

The background of the entire page is a photograph of three workers in blue hard hats and safety harnesses cleaning a large array of solar panels on a rooftop. They are using long-handled brushes. The sky is a clear, bright blue with a few wispy clouds. The solar panels are dark blue with a grid of white lines.

# 2024 Annual Sustainability Report

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## Abbreviations

BNG	Biodiversity net gain
AUSI	Aboitiz Upgrade Solar, Inc.
C&I	Commercial and industrial rooftop
CSR	Corporate Social Responsibility
DOE	Department of Energy
ESG	Environmental, Social, and Governance
ESGMS	Environmental, Social, and Governance Management System
GHG	Greenhouse gas

PPA	Power Purchase Agreement
SEACEF	Southeast Asia Clean Energy Fund
UGEP	Upgrade Energy Philippines

## Units of Measurement

kWh	Kilowatt-hour
kWp	Kilowatt-peak
MWh	Megawatt-hour
MWp	Megawatt-peak
MtCO <sub>2</sub> eq	Million tonnes carbon dioxide equivalent

**About the cover.** UGEP upskills and empowers women to be part of the sustainable energy industry through the **Solar Nanay** program.



# FOREWORD

Upgrade Energy Philippines (UGEP) aspires to be a leader in the renewable energy sector in the Philippines, integrating high sustainability standards into all aspects of decision-making and operations. Environmental, Social, and Governance (ESG) and sustainability are at the core of our business. We aim to bring benefits to all our stakeholders: the communities we work within, our staff, customers, suppliers, and shareholders.

By implementing and adhering to our ESG policies, we demonstrate a commitment to sustainability, responsible business practices, and long-term value creation for all stakeholders.

This Sustainability Report presents activities to date focusing on the year 2024.



# 1 EXECUTIVE SUMMARY

Founded in 2015, UGEP is one of the pioneers in renewable energy project development in the Philippines. We aim to be one of the country's leaders in renewable energy and energy efficiency. As we pursue growth and excellence as a company, we intend to stay true to our core values: honesty, teamwork, respect, innovation, and accountability.

**Our Projects.** In our first decade, we focused on commercial and industrial (C&I) rooftop solar throughout the Philippines. Today, we have ventured into developing utility-scale solar projects to feed power into the grid.

**Our Staff.** In recent years, we have grown significantly in terms of the number of staff members. We have achieved close to a 1-to-1 ratio of male to female employees. UGEP continues its commitment to diversity, fostering a workplace that promotes gender equality, nurtures talent, and provides equal opportunities.

**Our Customers.** Our primary customers include commercial and industrial companies. We cater to various industries, including food processing, travel, distribution, and semiconductors.

**Our Key Partners.** In 2024, UGEP and AboitizPower teamed up through a joint

venture – Aboitiz Upgrade Solar, Inc. (AUSI). AUSI is a leading commercial and industrial solar Power Purchase Agreement (PPA) provider. In the same year, UGEP accepted a strategic investment from Clime Capital, a Singapore-based fund management company, through the Southeast Asia Clean Energy Fund (SEACEF). UGEP also works closely with the Development Bank of the Philippines and Land Bank of the Philippines.

**Innovation and Technology.** UGEP utilizes the latest solar and battery technologies to ensure the most efficient use of resources. Through these innovations, solar off-grid projects can provide 60% of power to remote islands. Advances in artificial intelligence are likewise constantly integrated into our operations.

**Leadership.** UGEP won awards in 2024 for its leadership in progressive policies and practices promoting gender



equality in the workplace, marketplace, and community.

**Environmental Impact.** UGEP's operational projects have resulted in a greenhouse gas (GHG) avoidance of 21,174 tCO<sub>2</sub>eq (tonnes CO<sub>2</sub> equivalent). Our newly implemented GHG<sup>1</sup> calculator indicates UGEP's emission sources.

**Health and Safety.** We are committed to the well-being of our staff. Health and safety are an absolute priority, and we provide regular training to all UGEP employees in this regard.

**Social Impact.** UGEP took on a range of Corporate Social Responsibility (CSR) projects, including providing support for local communities,

mangrove planting, and skills training and livelihood opportunities through Solar Nanay. UGEP intends to promote the growth of local economies by working as closely as possible with people and businesses in areas where we implement our projects.

**Governance.** UGEP is a rapidly growing company built upon the highest ethical and governance standards. We act with integrity, take responsibility for our work, care for our employees, and focus on safety and sustainability. We treat all stakeholders with respect, fostering a diverse and inclusive environment. In 2024, we implemented an ESG Management System and policies to support and strengthen our operations.

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<sup>1</sup> The GHG calculator covers Scope 1 (direct emissions that are owned or controlled by the company) and Scope 2 (indirect GHG emissions associated with the purchase of electricity, steam, heat, or cooling) emissions only.

## 2 ABOUT UGEP

FOUNDED IN 2015



### MISSION

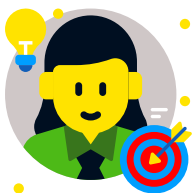
Provide affordable and top-notch renewable energy solutions, recruit the best professionals, achieve gender balance, and ensure continuing professional development.



