solutions

60% investment in Watermatic Philippines Corporation, an engineering, design and construction firm that specializes in water and wastewater treatment projects

Waste Water

40% investment in Puerto Princesa Water Reclamation and Learning Center, Inc., a Public-Private Partnership with the City Government of Puerto Princesa for a Septage and Sewage Treatment Plant

Bulk Water

100% equity investment in Isla Mactan Cordova Corporation, a project company that will operate a 20 Million Liter per Day (MLD) seawater desalination plant in Cebu

100% equity investment in Northern Metro Cebu Water Corporation, a project company that will build and operate a 30 MLD seawater desalination plant in Cebu

Vivant at a Glance:

Organization Structure by Business Segment

VIVANT

Infrastructure

Vivant Infracore 100%

Water

Vivant Hydrocore 100%

- Watermatic Philippines 60%
- Faith Lived Out Visions 45%
  - Puerto Princesa Water Reclamation 40%
- Isla Mactan-Cordova Corp. 100%**
- Northern Metro Cebu Water Corp. 100%**

Transport

Vivant Transcore 100%

Energy

Vivant Energy 100%

Distribution

Visayan Electric ~35%*

Generation

Non-Renewable

- Cebu Energy Dev't. Corp 18%
- Minergy Power Corporation 40%
- Therma Visayas Inc. 20%
- 1590 Energy Corp. ~55%
- Cebu Private Power 40%
- Delta P, Inc. 100%
- Calamian Island Power Corp. 100%
- Isla Norte Power Corp. 100%
- Meridian Power Inc. 100%
- Bukidnon Power Corp. 90%
- North Bukidnon Power Corp. 90%
- La Pampanga Energy Corp. 100%**

Renewable

- Culna Renewable 100%**
- Buskowitz Energy Inc. 35%
- San Ildefonso Alternative Corp. 100%

Retail

- Corenergy 100%
  - Vivant Solar 100%
  - Corenergy Solar Solutions 100%
- Prism Energy 40%*

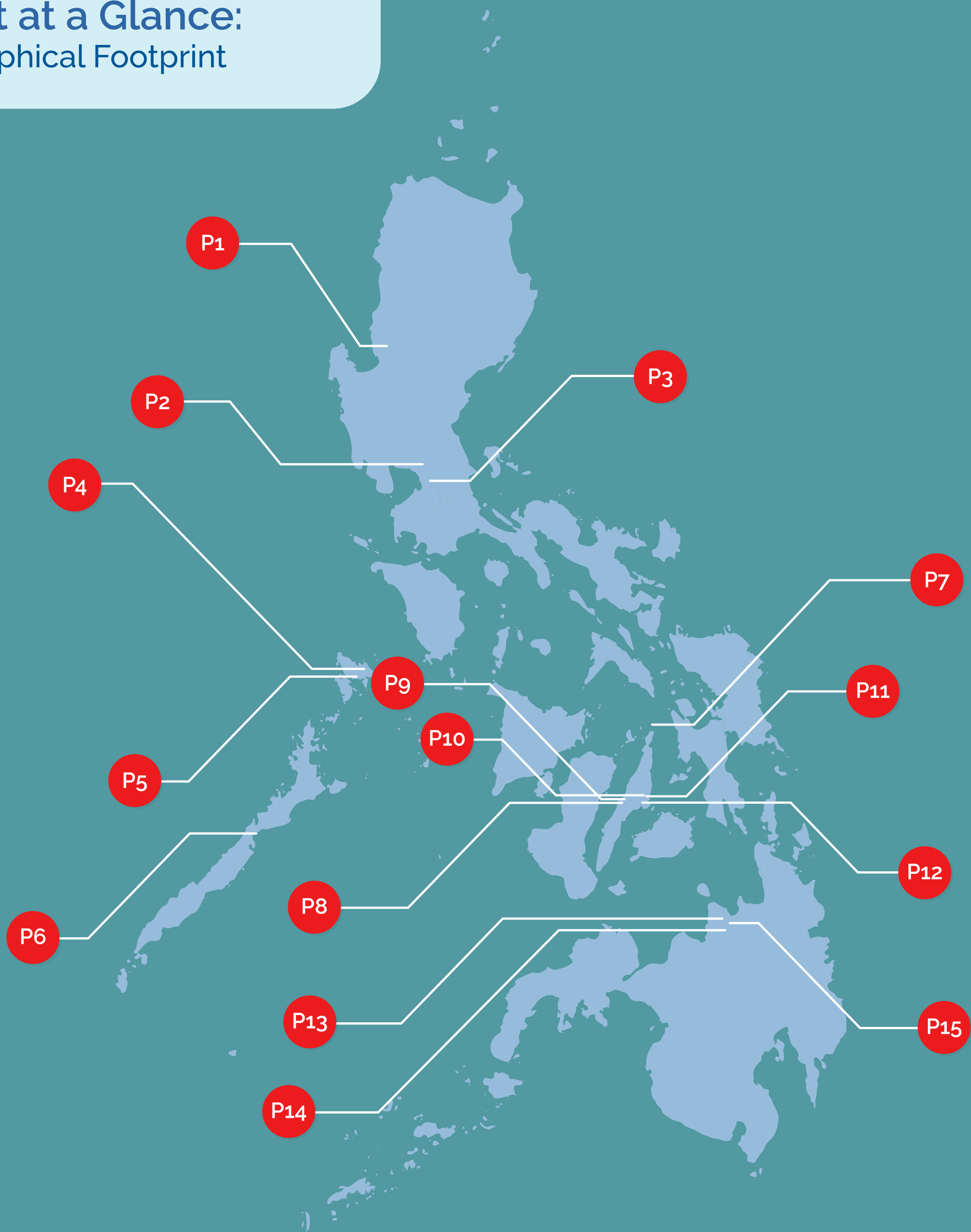
Others

- Hijos de Escaño ~51%
- Southern Grove 100%
- Vivant Realty Ventures 100%

* Direct Ownership

** Not yet operational

Vivant at a Glance:
Geographical Footprint

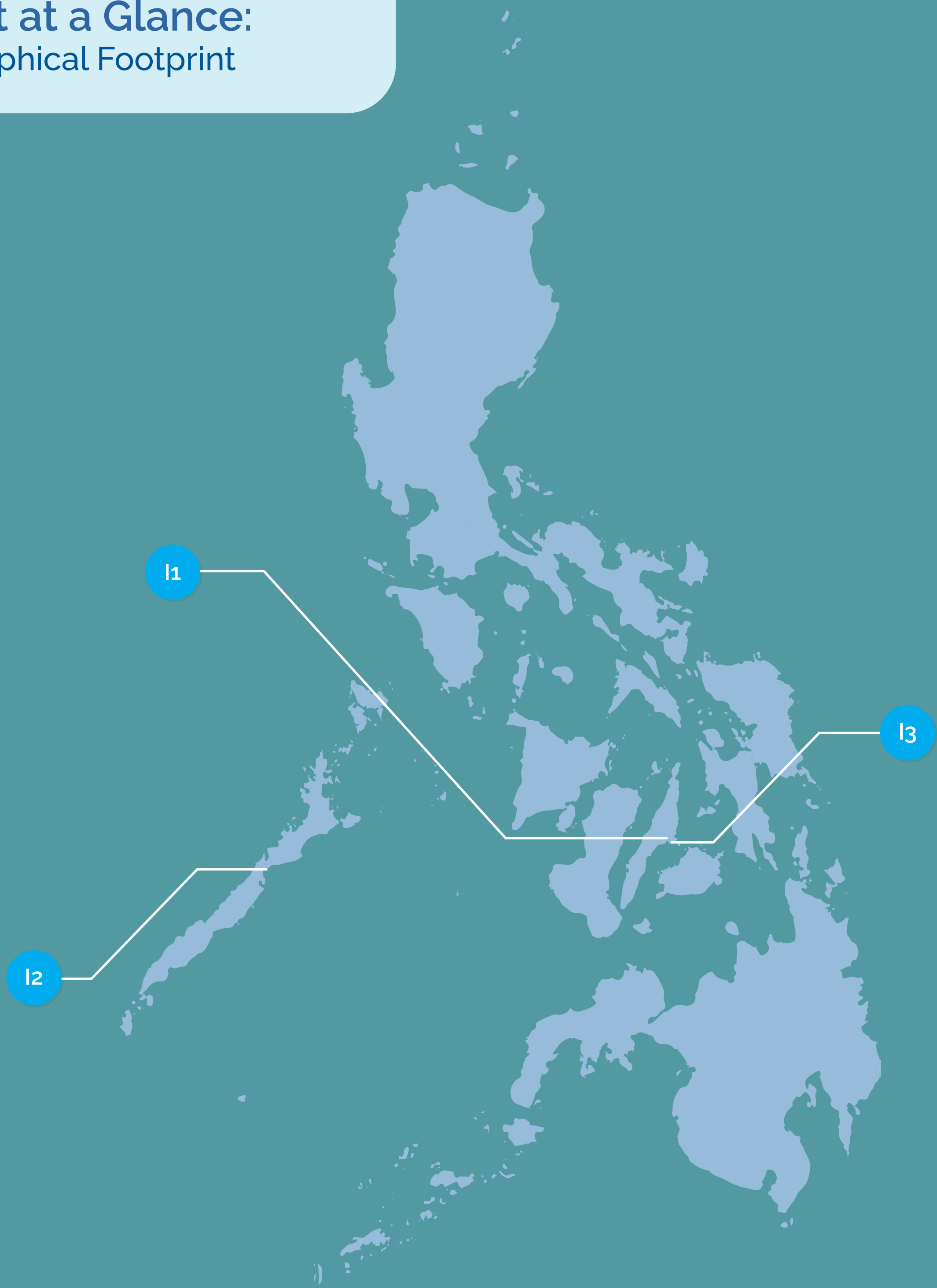


Energy

P1	1590 Energy Corporation (1590 EC)
P2	San Ildefonso Alternative Energy Corporation (SIAEC)**
P3	Buskowitz Energy Inc. (BEI)*
P4	Calamian Islands Power Corporation (CIPC) – Busuanga
P5	Calamian Islands Power Corporation (CIPC) – Coron
P6	Delta P Incorporated (DPI)
P7	Isla Norte Power Corporation (INPC)
P8	Therma Visayas, Incorporated (TVI)
P9	Cebu Energy Development Corporation (CEDC)
P10	Visayan Electric Company (VECO)
P11	Cebu Private Power Corporation (CPPC)
P12	Meridian Power, Incorporated (MPI) Corenergy, Inc., Vivant Solar Corporation (VSC) and Corenergy Solar Solutions Corporation (CSS)*
P13	Minergy Power Corporation (MPC)
P14	Bukidnon Power Corporation (BPC)
P15	Northern Bukidnon Power Corporation (NBPC)

* Head Office location only.
** Not yet operational. Construction underway.

Vivant at a Glance:
Geographical Footprint



Water

I1 Watermatic Philippines Corporation (WMP)*

I2 Puerto Princesa Water Reclamation & Learning Center (PPWRLC)

I3 Isla Mactan-Cordova Corporation (IMCC)**

* Head Office location only
** Not yet operational. Construction underway.

Vivant at a Glance:
Financial Performance

2023 Net Income Attributable to Parent amounted to Php 2.3 billion (bn), recording a 43% Year-on-Year (YoY) expansion. The Energy SBU continued to shore in the lion's share of earnings, with the generation business accounting for 65% of total income contribution by business segments for the year.

End-2023 Total Assets
29.89 bn
▲ 13% from 2022

2023 Conso Revenues
8.28 bn
▲ 27% from 2022

End-2023 Total Cash and Cash Equivalents
4.38 bn
▼ 10% from 2022

2023 Group Equity Investments
1.85 bn
▲ 101% from 2022

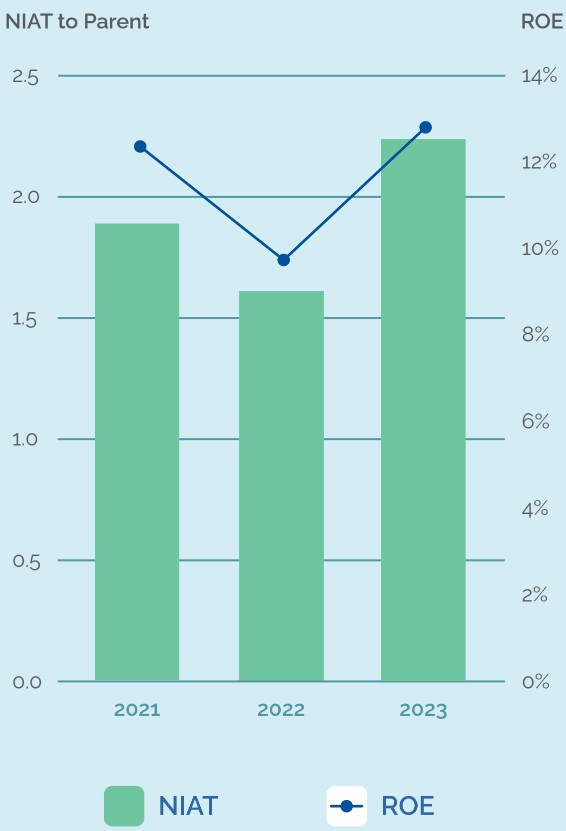
End-2023 Total Interest Bearing Liabilities
7.04 bn
▲ 21% from 2022

2023 Parent Equity Investments
228.4 mn
▼ 28% from 2022

End-2023 Equity Attributable to Parent
18.28 bn
▲ 11% from 2022

2023 Group Taxes Paid
556.1 mn
▲ 32% from 2022

Profit and Return Profile



VIVANT

2023
Year in Review

Message from the CEO

In 2023, Vivant celebrated its 20th anniversary, symbolizing two decades of continuous growth and expansion. In its 20 years of existence, Vivant has evolved from a single investment in power distribution to a diversified portfolio spanning the power value chain and water infrastructure. Throughout this journey, our unwavering commitment to bring excellence to industries that improve everyday living has remained.

Last year marked a pivotal step forward as we advanced toward our objective of leading the off grid power generation sector. By consolidating our ownership in associate companies Delta P, Inc, Calamian Islands Power Corp., and Isla Norte Power Corp., we have strengthened our position to drive growth in this sector. These islands, though less populated than urban areas, hold significant potential for decentralized development and inclusive growth, aligning closely with the government's effort to mitigate urban overpopulation. Enhancing infrastructure to bolster local economies is consistent with our commitment to sustainability across our investment portfolio. Likewise, by leveraging two decades of expertise, we are advancing a more sustainable future for this crucial segment of our country.

Simultaneously, we initiated our first investment in a utility-scale solar plant, a 22-Megawatt (MW) facility which is expected to be operational in 2024. Our energy unit signed a Joint Venture (JV) agreement for the construction and operation of a 206-MW wind farm facility in Visayas that is expected to be completed in 2025. Both are significant initiatives for Vivant and a step towards achieving our target of 30% renewable energy in our power portfolio by 2030. They are in line with the government's goal of integrating 35% and 50% renewable energy in the power generation mix by 2030 and 2040, respectively. Our efforts not only aid in lowering the nation's carbon footprint but also contribute to bolstering energy security by reducing reliance on imported fuel.

We will continue to support the move to transition to more renewable energy sources and work towards a more sustainable and environmentally friendly energy future. However, given the existing constraints in the renewable energy space, we continue to take a pragmatic approach and aim for a balanced portfolio to meet the energy requirements of our customers.

Vivant Water, through its subsidiary Isla-Mactan Cordova Corp. (IMCC) unveiled last September 7, 2023 the main equipment for its seawater desalination plant located in Barangay Catarman, Cordova, Cebu.

Our foray into water infrastructure also yielded significant progress, highlighted by the installation ceremony of the country's inaugural utility-scale sea water desalination plant in the third quarter of 2023. Expected to be completed by the third quarter of this year, the success of this project could pave the way for replication on a nationwide scale, addressing water security concerns across various regions. With the insufficient water infrastructure investments outside Metro Manila, our strategic emphasis is on areas requiring the most significant improvements, intending to bring world-class sustainable water infrastructure services to economically viable regions.

These developments are in line with Vivant's rebranding initiatives in 2023 which mark its evolution from a young industry entrant to a well-established corporation. This transformation reflects a strategy that prioritizes risk management and careful planning, as demonstrated by the introduction of a sustainability framework. This framework underscores the interconnectedness between Vivant and its stakeholders highlighting the company's enduring commitment to a shared value creation agenda.

Staying true to our commitment to transparency and accountability, a number of initiatives undertaken in 2023 were designed to enhance our governance capability through process and systems improvements. This ongoing effort led by corporate, has garnered Vivant its second accolade. For two consecutive years, we have been recognized by the Institute of Corporate Directors (ICD) for our exemplary corporate governance practices among publicly listed companies. As a testament to continued improvements, Vivant was awarded the *Two Golden Arrows Award* based on ICD's 2022 assessment results.

The narrative of Vivant's growth, anchored on our mission of ***bringing excellence to industries that improve everyday living***, and upheld by our core values of honor, relationships, and excellence, owes its success to the collective contributions of all stakeholders. With your continued support, we aspire to continue making a positive impact in the communities we serve and steer Vivant towards a more sustainable future.

Daghang Salamat!

Arlo A. G. Sarmiento
Chief Executive Officer

On Spotlight:

20 Years of Improving Everyday Living

In 2023, Vivant reached a significant milestone as it commemorated its 20th anniversary. The celebration underscored the Company's dedication to empowering communities as it lived up to its mission of bringing excellence to industries that improve everyday living.

The Bais gathered to celebrate and unite under One Vivant, the unified identity that represents the consolidation of the main business units: Vivant Corporation, Vivant Energy, and Vivant Infracore Holdings. One Vivant signifies everyone's commitment to one set of values and mission.

Vivant leaders during the Company's 20th Anniversary celebration.

Where and how it all started

Vivant's beginnings can be traced to the family enterprise founded by Fernando Escaño in the 1870s. Don Fernando started abaca trading in Malitbog, Leyte by exporting hemp in bales. He soon realized the potential of this business and went into the shipping business. The Escaño shipping line then supported the trade of other agricultural products, which allowed the shipping enterprise to sustain its growth even after abaca trading declined.

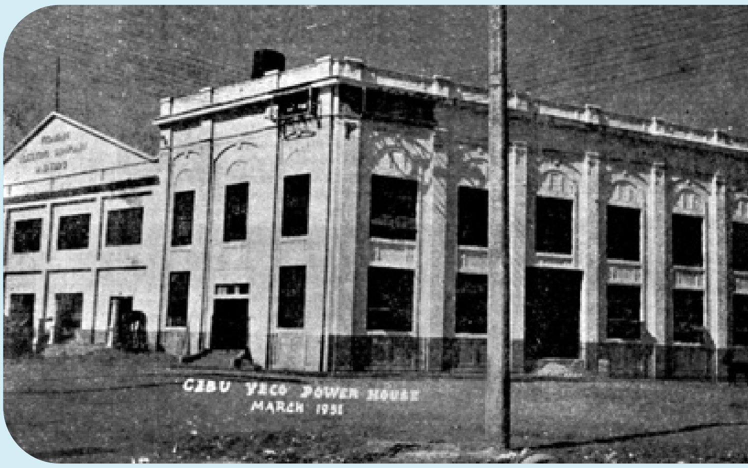
The way Fernando Escaño grew his business became the foundation of future enterprises - valuing relationships, maintaining family honor, and pursuing excellence in every endeavor.

It was in the early 1900s when the family diversified its business interests (shipping and trade) to include electricity power distribution when it took over the operations of the Visayas Electric Company (VECO). VECO was the power utility serving the electricity requirements of the City of Cebu and its surrounding municipalities.

Signing ceremony for the purchase of Philstar.com, which paved the way for the incorporation of Vivant Corporation in 2023. From R-L: Arlo Sarmiento, Jose E. Garcia, representatives of Philstar.com.

The family acquired Philstar.com, a company listed in the Philippine Stock Exchange, in 2003. This paved the way for the incorporation of Vivant Corporation.

From then on, the Company grew its business to include power generation in its portfolio. Investments were made through partnerships as it leveraged on key relationships that were developed over time. Over two decades, Vivant has transformed from a Cebu-centric business to a nationwide enterprise. Its portfolio consists of assets that provide dependable power supply that address energy requirements of its customers and support grid security for the country's main grids.



POWERING A GROWING CITY. When it began operations in the early 1900s, the Visayan Electric Company or VECO ran and maintained its own diesel energy generation plant (above photo) and electricity distribution network serving residential and commercial consumers in Cebu City.

One Vivant: Providing adaptable solutions for our changing world

Today, Vivant is a more diversed company with investments not only in energy but more recently in water infrastructure. It has also grown its main business of power generation and distribution to include renewables.

Vivant has taken steps to ensure long-term sustainability while still adhering to the same core values and working together to fulfill a common mission of improving everyday living in the communities they serve.

Students from Hingotangan Island Bien Unido in Bohol enjoy using computers powered by solar energy. The donation was part of Vivant Foundation's Project RELY (Renewable Energy Livelihood and Youth).

One Vivant Leaders during the 20th Anniversary celebration.

Vivant CEO Arlo Sarmiento with Jimmy Aboitiz.

Vivant Chairman Francis Garcia shares a light moment with Vivant Vice Chairman Ramontito Garcia during the Company's 20th Anniversary Celebration.

Business Review

CORPORATE

Financial Performance

The year 2023 felt the pressures from inflation and high interest rates, mostly a result of ongoing geopolitical tensions, trade-restrictive measures and weather-induced commodity price hikes. With government's policy response and implementation of key structural reforms, the local economy managed to navigate the difficult economic and financial environment and posted a decent GDP annual growth of 5.6%.

Against this backdrop, Vivant saw a strong recovery in 2023 as it ended the fiscal year with a 43% Year-on-Year (YoY) expansion in its bottomline with net income amounting to Php 2.3 bn.

The Company recognized Php 366.4 mn in non-recurring income, which mainly stemmed from one-time management and technical contracts, realized gain from the share acquisition made by a subsidiary, and the fair value recognition of some of its investments. Netting out the one-off items, Vivant's core net income for the year closed at Php 1.9 bn, 24% higher than previous year's Php 1.5 bn.

The Energy SBU continued to drive the financial performance of the Company in 2023 with a total income contribution of Php 3.1 bn, up by 36% YoY. All business segments shored up the unit's performance, which rode on the spurred economic activities in both the main and island grids. Electricity consumption, being a key indicator of economic performance, recorded healthy growth rates in 2023.

Peak demand in major grids grew with Luzon, Visayas and Mindanao recording YoY expansion of 3.6%, 6.2% and 7.2%, respectively. Same is true for island economies with business activities further energized by the continued recovery in tourism.

Meanwhile, the Water SBU saw a reversal in its financial performance in 2023. The unit recorded a negative income contribution of Php 15.6 mn against previous year's profit share of Php 6.3 mn. The improved performance of the waste water business was offset by the two other segments, which are water solutions and water supply, due to higher incurred costs and operating expenses during the year.

Financial Condition

As of December 31, 2023, the Company's consolidated assets amounted to Php 29.9 bn, a 13% YoY increase. The expansion was mainly attributable to the acquisition and project development initiatives of the Energy and Water SBUs.

Effects of the business combination and prepayments to supplier mainly accounted for the increase in total current assets by 2%, from Php 7.2 bn to Php 7.3 bn. Cash balances and Advances to associates were reduced by 10% and 45% YoY, respectively. Investing activities were mostly the driver for the cash utilization in 2023, while collection of advances from affiliates and the impact of business combination resulted to lower collectible accounts from associates.

Total non-current assets grew by 17% YoY to Php 22.6 bn. This was primarily driven by the increase in fixed assets to Php 8.3 bn, a 41% expansion from the previous year. The expansion initiatives of both the Energy and Water SBUs accounted for this growth.

Vivant's total consolidated liabilities as of end-2023 amounted to Php 10.2 bn, posting a 20% YoY increase. Current liabilities were up by 6%, while non-current obligations grew by 32% YoY. The Energy SBU tapped the debt capital market in 2023 to partly finance its investments and project development initiatives. The consolidation of a new subsidiary likewise contributed to the increase in consolidated long term loans of the Company.

2023 was challenging for most corporates. Rebalancing and pivots in operations and growth initiatives were necessary. In Vivant, our adaptability and agility allowed us to do this. Our prudent fiscal management and strong financial position afforded us the flexibility needed to support our operations and growth initiatives implemented in 2023.

Carmela N. Franco

Total equity attributable to equity holders of the parent rose to Php 18.3 bn from Php 16.5 bn as a result of the income generated in 2023.

Vivant's current ratio as of year-end stood at 1.80x (versus 1.87x in 2022) while debt-to-equity ratio was slightly higher at 0.52x (from 0.48x in 2022).

2023 Cash Dividends

With the Company's performance in 2022 and following its Dividend Policy, Vivant declared a cash dividend of Php 0.3897 per share on May 18, 2023, which was paid on June 16, 2023.

ENERGY

The Energy SBU accomplished remarkable strides in 2023 as it took a transformative leap forward in one particular area of its operations and the communities it serves. The unit expanded its Off Grid portfolio by consolidating its ownership in the facilities located in Puerto Princesa (DPI), Coron-Busuanga (CIPC) and Bantayan (INPC). The acquisition resulted in an expanded investment in the Small Power Utilities Group from 35 MW to 63 MW, nearly doubling Vivant Energy's attributable installed capacity.

Small power utilities are catalysts for positive change, lighting up not just homes but also the path to a brighter future especially in the area of tourism and most noteworthy, education. By providing reliable electricity to underserved areas, these utilities break down barriers to education in remote regions. The impact is transformative, to say the least. And I am proud of Vivant Energy's role in that transformation.

Emil M. Garcia

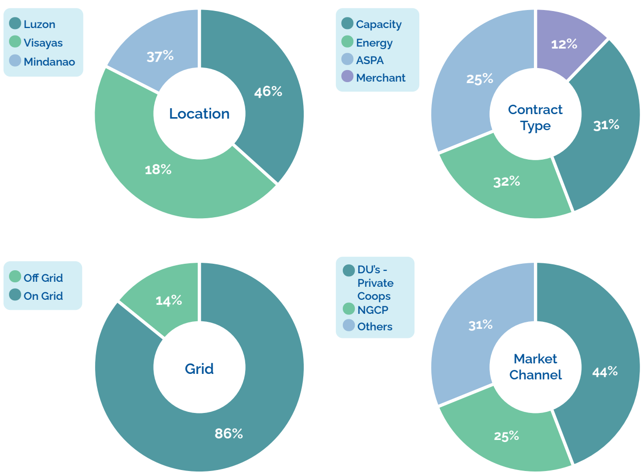
The year also saw marked progress in Vivant's '30 by 30' renewable energy target. The acquisition of a solar facility in Bulacan and the signing of a JV agreement for the development of a wind farm in Samar bring the Company closer to this goal. Completion of these projects is expected to increase the Energy SBU's attributable capacity by 22 MW in 2024 and 62 MW in 2025.

