

ONE MERALCO

2024 INTEGRATED REPORT



Our Theme

This year, we center on people—
the true heart of One Meralco.

Beyond distribution lines and power plants,
we highlight and pay tribute to the individuals
who enable us to energize homes,
businesses, and communities.



Our Covers



One Meralco 2024 Integrated Report

The image is a circle formed by people
—linecrew, customer care representatives, support staff—
shoulder-to-shoulder representing the unity, diversity and
shared responsibility within One Meralco.

Together we stand. As one, we shine.



One Meralco Foundation 2024 Annual Report

The One Meralco Foundation (“OMF”) 2024 Annual Report cover
symbolizes not just unity, but the strength in togetherness
that brings forth support, care, and empowerment.
It also illustrates OMF’s mission in spreading the light
to Filipinos with diverse needs even in the hardest
to reach areas in the country.

One Meralco 2024 Integrated Report
Table of Contents

About the Report 04
- Scope & Coverage 05
- Reporting Frameworks & Standards 05
- Reporting Principles 06
- External Assurance 07

About the Company 08
- Our Brand 08
- Our Shareholders 12
- Our Portfolio 12
  - Distribution 14
  - Generation 16
  - Retail Electricity Supply 18
  - Beyond the Meter 19

Our Performance Highlights 22
- Financial Highlights 22
- Operational Highlights 22
- ESG Highlights 24

Message from Our Chairman & Chief Executive Officer 26

Leadership Roundtable 30

Our Business Environment 40

How We Create Value 43
- Our Value Creation Framework 44
- Defining What Matters Most 46
- Our Materiality Matrix 50
- Our Risks & Opportunities 52
- Our Outlook & Strategy 58

Our Performance

Power: Providing Energy for All, Always 64
- Affordability 70
- Accessibility 73
- Service Reliability & Safety 77
- Energy Transition 87

Planet: Embracing Environmental Responsibility in Our Business 94
- Climate Change Mitigation 100
  - Special Section: Climate Disclosures 110
- Air Quality 118
- Water & Effluents 120
- Material Consumption & Waste Management 123
- Biodiversity 125

People: Nurturing Sustainability from Within 126
- Talent Attraction & Retention 132
- Labor & Human Rights 146
- Occupational Health & Safety 149
- Diversity, Equity & Inclusion 154

Prosperity: Creating Better Lives for All 160
- Customer Enablement 166
- Innovation 173
- Digitalization & Cybersecurity 176
- Community Engagement 184
- Supply Chain Sustainability 188

Our Governance 192
- Business Ethics 193
- Corporate Governance Report 198

Our Leaders 236
- Board of Directors 236
- Management Committee and Key Officers 244
- Subsidiary Heads 246

Audit Committee Report 248

Financial Statements 253

Independent Assurance Statement 267

Appendices 274
- Certifications and Awards 275
- ESG Data 280
- Content Indices 322
- List of Abbreviations 344



About the Report

This Integrated Report (“IR”) details the accomplishments, performance, and challenges of the Manila Electric Company (“Meralco” or “the Company”) and our subsidiaries[1] (collectively, “One Meralco” or “the Group”) in 2024. This report contains information about the Group’s financial and operational performance, as well as discussions on environmental, social, and governance (“ESG”) issues relevant to our businesses and stakeholders.

This report is best read in conjunction with the One Meralco Foundation (“OMF”) 2024 Annual Report, which details OMF’s initiatives and achievements throughout the reporting period.

[1] The following subsidiaries are excluded from the scope of this report: Comstech Integration Alliance, Inc.; Lighthouse Overseas Insurance Company, Limited; Meridian Power Ventures, Limited; and Meralco Financial Services Corporation.

Scope & Coverage

This IR covers One Meralco’s consolidated financial, operational, and ESG performance from January 1 to December 31, 2024. Data from earlier years have been included for comparative purposes. Entities covered in this report are enumerated in the Our Portfolio section on pages 12–21.

Quantitative highlights from specific business units were selected based on availability of data and significance of achievement.

Reporting Frameworks & Standards

Philippine Financial Reporting Standards (“PFRS”)

The accompanying audited consolidated financial statements have been prepared in accordance with the PFRS issued by the PFRS Council, which governs the preparation of financial statements in the Philippines. The PFRS were patterned after the revised financial reporting standards issued by the International Accounting Standards Board.

Integrated Annual Corporate Governance Report (“I-ACGR”)

All corporate governance-related information in this report has been prepared in line with the I-ACGR, a reporting tool developed by the Securities and Exchange Commission (“SEC”) for publicly listed companies (“PLCs”) to disclose compliance or non-compliance with the recommendations provided under the SEC’s Corporate Governance Code for PLCs.

ASEAN Corporate Governance Scorecard (“ACGS”)

Disclosures on corporate governance in this report are aligned with the recommended best practices prescribed in the latest version of the ACGS, which was developed based on the Group of 20 and Organisation for Economic Co-operation and Development Principles of Corporate Governance.

International Integrated Reporting Framework (“IR Framework”)

Meralco has adopted the <IR> Framework for the first time in the development of this report. The <IR> Framework promotes a principles-based approach to corporate reporting, focusing on how an organization creates, preserves, or erodes value over time. By integrating financial and non-financial information, this report provides a holistic view of Meralco’s strategy, governance, performance, and outlook in relation to our external environment.

Global Reporting Initiative (“GRI”) Standards

This report has been prepared in accordance with the GRI Standards. The GRI Standards are the world’s most widely used sustainability reporting standards, enabling organizations across the globe to disclose their economic, environmental, and social impacts in an empirical and comparable manner.

Sustainability Accounting Standards Board (“SASB”) Standards

This report includes disclosures in conformance with the SASB Standard for Electric Utilities and Power Generators. The SASB Standards guide the disclosure of sector-specific data that is reasonably likely to be financially material within a single industry and are required to be considered in a materiality assessment process by the International Financial Reporting Standards Sustainability Disclosure Standards.

International Financial Reporting Standards (“IFRS”) Sustainability Disclosure Standard S2 Climate-related Disclosures

Climate-related disclosures in this report have been prepared in line with the new IFRS S2 and are still aligned with the recommendations of the Task Force on Climate-related Financial Disclosures, which has now been subsumed under the International Sustainability Standards Board. Pages 110–117 of this report discuss the Group’s governance structures and policies, strategies, risk management system, and processes, as well as metrics and targets, related to climate change.

GHG Protocol Corporate Accounting and Reporting Standard (“GHG Protocol Corporate Standard”)

All greenhouse gas (“GHG”) emissions data in this report has been accounted for using the GHG Protocol Corporate Standard’s equity share consolidation approach, wherein emissions are accounted for based on the accounts’ share of equity in the business. The GHG Protocol Corporate Standard is a global standard for GHG emissions measurement and monitoring from the World Resources Institute (“WRI”) and the World Business Council for Sustainable Development (“WBCSD”).

Reporting Principles

In addition to relevant reporting principles in the standards and frameworks above, including the GRI Standards, Meralco adopted the AccountAbility AA1000 Principles in the development of this report by:

- Identifying ESG issues material to One Meralco and disclosing performance on these topics within the reporting period (Materiality);
- Understanding the key expectations and concerns of the Group’s stakeholders through various engagement channels (Inclusivity);
- Ensuring complete, accurate, and timely coverage of the information presented in this report (Responsiveness); and
- Being accountable for the Group’s impact throughout our operations and value chain, as well as mapping our contributions to the United Nations’ Sustainable Development Goals (Impact).

Meralco engaged two separate auditing firms for the independent review and evaluation of all financial and key ESG information reported in this IR.

External Assurance

SyCip Gorres Velayo & Co. (“SGV”), a member firm of Ernst & Young Global Ltd., was appointed by Meralco’s stockholders to audit the Company’s consolidated financial statements as of and for the year ended December 31, 2024. SGV’s Independent Auditor’s Report and Audited Consolidated Financial Statements as of and for each of the three years in the period ended December 31, 2024, can be found on pages 253-266.

Meanwhile, DNV Business Assurance Singapore Pte. Ltd. (“DNV Singapore”), the Singapore branch of DNV Group AS, was commissioned by Meralco to provide limited assurance of the Company’s ESG performance data for the same reporting period. DNV Singapore’s Independent Assurance Statement can be found on pages 268–273.

Integrated Report ↗



One Meralco Foundation Annual Report



Website

Message from Our Chairman & CEO ↗

About the Company ↗

Financial Statements ↗

Our Governance ↗

Appendices ↗

Leadership Roundtable ↗

Our Performance Highlights ↗

About the Company

Our Brand

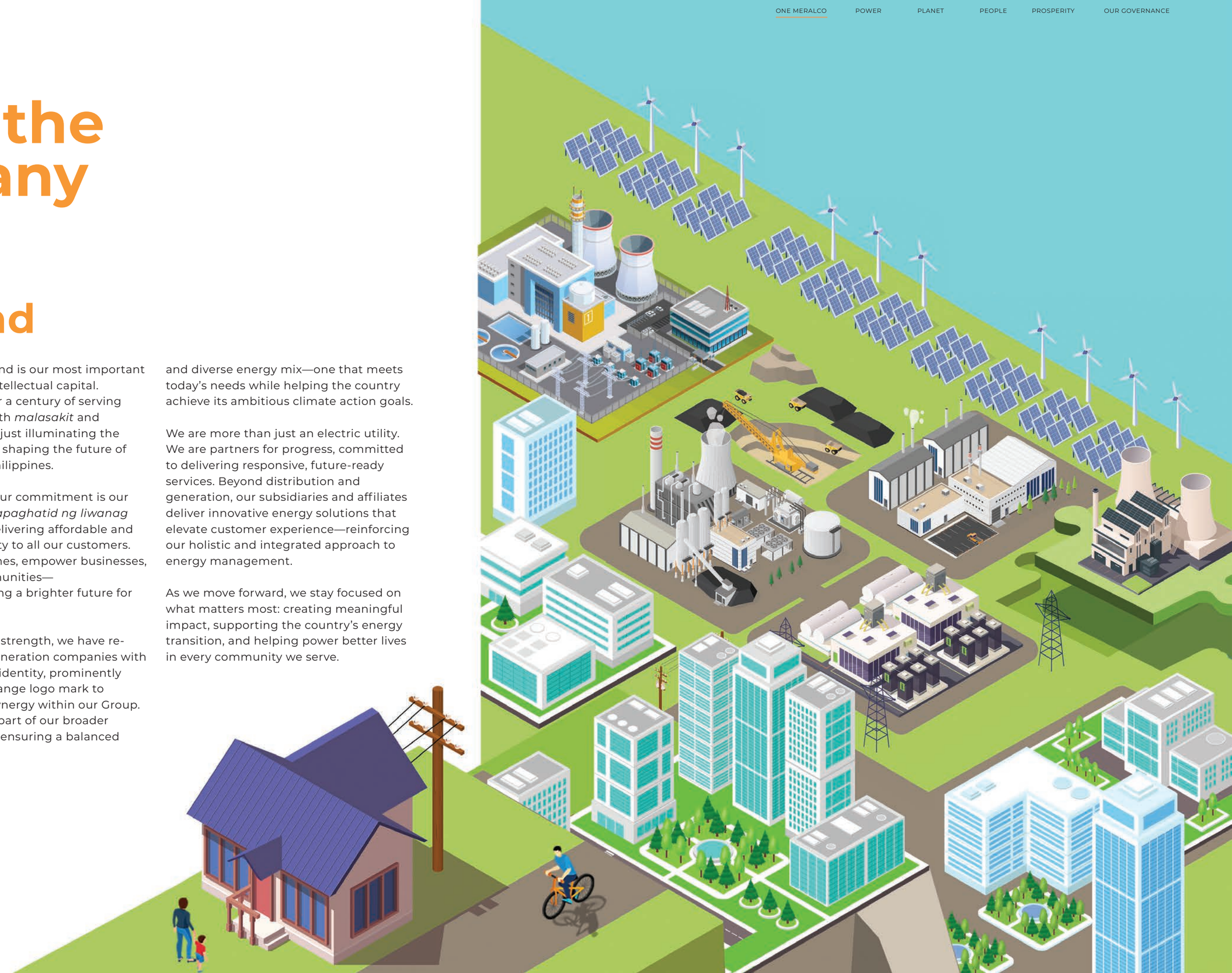
The Meralco brand is our most important and enduring intellectual capital. It embodies over a century of serving communities with *malasakit* and excellence—not just illuminating the present but also shaping the future of energy in the Philippines.

At the heart of our commitment is our role as your *tagapaghatid ng liwanag* (light bearer), delivering affordable and reliable electricity to all our customers. We light up homes, empower businesses, and uplift communities—all while nurturing a brighter future for our nation.

Building on this strength, we have re-launched our generation companies with a familiar visual identity, prominently featuring our orange logo mark to symbolize the synergy within our Group. This initiative is part of our broader commitment to ensuring a balanced and diverse energy mix—one that meets today's needs while helping the country achieve its ambitious climate action goals.

We are more than just an electric utility. We are partners for progress, committed to delivering responsive, future-ready services. Beyond distribution and generation, our subsidiaries and affiliates deliver innovative energy solutions that elevate customer experience—reinforcing our holistic and integrated approach to energy management.

As we move forward, we stay focused on what matters most: creating meaningful impact, supporting the country's energy transition, and helping power better lives in every community we serve.



Vision

To be a world-class energy solutions provider, powering our nation and empowering our people today and for generations to come

Mission

To provide our customers the best value energy solutions—reliably, affordably, superbly, and sustainably

VALUES

Customer Centricity

Our power comes from our customers who are our reason for being. We deliver outstanding customer experience. We live for our customers, the community, and our country.



Sustainability

Sustainability is at the core of all we do. We work to preserve our planet, to empower our people, to power our communities, and to create prosperity for all.

Excellence

Excellence is our way of life.
We strategize brilliantly, decide resolutely, and execute flawlessly.

Integrity

We value ethical behavior and employ good governance practices that meet global standards.



Innovation

We are passionately innovative, leveraging technology to constantly improve our operations and provide better customer and employee experiences.





Bayanihan

(Cooperative Spirit)

Mahal namin ang aming kapwa at mga kababayan. Sa lahat ng oras, handa kaming tumugon, tumulong, at maglingkod. (We love our fellowmen and countrymen. We are ready to respond, help, and serve at all times.)



Malasakit

(Solicitude)

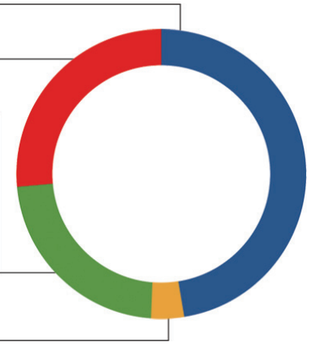
Sa lahat ng aming tungkulin at gawain, lubos ang aming pagbibigay ng sarili. Tunay na malasakit ang nasa puso namin bilang mga tagapaghatid ng liwanag. (In all our duties and in all that we do, we give our all. As bearers of light, we carry in our hearts genuine care and concern for others.)

Our Shareholders

Guided by the strategic vision of our shareholders, we continue to deliver excellent and innovative energy solutions while contributing to sustainable development. As we progress, we acknowledge the invaluable support of these key stakeholders.

Name of shareholder and beneficial owner	% of total shares
Metro Pacific Investments Corporation*	47.46%
JG Summit Holdings, Inc.	26.37%
Institutional investors and public float	26.11%
Meralco directors and officers	0.06%
Total	**100.00%**

*includes 34.96% owned by Beacon Electric Asset Holdings, Inc



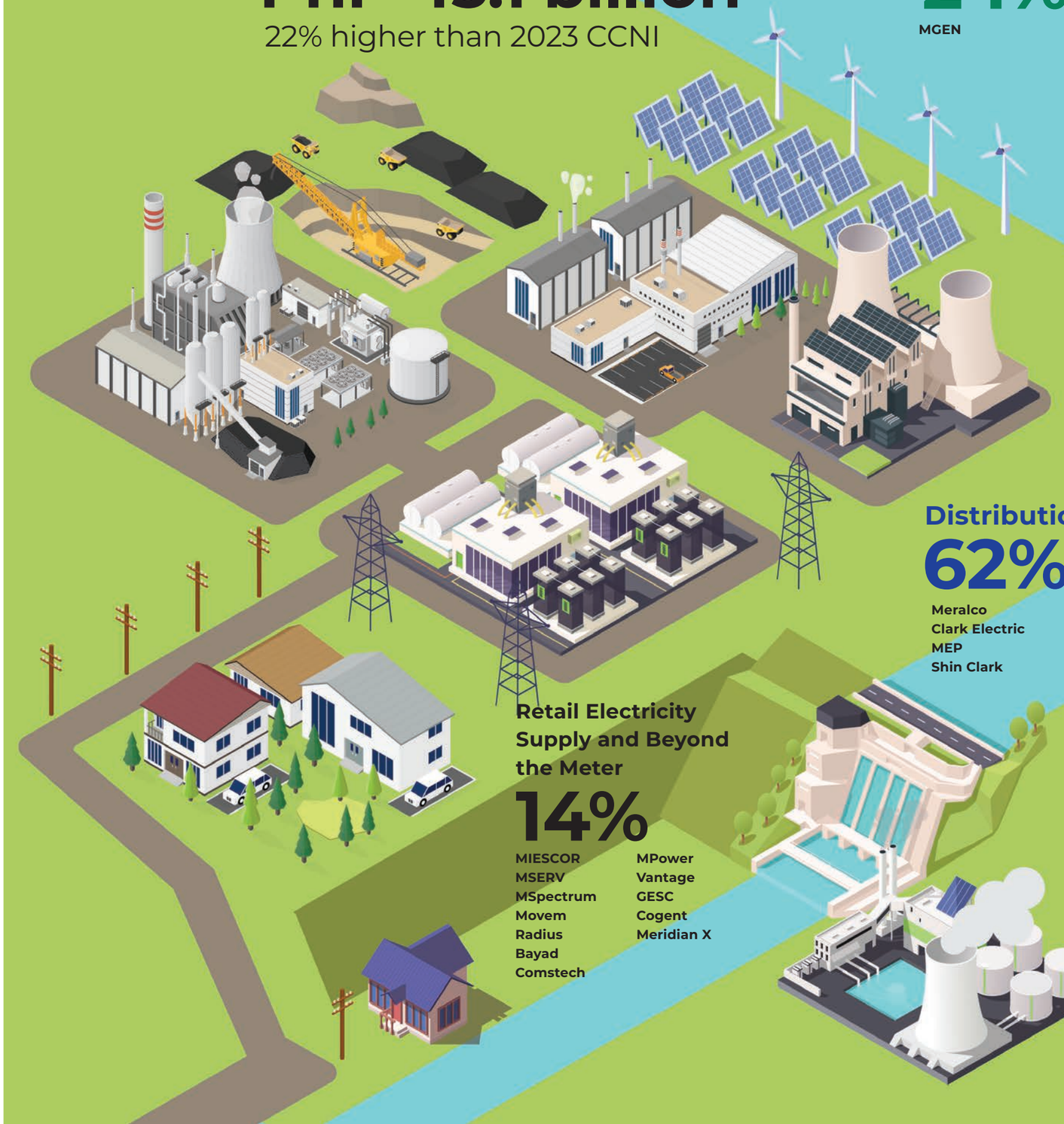
Our Portfolio

One Meralco continues to strengthen our commitment to powering the good life for all by driving meaningful and inclusive growth through our different businesses. The Group recognizes that sustainable progress can be achieved only through active collaboration across all our areas of expertise, including power generation and distribution, engineering, mobility, telecommunications, and financial services.

Business segment	Consolidated Core Net Income ("CCNI") % Share
Generation	24%
Distribution	62%
Retail Electricity Supply and Beyond the Meter	14%
Total	100%

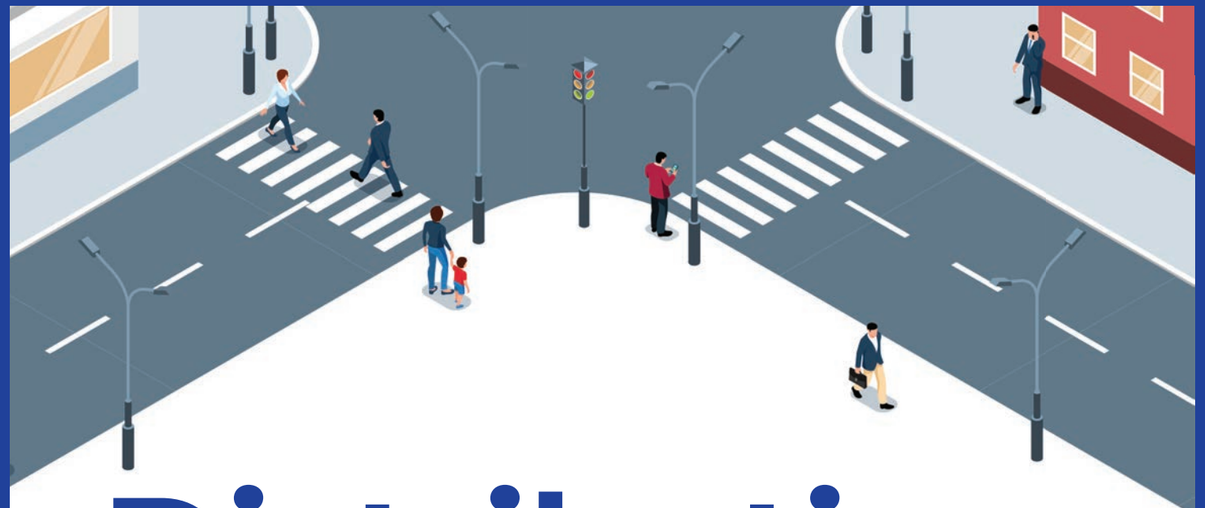
2024 CCNI:
PhP 45.1 billion
22% higher than 2023 CCNI

Generation
24%
MGEN



Distribution
62%
Meralco
Clark Electric
MEP
Shin Clark

Retail Electricity Supply and Beyond the Meter
14%
MIESCOR
MSERV
MSpectrum
Movem
Radius
Bayad
Comstech
MPower
Vantage
GESC
Cogent
Meridian X



Distribution

Manila Electric Company (“Meralco”)

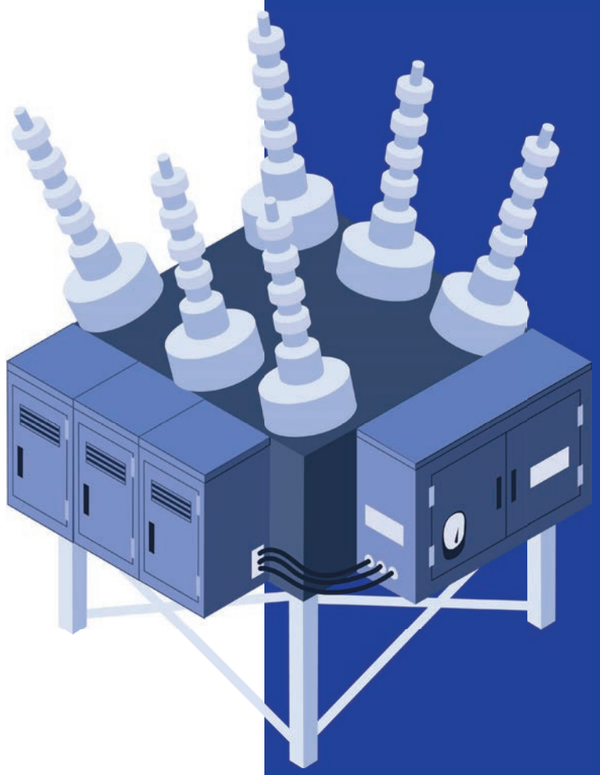
Meralco is the premier electric distribution utility in the Philippines. Headquartered in Pasig City, the Company provides energy to Metro Manila, Bulacan, Cavite, and Rizal, as well as parts of the provinces of Batangas, Laguna, Pampanga, and Quezon. Meralco’s franchise area spans about 9,685 square kilometers, reaching over 8 million residential, commercial, and industrial customers across 39 cities and 72 municipalities.

Meralco also operates as a retail electricity supplier (“RES”) within its franchise area through its business unit, MPower.

Clark Electric Distribution Corporation (“Clark Electric”)

Through a franchise granted by the Clark Development Corporation, Clark Electric distributes power within the Clark Special Economic Zone (“CSEZ”), the site of the former U.S. Clark Air Base. This site was transformed into a major economic district encompassing the Clark Freeport Zone and adjoining subzones. Clark Electric plays a critical role in transforming the CSEZ into a leading powerhouse for industry, aviation, export business, and higher learning.

Clark Electric also operates as an RES within its franchise area through its business unit, Cogent Energy. Clarion Energy Management, Inc., a wholly owned subsidiary of Clark Electric, is awaiting issuance of license by the ERC.







Meralco Ecozone Power (“MEP”)

MEP is a Meralco business unit responsible for the administration and maintenance of the electric distribution network within the Cavite Economic Zone (“CEZ”). MEP offers CEZ tenants a suite of electrical services—including service applications, meter readings, billing, payments and collection, technical assistance, and complaint resolutions—while prioritizing the integration of renewable energy sources such as rooftop solar installations within the CEZ.

Shin Clark Power Holdings, Inc. (“Shin Clark”)

Shin Clark is responsible for the financing, development, operation, and maintenance of a smart electric distribution system within the 9,450-hectare New Clark City (“NCC”) through a joint venture agreement (“JVA”) with the Bases Conversion and Development Authority (“BCDA”). It collaborates with the BCDA to achieve its vision of showcasing the NCC as the first metropolis in the Philippines to integrate smart, sustainable, and disaster-resilient attributes.

Meralco holds a 60% stake in Shin Clark, while Japanese firms Axia Power Holdings Philippines Corporation (a wholly owned subsidiary of Marubeni Corporation), KPIC Netherlands BV (a wholly owned subsidiary of Kansai Electric Power, Inc.), and Chubu Electric Power Co., Inc., collectively, hold the remaining 40%.

Generation

MERALCO GEN

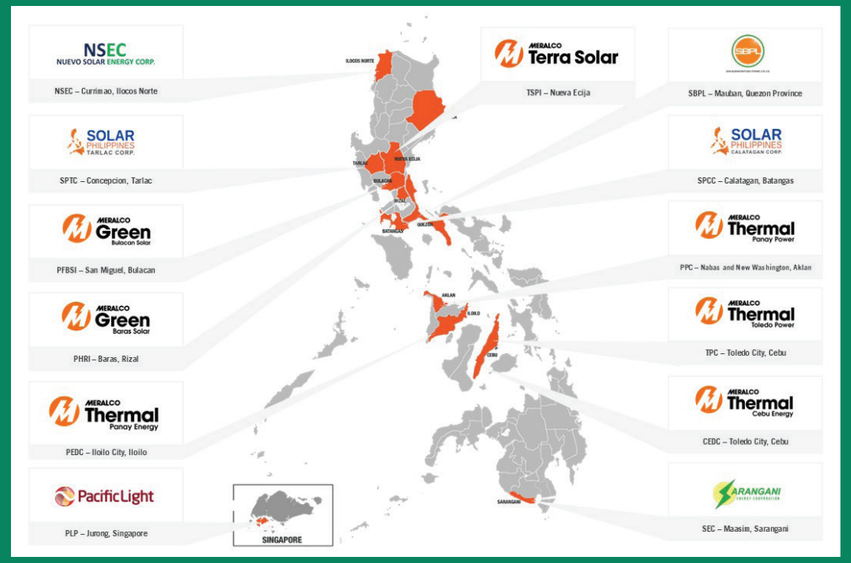
Meralco PowerGen Corporation (“MGEN”)

MGEN is committed to addressing the nation’s growing energy needs by building a diverse power generation portfolio geared toward providing reliable and cost-competitive power supply to its customers. Leveraging a mix of advanced, highly efficient, and more sustainable technologies, MGEN and its subsidiaries operate a total net sellable capacity of 2,437.2 MW utilizing coal, liquefied natural gas, diesel, and solar technologies. This diverse portfolio enables MGEN to supply base, intermediate, peak load, and ancillary power while ensuring energy security and affordability.

As part of its commitment to a cleaner energy future, MGEN places a premium on accelerating the country’s energy transition, with a goal of adding 1,500 MW of renewable energy (“RE”) to its current portfolio.







MERALCO Green

MGEN Renewable Energy, Inc. (“MGreen”)

MGreen is the RE arm of MGEN. It is dedicated to investing in and developing clean, sustainable, and efficient energy projects, playing a pivotal role in the country’s transition to a low-carbon future. As a key driver of MGEN’s vision for a balanced and diversified power generation portfolio, MGreen plays a vital role in advancing renewable energy solutions while ensuring long-term energy security.

MGreen also holds a substantial stake in Terra Solar Philippines, Inc., the company behind the MTerra Solar Project, a landmark 3,500 MWp integrated solar PV power plant with a 4,500 MWh Battery Energy Storage System (“BESS”), enabling the storage and efficient dispatch of renewable energy to support grid stability.

With its growing renewable energy portfolio, MGEN remains at the forefront of the clean energy transition, supporting the nation’s energy security and sustainability goals while contributing to a greener future.

MERALCO Thermal

Global Business Power Corporation (“MThermal”)

MThermal is one of the leading independent power producers in Visayas and Mindanao, providing flexible energy solutions to supply base, intermediate, peak load, and ancillary services. MThermal plays a crucial role in addressing the growing energy demands connecting businesses and communities.