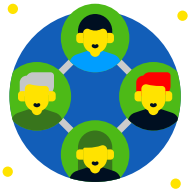
### VISION

Be the leading renewable energy player in the Philippines.

### CORE VALUES



**Integrity**



**Teamwork**



**Respect**



**Innovation**



**Accountability**



## 2.1 OUR PROJECTS

We continue to take on projects across all regions of the Philippines.



\*under development

## Commercial and Industrial Solar Energy

We offer solar solutions to commercial and industrial energy consumers. These solutions are tailored to their specific needs, considering available roof or land and energy consumption or load profile.

We offer zero upfront cost solutions through Power Purchase Agreements, allowing our clients to benefit from having an on-site solar generation facility without making the upfront investment.

We take pride in offering the highest quality solar solutions using Tier-1 equipment and implementing the most advanced safety standards. We build with integrity, encouraging participation of the local communities and minimizing impact on the environment.

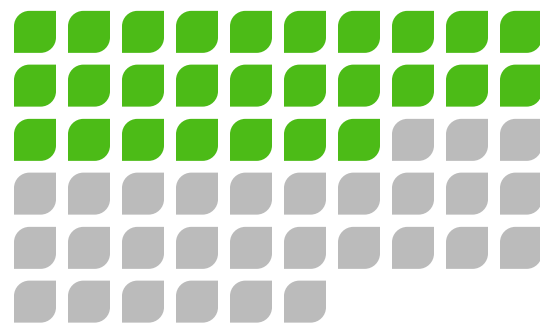
## Utility-scale Renewable Energy

UGEP intends to build and operate utility-scale solar projects connected to the grid. We are currently developing 2 utility-scale projects – one in Zambales and another in Capiz. We have several similar projects in the pipeline at various stages of development.

## 2.1 OUR STAFF

Our permanent staff members have grown significantly in number in recent years. We have close to a 1-to-1 ratio of male to female employees. UGEP continues its commitment to diversity, fostering a workplace that promotes gender equality.

### 2024



■ Female : 27  
■ Male : 29  
Total : 56

In 2024, our regular employees received training and skills development in:

- Construction Occupational Safety
- 2X Criteria
- EU Regulations on Sustainability and Due Diligence
- Environmental, Social, and Governance Management System (ESGMS)
- Ethics and Business Conduct



## 2.3 OUR CUSTOMERS

UGEP's Commercial and Industry customers in 2024 included some of the biggest names in the retail and industrial sectors of the Philippines.

We completed the largest solar rooftop project in the Philippines, providing power for a company's own use, for Merbau Corporation (see Annex A).

In 2024, our customers grew to include more establishments in various areas of the country, including those in remote islands.



This ground-mounted solar installation in a remote island, replacing 60% of diesel gensets, leads to about 3,000 tonnes of decreased carbon emissions annually.

// Merbau Corporation would like to express its appreciation to UGEP for the successful development and operation of Merbau's inaugural 13.811 MWp Roof-Mounted Solar Power project in Batangas, considered by the Department of Energy (DOE) to be the biggest consumer-driven rooftop solar installation in the country.



**Patrick Henry C. Go**

President and CEO  
Merbau Corporation  
(A JG Summit unit)



## 2.4 OUR KEY PARTNERS

### Aboitiz Power Corporation



In June 2023, UGEP entered into a joint venture with a subsidiary of Aboitiz Power Corporation (Aboitiz Power) – Aboitiz Power Distributed Renewables, Inc. (APX). The venture aims to pursue C&I solar projects in the Philippines.

In 2024, UGEP's joint venture with AboitizPower, AUSI, has already become one of the top providers for C&I solar PPAs.



Through our joint venture with UGEP, we aim to leverage their capabilities to deliver on project development, construction, and long-term operations and maintenance aspects of solar projects.



**James Byron P. Yu**

Head of Retail  
First Vice President  
Aboitiz Power Corporation

### AUSI 2024 PROJECTS

Project	Capacity (MWp)
Palawan	4.0 MWp
Lima, Batangas	4.2 MWp
Balesin	4.0 MWp
Naga	2.0 MWp
Quezon City	4.6 MWp
Rizal	2.0 MWp
Bulacan	2.6 MWp
Davao	4.1 MWp
Lanang, Davao	4.1 MWp
Bulacan	14.1 MWp



## Clime Capital



Clime Capital is a Singapore-based fund management company that identifies and creates investment opportunities to alleviate climate change risk and infrastructure gaps, and build sustainable economies and societies. Clime Capital's vision and mission aligned well with UGEP's; in 2024, Clime Capital provided a strategic investment of up to USD 10 Million through their SEACEF. The investment will support UGEP in delivering sustainable energy solutions, including projects designed for internal consumption by commercial and industrial customers and utility-scale solar projects designed to dispatch clean energy to the grid (see Annex A).