Vivant Energy's total income contribution in 2023 posted a 36% YoY increase, from Php 2.3 bn to Php 3.1 bn. The power generation and electricity distribution comprised the bulk of the profits for the year accounting for 65% and 33%, respectively.

Generation

The power generation business ended 2023 with a total income contribution of Php 1.9 bn versus previous year's Php 1.5 bn. Both On Grid and Off Grid segments contributed to the strong showing of the business with recorded earnings growth of 26% and 105%, respectively.

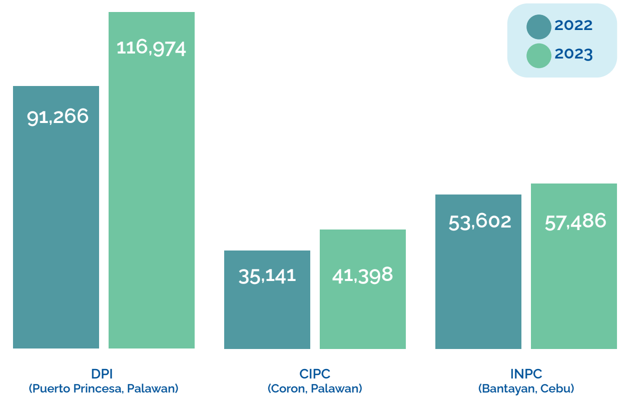
2023 Power Generation Portfolio
Total Attributable Capacity at 447 MW



Vivant's investments in coal assets resulted to an earnings contribution of Php 930.8 mn in 2023, posting an 18% YoY decline. The termination of a supply contract for one unit of its Mindanao-based facility and the absence of gains in fuel cost management by an associate accounted for the reduced income contribution of the group.

Earnings contribution from the Company's oil assets, both the On Grid and Off Grid investments, was higher by 78% YoY at Php 345.0 mn. The On Grid units brought in an earnings contribution of Php 204.4 mn during the year, recording a 55% YoY improvement. The higher contribution in 2023 was driven by an associate's higher spot market revenues and additional compensation for its fuel cost recovery. Meanwhile, the Off Grid units posted a robust earnings growth of 127%, from Php 61.9 mn to Php 140.6 mn. Boost in economic activities in the island grids continued to generate strong energy sales. Moreover, the increased ownership in two operating companies further buoyed the Off Grid group's contribution to the Company's bottomline in 2023.

Off Grid Energy Sales (in MWh)

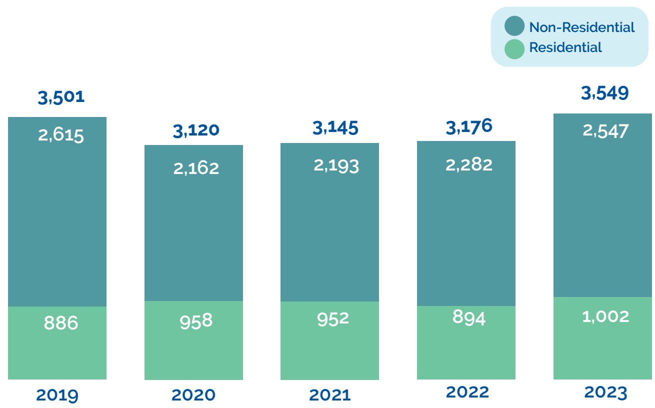


Distribution

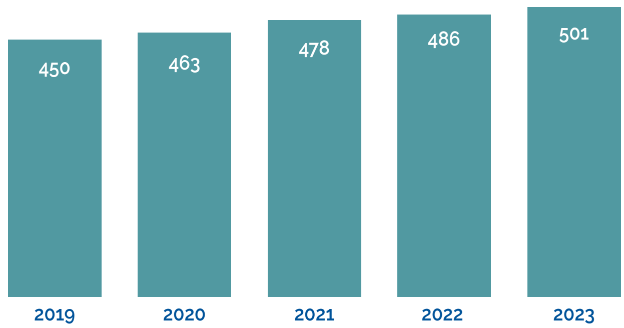
35%-owned VECO ended the year with a contribution of Php 1.0 bn in earnings for the year, posting a 33% YoY increase. This was on the back of a 12% surge in electricity sales for the year, with both residential and non-residential segments posting healthy growth in consumption.

In 2022, the utility experienced a disruption in its operations during the first two months as it completed its restoration works addressing the damage caused by Typhoon Odette. In 2023, VECO's franchise area has shown full recovery with robust growth in peak demand of 4.5%, from 589 MW in 2022 to 615 MW in 2023, coupled with notable increase in new connections for all segments.

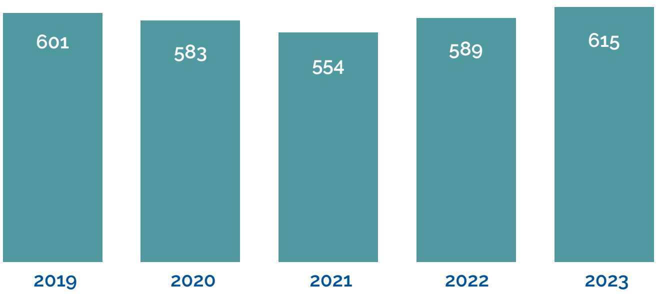
Electricity Sold (in GWh)



# of Customers ('000)



Peak Demand (in MW)



Retail Electricity

The retail group ended the year 2023 with a bottomline share of Php 72.4 mn, up by 37% YoY.

The RES companies buoyed the retail group's performance with earnings amounting to Php 35.4 mn in 2023. Corenergy, a wholly-owned subsidiary, compensated for the decline in an associate's performance with a significant improvement in electricity delivered (+184% YoY) to an expanded customer base (+63% YoY).

Operating Unit	% Own	# of Customers		Peak Demand (in MW)		Electricity Delivered (in MWh)	
		2022	2023	2022	2023	2022	2023
Corenergy, Inc.	100	19	31	17	51	75,267	213,870
PRISM Energy, Inc.	40	39	7	57	33	179,684	58,109

The solar rooftop business continued its expansion as it energized an additional four (4) customers in 2023, which resulted to a robust expansion in energy sales. The business posted a 70% YoY income growth closing the year with an earnings contribution of Php 10.5 mn.

Operating Unit	% Own	# of Customers		Electricity Delivered (in MWh)	
		2022	2023	2022	2023
Core Solar Solutions	100	9	11	2,611	3,456
Vivant Solar Corp.	100	1	1	630	943
Corenergy, Inc.	100	3	5	824	1,624

WATER

True to its nature as a start-up group, Vivant Water ended the year with a negative contribution of Php 15.6 mn in 2023. This is a reversal from the previous year's positive earnings share as a significant portion of the unit's income in 2022 was attributable to gains from foreign currency held by a subsidiary.

The Water SBU continued with the development and construction of its 20 MLD desalination plant in Cordova, Cebu, the first utility scale seawater desalination facility in the country. As of end-2023, the plant is 61% completed and is expected to be commercially operational by end of the third quarter of 2024. This project is Vivant's attempt at providing a sustainable solution to Cebu's water crisis as it is expected to produce potable water that will satisfy the daily consumption of roughly 20,000 households.

Vivant Water aims to be a provider of sustainable water and waste water solutions – that will help uplift lives, protect the environment and be available at price points that are affordable to the communities we serve.

Jess N. Garcia

The Water SBU's foray into waste water treatment, through an investment in a JV with the City Government of Puerto Princesa, has resulted to expanded knowledge on the business. Despite a marginal decline of 3% in total treated water (combined septage and sewage), the business was able to contribute Php 8.4 mn in income, recording a 32% YoY improvement. Armed with the know-how on operations and technology, the Company aims to replicate and build this segment moving forward.

Vivant's water solutions subsidiary, Watermatic Philippines Corporation (WMP), provided engineering, procurement and construction (EPC) services to both internal and external customers in 2023.

Project Location	Type	Size	Client Type	Status as of end 2023
Cordova, Cebu	Seawater Desalination Plant (Engineering, Procurement & Construction)	20 MLD	Internal	Ongoing
Legazpi City, Albay (Re-awarded in Nov 2023)	Surface Water Treatment (Equipment Supply and Installation)	30MLD	External	Ongoing
Liloan, Cebu	Seawater Desalination (Feasibility Study)	30 MLD	Internal	Done
Cebu City	Wastewater Treatment (Rapid Assessment and Concept Design Report)	4 MLD	Internal	Done

Leadership and Governance

The Board ✦

Francis Damasus A. Garcia

Emil Andre M. Garcia

Charles Sylvestre A. Garcia

Ramontito E. Garcia

Jose Marko G. Sarmiento

Arlo Angelo G. Sarmiento

Brigette Cecile N. Garcia

Jose Carlitos G. Cruz

Carmelo Maria L. Bautista

Jose M. Layug, Jr.

Laurence R. Rogero

Vivant's corporate governance framework is designed to safeguard and advance the interests of both internal and external stakeholders. To this end, the Board holds ultimate responsibility for overseeing the Company's affairs and operations, with a commitment to fostering sustainable development through transparency and professionalism within its Board of Directors and Management team.

Aligned with this mission, the Board actively oversees identified risks, ensuring their thorough monitoring and management, and is dedicated to consistently enhancing its governance practices. While the day-to-day operations are entrusted to the Company's executives, the Board reviews high-level policies and procedures to guarantee that operations align with and adhere to relevant laws and regulations. It believes that ongoing enhancements to its governance framework, grounded in Vivant's principles and core values of honor, relationships, and excellence, will underpin the company's long-term growth, profitability, and sustainability for the benefit of its Shareholders, Employees, Customers, and other Stakeholders.

In addition to conducting regular Board meetings for oversight of management decisions and actions, Vivant's Board of Directors is supported by six (6) chartered principal standing committees: Executive Committee, Finance Committee, Audit Committee, Risk and Sustainability Committee, Related Party Transactions Committee, and Corporate Governance Committee. Collectively known as Board Committees, these committees assist in providing oversight to major functional areas as set out in its Committee Charters which outline the composition, responsibilities, and administration of each committee. In 2023, the Board and the Board Committees pursued the following strategic priorities:

- Review of the Company's Vision and Mission
- Evaluation, assessment, and approval of the Company's strategic objectives in light of the changing business and risk landscape
- Review and approval of the Company's risk framework
- Review and approval of the Company's performance (financial and non-financial) as against approved corporate objectives for the year
- Review of the operations and determination/ validation of adequacy of internal control and risk management processes
- Review and approval of reportorial requirements, including financial statements (interim and annual)

Board Structure

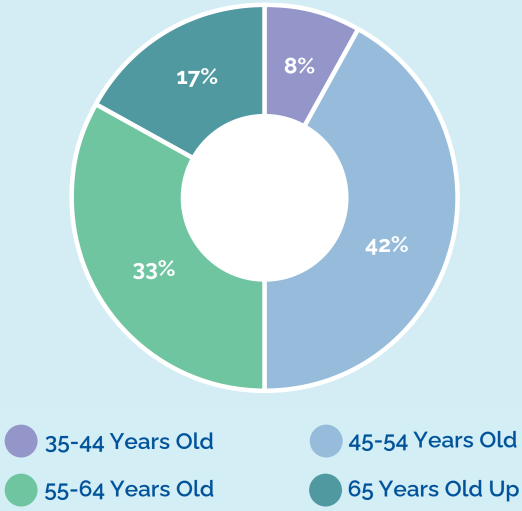
Vivant commits to systematically update its Board composition by enhancing diversity and conducting periodic reviews of its membership. Parameters such as gender, age, educational background, skills, and professional experience are considered in this process. The goal is to establish a Board membership structure that taps into the diverse and extensive backgrounds and experiences of its members across various industries.

This approach aims to foster balanced perspectives, stimulate vigorous discussions, and facilitate well-informed decision-making.

The Company's Board Corporate Governance Committee meticulously pre-screens and evaluates candidates nominated at the onset of each year, adhering to the qualification criteria outlined in the Company's Corporate Governance Manual. The final roster of candidates is detailed in both the Company's preliminary and definitive information statements, with elections taking place during the Annual Stockholders Meeting (ASM) held annually on the third Thursday of June. Board members serve a term of one (1) year or until their successors are duly elected and qualified by Vivant's By-Laws.

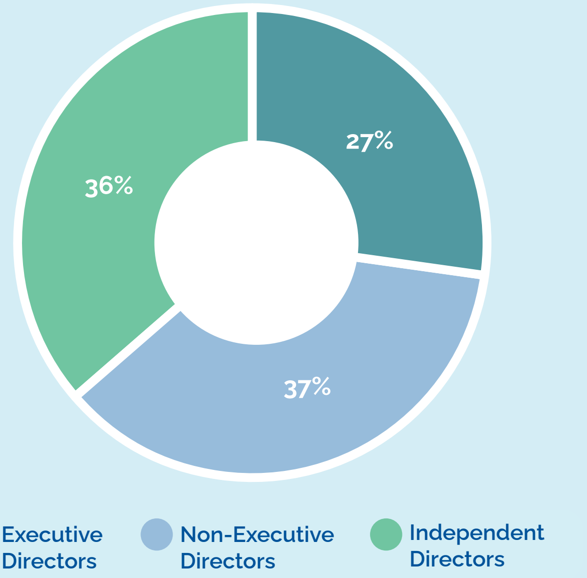
2023-2024 Board of Directors	Position	Length of Service
Francis Damasus A. Garcia[1] (FDAG) 65 years old, Filipino, Male	Chairman Non-executive Director	6+ months
Ramontito E. Garcia (REG) 66 years old, Filipino, Male	Vice Chairman Non-executive Director	20+ years
Charles Sylvestre A. Garcia 63 years old, Filipino, Male	Non-executive Director	19+ years
Jose Marko G. Sarmiento (JGS) 45 years old, Filipino, Male	Non-executive Director	15+ years
Arlo Angelo G. Sarmiento (AGS) 48 years old, Filipino, Male	Executive Director	6+ years
Emil Andre M. Garcia (EMG) 46 years old, Filipino, Male	Executive Director	14+ years
Brigette Cecile N. Garcia (BNG) 36 years old, Filipino, Female	Executive Director	1+ year
Laurence R. Rogero[2] (LRR) 51 years old, Filipino, Male	Lead Independent Director	1+ year
Jose Carlitos G. Cruz (JGC) 63 years old, Filipino, Male	Independent Director	2+ years
Carmelo Maria L. Bautista (CLB) 66 years old, Filipino, Male	Independent Director	6+ years
Jose M. Layug, Jr. (JML) 52 years old, Filipino, Male	Independent Director	1+ years

1 FDAG was elected as a Non-Executive Director and Chairman of the Board during the June 15, 2023 Annual Shareholders Meeting.
2 LRR was re-elected as Independent Director during the June 15, 2023 Annual Shareholders Meeting taking the place of Joseph Lee Sullivan who, for personal reasons, resigned as an Independent Director effective as of June 14, 2023. LRR was first elected as an Independent Director on June 17, 2021, and resigned on February 28, 2022 (8 months).



Independence of Directors

Vivant works toward preserving a judicious blend of competent and qualified directors, marked by a predominant inclusion of non-executive directors (NEDs) and independent directors (IDs). This approach is intentional and underpinned by the overarching philosophy of safeguarding objectivity and independence in the decision-making processes on corporate matters.



Diversity and independence are further highlighted by the breadth of knowledge and experience of its IDs.

BACKGROUND	CLB	JGC	JML	LRR
Power industry knowledge and/or experience	✦	✦	✦	✦
Other industry knowledge and/or experience	✦ (various)	✦ (various)	✦ (various)	✦ (various)
Executive leadership (CEO or equivalent)	✦	✦	✦	✦
Corporate and investment strategy	✦	✦	✦	✦
Legal and regulatory			✦	✦
Risk and/or audit	✦	✦	✦	✦
Finance, investment banking	✦			✦

Lead Independent Director

Given the non-independent status of the Chairman of the Board, the pivotal responsibility of the Board's Lead Independent Director (LID) is paramount to the Company's corporate governance framework. The LID assumes a crucial role in orchestrating a counter-balancing of interests by facilitating the exchange of objective and independent views and perspectives, thereby safeguarding against potential conflicts of interest. The delineated functions of the LID encompass:

- Playing a facilitative role within the Board, fostering collaboration among independent, executive directors, management, and when necessary, various stakeholders
- Serving as an intermediary between the Chairman and the other Directors when necessary, thereby ensuring transparent communication and objective discourse in the boardroom
- Convening and chairing meetings of the NEDs
- Contributing to the evaluation of the Chairman's performance
- Facilitating resolution of any situation in the event the Chairman or Management is conflicted

In June 2023, Mr. Laurence R. Rogero was re-appointed as LID. Before this, the position was held by Mr. Jose Carlitos G. Cruz (June 16, 2022 to June 15, 2023) and Mr. Carmelo Maria L. Bautista (March 2022 up to Mr. Cruz's appointment in 2022).

Board Performance and Assessment

The Board's performance undergoes an annual self-assessment process which evaluates the Board as a whole, the Board Committees, the individual directors, including the Chairman, and the Company's key officers. The self-assessment questionnaires contain the following criteria, which reflect leading good corporate governance practices:

A. Company:
   i. Board Composition
   ii. Board Efficiency and Performance
   iii. Board Meetings and Participation

B. Board Committees:
   i. Board Committee Performance
   ii. Board Committee

C. Independent Directors:
   i. Independence
   ii. Participation
   iii. Expertise
   iv. Character
   v. Fiduciary Duty
   vi. Innovation

D. Chairman and Key Officers:
   i. Leadership
   ii. Integrity
   iii. Diligence
   iv. Corporate Governance
   v. Entrepreneurial Mindset
   vi. Stewardship

In 2019, the Board issued a Board Assessment Policy where a third-party-led assessment will be conducted every three years. The Company engaged the Institute of Corporate Directors to conduct the first exercise in 2023.

Board Development

As an integral component of the Board's ongoing professional development initiative, Directors periodically engage in annual training sessions that delve into Environmental, Social, and Governance (ESG) areas ranging from anti-corruption measures to addressing climate change and exploring various ESG risks and topics. The Company also provides opportunities for the Board to participate in plant visits or study tours. This plays a crucial role in Board development as it gives board members first-hand, tangible, and immersive experience that enhances their understanding of the Company's operations, strategic objectives, challenges, and growth opportunities thereby contributing to more robust discussions and better-informed decision-making.

Board and Board Committee Membership and Attendance

The Chairman of the Board and respective Chairmen of each Board Committee actively promote substantive discussions during all meetings. To guarantee adequate time and attention to essential agenda items, convening special meetings is occasionally deemed necessary when the allocated time at regular meetings proves insufficient.

	Regular	Special	Total
Board	7	4	11
Executive	11	1	12
Finance	5	2	7
Audit	4	--	4
Risk and Sustainability	4	2	6
Related Party Transactions	1	--	1
Corporate Governance	2	--	2

In 2023, new individuals were appointed to fill vacant positions on the Board and its corresponding Board Committees. Regular attendance at all meetings, including the Annual Stockholders Meeting, is expected of all Directors. The following is a record of attendance during the 2023 fiscal year:

Director	Board	Executive	Finance	Audit	Risk & Sustainability[1]	Related Party Transaction[2]	Corporate Governance
No of Meetings	11 1H – 6 2H – 5	12 1H – 5 2H – 7	7 1H – 5 2H – 2	4 1H – 2 2H – 2	6 1H – 4 2H – 2	1 1H – 1	2 1H – 1 2H – 1
CAG	C – 5 M – 6	C – 5 M – 7	M – 4[1]	M – 4	M – 2[2]	M – 1	
FDAG	C – 6[3]	C – 7	M – 2[4]	-	-	-	-
EMG	M – 10	M – 12	-	-	-	-	-
AGS	M – 11	M – 12	-	-	-	-	-
REG	M – 10	M – 12	-	-	-	-	-
GAG	M – 5[5]	M – 4	-	-	M – 4	-	-
JGS	M – 11	M – 12	M – 7	M – 4	M – 6	-	-
BNG	M – 9	M – 10	-	-		-	-
LRR	M – 6[6]	-	C – 2[7]	M – 2	C – 2[8]	-	M – 1
JGC	M – 11	-	C – 2[6] M – 2	C – 4	-	M – 1	M – 2
CLB	M – 7	-	M – 4[10]	-	-	-	-
JML	M – 11	-	-	M – 4	C – 4[11] M – 2	-	C – 1[12] M – 1
JLS	M – 3[13]	-	-	M – 1	M – 3	C – 1	C – 1

Legend: 1H –1st Half (January 1 to June 15, 2023)
2H – 2nd Half (June 15 to December 31, 2023)

1 Mr. Charles A. Garcia was elected as Member of the FinCom from June 16, 2022 until June 15, 2023
2 Mr. Charles A. Garcia was elected as Member of the RSCom on June 15, 2023
3 Mr. Charles A. Garcia was elected as Member of the RSCom on June 15, 2023
4 Mr. Francis Damasus A. Garcia was elected as member of the FinCom on June 15, 2023
5 Mr. Gil A. Garcia II was elected as Director from June 16, 2022 until June 15, 2023
6 Mr. Laurence R. Rogero was appointed as Independent Director o`n June 15, 2023 Annual Stockholders' Meeting of the Company
7 Mr. Laurence R. Rogero was elected as Chairman of the FinCom on June 15, 2023
8 Mr. Laurence R. Rogero was elected as Chairman of the RSCom on June 15, 2023
9 Mr. Jose Carlitos G. Cruz was elected as Chairman of the FinCom from June 16, 2022 until June 15, 2023
10 Mr. Carmelo Maria L. Bautista was elected as Member of the FinCom from June 16, 2022 until June 15, 2023
11 Mr. Jose M. Layug, Jr. was elected as Chairman of the RSCom from June 16, 2022 until June 15, 2023
12 Mr. Jose M. Layug, Jr. was elected as Chairman of the CGCom on June 15, 2023
13 Mr. Joseph L. Sullivan was elected as Independent Director from June 16, 2022 until June 15, 2023

Board Committees

The Board Committees were established to optimize the Board's efficacy in fulfilling its responsibilities. Each Board committee possesses an officially ratified charter, accessible via the Company's website. Each charter delineates the purpose, memberships, structures, operations, reporting processes, resources, and other pertinent details.

The ensuing section outlines the pivotal functions, composition, and notable initiatives undertaken in 2023 to effectively and efficiently discharge its functions.

Board Committee	Key Function	Composition	Initiatives
Executive	• Has the authority to exercise the powers and perform the duties of the Board within the powers granted to them. • Convenes when the Board is not in session	Seven (7) members	Reviewed and endorsed for the Board's approval various transactions and initiatives by Management in 2023
Finance	• To assist the Board in fulfilling its oversight responsibility relating to financial governance, except for financial reporting. • Oversees the formulation and implementation of Vivant's financial policy and strategy, including capital structure, dividend policy, treasury policies and activities, and capital allocation decisions that may be brought to the Board for approval.	Per charter, at least three (3) members as appointed by the Board. The current composition at four (4) members with two (2) independent directors, including the Chairman	• Reviewed and endorsed for approval by the Board project economics of its investments in 2023 • Reviewed and endorsed for the Board's approval corporate budgets, financing requirements of business units, and dividend declaration
Audit	• To assist 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.	Per charter, at least five (5) directors, at least three (3) of whom, including the Chairman, shall be independent. The current composition is at five (5) members with three (3) independent directors including the Chairman	• Reviewed and endorsed for the Board's approval the 2022 audited financial statements and the quarterly unaudited financial statements of 2023 • Examined and endorsed the 2023 audit plan, including noteworthy findings of the external auditor • Evaluated and approved the scope and parameters of non-audit services provided by the non-assurance groups of the external audit firm • Assessed the performance of the external auditor and recommended to the Board the re-appointment of the external auditor

Board Committee	Key Function	Composition	Initiatives
Risk and Sustainability	• To assist the Board in fulfilling its oversight function relating to risk governance. • 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. • Oversees the development and establishment of a Sustainability Management Framework covering key areas of Environment, Social, and Governance for the Company and its subsidiaries • Reviews and discusses issues that materially affect and are of significant importance to the Company's stakeholders, and management thereof. • Reviews and discusses external developments that could affect enterprise sustainability and recommends changes to strategy, metrics, and targets when necessary • Ensures and monitors compliance with the SEC-approved reporting framework for the annual sustainability report of the Company • Reviews and endorses to the Board for approval the disclosures and report on sustainability performance in the annual sustainability report of the Company • Secures independent expert advice on sustainability matters where necessary • Performs other activities related to the foregoing functions	Per charter, so far as reasonably practicable, at least three (3) directors, majority of whom shall be independent directors, including the Chairman. Current composition is at four (4) members with two (2) independent directors including the Chairman.	• Deliberated on risk management policies, framework, and remediation plans in connection with proposed project investments • Reviewed the 2022 year-end Organizational Risk Management Plans (ORMP), heatmap and dashboards per business unit, discussed factors contributing to movements in top risks including mitigation measures and summaries of assurance activities • Reviewed the results of the 2022 Sustainability Survey and updated its 2023 Sustainability Goals • Discussed the 2023 risk landscape for the Company and the adequacy and effectiveness of risk management activities • Discussed the Company's Sustainability Framework and the results of its Materiality Survey which gave rise to the Material Topics for inclusion in its 2023 Integrated Report • Approved the adoption of Vivant's Risk Taxonomy and Risk Appetite Statements
Corporate Governance	• To assist the Board in fulfilling its oversight function relating to the implementation of corporate governance and compliance program • Determination of nomination and election process for Vivant's directors, and establishment of a remuneration policy for directors and officers	Per charter, at least three (3) directors, all of whom shall be independent The current composition is at three (3) members all of whom are independent directors	• Vetted and approved the list of nominees to the Board of Directors • Reviewed and discussed the disclosure topics for the 2022 Sustainability Report (this function was assumed and done by the Risk and Sustainability Committee for the 2023 report)
Related Party Transactions	• Assists the Board in reviewing all material related party transactions of Vivant	Per charter, at least three (3) non-executive directors, two (2) of whom shall be independent including the Chairman. The current composition is at four (4) members, with two (2) independent directors, including the Chairman	• Deliberated on and approved for endorsement to the Board, the provision of corporate guarantee for a subsidiary

Director Continuing Education

Every Director is expected to be knowledgeable of the concepts discussed and to contribute to the formulation of reasoned decisions by the Board. To achieve this objective, Vivant supports continual educational opportunities for its Directors. These opportunities involve participating in seminars, having access to relevant trade publications, and staying updated on regulatory developments. The aim is to equip Directors with the necessary information and insights to make informed and judicious decisions in the best interest of the organization.

Since 2022, the Company actively instituted supplementary learning and development (L&D) initiatives for its Directors including the periodic engagement of subject matter experts who conduct briefings on pivotal advancements within the energy, water infrastructure, and real estate industries, among others. Further, comprehensive learning sessions are regularly organized to give Directors opportunities to participate in plant tours. This approach aims to enhance their familiarity with plant operations and foster a deeper understanding of the intricacies of the Company's business operations.