San Buenaventura Power Ltd. Co. (“SBPL”), now lodged under MThermal, pioneered the first high-efficiency, low-emission (“HELE”) coal technology in the Philippines.

In line with its commitment to support the country’s energy needs, MGEN fully acquired Global Business Power Corporation in 2021. This acquisition has enabled MGEN to offer flexible energy solutions that can serve the varying power requirements of the country.

MThermal also owns and operates a retail electricity supply (“RES”) subsidiary named Global Energy Supply Corporation (“GESC”).

PacificLight

PacificLight Power Pte. Ltd. (“PLP”)

PLP owns an 830 MW liquefied natural gas-fired (“LNG”) power plant in Jurong Island, Singapore. PLP commenced commercial operations in February 2014, making it the first power plant in Singapore to be completely fueled by LNG. PLP is owned by FPM Power Holdings Limited, an established regional company combining the joint expertise of MGEN and First Pacific Company Ltd. It is the largest Clean Development Mechanism (CDM) project in Singapore registered under the United Nations Framework Convention on Climate Change. The CDM recognizes projects that contribute to sustainable development and emissions reduction.

Retail Electricity Supply



MPower

MPower is Meralco's local retail electricity supply ("LRES") unit that serves contestable customers, (end-users with at least 500 kW demand) including the country's top corporations, within the Company's franchise area. Lauded for its best-in-class service and reliable and stable power supply, MPower has established lasting partnerships with its customers and enjoys a market share of over 21% of the country's total Competitive Retail Electricity Market ("CREM") in MW demand. MPower also manages a diversified supply portfolio and is actively increasing the share of solar and wind energy sources to complement traditional sources of power.

Vantage Energy Solutions and Management, Inc. ("Vantage Energy")

Vantage Energy is Meralco's first affiliate RES, which operates in Luzon and the Visayas. Established in 2017, it supplies energy to contestable markets where Retail Competition and Open Access ("RCOA") is in effect. In recent years, the Company's retail portfolio has grown, ably serving the energy needs of over 100 CREM end-users. Adhering to its mission to provide stable, reliable, and quality electricity service, Vantage Energy is recognized as an emerging RES of choice in the CREM nationwide.

Global Energy Supply Corp. ("MGEN RES")

MGEN RES offers a range of competitive service options and flexible schemes that are tailored according to the unique power requirements of businesses. MGEN RES sources electricity from diversified power generation facilities—allowing MGEN the flexibility to provide customers with the best-value energy solutions. Behind MGEN RES are experienced industry professionals who are committed to provide innovative services and excellent customer support.

Beyond the Meter





Meralco Industrial Engineering Services Corporation ("MIESCOR")

MIESCOR is Meralco's oldest subsidiary. With its own subsidiaries MIESCOR Builders, Inc. ("MBI") and MIESCOR Logistics Inc. ("MLI"), MIESCOR's services include engineering, procurement, and construction ("EPC") of electromechanical works; designing, building, and maintaining telecommunication infrastructures; utility attachment management; distribution utility services; and trading of electrical supplies and equipment. The PCAB places MIESCOR in the highest AAAA category for general engineering building, foundation work, structural steelwork, electrical work, mechanical work, and communication facilities.

Meralco Energy, Inc. ("MSERV")

One of the country's largest electromechanical contractors, MSERV is Meralco's wholly owned subsidiary dedicated to providing after-the-meter energy services to commercial and industrial customers. The company offers efficient electric load management and energy efficiency solutions. Additional services include energy auditing; EPC of mechanical, electrical, plumbing, and fire protection ("MEPF") facilities; operation and maintenance ("O&M") of customer-owned establishments; smart building and streetlight management; wastewater treatment; and hyperscale data center solutions.

MSERV is a Category AAA Philippine Contractor Accreditation Board ("PCAB")-licensed company and a DOE-accredited energy service company.



MSPECTRUM

MSpectrum, Inc. (“MSpectrum”)

Established in 2016 as part of Meralco’s thrust to promote renewable energy solutions, MSpectrum provides affordable and safe solar energy products and services. MSpectrum is a market leader in the industry with a total installed capacity of 80 MW across multiple solar projects nationwide.

MSpectrum has three verticals: (1) Solar for Business for commercial and industrial customers, (2) Microgrid for off-grid customers and Utility-Scale EPC for large-scale projects, and (3) O&M for existing renewable energy installations. The company’s portfolio of customers includes those in the Food & Beverage Manufacturing, Cold Storage, Semiconductor, Retail, and Utility sectors.

MÖVEM

Movem Electric, Inc. (“Movem”)

As Meralco’s sustainable mobility arm, Movem provides the highest value end-to-end electric vehicle (“EV”) and charging solutions, purposely designed and tailored-fit to align with its clients’ sustainability and operational goals. Movem’s mission is to help spur the adoption of electric mobility in the Philippines.





radius

Radius Telecoms, Inc. (“Radius”)

Radius focuses on developing an end-to-end fiber optic network that provides dedicated internet access, global networking, and cloud services across Metro Manila and its nearby provinces.

In March 2024, PLDT acquired 34.9% ownership interest in Radius, strengthening the Company’s capital base and supporting its continued expansion in the telecommunications sector.

bayad

CIS Bayad Center, Inc. (“Bayad”)

Initially introduced as Meralco’s centralized bills payment channel, Bayad has steadily grown and expanded its financial services while also strengthening its commitment to sustainability practices by introducing innovative approaches to billing, optimizing internal operations, and improving workflows.

As of December 2024, Bayad’s nationwide footprint remains strong, with a total of 650 Bayad Centers comprising 70 company-owned branches, 337 franchisee-operated outlets, and 243 local store partners—a testament to its robust and growing presence across the country.

Our Performance Highlights

FINANCIAL

One Meralco

PhP 470.4B
Consolidated Revenues

PhP 75.0B
Core EBITDA

PhP 75.5B
Reported EBITDA

PhP 45.1B
Consolidated Core Net Income

PhP 45.9B
Consolidated Reported Net Income

PhP 24.03
Cash dividends per common share declared out of 2024 earnings

OPERATIONAL

Meralco Distribution

53,606 GWh
Energy Sales

8.0M
Customer Accounts

PhP 10.54/kWh
Overall Average Retail Rate

99.97%
Franchise Area Electrification Rate

108.21 min
System Average Interruption Duration Index (SAIDI)

1.04 times
System Average Interruption Frequency Index (SAIFI)

PhP 5.1B
Customer savings due to system loss improvement

5.99%
System Loss (lower than regulatory cap of 6.5% for the 17th year)

90 OUT OF 100
Customer Experience Score

8.11 OUT OF 10
Customer Satisfaction Index

MERALCO GEN

2,437.2 MW
Total net sellable generation capacity

15,296 GWh
Total energy delivered

190.9 MW
Attributable renewable generation capacity

617 GWh
Renewable energy generated

93%
Average power plant availability rate of MGreen

ESG Highlights

Environmental

One Meralco

46.7
$MtCO_2e$ [2]
Total greenhouse gas ("GHG") emissions

696
$MtCO_2e$/GWh
GHG emissions intensity

6.6
$MtCO_2e$
Scope 1 GHG emissions

2.4
$MtCO_2e$
Scope 2 GHG emissions

37.6
$MtCO_2e$
Scope 3 GHG emissions

Meralco Distribution

63,949
Trees planted under One for Trees ("OFT")

95%
Solid Waste Diversion Rate

[2] Megatonnes of carbon dioxide equivalent

Social

Meralco Distribution

PhP 82.3M
Total Spend on Corporate Social Responsibility ("CSR") initiatives

1.42
Lost Time Injury Frequency Rate ("LTIFR")

45.0
Average training hours per employee

23.3%
Female representation in the workforce (higher than global industry average of 11%)

-0.12%
Gender pay gap (lower than global industry average of 19%)

Governance

One Meralco

ZERO
Incidents of corruption

ZERO
Incidents of bribery





Message from Our

Chairman and Chief Executive Officer

To our esteemed stakeholders,

Energy powers everything. Every home. Every business. Every industry. The economy, in turn, is the great stage where all these forces move—where prosperity is built or lost. When the global economy stirs, when the nation's financial pulse quickens or slows, the power sector feels it first. And we respond because we must. Electricity is the lifeblood of growth, and Meralco has been its steady pulse for over a century.

In 2024, the Philippine economy held its ground against global instability, securing one of the highest GDP growth rates in Southeast Asia at 5.6%. Inflation cooled. Consumer spending rose. Investments remained steady. Yet these gains emerged despite powerful headwinds—extreme weather, geopolitical tremors, a global economic slowdown. Through it all, One Meralco stood firm. We did more than supply power; we fueled resilience, ensuring that our country's momentum not only endured but surged forward, charged with purpose and strength.



CONTINUING OUR LEGACY OF EXCEPTIONAL SERVICE

In 2024, Meralco reached a landmark achievement—surpassing **8 million customer accounts** within our franchise area. Energy sales soared, exceeding 54,000 GWh—an all-time high. We likewise invested PhP 21.4 billion in grid expansion and enhancement, allowing us to sustain **best-in-class system efficiency and reliability**. Thus, for the 17th year in a row, Meralco recorded a system loss rate well below the cap set by the Energy Regulatory Commission.

Technology, too, played its part. Digital transformation has redefined how we serve our customers. From advanced data systems to AI-driven applications, we enhanced the entire customer experience. Even amid electricity rate hikes, customer trust remained high. Their confidence in Meralco helped drive strong support for our franchise renewal—securing the foundation for 25 more years of service.



SUPPORTING THE NATION'S ENERGY TRANSITION

We intensified our shift to renewables. MTerra Solar—a project that will soon stand as the world's largest integrated solar and battery energy storage facility—is at the heart of this transformation. It is more than an investment; it is a commitment to a cleaner, more sustainable tomorrow. We have also made significant strides in building a robust renewable energy ("RE") pipeline—with the ongoing construction of several new solar farms across Luzon—to inject even more low-carbon electricity into the grid in the coming years.

But transition requires balance. While we champion sustainability, energy security is also paramount. As the country's energy needs grow, we remain pragmatic. Our strategic investments in fossil fuel-based technologies—particularly through Chromite Gas Holdings, Inc.—help ensure the stability of the Philippines' baseload capacity. This is how we manage the delicate equilibrium between progress and prudence.

MTerra Solar is more than an investment; it is a commitment to a cleaner, more sustainable tomorrow.



FOSTERING SYNERGIES FOR GREATER VALUE

Energy does not exist in isolation. It fuels industries, accelerates digital transformation, and connects communities. One Meralco understands this deeply, which is why collaboration is central to our strategy.

In fintech, Bayad has joined a vast digital solutions ecosystem, thanks to Kayana's investment—paving the way for smarter, more convenient financial services. In Information and Communications Technology ("ICT"), MSERV is leading the charge, positioning Meralco as the prime enabler of hyperscale data centers. Our work with ePLDT's VITRO Sta. Rosa—the country's first true hyperscale data center—is just the beginning.

In transportation, Movem is redefining electric mobility. Through a partnership with ChargeEuropa, we are deploying world-class EV charging solutions, integrating smart technology with sustainable energy. And in renewable energy, MSpectrum is scaling its solar footprint, expanding its 80-MW capacity through new agreements with commercial and industrial partners nationwide.

Across these ventures, one principle remains constant: **we build synergies that create lasting value**.



EXPANDING ELECTRIFICATION FOR WIDER SOCIAL IMPACT

Beyond our franchise area, Meralco, through the One Meralco Foundation ("OMF"), has been bridging gaps, bringing power where it is needed most. In 2024, we electrified four off-grid public schools, two rural health centers, and two agricultural facilities. We also energized a remote water system, delivering clean, potable water to an underserved community.

Through Light Up Pilipinas, we have distributed over 8,000 solar lamps since 2021—brightening the lives of fisherfolk, indigenous communities, soldiers, and forest rangers. A single lamp can mean a safer home, better education, a longer workday. **A single kilowatt-hour can change a life. And we are committed to changing many more**.



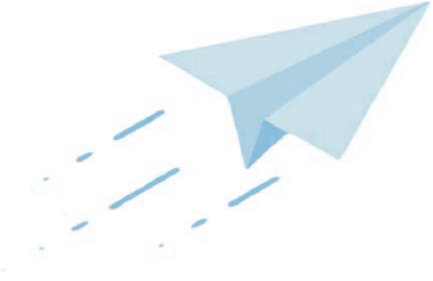
SHAPING THE FUTURE OF ENERGY IN THE PHILIPPINES

The success of 2024 was not the work of a few, but the triumph of many. I extend my deepest gratitude to our Board of Directors, whose wisdom and leadership have guided us forward. To our employees, whose dedication fuels our mission every day. To our shareholders, partners, and customers, who continue to place their trust in us.

As we step into 2025 and beyond, we do so with unwavering resolve. One Meralco will continue to shape the future of energy in the Philippines—driven by innovation, strengthened by sustainability, and anchored in excellence.

Our story is far from over. The next chapter awaits. And together, we will write it—brighter, bolder, and stronger than ever.

[Sgd.]
Manny V. Pangilinan
Chairman & Chief Executive Officer



Leadership Roundtable

In 2024, One Meralco delivered impressive financial results amid global and domestic uncertainties while providing our customers the best-value energy solutions—reliably, affordably, superbly, and sustainably. In this conversation, our top leaders—Ronnie Aperocho, Meralco's Chief Operating Officer; Ferdie Geluz, Meralco's Chief Revenue Officer; and Manny Rubio, MGEN's President & Chief Executive Officer—reflect on our Group's resounding success, how we are helping address the country's energy trilemma, and how innovation continues to shape better experiences for our customers. They also share their outlook for 2025 and what fuels their passion for powering the nation towards a cleaner and brighter future.

Meralco once again delivered strong financial results in 2024—a year in which global uncertainty impacted the nation's growth projections. What were the drivers of this success?

Ferdie Geluz: Our stronger electrification program helped make 2024 another milestone year for Meralco. We hit a record high in terms of energy sales and customer connections, delivering over 54,300 GWh of power to our over 8 million customers. In fact, our energy sales growth of 6.4% outpaced the Philippines' GDP growth of 5.6%. This is something we haven't seen since 2016.

We saw strong growth in certain sectors like hospitality and retail, which pushed up energy demand. We also experienced the continued recovery of local tourism. The office leasing market also grew because of return-to-office mandates and the expansion of the IT-BPM[3] industry amid the government's POGO ban[4]. On top of that, higher demand for packaging and construction materials also led to increased electricity use in the food and beverage and non-metallic minerals sectors. Thanks to our strategic investments in improving Meralco's network infrastructure, we were able to meet these demands and fulfill our commitment to providing efficient and reliable service to our customers all year long.

It was also a big year for our retail electricity suppliers ("RES") as they posted positive revenue results that helped Meralco set a record-high income for 2024. The strong performance of MPower and Vantage Energy was mainly driven by the recovery of our customer portfolio as well as favorable account renewals post-FCRA[5]. Their combined energy sales last year reached nearly 5,900 GWh.

Manny Rubio: On the power generation front, MGEN continued to make solid contributions to Meralco's earnings in 2024 while reinforcing our position as a key player in the power industry. We reached a net sellable capacity of over 2,400 MW across our diversified portfolio in the Philippines and Singapore, which allowed us to generate almost 15,300 GWh of electricity—up by 7% from 2023. We achieved this impressive growth by staying focused on addressing the country's energy security needs through innovation and sustainability.

To further maximize value, we have positioned our baseload plants to

[3] Information technology & business process management [4] Philippine offshore gaming operators ("POGOs") were banned by President Bongbong Marcos during his third State of the Nation Address in July 2024. [5] Fuel cost recovery adjustment





***Ang aming dakilang tungkulin ay maghatid ng liwanag sa bawat bahay at buhay na aming pinaglilingkuran. Malasakit* is what defines us at One Meralco.**

Ferdinand O. Geluz
Chief Revenue Officer
Meralco



participate in the reserve market, which will optimize our generation capacity. With our participation in both the energy supply and reserve market, we will benefit from dual revenue streams as we bid to provide both energy supply and ancillary services. Flexible players, such as ourselves, with accredited capacity are now incentivized to optimize their operations, shifting between services depending on market needs.

Our MThermal plants in Cebu and Panay successfully passed their Ancillary Services Certification Tests last year, with more units expected to follow. This paved the way for our participation in the co-optimized market, which can help lower costs for consumers.

Through strategic investments and flexible market participation, we thrived amid rapidly shifting industry dynamics. Make no mistake, MGEN is not just keeping pace with change—we are leading the charge in transforming energy in the Philippines.



As One Meralco delivers power to more customers than ever before, how is the Group working to balance affordability, reliability, and sustainability?

Ronnie Aperocho: To ensure that we source power in the least-cost manner, we continue to conduct CSPs[6], in full compliance with the rules and regulations set by the DOE[7] and the ERC[8]. We also strive to mitigate the impact of sudden rate increases caused by high WESM[9] prices, procurement of replacement power during outages, and fuel price hikes among others. We do this by working closely with our regulators, the market operator, and business partners in implementing measures such as rate reductions, staggered payment schemes, and the suspension of billing charges when necessary. These measures help our customers better manage their electricity expenses during difficult periods.

From a reliability standpoint, Meralco spent over PhP 24 billion in CapEx last year mostly for network expansion and upgrade, storm hardening, digital transformation, and grid modernization.

These projects enable us to deliver reliable energy services that drive customer productivity while also reducing system losses, which ultimately translate into customer savings. In 2024, we maintained our below-the-cap system loss performance for the 17th consecutive year. We also achieved our best-ever reliability performance in terms of SAIDI and SAIFI.[10]

Finally, from a sustainability perspective, we continue to grow the share of lower-carbon energy in our supply mix, in support of our commitment to contract 1,500 MW of clean energy. To date, we've already exceeded that commitment, and last year, we secured new RE mid-merit PSAs[11] amounting to 500 MW, aligned with the DOE's Renewable Portfolio Standards.

Manny Rubio: On the MGEN front, we remain committed to a diverse and pragmatic approach to our energy transition. While we are heavily investing in RE, we also recognize the pressing need for energy security and reliability to support the country's economic growth. This requires a diversified energy mix—one that complements renewables with conventional sources.

We acknowledge the complex challenges and trade-offs involved in this journey. Intermittency, land constraints, rising costs, and the need for dependable baseload power are all key considerations that we are trying to address. We are thus implementing a multi-faceted strategy to rise above these hurdles. This includes optimizing our existing thermal assets using advanced technologies as well as investing in transition fuels like LNG[12] to meet the country's growing energy demands.

Last year, we moved closer to our goal of building 1,500 MW of attributable RE capacity by 2030 through MGreen.

[6] Competitive selection process [7] Department of Energy [8] Energy Regulatory Commission [9] Wholesale Electricity Spot Market
[10] SAIDI – System Average Interruption Duration Index; SAIFI – System Average Interruption Frequency Index [11] Power supply agreement
[12] Liquefied natural gas

The most groundbreaking development in our RE push is MTerra Solar—a massive 3,500-MW solar farm with a 4,500-MWh battery energy storage system. This project will reshape the Philippine energy landscape once it becomes operational in 2026.

Aside from MTerra Solar, we have partnered with Vena Energy to develop a 450-MW solar project in Pangasinan, which will be one of the largest RE facilities in the country. It is also expected to commence operations in 2026. This year, we are set to add at least 85 MW of RE capacity to our portfolio through other new solar projects across Luzon.



How does One Meralco's commitment to innovation translate into better experiences for its growing customer base?

Ferdie Geluz: I want to emphasize that our customers are at the heart of everything we do. We continue to adapt and innovate to ensure that the solutions we offer meet our customers' needs and address their pain points—after all, customer centricity and innovation our part of our DNA.

Our goal is straightforward: **deliver a simple, fast, and convenient customer experience**. Since 2015, our Customer Journey Improvement Program has streamlined key customer journeys—from service applications and payment transactions to feedback processing and outage management.

Last year, we upgraded the Meralco App as we launched My Meralco, which simplifies bill payments, service monitoring, and outage reporting. We also continued transforming the customer experience through our CCTP+D[13] transformation projects, including DORI for digital official receipt issuance, MobSol[14] for real-time field service management, and the DSA for hassle-free digital service applications.

Ronnie Aperocho: Building on what Ferdie has already said, while much of what we do is on the front end, we require innovation in the back end to enable that customer experience. One of our major priorities is making our grid smarter—starting from our substations down to the edge of the grid, where we connect with customers, with our control center acting as the central nervous system. Some of our key smart grid initiatives include substation and distribution automation and our AMI program, as well as cutting-edge grid management systems like SCADA[15] and ADMS[16]. These systems help us deliver services with higher efficiency, reliability, and quality.

Ferdie Geluz: On top of what Ronnie has mentioned about our AMI program, our customers will soon be able to track their electricity consumption on an hourly basis through this initiative. They will also be able to set budgets for electricity and manage their consumption more effectively through Meralco Online and My Meralco. We try to better understand the evolving needs of our customers and address them through innovative solutions.

Our efforts to better serve our customers resulted in a strong Customer Satisfaction Index of 8.11 in 2024 despite rising generation charges. We even received letters from individuals outside our franchise area who expressed interest in experiencing the quality of service we provide. Our commitment to excellence was further affirmed by the 49 franchise renewal endorsements we received from commercial and industrial groups.

Beyond the Distribution Utility, we are also advancing innovation through our various subsidiaries. For example, we are enabling the growth of hyperscalers here in the Philippines through MSERV's energy efficiency solutions and Radius' high-speed connectivity services. Meanwhile, we are transforming the Philippine transport sector by offering end-to-end EV[17] and charging solutions through Movem. By staying ahead of the curve, we ensure we provide the best energy solutions while enhancing our market competitiveness.

[13] Customer Centricity Transformation Program + Digitalization [14] Mobility Solutions on Field Services [15] Supervisory Control and Data Acquisition
[16] Advanced Distribution Management System [17] Electric vehicle

Time and again, we've proven that sustainable investments make good business sense.

Emmanuel V. Rubio
President and CEO
MGEN

We've always been passionate about serving the people, and this passion translates into excellence in everything we do.

Ronnie L. Aperocho
Chief Operating Officer
Meralco





Looking ahead, what is in store for One Meralco in 2025? How will the Group navigate a rapidly evolving global energy landscape?

Ronnie Aperocho: We're gearing up for another big year for Meralco. There are many exciting things to look forward to: AMI, DER[18], EVs, and nuclear.

On the AMI front, we're going all in on smart metering. This year, we will start deploying smart meters at an unprecedented scale, with the goal of covering 100% of our customer base in the next 10 years. This would translate to at least 11 million customers in our franchise area.

From a DER standpoint, we're helping the country achieve its decarbonization goals by embracing rooftop solar. We will invest in building the necessary infrastructure to accommodate the growing share of intermittent renewables. We will also broaden our reach beyond our franchise area through MSpectrum, which aims to install over 600 MW of rooftop solar capacity by 2030 through power purchase agreements.



Another game-changer for One Meralco is our investments in the EV space. **We aim to become a major EV player in the Philippines** through a three-pronged approach. First, Meralco will build a reliable grid infrastructure to energize the growing number of EV charging stations in our franchise area. Second, we will walk the talk through our Green Mobility Program by converting 25% of our fleet to EVs by 2030. Third, we will induce further market take-up by being an EV charge point operator and investing in businesses that provide home charging and battery swapping technologies.

Finally, we will continue our bold venture into nuclear energy by forging strategic partnerships, investing in feasibility studies, and advocating for a policy environment that supports the safe and sustainable development of nuclear facilities. With Manny now at the helm of MGEN, we at One Meralco plan to be a pioneer in this space by introducing small modular reactors in the country. Through our Nuclear Energy Strategic Transition ("NEST") Program, we will explore how we can best support the government's goal of developing 1,200 MW of nuclear capacity as early as 2032. We are also looking into the possibility of leading the rehabilitation of the Bataan Nuclear Power Plant, aligned with globally recognized safety standards. To complement these endeavors, we launched the Filipino Scholars and Interns on Nuclear Engineering ("FISSION") program to train Filipinos in nuclear engineering in our partner universities abroad. We're also developing the Filipino Nuclear Scientists and Innovators Reintegration ("FUSION") program to strengthen our pool of nuclear experts by encouraging overseas Filipino professionals to return to the Philippines.

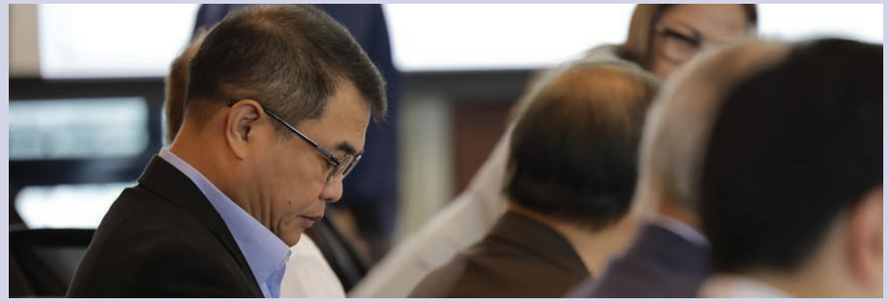
Manny Rubio: I share Ronnie's positive outlook for 2025. With One Meralco's Long-Term Sustainability Strategy in mind, this year will be a banner year for our power generation business. With the completion of MGEN's investment in Project Chromite, we will make a significant contribution to the DOE's Philippine Energy Plan, which identifies LNG as a vital component of the energy mix. Our 2,500-MW facility in Batangas will integrate advanced LNG storage and regasification capabilities with state-of-the-art power plant technology. We will also inaugurate a series of new solar plants in Bongabon, Nueva Ecija, Baras, Rizal, and Cordon Isabela and progress the construction of MTerra Solar in Bulacan and Nueva Ecija towards our goal of delivering 2,500 MW of clean energy by 2026. These investments will help stabilize power supply in the Philippines. It will also advance our Group's goal of initiating a low-carbon transition to serve the country's growing energy demand with greener power through 2030.

In the following decade, we will accelerate the green energy shift through the adoption of next-generation cleantech, including nuclear, which Ronnie has touched on—and from 2041 to 2050, we will drive deep decarbonization and achieve sustainability leadership in the energy sector.

Finally, what inspires you most about One Meralco's role in shaping the future of energy in the Philippines?

Ronnie Aperocho: I'm driven by the impact we create on the lives of our customers and communities. Electricity is a crucial part of our lives—from lighting up homes to enabling economic recovery and growth. During times of crisis, reliable electricity service restores our countrymen's hope and powers their will to rise again. We've always been

[18] Distributed energy resources



passionate about serving the people, and this passion translates into excellence in everything we do.

As we move forward with the successful renewal of Meralco's franchise, we remain faithful to our vision of becoming a world-class energy service provider, powering our nation and empowering our people today and for generations to come. The future is bright for One Meralco.

Ferdie Geluz: I echo Ronnie's sentiments. We have always taken our role in nation-building to heart. As the largest distribution utility in the country, it is our responsibility to provide electricity that uplifts communities and drives inclusive development. Meralco has both the capability and the infrastructure to continue being the Philippines' partner for progress, backed by 121 years of industry leadership. We know our customers' needs inside and out, and our ability to adapt and evolve helps us deliver value where it matters most. Whether it's helping families save on their electricity bills with practical energy-saving tips or supporting businesses in cutting costs to improve their bottom lines, we're all about making a real difference in people's lives.



Ang aming dakilang tungkulin ay maghatid ng liwanag sa bawat bahay at buhay na aming pinaglilingkuran. Malasakit is what defines us at One Meralco. (Our great duty is to bring light—to every home and life we serve. Solicitude is what defines us at One Meralco.)

Manny Rubio: When we speak of inspiration, words like ambition, innovation, and legacy come to mind. And nothing embodies these ideals more profoundly than MGEN's MTerra Solar.

MTerra Solar is not just an infrastructure project—it's a testament to what can be achieved when bold vision meets exceptional execution. Imagine a vast landscape transformed by over five million solar panels, so monumental that it becomes the next iconic landmark that the Philippines is known for globally. This groundbreaking project will reshape the narrative of RE in the Philippines. It will deliver 850 MW of energy to Meralco—which means millions of Filipino homes and businesses will benefit from cleaner and more affordable electricity.

More than simply generating electricity, this project is a powerful response to the growing challenges of climate change. The past year has again shown us how vulnerable our country is to extreme weather events, with more typhoons hitting the country than ever before. Climate risks are no longer a distant threat—they are happening now, affecting lives, livelihoods, and even our operations. We need to take action now, and that's what we're doing here at One Meralco through our sustainability agenda.

But investing in sustainability isn't just about reducing our carbon footprint—it's about ensuring economic productivity and resilience in the first instance. Some may still question whether sustainability is financially viable, or whether it should even be a priority for a developing country like ours. But time and again, we've proven that sustainable investments make good business sense. Whether it's the cost efficiency of renewables over time or, from a social standpoint, the direct link between diversity and business performance, the evidence is clear: sustainability drives growth. Our projects across One Meralco are a testament to this principle—business can be both profitable and make a positive impact on people and the planet. It's a reflection of our belief that sustainability and business growth can—and must—go hand in hand.