I am optimistic about the venture, given the immense renewable energy potential in the Philippines. Developing infrastructure is an urgent task to meet the Department of Energy's ambitious targets of 35% renewable energy by 2030 and 50% by 2040. Accelerated funding is essential to seize the current opportunity.



**Ruth Yu Owen**  
President and CEO  
UGEP



Clime Capital supports UGEP in alleviating climate change risk and in building sustainable societies.

// Creating the infrastructure for the Philippines' decarbonization journey requires investors who appreciate the country's renewable energy landscape and meet global ESG standards. Clime Capital's model is designed to meet these requirements.



**Pieter Vanbuggenhout**  
COO, UGEP

// Clime's strategy of providing both growth capital and long-term ESG guidance is designed to support high-potential clean energy companies through a rapid scale-up process. We look forward to supporting UGEP's long-term growth.



**Joshua Kramer**  
Chief Investment Officer  
Clime Capital

// We are delighted to provide capital to accelerate Upgrade's delivery of new solar installations in the Philippines. Clime Capital's mission is to fund promising clean-energy companies that will contribute toward achieving Southeast Asia's net-zero targets.



**Mason Wallick**  
CEO, Clime Capital



## LOCAL BANKS

### Development Bank of the Philippines (DBP)

UGEP has a strong collaboration with the DBP. The working capital loan facility was made under DBP's Energy Efficiency Savings Program, supporting the national government's call to develop the country's renewable energy resources.

### Land Bank of the Philippines (LBP)

UGEP also had a similar working capital facility with the LBP.

## 2.5 OUR TARGET

The Philippines is committed to reaching 35% renewable energy in the electricity mix by 2030 and 50% by 2040.

As part of UGEP's pledge to work towards a sustainable and empowered future by 2028, we are targeting 500 MW of operational commercial and industrial solar projects and 500 MW of operational utility-scale projects. These will contribute around 1,679,700 tonnes of CO<sub>2</sub> emission reduction.



UGEP signs a loan agreement with DBP. L-R: DBP executive Christian Joseph D. Presa, DBP executive Jeane Adamos, UGEP President and CEO Ruth Yu-Owen, DBP Executive Vice President Paul D. Lazaro, and UGEP Chairman Rufino Bomasang.

## 2.6 OUR AWARDS

**UGEP takes pride in its leadership – bringing about transformative change within the company and to stakeholders.**

Global organizations have acknowledged UGEP's work. UGEP's CEO, Ruth Yu-Owen, won 2nd runner-up in the 2024 United Nations Women's Empowerment Principles (WEPs) Awards Leadership Commitment Category. The award recognizes leaders who have established progressive policies or practices to promote gender equality in the workplace, marketplace, and community.

More awards received by our CEO include:

- Top women leaders in the country's energy sector by Bloomberg (2023)
- 100 Most Influential Women on LinkedIn (2021)
- First honoree of USAID's Southeast Asian Women Energy Champions (2022)
- Women of the Future International Award Southeast Asia-Mentor Category (2022)
- Ernst & Young Entrepreneur of the Year 2024 Philippines (finalist)



At the UN-WEPs Awards. L-R: UGEP COO Pieter Vanbuggenhout, Connected Women CEO Agnes Gervacio, UGEP CEO Ruth Yu-Owen, and UGEP CFO Jo Anivado.

## 3 ENVIRONMENTAL IMPACT

### 3.1 GREENHOUSE GAS EMISSIONS

UGEP's solar power projects contribute to the reduction of GHG emissions. In 2024, our operational projects helped reduce GHG emissions by 21,174 tCO<sub>2</sub>eq.

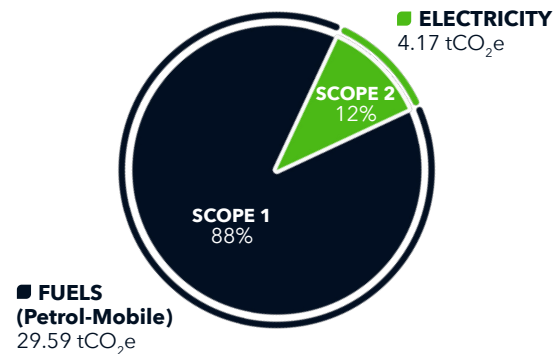
The development of a GHG calculator started in 2024.<sup>2</sup> The initial results from the GHG calculator showed that most of UGEP's emission sources were from its petrol and electricity consumption during operations.

### 3.2 MONITORING ELECTRICITY CONSUMPTION

When construction activities were underway, there were high levels of petrol consumption attributed to increased activities involving the transportation of UGEP staff, materials, and equipment. Meanwhile, electricity consumption in UGEP's new Makati office reflected the increase in staff members.

<sup>2</sup> The GHG calculator covers Scope 1 (direct emissions that are owned or controlled by the company) and Scope 2 (indirect GHG emissions associated with the purchase of electricity, steam, heat, or cooling) emissions only.