In 2023, the Company engaged the Institute of Corporate Directors (ICD) to conduct an in-house Corporate Governance Training on topics which it deemed critical to its ESG goals. The training delved into the ***Importance of Corporate Culture***, strategies for ***Making Your Business Healthy Through Diverse and Inclusive Policies***, and the intricacies of ***Technology Governance: Third Party and Privacy Risks*** in the context of the Company's operations.

The active participation of both Management and the Board underscored the relevance of these topics to the Company's ongoing endeavors to formulate a comprehensive framework aimed at addressing and ensuring the sustainability of its operations. Through the insights gained from these training sessions, both Management and the Board seek to enhance the Company's commitment to maintaining best practices in corporate governance and promoting a resilient and ethically sound organizational culture.

Director's Compensation

Only NEDs and IDs are eligible to receive a per diem for every meeting and L&D session conducted by the Company. The current remuneration scheme involves a fixed meeting fee. Any special or follow-up meeting will use the same rate but adjusted accordingly based on the duration of the session. This remuneration structure is carried over from 2022.

Engagement	Chairman	Member
Board Meeting	Php 150,000.00	Php 100,000.00
Committee Meeting	Php 75,000.00	Php 50,000.00
In-house Training/Workshop	Php 75,000.00	Php 50,000.00
Strategic Planning	Php 150,000.00	Php 100,000.00

The Management

Our organizational framework is crafted to nurture leadership and excellence rooted in our corporate values and culture. Members of the Management team as of end-2023 are shown below:

OFFICERS[1]	POSITION
Arlo Angelo G. Sarmiento	Chief Executive Officer
Emil Andre M. Garcia	President and Energy Business Unit Head
Minuel Carmela N. Franco	Executive Vice President & Chief Corporate Officer | Group Chief Finance Officer | Treasurer | Chief Risk Officer | Corporate and Shared Services Business Unit Head
Jess Anthony N. Garcia	Sr. Vice President – Infrastructure Water Business Unit Head
Mark D. Habana[2]	Vice President
Maila G. de Castro[3]	Vice President – Legal | Assistant Corporate Secretary | Compliance Officer
Shem Jose W. Garcia	Sr. AVP - Corporate Communications
Catherine S. Bringas	Sr. AVP – Legal and Compliance | Corporate Secretary | Data Protection Officer
Ronnel Vergel E. De Leon	Sr. AVP – Treasury
Brigette Cecile N. Garcia	Sr. AVP – Corporate Planning
Carlos F. Bargamento, Jr.	AVP – Internal Audit | Chief Audit Executive

OFFICERS[1]	POSITION
Patrick Joel M. Cinco[4]	AVP – Risk and Sustainability
Dyan Ramona S. Olegario	AVP – Accounting
Debbie C. Arradaza	AVP – Treasury and Operations
Denise Mae D. Blanco	AVP – Human Resources
Nilo M. Arribas, Jr.	AVP – Information Technology | Chief Information Officer
Rhesel Joan R. Tampong	AVP - Corporate Planning
Myla D. Lumibao[5]	AVP – Internal Audit
Joan A. Baron	Assistant Corporate Secretary

1 Resignations in 2023 – (i) Al Douglas Villaos, Vice President; Seconded to Corenergy, Inc. as President and CEO; Resigned as of September 30, 2023; and (ii) Alvin R. Harilla, Vice President for Risk and Sustainability; Resigned as of March 3, 2023
2 Seconded to Vivant Energy as Chief Risk Officer and VP - Operations and Portfolio Management
3 As of February 20, 2023
4 As of June 27, 2023
5 As of December 4, 2023

The Chief Executive Officer (CEO) oversees the Company's strategic formulation and execution, ensuring that tactical strategies are aligned with the overarching corporate objectives that have been approved by the Board. The CEO is supported by the Management Committees (Mancom) of Vivant's Strategic Business Units (SBUs) – Energy, Water, and Corporate and Shared Services. Business and financial performance, strategic initiatives, resource allocation, operational efficiencies, risks, and remediation measures, alongside pertinent updates on the operational issues and industry trends, among others, are discussed at the Mancom level. Exhaustive discussions take place to arrive at management recommendations that have been thoroughly vetted at various levels before elevating the same to the Board Committees and the Board.

The following chartered sub-committees have been established to date:

- The **Management Finance Committee (the Management Fincom)**, chaired by the Group Chief Finance Officer (CFO), functions as the recommending body tasked with formulating and implementing Vivant's financial policies and strategies. Enterprise-wide proposals are brought to the Board Finance Committee and the Board for approval. The committee also diligently reviews financial reports before presentation to the Board, as well as its Finance and Audit committees. In 2023, Management Fincom conducted a comprehensive evaluation of various investment projects within the Energy and Water SBUs. This assessment was complemented by an analysis of the group's financial position and debt financing requirements vis-à-vis its growth initiatives. Following a rigorous evaluation, these projects were elevated to the Board Finance Committee.

- The **Management Risk Committee (the Management Riskcom)**, chaired by the Chief Risk Officer (CRO), serves as a recommending body to the Risk and Sustainability Committee and the Board on risk management and sustainability development. Risk assessment, management, and remediation are the responsibility of Management and this committee is instrumental in formulating and implementing the Company's overall risk management and sustainability policies and strategies, reviewing enterprise, project, and investment risks, and ensuring adherence to the risk management framework approved by the Board. In 2023, the Management Riskcom conducted a comprehensive review of the group's Risk Management Plans, heatmaps and dashboards on a per business unit level, discussed factors contributing to movements in top risks and summaries of assurance activities, and endorsed to the Board the adoption of a revised Risk Taxonomy and Risk Appetite Statements for the Company.

VIVANT

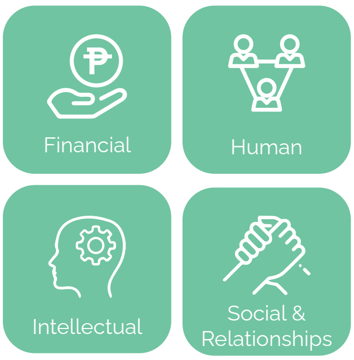
Value Creation

Value Creation

Strategy

The foundation of Vivant's planning and strategic direction is built on its commitment to achieve business sustainability and resilience. Central to this approach is the comprehensive understanding of the Company's stakeholders, their interests, and concerns. In 2023, the Company established a sustainability framework to articulate its objectives in addressing the dynamic needs of various stakeholder groups with creation of shared value as the overarching objective.

At the core of the Company's value creation strategy is its commitment to be a reliable partner renowned for excellence across the energy and water infrastructure sectors. Through strategic planning and effective resource management in financial, human, intellectual and social capital, the Company is equipped to pursue its medium and long-term goals, thereby creating sustainable value for its stakeholders.

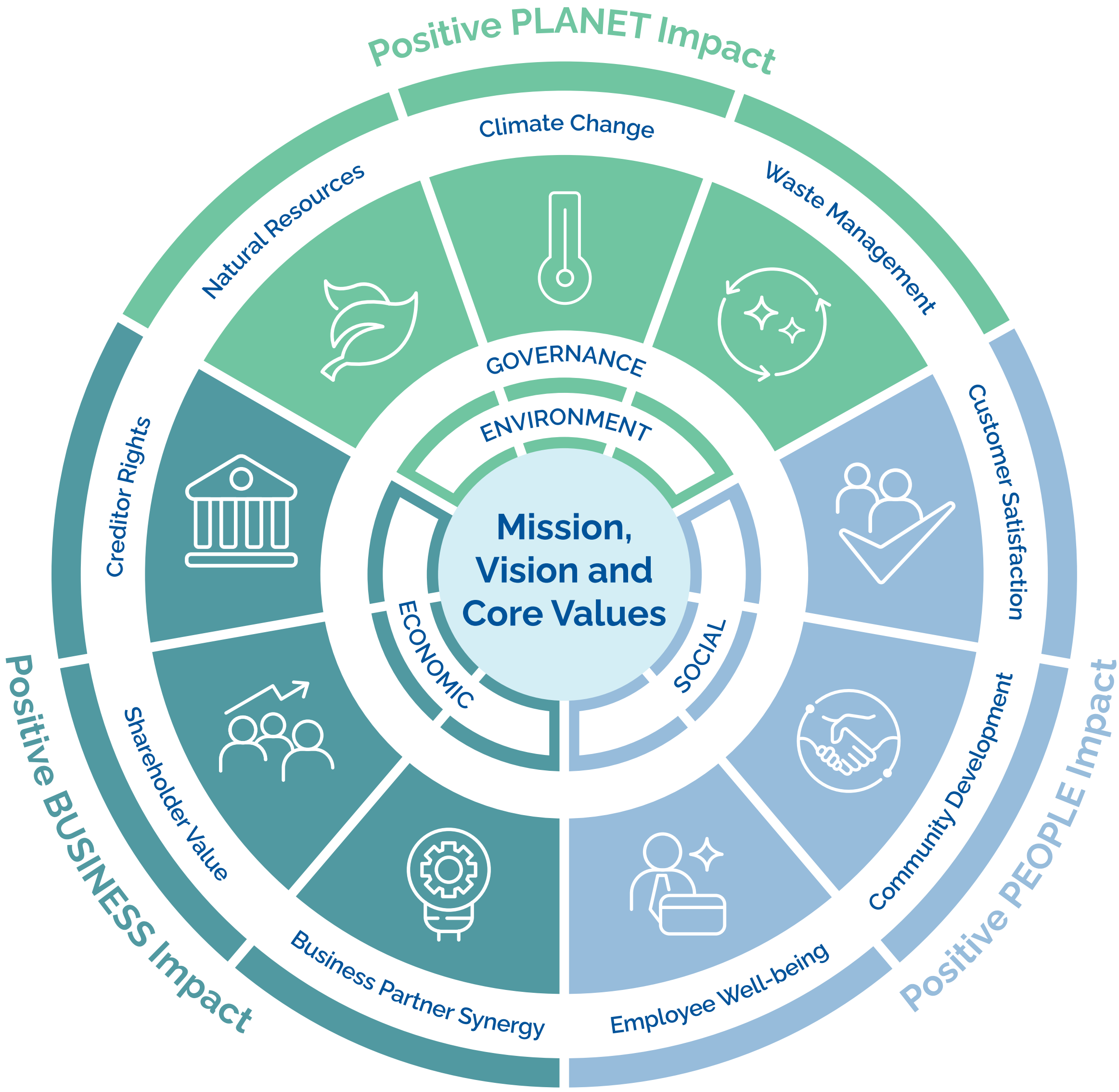
Capitals	How Value Is Created	
	Financial Strategies • Strategic business planning and development • Capital allocation and portfolio management • Balance sheet management	Non-Financial Strategies • Human resources development and management • Corporate governance • Risk management • Stakeholder management

Financial Strategies

• Strategic Business Planning and Development

Given the myriad of complexities in 2023, Vivant recognized the need to enhance its overall strategic planning process. The year began with the formulation of a sustainability framework, geared towards fostering strategic alignment to facilitate cohesive growth and foster shared value creation among its stakeholders. The Company's sustainability framework highlights three important deliverables: **Positive Planet Impact, Positive People Impact, and Positive Business Impact**. These encapsulate the Company's commitment to continuously uphold responsible business practices as it pursues enduring business resilience.

Vivant's Sustainability Framework



Corollary to this, Vivant refined its planning process by introducing risk-based strategic tools integrating risk considerations across the entire planning spectrum. Refer to section on ***Risk Management*** for further details.

The process of planning and defining strategic objectives is highly reliant on the availability of crucial and pertinent information. Vivant, through its Corporate Planning and Business Development teams, continues to stay abreast with market and industry developments. External consultants provided market and industry briefings on key segments within the energy and water infrastructure sectors. The Risk and Sustainability department facilitated a comprehensive assessment of the risk landscape with consideration of local and international factors. That set the operational context for the Company in 2023 and beyond.

Equipped with all these factors, together with a detailed assessment of the group's current portfolio, Vivant's Management team organized a series of planning sessions to evaluate and identify growth opportunities in the energy and water infrastructure sectors. Existing resources were assessed to pinpoint potential gaps or obstacles that could prevent the Company from achieving its business objectives.

The management planning sessions resulted to a set of recommendations that were presented to the Board during the annual strategic planning conference. Each proposed initiative was carefully evaluated to ensure its alignment with the Company's mission and vision. Following a series of detailed discussions and consultations, the Board approved Vivant's strategy map outlining the key initiatives of each SBU in the short, medium, and long-term investment horizons.

- **Capital Allocation and Portfolio Management**

Vivant applies a capital allocation and prioritization framework to optimize the distribution of financial resources, directing them towards projects that satisfy the Company's strategic goals, encompassing both financial and non-financial criteria.

All projects and other investment opportunities undergo the Company's investment gating process. A thorough evaluation is performed to ensure consistency with the Company's broader strategic road map. The process begins with an internal assessment conducted by a project team composed of various departments within Vivant (Finance, Legal and Risk) and the relevant business unit (Business Development, Subsidiary Monitoring, Industry Affairs and Regulatory, Technical Operations). The results of the assessment, which include project economics, risk profile and mitigation plans, are elevated for gating to the Management committees. Upon determination of feasibility, identified projects are then endorsed to the relevant Board committees for proper vetting before any presentation is made to the Board.

Fundamental to Vivant's business model is its investment monitoring, an exercise that involves the periodic performance review of each investment against set targets. This initiative facilitates discussion for potential investment decisions, including whether to maintain, augment, decrease or divest from an investment. Recycling of capital is a strategic initiative that will enable the Company to enhance the overall performance of its investment portfolio as it redeploys capital to better performing assets.

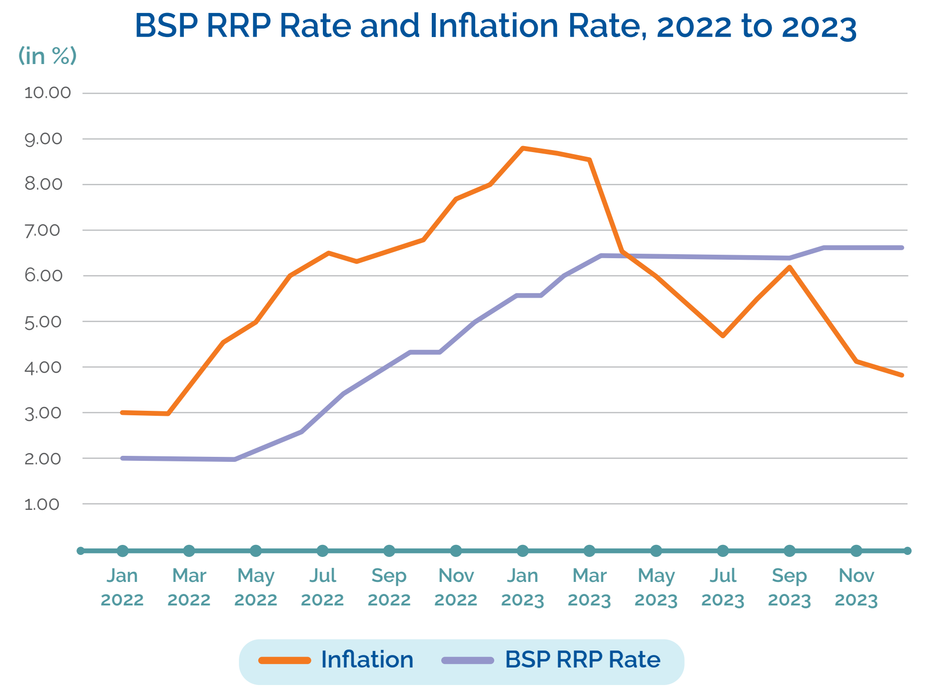
Vivant, as an investment holding company, extends shared services to its SBUs that include finance, legal, HR, IT, administration, risk and corporate communications. The Company continues to review its strategic architecture to ensure cost synergies and operational efficiencies are enhanced and maintained.

In 2023, Vivant revisited its financial criteria and evaluated the Company's Weighted Average Cost of Capital (WACC) along with investment hurdle rates to ensure that its financial metrics accurately represent the evolving market conditions and meet shareholders' expectations.

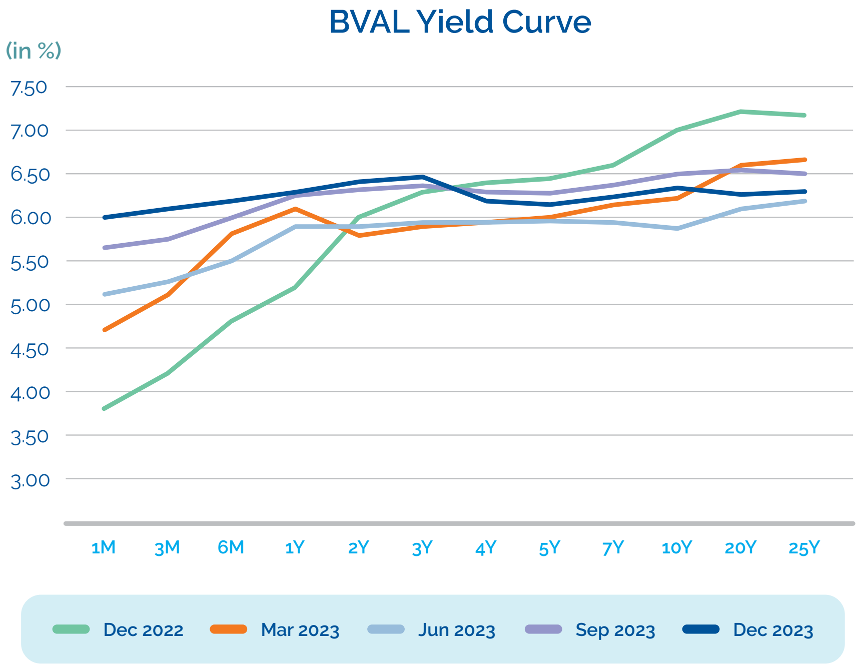
- ### Balance Sheet Management

Within its annual strategic planning process, Vivant's Board and the Management team conduct an assessment of its financial resources to determine its capacity to finance its ongoing operations and future growth. The Company, through its finance committees at Management and Board levels, continuously evaluates its capital structure, establishing internal debt capacity thresholds that reflect its current level of risk appetite.

Prevailing macroeconomic conditions guide Vivant's management of its balance sheet. In 2023, inflationary pressures prompted the local central bank to raise rates to curb the surge. Starting from a peak of 8.7% in January, the headline CPI gradually eased to a more manageable 3.9% by the end of the year.



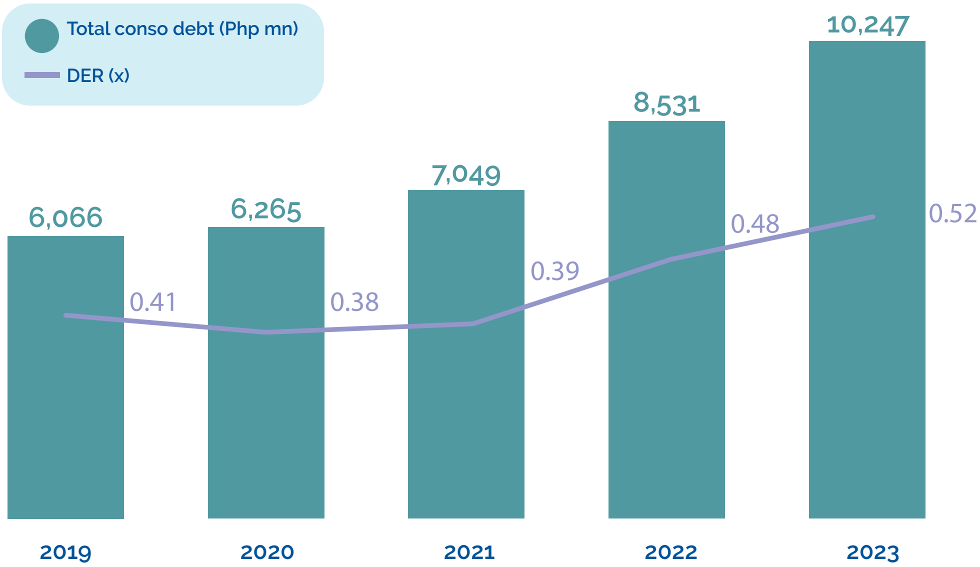
The Bangko Sentral ng Pilipinas' (BSP) benchmark policy rate rose by a total of 100 basis points in 2023, reaching 6.5% by year-end. This increase notably impacted the short end of the rate curve, with short-term Philippine Bloomberg Valuation (BVAL) rates rising by approximately 100 basis points on average. However, by the end of 2023, an improved market outlook and reduced cost pressures worked to flatten the curve.



Given this macroeconomic backdrop, Vivant continued to exercise prudence in its handling of liabilities. The Company explored different loan repricing structures to give the group flexibility in repricing or refinancing once interest rates begin to ease. Active cash flow monitoring and liquidity management were instrumental in reducing interest expense and negative carry, thereby improving the Company's profitability.

In 2023, the Energy SBU ventured into the term loan market for the first time. Vivant Energy secured a total of Php 6.25 bn in term loan facilities, intended to partially finance investments in both greenfield and brownfield energy generation projects. Correspondingly, Corenergy, Inc., a subsidiary, undertook its maiden long-term borrowing in 2023 by acquiring a Php 350 mn 15-year term loan facility to finance solar rooftop projects for its industrial and commercial customers.

Despite a 20% increase in total consolidated liabilities at year-end, the Company sustains a healthy debt-to-equity ratio of 0.52x, offering ample flexibility to further leverage and support the group's investment initiatives. Vivant continues to monitor the capital markets and study the available financing options to support its future growth plans.



Non-Financial Strategies

• Human Resources (HR) Development and Management

Vivant launched its Employee Value Proposition (EVP) in 2023, outlining the Company's commitment to its current and future workforce. Acknowledging employees as its greatest asset, Vivant shall utilize the EVP as the central framework for its initiatives in people development. Rooted in a culture of excellence, collaboration, and integrity, Vivant has adopted strategies geared towards enhancing the overall well-being of its employees. These strategies aim to promote and facilitate growth opportunities, and encourage work-life balance.

The formulation of the EVP was at the back of a ***Great Place to Work*** certification that was obtained in January 2023 from a US-based global authority on workplace culture. Insights shared by Vivant Bais enabled the Company to identify and validate areas for improvement, seeking to enhance the overall employee experience.

Staying updated on best practices in people management is vital to Vivant's competitiveness in the workforce market. The Company engages third-party consultants with expertise in the HR industry. Moreover, key representatives are sent to participate in relevant training sessions and conferences to acquire and update knowledge about the latest industry trends.

Further discussions on 2023 initiatives can be found in ***Vivant's Sustainability Journey: SOCIAL***.

• Corporate Governance

Guided by its core value of Honor and principles of Integrity, Fairness, and Trustworthiness, Vivant remains committed to improve its governance processes. The Management routinely reviews practices for sustainable value creation for its stakeholders as mandated by its Board. The Company continues to benchmark its performance against the corporate governance best practices as defined in the ASEAN Corporate Governance Scorecard. Initiatives, which include review and formulation of policies, were implemented following a roadmap that was developed by the Company.

In 2023, the Company engaged a consultant to review its strategic architecture, addressing cost efficiencies, operational effectiveness, risk management, and control systems. The result was a roadmap for governance enhancements aligned with Vivant's strategic aims.

Further discussion on governance can be found in the ***Vivant's Leadership and Governance*** and ***Vivant's Sustainability Journey: GOVERNANCE***.

• Risk Management

With the Company's strategic course in mind and amidst evolving risk dynamics locally and globally, Vivant launched multiple initiatives in 2023 aimed to strengthen its risk management processes.

With the assistance of an external consultant, Vivant conducted an assessment of its existing processes to gauge its risk maturity level. Based on a four-level framework, it was established that the Company operates at the Intermediate level. Subsequent to completing the baseline assessment, Vivant dedicated efforts to enhance procedures, aiming to further embed risk management within its processes and improve decision-making effectiveness. Moreover, actions were taken to develop new and streamline existing risk management tools (e.g., risk appetite statements, risk taxonomy, risk assessment criteria) to ensure their alignment with the Company's needs with consideration to the following:

- Evolving business environment
- Emerging risks
- Adaptation to internal changes

1 Beginner
- Risk as control/compliance
- Limited risk ownership
- Basic risk framework
- Risks not embedded in business process
- Limited risk culture (e.g. limited risk awareness)

2 Intermediate
- Risk as function to support business in risk management
- 3 LoD for risks established
- Basic risk framework
- Risk procedures established along the EP value chain
- Growing risk culture

3 Advanced
- Clear risk vision with appetite statements
- Risk as function focusing on early warning and overall risk management,
- Optimized risk framework
- Risks managed by the business
- Risk procedures established along the value chain
- Good risk culture

4 Champions
- Risk fully embedded in decision making
- Risk focusing on early warning and strategic risk identification
- Risks fully managed by the business
- Strong risk culture across the company

As part of the planning process, risks were harmonized with Vivant's defined strategic objectives for the year. The following table provides an overview of the top risks confronting Vivant and its SBUs in relation to their 2023 goals and objectives, along with brief descriptions of the mitigating actions implemented.

Risk	2023 Situationer	Potential Impact	Action Plan	Rating Beg / End
Regulatory	Review of existing regulations brought about by public clamor on lower power costs New regulations relating to climate / environmental issues Strict enforcement of environment-related regulations Change in / uncertain implementation of regulations	Non-compliance may result to financial (e.g. fines/penalties, higher costs) and non-financial (e.g. suspension of operations, license revocation) penalties Delays in the issuance of permits and licenses by government agencies New regulations affecting project viability Financial losses due to tariff reduction or PSA disapproval	Close monitoring of regulatory changes and analysis of possible impact to business Maintain and develop relationships with key regulatory personnel Active participation in industry organizations	Extreme / Extreme No change
Heightened Market Competition	Rapidly changing industry Change in regulation and public policy Changing consumer preferences Geopolitical factors Economic trends	Inaccurate financial model Limited or incomplete due diligence Misallocation of resources Opportunity loss due to uncompetitive bid/pricing Unmet investment objectives, lower profit margins	Engagement of consultants to increase capacity Benchmarking against similar transactions Peer review / conduct of various valuation methodologies	Extreme / High Risk re-assessment resulted to reduced Likelihood as of end-2023
Talent	Inadequate manpower due to: • Competition over limited talent pool • Attrition • Poaching • Delay in hiring • Inability to attract the right talent Weak culture or limited culture initiatives Lack or limited technical skills	Disengaged, unproductive, dissatisfied employees. Employee burnout. Poor/unpleasant employee experience. Increase in undesired turnover/attrition Unmet career development objectives Unmet corporate goals	Regular team catch-ups and conduct of engagement and L&D initiatives Improve talent management initiatives through periodic performance discussions (informal and formal) Review and updating of recruitment and onboarding initiatives Pulse check, conduct of employee survey Develop Employee Value Proposition Strengthen One Vivant culture initiatives	Extreme / High Reduced Likelihood due to compben enhancements and improved fill rate
Reputation Risk	Increased visibility in the public sphere due to energy and water projects	Increased public scrutiny Political exposure Controversies leading to reputational issues affecting future projects Negative publicity / perception	Strengthen stakeholder relationships Build a strong brand image Establish and maintain good relations with media partners	High / High No change
Increasing Market Volatility	Change in market conditions	Uncertainty in future costs and revenues Operational challenges Price wars potentially resulting to lower profit margins and financial instability	Strengthen market monitoring and analysis Proactive risk management to continuously monitor and react to changing market conditions.	High / High Risk re-assessment resulted to reduced Likelihood but increased Impact (due to increased traded capacity as of end-2023)
Project financing	Lenders' conservative stance could result to shorter tenors Change in lenders' appetite due to new ESG-driven regulations / policies Business environment risks	Missed investment opportunities Low project returns due to inefficient project capitalization Refinancing risk	Ongoing market monitoring Regular discussions with partner banks Explore and evaluate other financing options	High / High Due to the growing and dynamic project pipeline, rating was maintained despite the financing obtained for the energy unit.