Our Business Environment

Key Economic Metrics

5.7%
Gross domestic product
(2023: 5.5%)

3.2%
Full-year inflation rate [19]
(2023: 6.0%)

3.8%
Unemployment rate
(2023: 4.4%)

4.9%
Household spending
(2023: 5.5%)

6.7%
Services sector growth rate
(2023: 7.1%)

5.6%
Industry sector growth rate
(2023: 3.6%)

Note: Figures above are for full-year 2024.[20]





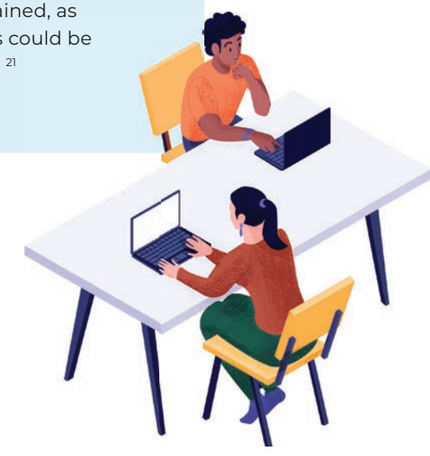
Overall Economic Growth Prospects

Government targets (December 2024)	**Economist Intelligence Unit ("EIU")** (December 2024)	**World Bank Forecast** (December 2024)
2025: 6.0% TO 8.0%	**2025: 6.5%**	**2025: 6.1%**

According to the EIU, household consumption in the Philippines is expected to grow due to slower inflation and continued support from remittances from overseas Filipino workers, as well as low unemployment rate. Expansion in the services sector will be led by tourism, telecommunications, and business process outsourcing. The momentum in the industrial sector will be maintained, as exports are expected to remain resilient, although this could be affected by a potential slowdown of the U.S. economy. [21]

Risks to Economic Growth

- Uncertainty in U.S. trade policy, particularly escalation of tariffs and increased protectionism, as well as increased geopolitical tension may cause higher inflation and potential supply chain disruptions.
- Domestic demand may be adversely affected by unfavorable weather conditions and sudden increases in commodity prices. [22]



[19] Bangko Sentral ng Pilipinas [20] Philippine Statistics Authority

[21] Economist Intelligence Unit. Country Report – Philippines (December 2024) [22] World Bank. Philippines Economic Update (December 2024) [23] Department of Energy. Philippine Energy Plan (2023–2050)

Energy Industry Realities

- In its Philippine Energy Plan
- (2023–2050), the Department of Energy (“DOE”) is seeking to sustain a 10% energy savings target and a 50% electric vehicle penetration target beginning 2040 to help reduce greenhouse gas emissions. [23]
- The DOE is working in close coordination with the Commission on Elections (“COMELEC”) and the Department of National Defense (“DND”) to ensure stable and reliable power supply as well as sufficient fuel supply throughout the 2025 election period. The DOE is coordinating with distribution utilities and electric cooperatives nationwide to implement key measures such as securing reliable backup power sources and replacing outdated electrical components. [24]
- The DOE expects the commissioning of new power generation projects with a combined capacity of 6,841 MW in 2025. More than half of these projects (4,945 MW) will utilize renewable energy sources, while the remaining generation capacity will come from fossil fuels (1,896 MW)[25]
- Electricity end-users are expected to continue adopting energy efficiency measures in compliance with Republic Act 11285 (otherwise known as the Energy Efficiency and Conservation Act) and various implementing regulations promulgated by the DOE. Within the Meralco franchise area, buildings with LEED (Leadership in Energy and Environmental Design) or BERDE (Building for Ecologically Responsive Design Excellence) certification increased from 8 in 2010 to 298 in January 2025. [26]
- Net metering installations experienced significant growth in recent years. As of December 2024, there were 14,618 active net metering customers in the Meralco franchise area, with a total capacity of 114.6 MWp. This represents an annual average growth of 40% in both the number of net metering customers and their corresponding solar photovoltaic (“PV”) capacity over the past five years, compared with 2,538 customers with total capacity of 17.5 MWp in 2019. On top of the continued expansion of the net metering program, more and more non-exporting solar PV rooftops have been energized by Meralco, reaching a total of more than 180 MWp by the end of 2024.



How We Create Value



In this Integrated Report, we highlight how One Meralco creates meaningful value in the areas that matter most to our business and stakeholders. From delivering affordable and reliable electricity to influencing our business partners to embrace sustainability, we are continuously evolving to meet the needs of our customers, communities, and constituents in the best way possible. By managing risks, seizing opportunities, and executing a robust, long-term strategy, we ensure that One Meralco remains resilient, adaptive, and forward-looking.

[24] DOE activates energy task force to ensure uninterrupted power supply for 2025 elections. PIA. https://pia.gov.ph/doe-activates-energy-task-force-to-ensure-uninterrupted-power-supply-for-2025-elections/ [25] Lelis, B. (2025, January 13). DOE: Over 6,800 MW projects to boost power supply this year. Philstar.com. https://www.philstar.com/business/2025/01/13/2413712/doe-over-6800-mw-projects-boost-power-supply-year
[26] Green Building Information Gateway

INPUT

Power

Intellectual

121 years of industry leadership

The enduring Meralco brand, including our logo, mission, vision, and core values

Institutional knowledge on laws, policies, and best practices in the electric utility sector

Manufactured

149 substations

21,228 km power lines

2,437.2 MW net sellable capacity across our diversified power generation portfolio

Planet

Natural

5.2 million tonnes of feedstock coal

14.9 million liters of feedstock oil

177 GL of cooling water

People

Human

19,623 employees

409 third-party workers

Prosperity

Financial

PhP 618.0 billion in assets

PhP 44.7 billion in CapEx

Social & Relationship

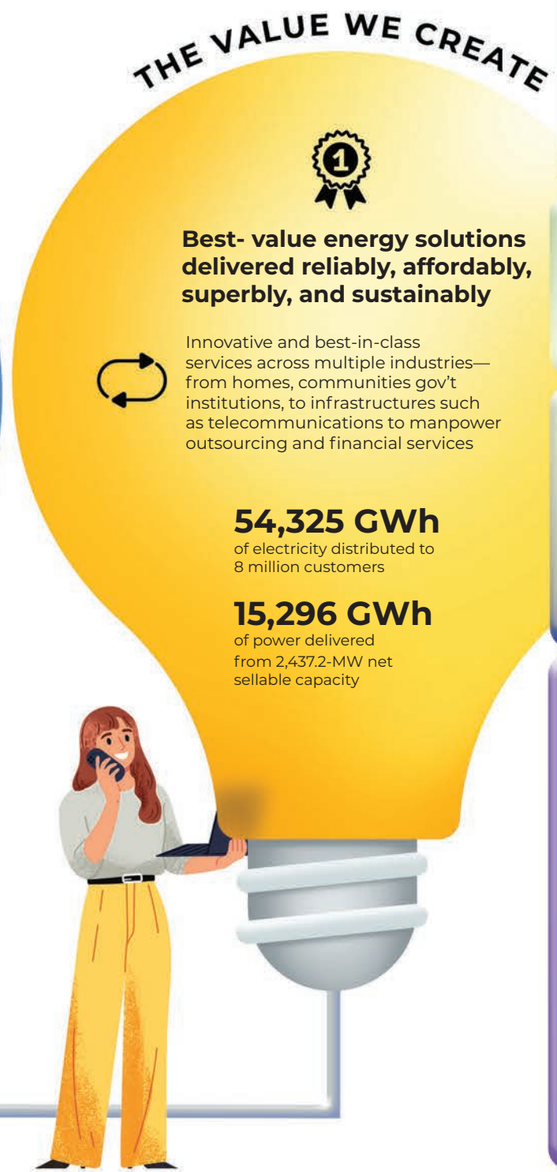
Partnerships with communities and charitable organizations for CSR initiatives

5,183 suppliers and vendors

Our Value Creation Framework



By aligning the use of our resources with our strategies, we leverage our growth platforms to deliver value to our stakeholders and drive meaningful outcomes for sustainable development. This framework illustrates how we at One Meralco create shared value for our stakeholders across our business units.



OUTCOME

Power

Intellectual

Expanded understanding of the market that enables us to develop better services for our customers and drive innovation

Manufactured

5.99% system loss, lower than the 6.50% regulatory cap, resulting in **PhP 5.1 billion** in customer savings

Equivalent of **348,000** households and businesses powered by MGEN with lower-carbon energy

Shortened power interruptions for our customers, as indicated by **13%** improvement in SAIDI

Reduced number of power outages in our franchise area, as evidenced by **13%** improvement in SAIFI

Planet

Natural

2.7% increase in Group-wide greenhouse gas emissions

10% decrease in DU water use through water recycling efforts

Kept solid waste out of our land and oceans, as proven by **95%** DU annual waste diversion rate

People

Human

2% decrease in employee satisfaction

Helped unlock the full potential of our employees, as supported by **16% increase** in average training hours

23% female representation in DU, more than twice the global industry average

–0.12% DU gender pay gap, lower than the 19% global industry average

Prosperity

Financial

Delivered greater value to our shareholders, as demonstrated by **21.6% increase** in dividends

PhP 470.4 billion in consolidated revenues, an increase of 6% from 2023

PhP 45.1 billion consolidated core net income, up by 22% from 2023

Social & Relationship

Provided 217 households access to clean and potable water with the energization of 1 community water facility

1,182 teachers and students empowered with better learning conditions via the electrification of 4 public schools

4,388 patients benefited from uninterrupted medical care through the electrification of 2 rural health centers

355 suppliers fully compliant with our sustainability standards, as a result of Meralco's MS³ program

140 members benefited from solar mobile irrigation pump granted to 2 agriculture cooperatives



Defining What Matters Most

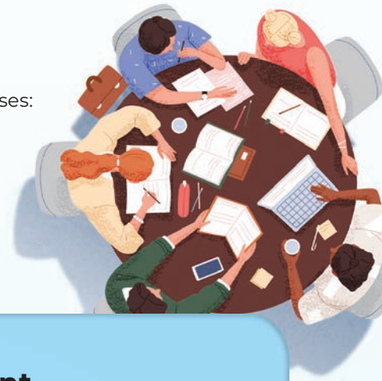
We are committed to making sustainability at One Meralco a driver of both positive impact and financial performance. At the same time, we recognize the importance of continuously improving our processes and addressing evolving stakeholder expectations. In view of the growing adoption of the IFRS Sustainability Disclosure Standards, focused on the financial materiality of sustainability issues, and our continued investment in sustainability as a core part of our business, we undertook the Group's first double materiality assessment in 2024.



With the help of an independent consultancy firm, we conducted a comprehensive review of the sustainability issues relevant to our organization that could significantly impact (1) the Group's financial performance and/or (2) the economy, environment, and people. This process involved extensive research to better understand our operating context and best practices in the electric utilities and power generation industries, as well among sustainability leaders in the Philippines and abroad. Desk research was supplemented with quantitative and qualitative insights from internal and external stakeholders who know our business best, and the results were assessed and validated by senior management.

The process incorporated guidance from the GRI Standards on impact materiality and the IFRS Sustainability Disclosure Standards on financial materiality. Refreshing our view of significant sustainability issues through these dual lenses resulted in the inclusion of three new issues in our process: Biodiversity, Digitalization & Cybersecurity, and Innovation.

Our materiality assessment process was conducted with the following phases:



1

Review

- Analysis of the Group's business model and strategy, relevant megatrends, and the social and environmental contexts in which it operates, through a review of internal and external documentation and sources
- External sources on impact materiality included guidance from the United Nations Environment Programme Finance Initiative ("UNEP FI"), the Natural Capital Finance Alliance's ENCORE tool, and information disclosed by our peers
- External sources on financial materiality included the SASB Standards, sector-specific guidance from ESG rating agencies, and information disclosed by our peers

2

Engagement

- We engaged different stakeholder groups to understand the relative significance of 19 identified issues through two focus group discussions and a dedicated survey
- Internal stakeholders included Meralco's employees and key Sustainability Champions and managers from across the Group
- External stakeholders included customers, retail shareholders, institutional investors, suppliers, and community partners

3

Prioritization

- Findings from our comprehensive desk research and stakeholder engagement sessions were consolidated, resulting in an initial prioritization of sustainability issues
- The Meralco Sustainability Office, spearheaded by the Chief Sustainability Officer, assessed the stakeholder engagement findings and concluded that all 19 issues are material in terms of either impact of financial materiality



4

Validation

The prioritization of sustainability issues and list of material topics were assessed and validated by our senior management



POWER

Material Topic	Material Topic Description
Affordability	Providing competitively priced energy across all customer segments
Accessibility	Ensuring that electricity is available to all by actively expanding grid infrastructure and enabling connections for underserved communities
Service Reliability & Safety	Consistently delivering energy through a safe and resilient distribution network while effectively responding to outages and emergencies
Energy Transition	Meeting growing energy demand with a diverse, lower-carbon fuel mix and new power generation technologies (e.g., renewables, nuclear)



PLANET

Material Topic	Material Topic Description
Climate Change Mitigation	Reducing GHG emissions across Meralco's entire business, from power generation and distribution to after-the-meter energy services and beyond
Air Quality	Managing and minimizing the release of harmful air pollutants from emission-intensive activities
Water & Effluents	Managing water consumption, particularly for cooling processes, and treating wastewater responsibly to prevent contaminating water sources
Material Consumption & Waste Management	Optimizing utilization of raw materials and implementing sound waste management systems and practices
Biodiversity	Mitigating the impact of Meralco's business, particularly power plants, on ecosystems and promoting the preservation of nature

PEOPLE

Material Topic	Material Topic Description
Talent Attraction & Retention	Promoting professional development, personal growth and a meaningful working experience for employees, supported by competitive remuneration and benefits
Labor & Human Rights	Respecting employees' labor rights, as well as the fundamental human rights of all stakeholders impacted by our business
Occupational Health & Safety	Providing a safe and healthy working environment with effective policies, systems and initiatives, promoting a culture of safety and minimizing workplace hazards and accidents
Diversity, Equity & Inclusion	Operating with respect for differences and without discrimination based on age, gender, sexual orientation, religion or other factors, while ensuring equal opportunity and fair treatment for all employees

PROSPERITY

Material Topic	Material Topic Description
Customer Enablement	Providing customers with the best possible services that meet their evolving needs
Innovation	Developing cutting-edge solutions across business units that can enhance our services and customer experience and create a competitive advantage in the market
Digitalization & Cybersecurity	Adopting digital technologies to enhance our services while safeguarding our infrastructure and systems against cyberattacks
Community Engagement	Uplifting communities and empowering future generations by leveraging electricity to enable progress, including electrifying marginalized households and schools and promoting disaster resilience
Supply Chain Sustainability	Managing our supply chain in a responsible and ethical manner that minimizes impacts on the environment and respects human rights



GOVERNANCE

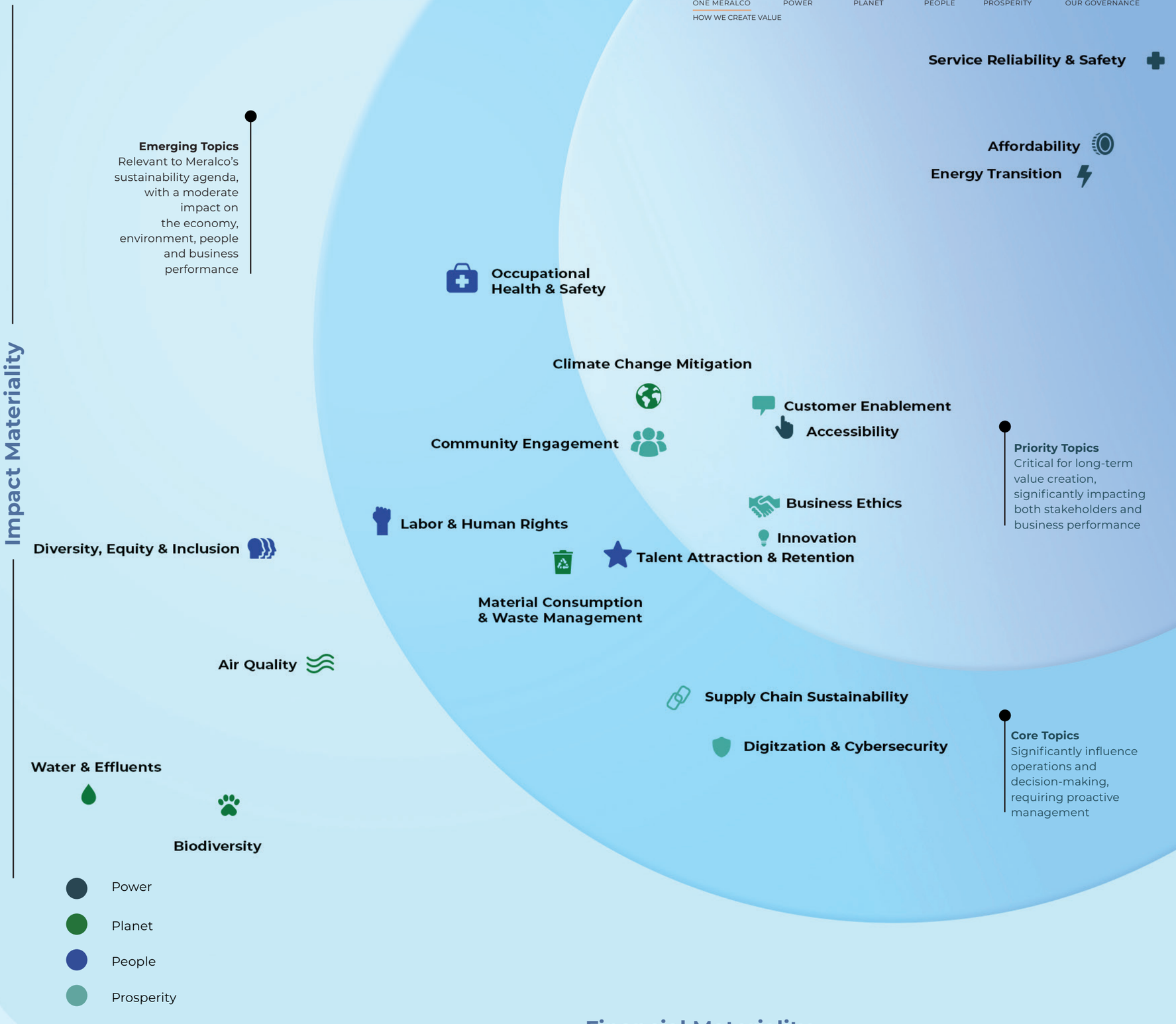
Business Ethics	Adopting high standards of business conduct, complying with applicable laws and maintaining zero tolerance for bribery and corruption

Our Materiality Matrix

The results of our 2024 double materiality assessment are presented here. As each of the 19 issues we considered was determined to be material, every issue in this matrix remains an important part of our strategy and reporting.

Rather than setting a threshold for which issues One Meralco will address, the matrix presents the relative significance of these issues according to the concepts of impact and financial materiality. For example, Meralco remains resolutely committed to environmental responsibility and compliance with regulatory requirements relating to air, water, and biodiversity. The position of these issues reflects our view that we have and will continue to be able to appropriately manage our impacts in these areas largely consistent with past practices, and that the other issues in this matrix demand more proactive management going forward.

Understanding that materiality is a dynamic process that evolves over time, we will refresh our materiality assessment in the future as our business environment evolves.



Our Risks & Opportunities

One Meralco operates in a dynamic energy landscape shaped by rapidly evolving regulations, market conditions, and technological advancements. As such, we proactively manage key risks that could adversely impact the Group's operations, financial stability, and stakeholder value. At the same time, we identify and capture opportunities for growth, innovation, and resilience. Through strategic risk management and forward-looking initiatives, we strengthen our ability to navigate challenges while driving long-term value creation.



KEY ENTERPRISE RISKS TO THE DISTRIBUTION UTILITY

Regulatory Decisions Risk – Revised Fifth Regulatory Period ("5RP") Reset Application

After a series of resolutions, Omnibus Motions and Motions for Reconsideration by parties of interest, the Energy Regulatory Commission ("ERC") issued Resolution No. 17, Series of 2024, effective beginning January 3, 2025, modifying the 2021 Rules for Setting Distribution Wheeling Rates ("RDWR"), which clarified the coverage of the Lapsed Period of Meralco to be from July 1, 2015, to June 30, 2025, and directed Meralco to submit a reset application for the new 5RP (July 1, 2025, to June 30, 2029), not later than 30 days from effectivity of rules.

Meralco filed its reset application for the new 5RP on February 7, 2025. Hearings at the ERC started on March 3, 2025.

Regulatory Decisions Risk – Mechanism of resolving the Lapsed Period using Actual Weighted Average Tariff ("AWAT")

In compliance with an Order of the ERC dated December 17, 2024, Meralco filed an application for the confirmation of the true-up calculation of the AWAT for the period July 1, 2022 to December 31, 2024. A separate or supplemental application for the period January 1, 2025 to June 30, 2025 shall be filed once the actual weighted average rates are determined for the said period. Hearings at the ERC started on February 28, 2025.

The issue on the treatment of the Lapsed Period, which is through a true-up confirmation between the final average rate and the AWAT, has been elevated to the Court of Appeals ("CA") and the Supreme Court ("SC"). This might affect Meralco's AWAT true-up applications.

Information Technology ("IT") Systems Risk

There is a risk that issues in the Company's IT systems, which may be caused by hardware or software failure, will adversely affect the Company and result in business disruptions or lost opportunities associated with lack of innovation or investments in technology.

Business Interruption Risk

There is a risk of disruption to critical business operations due to the occurrence of devastating natural disasters or man-made hazards resulting in damage to properties and/or personnel injuries/ fatalities.

- The Philippines is prone to tropical cyclones ("TCs") due to its location in the Northwestern Pacific Basin, the most active TC basin in the world. There were four TCs in 2024 (Aghon, Carina, Enteng, and Kristine) that affected Meralco's franchise area.
- According to the Philippine Institute of Volcanology and Seismology ("PHIVOLCS"), any active faults that have not generated any recent surface-rupturing movements have higher potential to generate a large earthquake. A magnitude 7.2 earthquake (colloquially known as "The Big One") can potentially affect at least 6.6 million customers.



Regulatory Decisions Risk – Unbundling Decision/COA Audit Report

On May 30, 2003, the ERC issued an Order approving Meralco's unbundled tariffs that resulted in a total increase of PhP 0.17 per kWh over the May 2003 tariff levels. The Order was elevated by certain consumer and civil society groups before the CA which set aside the ERC's ruling on Meralco's rate unbundling and remanded the case to the ERC. Further, the CA opined that the ERC should have asked the Commission on Audit ("COA") to audit the books of Meralco.

In an en banc decision promulgated on December 6, 2006, the SC set aside and reversed the CA ruling saying that a COA audit was not a prerequisite in the determination of a utility's rates. However, the SC directed the ERC to request COA's assistance to undertake a complete audit of the books, records and accounts of Meralco. The COA audit, which began in September 2008, was completed with the submission of the ERC of its report on November 12, 2009.

On June 21, 2011, the ERC maintained and affirmed its findings and conclusions in its Decision dated March 20, 2003, and Order dated May 30, 2003. The ERC stated that the COA recommendation to apply disallowances under Performance-Based Regulation ("PBR") to rate unbundling violates the principle against retroactive ratemaking. In a Decision dated February 29, 2016, the CA dismissed the Petition for Review and affirmed the Orders dated June 21, 2011, and February 4, 2013 of the ERC. The motion for reconsideration filed by the intervenors was denied by the CA through a Resolution dated August 8, 2016.

On October 11, 2016, Meralco received a Petition for Review on Certiorari filed by the intervenors before the SC appealing the dismissal of its Petition. On November 13, 2019, Meralco received a Decision dated October 8, 2019, partially granting the Petition filed by the National Association of Electricity Consumers for Reforms, Inc. ("NASECORE"), which among other things, (i) voided the adoption by the ERC of the current or replacement cost in the valuation of Meralco's Regulatory Asset Base ("RAB"); and (ii) remanded the case to the ERC to determine, within 90 days from finality of the Decision:
(1) the valuation of the RAB of Meralco; and (2) the parameters whether expenses that are not directly and entirely related to the operation of a DU shall be passed on wholly or partially to consumers.

Meralco, the other DUs, and the ERC filed their respective motions for reconsideration which are pending before the SC. Two (2) additional DUs filed their respective Motions for Leave to intervene and to file their motions for reconsideration. The case is pending before the SC.
`





Execution Risk – Failure to execute or delayed completion of capital projects

The execution and/or completion of capital projects are affected by several factors including manpower, project management, and regulatory matters such as the implementation of the new ERC Procurement Guidelines which will add four to five months to the tendering process. The inability to execute or complete approved capital projects on time could lead to unserved energy demand, unplanned power interruptions, and dissatisfied customers.

Regulatory Compliance Risk – Electric Power Industry Reform Act's ("EPIRA") maximum contracting limit (50% of total demand) with an associated firm

Section 45(b) of the EPIRA states that no distribution utility shall be allowed to source from bilateral supply contracts more than 50% of its total demand from an associated firm engaged in generation. An associated firm with respect to another entity refers to any person which, alone or together with any other person, directly or indirectly, through one or more intermediaries, controls, is controlled by, or is under common control with, such entity.

With Meralco's continuing investments in power generation through MGEN, the affiliated contracting limit should be continuously monitored for any potential breach.

Human Resources Risk

Challenges in labor attrition, attraction, retention, and skills upgrade of employees may negatively affect the Company's efficient delivery of services and implementation of major projects. In particular, employees look for other opportunities in other companies that offer flexible work arrangements, leaving critical positions across departments open. Additionally, Meralco has seen an increasing attrition rate over the past five years, from 3.96% in 2020 to 6.21% in 2024.

Cybersecurity Risk – Continuing and changing persistent threats in ICT, OT and I/IOT environment

Cybersecurity risk shall continue to persist as Meralco transforms its business through digitalization and digitization. Thus, there are increasing requirements for IT-enabled detection and prevention controls. Meralco networks require high level of cybersecurity maturity, personnel, and resources.

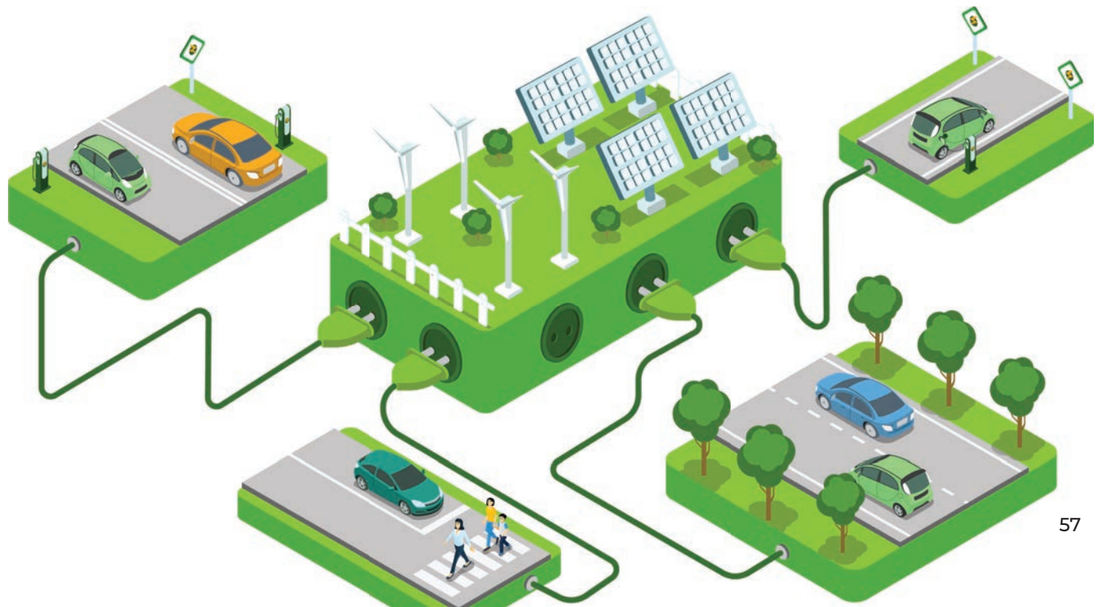
Cash Flow and Funding Risk – Recovery of over-refunds to and/or under-recoveries from customers

Onerous rules and decisions from the ERC may result in unavailability of cash. For example, the ERC has issued Orders for the Distribution Rate True-Up ("DRTU") refunds which were implemented starting 2021 and were fully refunded to the customers in May 2023. This resulted in an over-refund to customers. Additionally, real property taxes ("RPT") on machineries not covered by ERC Resolution No. 2, Series of 2021, otherwise known as the "Rules on Recovery of Pass-Through Taxes", which approved the recovery of RPT, local franchise tax, and local business tax, are considered pass-through charges paid prior to 2021. Other examples include transmission and generation under-recoveries, including the net under-recoveries in November to December 2013.