### SCOPE 1 AND 2 EMISSIONS IN 2024



### 3.3 RESOURCE USE

Towards the last quarter of 2024, UGEP started integrating environmental monitoring in its operations: resources used (e.g., water, power, fuel) and waste generated. Specific measures included monthly reporting of resources used in the UGEP central office and project sites and fuel monitoring of company vehicles. These will serve as a baseline to identify targets for 2025.



## 4 SOCIAL IMPACT



### 4.1 COMMITMENT TO THE WELL-BEING OF OUR STAFF

Our workplace culture thrives in diversity and inclusivity, ensuring we make progress as one cohesive team, leaving no one behind.

UGEP's leadership team welcomes friends and guests to the newly opened office in Salcedo Village. L-R: COO Pieter Vanbuggenhout, CEO Ruth Yu Owen, Chairman Rufino Bomasang, CFO Jo Anivado, and Governance Adviser Mic Yaxley.

### Integrating Sustainability in the Workplace

UGEP moved into a new purposefully-designed office in 2024. The furnishings





and layout were built for flexible sitting. Indoor greenery was incorporated to create a pleasant atmosphere, reduce stress, and boost productivity.

We have also introduced flexible work schedules and working from home.

## Health and Safety of Workforce

Target zero – make a commitment.

UGEP is uncompromising in its approach to the health and safety of employees, contractors, clients, and communities in all aspects of the business. We create a safe work environment and continuously evaluate and improve our processes. We are mindful of hazards, adhere to established standards, and hold one another accountable. We are all empowered to speak up, pause, or stop work if we have concerns.

UGEP's health and safety policy conforms to global and national health and safety practices and procedures. In particular, it complies with the Occupational Safety and Health Standards Act (Republic Act 11058).

UGEP's health and safety policies apply to all employees, contractors, visitors, and stakeholders. Our responsibility is to

UGEP consistently promotes health and wellness through fun group activities.

ensure that all stakeholders are familiar with our health and safety policies. All internal and external stakeholders receive training regularly.

**In 2024, we recorded zero safety incidents across all our projects.**

## 2024 Health and Wellness Activities

UGEP holds monthly health and wellness activities to promote exercise and strengthen team spirit. These activities organized by the staff included the "Buwan ng Wika" attire, yoga exercises, Zumba workouts, badminton, and bowling.



## Team Building

The 2024 team building and Christmas party was held at the Malibiran Farm and Resort in December. Our goal was to strengthen the alignment of everyone with the UGEP core values of Honesty, Teamwork, Respect, Innovation, and Accountability and the company's #OneCohesiveTeam approach.



▲ UGEP team members celebrate their achievements and each other in a team building activity.

► UGEP celebrates educators by sponsoring a Teachers' Day celebration in Zambales.

## 4.2 CORPORATE SOCIAL RESPONSIBILITY

### Alon and Araw

Alon and Araw is a non-profit organization in Cabangan, Zambales, where one of UGEP's utility-scale projects is being prepared for implementation. UGEP has been a constant partner to Alon and Araw in supporting local social development activities.

CSR activities in collaboration with Alon and Araw are:

**Teachers' Day Celebration.** In October 2024, UGEP co-sponsored the Teachers' Day celebration for two elementary schools in Cabangan: Sapangbato Elementary School and San Isidro Integrated School.



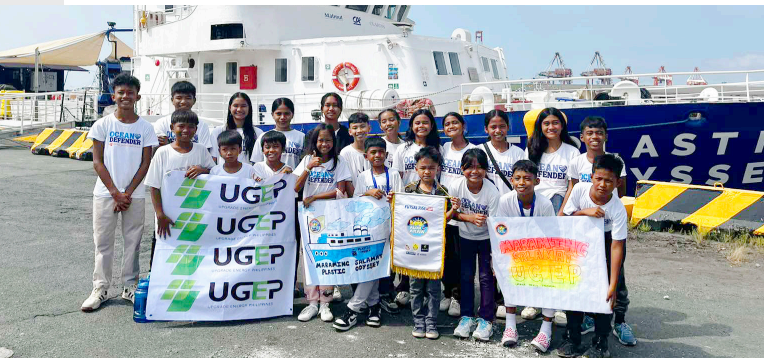
### Educational tour and sports event.

In November 2024, UGEP sponsored the Ocean Defender Team's educational tour and sports event. The Ocean Defender Team is a group of kids who defend the



oceans through coastal clean-up and other activities that address marine litter. Alon and Araw supports them through sports activities and learning assistance.

The event hosted 26 children ages 8 to 18. The Ocean Defender Team conducted an educational tour of the Plastic Odyssey, a laboratory expedition ship on a 3-year mission to combat plastic waste. It serves as a mobile laboratory, carrying and demonstrating recycling technologies. The team had a friendly football game in the afternoon with Lycée Français de Manille (LFM).



UGEP supporting the Ocean Defender Team in their coastal clean-up activities

**Local Government Units.** UGEP supports the activities of local government units where its projects are located.

UGEP supported the Municipality of Cuyo, Palawan's mangrove planting activity in June 2024. A total of 300 mangrove seedlings were planted in Barangay Manamoc. UGEP intends to do tree planting and reforestation activities as part of its efforts towards environmental conservation.