Extreme, score of 20-25 High, score of 15-16

Extreme weather events have been ranking high at the global risk studies. A survey by the World Economic Forum, which considered short, medium, and long-term horizons, identified climate-related risks that consistently ranked high across the time periods. This underscores the importance of integrating climate considerations into the Company's strategic goal setting and review processes.

Vivant awaits the finalization of the guidelines on the local adoption of the reporting standards issued by the International Sustainability Standards Board (ISSB). In June 2023, IFRS S1 and IFRS S2 were issued by the ISSB. The Philippine Sustainability Reporting Committee has endorsed both to the Philippine Financial and Sustainability Reporting Standards Council (PFRSC) for its review and approval. Once PFRSC signs off, the SEC shall release the guidelines, which shall be for implementation for the performance year 2024.

In the meantime, Vivant has initiated a Natural Calamity (NatCat) study across fifteen (15) operational sites within the group. The NatCat model study enabled a quantitative and data-driven assessment of the potential repercussions of distinct catastrophic events. The primary goal of this initiative is to assist the Company in quantifying the effects of climate risk and potentially enhancing risk management solutions to mitigate adverse consequences. Presently, risk mitigation tools primarily focus on managing impacts and ensuring business continuity.

Further discussion on risk management can be found in ***Vivant's Sustainability Journey: GOVERNANCE***.

• Stakeholder Management

Vivant conducted a survey in 2023, with representatives from different stakeholder groups participating to provide insights into their priorities and concerns. This survey facilitated the alignment of the Company's strategies with stakeholder interests, consistent with its sustainability framework's goal of promoting fair and inclusive value creation.

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	**2023 Concerns and Our Response**

• Annual stockholders meeting (virtual)
• Quarterly disclosures on earnings performance
• PSE Edge disclosures
• SEC reports – 17A, 20-IS (Information Statement)
• Sustainability report (with Contact Us details)
	• Impact of macro forces, both local and international, to operating and financial performance
	  • Close monitoring of market developments to determine potential impact to operations and projects, both ongoing and for development
	  • Prudent fiscal management policies implemented
	• Climate-related risks and impact to operations
	  • Conduct of Natural Catastrophe study to determine potential financial impact and viability of securing risk cover
	• Impact of operations to environment, i.e. carbon footprint
	  • To grow renewable portfolio to 30% by 2030
	  • Regular conduct of preventive maintenance
	• Business sustainability, strategy execution and capital allocation
	  • Development of sustainability framework
	  • Updates are provided during the ASM. Material developments are timely disclosed in the PSE, through SEC 17-C, 17-Q and 17-A (including the Sustainability Report)
	• Corporate governance and succession
	  • Conduct of organization and process review
	  • Benchmarking exercise with 'best in class' corporations
	  • Key talent review and succession planning

Our Business Partners (Including joint venture partners, suppliers, and contractors)

Key Strategy: Develop and maintain relationship through fair, transparent and professional dealings	
Engagement Channels and Regular Initiatives	**2023 Concerns and Our Response**

• Regular meetings (Board, Management, Executive levels)*
• Strategic planning sessions*
• Project team/committee meetings*
• Informal dialogues / meetings
• Company disclosures to the PSE/SEC
• Company website
• Press release
	• Management and governance
	  • Focused on provision of timely and relevant information
	  • Maintained open communication channels
	  • Maintained professionalism and work ethics
	• Financial position and performance given challenging macro forces
	  • Continued support from various units within the Vivant group (including Corporate and Shared Services) to optimize operating and financial performance
	  • Prudent fiscal management to ensure timely settlement of payables
	  • Improved disbursement platforms

*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	**2023 Concerns and Our Response**	

• Information cascade through emails and messaging apps
• Townhalls, small group huddles (e.g. Chat and Brew, Manager Huddles, Kitakits)
• 1-on-1 performance discussion between employee and direct report
• Employee surveys / pulse checks
• Engagement activities
	• Compensation and benefits, improvements Wdue to higher cost of living
	  • Conduct of benchmarking study
	  • Review of salary structure
	  • Merit increase and salary adjustments
	• Corporate's environment and social footprint
	  • Cascade of updates on ESG-related initiatives
	  • Corporate green initiatives
	  • Employee-led cause-oriented initiatives
	• Career path and growth, equal opportunity
	  • Implementation of learning programs
	  • Update and issuance of policies
		• Working conditions
		  • Hybrid work set up, with continued remote work subsidy
		  • Office and work station management app
		  • OSH training
		  • Review/update and issuance of policies
		• Manpower-related issues
		  • Design and conduct of activities to improve camaraderie within and across teams
		  • Review/update and issuance of policies
		• Health and wellness
		  • Pilot program for performance coaching and wellness program
		  • Review/update and issuance of policies
		  • Increased engagement activities
		  • Provision of flu vaccines

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	**2023 Concerns and Our Response**

• Regular meetings
• Plant visits
• Written (formal and email) correspondences
• Company disclosures to the PSE/SEC
• Company website
• Bank briefing
• Virtual ASM
	• Project financing
	  • Regular updates on projects in the pipeline during meetings
	  • Issuance of Requests for Proposals
	• Impact of transition risk to portfolio
	  • Communicated strategic plans to develop renewable portfolio
	  • Explained role of and need for traditional generation facilities, i.e. grid security for the main grids and energy security for island grids.
	• Balance sheet and debt servicing capacity
	  • Regular internal monitoring of debt covenants
	  • Timely discussion on relevant updates, if any
	• Creditor's rights
	  • Issuance of Policy on Safeguarding Creditor Protection

Our Customers*

Key Strategy: Understand customer concerns, particularly in the areas of product availability, reliability, quality and affordability	
Engagement Channels and Regular Initiatives	**2023 Concerns and Our Response**

• On the ground monitoring by Industry Affairs and Business Development groups
• Engagement with local government units
• Meetings with customers, existing and potential
• Website and customer portal (Corenergy)
	• Impact to profitability of high inflation environment
	  • Design of rate structure
	  • Leverage on supplier/vendor relationship to secure favorable input pricing
	• Project completion
	  • Regular project coordination meetings (internal)
	  • Regular project updates with the customer
	• Plant availability and outages
	  • Conduct of regular maintenance
	• Impact of regulatory changes to customer requirements, e.g. impact of Renewable Portfolio Standards in SPUG areas
	  • Coordination between Industry Affairs and Business Development to determine right product offering

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

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	**2023 Concerns and Our Response**

• Direct engagements with communities and concerned LGU/NGO/government agency
• Focus group discussions, public consultations, hearings
• Corporate Social Responsibility initiatives
	• Livelihood and employment generation
	  • Conduct of livelihood training programs
	• Access to good education
	  • Initiatives to improve school facilities, e.g. Brigada Eskwela, upgrading of electrical wiring system
	  • Solar electrification via equipment donation, upgrade of facilities
	  • Continued scholarship program
	  • Donation of assorted STEM equipment and supplies to served communities
	• Environmental impacts of projects
	  • Green initiatives in served communities, e.g. mangrove planting, coastal clean up, bike repair stations

Government Agencies and Regulators

Key Strategy: Develop and maintain good relations by keeping open communication lines		
Engagement Channels and Regular Initiatives	**2023 Concerns and Our Response**	

• Meetings with relevant government agencies
• Roundtable discussions, public consultations and conferences
• Submission of structured reports
	• Compliance with laws and regulations
	  ◦ Conduct of regular updates on new or updated regulations
	  ◦ Inclusion in annual corporate governance training, if applicable
	  ◦ Updating or issuance of company policies
	• Completeness, accuracy and protection of data
	  ◦ Periodic review of financial data and reports
	  ◦ Review of processes, coordination of timelines
	  ◦ Review and upgrade of security measures
	  ◦ Updating or issuance of company policies, if applicable
		• New policies
		  ◦ Participation in policy dialogues and reviews
		  ◦ Through industry organizations, submission of position papers on proposed policy reforms
		  ◦ Updating or issuance of company policies, if applicable

Other Stakeholders

Key Strategy: Utilize and maximize various media channels to improve reach while maintaining data accuracy	
Engagement Channels and Regular Initiatives	**2023 Concerns and Our Response**

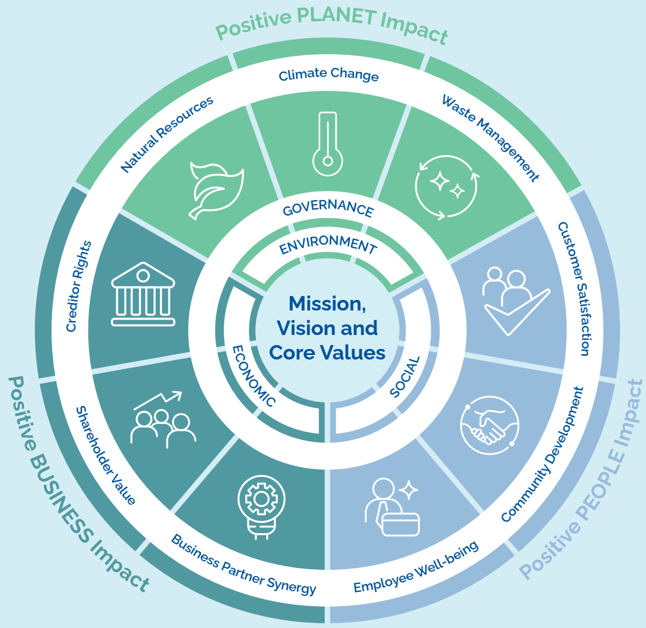
• Direct engagements – 1-on-1 meetings, email c orrespondences or phone calls
• Virtual ASM
• Media briefings
• Company website and social media
• Company disclosures to the PSE/SEC
	• Company developments, financial performance
	  ◦ Prepared statements aligned with company disclosures made to ensure accuracy of information
	• Change in industry regulations and impact to operations
	  ◦ Updates provided during media briefing and/or through Corporate Communications' use of internal media channels
	• Initiatives to address environmental issues
	  ◦ Updates provided during media briefing and/or through Corporate Communications' use of internal media channels

Value Created

Resources used in 2023	How resources were managed in 2023		Value Created in 2023
Vivant continued to develop and maximize available resources to execute its strategies to deliver and create value for its stakeholders.	**Against a backdrop of macro challenges in 2023, both at the local and international fronts, Vivant employed financial and non-financial strategies that allowed it to generate value out of the available resources during the year.**		**The management of resources allowed Vivant to deliver value to our stakeholders despite the challenges faced during the year.**
Financial capital • Healthy financial position • Portfolio mix provides steady operating cash flows • Available credit facilities • Access to capital markets • Established financial and credit track record	Continued to employ the Horizon Model (adopted in 2022) and executed strategies accordingly through the following activities. • Business development • Capital allocation • Portfolio management • Balance sheet management Projects identified and vetted by the Business Development of the Energy and Water SBUs were gated through Management committees, which resulted to the evaluation and endorsement of several projects to the Board Committee and Board levels.	Review and updating of existing policies to adopt best governance practices (result of benchmarking). Business process reviews were conducted to enhance efficiencies.	• Robust earnings growth in 2023 with consolidated net income attributable to parent (NI) expanding by 43% YoY at Php 2.3 bn, while Core NI rising by 24% YoY to Php 1.9 bn • Return on Equity of 13% • Total infusions amounted to Php 2.1 bn to bankroll power and water infrastructure projects • Maiden debt issuance of energy subsidiary with total available facilities amounting to Php 6.25 bn • Over Php 11 bn net increase in available credit facilities for the Vivant group (regular and special)
Human and intellectual capital • Collective experience and knowledge on the power industry • Dynamic, agile and engaged workforce • Developed and acquired skills and talent • One Vivant culture backed by core competencies	Periodic review of operating and financial performance, capital requirements of subsidiaries and associates. Employed strategic HR management initiatives designed to improve employee experience and engagement. Continued to enhance L&D with the launch of several programs, including a pilot program for coaching and wellness.	Comprehensive review of existing practices and tools used. Collaborative workshops involving cross-functional teams were facilitated in 2023 to further enhance risk management practices. Periodic review of enterprise and project risk management plans.	Diverse, capable and engaged workforce of over 400 across Vivant, its wholly owned subsidiaries and other managed corporates • Reinforced talent development for both hard and soft skills • Growing roster of future leaders across the business units • Improved overall wellness supported by enhanced programs and more inclusive benefits and policies
Social capital • Well established stakeholder relationships • Enhanced corporate governance and stakeholder management practices • Vivant brand hinged on core values of Honor, Relationships and Excellence		Established, developed and maintained relationships with stakeholders, both internal and external. Availability of open communication channels is key to improving transparency and improved collaboration.	Vivant maintained its good reputation of being a reliable and trusted partner • Second year to be recognized and awarded in the ASEAN Corporate Governance Scorecard awards • Sustained good working relations with existing business partners and exploratory works on potential partnerships and other business collaborations • Established relations with both the public and private sectors in addressing needs of local communities

Sustainability Journey

Sustainability Journey



At the core of Vivant's guiding principles lies the pursuit of excellence in industries that enrich daily life. Grounded in its mission, guided by its vision, and anchored by its core values, the Company stays resolute in its pursuit of a sustainable future, acknowledging and fulfilling its responsibility to stakeholders.

Vivant is committed to fostering business longevity and significance while prioritizing three fundamental objectives: **Positive Planet Impact. Positive People Impact. Positive Business Impact.** These encapsulate Vivant's dedication to fulfilling the needs of its stakeholders while upholding responsible business practices.

Vivant, through its businesses and initiatives, supports and contributes to eleven (11) out of the seventeen (17) interlinked Sustainable Development Goals (SDGs) of the United Nations. Presented here is a discussion on the sustainability pillars, detailing the Company's contributions to pertinent SDGs and the outcomes of initiatives aligned with its sustainability commitments in 2023.

Environment

Climate Action

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

Mindful Resource Use

Mastering Change Agility

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

Vivant acknowledges its impact on the planet, both through its investments and its operations as a company. The Company takes responsibility and initiative to counter and manage its impact on the environment by incorporating sustainability in its operations with emphasis on the core competencies of ***Doing Right Things Right*** and ***Mindful Resource Use***.

At the onset of 2023, Vivant and its SBUs pledged to take proactive measures in tackling climate change, prioritizing responsible consumption, sustainable investment portfolio, waste management, and biodiversity conservation.

2023 Highlights

	Corporate	Water	Energy
Responsible consumption	• Continued implementation of mindful resource consumption with the promotion of sustainable practices		
Investment portfolio to support a sustainable future – clean energy, safe and clean water		• 61% completion of 20 MLD seawater desalination plant in Cebu • 806.6 ML treated water (septage and sewage) in Puerto Princesa	• 6 GWh of solar energy generated • Acquisition of a 22-MW solar project in Bulacan (Jan 2023) • JV for a 206-MW wind power project in Visayas
Waste management	• Waste segregation and recycling initiatives		
Biodiversity protection	• Planting of 2,000 Mangrove propagules in Cebu, with 80% survival rate		• Over 3,000 seedlings planted by operating units
	• Coastal clean-up in Cebu and Manila, collecting ~430 kg of waste • Through the Vivant Foundation, entered into an agreement for a forest rehabilitation and management project involving a 10-hectare property in Cebu. Engaged a local university to conduct an ecological assessment.	• Coastal clean-up in Cordova, Cebu	• Coastal clean-up in Bantayan, collecting 1,386 tons of waste

Supported UN SDGs

Indicators / Material Disclosures

- Energy consumption
- Water usage
- Emissions
- Waste management

Through its Green Office Policy, Vivant continued to encourage sustainable practices to reduce the Company's environmental impact through efficient use of resources (i.e. electricity, water) and improved waste management (i.e. waste segregation and recycling). In addition, efforts were made during the year to establish baselines for initiatives like reducing paper consumption, alongside the exploration of strategies for effectively managing e-waste.

Vivant's voluntary Green Club, the EcoBais, took charge of multiple initiatives at the corporate level and encouraged and monitored activities within the operating units.

- In collaboration with wholly owned subsidiary IMCC, a Mangrove Planting initiative was done in Purok Bakhaw, Brgy Cotcot, Liloan, Cebu. A total of 2,000 propagules were planted in June 2023. An 80% success rate was achieved based on a site visit conducted in September 2023.
- Energy operating units planted over 3,000 seedlings in their respective locations
- In celebration of the International Coastal Clean-up Day, a simultaneous coastal clean-up was done in September 2023. Areas included Cordova (Cebu), Il Corso (Cebu), Bantayan (Cebu) and Baseco Beach (Manila).

A notable project currently underway is the Company's forest rehabilitation and management project. Vivant, through its corporate foundation, is collaborating on a joint project involving a 10-hectare property in Cebu. The Company plans to rehabilitate, develop, and maintain this property into a thriving and sustainable landscape through ecological regeneration processes. In 2023, Vivant partnered with the Biology Department of the University of San Carlos to conduct an ecological assessment of the property, examining the state of its current flora and fauna. The findings from this assessment will be instrumental in formulating rehabilitation and management plans for the property.

Vivant continues its pursuit of growth and remains committed to advancing and enhancing the sustainability of its investment portfolio. The current and future activities of its energy and water SBUs are aligned with this initiative.

Mangrove forests provide a wealth of benefits for people and nature.

- Nursery for fish, crabs, and other marine wildlife
- Filter for sediments, protecting coral reefs
- Habitat for birds, bees, snakes, and other terrestrial fauna
- Protect lives and property from storm surge and flooding
- Prevent erosion and stabilize coasts
- Support local fisheries, tourism, traditional medicine, and crafts

Additionally, mangroves store 7.5–10 times more carbon per acre than tropical forests, and their loss contributes to 10% of global greenhouse gas emissions from deforestation.

Around the world, over 21 gigatons of carbon are held by mangroves and 87% of that is in the soil beneath the mangroves' roots.

Source: WWF

Through its Energy SBU, the Company is committed to making a significant and responsible contribution to the nation's energy transition journey. Recognizing the necessity of grid stability and security, the Company plans to retain its traditional generation assets portfolio, which remains effective in meeting these requirements. Increasing its renewable energy assets is the key driver for the Company's energy transition aspirations.

The Company remains committed to its 30% renewable energy portfolio target by 2030. Business development initiatives are tailored to this objective and have produced the following outcomes:

- Acquisition of a 22-MW solar farm facility in Bulacan. Construction of connection facilities is ongoing and is expected to be completed and operational within the first semester of 2024.
- Signed a JV agreement to construct and operate a 206-MW wind power project in the Visayas. The project will be located in San Isidro, Northern Samar. The target COD is in 2025.
- Solar and wind projects in the pipeline in varying degrees of development.

Vivant partners with Vena Energy and Aboitiz Renewables to construct a wind farm in San Isidro, Northern Samar. Photo shows (L-R) Emil Garcia, President and CEO of Vivant Energy; Samrinder Nehria, Vena Energy's Country Head, Philippines; James Villaroman, President and COO of Aboitiz Renewables; Westin Raymond Contreras, Vena Energy's Head of Investments in the Philippines.

As of the end of 2023, the Energy SBU's solar rooftop business maintained a portfolio of facilities with a total operating capacity of 7.3 MW, serving seventeen (17) commercial and industrial clients. The business has a pipeline close to 7.8 MW in capacity (consisting of projects under construction, signed contracts, awarded and under negotiation) that is set to mitigate the carbon footprint of thirty-three (33) customers once the facilities become operational.

The Water SBU made significant strides in 2023. Wholly owned subsidiary IMCC marked a milestone in September with the equipment installation ceremony for its 20 MLD seawater desalination plant in Cordova, Cebu. The facility is set to start providing potable water to around 20,000 households by the third quarter of 2024.

The water quality in Puerto Princesa Bay continues to benefit from the ongoing operation of the wastewater treatment facility in Puerto Princesa, Palawan, which is operated by PPWRLC, in which the company has a 40% ownership interest. In 2023, the facility treated a total of 806.6 million liters, both septage and sewage.

Social

Health & Safety and Well-being
- Employer of Choice
- Great Place to Work
- Established Safety Culture
- Diversity, Equity and Inclusion
- Community Relationships

Fostering Synergistic Collaboration

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

2023 Highlights

Corporate	Business
Stakeholder/s: Employees, Communities	Stakeholder/s: Customers, Communities
Total headcount at 413 across One Vivant* and managed corporates, up 67%	Continued supply of energy with Off Grid areas showing robust growth, reflective of economic recovery in the islands
Over 3,900 training hours for One Vivant*	Provision of ancillary services to the country's transmission operator contributing to grid security
Great Place to Work certification	Targeted business development initiatives
Community projects	Community projects

* Pertaining to Vivant, Vivant Energy, Vivant Infracore, Vivant Foundation and Corenergy

Supported UN SDGs

Indicators / Material Disclosures
- Employment
- Training and education
- Diversity and equal opportunity
- Local communities
- Indirect economic impacts

On Spotlight:

Climate-resilient Evacuation Center

The PV system installed at Mandaue City Comprehensive National High School (MCCNHS) makes the campus a climate-resilient evacuation center.

Two super typhoons – Yolanda and Odette – gave Cebuanos painful and unforgettable lessons.

While super typhoon Yolanda displaced thousands of families and their livelihoods in northern Cebu in 2013, Odette left many towns and cities in the metropolis and the southern half of the island of Cebu without water and electricity for months.

Both calamities emphasized the need for evacuation centers that can provide basic needs to those seeking shelter. Vivant Foundation partnered with National Resilience Council to establish an evacuation center that will be equipped with a solar PV system that has enough generation capacity to power a water pump and basic electrical load.

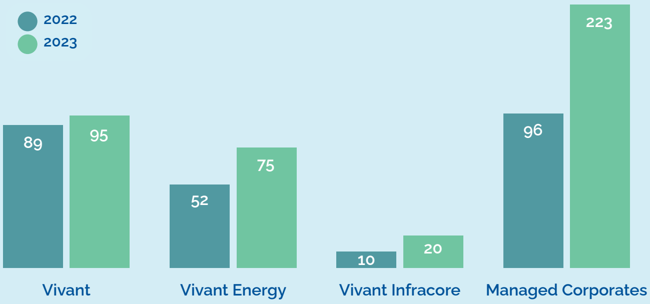
Vivant Foundation and Vivant Energy selected MCCNHS as the recipient, which already has an advanced EIM technical–vocational track that incorporates solar technology.

The Vivant group has recently installed a solar PV system in one of the school buildings at MCCNHS. This system has enough capacity to power lights and outlets, which can be used to charge small electrical devices like mobile phones and flashlights. Additionally, in the event of a disaster like Odette, the solar PV system can power the water pump at the school, which would provide water to evacuees. As a temporary shelter, the 23 classrooms at MCCNHS can accommodate more than 500 evacuees.

Our People

In the constantly shifting business environment, success is now defined by a broader range of factors beyond financial performance. Vivant adopts a holistic approach, understanding the essential role of developing its people in shaping a sustainable organization. Given its critical function in supporting the Company's operations and expansion strategies, HR management assumes a key role in strategic initiatives to support the operations and growth plans of the Company. As of end-2023, Vivant directly impacts the lives of over 400 employees.

Total Headcount



Vivant's dedication to people management and its influence on the One Vivant Bais community were substantiated by a Trust Index survey conducted from December 20, 2022 to January 6, 2023, which had a response rate of nearly 90%. Based on the results, Vivant attained certification as a ***Great Place to Work*** in January 2023, with 84% of the Bais voting positively and identifying trust, pride, and camaraderie as key factors. In addition to the certification, Vivant obtained valuable feedback on areas that can be improved. This survey was used as a reference for planning people programs to shape a sustainable organization.

In 2023, Vivant articulated its Employee Value Proposition (EVP) statement (see below). Central to this declaration is a commitment to deliver impactful solutions for an evolving world, along with a clear articulation of what the Bais can anticipate regarding their overall employee journey, emphasizing culture, values, and investment in talent development.

Vivant's Employee Value Proposition (EVP)

"At Vivant, we create impactful solutions for a changing world through a culture of excellence, collaboration, and integrity that inspires our employees to achieve their best work. Our One Vivant culture nurtures growth opportunities, promotes work-life balance, and rewards merit and performance.

We blend a localized approach that values long-lasting relationships with a global viewpoint that recognizes diversity and inclusion, knowing that different lived experiences and perspectives create a work and learning environment that is vibrant and innovative."

The EVP clearly states the focus areas that should address and enhance the overall employee experience in Vivant. Efforts have been made to develop programs, with the majority being implemented in 2023, to improve talent management.

Growth

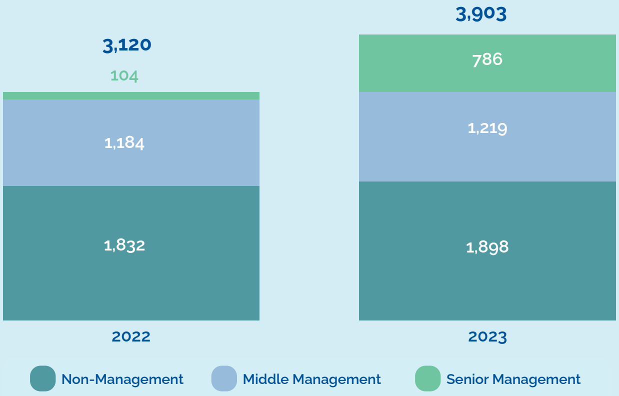
The Universal Training Plan (UTP) is Vivant's Learning & Development (L&D) framework that outlines training objectives and key training courses that Bais are required to complete at every level of their career journey in the Company.

The training courses in the UTP support the learning and development path of each Bai and reinforce the individual functions through behavioral development via structured modules delivered by trusted partners and internal Subject Matter Experts (SMEs).

2023 UTP Courses	
Core Competency Workshops for New Bais	New hires
Transitioning to Management: People Handling Skills	New managers / leaders
Advanced People Handling Skills	Mid-level executives

In addition to the aforementioned, several in-house functional group training sessions were held throughout the year. The topics for these sessions were determined through consultations with various departments to identify areas of focus, such as project management and presentation skills. Moreover, individual employees underwent training based on their Individual Development Plans for the year.