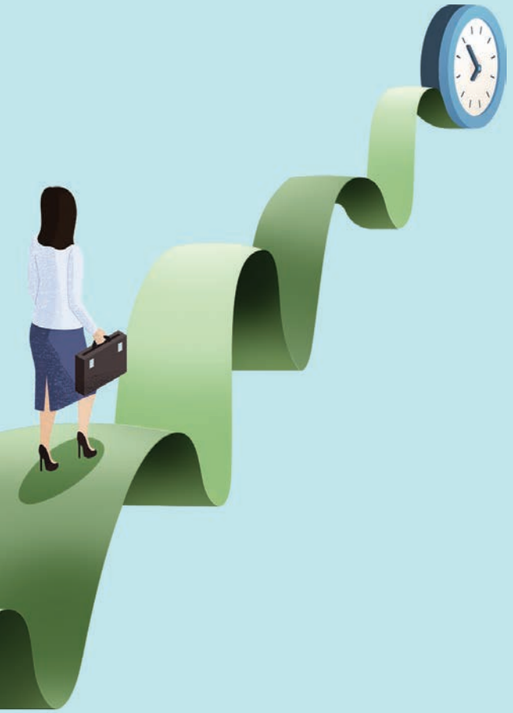


OPPORTUNITIES

OPPORTUNITY	DESCRIPTION	CAPITALS AFFECTED	AFFECTED BUSINESS SEGMENT/S
Distributed Energy Resources	Enhancing grid stability through investments in demand response management and advanced asset control, enabling better service to customers with rooftop solar photovoltaic ("PV") systems *For more information about this opportunity, please refer to page 89 of this report.*	Manufactured, Financial	Distribution, MSpectrum
Nuclear Energy	Advancing public awareness, regulatory engagement, and expertise in nuclear energy to enhance energy security and create local jobs *For more information about this opportunity, please refer to page 93 of this report.*	Natural, Manufactured, Financial	Generation
Advanced Metering Infrastructure	Investing in smart grid technologies (including smart meters) that will empower our customers to manage their energy consumption more efficiently *For more information about this opportunity, please refer to pages 85-86, 167 of this report.*	Manufactured, Financial	Distribution
Electric Vehicles (EVs)	Growth potential in EV adoption and EV charging infrastructure development across the country *For more information about this opportunity, please refer to pages 103 & 175 of this report.*	Natural, Manufactured, Financial	Distribution, Movem



Our Outlook & Strategy



The imperative to transition to lower-carbon energy has never been more urgent. As climate change continues to intensify, businesses and governments around the world are gradually shifting from fossil fuels to renewable energy ("RE") sources while balancing the demands of economic growth. In support of the Philippines' ambitious climate action goals, we at One Meralco have developed a Long-Term Sustainability Strategy ("LTSS"), underpinned by a commitment to a just, orderly, and affordable transition to cleaner energy.

While energy transition remains at the top of our LTSS, we recognize our Group's unique position to help the country address a host of other social and economic challenges. Therefore, running in parallel to our emissions reduction efforts is our social commitment to promoting the well-being of communities across five social impact areas.

Our LTSS is an integral part of our broader sustainability agenda called "Powering the Good Life", which is rooted in the United Nations' ("UN") Sustainable Development Goals ("SDGs"). While our Group is especially focused on **SDG 7: Affordable and Clean Energy** due to the nature of our core business, we also promote and support as many as 10 other SDGs through our diverse services and initiatives within and beyond the power sector.

Our Holistic Approach to Sustainability

One Meralco's sustainability agenda is anchored on four pillars ("4Ps"): Power, Planet, People, and Prosperity. We have designed and continue to implement strategic programs across each of the 4Ps:

PILLAR	ASPIRATION	SAMPLE INITIATIVE
Power	Providing energy for all, always	**MTerra Solar**, the world's largest integrated solar and battery energy storage system ("BESS") facility upon completion
Planet	Embracing environmental responsibility in our business	**Greening the Network**, focusing on reducing emissions and waste from distribution assets
People	Nurturing sustainability from within	**#Mbrace Program**, promoting diversity, equity, and inclusion across our organization
Prosperity	Creating better lives for all	**Enabling the growth of hyperscalers** in the country through our full suite of innovative energy and connectivity solutions

We have also defined corporate-level ESG metrics with baselines and targets that are reviewed and monitored by Meralco's senior management:

PILLAR	SAMPLE KEY PERFORMANCE INDICATOR
Power	Number of households energized in Meralco's franchise area
Planet	Amount of Scope 1 emissions
People	% female representation in the Distribution Utility's ("DU") workforce
Prosperity	Number of off-grid schools electrified by OMF

One Meralco continues to take significant steps to transform our organization towards sustainability, as outlined in our three-phase sustainability journey: Establish (2019), Embed and Engage (2020), and Elevate and Evolve (2021 and beyond). As part of the Elevate and Evolve phase, we have developed our Group-wide LTSS, which outlines our just, orderly, and affordable transition to cleaner energy over time and an end goal of becoming coal-free by 2050. Through our LTSS, we define long-term sustainability targets, determine the appropriate initiatives, investments, and implementation plans to achieve them, and ultimately deliver impact through 2030 and beyond.



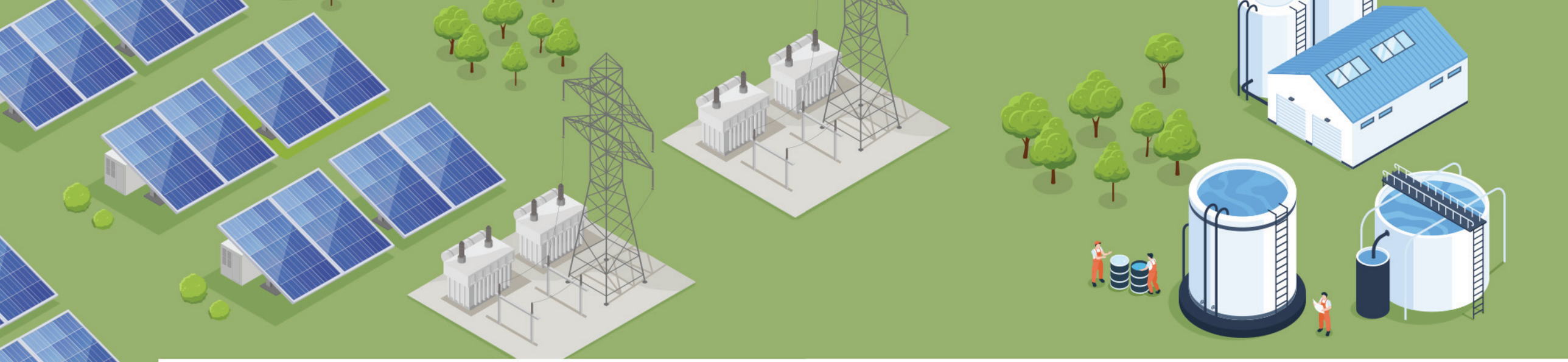
Horizon 1: 2021–30
"Initiate our low-carbon transition to serve the country's growing energy demand with greener power"



Horizon 2: 2031–40
"Accelerate our green energy shift through the adoption of next-generation cleantech"



Horizon 3: 2041–50
"Drive deep decarbonization and achieve sustainability leadership in the energy sector"



HORIZON 1 (2021–30)

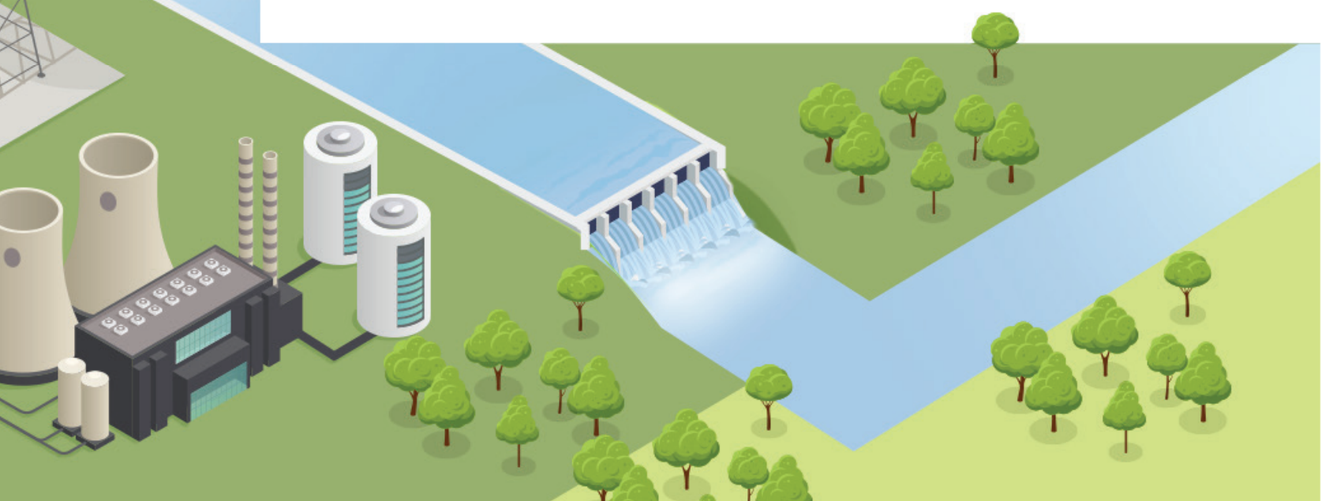
One Meralco has initiated a low-carbon transition to serve the country's growing energy demand with greener power.

In the first horizon, we continue to build momentum in our shift towards RE through our twin commitments (1) to contract 1,500 MW of RE supply and (2) to build 1,500 MW of attributable RE capacity by the end of the decade On contracting, by the end of 2024, the DU (including MPower) had already signed RE power supply agreements ("PSAs") amounting to 2,329 MW, exceeding our 1,500 MW target. On generation, MGEN (through its subsidiary MGreen) already had six operational solar farms (see table) and a pipeline of more RE projects that altogether amount to nearly 1,826 MW of attributable RE capacity.

LOCATION OF SOLAR FACILITY	CAPACITY (in MW)	
	GROSS	ATTRIBUTABLE
San Miguel, Bulacan	55.0	33.0
Baras, Rizal	80.1	48.1
Currimao, Ilocos Norte	68.7	34.4
Concepcion, Tarlac	76.0	40.8
Calatagan, Batangas	44.9	15.0
Bongabon, Nueva Ecija	19.8	19.8
TOTAL	344.5	191.1

We have allocated PhP 36 billion for MGEN's RE buildout, representing a significant portion of the total PhP 93 billion we have earmarked for sustainable capital investments through 2030.

With our initial energy transition initiatives under Horizon 1, we are on track to reduce our Group-wide Scope 1 emissions by 9% and our total emissions by 14% against our 2030 business-as-usual ("BAU") baseline.



HORIZON 2 (2031–40)

We will accelerate our Group-wide green energy shift through the adoption of next-generation cleantech.

While our focus through 2030 is on shifting away our mid-merit supply from fossil fuels, in the following decade we will begin transitioning our baseload capacity to lower-carbon energy sources. We will invest in emerging cutting-edge technologies beginning in 2031, which may include:

- **Battery energy storage systems ("BESS")** – Longer duration energy storage enables RE to serve mid-merit or baseload demand to provide ancillary services and to enable price capture during peak periods.
- **Nuclear** – Small modular reactors are more reliable (with a capacity factor of ~90%) and less land-intensive than RE (less than 1% of required land compared to solar and wind farms). In addition, their modular design is beneficial to islands with limited interconnection.

We are already engaging with these technologies, including through MTerra Solar (which is set to be the world's largest integrated solar and BESS facility upon completion) as well as our Nuclear Energy Strategic Transition ("NEST") program in support of the government's nuclear energy roadmap. By adopting and exploring these technologies, One Meralco is well-positioned to continue being a first mover in the Philippine energy sector as our energy transition progresses.

HORIZON 3 (2041–50)

One Meralco will drive deep decarbonization and achieve sustainability leadership in the energy sector as we aspire to be coal-free before 2050.

We aim to achieve deep decarbonization around mid-century through various levers, including:

- **Decarbonizing existing assets –** Emerging solutions (e.g., carbon capture, utilization, and storage) for hard-to-abate activities could be both technologically feasible and cost competitive.
- **Developing more dispatchable low-carbon power –** New forms of flexible generation (e.g., combined-cycle gas turbines co-fired with green hydrogen, long-term BESS, and advanced SMRs) will be essential to meeting baseload and peak demands.
- **Expanding carbon sink solutions –** Carbon sequestration (e.g., reforestation and other nature-based solutions such as soil carbon sequestration) will be an increasingly important part of global climate change mitigation efforts.



ANTICIPATING AND OVERCOMING CHALLENGES

While we remain resolute in our commitment to supporting the Philippines' energy transition, we face inherent structural challenges that may substantially impede our progress and therefore need to be considered:

Economic
- Fossil fuels (i.e., coal, natural gas) remain the most affordable and reliable fuel source in the Philippines, particularly from a baseload standpoint.
- While solar and other RE sources have a potential for reduced levelized cost of electricity, their capacity factors are lower, requiring other technologies (including BESS) to enable a reliable, 24/7 power supply.

Regulatory
- The government's least-cost, technology-neutral mandate requires distribution utilities like Meralco to undergo a competitive selection process ("CSP") in the procurement of power supply.

Technical
- Solar farms require significantly more land (up to four times) than fossil fuel-fired power plants.
- Additional grid infrastructure needs to be put in place to manage intermittent RE capacity and avoid system interruptions.

Notwithstanding these challenges, we will continue to pursue the goals outlined in our multi-horizon LTSS, as we recognize that while the Philippines' emissions represent only 0.5% of the global total, One Meralco is linked to 15% of the total emissions of the country, presenting a unique opportunity for the Group to lead the transition of the local power industry.

For more information about our progress in and plans for our Group-wide energy transition, please refer to the Energy Transition section under Power.

CREATING POSITIVE SOCIAL IMPACT BEYOND ENERGY TRANSITION

Supporting our energy transition efforts across all horizons is our commitment to promoting the well-being of communities beyond our franchise area, with electricity as an enabler to power the good life across five social impact areas. These efforts are driven primarily by OMF, with interim targets set for 2030.

- **Education reach**
  Electrify off-grid public schools
- **Access to quality healthcare**
  Power healthcare facilities (e.g., rural health units, barangay health stations)
- **Livelihood productivity**
  Energize agricultural facilities and equipment
- **Water access**
  Provide low-income households with clean, potable water
- **Disaster resilience and recovery**
  Train electric cooperatives and communities on disaster prevention and response



Progressing Towards Our First Horizon: 30 by '30



As part of our LTSS, we have identified 30 key sustainability plays that will guide our actions through 2030. Serving as our initial signposts in our sustainability journey towards 2050, our 30 by '30 initiatives are categorized into three clusters and mapped accordingly to the 4Ps of our sustainability agenda:

1
LTSS core levers
Our main energy transition plays under Power focused on contracting and generating RE, as well as community projects under Prosperity that are driven by OMF across the aforementioned social impact areas.

2
Sustainability programs
Flagship efforts under Planet and People driven by Meralco's internal departments and enabled by the Sustainability Office (e.g., Green Mobility Program for vehicle electrification, #Mbrace Program for the advancement of diversity and inclusion in our organization).

3
Sustainability-linked BAU initiatives
Ongoing key business activities supporting our sustainability agenda that are led by our different business units (e.g., system loss reduction, workforce safety improvement).

Each of these activities has a corresponding long-term target and is owned and managed by a specific business unit to ensure efficiency and accountability. Our progress is monitored regularly by our senior management and reported annually to Meralco's Sustainability Committee and the Board of Directors.

POWER

Providing Energy for All, *Always*

Affordability

Delivering Energy Attainable by All

page 70

Accessibility

Expanding Energy Reach

page 73

Service Reliability & Safety

Distributing Safe & Uninterrupted Power

page 77

Energy Transition

Developing a Responsible & Future-Fit Portfolio

page 87



Energy fuels economic growth and social progress.

As the largest electric distribution utility in the Philippines, Meralco has long powered the country's development by providing millions of Filipinos with safe, affordable, accessible, and reliable energy. Now, more than ever, we at One Meralco are also increasingly focused on supporting the nation's energy transition and global sustainability efforts in line with SDG 7: Affordable and Clean Energy.



In 2024, we delivered competitively priced electricity[27] to a record 7.4 million residential customers as well as more than 600,000 businesses, including those in central business districts and industrial parks. We also continued fortifying our distribution network against the impacts of climate change, investing PhP 21.4 billion to fund, among other projects, the Company's storm hardening program and system requirement electric capital projects, along with other distribution network digital transformation and grid modernization initiatives.

While our services grow and evolve, our Group is diversifying our energy sources to meet the rising demand for affordable and cleaner power. In 2024, we secured new renewable energy ("RE") mid-merit power supply agreements ("PSAs") to progressively increase the share of lower-carbon power in our DU's supply mix, aligned with the Department of Energy's ("DOE") Renewable Portfolio Standards ("RPS").

Moreover, we continued growing our clean energy capacity through MGEN's RE arm, MGreen. We broke ground on the world's largest single-site solar photovoltaic ("PV") farm, MTerra Solar, along with other solar facilities across Luzon. This RE portfolio expansion is being complemented by new investments in coal and liquified natural gas ("LNG") to support our continued provision of reliable, low-carbon power.

Moving forward, One Meralco will continue harnessing the power of energy to create meaningful value for our stakeholders and help the country achieve its national development goals.

[27] We define "competitively priced electricity" as electricity whose price was determined in accordance with the Department of Energy's ("DOE") policies and the Energy Regulatory Commission's ("ERC") rules.



Performance Highlights

8M
customers served

99.97%
of franchise area energized

500 MW
of new RE PSAs secured by the DU

KEY INPUTS
(Intellectual & Manufactured Capitals)

121
years of industry leadership

21,786
km of power lines

2,478.3
MW gross generation capacity

KEY OUTCOMES
(Intellectual & Manufactured Capitals)

12.53%
improvement in the DU's SAIDI

12.84%
improvement in the DU's SAIFI

93%
overall power plant availability rate of MGreen

STORIES OF LIGHT

Breaking Ground on the World's Largest Integrated Solar and Battery Storage Facility



Accelerating the growth of RE capacity in the Philippines is a key priority on the long path towards an energy-secure and low-carbon future. In support of the government's goal of achieving a 35% RE share in the power mix by 2030 and 50% by 2040, as well as reducing greenhouse gas (GHG) emissions by 75% below a business-as-usual trajectory by the end of the decade, One Meralco has embarked on an ambitious journey to build the world's largest integrated solar and battery storage facility.

A project of MGreen unit SP New Energy Corporation ("SPNEC"), the USD 4-billion MTerra Solar project will deploy over 5 million solar panels across 3,500 hectares in Nueva Ecija and Bulacan. Our subsidiary MIESCOR has been tapped to design and build essential infrastructure that will link the solar facility to the Luzon grid. Once completed, MTerra Solar will feature 3,500 MWp of solar capacity and a 4,500-MWh battery energy storage system ("BESS").

MTerra Solar is expected to power an equivalent of over 2.4 million households and is expected to avoid over 4.3 million tonnes of GHG emissions each year[28] by displacing coal—equivalent to removing 3 million gasoline-powered cars from the road. Under a 20-year PSA with Meralco, the solar farm will initially supply the DU with 600 MW of clean energy by 2026, with an additional 250 MW by 2027, significantly contributing to our goal of sourcing 1,500 MW of RE by 2030.

The DOE has certified MTerra Solar as a project of national significance, and a green lane certification from the Board of Investments has expedited the permitting process. This landmark project has also garnered significant interest from the global investment community. London-based Actis LLP, a leading private equity firm focused on sustainable infrastructure, is investing USD 600 million for a 40% equity stake—one of the largest foreign direct investments in greenfield infrastructure in the Philippines. This ambitious project will also be enabled by our partnerships with several industry leaders, including Energy China, PowerChina, and Huawei.

During the groundbreaking ceremony in November 2024, President Ferdinand R. Marcos Jr. highlighted MTerra Solar's unique role in driving the country's economic development. Beyond providing cleaner electricity for millions of Filipinos, the project is expected to create up to 10,000 jobs and generate nearly PhP 23 billion in financial benefits from employment, commerce, and social impact projects over the next decade.

3,500 MWp of Solar Capacity

4,500 MWh battery energy storage system ("BESS")

Expected to avoid over **4.3 million tonnes** of GHG emissions each year by displacing coal

PhP **23B** in financial benefits

10K jobs created

"Today we take a leap towards the future driven by innovation and sustained by our collective hope for a cleaner and greener Philippines. [MTerra Solar] will put our country on the map as a leader in renewable energy." — President Bongbong Marcos

[28] This figure is based on the total amount of GHG emissions that can be generated in a year by a typical coal-fired power plant employing circulating fluidized bed ("CFB") technology, operating at the equivalent capacity of MTerra Solar.

Affordability

Delivering Energy Attainable by All

SASB IF-EU-240

Affordability is not only crucial to maximize the positive impacts of power, particularly in emerging economies like the Philippines—it is also one of Meralco's primary legal responsibilities. Republic Act 9209 mandates the Company to "supply electricity to its captive market in the least-cost manner." At the same time, by providing lower electricity prices, we help improve quality of life and drive economic activity. As such, we strive to deliver fairly priced electricity, in full compliance with the regulatory standards set by the Energy Regulatory Commission ("ERC"), to power homes and enterprises within our service area. Mindful of the impact of energy supply on the cost of power, we are committed to expanding our own generation capacity through MGEN by constructing new power plants that leverage different technologies, enabling us to help lower electricity costs in the country.

A. Maintaining Affordability for Our Customers

AVERAGE RETAIL ELECTRICITY RATE (in PhP/kWh)

	MERALCO			CLARK ELECTRIC		
	2022	2023	2024	2022	2023	2024
Residential	10.40	11.86	12.14	6.68	6.60	6.70
Commercial	9.57	10.36	10.14	6.67	6.56	6.65
Industrial	8.31	9.10	8.86	6.47	6.40	6.50
OVERALL	**9.52**	**10.55**	**10.54**	**6.58**	**6.50**	**6.59**

Meralco's average retail rate was flat at PhP 10.54 per kWh in 2024 from PhP 10.55 per kWh in 2023 due to lower generation charges that offset increases in transmission and other charges. The generation charge, which accounted for about 62.8% of the total retail rate, went down by almost 5.8% due to lower Wholesale Electricity Spot Market ("WESM") charges, decrease in international coal prices, and the implementation of generation over-recovery adjustments based on the ERC's Resolution on Automatic Cost Adjustments and True-Up mechanisms of Pass-through Charges.

Meanwhile, Clark Electric's overall average retail rate grew from 2023 to 2024 due to relatively higher energy sales from key primary-metered customers in the hotel and casino, aviation, mixed-use facility, and telecommunication sectors.

SYSTEM LOSS METRICS

	MERALCO			CLARK ELECTRIC		
	2022	2023	2024	2022	2023	2024
Amount of energy lost through the distribution system (in MWh)	2,919,488	3,095,968	3,373,343	11,868	13,388	16,692
Energy lost in the distribution system vs. net system input (in %)	5.77	5.88	5.99	1.81	1.92	2.28
Customer savings due to lower system loss vs. ERC's system loss cap (in PhP million)	4,688.26	4,876.21	5,060.41	139.51	164.50	146.15

We continued to take proactive steps to lower both technical system loss (inherent limitations in the physical delivery of electricity) and non-technical system loss (caused by actions external to the power system including electricity pilferage, inaccurate registration due to damaged meters, and natural wear and tear or facilities). These losses, which are charged to our customers up to a statutory cap, are carefully managed by our Group through continuous system improvement efforts as well as our collaboration with law enforcement officers, including the Philippine National Police, to prevent and enforce rules against illegal service connections. We periodically conduct studies to find the right balance between the benefits of a lower system loss and the capital expenditure ("CapEx") needed for improvement measures.

Meralco ended 2024 with a system loss performance of 5.99%, which is 0.11% higher than the 2023 level. The uptick was primarily driven by the higher share of high-loss-to-serve residential customers in the overall sales mix. Nevertheless, the Company remained significantly below the indicative 6.5% regulatory cap for the 17th consecutive year—which translated to a total of PhP 5.1 billion in customer savings.

Clark Electric's system loss rate rose to 2.28% in 2024 from 1.92% in 2023, but still remained below the mandated total system loss cap of 6.27%. The increase was driven by adjustments in customers' reading schedules that were made to align the Net System Input ("NSI") and energy sales readings as well as by the integration of the Kalaw-Sunvalley-Roxas 69-kV lines, which resulted in longer sub-transmission lines.



B. Reducing Electricity Costs with a Wider and Diversified Generation Portfolio

Meralco recognizes that a robust body of scientific evidence shows that the continuous combustion of fossil fuels exacerbates global warming. LNG and coal, however, continue to be cost-competitive and reliable energy sources in the Philippines today and remain the Company's primary sources of electricity for its customers. This approach helps Meralco fulfil its long-standing legal responsibility to provide the lowest-cost electricity as we gradually transition away from coal in our supply portfolio.

We have actively expanded our own power generation capacity through MGEN in ways that can help reduce costs for our customers. Our San Buenaventura Power Ltd. ("SBPL") coal-fired facility in Quezon has been steadily injecting energy to the Luzon grid since 2019. It uses the latest coal technology called HELE, or High Efficiency Low Emissions, which emits lower carbon compared with a traditional coal-fired power plant.



Accessibility

Expanding Energy Reach

SASB IF-EU-000.B | SASB IF-EU-000.A

Globally, access to energy is a key benchmark for measuring progress on SDG 7: Affordable and Clean Energy. In support of the Philippine government's target to achieve 100% electrification by 2028, we strive to reach the remaining unserved communities within Meralco's franchise area, which encompasses more than a quarter of the country's population. Beyond this, we also help power the economy by servicing key economic hubs, including the Clark Special Economic Zone (through our subsidiary Clark Electric), the Cavite Economic Zone (through our business unit Meralco Ecozone Power), as well as the New Clark City (through Shin Clark). Collectively, these areas contribute up to 50% of the country's gross domestic product ("GDP") and account for 60% of the nation's total manufacturing output.



A. Connecting More Customers to the Grid

One Meralco remained at the epicenter of the country's economic growth in 2024, ensuring that the lights were on for more Filipino homes and businesses than ever before. In 2024, we delivered 54,325 GWh of electricity to over 8 million customer connections—up from 51,044 GWh delivered to 7.8 million in 2023. This milestone was primarily driven by our sustained electrification efforts to match the rising energy demand in our franchise area.

NUMBER OF CUSTOMER CONNECTIONS PER TYPE

	MERALCO			CLARK ELECTRIC		
	2022	2023	2024	2022	2023	2024
Residential	7,039,706	7,229,899	7,430,561	1,142	1,245	1,219
Commercial	567,498	579,721	593,897	1,324	1,320	1,313
Industrial	10,683	10,753	10,806	152	151	152
Flat Streetlights	4,931	4,925	4,920	93	92	93
TOTAL	**7,622,818**	**7,825,298**	**8,040,184**	**2,711**	**2,808**	**2,777**

ENERGY SALES PER CUSTOMER TYPE (in GWh)

	MERALCO			CLARK ELECTRIC		
	2022	2023	2024	2022	2023	2024
Residential	17,140	17,772	19,446	7	8	9
Commercial	17,052	18,612	19,980	351	393	422
Industrial	13,935	13,831	14,036	285	282	282
Flat Streetlights	143	143	145	2	2	2
TOTAL	**48,271**	**50,359**	**53,606**	**645**	**685**	**715**

Our energy sales to residential customers grew by more than 13% from 2022 to 2024 due to our stronger electrification program within our franchise area. Combined commercial and industrial sales likewise increased by nearly 10% in the same period due to the expansion of key sectors, including the semiconductor, food and beverage, plastic, and non-metallic mining industries. Overall, the combined energy sales of Meralco and Clark Electric saw an over 6% upsurge in 2024, continuing the growth the Group enjoyed in 2023.



BRIGHT SPARKS

Celebrating 8M Customers through 8 Bearers of *Light*

As Meralco celebrates the milestone of reaching 8 million services, we reflect not only on the number but also on the rich stories behind each connection—tales of aspiration, resilience, and innovation from eight remarkable customers:

1. **Joy Nostalg Solaris** in Cavite utilizes a solar-powered generator to supplement local energy needs and promote sustainable urban development.
2. **Metro Pacific Fresh Farms** in Bulacan contributes to local food security and job creation through sustainable farming.
3. **Unioil** helps improve air quality with its EV charging station, supporting the transition toward sustainable transport.
4. **Uratex Group of Companies** has embraced renewable energy and green mobility to minimize its environmental impact.
5. **La Corazon Farm** provides access to fresh and responsibly sourced produce and plans to adopt solar power and net metering through Meralco.
6. **Olive Huena**, a homeowner from Obando, Bulacan, helped bring electricity to over 200 homes in her fisherfolk community—an inspiring example of leadership from someone who once lived without a permanent home.
7. **Melody Madrid**, a hands-on property owner, uses Meralco's smart metering solutions to help her tenants track and manage their electricity consumption more efficiently.
8. **Jaime Umali**, our 8 millionth customer and a retired factory worker from Quezon, embodies Filipino resilience and perseverance, achieving educational success for his children and homeownership.

Each story of success fuels our motivation to continue delivering reliable electricity and energy solutions. Our customers' stories inspire us every day to keep providing light to every corner, to every life, in every community we serve.

With 8 million dreams lit and countless more to go, Meralco remains steadfast in our promise—to continuously deliver power, rain or shine, day or night—this is our "*dakilang tungkulin*" (great duty).