Starting in 2025, UGEP will integrate biodiversity objectives into every stage of its utility-scale projects, seeking to achieve an agreed biodiversity net gain (BNG).



Mangrove planting activity in the municipality of Cuyo in Palawan

UGEP provided uniforms for Barangay Mabanglit, where the Cabangan utility-scale project site is located.



UGEP supporting Barangay Mabanglit activities in Cabangan, Zambales

UGEP contributed to the fiesta and Christmas celebrations in Barangay Mabanglit and the Municipality of Cabangan by providing raffle items, prizes for competitions, and tokens for judges.



UGEP contributes to local celebrations.

**Solar Nanay. UGEP advocates inclusivity and gender equality in the traditionally male-dominated energy sector.**

// Through the Solar Nanay project, I realized that these jobs in the solar energy sector are not just for our husbands and sons. They are also for us, women.

**Grace**

Solar Nanay

We launched a pilot program titled Solar Nanay. The program explored the involvement of women in the maintenance of solar projects. Nineteen



L-R: Solar Nanays Fredelyn Fajardo, Phoebe Torres, Dianne Arellano, Jordina Pangalinginan, and Emily Sadingan proudly present certifications of their newly acquired skills.

women, aged 30 to 60, from Barangay Plaridel, Lipa City, Batangas, were trained and briefed on safety and provided with personal protective equipment (PPE). The pilot program was highly successful. In 2025, UGEP will explore how the Solar Nanay program can be expanded.

// The Solar Nanay Project allowed us women to unite and obtain a livelihood that will help us provide for our families.



**Phoebe Torres**

Solar Nanay



## 5 ECONOMIC SUSTAINABILITY

### 5.1 FINANCIAL PERFORMANCE

UGEPP's revenue steadily increased from 2016 to 2021. 2022 saw a big jump, and 2024 recorded the highest annual revenue so far, reflecting a significant increase in the number and size of projects.

### 5.2 SUPPORTING LOCAL ECONOMIES

As part of our sustainability efforts, we source as much as possible from the project areas and maximize the involvement of local people and businesses in the construction, operation, and maintenance of our projects.



In 2024, 69% of UGEPP's contractual and regular project staff were recruited from the locality. We also engaged 4 local construction companies. 87% of our suppliers were local.

### 5.3 SUPPORTING CAUSE-ORIENTED ORGANIZATIONS

We support cause-oriented organizations that reflect our mission and vision. In 2024, we commissioned Connected Women to standardize the formatting and layout of our ESG Policies and to set up a supplier and product database management system.

These projects generated online jobs for Filipino women who otherwise would not be in the workforce.

Alon at Araw is one of the cause-oriented organizations that UGEPP supports.

## 6 INNOVATION AND TECHNOLOGY



Installation of PV panels for the Kinpo Project in Lima, Batangas.

As we grow rapidly, we constantly update our technologies to ensure the most efficient use of resources. We integrated advances in technology, including artificial intelligence, into our operations.

### 6.1 SOLAR INDUSTRY TECHNOLOGY

**Design software.** As a renewable energy technology company, we stay at the forefront of innovation in our industry. We do this by using the latest design software for our projects.

**PV panels and equipment.** UGEP uses the latest solar industry technology. In executing our designs, we source Tier-1 equipment from reliable suppliers. We use N-type solar panels because of their higher efficiency, longer life, and better performance, especially in harsher settings. Investing in the best tools

and resources guarantees efficiency, accuracy, and quality in our work.

**Monitoring.** Currently, UGEP utilizes web-based applications to monitor its operational projects. These applications can monitor energy production and consumption, provide historical data and performance trends, perform remote troubleshooting and system health checks, and send alerts for system issues. An example is Huawei's Fusion Solar App.

**Training.** Our commitment to ongoing training ensures that our team is always up-to-date with the latest advancements and best practices in technology.

## 6.2 CORPORATE MANAGEMENT

In the second half of 2024, UGEP explored Sprout's Human Resources Information System (HRIS) and Precoro for procurement. Both will be fully implemented in Q1 2025.

UGEP moved into a new head office in 2024 to support a rapidly growing portfolio. The new office has been purposefully designed for operations and has energy efficiency features.



## 7 GOVERNANCE



Staff in the new Makati office: 'One Cohesive Team!'

### 7.1 UGEP'S APPROACH TO GOVERNANCE

At UGEP, we uphold the highest standards of good governance, transparency, and efficient management as core principles. Our commitment to ethical leadership, regulatory compliance, and responsible corporate practices ensures long-term value for our stakeholders, including investors, employees, communities, and government partners.