Total Training Hours



*One Vivant only (SBUs, Corenergy and Vivant Foundation)

Continuous learning and professional development are vital in fostering a culture of innovation, excellence, and growth. Several undertakings were initiated by HR in 2023 to bolster its talent management initiatives and these will be fully implemented in 2024.

- A 40-hour mandatory training policy was issued in November 2023. This reflects the Company's commitment to enhancing capabilities and promoting employee growth, ensuring that employees are provided with the essential training and development opportunities to execute their job responsibilities efficiently and effectively. In a constantly evolving business environment, the acquisition of new competencies and the enhancement of existing ones are vital for both individual and organizational success.

- The framework of Vivant's future leaders program was crafted to meet the requirement of cultivating and strengthening the Company's talent pool for succession planning purposes.

Performance management is integral to talent growth and development. In 2023, process improvements were implemented, and learning sessions were conducted, eliciting positive feedback from the Bais. A survey conducted by HR achieved an impressive 70% response rate, assessing the effectiveness of the initiatives implemented throughout the year. Nearly 97% of participants conveyed satisfaction with both the feedback they received and the quality of the performance discussions they took part in.

Compensation and benefits

As it continues to work on improving its talent acquisition and retention initiatives, Vivant performs periodic benchmarking activities when it comes to compensation. Using data from peers and other companies of similar set-up, the Company updates its compensation structure using pre-determined parameters.

Vivant's benefits portfolio is reviewed periodically to ensure competitiveness and to confirm that the benefits address the current needs of its employees. In 2023, the Company introduced flexible outpatient benefits and broadened the scope of HMO dependents to include common-law partners and domestic partners of the same gender.

Health, wellness, and safety

Recognizing that wellness correlates to workforce productivity, Vivant stepped up its initiatives in 2023.

- Increased Service Incentive Leaves from 24 to 30 days, with a 5-day mandatory leave. The intention is to provide the necessary downtime for all Bais to recharge and rebalance their lives as they spend more time with family and loved ones.
- Revived the employee-led special interest clubs, which include yoga, badminton, pickleball, basketball, board games, music, and quiz night club.
- Launched a coaching and wellness pilot program with eight (8) employees as participants. This program adopted a dual approach to address wellness concerns, targeting both the mental and physical well-being of the Bais. Insights gained from this pilot initiative will inform the development of a more sustainable program slated for implementation in 2024.
- Encouraged participation in sponsored events such as marathon runs, wellness talks, and other activities.

The Company ensured safety compliance through mandatory safety training and the appointment of safety officers and first aiders.

Relationships and overall experience

Cultivating strong working relationships and creating an environment conducive to productivity are essential for improving the overall employee experience. Vivant utilizes culture-building initiatives as a means to achieve this goal for the Bais. These programs likewise support the Company's growth given the increasing headcount as they ensure that all Bais embrace and embody the Vivant culture. HR-led activities were rolled out in 2023 that included the following:

- Funshops are workshops designed to foster the Vivant culture, intending to enhance both individual and team development through activities focused on self-awareness, self-management, social awareness, and relationship management. In 2023, the HR team maintained its efforts in arranging and guiding these workshops for teams within both parent and operating companies, tailoring each program to cater to the specific requirements of respective teams.
- Chat and Brew sessions provide an avenue for small group conversations with key executives, allowing Bais (staff to executive levels) to discuss topics of their choice. These discussions may encompass work-related topics, personal interests, or any other areas of special significance.
- Managers and Leaders Huddle
- Highlighting, celebrating, and holding special talks or events on Diversity and Inclusion (e.g. World Autism Day Awareness, Pride Month Celebration: SOGIE Bill Talk, PAWsome Day)
- Holding of key corporate events such as Annual Kick Off, Summer Outing, Annual Year-end Party
- Employee-led activities such as coastal clean-up, Brigada Eskwela, and other initiatives (green and CSR)

To facilitate the Company's hybrid work model, engagement activities were sustained (e.g., conducting Team Kitakits at least once a week), and enhancements in office space management were introduced through the implementation of an online platform for workspace reservation.

On Spotlight:

A Great Place to Work

In 2023, Vivant received the Great Place to Work certification with 84% of employees expressing positive feedback on the company's culture that promotes trust and mutual respect. The high rating validates the company's efforts to take care of its greatest asset, its people.

In December 2022, One Vivant employees participated in a survey conducted by Great Place to Work (GPTW), a globally recognized organization that focuses on workplace culture.

During the survey, some employees volunteered to share their experiences and highlighted the programs and policies that promote their overall well-being, and personal and professional development. They also mentioned that One Vivant feels like a big supportive family where everyone collaborates and works as a team. Additionally, all employees are treated with respect and inclusivity is encouraged.

In its report, GPTW notes that the rating that Vivant received from its employees was higher or equal to the Philippines' best score. It also notes that in Vivant, employees feel empowered, and recognized for their work and take pride in contributing to the company's community initiatives.

Lyle Pinero, Finance, 1 year and 6 months: "Vivant empowers us and looks after our welfare. It is a company that truly cares."

Jean Patual, Treasury, 11 years: "The hybrid work set-up allows working parents like myself to achieve work-life balance. I'm glad Vivant looks after the welfare of the employees."

Fredlin Agang, Tax Team, 10 years: "I am proud to be part of projects that make meaningful difference and bring positive impact to communities."

Reynehl "Reyn" Gocotano, Human Resources, 11 months: "I feel safe working in a company that promotes inclusivity and diversity."

Shaira Mella Mangulabnan, Risk and Sustainability, 7 months: "The company promotes a culture of camaraderie and makes you feel like being part of a big family. I never once felt like a newbie."

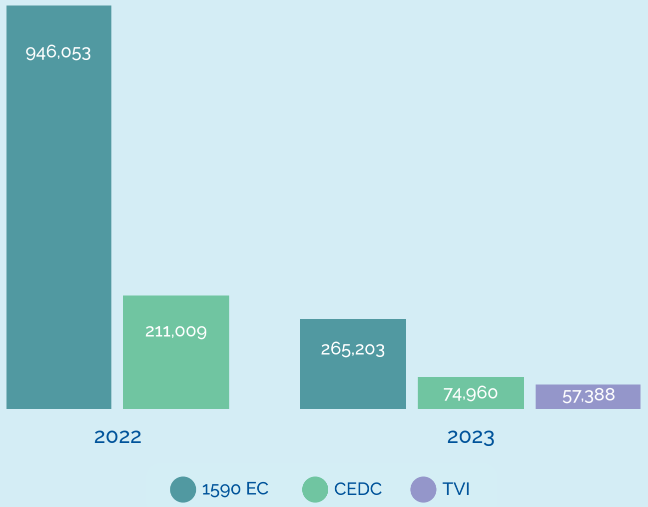
Loraine Lerit, Admin Department, 2 years: "The company allowed me to take a medical leave and assured me my job will be waiting for me when I recover. Undergoing a medical procedure is challenging, but I took comfort in the support and genuine concern that my team and leaders extended to me."

Our Customers

Demonstrating its dedication to its mission and sustainability objectives, Vivant's energy and water SBUs remain committed to exploring and delivering solutions that contribute to the country's nation-building efforts.

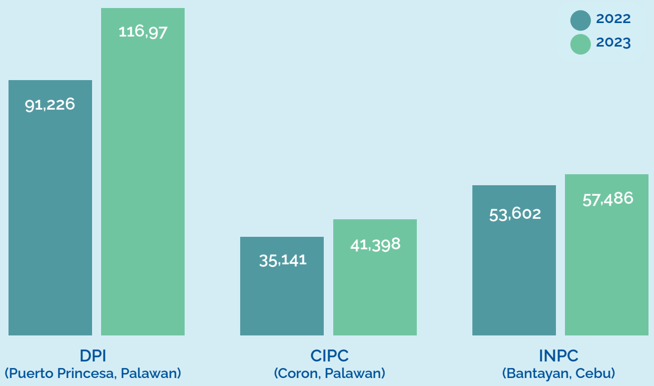
The Energy SBU, utilizing its range of On Grid and Off Grid assets, remained pivotal in fulfilling the power infrastructure needs of the served markets, thereby bolstering economic growth. In addition to supplying stable and dependable power, several On Grid facilities contributed to maintaining the stability of the Luzon and Visayas grids by providing ancillary services to the National Grid Corporation of the Philippines.

Total Ancillary Services (in MWh)



Vivant promotes and supports inclusive growth in the country by fulfilling and addressing the fundamental infrastructure requirements of island economies. INPC, CIPC, and DPI are wholly owned subsidiaries that provide stable and reliable power in Bantayan (Cebu), Coron-Busuanga (Palawan), and Puerto Princesa (Palawan), respectively. All three companies recorded robust growth in 2023, reflective of the recovery of economic activities in their respective island markets.

Off Grid Energy Sales (in MWh)

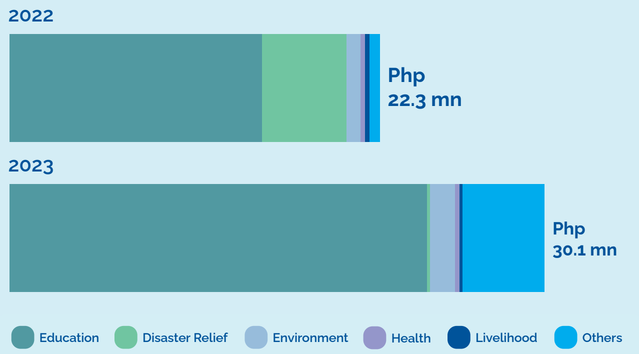


The Energy and Water SBUs continue in their business development endeavors, seeking adaptable solutions designed to bridge structural gaps and address market needs.

Our Communities

A blend of CSR projects identified by the corporate foundation, subsidiaries, and Vivant employees comprised the community initiatives in 2023. The projects rolled out amounted to Php 30.1 million, the bulk of which was allocated to support education initiatives.

Total CSR Projects



Project Liadlaw

Launched in 2018, Liadlaw represents a flagship project of the Vivant Foundation (VFI or the Foundation). It encompasses the solar electrification and energization of public school facilities, along with the improvement of the Electrical Installation and Maintenance (EIM) track offerings in public senior high schools situated on off grid islands. Since then, all similar projects that the Foundation has implemented were included under this program, extending beyond island locations.

In 2023, three (3) public schools in Cebu were energized through solar rooftop facilities, one (1) on the mainland and two (2) on off grid islands.

Beneficiary	Project	Comments
Mandaue City Comprehensive National High School Mandaue City, Cebu	35 kWp Hybrid PV System, with net metering	System design, supply, and installation works. The school facility is used as an evacuation center. The system will provide reliable power and enable the water system during disaster relief operations
Gilutongan Integrated School Cordova, Cebu	15 kWp Off Grid PV System	System design, supply, and installation works. In collaboration with Shangri-la Mactan and the University of San Carlos
Hilotongan Integrated School Bantayan, Cebu	50 kWp Off Grid System	Rehabilitation, testing, commissioning, maintenance service

In 2023, the Foundation continued to enhance the EIM track offerings in public senior high schools. This benefited four (4) recipients of solar equipment donation with an upgrade of their respective EIM track offering that incorporated a teacher training module.

- ### Project Tubod

This initiative involves enhancing the Plumbing NC II EIM track offering at public schools. VFI contributed plumbing equipment and organized teachers' training at Palawan National School.

On Spotlight:

Solar energization for IP kids in Coron

The Banuang Daan Elementary School is now powered by a 15.12-kilowatt peak (kWp) PV system. This system has greatly improved the learning experience of over 230 school children who belong to the Tagbanua tribe in Coron. The initiative was implemented through a joint effort by Vivant Foundation and Corenergy, a subsidiary of Vivant Energy. Corenergy offers complete energy solutions, including solar rooftops, to various businesses across multiple sectors such as manufacturing, agriculture, tourism, and real estate.

For years, students from the Tagbanua tribe had to endure hot classrooms during summer. As a result, classes were often canceled so that the children could get fresh air under the shade of nearby trees.

Teachers, on the other hand, had to travel to the mainland for nearly an hour by outrigger motorboat to print or photocopy teaching materials. They were only able to use their laptops to write lesson plans and reports when they were on the mainland.

Thanks to the solar energization project of Vivant Foundation and Corenergy, classrooms at Banuang Daan Elementary School now have adequate energy to power lights and electric fans. Teachers can use laptops and printers for their classes. The community also uses the public charging station to charge their mobile phones and rechargeable lights and electric fans.

Vivant Foundation Executive Director Shem Garcia cuts the ribbon for the inauguration of the rooftop solar facility installed at Banauang Daan Elementary School, Coron, Palawan.

Vivant's solar energization project improves learning for Tagbanua kids enrolled at Banuang Daan Elementary School in Coron, Palawan.

- **School Safety**

  Old and substandard electrical wirings were identified as among the major causes of fire incidents that could totally or partially damage school facilities, nearby houses and establishments, and at worst, claim the lives of students and teachers. The rewiring projects were implemented to update the wiring systems and likewise ensure compliance with the standard of the Philippine Electrical Code. In 2023, a total of 17 schools in the Provinces of Cebu and La Union were the beneficiaries of this project, which was done in partnership with VECO and 1590 EC, respectively.

- **Brigada Eskwela**

  Brigada Eskwela is an annual event promoted by the Department of Education (DepEd), encouraging volunteer efforts to assist public schools in preparation for the start of classes. Vivant, through the Foundation, encourages employee volunteerism by providing the funding for the initiative. The Bais get to choose their beneficiary schools and have the option to raise funds to augment the support provided by the Foundation.

  In 2023, a total of 102 employees (or roughly 54% of the Vivant and its Energy and Water SBUs population) participated in the program benefitting four public schools: three (3) in Cebu and one (1) in Pampanga. This annual initiative led to the completion of maintenance tasks and the donation of painting and various construction materials, ICT equipment, armchairs, and cleaning supplies.

- **Others**

  Other notable projects that VFI undertook in 2023 are the following:

  - Construction of a handwashing facility in Liloan, Cebu in support of DepEd's Water Access, Sanitation and Hygiene (WASH) program in schools. The 10-faucet pedal-operated hygiene facility provides a station that can accommodate Persons With Disability (PWD).
  - Scholarship program for STEM and Accounting courses with eight (8) beneficiaries
  - STEM equipment donation and Regional Science and Technology Fair sponsorship
  - Bike repair stations
  - Cash sponsorship and donation of solar PV systems

Vivant Foundation, a major sponsor of Regional Science & Technology Fair 2023, awarded STEM equipment to the winning school and cash prizes to individual winners.

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

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.

2023 Highlights

Corporate
Php 8.3 bn economic value generated at group (consolidated) Approved Sustainability Framework Two Golden Arrows Award (based on 2022 assessment) Chairman succession, Francis A. Garcia assumed the position in June 2023

Supported UN SDG

8 DECENT WORK AND ECONOMIC GROWTH

Indicators / Material Disclosures
- Business ethics
- Board performance assessment
- Stakeholder rights protection
- Economic value generation and distribution

An essential project undertaken in 2023 was the formulation of the Sustainability Framework. Armed with a clearer understanding of sustainability's importance to the organization, Vivant is equipped to meticulously organize and execute initiatives that generate shared value while managing stakeholder needs. Part of the process was a thorough stakeholder mapping for all three business units.

The full rollout of the stakeholder map in 2024 should result in proper accountability for all relationship owners.

In June 2023, the ISSB released the inaugural standards – IFRS S1 and IFRS S2. These standards define the guidelines for sustainability-related disclosures in the capital markets, which provide a common language for disclosing the impact of climate-related risks and opportunities. Local implementation will be for the performance year of 2024 as the Philippine counterpart of ISSB and the SEC have yet to finalize the parameters for the adoption of the two standards.

Vivant conducts an annual Accounting conference where accountants of all three business units and managed corporates are invited to participate. This serves as a venue for continuous learning and sharing of best practices. As part of the Company's sustainability initiatives, the theme in 2023 was 'Excellerate 2023: Becoming, Being a Sustainable Accountant'. It was a two-day event, where the first day of the conference was a classroom discussion facilitated by invited speakers on sustainability-related financial reporting standards, tax updates, and self-image. The conference was capped with a team-building activity on the second day, true to Vivant's core competency of fostering synergistic collaboration.

Related to and as an added preparation for sustainability-related disclosures, Vivant commissioned a third-party consultant to quantify the potential impact of a catastrophic natural calamity on its portfolio of assets. The study provided an assessment of Vivant's exposure to key risk natural hazards involving fifteen (15) facilities and locations. The output will be used to further enhance risk management for the Company's portfolio of assets.

Vivant conducted its second Risk and Sustainability Summit, which is an annual event that aims to create a central space for leaders and team members of Vivant to collaboratively explore the intersection of risk management and sustainability. The topics chosen in 2023 were Artificial Intelligence and Climate-Related Risks, both relevant given the evolving business landscape Vivant operates in. Subject matter experts shared their knowledge and experience. The summit fostered healthy discussion and exchange of insights and best practices on the chosen topics.

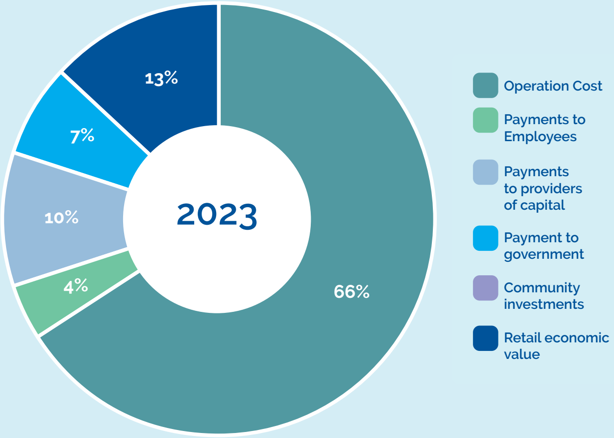
In its commitment to advancing corporate governance, Vivant embarked on several reviews of processes and systems to better integrate risk management and optimize the efficiency of essential functions and operations. In conjunction with this initiative, there was a review of existing policies, leading to updates of current ones and the issuance of new policies to ensure relevance is sustained and a commitment to good corporate governance is upheld.

In 2023, Vivant received its second accolade from the Institute of Corporate Directors as the Company was bestowed with the Two Golden Arrows Award based on the 2022 ASEAN Corporate Governance Scorecard (ACGS) Assessment Results. Notable improvements in the areas of Equitable Treatment of Shareholders and Responsibilities of the Board were cited and resulted in a score of 91.71, a marked improvement from the previous year's 87.55.

Vivant CEO Arlo Sarmiento and Vivant Chairman of the Board Francis Garcia receive the Two Golden Arrows Award from the Institute of Corporate Directors. (Source: Institute of Corporate Directors)

This recognition is not only a validation of all the efforts Vivant has undertaken over the years. It serves as an inspiration for the Company to continue and endeavor to further improve its corporate governance and ensure relationships with its stakeholders are strengthened. The instituted governance practices supported the shared value created in 2023. The consolidated economic value generated by Vivant in 2023 amounted to Php 8.3 bn, which was 27% higher than the previous year. Organic growth and the impact of expansion initiatives of the Energy SBU accounted for the robust performance. Value created for Vivant's stakeholders was distributed as operating costs (Suppliers), wages and benefits (Employees), payments to the government (Taxes to national and local government) and community investments (CSR).

2023 Economic Value Generated (Php 8,276 mn)



Materiality

Material and Reporting Scope

At Vivant, the materiality process starts by examining the global and local risk environments, vital for updating the sustainability issues relevant to the Company and its stakeholders. Leveraging from the results of the Global Risks Perception Survey 2022-2023, a collaboration between the World Economic Forum and Marsh McLellan, the Company evaluated risks over three timeframes: current year (2023), 2 years, and 10 years.

Aligning the risk assessment exercise with the Company's value creation process facilitated the development of an initial set of disclosure topics based on the materiality criteria outlined below.

- 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 influence the assessments and decisions of stakeholders about the Company, including investors.

Vivant conducted an internal review to evaluate each disclosure topic and their impact on its operations and stakeholders. Guided by the Economic, Environmental, and Social (ESS) implications of each topic, as well as their influence on stakeholders' evaluations and decisions concerning Vivant, the Company prioritized material topics and defined reporting boundaries for the Report.

Vivant conducted a materiality survey in September 2023, engaging representatives from all stakeholder groups as respondents. This initiative lasted a month with an overall response rate of around 63%. The survey results supported the Company's internal assessment and confirmed the materiality of issues and topics previously identified and prioritized.

Vivant Materiality Matrix

(Upper Right Quadrant Only)

The material disclosure topics were presented to and reviewed by both the Management and the Board Risk and Sustainability Committee, then approved by Vivant's Board of Directors for inclusion in this Report.

Material Disclosure Topics

Economic

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

Environmental

GRI Topic	Specific Topic	Reporting Company		Materiality Consideration	GRI Disclosure
302: Energy 2016	Energy consumption within the organization Energy consumption outside the organization	Vivant Vivant Energy Vivant Infracore INPC 1590 EC CIPC	DPI BPC NBPC MPC WMP PPWRLC	To provide products and services to our customers, we consume energy both in the form of electricity and fuel.	302-1 302-2
303: Water and effluents 2018	Water withdrawal Water discharge Water consumption	Vivant Vivant Energy Vivant Infracore INPC 1590 EC CIPC	DPI BPC NBPC MPC WMP PPWRLC	How our operations impact the environment through our consumption	303-3 303-4 303-5
305: Emissions	Direct (Scope 1) GHG emissions Other Indirect (Scope 3) GHG emissions	Vivant Vivant Energy Vivant Infracore INPC 1590 EC CIPC	DPI BPC NBPC MPC WMP PPWRLC	How operations affect the environment given the greenhouse gases they emit.	305-1 305-3
306: Waste 2020	Waste generated Waste diverted from disposal Waste directed to disposal	1590 EC DPI CIPC INPC	BPC NBPC MPC	How operations affect the environment through the waste generated	306-3 306-4 306-5

Social

GRI Topic	Specific Topic	Reporting Company		Materiality Consideration	GRI Disclosure
401: Employment	New employee hires and employee turnover Parental leave	Vivant Vivant Energy Vivan Infracore VFI Corenergy CSSC INPC 1590 EC	CIPC DPI BPC NBPC MPC WMP PPWRLC	How our business result to job and wealth creation	401-1 401-3
403: Occupational Health and Safety	Employee training on occupational health and safety and conduct of safety / emergency drills Promotion of employee's health and protection from work-related injuries and ill health Monitoring and reporting of work-related injuries and ill health	Vivant Vivant Energy Vivant Infracore VFI Corenergy BPC NBPC INPC		How Vivant ensures employees are safe and healthy at work, and promotes workers' overall well-being	403-5 403-6 403-9, 403-10
404: Training and education	Average hours of training per year per employee Percentage of employees receiving regular performance and career development reviews	Vivant Vivant Energy Vivant Infracore VFI Corenergy CSSC INPC 1590 EC	CIPC DPI BPC NBPC MPC WMP PPWRLC	Continuous learning for our team members ensures the Company's sustainability	404-1 404-3
405: Diversity and equal opportunity	Diversity of governance bodies and employees	Vivant Vivant Energy Vivant Infracore VFI Corenergy CSSC INPC 1590 EC	CIPC DPI BPC NBPC MPC WMP PPWRLC	How diverse background, knowledge and experience bring value to the business	405-1
413: Local communities	Operations with local community engagement, impact assessments and development programs	Vivant		Sustainability development	413-1

The companies that are not included in this IR are as follows: those with minority investments and minimal control/influence (BFI), those that are still not operational (CREC, LPEC, SIAEC, IMCC, NMCWC) and those that are part of the portfolio of companies listed in the local stock exchange (VECO, CPPC, CEDC, TVI, PRISM Energy).

Annexes

Fiscal Year 2023: Audited Financial Statements

VIVANT CORPORATION AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

	December 31	
	2023	2022
ASSETS		
Current Assets		
Cash and cash equivalents (Note 6)	**₱4,382,540,776**	₱4,893,357,226
Trade and other receivables (Note 7)	**1,647,660,999**	1,362,706,195
Advances to associates, joint ventures and stockholders (Note 16)	**162,204,796**	294,016,208
Inventories - at cost (Note 8)	**364,692,217**	177,720,556
Prepayments and other current assets (Note 9)	**778,251,105**	446,283,559
Total Current Assets	**7,335,349,893**	7,174,083,744
Noncurrent Assets		
Investments in associates and joint ventures (Note 10)	**10,595,855,907**	10,578,321,124
Property, plant and equipment (Note 11)	**8,272,544,865**	5,877,554,921
Right-of-use assets (Note 24)	**24,539,068**	22,112,091
Investment properties (Note 12)	**1,045,469,800**	924,036,600
Deferred income tax assets - net (Note 20)	**30,485,788**	13,759,370
Other noncurrent assets (Note 13)	**2,581,289,629**	1,850,135,618
Total Noncurrent Assets	**22,550,185,057**	19,265,919,724
TOTAL ASSETS	**₱29,885,534,950**	₱26,440,003,468
LIABILITIES AND EQUITY		
Current Liabilities		
Current portion of trade and other payables (Note 14)	**₱1,842,183,949**	₱1,522,307,377
Current portion of long-term notes payable (Note 15)	**210,300,979**	1,115,158,717
Current portion of lease liabilities (Note 24)	**17,928,869**	13,340,222
Short term notes payable (Note 15)	**1,963,546,959**	1,170,300,000
Advances from related parties (Note 16)	**2,350,050**	10,886,165
Income tax payable	**34,696,280**	7,528,408
Total Current Liabilities	**4,071,007,086**	3,839,520,889
Noncurrent Liabilities		
Long-term notes payable - net of current portion (Note 15)	**4,838,054,596**	3,508,465,451
Lease liabilities - net of current portion (Note 24)	**11,912,090**	13,469,730
Pension liability (Note 19)	**185,506,597**	64,195,472
Deferred income tax liabilities - net (Note 20)	**296,402,233**	267,362,207
Other noncurrent liabilities - net of current portion (Notes 14 and 23)	**844,587,453**	838,293,931
Total Noncurrent Liabilities	**6,176,462,969**	4,691,786,791
Total Liabilities	**10,247,470,055**	8,531,307,680
Equity Attributable to Equity Holders of the Parent		
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 and joint ventures (Note 10)	**(125,169,500)**	(94,016,067)

(Forward)

	December 31	
	2023	2022
Remeasurement gain (loss) on employee benefits (Note 19)	**(₱79,876,405)**	₱7,123,993
Unrealized valuation gain on financial assets at fair value through other comprehensive income (FVOCI)	**51,053,039**	26,517,514
Equity reserves (Note 21)	**(30,252,298)**	(25,128,554)
Retained earnings (Notes 10 and 21):		
Appropriated for business expansion	**7,354,810,254**	6,820,897,482
Unappropriated	**10,078,329,275**	8,727,306,176
Equity Attributable to Equity Holders of the Parent	**18,280,690,515**	16,494,496,694
Equity Attributable to Non-controlling Interests (Note 21)	**1,357,374,380**	1,414,199,094
Total Equity	**19,638,064,895**	17,908,695,788
TOTAL LIABILITIES AND EQUITY	**₱29,885,534,950**	₱26,440,003,468

See accompanying Notes to Consolidated Financial Statements.