B. Energizing Remote and Low-Income Communities

Aligned with the DOE's goal to achieve 100% electrification in the country, the Meralco Electrification Program ("MEP") brings together various efforts towards universal electrification. An integral component of the MEP is One Meralco Foundation's ("OMF") Household Electrification Program ("HEP"), through which we deliver affordable electricity to remote, off-grid communities within our franchise area. We collaborate with local government units ("LGUs") and homeowners' associations to overcome electrification challenges, such as right of way and occupancy issues, that often hinder communities confronted with energy poverty[29]. In 2024, OMF invested over PhP 9 million in the HEP, financing the installation of service entrances, metering centers, breaker walls, and intermediate poles for low-income households. Meralco also took on the initial setup costs that residential customers applying for service connections usually have to pay for.

Under the MEP, we energized a total of 73,794 households in 2024. Meanwhile, OMF's HEP paved the way for the electrification of 3,455 low-income households that had been in the dark for years. Only 2,560 households remain unenergized in Meralco's franchise area, all of which will be served through our off-grid solutions, including microgrid and solar home systems, in support of the DOE's goal of 100% electrification by 2028.

Our focus on microgrids—localized, small-scale electrical networks that can operate independently from the grid—offers a practical solution for underserved communities that are far from the main grid. Historically, microgrids relied solely on diesel generators during peak hours. Today, solar energy powers microgrids during the day, while battery energy storage enables nighttime consumption, allowing remote communities to enjoy dependable and cleaner energy around the clock.

[29] The World Economic Forum defines energy poverty as "the lack of access to modern energy services and products".

Service Reliability & Safety

Distributing Safe & Uninterrupted Power

SASB IF-EU-550

The benefits of a dependable supply of electricity go beyond customer satisfaction alone—it is the backbone of economic and social progress. In developed and developing countries alike, industry, education, public health, and overall quality of life are founded upon reliable power. Meralco continues to deliver stable, high-quality service to our customers by building and maintaining a resilient grid, optimizing load capabilities, adopting digital solutions, and ensuring the system's robustness, all while responding safely, promptly, and efficiently to any network-related incident.

A. Maintaining Quality Systems for Reliability

Meralco continued investing in system reliability throughout 2024, spending a total of PhP 21.4 billion on distribution network CapEx projects. In particular, we prioritized the rollout of our major miscellaneous allocation ("MA") electric capital projects ("ECPs")—each costing at least PhP 30 million—which were designed to enhance the reliability and quality of Meralco's distribution network by replacing aging and obsolete assets. These projects included switchgear and power transformer replacements, as well as the construction of new control houses and switchgear rooms.

Among Meralco's key MA ECPs in 2024 were the replacement of Power Transformer Bank No. 1 at the Taguig and Duhat Substations; the replacement of 34.5-kV Gas-Insulated Switchgear No. 1 at the New Teresa, Meycauayan, and Urdaneta Substations; and the replacement of 34.5-kV Metalclad Switchgear Nos. 1 and 2 at the Novaliches Substation. Additionally, a new control house with a switchgear room was built at the Novaliches Substation to prevent damage to the equipment in the substation.

In the long-term, these critical CapEx projects are expected to cut maintenance costs, minimize our personnel's exposure to high-risk activities, and significantly reduce the risk of prolonged and widespread power outages in areas serviced by the upgraded substations.

DISTRIBUTION RELIABILITY METRICS

	MERALCO			CLARK ELECTRIC		
	2022	2023	2024	2022	2023	2024
SAIFI (in no. of times)	1.30	1.19	1.04	2.04	1.57	1.22
SAIDI (in minutes)	128.42	123.71	108.21	214.99	590.73	65.84
CAIDI[30] (in minutes)	98.78	103.61	103.98	0.03	44.46	49.76

To monitor and manage the quality of our service and the effectiveness of our investments in service reliability, our Group uses internationally accepted standard indicators. For instance, based on Meralco's System Average Interruption Frequency Index ("SAIFI"), the average number of service interruptions experienced by customers in a year decreased by 12.84% from 1.19 times in 2023 to 1.04 times in 2024. Likewise, on average, they also experienced shorter service interruptions in the same year, based on our System Average Interruption Duration Index ("SAIDI") of 108.21 minutes (versus 123.71 minutes in 2023).

This was due to several improvements made in our distribution network, such as the commissioning of new substations, as well as grid resiliency measures, including the replacement of hazardous and ageing wood poles, reconductoring of overhead bare lines to covered overhead lines, and improvement in lightning protection. Meralco's performance in both metrics during the reporting period marks an all-time best for the Company.

Meanwhile, Clark Electric saw a 22% decrease in its SAIFI—from 1.57 times in 2023 to 1.22 times in 2024. Similarly, its customers also experienced shorter service interruptions—at 65.84 minutes in 2024 from 590.73 minutes in 2023—due to proactive maintenance strategies and replacement of aging equipment. Additionally, enhanced vegetation management and replacement of covered conductors helped reduce outages caused by trees and inclement weather conditions.

The Group's performance in both metrics was well within the reward levels prescribed by the ERC based on their respective Regulatory Period's Performance Band. This has been the case since the implementation of the Performance Incentive Scheme in 2012, owing to continuous improvements in system reliability through various measures such as preventive maintenance activities.

We regularly conduct onsite inspections and testing of our distribution facilities and proactively replace or upgrade equipment to meet industry and national standards, which promotes the stability and reliability of infrastructure and helps reduce the incidence of unplanned power interruptions. Both Meralco and Clark Electric also conduct tree-pruning and line-clearing operations with public safety in mind. In addition, to prevent outages due to malfunctioning assets, both utilities conduct thermographic scanning of power lines and equipment immediately after typhoons or other natural disturbances, helping ensure the safety of our customers, workforce, and the public.



[30] Customer Average Interruption Duration Index



BRIGHT SPARKS

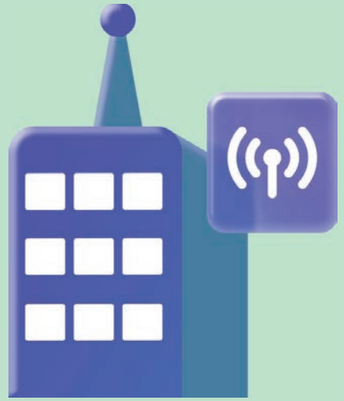
Strengthening the Backbone of the *Electrical Grid*

One Meralco leads the way in pioneering energy infrastructure projects that shape the future of the Philippine power sector. Through our subsidiary MIESCOR, we deliver projects that enable and fortify the nation's transmission and distribution networks, helping enhance the reliability and resilience of the power grid.

ENABLING CONNECTIVITY OF POWER PLANTS

In partnership with SMC Global Power Holdings, MIESCOR is spearheading the design and construction of the nine-kilometer Masinloc 500-kV transmission line project, a critical infrastructure development aimed at enabling the connectivity of power plants to the Luzon grid. This transmission line will serve as an interim connection between the Masinloc Power Plant's substation and the National Grid Corporation of the Philippines' ("NGCP") CB210 transmission tower. This PhP 1.2-billion project is part of the second stage of the bigger Western Luzon 500-kV Backbone project, which aims to support the expansion of the coal-fired Masinloc facility with two additional units, each generating 350 MW of energy. Initially, the transmission line will directly link to NGCP's infrastructure, ensuring a stable and reliable supply of electricity. Once NGCP completes the development of its Palauig Substation, an additional 13-kilometer connection will be constructed to accommodate increased generation capacity and enhance the stability of the power supply in Luzon.

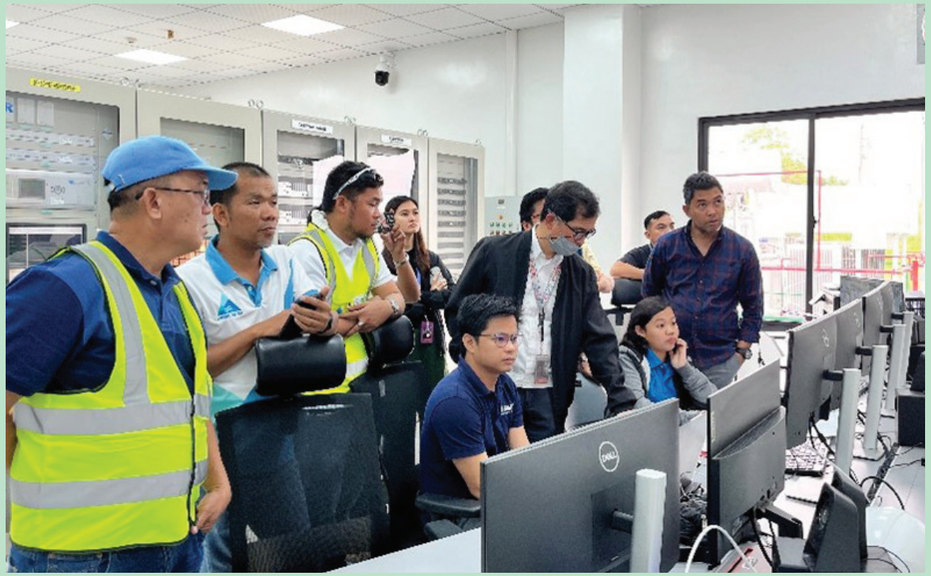
UPGRADING TRANSMISSION INFRASTRUCTURE FOR GRID RESILIENCE



MIESCOR has also been tapped by NGCP to lead the third phase of its Grid Protection Relay Replacement Project. This comprehensive upgrade of NGCP's relay protection systems—covering multiple substations in the provinces of Cebu, Zamboanga, Leyte, and Negros—improves grid reliability.

MIESCOR's scope of work includes the engineering, procurement, and construction ("EPC") of new and expanded control/relay buildings; installation of protection, control, and communication equipment; construction of drainage systems, roadways, and cable trenches; and deployment of fire protection, air conditioning, and ventilation systems.

This PhP 2.6-billion project is set to modernize NGCP's substation facilities, ensuring that robust power system protection mechanisms are in place to mitigate faults and prevent widespread outages.



B. Keeping the Lights On Amidst the Climate Crisis

The Philippines is buffeted by an average of 20 typhoons annually, around five of which are typically destructive, with an increasing frequency of intense tropical cyclones observed in recent years. In 2024, 17 tropical cyclones entered the Philippine Area of Responsibility, four of which (Aghon, Carina, Enteng, and Kristine) affected Meralco's franchise area, bringing in strong winds and damaging floods. For Meralco, the physical risks of climate change must be addressed to ensure we can continue to reliably provide power. Higher exposure to more intense typhoons is also increasingly driving up insurance costs and making it more difficult to secure coverage as insurers factor in greater risks of loss and damage. As such, we take extensive preventive action to ensure the resiliency of our entire network and reduce the impact of these hazards on our distribution system.

To prepare for typhoons, we take pre-emptive actions such as targeted tree trimming, thorough line inspection and clearing, and the removal of billboards and signage that are at risk of being blown away by strong winds, which could cause outages. We work closely with LGUs and key government agencies, such as the DOE and the Metropolitan Manila Development Authority, in conducting these activities.

Additionally, we implement infrastructure hardening measures for storm resiliency, including replacement of poles, upgrading of conductors and lead wires, and installation of line and equipment covers. In 2024, Meralco installed 7,824 line and equipment covers near building work sites. We also own, operate, and maintain 517,252 spans of overhead lines and underground cables. We converted 3,382 wooden crossarms to lighter, easier-to-install, and more durable fiberglass crossarms, as well as replaced 12,012 aging and hazardous poles.



INFRASTRUCTURE HARDENING FOR STORM RESILIENCY METRICS

	MERALCO			CLARK ELECTRIC		
	2022	2023	2024	2022	2023	2024
Number of poles replaced	10,870	12,054	12,012	-	-	10
Upgraded conductors (in spans)	22,325	19,975	20,150	6	46	16
Number of line and equipment covers installed	13,458	26,593	7,824	-	-	222
Number of wooden crossarms converted to fiberglass	3,639	3,296	3,382	-	-	-

We also continued enhancing our Lightning Protection Improvement Program ("LPIP"), which safeguards our distribution network from lightning and resultant power surges. Specifically, in 2024, we installed line surge arresters and overhead static wires to protect our overhead conductors, as well as reinforced our system neutral and pole grounding.

On top of this, a lightning detection system informs our personnel of the magnitude and approximate location of lightning strikes within our franchise area. This technology has contributed to a 6.74% reduction in the occurrence of outages due to lightning compared with the previous year, making us well-prepared to deal with storms.

LIGHTNING PROTECTION IMPROVEMENT METRICS

	MERALCO			CLARK ELECTRIC		
	2022	2023	2024	2022	2023	2024
Number of surge arresters installed/ replaced	28,555	31,147	36,218	18	9	9
Length of system neutrals installed/ replaced (in spans)	11,400	10,550	10,225	-	-	-
Length of overhead shield wires installed (in spans)	19,025	16,800	15,350	-	-	-
Number of remote-controlled line reclosers installed	226	200	334	4	7	2



C. Powering Community Resilience

Meralco's commitment to operational resilience extends to our people and those in the communities we serve. We have established a robust business continuity management system to keep our employees safe and able to work, especially in times of calamity. We also ensure that our workplaces are resilient against natural hazards, with all buildings in the Meralco Operating Center reinforced for earthquake resilience. In the unlikely event that our primary system control center is compromised, we have also installed and operationalized emergency backup sites to enable continuous operations. This helps ensure the continuous supply of needed electricity during emergencies.

We also take pride in being a reliable partner of the government in disaster response. In 2024, when Tropical Cyclones Aghon, Carina, Enteng, and Kristine hit the Philippines, at least 6.6 million Meralco customers experienced power outages. Our personnel and line crews worked round the clock to swiftly restore power in communities within our franchise area, ensuring that essential services were able to resume and that families had continuous access to electricity in their homes.



D. Building a Smart Distribution Network

Meralco is a proud pioneer in the next frontier of smart grid technology, leveraging advanced digital solutions to respond to dynamic challenges in the power sector. In 2024, we continued to make significant progress in our Smart Grid Program, which is anchored on two pillars: Advanced Network Automation ("ANA") and Advanced Metering Infrastructure ("AMI"). ANA enables real-time monitoring and management of network operations and assets to address changing loads, generation, and outage incidents.

Meanwhile, AMI focuses on the rollout of smart meters along with the deployment of a secure and robust communications and data management infrastructure that enables two-way communication between Meralco and our customers.

ADVANCING NETWORK AUTOMATION

In 2024, we expanded the deployment of smart devices (such as remote-controlled line devices and faulted circuit indicators) across Meralco's network through our Distribution Automation initiative, enabling faster isolation of faulty sections. This enhancement helped improve response times for maintenance or repairs to be conducted, resulting in less service disruptions, and avoiding or minimizing the impact of outages.

Under our Advanced Asset Management initiative, we continued rolling out our Data Historian system across our substations and distribution line equipment to ensure the efficient collection of time-series data from field devices, enabling proactive maintenance and sustained availability of critical distribution assets.

From an operational technology standpoint, we continued the implementation of the Advanced Distribution Management System ("ADMS"). By integrating our Supervisory Control and Data Acquisition ("SCADA") system, our Outage Management System ("OMS"), and our Distribution Management System ("DMS") into a unified platform, ADMS optimizes daily operations, accelerates outage resolutions, and strengthens situational awareness—especially during times of natural calamity or elections.

We also launched the first phase of our Mobile Workforce Management System ("MWMS") in 2024, which helps streamline field operations through automation and cloud computing. This system enhances workforce efficiency by prioritizing tasks, managing resources, integrating mapping solutions, optimizing work dispatches, and providing real-time traffic data.





ADVANCING SMART METERING

We remain committed to deploying AMI by carefully selecting long-term partners to promote and roll out this technology in the country.

Through this project, we have installed over 130,000 smart meters within Meralco's franchise area and aim to deploy at least 11 million smart meters across our network over 10 years, starting in 2025. Smart meters will be installed in ordinary homes, apartments, and condominiums; on elevated metering centers; and in commercial and industrial establishments, as well as in our distribution transformers.

Through our AMI project, we aim to empower our customers to efficiently manage their electricity consumption, improve billing accuracy, reduce service complaints, enhance operational efficiency, and facilitate the integration of rooftop solar and energy storage into our network.



Energy Transition

Developing a Responsible & Future-Fit Portfolio

SASB IF-EU-000.C | SASB IF-EU-000.D | SASB IF-EU-000.E

Globally, electric utilities must balance GHG emissions reduction with concerns relating to energy security. This is a defining challenge in developing countries where higher-carbon energy sources, such as coal and gas, remain cost-competitive options to get affordable electricity to millions of customers in need. As such, we have embarked on a just, orderly transition to provide more customers with affordable, cleaner energy over time. This involves gradually growing the share of RE in Meralco's and Clark Electric's supply mixes, in alignment with the DOE's RPS. Additionally, our Group, cognizant of the reality that thermal power remains key to achieving energy security in the country, is expanding our thermal portfolio via MGEN by investing in lower-carbon fuels like LNG. These efforts are crucial aspects of our Long-Term Sustainability Strategy ("LTSS"), which is designed to meet the increasing electricity demands associated with national prosperity while recognizing Meralco's potential to lead the energy transition in the Philippines.

A. Supporting the Cleaner Energy Shift

Our efforts to actively invest in renewables through Meralco, Clark Electric, MGEN, and MSpectrum support the Philippine government's goal of achieving a 35% RE share in the national power generation mix by 2030 and 50% by 2040.

SOURCING LOWER-CARBON POWER

POWER DISTRIBUTION UTILITY FUEL MIX (in %)

	MERALCO			CLARK ELECTRIC		
	2022	**2023**	**2024**	**2022**	**2023**	**2024**
Coal	30.90	32.89	27.30	59.17	54.25	51.09
Natural gas	53.84	42.07	42.14	0.00	0.00	0.00
Oil	4.13	4.18	0.13	0.00	0.00	0.00
Hydro	1.05	0.08	0.24	24.99	22.69	21.30
Geothermal	0.93	1.20	1.03	0.00	0.00	0.00
Wind	0.00	0.00	0.00	0.00	0.00	0.00
Solar	0.75	0.75	0.82	0.01	0.02	0.02
Biomass	0.02	0.00	0.00	0.00	0.00	0.00
WESM	8.37	18.83	28.34	15.83	23.04	27.59
TOTAL	**100.00**	**100.00**	**100.00**	**100.00**	**100.00**	**100.00**

Through Meralco and Clark Electric, we source significant amounts of energy from generation entities and distribute it via our own distribution networks. While fossil fuels still dominate the supply mix of both utilities, Meralco and Clark Electric have made significant strides towards our Group-wide goal to source at least 1,500 MW of Meralco's power supply requirements from RE sources by the end of the decade to meet the RPS under the Renewable Energy Act of 2008.

In 2024, following the conduct of a CSP for the procurement of RE mid-merit supply capacity of 500 MW, Meralco executed PSAs with three RE power suppliers: San Roque Hydropower Inc., Gigasol3, Inc., and Santa Cruz Solar Energy Inc. These PSAs will shift most of Meralco's mid-merit sources to RE, progressively increasing the share of low-carbon power in our supply mix. To date, the DU has already contracted a total of 1,535 MW of RE supply, while MPower's RE PSAs currently amounts to 744 MW.

We also continued our support for the Philippine government's new RE policies, such as the Green Energy Option Program ("GEOP"), which provides consumers whose average peak demands are at least 100 kW with the option to source their electricity needs from purely renewable sources. As of December 31, 2024, 406 of Meralco's commercial and industrial customers have joined the program, with more expressing their interest to participate in the coming years.



ENABLING WIDER ADOPTION OF SOLAR ENERGY

Since 2009, Meralco has been supporting the Philippines' energy transition by facilitating the interconnection of various types of generation systems, including customers who export electricity from their own solar PV systems to the grid via net metering (which allow customers to install RE with a capacity of up to 100 kW and feed their excess solar PV generation back into the grid).

In 2024, Meralco enabled several embedded generation projects, including Prime Solar's Tanauan and Maragondon solar farms; Joy Nostalg Solars Inc.'s rooftop solar power project in Naic, Cavite; and the expansion of PH Renewables Inc.'s Pinugay Solar Power Plant, in which MGreen owns a controlling 60% share.

During the reporting period, we integrated 248 MW of additional RE into Meralco's distribution system, resulting in a lifetime total capacity of 729 MW, which accounts for 7.8% of the Company's peak demand for the year. Meralco now accommodates a total of 22 large exporting RE embedded generators, 287 zero-export generators, and 14,418 net metering customers. Our pipeline of RE capacity from embedded generators in our franchise area now stands at 1,485 MW up to 2027.

To facilitate and accommodate the continued influx of RE, we have established the Solar-Distributed Energy Resources ("Solar-DER") Committee, which is responsible for studying RE growth trends, forecasting system impacts, and developing innovative strategies to ensure seamless RE integration without technical constraints. Key solutions under evaluation and implementation include but are not limited to: deployment of advanced BESS to enhance hosting capacity; expansion of distribution facilities to support additional embedded generators; and installation of solar home systems for customers in off-grid and protected areas. We are also adopting smart grid technologies that enable real-time energy monitoring and demand response, as well as enhanced grid optimization and system loss reduction.

Additionally, Meralco continued its partnership with the ERC and the Pasig City LGU to streamline and expedite the application and permitting process for net metering, promoting the wider adoption of RE in the city. A booth inside the Pasig City Hall was set up for customer inquiries, consultations, and applications for net metering and DER.

We are expecting Meralco's RE embedded generation portfolio to grow by an additional 1,485 MW over the next three years, which will increase the share of RE to 22.3% of the Company's projected peak demand by 2027.



79MW
lifetime total capacity

22
large exporting RE embedded generators

287
zero-export generators

14,418
net metering customers

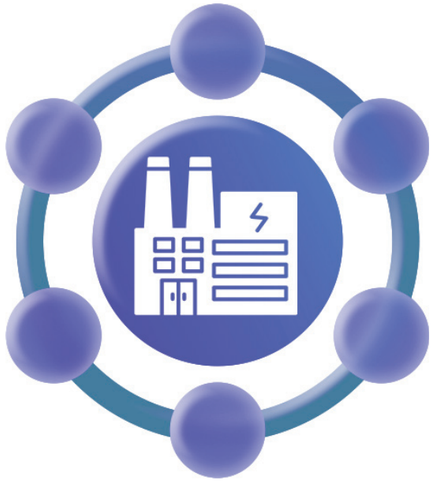
DIVERSIFYING OUR POWER GENERATION PORTFOLIO

ENERGY DELIVERED[31] BY MGEN BY BUSINESS UNIT (in GWh)

	2022	2023	2024
MThermal	5,756	5,878	5,654
SBPL	2,765	2,360	3,205
PLP	5,619	5,719	5,820
MGreen	112	349	617
TOTAL	**14,252**	**14,306**	**15,296**

FUEL MIX OF ENERGY GENERATED BY MGEN (in %)

	2022	2023	2024
Coal	56.18	57.11	56.70
Natural gas	42.13	41.17	38.66
Diesel	0.80	0.47	0.29
Solar	0.89	1.25	4.35
TOTAL	**100.00**	**100.00**	**100.00**



From a power generation standpoint, we remain focused on balancing our portfolio to respond to the pressing needs of energy security, affordability, and sustainability. During the reporting period, conventional energy sources (i.e., coal, diesel, and LNG) accounted for 97% of the total amount of energy delivered by MGEN. Meanwhile, 2024 was a milestone year for MGEN as its subsidiary MGreen delivered 617 GWh of lower-carbon energy, almost twice the amount delivered in 2023. The surge was largely caused by the addition of two solar plants of SPNEC as well as stable plant availability.

Overall, MGEN saw its energy sales grow in 2024 as a result of strategic planning of maintenance shutdowns early in the year, leading to improved plant availability.

[31] Energy delivered is comprised of contracted capacities and participation in the energy and reserve market



Our Group-wide transition to cleaner energy commenced in 2021 with the development of BulacanSol, a 55-MW solar farm in Bulacan. This was followed by the establishment of PH Renewables, Inc. (“PHRI”), which operates a 75-MW solar facility in Rizal, and the Nuevo Solar Energy Corporation (“NSEC”), which runs a 68-MW farm in Ilocos Norte—both plants have been operating since 2023.

In November 2024, Terra Solar Philippines, Inc. (“TSPI”) officially broke ground for the MTerra Solar project, which is set to be the world’s largest integrated solar and battery storage facility upon its completion in 2027. This RE project will have a PV capacity of 3,500 megawatt peak (“MWp”), complemented by a BESS capacity of 4,500 megawatt-hours. *For more information about this project, please refer to the Power hero case study at the beginning of this section.*

All of these solar facilities are part of our goal to build an RE portfolio with a total attributable capacity of at least 1,500 MW by the end of the decade through MGreen.

By the end of the reporting period, MGreen’s total attributable solar capacity stood at 190.9 MW. MGEN’s RE portfolio will grow further with the development of a 450-MW solar plant in Pangasinan. In partnership with Vena Energy, this project will also be one of the largest solar ventures in the Philippines.

In addition to Meralco’s and MGEN’s efforts, MSpectrum is also helping in the expansion of our Group’s RE footprint by providing small-scale, distributed solar solutions to commercial and industrial customers. By the end of 2024, MSpectrum had achieved an installed capacity of 80 MW, with the aim of surpassing 110 MW this year. Additionally, over the next five years, MSpectrum aims to increase its installed capacity fivefold by focusing on selling RE through power purchase agreements.



BRIGHT SPARKS

Plugging New Solar Farms into the *Grid*

Our subsidiary MIESCOR plays a critical role in advancing the development and adoption of RE in the Philippines by integrating utility-scale solar farms into the national transmission network. In 2024, Giga Ace 8, Inc., a subsidiary of ACEN Corporation, tapped MIESCOR to enable the seamless flow of energy from its solar facility in Zambales to the Luzon grid. Similarly, MIESCOR signed a contract with Terra Solar Philippines, Inc., to design and construct substations and transmission lines that will connect MTerra Solar to the same grid. By leveraging its expertise in EPC for these projects, MIESCOR helps advance the country’s transition to cleaner energy.



B. Scaling LNG in Our Portfolio

As electricity demand in the Philippines continues to rise, ensuring energy security has become a central priority for One Meralco. One key focus area is expanding MGEN's local portfolio by investing in LNG, which has a relatively lower carbon footprint than coal during combustion and continues to be a reliable source of baseload power in the country.

As a clear testament to our commitment to helping the Philippines achieve energy security, MGEN, through Chromite Gas Holdings, Inc., has invested 40.2% in the country's largest and most expansive LNG facility. The partnership covers the acquisition of equity interest in three entities—South Premiere Power Corp. ("SPPC"), Excellent Energy Resources Inc. ("EERI"), and Ilijan Primeline Industrial Estate Corp. ("IPIEC")—by Chromite Gas Holdings, Inc. ("CGHI"), which is a 60-40% joint venture between MGEN and TNGP. CGHI and SMGP are also acquiring 100% of Linseed Field Corp. ("LFC") to operate an LNG terminal in the same Batangas-based facility.

By the end of 2024, the Philippine Competition Commission approved the acquisition, acknowledging that the deal is critical for strengthening the country's energy supply.

C. Enabling Long-Term Energy Security with Nuclear Power

Our plans to diversify our energy mix are necessarily long-term, incorporating the technologies most appropriate for the Philippines today while preparing for a brighter tomorrow. Looking ahead, nuclear energy provides a lower-carbon alternative that can help reduce the Philippines' dependence on fossil fuels, which drive climate change and are more susceptible to price fluctuations, while ensuring reliable power supply. Through Meralco's Nuclear Energy Strategic Transition ("NEST") program, we are exploring nuclear as a reliable baseload power source in a bid to help the country balance energy security and affordability with its climate goals well into the future.

Meralco fully supports the government's nuclear energy roadmap. Our efforts include exploring both conventional power plants as well as advanced technologies like small modular reactors ("SMRs"), which present opportunities to strengthen energy access across the archipelago, ensuring reliable and sustainable power for all Filipinos.

The adoption of nuclear energy also presents substantial economic opportunities for the Philippines. A single nuclear power plant can generate over 800 high-skilled jobs—the average size of the technical staff required to operate two 1,000-MW nuclear units—along with additional employment opportunities during construction and indirectly along the supply chain. To develop the local talent needed to drive this important aspect of our transition journey, the Meralco Power Academy has launched the FISSION (Filipino Scholars and Interns on Nuclear Engineering) initiative. The first batch of program beneficiaries have already been enrolled in universities in the United States and China, while the second batch will soon be enrolled in institutions in France, South Korea, Canada, and China. This impactful program is equipping Filipinos with state-of-the-art technical and regulatory knowledge to help drive our country forward. Internally, Meralco's nuclear team have attended specialized trainings on nuclear energy technology and policy locally and abroad, including in Japan, France, and Egypt.



PLANET

Embracing Environmental Responsibility in *Our Business*

Climate Change Mitigation

Responding to a Global Emergency

page 100

Air Quality

Maintaining Breathable Air

page 118

Water & Effluents

Conserving a Scarce Resource

page 120

Material Consumption & Waste Management

Optimizing Resource Utilization

page 123

Biodiversity

Managing Our Impact on Ecosystems

page 125



The health of our planet is at a critical juncture.

According to the World Meteorological Organization, 2024 was the warmest year on record, with an average global surface temperature of 1.55 °C above pre-industrial levels, driven by alarming levels of greenhouse gases ("GHGs") in the atmosphere. The unprecedented speed of this global warming is a key driver of the triple planetary crisis—climate change, pollution, and biodiversity loss—which threatens not only ecosystems but also human well-being. Ambient air pollution alone is responsible for more than 4.2 million premature deaths worldwide annually, while habitat loss and degradation have led to a staggering 73% decline in global wildlife populations since 1970.