#### Governance and Ethical Leadership

We adhere to globally recognized corporate governance frameworks and the Philippine Securities and Exchange Commission (SEC) Code of Corporate Governance. Our Board of Directors provides strategic oversight, ensuring our sustainability initiatives align with business goals and regulatory requirements. Key governance measures include:



- Independent board oversight
- ESG governance structure
- Anti-corruption and ethical conduct.  
We have a zero-tolerance policy on bribery and corruption, supported by a robust whistleblower protection mechanism.
- Risk and compliance management.  
We strictly adhere to the DOE, Department of Environment and Natural Resources (DENR), and local government regulations.

### **Operational Excellence and Efficient Management**

We employ best-in-class technologies, streamlined processes, and a culture of continuous improvement to maximize efficiency in solar power development and operations. Key efficiency strategies include:

- Data-driven performance optimization
- Lean and sustainable supply chains.  
We prioritize strategic sourcing of high-quality, ethically produced materials to minimize environmental impact.
- Financial discipline and cost efficiency.  
We adhere to prudent financial management practices.
- Workforce development and safety.  
We facilitate continuous training in occupational health and safety technical skills and ESG best practices.

### **Stakeholder Engagement and Accountability**

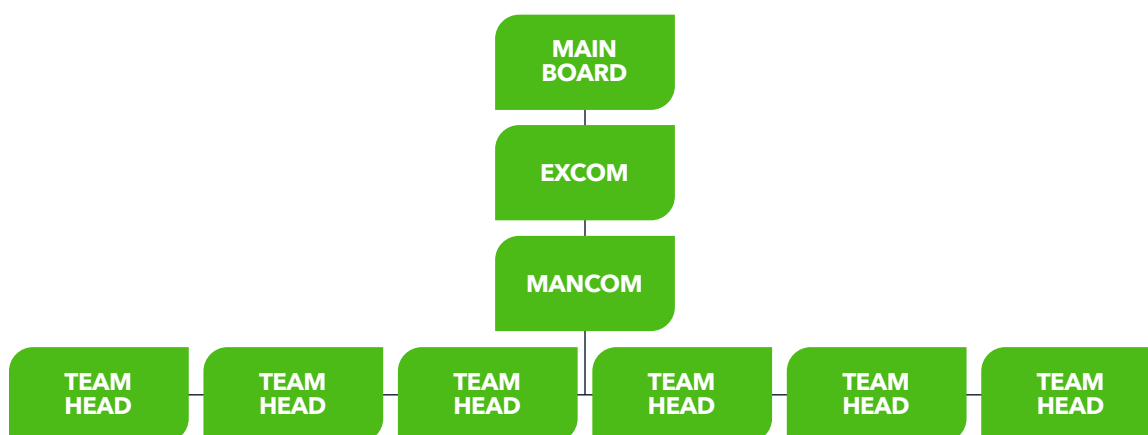
We actively engage with local communities, regulators, and industry partners to promote responsible and inclusive growth. Our commitment to accountability includes:

- Transparent ESG reporting. We publish annual disclosures aligned with the Global Reporting Initiative (GRI), Sustainability Accounting Standards Board (SASB), and Task Force on Climate-related Financial Disclosures (TCFD).
- Community-centered development.  
We organize livelihood programs, skills training, and electrification initiatives for host communities.
- Biodiversity and environmental stewardship. We integrate BNG strategies in our solar farm design, ensuring a positive ecological impact.

### **Commitment to Continuous Improvement**

We recognize that sustainability is a continuous journey. We remain committed to enhancing governance practices, driving operational efficiency, and upholding ethical business conduct as we power a greener and more sustainable future for the Philippines.

## 7.2 LEADERSHIP



### MAIN BOARD



Cecilia C. Borromeo  
CHAIRPERSON



Ruth Yu Owen  
PRESIDENT & CEO



Pieterjan Vanbuggenhout  
CHIEF OPERATING OFFICER



Jocelyn Anivado  
CHIEF FINANCIAL OFFICER



Jose Layug Jr.  
NON-EXECUTIVE DIRECTOR

### LEADERSHIP TEAM

<b>President and CEO</b>	Ruth Yu Owen
<b>Chief Operating Officer</b>	Pieterjan Vanbuggenhout
<b>Chief Financial Officer</b>	Jocelyn Anivado
<b>Governance Advisor</b>	Mic Yaxley
<b>Chief Development Officer</b>	Hanzel Cubangbang

All staff are selected on merit and are experienced professionals who bring diverse skills to guide our operations. Moreover, UGEP has a diversity of age, gender, and ethnicity.

**48% are women.**

## 7.3 ENVIRONMENTAL, SOCIAL, AND GOVERNANCE MANAGEMENT SYSTEM

In 2024, guided by various global ESG frameworks, UGEP made significant progress in introducing ESG initiatives and policies. We are in the final stages of implementing an ESGMS, which will be a factor in all decisions.

UGEP is committed to continuous improvement and will regularly review and update its ESGMS to reflect evolving standards, best practices, and stakeholder expectations. We have a culture of innovation that allows us to adopt new technologies and practices.