VIVANT CORPORATION AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

	Years Ended December 31		
	2023	2022	2021
REVENUE			
Revenue from contracts with customers:			
Sale of power (Note 23):			
Generation	**₱3,965,021,793**	₱2,813,298,456	₱1,577,500,737
Retail electricity supply	**1,112,675,663**	633,488,002	301,048,099
Ancillary services	**467,544,939**	952,967,736	1,174,695,315
Management and service fees (Note 16)	**545,976,930**	86,781,813	102,589,626
Engineering service income	**17,208,763**	30,887,803	42,037,953
	6,108,428,088	4,517,423,810	3,197,871,730
EQUITY IN NET EARNINGS OF ASSOCIATES AND JOINT VENTURES (Note 10)	**2,044,341,881**	1,941,357,383	1,838,491,265
INTEREST INCOME (Notes 6 and 16)	**122,987,590**	60,071,043	22,961,585
	8,275,757,559	6,518,852,236	5,059,324,580
COSTS OF SERVICES			
Generation costs (Notes 17 and 23)	**4,452,496,355**	3,684,022,986	1,802,878,724
Engineering service fees (Note 17)	**52,472,919**	24,844,346	71,039,720
	4,504,969,274	3,708,867,332	1,873,918,444
OPERATING EXPENSES			
Salaries and employee benefits (Notes 18 and 19)	**414,829,817**	390,186,858	322,364,136
Outside services	**101,952,495**	19,760,683	36,535,466
Taxes and licenses (Note 12)	**101,679,439**	78,756,067	40,165,758
Professional fees (Note 16)	**100,276,383**	167,109,166	155,599,643
Depreciation and amortization (Notes 11, 13 and 24)	**62,912,226**	54,012,303	51,548,016
Travel	**47,155,207**	29,627,897	13,294,561
Management fees (Note 16)	**43,843,882**	29,219,324	25,270,413
Representation	**15,419,307**	14,883,489	9,529,837
Communication and utilities	**13,100,708**	13,405,697	9,523,925
Rent and association dues	**5,232,490**	6,465,080	8,564,767
Other operating expenses (Note 17)	**103,241,530**	89,483,412	81,773,381
	1,009,643,484	892,909,976	754,169,903
INCOME FROM OPERATIONS	**2,761,144,801**	1,917,074,928	2,431,236,233
OTHER INCOME (CHARGES)			
Finance costs on loans (Note 15)	**(363,678,611)**	(259,880,671)	(165,305,661)
Gain on fair value measurement of investment properties (Note 12)	**121,433,200**	60,394,600	106,361,400
Gain on bargain purchase (Note 13)	**64,685,699**	–	32,120,469
Foreign exchange gains (losses) - net	**(9,616,307)**	53,842,288	16,129,762
Finance costs on lease liabilities (Note 24)	**(1,108,626)**	(10,826,959)	(52,513,071)
Gain on disposal of an associate (Notes 1 and 10)	**–**	–	3,684,540
Gain on loss of control of a subsidiary (Note 1)	**–**	–	3,079,734
Other income - net (Notes 11, 12 and 17)	**1,438,365**	33,684,411	24,797,384
	(186,846,280)	(122,786,331)	(31,645,443)

(Forward)

	Years Ended December 31		
	2023	2022	2021
INCOME BEFORE INCOME TAX	**₱2,574,298,521**	₱1,794,288,597	₱2,399,590,790
PROVISION FOR INCOME TAX (Note 20)	**180,350,835**	89,561,479	167,101,028
NET INCOME	**2,393,947,686**	1,704,727,118	2,232,489,762
OTHER COMPREHENSIVE INCOME (LOSS)			
Items that will not be reclassified to profit or loss in future periods:			
Remeasurement gain (loss) on employee benefits (Note 19)	**(104,392,805)**	11,157,022	17,451,342
Income tax effect	**16,390,977**	(2,511,242)	(3,453,874)
	(88,001,828)	8,645,780	13,997,468
Unrealized valuation gain on financial assets at FVOCI (Note 13)	**28,865,324**	25,734,676	2,550,000
Income tax effect	**(4,329,799)**	(3,860,201)	187,500
	24,535,525	21,874,475	2,737,500
Share in the remeasurement gains (losses) on employee benefits of associates and joint ventures, net of tax (Note 10)	**(31,585,867)**	–	2,165,047
OTHER COMPREHENSIVE INCOME (LOSS) FOR THE YEAR	**(95,052,170)**	30,520,255	18,900,015
TOTAL COMPREHENSIVE INCOME	**₱2,298,895,516**	₱1,735,247,373	₱2,251,389,777
NET INCOME			
Attributable to:			
Equity holders of the parent	**₱2,284,209,380**	₱1,595,263,961	₱1,866,730,439
Non-controlling interests	**109,738,306**	109,463,157	365,759,323
	₱2,393,947,686	₱1,704,727,118	₱2,232,489,762
TOTAL COMPREHENSIVE INCOME			
Attributable to:			
Equity holders of the parent	**₱2,190,158,640**	₱1,624,319,369	₱1,883,654,471
Non-controlling interests	**108,736,876**	110,928,004	367,735,306
	₱2,298,895,516	₱1,735,247,373	₱2,251,389,777
EARNINGS PER SHARE			
Basic and diluted, for net income for the year attributable to equity holders of the parent (Note 22)	**₱2.232**	₱1.559	₱1.824

See accompanying Notes to Consolidated Financial Statements.

VIVANT CORPORATION AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CASH FLOWS

	Years Ended December 31		
	2023	2022	2021
CASH FLOWS FROM OPERATING ACTIVITIES			
Income before income tax	**₱2,574,298,521**	₱1,794,288,597	₱2,399,590,790
Adjustments for:			
Equity in net earnings of associates and joint ventures (Note 10)	**(2,044,341,881)**	(1,941,357,383)	(1,838,491,265)
Depreciation and amortization (Notes 11, 13, and 24)	**507,022,240**	430,230,964	360,827,821
Finance costs on loans (Note 15)	**363,678,611**	259,880,671	165,305,661
Interest income (Note 6)	**(122,987,590)**	(60,071,043)	(22,961,585)
Gain on fair value remeasurement of investment properties (Note 12)	**(121,433,200)**	(60,394,600)	(106,361,400)
Gain on bargain purchase (Note 13)	**(64,685,699)**	–	(32,120,469)
Pension expense (Note 19)	**22,261,768**	20,731,159	22,223,302
Unrealized foreign exchange loss (gains)	**9,616,307**	(53,842,288)	(16,129,762)
Finance costs on lease liabilities (Note 24)	**1,108,626**	10,826,959	52,513,071
Gain on disposal of property and equipment (Note 17)	**(650,300)**	(639,207)	(3,101,818)
Non-cash donation expense (Note 11)	**–**	8,482,143	–
Gain on disposal of an associate (Notes 1 and 10)	–	–	(3,684,540)
Gain on loss of control of a subsidiary (Notes 1 and 10)	–	–	(3,079,734)
Operating income before working capital changes	**1,123,887,403**	408,135,972	974,530,072
Decrease (increase) in:			
Trade and other receivables	**477,966,796**	(510,762,517)	(235,835,774)
Inventories	**26,802,524**	(25,045,097)	73,650,755
Prepayments and other current assets	**(238,018,513)**	(121,272,673)	(44,969,824)
Increase (decrease) in trade and other payables	**(786,196,878)**	376,164,748	120,888,620
Net cash generated from operations	**604,441,332**	127,220,433	888,263,849
Interest paid	**(262,129,493)**	(281,763,405)	(199,430,760)
Income taxes paid	**(133,301,800)**	(94,273,379)	(180,075,218)
Contributions to the retirement fund (Note 19)	**(6,718,787)**	(6,755,102)	(30,853,258)
Benefits paid out of operating funds (Note 19)	**(327,000)**	(83,571)	–
Net cash flows from (used in) operating activities	**201,964,252**	(255,655,024)	477,904,613
CASH FLOWS FROM INVESTING ACTIVITIES			
Dividends received from associates and joint ventures (Note 10)	**1,788,544,553**	1,375,935,658	1,755,155,896
Additions to property, plant and equipment (Note 11)	**(1,678,727,744)**	(2,610,405,413)	(721,327,849)
Decrease (increase) in other noncurrent assets	**(595,496,058)**	(58,417,375)	10,738,517
Additional investments and advances to associates and joint ventures (Note 10)	**(251,169,255)**	(68,400,000)	(49,742,306)
Interest received	**111,720,696**	56,534,070	20,397,915
Net cash outflow from business combinations (Note 13)	**(3,035,775)**	–	(392,811,115)
Proceeds from:			
Disposal of property, plant and equipment (Note 11)	**650,300**	1,960,320	3,627,540

(Forward)

	Years Ended December 31		
	2023	2022	2021
Disposal of an equity interest in an associate (Note 10)	**₱–**	₱–	₱33,225,513
Disposal of financial assets at FVOCI	**–**	–	2,620,000
Additions to financial assets at FVOCI (Note 13)	**–**	(270,000,000)	(94,000,000)
Cash in subsidiary whose control was lost (Notes 1 and 10)	**–**	–	(560,316)
Net cash flows used in investing activities	**(627,513,283)**	(1,572,792,740)	567,323,795
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from loans (Note 15)	**1,785,384,762**	1,663,345,070	4,506,974,410
Payments of:			
Loans (Note 15)	**(1,450,528,534)**	(353,477,270)	(3,945,898,260)
Cash dividends (Note 21)	**(401,876,299)**	(451,479,873)	(632,912,067)
Lease liabilities (Note 24)	**(17,474,599)**	(76,233,373)	(298,971,986)
Net proceeds (payments) of advances from related parties (Note 26)	**73,466,973**	(12,254,278)	31,295,643
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	55,847,565
Net cash flows from (used in) financing activities	**(75,651,112)**	1,017,937,763	(283,664,695)
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	**(501,200,143)**	(810,510,001)	761,563,713
EFFECT OF EXCHANGE RATE CHANGES ON CASH AND CASH EQUIVALENTS	**(9,616,307)**	53,842,288	16,129,762
TOTAL CASH AT BEGINNING OF YEAR			
Cash and cash equivalents (Note 6)	**4,893,357,226**	5,650,024,939	4,872,331,464
Restricted cash (Notes 9 and 13)	**2,003,880**	2,003,311	2,002,202
	4,895,361,106	5,652,028,250	4,874,333,666
TOTAL CASH AT END OF YEAR			
Cash and cash equivalents (Note 6)	**4,382,540,776**	4,893,357,226	5,650,024,939
Restricted cash (Notes 9 and 13)	**2,003,880**	2,003,880	2,003,311
	₱4,384,544,656	₱4,895,361,106	₱5,652,028,250

See accompanying Notes to Consolidated Financial Statements.

Fiscal Year 2023: Management's Discussion and Analysis

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.

On June 1, 2023, 100%-owned Vivant Energy signed a Share Sale and Purchase Agreement (SSPA) to acquire all of the shareholdings of its joint venture partner in 50%-owned CIPC, DPI and LPEC. On the same date, Vivant Energy and 100%-owned VREC signed an SSPA to acquire from the joint venture partner the latter's 50% equity stake in CREC. Moreover, Vivant Energy and 100%-owned VIDC signed an SSPA to acquire the minority shareholder's 35% equity stake in then 65%-owned Isla Norte. As a result, CIPC, DPI, Isla Norte (Vivant Energy and VIDC gained further control)[1], LPEC and CREC are classified as 100%-owned subsidiaries[2].

In view of the above, the accounting for the investments in DPI, CIPC, LPEC and CREC is changed from Philippine Accounting Standards (PAS) 8, *Investment in Associate and Joint Ventures* to Philippine Financial Reporting Standards (PFRS) 10, *Consolidated Financial Statements*. As it is, the consolidated financial statements of the Company as of end-December 2023 include the following:

1. Equity share in the net earnings (losses) of these four investees from January 2023 to May 2023 in the consolidated statement of comprehensive income; and
2. Full consolidation starting June 2023 in the consolidated statement of financial position, consolidated statement of comprehensive income and consolidated statement of cash flows.

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 2023 and 2022.

Key Performance Indicators *Amounts in Php '000, except for ratios*	2023	2022
Equity in Net Earnings of Associates and Joint Ventures	2,044,342	1,941,357
EBITDA	3,269,605	2,380,990
Cash Flow From / (Used in)	(501,200)	(810,510)
Net cash flows from (used in) operating activities	201,964	(255,655)
Net cash flows from (used in) investing activities	(627,513)	(1,572,793)
Net cash flows from (used in) financing activities	(75,651)	1,017,938
Debt-to-Equity Ratio (x)	0.52	0.48
Current Ratio (x)	1.80	1.87

1 Under PFRS 10, *Consolidated Financial Statements*, transactions with non-controlling interests are accounted for as equity transactions. On acquisitions of non-controlling interests, the difference between the consideration transferred and the book value of interest acquired from non-controlling interest without loss of control is reflected as being a transaction between owners and recognized directly in equity.

2 Under PFRS 3, *Business Combination*, a business combination is defined as a transaction or other event in which an acquirer (an investor entity) obtains control of one or more businesses. It requires the entity to determine whether assets acquired and any liabilities assumed constitute a 'business'. 'Business' is an integrated set of activities and assets that is capable of being conducted and managed for the purpose of providing goods or services to customers, generating investment income (such as dividends or interest) or generating other income from ordinary activities. If the assets and liabilities are not considered to be a 'business', then the transaction should be accounted for as an asset acquisition.

The Company's share in the net earnings of associates and joint ventures as of end-December 2023 amounted to Php 2.0 billion (bn), representing a 5% year-on-year (YoY) increase from Php 1.9 bn. This was a result of the following:

1. VECO, the Company's electricity distribution utility, posted Php 1.0 bn in income contribution as of end-2023, 33% higher YoY. This was mainly attributed to the 12% YoY increase in the volume of electricity sold. VECO's bottomline contribution during the year in review was net of the one-time refund to its customers for the over-recoveries of pass-through charges covering the first semester of 2023, in compliance with the Energy Regulatory Commission (ERC) Resolution No. 14[3]. As of end-2022, electricity sales volume was significantly affected by the prolonged power outage in Cebu that resulted from the devastation caused by Typhoon Odette in December 2021.
2. 40%-owned AHI posted an 8% increase in its income contribution to Php 414.0 million (mn) as of end-2023 from Php 382.4 mn as of end-2022. This was driven by the increase in profitability of its associate, CEDC. CEDC's improved performance during the year in review was attributed to higher profit on its sales to the WESM (up by 195% YoY) as volume of energy sold went up by 49% YoY. Also, CEDC saw a reduction in debt service due to principal loan payments during the year in review. However, CEDC's profits from ancillary services dropped by 64% YoY due to the expiration of the contract in April 2023.
3. 40%-owned CPPC brought in Php 66.8 mn in income contribution as of end-2023 vis-a-vis Php 31.6 mn in net loss contribution as of end-2022. This was mainly attributable to the recognition of a non-recurring revenue pertaining to the collection of additional compensation related to prior year sale of energy to the WESM. In 2022, power generation companies, including CPPC, were entitled to additional compensation upon implementation of the secondary price cap by the IEMOP.
4. 45%-owned FLOWS, through its 89.6%-owned subsidiary, PPWRLC, shored in an income contribution of Php 8.4 mn during the year in review, up by 32% YoY, which was mainly driven by the 14% YoY increase in PPWRLC's profits. During the year in review, PPWRLC posted higher earnings from septage operations (mainly driven by increased desludging services) and booked 12-months' worth of earnings from sewage operations. Septage and sewage operations went online in the first and third quarter of 2022, respectively.

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

1. 20%-owned TVI recorded an income contribution of Php 277.4 mn as of end-2023, which was 27% lower YoY. This was mainly a consequence of reduced profit from RES contracts (down by 9% YoY) due to a 12% YoY drop in the volume of energy sold. However, the impact was cushioned by higher profits from WESM (up by 30% YoY) as volume of energy sold increased by 31% YoY, increased profits from bilateral contracts (up by 10% YoY) as volume sales rose by 22% YoY, profits from ancillary services (versus nil as of end-2022), and reduced debt service. Meanwhile, TVI's income contribution as of end-2022 was largely on account of the recognition of one-off gains resulting from the company's fuel cost management. In January and February 2022, TVI experienced plant downtime related to Typhoon Odette that brought down generated and sold energy for the comparable period.
2. 40%-owned MPC brought in earnings contribution of Php 243.0 mn as of end-2023, 35% lower vis-à-vis Php 373.4 mn as of end-2022. As of year-end, MPC posted an 11% YoY drop in gross profit as topline performance dropped by 10% YoY, which was a consequence of the termination of the PSA for Unit 3[4] with an electric cooperative. Also, its operating and maintenance costs rose by 7% YoY.
3. 100%-owned CIPC[5] recorded an income contribution of Php 23.7 mn for the period covered January to May 2023, i.e., prior to Vivant Energy's acquisition of the 50% equity shareholding of its joint venture partner on June 1, 2023. This compares to the Php 47.5 mn as of end-2022. As of end-2023, CIPC's total energy sales volume grew by 12% YoY.
4. 100%-owned DPI[6] recorded an income contribution of Php 15.8 mn for the period covered January to May 2023, i.e., prior to Vivant Energy's acquisition of the 50% equity shareholding of its joint venture partner on June 1, 2023. This compares to the Php 36.5 mn as of end-2022. As of end-2023, DPI's energy sales volume was 28% higher YoY.
5. 40%-owned Prism Energy, a RES company, posted a net loss contribution of Php 853.00 as of end-2023 from Php 4.9 mn in net income contribution as of end-2022. Prism Energy saw a 68% YoY decline in the volume of energy sold due to the non-renewal of customer contracts.

EBITDA as of end-2023 rose by 37% YoY to Php 3.3 bn from Php 2.4 bn. This was mainly an outcome of the 44% YoY expansion in operating income to Php 2.8 bn, which stemmed from:

1. Sale of power went up by 26% YoY to Php 5.5 bn. This was primarily from the improved revenue contribution by the Company's investments in oil-fired power plants, RES and solar rooftop business.

   Oil-fired Power Plants

   - Wholly owned DPI and CIPC brought in fresh revenue contributions covering June[7] to December 2023 in the amount of Php 1.1 bn and Php 437.9 mn, respectively.

3 ERC Resolution No. 14 is also known as A Resolution Adopting the Revised Rules Governing the Automatic Cost Adjustment and True-Up Mechanisms and Corresponding Confirmation Process for Distribution Utilities
4 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.
5 Equity stake in CIPC is increased from 50% to 100% after acquiring the shareholding of the joint venture partner through the execution of an SSPA on June 1, 2023. Consequently, the investment in CIPC is accounted for under PFRS 10, Business Combination, from PAS 28, *Investment in Associate*, as described above.
6 Equity stake in DPI is increased from 50% to 100% after acquiring the shareholding of the joint venture partner through the execution of an SSPA on June 1, 2023. Consequently, the investment in DPI is accounted for under PFRS 10, Business Combination, from PAS 28, *Investment in Associate*, as described above.
7 This was a result of the acquisition of the 50% equity stake from the joint venture partner, as described above.

- 100%-owned Isla Norte shored in a revenue contribution of Php 819.6 mn (up by 9% YoY) during the year in review. This was driven by a 7% YoY increase in the volume of energy sold.
- 100%-owned MPI contributed fresh revenue of Php 0.8 mn during the year in review. It is currently contracted for ancillary services with NGCP.

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

- 55.2%-owned 1590 EC saw a 34% YoY drop in its topline performance as of the year in review. This was mainly driven by the 51% YoY decline in revenue from ancillary services as a result of the termination of its contract in March 2023 (volume down by 72% YoY). Moreover, the volume of energy sold to the WESM was 51% lower YoY. However, the impact was softened by the revenue from a bilateral contract that started in April 2023, and a non-recurring revenue pertaining to the collection of additional compensation on its sale of energy to the WESM in 2022.
- 90%-owned BPC's revenue decreased by 13% YoY due to lower dispatch resulting to an 84% YoY decline in volume sold. In the same period last year, BPC booked a non-recurring revenue from the dispatch of emergency power.

Retail Electricity Supply (RES)

- 100%-owned Corenergy showed higher RES revenue (up by 92% YoY) as of end-2023. This strong showing was due to the increased volume sold (up by 155% YoY) and improved customer base.

Solar Rooftop

- The solar rooftop business of 100%-owned Corenergy contributed revenue of Php 8.8 mn, 142% higher YoY. This was mainly attributed to the 97% YoY rise in volume sold on the back of increased number of customers.
- 100%-owned CSSC, posted a 32% YoY expansion in its topline performance on account of an improved customer base and increased total contracted capacity (up by 36% YoY) during the year in review.
- 100%-owned VSC contributed Php 5.1 mn in revenue as of end-2023 from Php 3.5 mn as of end-2022 as energy volume sales grew by 50% YoY.

2. 529% YoY increase in management and service fees to Php 546.0 mn from Php 86.8 mn that mainly stemmed from a non-recurring technical services contract of Vivant Energy, and non-recurring corporate services contracts of Vivant during the year in review.
3. 5% YoY expansion in equity earnings resulting from the increase in the income contributions of four associates as of end-2023. This was tempered by the reduced income contributions from three associates, and from DPI and CIPC due to the change in accounting for these investments from associates to subsidiaries[8] starting June 2023.
4. Interest income significantly increased by 105% YoY, which was driven by higher interest rates for short-term money market placements.

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

1. Engineering service revenue as of end-2023 was at Php 17.2 mn, 44% lower than end-2022's Php 30.1 mn. Corenergy's engineering solutions business saw a 77% YoY decline in topline contribution on contracts with non-related parties during the year in review. In 2022, Corenergy had engineering service contracts which were completed in the same year. However, 60%-owned WMP posted higher revenue contribution of Php7.4 mn as of end-2023 from Php 0.8 mn as of end-2022 on service engineering contracts with non-related parties.
2. Generation cost rose by 21% YoY to Php 4.5 bn due to the following:

Oil-fired Power Plants

- Take-up of the generation costs of DPI and CIPC for the period June 2023 to December 2023 in the amount of Php 943.5 mn and Php 356.7 mn, respectively. This was a result of the acquisition of the 50% equity stake of the joint venture partner in both investee companies.
- 100%-owned Isla Norte incurred higher generation cost (up by 12% YoY) on the back of a 7% YoY increase in volume of energy sold. The early payment of real property tax for the power plant assets covering taxable year 2024 also contributed to the cost expansion during the year in review.
- 100%-owned MPI booked Php 11.1 mn in direct costs incurred during the year for the operation and maintenance of the power plant.

The cost expansion was tempered by the following:

- 1590 EC's generation cost declined by 42% YoY as a consequence of the reduced energy sold to the WESM and ancillary services as of end-2023 (down by 51% YoY and 72% YoY, respectively). The decline in cost occurred amid reporting 12 months' worth of plant repairs and maintenance and depreciation during the year in review following the acquisition of the BDPP in April 2022.
- 90%-owned BPC booked a 19% YoY decline in generation cost since its energy sales volume was lower by 84% YoY.

8 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.

Retail Electricity Supply (RES)

- Increased customer base and volume sales of Corenergy's RES business (up by 155% YoY) led to higher cost of purchased power (up by 94% YoY).

Solar Rooftop

- The solar rooftop operations of Corenergy booked higher depreciation expense as of end-2023. This was on account of the increased acquisition of solar panels and tools to service additional customers.
- Direct costs incurred by 100%-owned CSSC went up by 10% YoY given additional customers with new solar energy supply contracts (sales volume up by 36% YoY).
- 100%-owned VSC recorded a 59% YoY rise in its cost of services on the back of the 50% YoY growth in energy sales volume.

3. Engineering service fees was higher by 111% YoY to Php 52.5 mn as of end-2023. This was mainly attributed to higher direct costs incurred by WMP to service its on-going engineering service contracts during the year in review.
4. Operating expenses rose by 13% YoY.

The Company ended the year in review with a net decrease in cash and cash equivalents, before considering the effect of changes in the foreign exchange rates, in the amount of Php 501.2 mn. This was 38% lower than the net decrease in cash and cash equivalents as of end-2022 in the amount of Php 810.5 mn. Investing activities made up 125% of the total net cash outflow as of end-2023 in the amount of Php 627.5 mn. The net cash flows used in financing activities in the amount Php 75.7 mn further contributed to the reduction in cash level as of the year in review. However, operating activities as of end-2023 generated net cash flows of Php 202.0 mn.

Operating activities showed a net cash inflow of Php 202.0 mn as of end-2023, which was mainly attributed to the improved operating results before working capital changes (up by 175% YoY). In addition, cash was generated from the collection of trade receivables (mostly by 1590 EC and CIPC). However, outflows pertaining to the rise in prepayments (higher creditable withholding taxes (CWTs) and input VAT booked by the Company, Vivant Energy, Isla Norte, and Corenergy, and input VAT booked by IMCC from importation and domestic purchase of goods and services related to the development of a seawater desalination facility), payment of trade payables (mostly by 1590 EC for purchased power) and increased income tax payments offset the operating cash inflows during the year in review. As of end-2022, the Company was in a net cash outflow position of Php 255.7 mn.

The year in review ended with a net cash outflow for investing activities at Php 627.5 mn, which was mainly on account of Vivant Energy's investment in a solar plant facility in Bulacan and acquisition initiatives for its on-grid and off-grid generation business segments. The development costs incurred by IMCC for the construction of a seawater desalination facility likewise contributed to the reduced consolidated cash level. These were offset by dividends received from five associates. Meanwhile, the Company posted a net cash outflow of Php 1.6 bn as of end-2022, which was significantly on account of 1590 EC's acquisition of the BDPP.

Financing activities as of end-2023 showed a net cash outflow of Php 75.7 mn, a reverse of the net cash inflow of Php 1.0 bn as of end-2022. This was mainly attributed to the principal amortization payment made by the Company for its fixed rate corporate note. During the period in review, Corenergy, CIPC, DPI, Isla Norte, BPC and NBPC also made principal amortization payments for their respective short-term and/or long-term loans. Moreover, payments of cash dividends by the Company, NBPC, BPC, DPI & CIPC, and finance lease payments by the Company, WMP, DPI and CIPC contributed to the use of cash as of end-2023. These were tempered by the proceeds from the short-term and long-term loans drawn by Vivant Energy and long-term loan drawn by Corenergy, and collections from an associate for its full payment of an interest-bearing loan from the Company.