Recognizing the critical connection between the health of our planet and the survival of humanity, in 2024, we continued our Group-wide efforts aimed at managing GHG emissions, air pollutants, water consumption, and solid waste that can impact people and ecosystems across One Meralco's operations and beyond. Amid challenges and uncertainties, we remained steadfast in our commitment to embracing environmental responsibility in our business —in support of **SDG 12: Responsible Consumption and Production, SDG 13: Climate Action, SDG 14: Life Below Water,** and **SDG 15: Life on Land.**



Performance Highlights

6%
of the DU's vehicle fleet electrified

47,999
natural ester oil-insulated transformers installed across the DU's franchise area

63,949
trees planted under OMF's One for Trees

KEY INPUTS
(Natural Capital)

5.2
Mt of feedstock coal used by MGEN

14.9
ML of feedstock oil used by MGEN

4.5
GL of freshwater withdrawn by MGEN

KEY OUTCOMES
(Natural Capital)

2.7%
increase in Group-wide GHG emissions

98%
decrease in MGEN's water consumption

95%
of the DU's solid waste diverted from landfills



STORIES OF LIGHT

Greening the Network Through Innovation

Guided by **SDG 12: Responsible Consumption and Production,** our approach to environmental stewardship is to adopt best practices in resource use and waste management across our operations. Through our Greening the Network Program, we prioritize the use of materials with a reduced environmental footprint compared to traditional alternatives in our distribution network—ensuring that every choice we make reflects our commitment to sustainability.

PHASING OUT A FOSSIL FUEL-BASED INSULATOR

A significant step in this direction is the adoption of natural ester oil ("NEO")—which is derived from crops like soybean and corn, and lacks harmful petrochemicals, siloxanes, or halogens. NEO is increasingly being used as an insulating and cooling medium for Meralco's substation and distribution equipment such as power transformers and distribution transformers ("DTs").

This transition from mineral oil to NEO—which is 99% biodegradable and recyclable—strengthens Meralco's aspiration to become a sustainability leader in the energy sector and has brought significant benefits to the Company, including enhanced transformer loading capability, improved fire safety, and reduced waste generation.

In 2024, we installed 14,009 NEO-insulated pole-mounted DTs, 133% higher than the annual deployment target of 10,500 units. By the end of the year, 47,999 NEO-filled DTs had been installed across Meralco's franchise area, representing over 19% of the total 248,237 DTs installed in the field. A total of 12 automatic voltage regulators insulated with NEO have also been installed and commissioned.

In addition, Meralco installed a NEO-filled power transformer at the San Joaquin Substation, which will be soon subjected to field performance evaluation. Ultimately, Meralco aims to operate 100% of its distribution equipment with readily biodegradable insulating media by 2065.

REDUCING ENVIRONMENTAL IMPACT IN ENERGY STORAGE

Another groundbreaking initiative under our Greening the Network Program is the replacement of valve-regulated lead-acid ("VRLA") station battery banks—which contain lead and sulfuric acid that are known to harm the environment—at various Meralco substations with lithium iron phosphate ("LFP") units. Our goal is to phase out 100% of Meralco's VRLA batteries by 2030, with new substations utilizing LFP batteries starting in 2027. As of December 2024, a total of 15 VRLA battery banks have been replaced with lithium-based units. A total of eight out of Meralco's 149 substations have already been equipped with LFP battery banks, with more to be deployed in the coming years.

CONCRETIZING ENVIRONMENTAL SUSTAINABILITY THROUGH OUR UTILITY POLES

Wooden utility poles have long been treated with creosote, a fossil-fuel-based compound that extends their lifespan but poses environmental risks. Creosote contains toxic substances that can leach into soil and water, threatening aquatic ecosystems and human health. Recognizing these risks, we have committed to eliminating creosote-treated wood poles from Meralco's distribution network by 2033 and systematically replacing them with concrete or steel poles.

In 2024, we replaced 7,120 wood poles, effectively eliminating nearly 1.9 million kilograms of creosote-petroleum from our network. A total of 185,149 wood poles remain in service (representing over 19% of Meralco's total number of poles) and are set to be phased out over the next decade.

14,009
NEO-insulated pole-mounted DTs installed in 2024

47,999
total installed as of YE 2024
19% of total DTs



Climate Change Mitigation

Responding to a Global Emergency

GRI 302-2 | GRI 302-3 | GRI 302-5 | SASB IF-EU-110



In alignment with the Paris Agreement, the Philippine government has committed to reducing the country's projected baseline GHG emissions of 3,340.3 million tonnes of carbon dioxide equivalent (tCO_2e) between 2020 and 2030 by 75%. To support this national goal and SDG 13: Climate Action, in 2024, One Meralco continued exploring various abatement initiatives and technologies to mitigate our Group-wide emissions, with GHG emissions reduction remaining a top sustainability performance indicator at the corporate level. Our efforts include but are not limited to increasing the share of renewable energy ("RE") in our power generation portfolio, reducing our distribution utilities' system losses, and sourcing more RE in our power supply.

In defining the boundaries of our emissions inventory, we adhere to the GHG Protocol Corporate Accounting and Reporting Standard developed by the World Resources Institute ("WRI") and the World Business Council for Sustainable Development ("WBCSD"). Emissions tracked by One Meralco[32] follow the international convention as follows:

- **Scope 1** – direct emissions from sources owned or controlled by the organization.
- **Scope 2** – indirect emissions from the generation of energy purchased by the organization.
- **Scope 3** – all other indirect upstream and downstream emissions that occur in the value chain of the organization.

In addition to monitoring absolute emissions, One Meralco places great emphasis on measuring and managing emissions intensity and adopting cleaner, more efficient technologies across our businesses.

A. Scope 1: Managing Direct GHG Emissions

GRI 302-1 | GRI 302-4 | GRI 305-1

EQUITY-APPLIED SCOPE 1 EMISSIONS BY SOURCE (in tCO_2e)

	2022	2023	2024
SF_6 leakage	2,478	3,384	4,208
Vehicular gasoline consumption	2,864	2,740	3,251
Vehicular diesel consumption	12,761	14,519	15,959
Coal combustion in power plants	5,083,208	5,307,255	5,490,639
Natural gas combustion in power plants	1,081,710	1,066,488	1,080,536
Diesel combustion in power plants	74,183	49,325	36,360
TOTAL	**6,257,204**	**6,443,711**	**6,630,953**

In 2024, One Meralco's Scope 1 emissions amounted to over 6.6 million tCO_2e. This increase of nearly 3% from 2023 was primarily driven by an increase in the amount of power generated by MGEN's coal-fired plants.

Recognizing that fossil fuels are the main drivers of climate change, Meralco, through our subsidiary MGEN, aims to build at least 1,500 MW of attributable RE generation capacity across multiple technologies by 2030. By the end of the reporting period, our RE portfolio amounted to nearly 325 MW, with a pipeline of over 3,054 MW of RE projects.

For more information about our efforts to expand the share of RE in MGEN's portfolio, please refer to the Energy Transition section under the Power pillar.

[32] Gases included in our GHG inventory include carbon dioxide (CO_2) and sulfur hexafluoride (SF_6).

SWITCHING GEARS ON OUR INSULATING GAS

Meralco is also focused on a less common gas that is critical to our operations yet capable of trapping more heat than any other GHG. Widely used as an insulating gas in high-voltage electrical equipment, SF_6 is over 25,000 times more potent than CO_2 and can stay in the atmosphere for more than 3,000 years. It is essential for grid reliability but must be carefully managed to prevent leaks and minimize its environmental impact.

While SF_6 makes up less than 0.1% of our Scope 1 emissions footprint, we regularly track outflows from our substation equipment and work to recover and recycle this powerful gas. Currently, we monitor gas pressure levels and measure SF_6 cylinder weight before and after refilling activities. We are presently studying the use of an online monitoring system for substation equipment, which will include SF_6 pressure monitoring that can help in monitoring SF_6 gas pressure levels in substation switchgears and breakers.

Meralco recorded SF_6 leakages of 167 kg in 2024, up by almost 16% from 144 kg in 2023, due to wear and tear mostly from equipment nearing the end of their asset life. Despite this increase, discharges during the reporting period represented just 0.3% of the total SF_6 installed in all of the Company's substation equipment—well below the limit of 0.5% as prescribed in the Institute of Electrical and Electronics Engineers' Guide for SF6 Gas Handling for High-Voltage (over 1,000 Vac) Equipment.

Acknowledging the impacts of even a relatively small quantity of SF_6 emissions, we will implement a pilot installation of SF_6-free, remote-controlled switchgears starting this year. It is part of our Greening the Network Program, our full transition to SF_6-free line switches expected to be completed by 2028. As of December 31, 2024, 35 units of SF_6-free line switches have already been installed in our network. In addition, starting 2029, we will deploy substation equipment that utilizes natural origin gases (e.g., technical synthetic air, ambient air) with vacuum interrupters. Ultimately, Meralco aspires to have an SF_6-free distribution network by 2060.

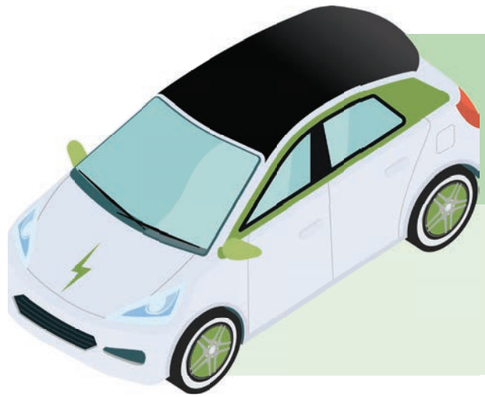
35 units
of SF_6-free line switches installed in our network





POWERING OUR DRIVE TO VEHICLE ELECTRIFICATION

Since 2020, we have successfully replaced over 150 internal combustion engine ("ICE")-based vehicles in Meralco's fleet with electric vehicles ("EVs")—representing a 6% electrification rate—supported by a robust charging network with more than 60 fast chargers across the Company's headquarters, Business Centers, and Sector Offices. By replacing a significant portion of our ICE vehicles with zero-tailpipe emission EVs, we are lowering our carbon footprint and achieving substantial fuel savings. This initiative has already resulted in more than PhP 4 million in fuel savings and over 100 tonnes in CO_2 emissions reduction. Ultimately, our goal is to convert more than 700 ICE vehicles of Meralco to EVs and achieve 25% fleet electrification by 2030.



6% fleet electrification rate

25% fleet electrification rate by 2030

B. Scope 2: Regulating Indirect Greenhouse Gas Emissions

GRI 302-2 | GRI 305-2

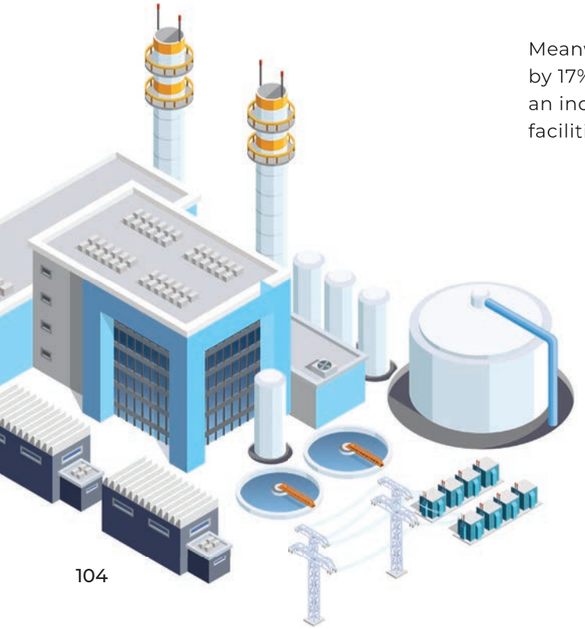
EQUITY-APPLIED SCOPE 2 EMISSIONS BY SOURCE (in tCO_2e)

	2022	2023	2024
System loss	2,087,699	2,214,381	2,350,989
Electricity consumption	63,684	59,076	67,244
TOTAL	**2,151,383**	**2,273,457**	**2,418,233**

One Meralco's Scope 2 emissions increased by 6% from almost 2.3 million tCO_2e in 2023 to over 2.4 million tCO_2e in 2024 due to an increase in the Distribution Utility's system loss volumes, which accounted for 97% of the Group's emissions for this scope.

TOTAL ELECTRICITY CONSUMPTION (in MWh)

	2022	2023	2024
Meralco	61,894	59,890	65,971
Subsidiaries	27,524	23,059	30,993
TOTAL	**89,418**	**82,949**	**96,964**



Meanwhile, our Group-wide electricity consumption increased by 17% from 82,949 MWh in 2023 to 96,964 MWh in 2024 due to an increase in the electricity consumption of MGEN's operating facilities.





DECARBONIZING OUR OPERATIONS THROUGH ENERGY CONSERVATION AND EFFICIENCY

Energy conservation and efficiency are among the most accessible strategies for decarbonizing businesses, offering both financial and environmental benefits. In 2024, we continued driving our Group-wide Resource Conservation and Efficiency Program ("RCEP"), which aims to lower One Meralco's Scope 2 emissions, as well as our operating expenses by managing our own electricity use. At the core of this program are our year-long awareness campaigns and the adoption of energy-efficient technologies (e.g., LED lighting, inverter air-conditioning units) across our facilities. Established in 2020, RCEP covers facilities within and outside the Meralco Operating Center in Pasig City.

In 2024, Meralco generated a total of 45,752 tCO_2e in electricity consumption-related emissions, marking a 10% increase compared to 2023. This increase was primarily driven by the construction of new substations and the resumption of normal operations at the Lopez Building following a two-year retrofitting project.

Beyond the Meralco Operating Center, a total of 48.6 kWp of solar panels in the Company's Antipolo, Marikina, and Roosevelt Business Centers were installed and are expected to be operational in 2025.

Our subsidiaries have also implemented resource conservation and efficiency initiatives, including but not limited to adoption of inverter air-conditioning units, conversion of traditional lighting fixtures to LED, installation of solar panels, and development of smart energy management systems. They also conduct regular inspections and maintenance of fixtures, outlets, and appliances, as well as information campaigns to raise awareness and drive behavioral change among their employee bases. All these efforts form part of our Group-wide RCEP.

C. Scope 3: Controlling Value Chain Emissions

GRI 305-3

EQUITY-APPLIED SCOPE 3 EMISSIONS BY SOURCE (in tCO_2e)

	2022	2023	2024
DU energy sales	33,441,843	36,352,500	37,671,674
Gasoline consumption from rented/contractor-owned vehicles	71	2	47
Diesel consumption from rented/ contractor-owned vehicles	11	5	22
TOTAL	**33,441,925**	**36,352,508**	**37,671,744**

In 2024, our Group-wide Scope 3 emissions amounted to nearly 37.7 million tCO_2e, up from nearly 36.4 million tCO_2e in 2023. This 4% increase was driven by the growth in Meralco's and Clark Electric's primarily fossil fuel-based energy sales.

Our increasing Scope 3 emissions are largely tied to the nation's continued economic growth and Meralco's social responsibility and legal obligation to provide consumers in the Company's franchise area with electricity in the least cost manner, as mandated by Republic Act 9209. While we recognize that the continuous combustion of fossil fuels exacerbates global warming, coal and gas continue to be the most reliable energy sources in the Philippines today and remain as the Company's primary sources of electricity to meet growing demand. Despite this, we, as part of our Long-Term Sustainability Strategy ("LTSS"), are actively expanding the share of RE in our supply portfolio. Through the DU and MPower, we have already contracted a total of 2,279 MW of RE to date, exceeding our initial target of 1,500 MW by the end of the decade, aligned with the Philippine government's Renewable Portfolio Standards.

To drive further reductions in our value chain emissions, we are planning to incorporate GHG emissions as a key criterion in our supplier accreditation and assessment process under the Meralco Supplier Sustainability Scorecard ("MS³") initiative. This ensures that our supply chain partners actively contribute to lowering our overall environmental impact.





BRIGHT SPARKS

Reducing Value Chain Emissions Through *Energy Efficiency & Conservation*

Our subsidiary MSERV champions environmental responsibility by delivering tangible energy-saving solutions to its customers and promoting best practices in smart energy management. The company is both capturing growing demand for sustainability-related services and helping organizations achieve their goals to reduce emissions and cost. At the same time, MSERV's efforts help in reducing Meralco's Scope 3 emissions, as lower energy consumption among customers can result in associated emissions reductions within the value chain.

Recognizing that organizations face challenges in initiating their own sustainability journeys, MSERV also helps businesses start reducing their carbon footprint by providing expert insights and actionable solutions through its energy audits. In 2024, MSERV was tapped for more than 200 energy audit projects across the country, helping its customers identify opportunities to reduce an estimated total of 90,000 tCO_2e in operational emissions.

Through these comprehensive energy assessments, MSERV also enables businesses to reduce their operational costs by optimizing energy use, as well as enhance operational efficiency through retrofits, upgrades, and other innovative solutions such as smart energy monitoring systems.

To complement MSERV's energy efficiency services for commercial and industrial customers, Meralco offers a range of initiatives for residential customers to promote energy conservation and reduce costs. These include Bright Ideas, a customer awareness campaign focused on energy-saving practices; the Appliance Energy Calculator, a smart tool that tracks the energy consumption of household appliances; and publicly accessible cost-to-operate data, which provides details on appliance brands, technical specifications, and their estimated energy usage. Through these initiatives, we empower our customers to make informed choices that help them save on electricity bills.

D. Emissions Intensity: Ensuring Lower-Carbon Energy

GRI 305-4

On top of managing our absolute emissions, we also track our emissions intensity—the amount of GHG emissions (measured in tCO_2e) per unit of output or activity (quantified through GWh in energy sales). This is an important metric for understanding and managing our environmental impact as we support the continued growth of the national economy.

EQUITY-APPLIED SCOPE 1+2 EMISSION INTENSITY (in tCO_2e/GWh)

	2022	2023	2024
Total Scope 1+2 emissions	8,408,587	8,717,168	9,049,187
Energy sales from distribution and generation businesses	61,342	64,253	67,706
Scope 1+2 emission intensity	**137.08**	**135.67**	**133.65**

EQUITY-APPLIED SCOPE 3 EMISSION INTENSITY (in tCO_2e/GWh)

	2022	2023	2024
Total Scope 3 emissions	33,441,925	36,352,508	37,671,744
Energy sales from Meralco and Clark Electric	48,829	51,044	54,144
Scope 3 emission intensity	**684.88**	**712.18**	**695.77**

In 2024, One Meralco's combined Scope 1 and 2 emissions intensity was 134 tCO_2e/GWh, lower than the nearly 136 tCO_2e/GWh recorded in the previous reporting period. Meanwhile, our Group-wide Scope 3 emissions intensity decreased by more than 2% from 712 tCO_2e/GWh in 2023 to 696 tCO_2e/GWh in 2024.

As part of our LTSS, we are implementing substantial measures to progressively reduce our absolute emissions and emissions intensity through and beyond 2030 (versus a business-as-usual scenario) while continuing to expand our customer base and energy sales. Key initiatives include securing additional RE supply contracts and building more RE power plants.

For more information about our efforts to expand the share of RE in our supply mix and power generation portfolio, please refer to the Energy Transition section under the Power pillar.



E. Carbon Offsetting: Restoring Ecosystems to Sequester Emissions

In addition to working to reduce our direct GHG emissions and those within our value chain, we continue to implement a nature-based solution to offset a fraction of our total emissions. Aligned with **SDG 15: Life on Land**, our One for Trees ("OFT") Program—led by the One Meralco Foundation ("OMF") in partnership with several non-governmental organizations and communities—helps sequester emissions while revitalizing local terrestrial ecosystems.

By the end of 2024, Meralco, through OFT, had planted a total of over 2.7 million trees—equivalent to offsetting nearly 59,000 tCO_2e of emissions per year—across different areas in the country. To preserve the country's biodiversity, we only plant species that are indigenous to the Philippines.

For more information about our flagship tree-planting program, please refer to the Biodiversity section.



Special Section

Climate-Related Disclosures

GRI 2-22 | GRI 201-2 | GRI 302-5

One Meralco continues to build on our Group-wide climate risk management efforts from the previous years, striving to align more closely with emerging disclosure requirements and best practices, including the International Financial Reporting Standards (“IFRS”) S2 Climate-related Disclosures requirements. During the reporting period, we refined our previous climate risk scenario analysis to reflect major developments in our businesses. Through our disclosures, we aim to promote transparency and accountability, ultimately providing our stakeholders with a clearer understanding of the implications associated with potential climate-related risks and opportunities across our value chain.





IFRS Pillar
Governance

The Sustainability Committee at Meralco oversees the Company’s sustainability strategy, policies, and programs, including those addressing climate change. The Sustainability Committee functions as an independent body, ensuring focused attention on sustainability issues, including climate change. Chaired by the Chairman of the Board of Directors, the Committee consists of five Directors, including one independent member. Meralco’s Chief Sustainability Officer acts as a non-voting management representative to the Committee.

The Committee’s responsibilities include providing governance oversight, defining roles and responsibilities, and evaluating whether the necessary skills and competencies are available or need to be developed to effectively manage strategies addressing climate-related risks and opportunities. Regular updates are provided to Committee members to keep them informed and support strategic decision-making.

In addition to governance oversight, the Committee plays a crucial role in developing and refining One Meralco’s long-term sustainability strategy (“LTSS”).

It oversees the creation and review of the Group’s sustainability framework, agenda, and policies to ensure alignment with Meralco’s business philosophy and strategic goals. The Committee tracks the Group’s performance against internal targets as well as national, regional, and global sustainability goals. Additionally, it recommends sustainability programs requiring investments of PhP 50 million and above to the Board of Directors for approval, ensuring significant initiatives receive appropriate oversight.

To facilitate effective governance, the Committee convenes periodically as needed to discuss climate-related matters. Regular reports on the Committee’s activities are provided to the Board, and an annual performance evaluation is conducted to assess its effectiveness and set goals for the upcoming year.

The Committee also evaluates ongoing and proposed sustainability programs across the Company’s sustainability pillars: Power, Planet, People, and Prosperity. This comprehensive approach ensures that all aspects of sustainability are considered and integrated into the Company’s operations.



IFRS Pillar
Strategy

At One Meralco, our approach to identifying and understanding climate-related risks and opportunities is anchored in climate scenario analysis. Over the past few years, we have enhanced this analysis through the development of an internal data-driven model of our business, referred to as our ‘digital twin.’ This scenario analysis has allowed the Group to capture business-critical information about the future impacts of climate change on our power generation and distribution assets, customer office locations and potential financial performance.

The climate scenario analysis assesses Meralco’s power businesses in the Philippines: the Distribution Utility (“DU”), its various retail electricity suppliers (“RES”), and Meralco Power Generation Corporation (“MGEN”), which includes MGen Renewable Energy, Inc. (“MGreen”), including its subsidiary Terra Solar Philippines, Inc., as well as Global Business Power Corporation (“MThermal”). PacificLight Power Pte. Ltd. in Singapore is not included.



APPROACH TO IDENTIFYING CLIMATE-RELATED RISKS

Our climate scenario analysis assessed both transition and physical risks. We have analyzed three distinct climate change scenarios and their potential implications for One Meralco. These scenarios produce a range of outcomes when evaluating climate risk and are based on the Shared Socioeconomic Pathways ("SSPs") framework from the Intergovernmental Panel on Climate Change ("IPCC"). The SSPs model possible future societal changes, including shifts in policies, consumer behavior, and investor sentiment.

The three selected scenarios, detailed below, allow for a comparative analysis of both physical risks and transition risks.

Scenario	Mode SSP	Average temperature rise compared to pre-industrial levels by 2100	Description
Business-as-Usual ("BAU")	SSP5-8.5	>4˚C	In this scenario, the world takes limited or no actions to limit greenhouse gas ("GHG") emissions with reduction targets slowed down, with a global emissions increase of 200% by 2100.
Philippines' Commitment	SSP 2-4.5	2.5˚C	In this scenario, the world implements stated government policies (e.g., carbon pricing policies to meet the Philippines' Nationally Determined Contributions, or NDCs, as a party to the Paris Agreement) to lower emissions with no further actions taken and emissions do not reach net zero by 2100.
1.5-Degree Warmer World	SSP 1-1.9	1.5˚C	This scenario aims to limit global warming to 1.5˚C, in line with the Paris Agreement's ambition in achieving global net-zero emissions by 2050, through immediate and coordinated action to curb emissions.

Each climate risk has been assessed independently, assuming there are no interdependencies or trade-offs between them. Due to the lag time between GHG emissions and their impact on the climate, the mid-term forecast (i.e., over a 10-year period) for climate physical risk is expected to remain relatively stable. However, as we extend our outlook to longer timeframes, particularly up to 2050, the uncertainty surrounding physical risk increases, leading to greater divergence in the results across various scenarios.

The climate scenario analysis has not taken into account our strategic goals outlined in One Meralco's LTSS. Nevertheless, the results of the climate risk assessment have played a role in shaping our financial planning, investments, and overall strategy.

CLIMATE RISK ASSESSMENT RESULTS

This report provides a qualitative assessment of each risk and its implications, evaluating their significance to Meralco across various time frames: short-term (up to 5 years), medium-term (up to 10 years), and long-term (extending to mid-century). We are committed to enhancing our analysis and plans to present quantitative findings, using "Earnings Value at Risk" as a financial metric, in our future integrated reports.

Transition Risks Assessed and their Potential Impacts to One Meralco

Risk, Materiality and Time Horizon	Potential impact on One Meralco	BAU Scenario	Philippines' Commitment Scenario	1.5-Degree Warmer World Scenario
Carbon Policy Risk *Material risk for MGEN in the short- and medium- terms.*	A price or tax on carbon could increase the relative cost of electricity generated from fossil fuel-fired power plants. Such increases could reduce demand for electricity sourced from fossil fuels that MGEN generates and the DU distributes. This may impact Meralco's decisions in owning, operating, or selling fossil fuel-fired power generation assets.	Beyond the BAU scenario, there could be increasingly higher costs of carbon tax liability and overheads. In the BAU scenario, there is no carbon tax liability because carbon pricing or any other mechanism is not implemented.	The Philippines' Commitment scenario introduces the necessary carbon pricing to align with the Philippines' NDCs. The most significant costs arise in the scenario targeting a limit on global warming to 1.5 ˚C, where carbon prices could soar to PhP 3,000/tCO_2e.	
Technology Risk *Material risk for MGEN in the short- and medium-terms.*	As policy and/or market forces push power companies to phase out fossil fuels, MGEN may need to upgrade existing assets that rely on fossil fuels and/or use energy inefficiently. If carbon-intensive assets are devalued, MGEN may incur impairment and asset write-off costs. In addition, MGEN could incur major capital investment and operational costs to research, develop, scale, and deploy lower-carbon technologies to replace fossil fuel-based assets.	**High capital investment and operational costs across scenarios** Overall, high capital investment and operational costs are prevalent across all scenarios. Technology risk is particularly pronounced for fossil fuel-based power generation assets, especially in the scenario aimed at limiting global warming to 1.5°C, where significant emissions reductions are required. This would, in turn, necessitate the early decommissioning of emission-intensive power generation facilities.		
Investor Market Risk *Material risk for MGEN in the short- and medium-terms.*	Amid a trend of investor divestment from assets that are exposed to climate-related risk factors, MGEN, a carbon-intensive business, could face increasing scrutiny and challenges to attract investment. This sentiment could drive a higher cost of capital.	**Increasingly higher cost of debt and lower market value of equity** As a power generation business that relies heavily on fossil fuels, MGEN is poised to face increasingly higher costs of debt and a lower market value of equity across all scenarios, assuming no changes are made to its business model. This impact will be most pronounced in a 1.5-Degree Warmer World, where many financial institutions could exit the fossil fuel sector from their investment portfolios to align with net-zero ambitions. Consequently, equity and debt financing will become more expensive, potentially making it challenging for MGEN to pursue mergers and acquisitions or attract investments.		

Risk, Materiality and Time Horizon	Potential impact on One Meralco	BAU Scenario	Philippines' Commitment Scenario	1.5-Degree Warmer World Scenario
Liability Risk *May not be material for One Meralco in the short- or medium-terms, given the legislative environment in the Philippines and the historical trajectories of climate-related cases in the region.*	One Meralco could face lawsuits for causing harm related to climate change, with greenwashing claims and public nuisance litigation and lawsuits against directors and officers.	**Increasingly higher legal settlement and compensation costs** Legal settlement and compensation costs are expected to rise, particularly under the BAU and 1.5 °C scenarios. In the high-emissions BAU scenario, the number of public nuisance and pollution cases is anticipated to increase rapidly. Meanwhile, in the low-carbon to 1.5 °C scenario, there will likely be a rise in greenwashing claims and lawsuits against directors and officers.		
Consumer Market Risk *Material for the DU and RES in the short- and medium-term.* .	Consumer preference for electricity generated from lower-carbon emission technologies could impact revenue. Electricity provided to residential customers is the largest contribution to Meralco's revenue. However, commercial and industrial customers may prefer to purchase retail electricity services from other licensed or authorized suppliers. End-users with a monthly average peak demand of 100 kW for the past 12 months can sign up for the Department of Energy's Green Energy Option Program.	**Increasingly higher impact on revenue** The impact on revenue is expected to increase as end-users increasingly prefer to purchase energy from cleaner sources rather than traditional ones. This risk is heightened under more ambitious climate pathways, as a larger share of the population and corporations adopt sustainable practices that align with a warming limit to 1.5°C trajectory. The modelling acknowledges that the impact is nuanced, depending on the sources of energy; coal and diesel are viewed more negatively compared to natural gas, while renewables are perceived positively.		
Reputational Risk *Material for MGEN in the short-and medium-term.*	Negative stakeholder views on One Meralco's sustainability strategy and performance may adversely impact revenue.	**Increasingly higher impact on revenue** A growing impact on revenue is anticipated across all scenarios due to a decline in demand for fossil fuel-generated electricity, particularly in a 1.5 °C scenario, where global concerns about meeting emission reduction targets are expected to shift public opinion against major corporations that have historically engaged in carbon-intensive practices.		