PROJECT ORIENTATION, SALES, DEVELOPMENT, AND PERMITTING	DESIGN	PROCUREMENT	CONSTRUCTION	OPERATIONS AND MAINTENANCE
Conduct: <ul style="list-style-type: none"> <li>Know your client</li> <li>E&amp;S screening and risk identification</li> <li>Stakeholder mapping and engagement</li> </ul> Formulate management plans: <ul style="list-style-type: none"> <li>E&amp;S action plan for priority risks</li> <li>Stakeholder engagement plan</li> </ul>	Formulate: <ul style="list-style-type: none"> <li>Environmental and social impact assessment (ESIA) which includes the E&amp;S management plan (ESMP)</li> <li>Emergency Preparedness and response plans</li> </ul>	<ul style="list-style-type: none"> <li>Supply chain management</li> <li>Subcontractor management</li> <li>Local employment management</li> </ul>	<ul style="list-style-type: none"> <li>E&amp;S action plan implementation and monitoring</li> <li>Health and safety implementation and monitoring</li> <li>Grievance monitoring and resolution</li> </ul>	

## 7.4 OUR POLICIES

To support and strengthen governance, the UGEP Board approved the following policies in 2024:

100	Sustainability at the Core of UGEP's Business	320	Community Engagement Policy
200	Environmental Policy	340	Retrenchment Policy
210	Climate Change Policy	400	Ethics and Business Conduct Principles
220	Energy Efficiency Policy	410	Supply Chain Management Policy
300	Health and Safety Policy	420	Chance Find Policy
310	Employee Handbook	430	Corporate Governance Policy
311	Work from Home Policy	440	Risk Management Policy

# ANNEXES

## ANNEX A NEWSPAPER ARTICLES

21 January 2024, Manila Standard

### Gov't endorses solar roof panels of JG Summit in Batangas City

The Department of Energy and Energy Regulatory Commission lauded the Merbau energy facility of conglomerate JG Summit Holdings Inc. in Batangas City, a 13.811-megawatt roof-mounted solar power project, considered as the biggest consumer-driven installation in the country.

Energy Secretary Raphael Lotilla expressed his appreciation for Merbau's new renewable energy project and recognized the company's contribution to providing more RE solutions.

"This will not only result in cost savings and a lower carbon footprint but also encourages the construction of more RE resources consistent with the government's policy on energy diversification and clean energy future," Lotilla said in a statement last week.

DOE Assistant Secretary Mylene Capongcol commended Merbau and JG Summit for the successful completion of the project.

"Transitioning to a green and sustainable economy requires pragmatic energy planning with bold actions and this project manifests Merbau's commitment towards

attaining its sustainable energy goals," Capongco said.

Merbau, JG Summit's RE arm, completed installation of the nine roof-mounted solar project on its integrated petrochemical complex, which houses JG Summit Olefins Corp. and the manufacturing plants of Universal Robina Corp.



Merbau Corp.'s solar energy project covers the rooftops of nine buildings inside the JG Summit Olefins integrated complex in Batangas. Photo courtesy of Merbau Corp.

Generating significant energy for the complex located in Barangays Simlong and Pinamucan Ibaba, Batangas City, the solar installation aims to reduce power consumption sourced from both in-house and from the national grid, and contributes to the reduction of greenhouse gas emissions (GHG) of the complex.

"This milestone marks a significant step in our journey as we aim to become a leading renewable energy company in the country," said Merbau president and chief executive Patrick Henry Go.



"Aside from our Group, we are expanding our RE portfolio outside the Gokongwei Group as part of our solid commitment to delivering sustainable and innovative energy solutions to eligible end-users in our drive to contribute to a greener future," said Go.

ERC chairperson Monalisa Dimalanta also recognized Merbau's solar project and encouraged other large commercial and industrial consumers to pursue RE solutions.

"This pioneering effort will help boost the country's efforts to achieve energy security, while enabling this integrated petrochemical complex to shift towards cleaner sources of energy," she said.

The successful completion of the inaugural solar energy project highlighted the collaboration and close partnership between Merbau and its engineering, procurement and construction contractor Upgrade Energy Philippines (UGEP), one of the leading players on commercial and industrial solar rooftop, utility-scale solar and wind in the Philippines.

The completion of the solar project cemented Merbau's capability and strong partnerships to deliver successful renewal energy solutions.

Go said Merbau is pursuing a portfolio of projects within the Gokongwei Group, including its partnership with Cebu Pacific, Robinsons Land Corp. for its malls and industrial warehouses and URC for its manufacturing plants and distribution channels.

## **Upgrade Energy sets 700MW solar development target by 2028**

There are no clear winners yet in the solar rooftop installation space, but this is emerging to be an 'aggressive investment play' for many renewable energy (RE) companies in the country - primarily in addressing the need for cleaner energy sources of the C&I base of clients.

Filipino firm Upgrade Energy Philippines (UGEP) is casting an ambitious target of 700 megawatts for rooftop and ground-mounted solar installations across commercial and industrial (C&I) customers that it is targeting to accomplish by 2028.