Financial Ratios

Debt-to-Equity ratio went up to 0.52x as of end-2023, vis-à-vis as of end-2022 level of 0.48x. Total equity increased by 10%, which was mainly attributed to the earnings net of the dividends declared by the Company as of end-2023. Meanwhile, total liabilities went up by 20%, which stemmed from the following:

1. Short-term and long-term loans drawn by Vivant Energy;
2. Long-term loan drawn by Corenergy, net of the full settlement of its short-term loan;
3. Consolidation of the liabilities of newly-acquired subsidiaries, SIAEC, DPI and CIPC;
4. Higher trade and other payables, which were mainly attributed to the amount due to the joint venture partner on the acquisition of shares in subsidiaries, and Corenergy's trade liabilities on the back of improved RES operations;
5. Accrual of income taxes by seven subsidiaries;
6. Accrued pension booked by the Company, and six wholly-owned subsidiaries;
7. Accrual of deferred tax liabilities resulting from the fair value remeasurement of the investment properties booked by three subsidiaries; and
8. Take-up of the finance lease liabilities of DPI and CIPC following the business combination, and lease extension of office

spaces by the Company and a subsidiary

These additions were offset by the principal amortization payments made by the Company, DPI, CIPC, BPC, NBPC and Isla Norte.

The Company's current ratio went down to 1.80x as of the year in review from the year-end 2022 level of 1.87x. Current liabilities rose by 6% YoY. This was brought about by the short-term loans drawn by Vivant Energy, and the take-up of the current liabilities of newly-acquired subsidiaries, SIAEC, DPI and CIPC. This was offset by the principal amortization payments made by the Company, CIPC, DPI, Isla Norte, BPC, and NBPC, full settlement of the short-term loan of Corenergy, payment made by a subsidiary to a minority shareholder for an interest-bearing loan, and payment made by another subsidiary to its minority shareholder for advances made in prior years. Meanwhile, current assets increased by 2% YoY. The increase in trade receivables (mostly from the newly acquired subsidiaries, DPI and CIPC, attributed to their power generation operations), inventories (mostly from DPI and CIPC) and prepayments (attributed to the input VAT booked by IMCC from importation and domestic purchases of goods and services related to the development of a seawater desalination facility, by SIAEC on the development of a solar plant facility and by Corenergy on the installation of new solar facilities) mainly accounted for the current asset expansion.

Material Changes in Line Items of Registrant's Income Statement

As of end-2023, the Company's total revenues amounted to Php 8.3 bn, recording a 27% YoY rise from Php 6.5 bn. The topline performance was attributable to the following:

1. Sale of power went up by 26% YoY to Php 5.5 bn. This was primarily from the improved revenue contribution by the Company's investments in oil-fired power plants, RES and solar rooftop business.

   Oil-fired Power Plants

   - Wholly owned DPI and CIPC brought in fresh revenue contributions covering June to December 2023 in the amount of Php 1.1 bn and Php 437.9 mn, respectively.
   - 100%-owned Isla Norte shored in a revenue contribution of Php 819.6 mn (up by 9% YoY) during the year in review. This was driven by a 7% YoY increase in the volume of energy sold.
   - 100%-owned MPI contributed fresh revenue of Php 0.8 mn during the year in review. It is currently contracted for ancillary power supply with NGCP.

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

   - 55.2%-owned 1590 EC saw a 34% YoY drop in its topline performance as of the year in review. This was mainly driven by the 51% YoY decline in revenue from ancillary services as a result of the termination of its contract in March 2023 (volume down by 72% YoY). Moreover, the volume of energy sold to the WESM was 51% lower YoY. However, the impact was softened by the revenue from a bilateral contract that started in April 2023, and a non-recurring revenue pertaining to the collection of additional compensation on its sale of energy to the WESM in 2022.
   - 90%-owned BPC's revenue decreased by 13% YoY due to lower dispatch resulting to an 84% YoY decline in volume sold. In the same period last year, BPC booked a non-recurring revenue from the dispatch of emergency power.

   Retail Electricity Supply (RES)

   - 100%-owned Corenergy showed higher RES revenue (up by 92% YoY) as of end-2023. This strong showing was due to the increased volume sold (up by 155% YoY) and improved customer base.

   Solar Rooftop

   - The solar rooftop business of 100%-owned Corenergy contributed revenue of Php 8.8 mn, 142% higher YoY. This was mainly attributed to the 97% YoY rise in volume sold on the back of increased number of customers.
   - 100%-owned CSSC, posted a 32% YoY expansion in its topline performance on account of an improved customer base and increased total contracted capacity (up by 36% YoY) during the year in review.
   - 100%-owned VSC contributed Php 5.1 mn in revenue as of end-2023 from Php 3.5 mn as of end-2022 as energy volume sales grew by 50% YoY.

2. Management and service fees went up by 529% YoY to Php 546.0 mn as of end-2023. This mainly stemmed from a non-recurring technical services contract of Vivant Energy, and non-recurring corporate services contracts of Vivant during the year in review.
3. Engineering service revenue as of end-2023 was at Php 17.2 mn, 44% lower than end-2022's Php 30.1 mn. Corenergy's engineering solutions business saw a 77% YoY decline in topline contribution on contracts with non-related parties during the year in review. In 2022, Corenergy had engineering service contracts which were completed in the same year. However, 60%-owned WMP posted higher revenue contribution of Php7.4 mn as of end-2023 from Php 0.8 mn as of end-2022 on service engineering contracts with non-related parties.
4. The Company's share in the net earnings of associates and joint ventures as of end-December 2023 amounted to Php 2.0 bn, representing a 5% YoY increase from Php 1.9 bn. This was a result of the following:

- VECO, the Company's electricity distribution utility, posted Php 1.0 bn in income contribution as of end-2023, 33% higher YoY. This was mainly attributed to the 12% YoY increase in the volume of electricity sold. VECO's bottomline contribution during the year in review was net of the one-time refund to its customers for the over-recoveries of pass-through charges covering the first semester of 2023, in compliance with the ERC Resolution No. 14. As of end-2022, electricity sales volume was significantly affected by the prolonged power outage in Cebu that resulted from the devastation caused by Typhoon Odette in December 2021.
- 40%-owned AHI posted an 8% increase in its income contribution to Php 414.0 mn as of end-2023 from Php 382.4 mn as of end-2022. This was driven by the increase in profitability of its associate, CEDC. CEDC's improved performance during the year in review attributed to higher profit on its sales to the WESM (up by 195% YoY) as volume of energy sold went up by 49% YoY. Also, CEDC saw a reduction in debt service due to principal loan payments during the year in review. However, CEDC's profits from ancillary services dropped by 64% YoY due to the expiration of the contract in April 2023.
- 40%-owned CPPC brought in Php 66.8 mn in income contribution as of end-2023 vis-a-vis Php 31.6 mn in net loss contribution as of end-2022. This was mainly attributable to the recognition of a non-recurring revenue pertaining to the collection of additional compensation related to prior year sale of energy to the WESM. In 2022, power generation companies, including CPPC, were entitled to additional compensation upon implementation of the secondary price cap by the IEMOP.
- 45%-owned FLOWS, through its 89.6%-owned subsidiary, PPWRLC, shored in an income contribution of Php 8.4 mn during the year in review, up by 32% YoY, which was mainly driven by the 14% YoY increase in PPWRLC's profits. During the year in review, PPWRLC posted higher earnings from septage operations (mainly driven by increased desludging services) and booked 12-months' worth of earnings from sewage operations. Septage and sewage operations went online in the first and third quarter of 2022, respectively.

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

- 20%-owned TVI recorded an income contribution of Php 277.4 mn as of end-2023, which was 27% lower YoY. This was mainly a consequence of reduced profit from RES contracts (down by 9% YoY) due to a 12% YoY drop in the volume of energy sold. However, the impact was cushioned by higher profits from WESM (up by 30% YoY) as volume of energy sold increased by 31% YoY, increased profits from bilateral contracts (up by 10% YoY) as volume sales rose by 22% YoY, profits from ancillary services (versus nil as of end-2022), and reduced debt service. Meanwhile, TVI's income contribution as of end-2022 was largely on account of the recognition of one-off gains resulting from the company's fuel cost management. In January and February 2022, TVI experienced plant downtime related to Typhoon Odette that brought down generated and sold energy for the comparable period.
- 40%-owned MPC brought in earnings contribution of Php 243.0 mn as of end-2023, 35% lower vis-à-vis Php 373.4 mn as of end-2022. As of year-end, MPC posted an 11% YoY drop in the gross profit as topline performance dropped by 10% YoY, which was a consequence of the termination of the PSA for Unit 3 with an electric cooperative. Also, its operating and maintenance costs rose by 7% YoY.
- 100%-owned CIPC recorded an income contribution of Php 23.7 mn for the period covered January to May 2023, i.e., prior to Vivant Energy's acquisition of the 50% equity shareholding of its joint venture partner on June 1, 2023. This compares to the Php 47.5 mn as of end-2022. As of end-2023, CIPC's total energy sales volume grew by 12% YoY.
- 100%-owned DPI recorded an income contribution of Php 15.8 mn for the period covered January to May 2023, i.e., prior to Vivant Energy's acquisition of the 50% equity shareholding of its joint venture partner on June 1, 2023. This compares to the Php 36.5 mn as of end-2022. As of end-2023, DPI's energy sales volume was 28% higher YoY.
- 40%-owned Prism Energy, a RES company, posted a net loss contribution of Php 853.00 as of end-2023 from Php 4.9 mn in net income contribution as of end-2022. Prism energy saw a 68% YoY decline in the volume of energy sold due to the non-renewal of customer contracts.

5. Interest income significantly increased by 105% YoY to Php 123.0 mn, which was driven by higher interest rates for short-term money market placements.

Total cost of services and operating expenses as of end-2023 went up by 20% YoY to Php 5.5 bn from Php 4.6 bn.

1. Total cost of services rose by 21% YoY to Php 4.5 bn. This was mainly attributed to the following:
   a) Generation costs went up to Php 4.5 bn, 21% higher YoY, on account of:

   Oil-fired Power Plants

   - Take-up of the generation costs of DPI and CIPC for the period June 2023 to December 2023 in the amount of Php 943.5 mn and Php 356.7 mn, respectively. This was a result of the acquisition of the 50% equity stake of the joint venture partner in both investee companies.
   - 100%-owned Isla Norte incurred higher generation cost (up by 12% YoY) on the back of a 7% YoY increase in volume of energy sold. The early payment of real property tax for the power plant assets covering taxable year 2024 also contributed to the cost expansion during the year in review.
   - 100%-owned MPI booked Php 11.1 mn in direct costs during the year for operation and maintenance of the

power plant.

The cost expansion was tempered by the following:

- 1590 EC's generation cost declined by 42% YoY as a consequence of the reduced energy sold to the WESM and ancillary services as of end-2023 (down by 51% YoY and 72% YoY, respectively). The decline in cost occurred amid reporting 12 months' worth of plant repairs and maintenance and depreciation during the year in review following the acquisition of the BDPP in April 2022.
- 90%-owned BPC booked a 19% YoY decline in generation cost since its energy sales volume was 84% lower YoY.

Retail Electricity Supply

- Increased customer base and volume sales of Corenergy's RES business (up by 155% YoY) led to higher cost of purchased power (up by 94% YoY).

Solar Rooftop

- The solar rooftop operations of Corenergy booked higher depreciation expense as of end-2023. This was on account of the increased acquisition of solar panels and tools to service additional customers.
- Direct costs incurred by 100%-owned CSSC went up by 10% YoY given additional customers with new solar energy supply contracts (sales volume up by 36% YoY).
- 100%-owned VSC recorded a 59% YoY rise in its cost of services on the back of the 50% YoY growth in energy sales volume.

b) Engineering service fees was higher by 111% YoY to Php 52.5 mn as of end-2023. This was mainly attributed to higher direct costs incurred by WMP to service its on-going engineering service contracts during the year in review.

2. Salaries and employee benefits went up by 6% YoY to Php 414.8 mn from Php 390.2 mn. Increase in headcount and upward adjustment in salary rate mainly accounted for the cost expansion. Also, employees had more trainings and engagement activities during the year in review.
3. Professional fees dropped by 40% YoY to Php 100.3 mn. This was mainly attributable to lower consultancy fees incurred for project development during the year.
4. Taxes and licenses increased by 29% YoY to Php 101.7 mn. Documentary stamp taxes for the short-term and long-term loans drawn by Vivant Energy and Corenergy, and various infusions made to subsidiaries to fund various power and water infrastructure projects were incurred during the year in review. Real property tax incurred by 1590 EC pertaining to the BDPP also contributed to the cost expansion.
5. Depreciation and amortization was 16% higher YoY to Php 62.9 mn. This can be attributed to the depreciation of newly purchased fixed assets during the year in review.
6. Management and directors' fees went up by 50% YoY to Php 43.8 mn. The increased frequency of board and committee meetings and directors' per diem, and fees paid for management consultancy services accounted for the cost expansion.
7. Outside services amounted to Php 102.0 mn, 416% higher YoY. This was mainly attributed to the non-recurring cost incurred by Vivant Energy in relation to the acquisition of a solar plant facility in Bulacan, and by the Company for an operational technology risk assessment engagement during the year in review. Costs pertaining to marketing services incurred by a subsidiary, and the expenses related to security services and outsourced personnel incurred by three subsidiaries further contributed to higher costs as of end-2023.
8. Travel expenses rose by 59% YoY to Php 47.2 mn. This can be mainly attributed to the increased frequency of business travels for meetings with partners and stakeholders, and site visit for project development. Furthermore, fuel expenses for fleet cars went up since the number of units, frequency of fieldwork and employees working on premises increased during the year in review.
9. Rent and association dues as of end-2023 dropped to Php 5.2 mn, 19% lower YoY. Lower assets rental of two subsidiaries during the year in review mainly accounted for the decline in cost.
10. Other operating expenses was at Php 103.2 mn as of end-2023, a 15% increase vis-à-vis Php 89.5 mn as of end-2022. This increase was mainly attributed to higher cost on subscriptions to the Enterprise Resource Planning (ERP) system software, work management and communication tools and insurance premium driven by headcount.

Vivant booked Php 186.8 mn in other charges as of end-2023, recording a 52% increase from last year's Php 122.8 mn. This was an outcome of the following account movements:

1. Finance costs on loans was higher by 40% YoY at PhP 363.7 mn. Debt servicing from seven subsidiaries account for the cost expansion, namely:

   a) Isla Norte from its short-term and long-term loans drawn as of the second semester of 2022.

   b) Vivant Energy from its short-term loans drawn in February, March and June 2023, and long-term loan drawn in December 2023.

c) BPC and NBPC from the refinancing of its long-term loans in the second quarter of 2022, which had higher loan amounts and interest rates.

d) Corenergy from its short-term loan drawn in February 2023 and was fully paid in October 2023, and long-term loan drawn in October 2023.

e) The take-up of the finance costs of the term loans of CIPC & DPI.

2. Unrealized foreign exchange loss stands at Php 9.6 mn as of end-2023, a reversal of the unrealized foreign exchange gain of Php 53.8 mn as of end-2022. This pertains to the translation of the US Dollar and Euro cash balances of the Company and its subsidiaries.

The increase in other charges were offset by the following:

1. Vivant Energy booked a gain on bargain purchase of Php 64.7 mn as a result of the purchase price allocation under PFRS 3, *Business Combination*[9], related to its acquisition of the 50% equity stake in DPI from the joint venture partner.
2. The gain of Php 121.4 mn was earned as of end-2023 as a result of the increase in the fair value of investment properties of three subsidiaries. This was 101% higher than the Php 60.4 mn in fair value gain for the same investment properties booked in 2022.
3. Finance cost on lease liabilities went down to Php 1.1 mn as of end-2023, 90% lower than last year's finance cost of Php 10.8 mn. As of end-2022, 1590 EC derecognized the finance cost resulting from the purchase of the BDPP.
4. Other income-net amounted to Php 1.4 mn as of end-2023. This was mainly attributed to the interest income booked by the Company from an interest-bearing loan to an associate and additional collection by Vivant Energy on the sale of a subsidiary in prior years.

As of end-2023, the Company booked a consolidated provision for income tax of Php 180.4 mn, which was 101% higher than previous year's Php 89.6 mn. This was mainly due to the higher taxable income of 1590 EC and Corenergy, and the take-up of the accrued income taxes of DPI and CIPC. 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 of the above into account, the Company recorded a total net income of Php 2.4 bn for the period ending December 31, 2023, which was 40% higher than end-December 2022's net income of Php 1.7 bn. Net income attributable to parent grew by 43% to Php 2.3 bn as of end- 2023 from Php 1.6 bn as of end-2022.

During the year in review, the Company recognized other comprehensive loss (OCL), net of tax, of Php 95.1 mn, a reverse of the other comprehensive income of Php 30.5 mn booked as of end-2022. This was mainly attributable to the remeasurement losses on employee benefits booked by the Company, Vivant Infracore, Vivant Energy and five operating subsidiaries, share in the remeasurement loss on employee benefits of two associates and impact of the foreign exchange translation booked by a subsidiary. This was offset by the unrealized valuation gain on financial asset at FVOCI booked by a wholly-owned subsidiary The total comprehensive income as of end-2023 was at Php 2.3 bn. Out of the said amount, Php 2.3 bn was attributable to the equity holders of the parent, which was 35% higher compared to last year's Php 1.6 bn.

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

The Company's total assets grew by 13% to Php 29.9 bn from end-2022 level of Php 26.4 bn. The following are the material movements in the consolidated assets of the Company as of end-2023.

1. Cash and cash equivalents was reduced to Php 4.4 bn as of end-2023. Cash usage for investing activities in the amount of Php 627.5 mn and financing activities in the amount of Php 75.7 mn during the year in review mainly drove the decline in cash. This was offset by the cash inflows from operating activities amounting to Php 202.0 mn.
2. Trade and other receivables went up by 21% YoY to Php 1.6 bn. This was mainly attributed to the take-up of the receivables of the then joint ventures turned subsidiaries, DPI and CIPC. The improved operations of Corenergy, the granting of extended payment term to BPC's customer, and timing of collection of receivables by Vivant and Vivant Energy for non-recurring service contracts further contributed to the asset expansion.
3. Advances to associates, joint ventures, and stockholders declined by 45% YoY to Php 162.2 mn. This was mainly on account of the collection from an associate for the full settlement of its interest-bearing loan from the Company. Moreover, with the then three joint ventures and one associate becoming subsidiaries starting June 1, 2023, Vivant Energy's advances to these entities, which were outstanding as of year-end 2022, were eliminated for financial reporting purposes. The said elimination of related party advances also contributed to the asset contraction. This was offset by a short-term loan extended by Vivant Energy to an associate.
4. Inventories increased by 105% to Php 364.7 mn as of end-2023, mainly from the take-up of the inventories of DPI and CIPC resulting from the business combination. This was tempered by the fuel consumption of 1590 EC, Isla Norte, BPC, NBPC, DPI and CIPC, and the use of personal protective equipment by WMP for project site safety.
5. Prepayments and other current assets were higher by 74% to Php 778.3 mn. This was significantly driven by the input VAT booked by IMCC for its importation and domestic purchase of goods and services related to the development of

9 As allowed by PFRS 3, the assets recognized and liabilities assumed were based on provisional assessment of their fair value. The valuation had not been completed by the date of this report. Hence the determination of final amount of property, plant and equipment, intangible assets, trade and other payables, long-term notes payable, goodwill, gain on bargain purchase, and non-controlling interest are subject to change within one (1) year of measurement period after the acquisition date.

its seawater desalination plant, and by SIAEC related to the development of its solar plant facility. Further, improved operations of Isla Norte and Corenergy resulted to higher CWTs and deferred input VAT, and Corenergy saw an increase in its security deposits as new RES customers were energized.

6. Property, plant and equipment increased by 41% to Php 8.3 bn, which was mainly attributed to the take-up of the assets of newly-acquired subsidiary, SIAEC, costs for the on-going construction of a seawater desalination plant (Construction-in-Progress) by wholly-owned IMCC, acquisition of solar panels and tools by Corenergy to service additional customers, and land acquisition by 90%-owned BPC. Moreover, new diesel-fired on-grid and off-grid generation assets were acquired by Vivant Energy during the year in review on account of the expansion of its interests in the power generation business. The purchase of various fixed assets by the Company and Vivant Energy further contributed to the asset expansion.
7. Right-of-use assets (ROU) decreased by 11% YoY to Php 24.5 mn, which was mainly attributed to the take-up of the ROU assets of DPI and CIPC starting June 1, 2023, and the lease extension of the Company's and a subsidiary's office space. This was tempered by the depreciation for the period.
8. Investment properties amounted to Php 1.0 bn, a 13% YoY increase from Php 924.0 mn. This movement is mainly attributable to the gain recorded from the fair valuation of the investment properties in three subsidiaries.
9. Deferred income tax assets increased by 122% to Php 30.5 mn as a result of the take up of the assets of DPI.
10. Other non-current assets amounted to Php 2.6 bn, 40% higher than end-2022's Php1.9 bn. This was mainly attributed to the prepayments for the development of the solar plant facility in Bulacan. The take-up of the noncurrent assets of DPI, CIPC, LPEC and CREC related to the business combination, take-up of input VAT of newly-acquired subsidiary, SIAEC, rise in noncurrent VAT booked by 1590 EC and Isla Norte, and the take up of goodwill[10] from acquiring additional 50% shareholding in CIPC also contributed to the expansion of this account.

Total consolidated liabilities amounted to Php 10.2 bn as of end-2023, 20% higher than previous year's level of Php 8.5 bn. This was mainly attributed to the 70% increase in short-term notes payable, which was on account of the loans drawn by Vivant Energy in various periods within the year in review. This was offset by the full settlement of short-term notes of Isla Norte and Corenergy as of end-2023.

Other factors that contributed to the expansion of liabilities include:

1. Trade and other payables increased by 19% from Php 1.5 bn to Php 1.8 bn mainly from the take-up of trade and non-trade payables of newly-acquired subsidiary, SIAEC, and newly-consolidated subsidiaries, DPI, CIPC, CREC & LPEC. This is further increased by the outstanding payable related to the acquisition of shares in DPI, CIPC, Isla Norte, CREC and LPEC.
2. Current and non-current long-term loans grew by 9% YoY to Php 5.0 bn. This was mainly attributed to the take up of the term loan of DPI, and long-term loans drawn by Vivant Energy in December 2023 and by Corenergy in October 2023. However, this was offset by the principal amortization payments made by the Company, Isla Norte, BPC and NBPC.
3. Total finance lease liabilities (current and noncurrent portions) amounted to Php 29.8 mn, or 11% higher YoY. This was mainly attributed to the take-up of the finance lease liabilities of DPI and CIPC starting June 1, 2023, and lease extension of the Company's and a subsidiary's office space.
4. Income tax payable significantly rose to Php 34.7 mn from Php 7.5 mn. This was mainly attributed to higher taxable earnings of Corenergy and NBPC on the back of improved operations, and higher taxable earnings in 1590EC related to the non-recurring revenue, i.e., additional compensation on its sale of energy to the WESM in 2022. The take-up of the accrued income taxes of CIPC, DPI, and income tax on the rental income of 100%-owned Vivant Realty Ventures Corporation (VRVC) also contributed to the increase in tax liability.
5. Pension liability as of end-2023 was at Php 185.5 mn, a significant increase from the end-2022 level of Php 64.2 mn. Accrual of pension expenses booked by the Company, and six wholly-owned subsidiaries mainly accounted for the expansion of this account.
6. Deferred income tax liabilities was higher by 11% YoY to Php 296.4 mn as of end-2023. This was mainly attributed to the recognition of deferred taxes on the fair value remeasurement of the investment properties of three subsidiaries, and unrealized valuation gain on a financial asset at FVOCI booked by a wholly-owned subsidiary.

The above expansion in consolidated liabilities was offset by the 78% YoY reduction in the advances from related parties to Php 2.4 mn as of year-end. This was attributed to the payment made by a subsidiary to a minority shareholder for an interest-bearing loan, and payment made by another subsidiary to its minority shareholder for advances made in prior years.

Other components of equity were higher by 115% YoY to Php 184.2 mn as of end-2023, which can be attributed to the significant movements discussed below.

1. The Company and seven subsidiaries recorded re-measurement loss on the employee benefits in the amount of Php 79.9 mn during the year in review. This was a reverse of the remeasurement gain of Php 7.1 mn as of end-2022.
2. As of end-2023, the Company booked its share in the remeasurement loss on the employee benefits of two associates

10 As allowed by PFRS 3, the assets recognized and liabilities assumed were based on provisional assessment of their fair value. The valuation had not been completed by the date of this report. Hence the determination of final amount of property, plant and equipment, intangible assets, trade and other payables, long-term notes payable, goodwill, gain on bargain purchase, and non-controlling interest are subject to change within one (1) year of measurement period after the acquisition date.

amounting to Php 125.2 mn. This was 33% higher than end-2022's level of Php 94.0 mn.

3. The Company, through a subsidiary, booked an unrealized valuation gain on financial assets at FVOCI during the year in review. This resulted to an unrealized valuation gain of Php 51.1 mn as of end-2023, 93% higher than Php 26.5 mn as of end-2022.
4. Equity reserves increased by 20% to Php 30.3 mn, which was attributed to the acquisition of the 35% non-controlling interest in Isla Norte. Equity reserves pertain to the difference between the consideration transferred and the book value of interest acquired from non-controlling interest without loss of control.

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 19.6 bn as of end-2023 from Php 17.9 bn as of end-2022. Meanwhile, equity attributable to parent ended higher by 11% YoY at Php 18.3 bn as of end-2023.

Material Changes in Liquidity and Cash Reserves of Registrant

Cash and cash equivalents were lower by 10% from Php 4.9 bn as of end-2022 to Php 4.4 bn as of end-2023.

The Company ended the year in review with a net decrease in cash and cash equivalents, before considering the effect of changes in the foreign exchange rates, in the amount of Php 501.2 mn. This was 38% lower than the net decrease in cash and cash equivalents as of end-2022 in the amount of Php 810.5 mn. Investing activities made up 125% of the total net cash outflow as of end-2023 in the amount of Php 627.5 mn. The net cash flows used in financing activities in the amount Php 75.7 mn further contributed to the reduction in cash level as of the year in review. However, operating activities as of end-2023 generated net cash flows of Php 202.0 mn.

Operating activities showed a net cash inflow of Php 202.0 mn as of end-2023, which was mainly attributed to the improved operating results before working capital changes (up by 175% YoY). In addition, cash was generated from the collection of trade receivables (mostly by 1590 EC and CIPC). However, outflows pertaining to the rise in prepayments (higher CWTs and input VAT booked by the Company, Vivant Energy, Isla Norte, and Corenergy, and input VAT booked by IMCC from importation and domestic purchase of goods and services related to the development of a seawater desalination facility), payment of trade payables (mostly by 1590 EC for purchased power) and increased income tax payments offset the operating cash inflows during the year in review. As of end-2022, the Company was in a net cash outflow position of Php 255.7 mn.