Physical Risks Assessed and their Potential Impacts to One Meralco

Physical Risk (DU and RES)

Revenue Impact: Across all scenarios and by mid-century, revenue may be impacted due to the increasing risk of extreme droughts/water stress and typhoons. These climate perils could impact revenue, as Meralco's headquarters, Business Centers, and Sector Offices could close operations and customer payments could be disrupted.

Asset Damage: Across all scenarios and by mid-century, Meralco's distribution and other network assets could be damaged by the increasing risk of typhoons.
By integrating these insights, we are better equipped to assess the materiality of individual risks within our defined time horizons. This thorough understanding informs our strategic decision-making and enhances our resilience in the face of climate-related challenges, ultimately supporting our commitment to sustainable growth and value creation for our stakeholders.

Physical Risk (MGEN)

Revenue Impact: Across all scenarios and by mid-century, revenue may be impacted due to the increasing risk of extreme droughts/water stress and heatwaves. These climate perils could impact business operations and reduce the energy production capacity of MGEN's power plants.

Asset Damage: Across all scenarios and by mid-century, future typhoons could cause the most damage to MGEN's power plants. Coastal and riverine flooding could also cause some asset damage.

CLIMATE RESILIENCE

We are committed to enhancing our organization's climate resilience in response to the increasing risks posed by climate change. Our Group-wide LTSS includes our response to the effects identified in the climate-related scenario analysis, with the end goal of becoming coal-free by 2050.

For more information about our LTSS, as well as details of our investment in addressing climate-related risks and pursuit of climate-related opportunities, please refer to Our Outlook & Strategy.







CLIMATE OPPORTUNITIES

In light of the impacts the climate scenario analysis and risk assessment have illustrated, One Meralco is considering the following climate opportunities:

Products/Services: Decarbonization of Existing Power Generation Assets

We are investing in gradually transitioning away from coal as a source of energy. Meralco plans to end energy sourcing from coal upon the expiry of our Power Supply Agreements ("PSAs"). This strategic move reflects our Group's commitment to enabling decarbonization across sectors, meet customer demand for cleaner alternatives, and aid in meeting the Philippines' climate goals. Before the expiry of PSAs of coal power plants, MGEN is exploring carbon capture, utilization, and storage ("CCUS") and co-firing with coal to reduce emissions from current operations.

For future investments, MGEN is focused on developing dispatchable low-carbon power solutions. This includes exploring options such as combined cycle gas turbines ("CCGT") combined with green hydrogen and advanced small modular reactors ("SMRs") for baseload power generation. These technologies represent a significant opportunity for MGEN to provide reliable and cleaner energy while minimizing environmental impact.

Further information about our decarbonization levers is detailed in the Building the Future of Energy by 2050 section under Our Outlook & Strategy.

Products/Services and Resource Efficiency: Grid Hardening, Grid Modernization and Smart Grid Initiatives

To support the electrification of transportation and other sectors, Meralco is exploring significant investments in the hardening and modernization of its distribution network. These potential investments are essential not only for meeting the Philippines' climate goals but also for enhancing the resilience and flexibility of the energy system. Modernization could also enable an interconnected grid capable of accommodating high shares of variable renewable energy, which is crucial for ensuring a reliable energy supply.

Meralco is exploring demand-side management strategies to optimize energy consumption and reduce peak demand. By actively managing how and when energy is used, the Company can enhance grid stability and minimize the need for additional generation capacity.

Further information is detailed in the Innovation section under Prosperity.







IFRS Pillar
Risk Management

Meralco's Enterprise-Wide Risk Management Office ("EWRMO") and the Sustainability Office ("SO") work closely to facilitate an integrated, organization-wide risk management process. This allows the entire Group to identify and evaluate climate-related risks across different business units and functions.
The EWRMO leads a formal risk assessment process twice a year, which starts with the Risk Champion from each business unit and subsidiary, moving to the risk owner, and finally involving Meralco's senior management and the Board-level Risk Management Committee.

To complement the formal risk management process, the Sustainability Strategy and Reporting unit under the SO monitors trends and developments in the sustainability space to ensure that climate-related risks are identified and assessed appropriately and in a timely manner while also being considered in One Meralco's LTSS as necessary. Improvements to the LTSS are carried out in collaboration with various business units, such as MGEN, MPower, Networks, and the Regulatory Management Office. Lastly, as outlined in the Strategy section, Meralco has conducted scenario analysis exercises to better identify and assess climate-related risks and opportunities.



IFRS Pillar
Metrics and Targets

One Meralco uses the following key climate-related metrics, which are all monitored monthly, quarterly, and annually by the Group:

- **For Scope 1:**
  - Emissions from fossil fuel combustion (coal, diesel, natural gas) by power plants
  - Emissions from gasoline and diesel combustion by company-owned vehicles
  - Emissions from SF_6-insulated distribution network equipment

- **For Scope 2:**
  - Emissions from the generation of electricity purchased from the grid and used to power company-owned facilities
  - Emissions from the generation of electricity lost during the delivery
  - of electricity to customers (i.e., system loss)

- **For Scope 3:**
  - Category 11: Use of Sold Products - Emissions from the generation of electricity procured by Meralco and Clark Electric from power generators then sold to customers
  - Category 3: Fuel- and energy-related activities - Emissions from gasoline and diesel combustion by rented/contractor-owned vehicles

In defining the boundaries of our emissions inventory, One Meralco abides by the GHG Protocol, a universally recognized standard developed by the World Resources Institute ("WRI") and the World Business Council for Sustainable Development ("WBCSD") for measuring and monitoring GHG emissions.

We have established the following key climate targets as part of our LTSS: 14% reduction in Group-wide overall emissions by 2030 vs. business as usual ("BAU") 9% reduction in Group-wide Scope 1 emissions by 2030 vs. BAU

Moving forward, we will adopt metrics that will provide the Group a clearer understanding of the climate-related risks and opportunities we need to manage and capture, respectively. For climate-related risks, these may include the number and financial value of One Meralco's assets at risk of damage from climate hazards such as typhoons. Meanwhile, possible metrics for climate-related opportunities may include the revenues generated by the Group from capitalizing on these opportunities.

Further information is detailed in the Climate Change Mitigation section.

Air Quality

Maintaining Breathable Air

GRI 305-6 | GRI 305-7 | SASB IF-EU-120

Globally, electric utilities are a major source of air pollution with significant implications for both the environment and human health. At One Meralco, we strive to manage our impacts, and minimize the risk of regulatory action, by maintaining our non-GHG emissions within the acceptable thresholds set by the Philippine Department of Environment and Natural Resources ("DENR"), aligned with the Philippine Clean Air Act.



As a result of our efforts, MGEN's thermal facilities, which are ISO 14001:2015-certified, have met the standards for non-GHG air pollutants set by the DENR Environmental Management Bureau in each of the past three years.



CONCENTRATION OF AIR POLLUTANTS RELEASED BY MGEN'S POWER PLANTS[33] (in mg/Nm³)

	2022	2023	2024
Nitrogen oxides (NOx)	156	154	308
Sulfur oxides (SOx)	338	221	204
Particulate matter (PM_{10})	4	7	18

In 2024, MGEN's NOx emissions concentration increased from the previous year following the recommissioning of its PPC 3 and PPC 4 plants. Particulate matter concentration likewise rose by 157%. However, SOx emissions saw an 8% decline. All three concentrations remain within the legal limits prescribed in the Clean Air Act.[34]

Going forward, MGEN will explore ways to monitor other air pollutants such as persistent organic pollutants ("POP"), volatile organic pollutants ("VOC"), lead (Pb), and mercury (Hg) to better manage its power plants' impacts on air quality.

[33] Power plants included: Toledo Power Company ("TPC") 1A, Cebu Energy Development Corporation ("CEDC"), and Panay Energy Development Corporation ("PEDC") 1, 2 & 3
[34] Legal limits: NOx 1,500, SOx 1,500, and PM 150.

Water & Effluents

Conserving a Scarce Resource

GRI 303 | SASB IF-EU-140

Despite having ample freshwater resources, the Philippines has been facing water scarcity since 2017, with a national water availability of just 1.3 megaliters ("ML") per capita—0.3 ML below the threshold for water stress. In addition to this, 40 million Filipinos do not have access to clean and potable water and still rely on unsafe water sources. To help address these interrelated challenges, One Meralco implements various initiatives aimed at managing the Group's water consumption without exacerbating water stress and treating wastewater to protect water quality within our areas of operation.



WATER MANAGEMENT METRICS OF MGEN (in megaliters)

	2022	2023	2024
Withdrawn	1,201,625	1,468,928	1,464,320
Consumed	616	222,101	5,160
Discharged	1,201,009	1,246,827	1,459,160
Recycled	149	249	282

In 2024, MGEN, which accounts for more than 99% of our Group-wide water use each year, extracted nearly 1.5 million ML of water—representing a decrease of 0.3% versus 2023—from different sources to cool its coal-fired power plants during operations via a once-through process. Ninety-nine percent (99.65%) of this water, which was withdrawn from surface water, groundwater, seawater, and utility water, was treated before being safely discharged back to the sea.

To further minimize the adverse ecological impact of its power plants and help ease global freshwater scarcity, MThermal, a fully owned subsidiary of MGEN, has rolled out a wastewater management program across its facilities in the Visayas at a low cost. Initiatives under this program include but are not limited to recycling of deep well reverse osmosis reject water (for backwash, fire hydrants, and plant-watering service), conversion of closed-loop seawater pump cooling systems to open systems, and diversion of effluents to rainwater to desalination plants. Thus far, MThermal has spent only PhP 600,000 on this program, which was only used for the last initiative, as each project required either internal process modifications or materials and equipment that were readily available in the company's facilities.

From the Distribution Utility perspective, we have made significant strides in reducing our freshwater consumption and associated operating costs as part of RCEP. In 2024, we equipped key Meralco facilities—including the Meralco Operating Center, 10 Sector Offices, the Sub-Transmission Services Facility, and three support facilities (the Powerbase Lineman's Training Camp, the Pagbilao Service Center, and the Pala-pala Stores)—with sewage treatment plants ("STPs") utilizing advanced sequencing batch reactor ("SBR") technology. This technology effectively treats wastewater by optimizing the removal of organic matter and nutrients, in compliance with DENR's general effluent standards.

To reduce the volume of freshwater we use, as well as the quantity of treated wastewater discharged into the environment, we invested in a cutting-edge tertiary treatment facility ("TTF") at the Meralco Operating Center. The TTF further purifies the SBR-treated water to stringent quality standards, enabling us to reuse the high-quality effluent in our cooling towers. By doing so, we are not only compliant with the Philippine Clean Water Act but also advancing sustainable water management practices across our operations. As a result of this initiative, by the end of the reporting period, we had successfully reduced Meralco's water consumption by 10% compared to the previous year—exceeding our year-end target of 5%.



BRIGHT SPARKS

Innovating for Water Reclamation

In 2024, Maynilad, one of the two major water supply and wastewater service providers in the Greater Manila Area, partnered with MSERV as its chosen contractor to construct its new STPs in the cities of Pasay and Parañaque, as well as modernize its water reclamation facility in Muntinlupa. Aimed at meeting the updated water quality guidelines and general effluent standards under the DENR Administrative Order No. 2021-19, these upgrades enhance the STPs' treatment capacity and efficiency, ensuring compliance with the DENR's stringent standards for wastewater management. MSERV handled the design and construction of all civil and electrical non-process equipment and non-process auxiliary equipment for the project.

A key component of the project is the introduction of advanced treatment processes to further purify effluent from the STPs. This innovative approach, which is the first in the country, produces "NEW WATER", a high-quality, potable-grade water source. By transforming treated wastewater into a reusable resource, the project helps reduce the reliance of Metro Manila's West Zone on freshwater sources and can help address the country's water scarcity problem.

Looking ahead, Maynilad will upgrade its Cupang Water Reclamation Facility this year to meet the updated DENR standards, once again tapping MSERV as its trusted engineering partner.

Material Consumption & Waste Management

Optimizing Resource Utilization

GRI 306-1 | GRI 306-5

Each year, the Philippines generates a staggering 3 million tonnes of food waste from households alone and nearly 2.5 million tonnes of plastic waste. Meanwhile, 1 billion tonnes of waste fly ash is produced from coal-fired power plants worldwide. These waste challenges highlight the urgent need for proper systems to prevent waste from polluting land and the ocean. One Meralco responds by addressing the root cause of the problem—the linear take-make-dispose model of resource consumption—with policies and programs that help operationalize the three Rs of waste management: reduce, reuse, and recycle. Materials that inevitably reach their end-of-life are disposed of in compliance with national waste management standards.

To streamline and improve waste management practices and initiatives across One Meralco, we continue to implement our Race to Zero Waste ("RZW") Program. With the goal of reducing the impact of our Group on landfills and the ocean, our RZW Program covers all our offices, Sector Offices, Business Centers, substations, and other facilities we own and manage. The RZW Program was built on the success and momentum of our Group-wide ban on single-use plastics ("SUP") that began in 2019. The SUP ban currently covers all One Meralco offices and facilities and extends to the Group's suppliers.

AMOUNT OF SOLID WASTE TREATED OR DISPOSED OF BY MERALCO (in tonnes)

	2022	2023	2024
Biodegradable	2,133	1,562	1,730
Recyclable	411	403	316
Residual	116	105	117
TOTAL	**2,660**	**2,070**	**2,163**

Meralco has achieved a more effective and efficient monitoring and segregation of waste by implementing a more robust waste management system founded upon a comprehensive waste analysis and characterization study. We have deployed more labeled waste segregation bins, established materials recovery facilities ("MRFs"), and facilitated employee awareness campaigns. In 2024, the Company generated a total of 2,163 tonnes of solid waste, up by more than 4% from 2023, due to more tree trimming activities, resumption of corporate events, and holiday celebrations.

During the same reporting period, we successfully diverted all of Meralco's biodegradable and recyclables wastes—representing 95% of the Company's total waste generated—as a result of strict adherence to national waste management policies and Company-specific guidelines, expansion of waste management facilities, and better employee awareness campaigns. Meralco's biodegradable waste, which made up nearly 80% of the Company's total waste in 2024, was processed through mechanized dual-drum composting units. This process resulted in the production of six tonnes of high-quality compost by the end of the year. Additionally, waste trimmings from routine maintenance activities were donated to local government units ("LGUs") for composting and waste-to-energy initiatives.

Our Race to Zero Waste Program extends to our subsidiaries. For instance, MGEN focuses on coal ash recycling in its power plants. In 2024, the coal ash recycling rates at MGEN's facilities in Cebu and Panay increased by 16% compared to the previous year, resulting in the diversion of over 154,000 tonnes of waste coal ash from landfills. This was a result of better implementation of coal ash waste management and recycling on these sites.

Meralco and MGEN's thermal plants hold ISO 14001 certifications, which attests to the robustness of our Group's environmental management systems.

Biodiversity

Managing Our Impact on Ecosystems



The power industry, particularly through the development of infrastructure such as substations, utility poles, and power plants, can significantly impact ecosystems. For instance, land use changes, habitat fragmentation, and pollution (including air, water, noise, and light) from power generation—whether from fossil fuels or even RE sources—can severely disrupt and harm local wildlife. Moreover, the sector's GHG emissions drive climate change, which adds pressure on threatened species by altering habitats and weather patterns.

Recognizing the adverse impacts of our business on nature, One Meralco strictly adheres to all relevant biodiversity laws and regulations in the Philippines. This includes conducting thorough environmental impact assessments before constructing new facilities and ensuring that their potential adverse effects on local ecosystems are properly identified and mitigated through their construction and operational phases.

Beyond mere compliance, our Group also strives to contribute to the restoration of local biodiversity through our OFT Program. This initiative under OMF prioritizes the planting of indigenous tree species, which are crucial for maintaining and restoring the integrity of local ecosystems and supporting native wildlife.

OFT helps in rehabilitating damaged and threatened forests and watersheds across the country while providing a reliable source of income to local communities that provide support in our tree-planting activities.

In 2024, our Group planted over 84,600 new trees through OFT—including 4,000 trees at the Meralco Operating Center as part of Meralco's PowerPlants initiative—bringing our total to over 2.7 million trees across the Philippines. Of these, nearly 1.7 million were directly contributed by MGEN. Ultimately, we aim to plant and ensure the sustainable growth of 5 million trees by 2030 through this biodiversity program—40% of which will be covered by MGEN.

PEOPLE

Nurturing Sustainability *from Within*

Talent Attraction & Retention

Growing and Developing Our Tribe of Game Changers

page 132

Labor & Human Rights

Upholding Our Workers' Dignity

page 146

Occupational Health & Safety

Protecting Our Employees from Harm

page 149

Diversity, Equity & Inclusion

Ensuring Fair Treatment & Equal Participation of All Employees

page 154



Our employees are our greatest source of light.

At the heart of One Meralco's legacy and continued success is our diverse and driven talent pool—comprised of the brightest minds in the Philippine power industry. Recognizing that our people are the main driving force that propels our organization forward, we place immense value in nurturing a culture rooted in merit, dignity, and sustainability.

We ensure that employees across our Group receive compensation and benefits that enable them to not only fulfill their daily needs but also further their personal goals. To help them reach their full potential, we provide many avenues for professional development, social engagement, and community involvement.

We also prioritize maintaining a safe and secure workplace where our employees feel respected and protected across all levels of the organization. To this end, our Group sets policies and takes proactive measures to safeguard the health and fundamental rights of our employees, exemplifying the premium we put on **SDG 8: Decent Work and Economic Growth.**

Last but not least, we champion diversity, equity, and inclusion ("DEI") across One Meralco to affirm our commitment to the fair treatment and equal participation of all our employees. Guided by **SDG 5: Gender Equality** and **SDG 10: Reduced Inequalities**, we implement programs designed to not only increase women's representation in the Distribution Utility's ("DU") workforce but also foster a discrimination-free environment where everyone is empowered to succeed.

As we continue to transform our sustainability vision into action, our people at One Meralco remain our torchbearers who will lead us towards a better and brighter future.





Performance Highlights

20.53
average training hours per employee

51M
safe person-hours

24.6%
female representation in the workforce



KEY INPUTS
(Human Capital)

17,407
permanent and probationary employees

2,216
fixed-term and project-based employees

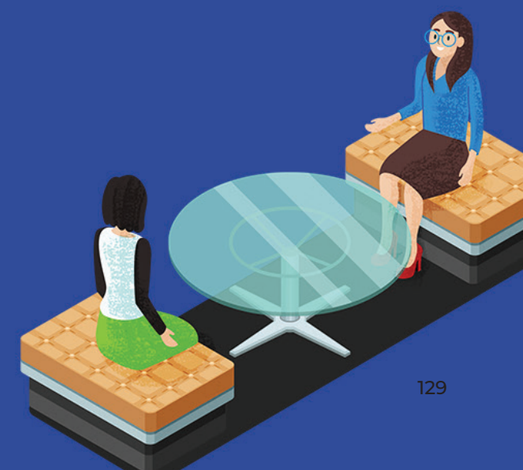
PhP 4.93M
donated by DU employees to CSR programs

KEY OUTCOMES
(Human Capital)

91.8%
DU employee satisfaction

1.42
DU lost time injury frequency rate ("LTIFR")

–0.12%
DU gender pay gap



STORIES OF LIGHT

Powering Women's Future Energy



Men have long made up the majority of the energy industry—today, we are helping women rewrite the narrative and prove that power knows no gender. In support of Meralco's #Mbrace Diversity & Inclusion Program, we are actively opening doors for women in the power sector, helping break down barriers as they step into roles where they have long been underrepresented. Our goal is to spark change, challenge norms, and lead the way towards a more diverse and inclusive energy sector. To this end, we offer scholarship programs that equip women with the skills and resources they need to thrive in the industry.

Through the DU's Women Technician Scholarship Program, aspiring female technicians receive full scholarships and hands-on training from Don Bosco College-Canlubang in Calamba, Laguna, as well as accreditation from the Technical Education and Skills Development Authority ("TESDA"). Since 2022, this technical-vocational scholarship program has opened new career paths for 37 women, helping them gain the expertise needed to join Meralco's workforce.

At the university level, we have created the MpowHER scholarship program to encourage more women to join the power sector. Through this initiative, which was also launched in 2022, we provide financial support and mentorship to deserving female electrical engineering students to enable them to graduate, pass the board exam, and enter the industry with confidence.

In 2024, we set a landmark for DEI in the Philippine power sector when three of our female line crew members became pioneers in electric power distribution line work. Nicole Levita (Plaridel Sector, Maintenance), Mary Rose Astor (Pasig Sector, Maintenance), and Christine de Castro (Sub-Transmission Lines) made history for being the first female recipients of the TESDA Electric Power Distribution Line Construction National Certificate ("NC") Level II. Held in March 2024 at the Meralco Power Base in Antipolo, Rizal, the certification assessment saw 30 candidates (comprised of both men and women) undergo rigorous testing of their theoretical knowledge and practical skills in installing, maintaining, and repairing distribution lines. TESDA assessors and industry experts conducted the evaluation, ensuring that the highest standards of excellence were met.

As we continue powering the future, we envision an industry where gender is no longer a barrier but a source of strength. We will continue to expand our scholarship and training programs to help many more women enter and flourish in a more inclusive power sector.

"Ang pagpasa ko sa NC II ay hindi ko lamang tagumpay kundi pati na rin ng mga kapwa ko babaeng gustong pumasok sa ganitong uri ng trabaho. Pakiramdam ko ay napansin at nakita kaming mga kababaihan dahil sa parangal na ito."
— Nicole Levita

"Hindi ko itinuturing na kahinaan ang pagiging babae ko. Ito ang naging motivation ko para mas maipakita at mapatunayan ang sarili ko. Mas napapansin din ang galing at kakayahan ko dahil sa dedikasyon ko bilang isang babae sa trabahong ito. Pero ang pinakamahalagang natutunan ko dito ay wala kang kailangan patunayan kung dedicated ka sa lahat ng ginagawa mo."
— Mary Rose Astor

"We light the way for the future—let's keep reaching higher and achieving more because there's no limit to what we can accomplish together."
— Christine de Castro

Talent Attraction & Retention

Growing and Developing Our Tribe of Game Changers

GRI 2-7 | GRI 2-8 | GRI 401 | GRI 406 | GRI 405

Human capital—encompassing the knowledge, skills, and time invested by individuals to meaningfully contribute to society—is the driving force behind any successful organization. At One Meralco, we rely on a highly skilled labor force, particularly engineers and technicians. However, with a limited pool of such specialized talent in the Philippines, attracting and retaining these individuals remains a key priority and challenge for our organization. As such, our Group's focus on talent management goes beyond just simply building a technically competent workforce—it is about holistically fostering development opportunities that not only empower our people to lead flourishing lives and careers but also inspire them to make positive contributions to society.



Led by Meralco's Human Resources and Corporate Services department, we craft policies and implement a suite of industry-best programs across One Meralco to draw and develop promising Filipino talent.

Through Meralco's HR Business Partners, who are strategically assigned to major groups within One Meralco, talent acquisition strategies and employee development, engagement, and retention initiatives in our Group are developed and implemented in a cohesive and unified manner. This ensures our entire workforce remains not only competitive but also aligned with the standards of productivity and excellence we uphold at Meralco.



A. Hiring & Onboarding: Welcoming New Employees

Our Group's recruitment process is built on the principles of fairness and meritocracy. Positioning ourselves as an equal opportunity employer, we assess and hire candidates based on skills, experience, and potential, ensuring that factors such as age, gender, socioeconomic status, religion, and ethnicity, do not stand in the way of opportunity. This allows us to continuously attract high-caliber individuals capable of meeting the rapidly evolving needs of our businesses.

MERALCO DU EMPLOYEES BY EMPLOYMENT STATUS

	2022		2023		2024	
	MALE	FEMALE	MALE	FEMALE	MALE	FEMALE
Permanent	4,481	1,239	4,518	1,262	4,531	1,333
Probationary	150	60	122	66	112	51
Fixed-term and project-based	230	90	218	90	190	85
SUBTOTAL	**4,861**	**1,389**	**4,858**	**1,418**	**4,833**	**1,469**
OVERALL		**6,250**		**6,276**		**6,302**

SUBSIDIARY EMPLOYEES BY EMPLOYMENT STATUS

	2022		2023		2024	
	MALE	FEMALE	MALE	FEMALE	MALE	FEMALE
Permanent	4,796	1,970	4,079	1,795	8,159	2,641
Probationary	260	408	341	633	213	367
Fixed-term and project-based	6,180	1,138	6,096	1,288	1,619	322
SUBTOTAL	**11,236**	**3,516**	**10,516**	**3,716**	**9,991**	**3,330**
OVERALL		**14,752**		**14,232**		**13,321**

In 2024, One Meralco's workforce comprised a total of 19,623 employees, down by over 4% from 2023 as a result of CFS's downsizing.

Meralco's fresh hires are seamlessly integrated into the organization through the Company's virtual onboarding program, Orange Plug-in ("OPI") Online, which acquaints them with the organization's history, mission, vision, and core values, as well as current businesses and initiatives. OPI Online, comprising both guided and self-paced learning sessions, also features special modules on sustainability, DEI (specifically gender equality), corporate governance, and data privacy. The platform also allows users to learn more about Meralco's corporate policies, productivity tools, compensation and benefits, and opportunities for professional development. Each of our subsidiaries also conducts their own onboarding program tailored to the needs of their respective industries as well as their own internal talent requirements.



B. Remuneration: Rewarding Excellence and Productivity

GRI 2-19 | GRI 405-2

As the Philippines' leading electric utility, Meralco offers competitive and rewarding compensation and benefits packages to employees who deliver outstanding service. We practice market pay competitiveness across all job levels and positions as well as internal pay equity to make sure that compensation is proportional to the role's value and the employee's contributions to the Company.

In principle, Meralco's remuneration philosophy is about fulfilling employees' basic needs while opening opportunities for personal financial security. The base salary ranges we offer are well above minimum statutory levels and are competitive within both our industry and the general business community. We benchmark against our peers, in partnership with Willis Towers Watson, to ensure that the compensation and benefits we offer remain in line with best practices. Meralco's employees can expect salary growth over time through annual merit increase and promotion programs.

On top of competitive salaries, Meralco also offers incentives that link individual employee performance to the Company's success (including in sustainability), fostering a sense of ownership of and commitment to our organization's achievements.

Our variable incentives are directly tied to performance targets approved by the Board Remuneration and Leadership Development Committee, with recognition granted only upon the successful achievement of the defined targets. This approach is aligned with our performance-based incentive philosophy, designed to ensure high quality of work.

A broad employee benefits program complements these financial incentives, going beyond legal requirements and covering paid leave as well as best-in-class health and life insurance, retirement plans, and subsidies for rice, transportation, and mobile communication. Our subsidiaries also have their own remuneration packages aligned with the compensation and remuneration standards specific to their respective industries.

MATERNITY LEAVE

		2022	2023	2024
Entitled to leave	MERALCO DU	1,299	1,328	1,384
	SUBSIDIARIES	3,065	3,462	3,060
Took leave	MERALCO DU	87	110	276
	SUBSIDIARIES	176	159	237
Returned after leave[35]	MERALCO DU	86	110	276
	SUBSIDIARIES	137	154	188
Returned and still employed 12 months after leave[35]	MERALCO DU	80	107	99
	SUBSIDIARIES	126	145	181

PATERNITY LEAVE

		2022	2023	2024
Entitled to leave	MERALCO DU	4,631	4,640	4,543
	SUBSIDIARIES	5,741	5,415	4,969
Took leave	MERALCO DU	200	236	225
	SUBSIDIARIES	197	192	275
Returned after leave[35]	MERALCO DU	200	236	225
	SUBSIDIARIES	190	190	274
Returned and still employed 12 months after leave[35]	MERALCO DU	198	230	220
	SUBSIDIARIES	183	186	271

SOLO PARENT LEAVE

		2022		2023		2024	
		MALE	FEMALE	MALE	FEMALE	MALE	FEMALE
Entitled to leave	MERALCO DU	11	24	11	28	9	22
	SUBSIDIARIES	1,063	491	19	72	1,071	117
Took leave	MERALCO DU	11	23	11	28	32	106
	SUBSIDIARIES	9	79	21	83	16	119
Returned after leave[35]	MERALCO DU	11	23	11	38	32	106
	SUBSIDIARIES	9	79	21	83	7	118
Returned and still employed 12 months after leave[35]	MERALCO DU	9	23	11	26	28	106
	SUBSIDIARIES	9	74	15	85	7	103

[35] Includes employees who took their parental leave in the previous reporting period then returned to work during the current reporting period

The satisfaction of Meralco's employees with their remuneration packages and the Company's overall work environment is evident in the high return-to-work rate among those who took parental leave. For instance, 100% of employees who took parental leave in 2024 chose to return to work with the Company after completing their leave.