So far, the first major project delivered by the company as engineering, procurement and construction (EPC) contractor has been the 13.811MW solar rooftop installation of Merbau Corporation, the renewable energy development arm of JG Summit Holdings of the Gokongwei group.

Merbau President and CEO Patrick Henry Go noted "the successful completion of this project highlights our close partnership and teamwork with UGEP, our premier EPC contractor, towards reinforcing our commitment and dedication to driving sustainable and energy solutions."

To date, that solar development is considered as the largest consumer-driven solar rooftop installation in the country.

According to UGEP President and CEO Ruth Yu-Owen, that project had inspired the company to accelerate development plans for its targeted clients in the years ahead,

although she has not named their next wave of solar projects yet.

"We are very bullish on the growth of solar in the country," she said, emphasizing that their company "creates efficient and sustainable power solutions for its clients."

In July last year, UGEP and Aboitiz Power had announced their 50:50 joint venture deal for solar projects – and that partnership provided added succor to the capabilities as well as financial strength for the former to undertake pipelined projects.

"We are backed by the strong experience of our shareholders and management team," Yu asserted.

At this stage, there are no clear winners yet in the solar rooftop installation space, but this is emerging to be an 'aggressive investment play' for many renewable energy (RE) companies in the country – primarily in addressing the need for cleaner energy sources of the C&I base of clients.

Yu opined "the future energy landscape will be one of 100% renewable energy, strategically located close to demand centers and sized appropriately as to limit grid constraints and minimize losses."

Similar to the packages dangled by other solar rooftop developers, UGEP indicated that its offer to customers would be "zero-upfront costs solar solutions for commercial and industrial clients."

Onward, the company conveyed that it will also venture into utility-scale wind farm developments; as well as battery energy storage solutions.

9 September 2024, Manila Bulletin

## **Singapore firm to invest \$10M for Upgrade Energy's solar rooftop installations**

Across the chain of operations of most C&I end-users, energy is among the highest recurring costs to keep their machineries, processes as well as offices running; and solar rooftop solution has been presenting an imperative for them not just to pare their carbon emissions but also to save costs on their electricity usage.

Singapore-headquartered investment fund Clime Capital will be injecting up to \$10 million for the solar rooftop installations in the commercial and industrial (C&I) space as well utility-scale ventures to be undertaken by Upgrade Energy Philippines (UGEP), a joint venture between Aboitiz Power Distributed Renewables Inc. (APX) and the group led by business executive Ruth Yu-Owen.

As announced by Upgrade Energy, Clime Capital's investment will be channeled through Southeast Clean Energy Fund II, which is into supporting initiatives toward a low-carbon economy.

"The capital injection is intended to support UGEP in expediting the deployment of solar energy infrastructure in the country, including projects designed for internal consumption by commercial and industrial customers as well as utility-scale solar projects designed to dispatch clean energy to the electrical grid," the Filipino firm said.

According to Clime Capital CEO Mason Wallick, the capital injection into Upgrade Energy is part of their company's mission "to fund promising clean energy companies that will contribute toward achieving Southeast Asia's net-zero targets."

Upgrade Energy indicated that it is targeting to go beyond its 50MW target of solar-installed capacities for rooftops by the end of the year.

The company is among the leading players into leasing the rooftops of C&I entities, so these can be utilized for the PV installations that can then be used as energy source of its partner-businesses.

Owen, who is the president and CEO of Upgrade Energy, emphasized that there is "immense renewable energy potential in the Philippines."

She further noted that "developing infrastructure is an urgent task so we can meet the Department of Energy's ambitious targets of 35% renewable energy by 2030 and 50% by 2040 - and accelerated funding is essential to seizing the current opportunity."

Upgrade Energy Chief Operations Officer Pieterjan Vanbuggenhout qualified that "creating the infrastructure for the Philippines'

decarbonization journey requires investors that appreciate the country's renewable energy landscape as well as helping to meet global ESG (environmental social governance) standards."

On a global lens, the Philippines is still rated to have weak performance when it comes to ESG compliance, but Clime Capital indicated that its business model has been "designed to meet these requirements."

Clime Capital Chief Investment Officer Joshua Kramer vouched that their strategy is to provide "both growth capital and long-term ESG guidance to support high-potential clean energy companies through a rapid scale-up process."

Across the chain of operations of most C&I end-users, energy is among the highest recurring costs to keep their machineries, processes as well as offices running; and solar rooftop solution has been presenting an imperative for them not just to pare their carbon emissions but also to save costs on their electricity usage.

## ANNEX B UGEP SCOPE 1 AND 2 EMISSION FOR 2024

Total Annual GHG Emissions	tCO <sub>2</sub> e	Percentage
<b>Scope 1</b>	<b>29.59</b>	88%
Fuels	29.59	
■ Petrol - Mobile	29.59	
■ Diesel - Mobile	—	
■ Diesel - Stationary	—	
Refrigerants	—	
■ Refrigerants (specify)	—	
<b>Scope 2</b>	<b>4.17</b>	12%
Electricity	4.17	
<b>TOTAL</b>	<b>33.75</b>	



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