The year in review ended with a net cash outflow for investing activities at Php 627.5 mn, which was mainly on account of Vivant Energy's investment in a solar plant facility in Bulacan and acquisition initiatives for its on-grid and off-grid generation business segments. The development costs incurred by IMCC for the construction of a seawater desalination facility likewise contributed to the reduced consolidated cash level. These were offset by dividends received from five associates. Meanwhile, the Company posted a net cash outflow of Php 1.6 bn as of end-2022, which was significantly on account of 1590 EC's acquisition of the BDPP.

Financing activities as of end-2023 showed a net cash outflow of Php 75.7 mn, a reverse of the net cash inflow of Php 1.0 bn as of end-2022. This was mainly attributed to the principal amortization payment made by the Company for its fixed rate corporate note. During the period in review, Corenergy, CIPC, DPI, Isla Norte, BPC and NBPC also made principal amortization payments for their respective short-term and/or long-term loans. Moreover, payments of cash dividends by the Company, NBPC, BPC, DPI & CIPC, and finance lease payments by the Company, WMP, DPI and CIPC contributed to the use of cash as of end-2023. These were tempered by the proceeds from the short-term and long-term loans drawn by Vivant Energy and long-term loan drawn by Corenergy, and collections from an associate for its full payment of an interest-bearing loan from the Company.

Financial Ratios

Debt-to-Equity ratio went up to 0.52x as of end-2023, vis-à-vis as of end-2022 level of 0.48x. Total equity increased by 10%, which was mainly attributed to the earnings net of the dividends declared by the Company as of end-2023. Meanwhile, total liabilities went up by 20%, which stemmed from the following:

1. Short-term and long-term loans drawn by Vivant Energy;
2. Long-term loan drawn by Corenergy, net of the full settlement of its short-term loan;
3. Consolidation of the liabilities of newly-acquired subsidiaries, SIAEC, DPI and CIPC;
4. Higher trade and other payables, which were mainly attributed to the amount due to the joint venture partner on the acquisition of shares in subsidiaries, and Corenergy's trade liabilities on the back of improved RES operations;
5. Accrual of income taxes by seven subsidiaries;
6. Accrued pension booked by the Company, and six wholly-owned subsidiaries;
7. Accrual of deferred tax liabilities resulting from the fair value remeasurement of the investment properties booked by three subsidiaries; and
8. Take-up of the finance lease liabilities of DPI and CIPC following the business combination, and lease extension of office spaces by the Company and a subsidiary

These additions were offset by the principal amortization payments made by the Company, DPI, CIPC, BPC, NBPC and Isla Norte.

The Company's current ratio went down to 1.80x as of the year in review from the year-end 2022 level of 1.87x. Current liabilities rose by 6% YoY. This was brought about by the short-term loans drawn by Vivant Energy, and the take-up of the current liabilities of newly-acquired subsidiaries, SIAEC, DPI and CIPC. This was offset by the principal amortization payments made by the Company, CIPC, DPI, Isla Norte, BPC, and NBPC, full settlement of the short-term loan of Corenergy, payment made by a subsidiary to a minority shareholder for an interest-bearing loan, and payment made by another subsidiary to its minority shareholder for advances made in prior years. Meanwhile, current assets increased by 2% YoY. The increase in trade receivables (mostly from the newly acquired subsidiaries, DPI and CIPC, attributed to their power generation operations), inventories (mostly from DPI and CIPC) and prepayments (attributed to the input VAT booked by IMCC from importation and domestic purchases of goods and services related to the development of a seawater desalination facility, by SIAEC on the development of a solar plant facility and by Corenergy on the installation of new solar facilities) mainly accounted for the current asset expansion.

Board Committee Reports

REPORT OF THE EXECUTIVE COMMITTEE TO THE BOARD OF DIRECTORS

For the year-ended 31 December 2023

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 twelve (12) meetings in 2023: January 27, February 14, March 7, April 18, May 17, July 19, August 31, 2023, September 22, October 16, 2023, October 25, November 22 and December 14.

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:
    - Effects of consolidation of its investments in the Small Power Utilities Group (SPUG) market to its total portfolio on a capacity and revenue basis and potential operational synergies and shareholder value that can be achieved through the consolidation
    - Financial metrics and economic considerations behind rooftop solar vs. ground-mounted solar plants in connection with plans to participate in the Department of Energy's (DOE) Green Energy Auction Program including potential risks
    - Strategic importance of pre-identified renewable energy projects and their importance in achieving the Corporation's renewable energy and sustainable development goals
    - Expected financial returns on investment, impact on financial position, including associated risks and mitigation measures for proposed capital infusion at subsidiary level/s
    - Strengthening a subsidiary's position in conventional energy sources to meet immediate energy demands with reliability and efficiency
    - Performance metrics, both financial and non-financial, including challenges encountered and measures undertaken to address the same, including exploration of divestment or exit strategies
- Business Operations
    - 2023 proposed budget for the business operations of the Corporation and its business units and subsidiaries
    - 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 2023-2024
- Corporate Matters:
    - Dividend declarations
    - Funding requirements including requests for cash and capital calls of its
    - business units and wholly owned subsidiaries, and Updates to the Corporation's Weighted Average Cost of Capital (WACC) and
    - internal hurdle rates
- Corporate Governance:
    - Endorsement of external auditor for 2023 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 2022 and endorsement to the Corporate Governance Committee

- Corporate Matters:
  - 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
  - Changes to the executive leadership team, including appointment of new officers
  - External counsel authority to pursue recourse on behalf of the Company as may be necessary on contractual matters
  - Updates to the Company's limits of authority framework

December 31, 2023.

FRANCIS DAMASUS A. GARCIA
Chairman

RAMONTITO E. GARCIA
Member

ARLO ANGELO G. SARMIENTO
Member

EMIL ANDRE M. GARCIA
Member

JOSE MARKO ANTON G. SARMIENTO
Member

CHARLES SYLVESTRE A. GARCIA
Member

BRIGETTE CECILE M. GARCIA
Member

REPORT OF THE FINANCE COMMITTEE TO THE BOARD OF DIRECTORS

For the year-ended 31 December 2023

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 2023, the Committee convened on January 25, May 11, April 18, August 9 and September 15 and had joint committee meetings with the Vivant Energy Corporation Finance Committee on February 13, and June 14, 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:
  - Effects of consolidation of its investments in the Small Power Utilities Group (SPUG) market to its total portfolio on a capacity and revenue basis
  - Financial metrics and economic considerations behind rooftop solar vs. ground-mounted solar plants in connection with the Company's plans to participate in the Department of Energy's (DOE) Green Energy Auction Program including potential risks
- Business Operations
  - 2023 proposed budget for the business operations of the Corporation and its business units and subsidiaries
  - 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 2023-2024
  - 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 2023
- Corporate Matters:
  - Dividend declarations
  - Funding requirements including requests for cash and capital calls of its business units and wholly owned subsidiaries, and
  - Updates to the Corporation's Weighted Average Cost of Capital (WACC) and internal hurdle rates

December 31, 2023.

LAURENCE R. ROGERO
Member

FRANCIS DAMASUS A. GARCIA
Chairman

JOSE MARKO ANTON G. SARMIENTO
Member

JOSE CARLITOS G. CRUZ
Member

REPORT OF THE AUDIT COMMITTEE TO THE BOARD OF DIRECTORS

For the year-ended 31 December 2023

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 2023, the Audit Committee convened on March 10, May 12, August 9, and November 13, during which it:

- Thoroughly examined and deliberated upon the Annual Financial Statements of the Company before their submission to the Board of Directors for its final approval and prior to filing with the Securities and Exchange Commission and the Philippine Stock Exchange. The Audited Financial Statements were attached to the SEC Form 17-A Annual Report for 2022;
- Endorsed the engagement of the Company's External Auditor, SGV & Co. and in said engagement, discussed and approved the audit plan. Significant findings and observations from SGV & Co. were discussed with Management, with due consideration to Management's responses;
- Ensured the statements' completeness and consistency concerning information known to its members. Key considerations included changes in accounting policies, areas with significant judgment, substantial audit-related adjustments, going concern assumptions, adherence to accounting standards, and compliance with tax, legal, and regulatory requirements; Reviewed and approved the Internal Audit Department's annual audit plan, overseeing major changes and evaluating the department's performance;
- Reviewed and examined the 2023 interim financial statements of the Company prior to endorsement to the Board for its consideration;
- Through the Internal Audit Department, monitored the adequacy and effectiveness of the Company's internal control system, the integrity of financial reporting, and the security of physical and information assets, and ensured Management's responsiveness to the Internal Audit Department's findings and recommendations, aiming to establish well-designed internal control procedures for resource safeguarding, fraud prevention, accuracy of financial data, and compliance with laws and regulation; and
- In overseeing audit fees, the Committee evaluated both audit and non-audit fees of SGV & Co. to guarantee that non-audit services complied with the Code of Conduct for Auditors and maintained the external auditor's independence. All non-audit services conducted by SGV & Co. was also deliberated on and granted by the Committee.

December 31, 2023.

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 2023

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 2023, the Risk and Sustainability Committee convened on January 19, May 12, August 10, and November 21 and held joint committee meetings with the Vivant Energy Corporation's Risk Committee on February 13 and June 14, during which it:

- Deliberated on risk management policies, framework, and remediation plans in connection with proposed project investments
- Reviewed the 2022 year-end Organizational Risk Management Plan (ORMP) heatmap and dashboards per business unit, discussed factors contributing to movements in top risks including mitigation measures and summaries of assurance activities
- Reviewed the results of 2022 Sustainability Survey and updated its 2023 Sustainability Goals
- Discussed the 2023 risk landscape for the Company and the adequacy and effectiveness of risk management activities
- Discussed the Company's ESG Sustainability Framework and the results of its Materiality Survey which gave rise to the Material Topics for inclusion in its 2024 Sustainability Report
- Approved the adoption of Vivant's Risk Taxonomy and Risk Appetite Statements

December 31, 2023.

LAURENCE R. ROGERO
Member

JOSE M. LAYUG, JR.
Member

JOSE MARKO ANTON G. SARMIENTO
Member

CHARLES SYLVESTRE A. GARCIA
Member

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

For the year-ended 31 December 2023

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 2023, the RPTComm convened once, in January 31, 2023, during which it:

- Deliberated on the critical aspects of a power supply agreement in connection with a subsidiary operations vis-à-vis the requirement of a parent corporate guarantee; and
- Endorsed for the Board's approval the transaction subject to the deliberations of the Risk and Sustainability Committee.

December 31, 2023.

JOSE M. LAYUG, JR.
Chairman

JOSE CARLITOS G. CRUZ
Member

RAMONTITO E. GARCIA
Member

REPORT OF THE CORPORATE GOVERNANCE COMMITTEE TO THE BOARD OF DIRECTORS

For the year-ended 31 December 2023

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 2023, the CGCom convened on March 8 and December 13, during which it:

- Approved the 2023 list of nominees for Board of Directors for election at the Annual Stockholders' Meeting after ensuring that all nominees to the Board have met all the qualifications and none of the disqualifications as set forth in the Corporation's Manual on Corporate Governance Manual, the Revised Corporation Code, the Securities Regulation Code, as amended, its Implementing Rules and Regulations and other relevant issuances by the Securities and Exchange Commission;
- Discussed the Disclosure Topics, Materiality, and Scope of the Corporation's 2022 Sustainability Report;
- Reviewed the Integrated Annual Corporate Governance Report (I-ACGR);
- Reviewed and approved for endorsement to the Board the proposed updated compensation framework;
- Commented on the proposed amendments to the Related Party Transactions (RPT) Committee Charter particularly on materiality thresholds, powers, duties, and responsibilities, and frequency of meetings of the RPT Committee; and
- Noted the updates on the Asean Corporate Governance Scorecard Version 3.

December 31, 2023.

JOSE M. LAYUG, JR.
Chairman

JOSE CARLITOS G. CRUZ
Member

LAURENCE R. ROGERO
Member

Material Disclosure Index

Sustainability Pillar	Specific Topic	Supported UN SDG	GRI Standards Disclosure	Section
Economic	Direct economic value generated and distributed	SDG 8	201-1 This is the direct impact our business has to the economy	Vivant at a Glance Vivant's 2023 Year in Review Vivant's Value Creation Vivant's Sustainability Journey: Governance
Economic	Infrastructure investments and service supported Significant indirect economic impacts	SDG 3 SDG 4 SDG 7 SDG 8	203-1, 203-2 Initiatives undertaken through the Company's foundation and its subsidiaries' CSR projects provide support to help build capability, improve lives and community resiliency.	Vivant's Value Creation Vivant's Sustainability Journey: Social
Environmental	Energy consumption	SDG 12	302-1, 302-2 To provide products and services to our customers, we consume energy both in the form of electricity and fuel.	Vivant's Sustainability Journey: Environmental Key Performance Metrics
Environmental	Water withdrawal Water discharge Water consumption	SDG 12	303-3, 303-4, 303-5 How our operations impact the environment through our consumption	Vivant's Sustainability Journey: Environmental Key Performance Metrics
Environmental	Direct (Scope 1) GHG emissions Other indirect (Scope 3) GHG emissions	SDG 12	305-1, 305-3 How operations affect the environment given the greenhouse gases they emit	Vivant's Sustainability Journey: Environmental Key Performance Metrics
Environmental	Waste generated Waste diverted from disposal Waste directed to disposal	SDG 12	306-3, 306-4, 306-5 How operations affect the environment through the waste generated	Vivant's Sustainability Journey: Environmental Key Performance Metrics
Social	New employee hires and employee turnover Parental leave	SDG 8	401-1, 401-3 How our business result to job and wealth creation	Vivant's Value Creation Vivant's Sustainability Journey: Social Key Performance Metrics
Social	Occupational Health and Safety: Promotion of employee's health and protection from work-related injuries and ill health Employee training on occupational health and safety and conduct of safety/ emergency drills Monitoring and reporting of work-related injuries and ill health	SDG 3	403-5, 403-6, 403-9, 403-10 How Vivant ensures employees are safe and healthy at work, and promotes workers' overall well-being	Vivant's Value Creation: Stakeholder Management Vivant's Sustainability Journey: Social Key Performance Metrics

Sustainability Pillar	Specific Topic	Supported UN SDG	GRI Standards Disclosure	Section
Social	Training and Education: Average hours of training per year per employee Percentage of employees receiving regular performance and career development reviews	SDG 8	404-1, 404-3 Continuous learning for our team members ensures the Company's sustainability	Vivant's Value Creation: Stakeholder Management Vivant's Sustainability Journey: Social Key Performance Metrics
Social	Diversity and equal opportunity: Diversity of governance bodies and employees	SDG 8	405-1 How diverse background, knowledge and experience bring value to the business	Vivant's Value Creation: Stakeholder Management Vivant's Sustainability Journey: Social Key Performance Metrics
Social	Local communities Operations with local community engagement, impact assessments and development programs	SDG 3 SDG 4 SDG 8	413-1 Sustainability development	Vivant's Value Creation: Stakeholder Management Vivant's Sustainability Journey: Social Key Performance Metrics

2023 Key Performance Metrics

Direct Economic Value Generated, Distributed and Retained

Economic Value Generated, Distributed, Retained in millions PHP (201-1)

Year	Generated	Distributed	Retained
2021	5,059	4,069	990
2022	6,519	6,052	467
2023	8,276	7,182	1,093

Breakdown of Economic Value Distributed in millions PHP (201-1)

Economic Value Distributed	2021	2022	2023
Operating cost	2,564	4,526	5,447
Employee wages and benefits	291	342	370
Payments to providers of capital	832	735	787
Payments to government	348	422	556
Community investments	33	27	22
Total	4,069	6,052	7,182

Energy Consumption

Energy Consumption in MWH (302-1)

Business Unit	2021	2022	2023
HO-CEBU	185	169	173
HO-MAKATI	52	61	89
WMP	41	19	22
1590 EC	5,704	4,963	4,773
CIPC	1,732	1,720	2,023
DPI	3,497	3,935	4,903
INPC	479	2,750	2,898
MPC	92,000	73,282	86,414
BPC	43	37	29
NBPC	211	36	26
PPWRLC	0	15	451
Total	103,944	86,987	101,803

Coal Consumption in MT (302-1)

Business Unit	2021	2022	2023
MPC	499,667	382,601	467,781

Fuel Consumption within the organization (302-2)

Heavy Fuel Oil in thousands of L (302-1)

Business Unit	2021	2022	2023
1590 EC	25,888.57	39,227.25	20,433.81
BPC	-	264.94	27.23
CIPC	5,990.02	7,063.63	8,692.36
DPI	16,079.90	21,614.07	27,140.34
INPC	1,735.31	12,024.54	13,629.23
WMP	-	-	5.18
Total	49,693.79	80,194.43	69,928.15

2023 Key Performance Metrics

Light Fuel Oil in thousands of L

Business Unit	2021	2022	2023
1590 EC	1,524.27	1,942.71	1,562.45
BPC	29.82	97.18	9.53
CIPC	516.44	586.65	1,551.36
DPI	315.57	429.31	530.17
INPC	482.48	96.89	130.39
MPC	331.89	168.45	194.79
NBPC	22.85	33.10	26.32
PPWRLC	-	-	30.30
WMP	-	-	12.09
Total	3,223.41	3,354.30	4,047.41

Fuel Consumption outside the organization (302-2)

Diesel in hundreds of L

Business Unit	2021	2022	2023
1590 EC	125.37	146.64	127.02
BPC	69.59	58.27	72.68
CIPC	-	82.27	104.67
DPI	87.27	104.09	91.22
HO-CEBU	219.95	209.38	267.49
HO-MAKATI	84.10	85.72	134.88
INPC	-	60.58	71.48
MPC	396.65	420.09	525.65
NBPC	-	-	14.67
Total	982.93	1,170.04	1,409.95

Gasoline in hundreds of L

Business Unit	2021	2022	2023
1590 EC	7.32	16.32	0.67
CIPC	-	7.37	10.84
HO-CEBU	116.30	160.41	242.32
HO-MAKATI	47.65	97.26	140.51
Total	171.27	281.36	394.33

GHG Emissions

Scope 1: Direct GHG Emissions in tco2e (305-1)

Business Unit	2021	2022	2023
1590 EC	75,539	113,454	60,348
BPC	81	993	174
CIPC	17,921	21,069	26,633
DPI	45,211	60,783	76,190
INPC	6,093	33,432	35,862
MPC	1,126,319	869,132	1,028,804
NBPC	62	89	78
PPWRLC	-	-	81
WMP	-	-	46
Total	1,271,226	1,098,952	1,228,216

Scope 3: Other Indirect GHG Emissions in tco2e (305-3)

Business Unit	2021	2022	2023
Head Office	146	195	313
1590 EC	36	44	34
BPC	19	16	19
CIPC	-	25	31
DPI	24	28	24
INPC	-	16	19
MPC	107	113	140
NBPC	-	-	4
Total	186	243	271

Source of the emissions factor: UK DEFRA (Department for Environment Food and Rural Affairs)

2023 Key Performance Metrics

Water Consumption, Withdrawal and Discharge

Water Consumption in ML (303-5)

Business Unit	2021	2022	2023
HO-CEBU	0.07	0.10	0.12
HO-MAKATI	0.46	0.41	0.57
1590 EC	55.15	39.09	48.33
CIPC	2.18	0.02	0.35
DPI	163.40	7.27	4.66
INPC	0.13	2.16	3.23
MPC	102.19	35.84	41.60
BPC	0.09	1.44	0.23
NBPC	0.41	0.12	0.59
Total	**324.07**	**86.45**	**99.68**

Water Withdrawal in ML (303-3)

Business Unit	2021	2022	2023
1590 EC	55.20	42.19	51.43
CIPC	2.18	1.05	1.14
DPI	163.74	7.76	7.05
INPC	0.13	2.16	3.58
MPC	296,301.88	211,918.40	233,699.00
BPC	0.09	1.10	0.23
NBPC	0.41	0.12	0.59
Total	**296,523.63**	**211,972.77**	**233,763.03**

Water Withdrawal by Source in ML (303-3)

Water Source	2021	2022	2023
Sea water	296,301.88	211,921.78	233,699.00
Ground water	60.94	49.71	60.91
Municipal supply	158.54	-	-
Produced water	-	-	0.35
Others	-	1.28	2.77
Total	**296,251.35**	**211,972.77**	**233,763.03**

Water Discharge in ML (303-4)

Business Unit	2021	2022	2023
1590 EC	42.25	3.09	5.22
CIPC	-	1.03	0.35
DPI	0.35	0.27	1.40
INPC	0.00	-	-
MPC	270,495.68	211,883.21	233,699.00
BPC	-	0.02	-
NBPC	-	-	0.19
Total	**270,538.28**	**211,887.62**	**233,706.15**

Water Discharge by Destination in ML (303-4)

Water Destination	2021	2022	2023
Ground water	-	1.04	1.75
Sea water	270,495.68	211,921.49	233,704.22
Surface water	42.60	0.27	0.19
Total	**270,538.27**	**211,922.81**	**233,706.15**

2023 Key Performance Metrics

Waste Generated and Disposed

Hazardous Waste Generated in T (306-3)

Business Unit	2021	2022	2023
1590 EC	278.86	180.85	65.91
BPC	22.79	0.34	-
CIPC	-	0.10	131.27
DPI	128.00	324.00	227.50
INPC	2.95	52.98	81.07
MPC	4.83	14.26	15.20
NBPC	0.03	-	-
Total	**437.46**	**572.52**	**520.95**

Hazardous Waste Diverted from or Directed to Disposal in T (306-4, 306-5)

Disposal/ Recovery Operation	2021	2022	2023
Recycled	4.83	-	-
Stored	301.53	69.78	58.04
Transported	128.00	500.22	447.71
Treated	2.95	2.48	15.20
Other Disposal Operations	-	0.05	-
Total	**437.32**	**572.52**	**520.95**

Non-Hazardous Waste Generated in T (306-3)

Business Unit	2021	2022	2023
1590 EC	27.24	52.87	119.76
BPC	0.60	0.47	0.62
CIPC	-	0.70	0.12
DPI	1.56	1.51	0.12
INPC	-	-	0.37
MPC	39,101.00	21,570.00	28,034.00
NBPC	0.32	0.03	0.94
HO-CEBU	-	-	0.29
HO-MAKATI	-	-	0.19
Total	**39,130.72**	**21,625.57**	**28,156.40**

Non-Hazardous Waste Diverted from or Directed to Disposal in T (306-4, 306-5)

Disposal/ Recovery Operation	2021	2022	2023
Composted	0.23	0.20	1.06
Landfilled	293.34	276.67	313.81
Recycled	25,775.35	21,348.67	115.58
Reusable	-	-	0.03
Sold	-	-	0.47
Stored	13,060.24	0.03	-
Other Disposal Operations	1.56	-	27,725.45
Total	**39,130.72**	**21,625.57**	**28,156.40**

2023 Key Performance Metrics

Employment

Total Workforce (401-1)

Business Unit	2021	2022	2023
VIVANT	90	89	95
VEC	45	52	75
VIHI	7	10	20
VFI	6	4	4
CORENERGY	5	8	21
CORE SOLAR	2	2	-
WMP	25	33	92
1590 EC	81	82	83
CIPC	29	30	28
DPI	33	33	31
INPC	24	25	26
MPC	175	178	177
BPC	16	17	16
NBPC	6	7	5
PPWRLC	-	21	16
Total	544	591	689

New Hires (401-1)

Business Unit	2021	2022	2023
VIVANT	21	19	25
VEC	12	12	23
VIHI	2	4	11
VFI	1	1	-
CORENERGY	2	5	4
CORE SOLAR	-	-	-
WMP	13	-	2
1590 EC	7	7	5
CIPC	1	6	-
DPI	5	-	2
INPC	24	-	15
MPC	-	14	2
BPC	4	4	-
NBPC	5	1	-
PPWRLC	-	-	-
Total	97	73	89

Employment Turnover (401-1)

Business Unit	2021	2022	2023
VIVANT	9	16	10
VEC	5	5	4
VIHI	1	2	4
VFI	-	2	-
CORENERGY	-	3	2
CORE SOLAR	-	-	2
WMP	8	-	5
1590 EC	6	3	2
CIPC	2	1	5
DPI	16	-	4
INPC	1	2	2
MPC	4	-	-
BPC	16	7	-
NBPC	6	1	-
PPWRLC	-	-	-
Total	74	42	40

2023 Key Performance Metrics

2023 Employment Data Breakdown

Age

Total Workforce

Age Group	Count
< 30 years old	153
30-50 years old	463
> 50 years old	73

New Hires

Age Group	Count
< 30 years old	42
30-50 years old	46
> 50 years old	1

Employee Turnover

Age Group	Count
< 30 years old	26
30-50 years old	13
> 50 years old	1

Gender

Total Workforce

Gender	Count
Female	167
Male	522

New Hires

Gender	Count
Female	43
Male	46

Employee Turnover

Gender	Count
Female	20
Male	20

Location

Location	Count
Luzon	158
Metro Manila	62
Metro Cebu	245
VIsayas	26
Mindanao	198

Level

Level	Count
Non-Management	574
Middle Management	57
Senior Management	58

Parental Leaves (401-3)

Male

Business Unit	Number of male employees that took parental leave	Total number of male employees that were entitled to parental leave
1590 EC	4	58
BPC	-	14
CIPC	-	-
CORENERGY	1	13
MPC	11	154
NBPC	-	4
VEC	1	42
VFI	-	2
VIHI	-	12
VIVANT	-	31
Total	17	330

Female

Business Unit	Number of female employees that took parental leave	Total number of female employees were entitled to parental leave
1590 EC	-	2
BPC	-	1
CIPC	-	-
CORENERGY	1	8
MPC	1	23
NBPC	-	-
VEC	2	33
VFI	-	2
VIHI	-	8
VIVANT	5	64
Total	9	141

2023 Key Performance Metrics

Training

Training Hours (404-1)

Year	Training Hours	Average Hours
2021	16,982	31
2022	5,654	19
2023	6,494	20

Training Hours by Company (404-1)

Business Unit	Total Hours
BPC	684
CORENERGY	672
INPC	1,762
NBPC	145
VEC	961
VIHI	277
VIVANT	1,993
Total	**6,494**

Training Hours by Level (404-1)

Level	Total Hours
Non-Management	4,370
Middle Management	1,302
Senior Management	822
Total	**6,494**

Performance Review (404-3)

Performance Reviews by Company

Business Unit	Percentage
VIVANT	100%
VEC	100%
VIHI	100%
CORENERGY	100%
VFI	100%
1590 EC	100%
BPC	100%
CIPC	100%
DPI	100%
INPC	100%
MPC	100%
NBPC	100%

Occupational Health and Safety

Worker training on occupational health and safety (403-5)

Business Unit	Safety/emergency drills
BPC	2
NBPC	2
VEC	2
VIVANT	2
VIHI	2
VFI	2
CORENERGY	2
INPC	2

Work-related injuries & illnesses (403-9 & 403-10)

Business Unit	Safe Man Hours
BPC	42,568
NBPC	12,520
VEC	185,296
VIVANT	235,376
VIHI	47,576
VFI	10,016
CORENERGY	52,584
INPC	65,104

There are zero work-related illnesses, injuries, lost time and fatalities in 2023

VIVANT

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