We are committed to supporting new parents in our organization as they return back to work after completing their parental leave. For instance, Meralco provides dedicated lactation rooms for new mothers across our premises, including our head office, Business Centers, and Sector Offices. Moreover, through our iFLEX program, we offer flexible work arrangements, such as hybrid setups and flexible work hours, to help ease the transition for employees returning from parental leave. This program is available for non-field and non-customer-facing positions, helping parents to better balance their professional responsibilities with their family needs and personal well-being.



C. Training & Development: Investing in Professional Growth

GRI 404

Training and development are key to unlocking the full potential of our employees. As such, One Meralco offers a wide range of training courses and professional development opportunities designed to not only ensure our employees possess the essential technical competencies needed for their current roles but also prepare them to grow into future leaders within the energy sector. Recognizing our Group's dependence on a highly specialized workforce in a rapidly evolving industry, we invest in programs that strengthen our internal capabilities while also contributing to the nation's progress.

AVERAGE TRAINING HOURS FOR MERALCO DU EMPLOYEES BY RANK

	2022		2023		2024	
	MALE	FEMALE	MALE	FEMALE	MALE	FEMALE
Senior management	38.3	31.2	44.9	29.8	29.4	30.9
Middle management	38.7	38.6	47.8	36.3	30.9	26.8
Rank and file	49.4	35.2	66.3	36.8	57.0	35.1
WEIGHTED AVERAGE	**45.5**	**34.0**	**59.4**	**34.4**	**49.5**	**31.6**
OVERALL AVERAGE		**42.9**		**53.8**		**45.4**

AVERAGE TRAINING HOURS FOR SUBSIDIARY EMPLOYEES BY RANK

	2022		2023		2024	
	MALE	FEMALE	MALE	FEMALE	MALE	FEMALE
Senior management	11.1	4.7	29.8	43.2	13.3	15.9
Middle management	2.6	8.4	23.0	19.0	14.6	9.5
Rank and file	7.7	5.0	6.6	3.0	6.1	7.4
WEIGHTED AVERAGE	**3.6**	**7.0**	**6.7**	**4.5**	**8.0**	**8.7**
OVERALL AVERAGE		**4.6**		**6.3**		**8.5**



In 2024, Meralco rolled out technical and leadership training courses amounting to a total of 283,539 training hours, equivalent to an average of over 45 training hours per employee. This 16% decrease from 2023's 337,381 training hours (with an average of nearly 54 training hours per employee) was driven by new programs on culture-building, values integration, and competency development.

We support our employees in ongoing professional learning. To achieve this, we first ensure that our training topics remain relevant, leading-edge, and engaging for all participants at all levels across the Company.

Moreover, as part of our sustainability journey, we incorporate sustainability topics into our learning and development ("L&D") curriculum to inspire our employees and equip them with the knowledge necessary to advance the Group's sustainability agenda.[36]

In recognition of our L&D programs and our efforts to build a strong learning culture in our organization, Meralco was named as the Outstanding L&D Organization of the Year by the Philippine Society for Talent Development at the 7th Gawad Maestro Awards held in December 2024.



[36] Information on training of our Board of Directors can be found on page 214 of this report.



INVESTING IN WORLD-CLASS TECHNICIANS AND ENGINEERS

As Meralco's electric distribution network continues to expand, we are intensifying our efforts to develop highly skilled and agile field workers capable of operating and maintaining the efficiency, reliability, and safety of our grid infrastructure. To this end, we are investing in building a pipeline of highly skilled line crew and enhancing the capabilities of our existing team members through the Meralco Lineman Training Curriculum ("MLTC"). This tiered program is designed to train and upskill our Company's line crew—from entry-level apprentices to crew leaders and supervisors.

Beyond line crew training, we also invest in the professional growth of our own engineers through the Electrical Engineering Advancement Program, through which we enable Meralco's engineers to upgrade their licenses and become professional electrical engineers ("PEEs") with specialized training and resource support. In 2024, eight Meralco engineers successfully earned their PEE certifications after completing rigorous coursework and defending their technical engineering reports before the Board of Electrical Engineering. The addition of these new PPEs to the Meralco workforce further widens our Company's pool of technical experts in the field of electrical engineering.



"Sa tulong ng Meralco Linecrew Training Course, natutunan ko ang kahalagahan ng kaligtasan at dekalidad na serbisyo sa aming trabaho. Pinahusay nito ang aking pagtatrabaho at pinalakas ang aking kumpiyansa sa pagganap ng aking tungkulin."

— Ricky T. Fidel, Lineman, Balintawak Sector, Gawad Liwanag Line Crew Awardee



"Meralco's Electrical Engineering Advancement Program has been essential in helping me become a Professional Electrical Engineer by providing hands-on experience, mentorship, and opportunities to work on impactful technical projects. The Company's focus on safety, innovation, and industry best practices has equipped me with the skills and knowledge to achieve this milestone."

— Ren Christian M. Santos, MSc., PEE, Revenue Assurance Manager, Revenue and Meter & Device Management



Our subsidiaries likewise invest in developing the next generation of engineering leaders. For instance, MIESCOR cultivates young engineering talent through its flagship Power Builders Cadetship Program, an immersive five-month onboarding initiative designed to equip high-potential engineers with the technical expertise, leadership skills, and hands-on experience needed to excel in the industry.



"Participating in MIESCOR's Cadetship Program has been a valuable opportunity that strengthened my foundation for a successful engineering career. Learning from experienced mentors was both an honor and a privilege, as they provided invaluable insights that went beyond textbooks. It has reinforced my passion for engineering and my commitment to continuous learning and growth."

— Engr. Lhealyn J. Sembrano, RCE, RMP, Cadet Engineer

Carefully selecting top-performing, fresh engineering graduates from accredited universities, the program offers a structured development journey that includes an intensive orientation, cross-unit on-the-job training, mentorship from industry leaders, and professional development courses. In 2024, the program successfully produced its third batch of cadet engineers (comprised of four electrical and six civil engineers), who completed rigorous training and have since been deployed to key business units within MIESCOR.

Building on this success, MIESCOR will introduce the MIESCOR Powerhouse in 2025—an innovative competency framework designed to continuously assess, develop, and enhance the capabilities of its in-house engineers, ensuring that they are well-equipped with the technical and management expertise to further drive innovation in the energy sector.



BUILDING A ROBUST LEADERSHIP CULTURE AND PIPELINE

We are also fostering a supportive coaching culture by equipping managers with the skills to guide, develop, and empower their teams. Rather than simply providing answers, we encourage our leaders and supervisors to adopt a coaching mindset—one that incites powerful questions and enables team members to think critically and take ownership of their development.

In this regard, Meralco developed the Lumens Coaching Program for Leaders, a four-month development journey designed to strengthen our leaders' coaching capabilities, enabling them to effectively develop their teams.

Guided by professionally trained coaches, including those certified by the International Coaching Federation, the program enhances leadership effectiveness beyond technical skills. In 2024, Lumens was recognized with the Gold Award for Leadership Development at the 3rd HR Excellence Awards Philippines—a testament to our commitment to building a robust leadership pipeline and a culture of continuous development.

Going forward, we plan to continue training more coaches to strengthen the 70-20-10 L&D approach[36] and introduce other L&D initiatives, including end-to-end competency assessments, to strengthen Meralco's culture of learning and growth.

"One big realization I had with the program is that our coaches can actually help themselves. It's just a matter of asking them the right questions for them to think deep and to realize that they themselves already have the answers to their problems."

— Christopher T. Reblando, Head, ICT Planning and Program Management



[36] 70-20-10 is an L&D model suggesting the following approach to effective learning: 70% from challenging assignments, 20% from developmental relationships, and 10% from coursework and training.



D. Employee Engagement: Fostering Holistic Personal Development



In line with our Group's commitment to holistic personal development, we go beyond professional advancement by giving our employees access to a wide range of initiatives to support their physical, spiritual, emotional, and mental health and welfare. We also provide our employees with different opportunities to volunteer, empowering them to contribute to social good while fostering a deeper sense of purpose and connection with our communities.







NURTURING FIT AND HEALTHY EMPLOYEES

In 2024, we continued to implement and expand a range of wellness activities aimed at boosting employee morale and well-being. This included the Orange Fit Month in July, where we organized sports tournaments and clinics to strengthen friendship and camaraderie among our people. We also encouraged employees to take part in the 8th MVP Olympics, which brought together companies across the MVP Group in various competitive sports.

Moreover, our fitness gym and sports facilities at the Meralco Fitness Center remained open to promote an active lifestyle among our employees. We complemented our initiatives to improve the physical health of our personnel (as well as their dependents) with fun social activities throughout the year, including our annual Foundation Day celebration, One Meralco Cool-tural Festival, the Service Awards ceremony, and the One Meralco Salu-Salo.

By offering a wide range of personal development initiatives, Meralco nurtures not only the passion and drive of our employees but also the culture of collaboration within our Company.









INSTILLING SUSTAINABILITY IN OUR WORKFORCE

To educate our employees across One Meralco on foundational sustainability concepts, as well as our Group's sustainability agenda and initiatives, we brought Meralco's Sustainability Roadshows series to our subsidiaries in 2024. Aimed at instilling a sustainability-oriented mindset among our personnel and encouraging sustainable behaviors and practices within and outside the workplace, this initiative reached over 600 employees across MGEN, MIESCOR, and MSpectrum.

We conducted an onsite roadshow, supported by a livestream via Microsoft Teams for those unable to attend in person. The roadshows covered a range of topics including global and local environmental, social, and economic challenges, the United Nations' Sustainable Development Goals, and our Group's sustainability programs.

Featuring engaging talks from our senior leaders—including Meralco's Chief Operating Officer and our Chief Sustainability Officer, MGEN's President and Chief Executive Officer, and One Meralco's Sustainability Champions—as well as presentations of achievements and interactive games, participants gained insights into how their individual actions as employees can contribute to One Meralco's sustainability goals. The roadshow also served as a venue for dialogue between our executives and our people, with a Q&A session allowing employees to share ideas and feedback on the Group's existing and future sustainability efforts.

The roadshow provided a platform for employees to collectively commit to the Group's sustainability agenda. At the conclusion of the event, participants were led and guided by senior leaders in pledging to drive and support One Meralco's sustainability efforts.





ACTIVATING A COMMUNITY OF CHANGEMAKERS

Aside from promoting the well-being of our employees, we also create multiple avenues for them to contribute meaningfully to the welfare of others. Each year, our people actively volunteer for community outreach programs and fundraising campaigns organized by the One Meralco Foundation ("OMF") to aid underprivileged Filipinos.

In 2024, Meralco employees generously contributed a total of PhP 4.9 million to various charitable initiatives led by OMF. These included the Earth Day fundraising campaign, which provided additional funds for the One for Trees Program; the annual Balik Eskwela Program, which funded school bags and supplies for thousands of public-school students across the country; as well as the electrification of agricultural and livelihood facilities in our partner communities. Meralco employees also donated seedlings and volunteered with the PowerPlants urban farm initiative, where they planted and cultivated vegetables and crops within the Meralco Operating Center with the help of OMF.

Stories about OMF's social responsibility initiatives in 2024 and how Meralco employees contributed are detailed in the OMF Annual Report 2024.



KEEPING OUR PEOPLE ENGAGED AND INFORMED

We amplify our employee engagement efforts through various communication channels. In 2024, we launched Meralco News, a quarterly print publication dedicated to strengthening Meralco's core values among our employees and fostering a deeper connection with the Company. Featuring articles, program highlights, and event coverage, Meralco News serves as a platform to celebrate our organization's key achievements and initiatives. Moving forward, we will shift to our existing digital communication channels—such as Meralco and Me Alerts and Workplace—to disseminate this publication to our employees electronically.

BRIGHT SPARKS

Creating Safe Spaces for Our *Feline Friends*

The Philippines has long been struggling with a growing population of stray animals—especially in urban areas like Metro Manila—with at least 13 million dogs and cats across the country living without permanent homes. As such, in 2024, we launched the CATropa Animal Welfare Program, which aims to provide safe spaces for stray cats within and beyond Meralco's premises, in partnership with animal welfare organizations and local government units.

Through this initiative, Meralco employees came together and volunteered to safely and humanely catch, neuter, vaccinate, and return free-roaming cats to their outdoor homes, helping control feline populations in the city while building a community bonded by a shared commitment to animal welfare.



Labor & Human Rights

Upholding Our Workers' Dignity

GRI 2-30 | GRI 402-1

Labor and human rights are the foundation of responsible business practices. We fulfill our social responsibility towards our employees by upholding their dignity and basic rights, as enshrined in Meralco's Human Rights Policy. This policy—aligned with the United Nations' Guiding Principles on Business and Human Rights, the International Bill of Human Rights, and the International Labor Organization's Declaration on Fundamental Principles and Rights at Work—establishes protective measures and clearly delineates the systems, structures, and processes in place to safeguard the fundamental rights of not only our employees but also our other stakeholders involved in or affected by our business activities. Ensuring the highest standard of labor and human rights protection is integral to our long-term sustainable growth.

Aligned with this policy, we cultivate a culture of trust, openness, and constructive engagement, which is evident in our labor practices. We provide our employees various avenues for meaningful and constructive dialogue concerning labor issues. In particular, Meralco actively engages in collective bargaining with the Company's 1,295 rank-and-file and 3,031 supervisory employees (representing 72% of the workforce) covered by collective bargaining agreements ("CBAs").

Currently, the Meralco Employees and Workers Association ("MEWA"), which represents the Company's rank-and-file employees, is under a CBA from December 1, 2022, to November 30, 2025. Meanwhile, the First Line Association of Meralco Supervisory Employees ("FLAMES"), which represents the Company's supervisory staff, is bound to a CBA covering the period December 1, 2024, to November 30, 2027.

EMPLOYEES COVERED BY CBAs

	2022	2023	2024
Meralco DU	4,346	4,332	4,326
Subsidiaries	1,683	1,538	1,238
TOTAL	**6,029**	**5,870**	**5,564**





In addition to formalizing communication between employees and our senior management through CBAs, we maintain a secure platform for employees (as well as our other stakeholders) to report any violation of corporate governance rules or policies, questionable accounting or auditing matters, and other malfeasance. We treat reports of infractions with utmost seriousness, initiating prompt investigations and applying appropriate sanctions to address offenders. Meralco's Speak Out Policy allows the lodging of complaints by offended parties or witnesses to violations—anonymous or otherwise—and guarantees the full protection of the complainant against any form of retaliation. Complaints are directed to Meralco's Corporate Governance Office ("CGO"), which handles and evaluates the case with the assistance of its Assisting Investigative Units ("AIUs").

In the unlikely occurrence of retaliation, the individual who reported the incident or served as a witness has the option to complete a Retaliation Protection Report Form. This form undergoes review by the Management Disciplinary Committee or the relevant Board Committee, with approval from the CEO, the Chairman of the Board, or a designated representative.

Going beyond actively responding to employee issues, we take proactive measures to effectively prevent misconduct and address violations from the beginning of an employee's journey. For instance, Meralco conducts training sessions for new employees and managers on the Code on Right Employee Conduct ("COREC") to make them aware of the appropriate workplace behavior expected to be maintained within the organization. The CGO likewise conducts roadshows with Meralco's business units to keep them abreast of the latest governance policies and programs of the Company. All employees are required to complete the Annual Corporate Governance Refresher in January of each year.

Our subsidiaries across One Meralco are likewise committed to protecting the integrity and dignity of all their employees and workers. For instance, MIESCOR, which mostly offers positions on a temporary or project-specific basis due to the nature of its business, upholds all labor standards, including health and safety regulations, as mandated by law, for all regular and fixed-term workers alike. Moreover, the company ensures full compliance with legal requirements surrounding job contracting to guarantee fair and lawful treatment of third-party workers.

Moving forward, our Group will continue educating and empowering our workforce to uphold our firm commitment to labor and human rights. As new initiatives are introduced, we will also continue to keep abreast of emerging laws, regulations, and other jurisprudences to ensure full compliance.

Occupational Health & Safety

Protecting Our Employees from Harm

GRI 403 | SASB IF-EU-320

Ensuring that every employee returns home safely at the end of the day is at the heart of One Meralco's social responsibility. We believe that maintaining a safe and healthy workplace is not only a legal obligation but also a fundamental part of how we care for our people. As such, our Group strives to go beyond mere compliance with policies such as the Labor Code of the Philippines and Republic Act 11058, otherwise known as the Occupational Safety and Health Standards Act. In support of SDG 8: Decent Work and Economic Growth, we have established robust Occupational Health and Safety ("OHS") policies, governance bodies, and programs aimed at ensuring that all our employees are able to work away from harm.

A. Providing a Safe Workplace for Our Employees

Our Group continues to invest in OHS initiatives in line with our fervent commitment to upholding the right of our people to a safe and healthy work environment, in strict adherence to standards and regulations set by the Department of Labor and Employment (“DOLE”).



INSTITUTIONALIZING A CULTURE OF SAFETY

At the DU level, the Facilities & Safety Management department is responsible for maintaining Meralco’s culture of safety, as well as overseeing and executing all OHS-related tasks and initiatives. In addition, recognizing that preventing workplace accidents goes hand in hand with addressing environmental hazards, we have formed Environment, Safety & Health (“ESH”) Committees to serve as our resident environment and safety advocates across Meralco’s business units. They engage with our employees through monthly ESH meetings designed to keep our standards and protocols relevant and ensure they apply to all our personnel.

In 2024, we fortified our OHS governance by establishing the ESH Board as Meralco’s highest authority on ESH matters within the organization. This governing body serves as a steering committee that sets directions, objectives, and policies focusing on ESH; oversees the implementation and governance of corporate-wide ESH programs; provides guidance and recommendations on high-profile safety incidents and unresolved issues raised by any ESH Committee; and gives instructions regarding compliance with new regulatory requirements related to ESH. The ESH Board is composed of key Meralco executives—including the Chief Operating Officer, Chief Revenue Officer, Chief Human Resource Officer, and Chief Legal Counsel—reinforcing our commitment to a strong ESH culture at the highest levels of leadership.





SHAPING EMPLOYEE BEHAVIOR TOWARDS SAFETY

At the forefront of our efforts to foster a culture of safety across the organization is Meralco’s flagship OHS program, TARGET ZERO: Zero Incident, Zero Harm. This ongoing initiative is aimed at eliminating all safety incidents within the workplace. Complemented by various OHS initiatives, the program includes the annual First Working Day Safety Campaign, which seeks to bolster the Company’s safety culture and instill a “Safety First” mindset in our workforce, particularly among frontline personnel exposed regularly to physical hazards.

In 2024, we continued strengthening Meralco’s safety culture with the introduction of a behavior-based safety (“BBS”) approach, which focuses on proactively observing, analyzing, and modifying the behavior of employees to prevent accidents and improve overall safety performance. We conducted a total of 14 BBS training seminars to upskill Meralco’s safety officers, sector heads, team leaders, and line crew, covering key OHS topics such as hazard prevention, injury reduction, accountability, and communication from a BBS perspective. Following the training, the Company’s safety officers and team leaders conducted BBS cross-validation inspections using the BBS observation card, engaged employees in discussions about unsafe workplace behaviors, and collected data to guide future safety improvements.

Additionally, we continued offering various training courses and webinars covering OHS topics such as fire prevention, heat stress management, indoor air pollution, and motorcycle riding rules and regulations. Safety-related learning was supported by consistent announcements and guidelines released via Meralco’s official corporate communication channels, keeping our employees abreast of the latest OHS protocols. We also continued providing our people with personal protective equipment that met local and international standards, as well as installing OHS information posters at construction sites as part of our responsibility to help keep the public and our communities safe.

KEY OHS METRICS

		2022	2023	2024
Total employee hours worked	MERALCO DU	13,235,096	14,262,953	13,376,584
	SUBSIDIARIES	37,411,073	42,046,928	37,583,689
Safe person-hours[38]	MERALCO DU	13,152,203	14,009,289	13,376,584
	SUBSIDIARIES	28,836,133	30,951,493	37,196,107
OHS training hours	MERALCO DU	30,423	30,649	26,880
	SUBSIDIARIES	36,735	15,548	20,917
Average OHS training hours per employee	MERALCO DU	5.12	5.14	4.46
	SUBSIDIARIES	3.22	1.40	1.84
	OVERALL	3.88	2.71	2.75

[38] This metric refers to the total number of hours worked by employees without any lost time injuries (“LTIs”).



While we remain proud of our strong safety culture and ongoing efforts to protect our employees, Meralco operates in an inherently dangerous industry. We regrettably recorded one fatality[39] and 46 other work-connected injuries in 2024—up from zero fatalities and 32 work-connected injuries in 2023.[40]

The overall increase in Meralco's number of work-connected injuries (including fatalities) resulted in an increase of over 300% in LTIFR (from 0.35 in 2023 to 1.42 in 2024) as well as a 5% decrease in safe person-hours (from 14.3 million in 2023 down to 13.3 million in 2024). This underscores the continuous need to constantly strengthen the Company's already robust OHS system and programs.

Despite the decline in the DU's OHS performance in 2024, we are proud that our subsidiary MGEN maintained its industry-leading safety performance, achieving over 3.8 million safe person-hours, with zero lost-time injuries and recordable incidents.

Moving forward, we will intensify our Group-wide efforts by enhancing our existing safety measures and introducing new and innovative approaches to prevent both minor injuries and debilitating accidents, helping realize a safer workplace for our employees.

[39] The fatal incident occurred in Makati City during an Anti-Dangling and Unauthorized Wire Attachments Operation in October 2024. A speeding delivery truck collided with the boom of a Meralco basket truck, resulting in the death of one of our linemen. To prevent similar incidents from happening in the future, we will strengthen coordination between our frontline workers, enhance traffic control, deploy additional onsite safety barriers, and ensure that sufficient flagmen are present throughout the duration of our field operations.
[40] We define "work-connected injuries" as injuries that occur in the workplace while the employee is performing his official function, or outside the workplace while performing an official instruction.

B. Strengthening Our Emergency Response Capabilities

We actively instill safety awareness and practices in our employees. For instance, Meralco conducts mandatory OHS training programs that include updated and relevant workplace safety principles and standards, including fire safety and building work site awareness. The Company also provides specialized competency programs on topics such as defensive driving, accident investigation, as well as heavy equipment and basket truck operations. In 2024, Meralco offered 51 OHS training courses to its employees, representing a total of 26,880 training hours from 30,649 training hours in 2023. This translated to an average of nearly 4.1 OHS training hours per employee.

We also ensure that our employees are well-prepared for disasters by providing training on how to deal with hazards like fire, earthquake, bomb threats, and chemical spills.

Regular drills are conducted to keep employees' alertness, presence of mind, and know-how in navigating disasters in check. In 2024, Meralco conducted a total of 280 earthquake and 81 fire drills as well as 12 chemical spill drills to test employees' readiness to protect themselves and their co-workers during times of emergency.

During the reporting period, the Company launched the Meralco Rescue Academy, a new platform offering short courses on emergency preparedness and response to all One Meralco employees and their dependents. This initiative aims to supplement the government's efforts in making communities resilient by building necessary capabilities for responding to emergency situations.

EMPLOYEES COVERED BY AN OHS MANAGEMENT SYSTEM

		2022	2023	2024
Permanent and Probationary	MERALCO DU	5,930	5,928	6,027
	SUBSIDIARIES	5,845	5,362	5,795
Fixed-term and project-based	MERALCO DU	310	304	275
	SUBSIDIARIES	7,555	6,902	6,228
TOTAL		**19,640**	**18,496**	**18,325**



Diversity, Equity & Inclusion

Ensuring Fair Treatment & Equal Participation of All Employees

GRI 405



At One Meralco, we recognize that a diverse, equitable, and inclusive labor force is essential to maintain a productive and harmonious work environment as well as achieve long-term success. As such, through Meralco's #Mbrace Diversity & Inclusion Program, we are committed to building a workplace free from bias and discrimination, where every employee, regardless of their background or identity, feels respected, valued, and empowered to contribute their unique skills and perspectives.

Along with over 10,000 businesses across the globe, in 2021, we endorsed the CEO Statement of Support for the Women's Empowerment Principles ("WEPs")—a set of values established by UN Women and the UN Global Compact that guide organizations on how to advance gender equality across all sectors of society. By renewing our commitment every year, we strengthen our dedication to taking concrete steps to protect and promote women's rights and facilitate women's full participation in the labor force—aligned with **SDG 5: Gender Equality.**

Moving forward, we will continue transforming our organization by helping our subsidiaries integrate DEI into their own corporate policies and operations as well as expanding our DEI journey beyond gender equality. In 2024, we initiated the diagnostic and design phases of the #Mbrace Program for our subsidiaries, laying the groundwork for a unified approach to DEI within One Meralco.

A. Providing Equal Opportunities for All

We strive to achieve a diverse workplace that employs and empowers more women. In 2024, Meralco reached an all-time high in terms of female representation in the Company's workforce at 23.3%—well above the global energy sector average of 11%.[41] Likewise, from a Group-wide standpoint, the proportion of women in One Meralco's total workforce stood at 24.6% during the same period. Ultimately, our goal is to achieve a 40% female representation in the DU's workforce by 2030.

NEW HIRES

	2022		2023		2024	
	MALE	FEMALE	MALE	FEMALE	MALE	FEMALE
Meralco DU	304	130	309	129	289	144
Subsidiaries	3,325	1,158	2,979	1,143	2,796	1,076
SUBTOTAL	**3,629**	**1,288**	**3,288**	**1,272**	**3,085**	**1,220**
TOTAL		**4,917**		**4,560**		**4,305**



During the same period, nearly 33% of the Company's new hires were female—10% above the share of women in the organization's existing workforce—as a result of our conscious efforts to increase the ratio of female-to-male hires. These efforts included recruitment campaigns that demonstrated women's active participation in our businesses as well as the different initiatives under our #Mbrace Program.

[41] 2022 Global Energy Talent Index ("GETI") Report

MERALCO DU EMPLOYEES BY RANK

	2022		2023		2024	
	MALE	FEMALE	MALE	FEMALE	MALE	FEMALE
Senior management	587	202	615	212	632	217
Middle management	480	315	485	324	498	354
Rank and file	3,564	782	3,540	792	3,513	813
Fixed-term and project-based	230	90	218	90	190	85
SUBTOTAL	**4,861**	**1,389**	**4,858**	**1,418**	**4,833**	**1,469**
TOTAL		**6,250**		**6,276**		**6,302**

SUBSIDIARY EMPLOYEES BY RANK

	2022		2023		2024	
	MALE	FEMALE	MALE	FEMALE	MALE	FEMALE
Senior management	129	71	74	43	126	69
Middle management	964	437	871	351	1,253	696
Rank and file	3,897	1,936	7,153	2,590	6,993	2,243
Fixed-term and project-based	7,746	1,150	2,517	745	1,619	322
SUBTOTAL	**12,736**	**3,594**	**10,615**	**3,729**	**9,991**	**3,330**
TOTAL		**16,330**		**14,344**		**13,321**

Purposefully recruiting women for a wide range of entry-level and managerial roles operationalizes One Meralco's push for a higher degree of workplace diversity and inclusion. In 2024, over 27% of One Meralco's senior managers were women, reflecting our Group's drive to diversify representation in leadership positions.

In 2024, we continued building the necessary foundation that will enable the proportion of women in Meralco's workforce to grow. These efforts included:

- performing a comprehensive review of existing functions that can be performed by women;
- collaborating with the Meralco Power Academy to train women on roles traditionally held by men, such as equipment operator and field inspector;
- partnering with academic institutions to establish scholarship programs aimed at producing more female graduates in electrical engineering; and
- encouraging female technical high school and university students to pursue careers at Meralco.









BRIGHT SPARKS

Embracing All Colors with *Pride*

At One Meralco, we recognize that gender equality is more than just about empowering women—it is about creating a workplace where everyone—regardless of their sexual orientation, gender identity, gender expression, and sex characteristics ("SOGIESC")—is treated with fairness, respect, and dignity. As part of our #Mbrace Diversity & Inclusion Program, we dedicated a week from June 24 to 28, 2024, to deepening Meralco employees' understanding of SOGIESC and reinforcing our commitment to **SDG 5: Gender Equality.**

We kicked off the campaign with a bold statement: a vibrant rainbow pedestrian lane at the Meralco Operating Center, symbolizing our support for the LGBTQ+ community. Throughout the week, we engaged our employees through an online awareness campaign, sharing insights on SOGIESC and its importance in creating a workplace where everyone feels valued and respected.

Our internal efforts culminated on June 28, Pride Day, with the Understanding SOGIESC webinar, which became our highest-rated and second-most attended webinar of the year. We were honored to hear from two inspiring speakers: Atty. Sheil Granados, Head of Litigation Team 1 and one of the most recognizable LGBTQ+ figures at Meralco; and Atty. Quino Reyes, a legal counsel and passionate DEI advocate who co-founded the Philippine LGBT Bar Association. Their insights shed light on how we can foster a truly DEI-oriented workplace.

Our commitment to championing DEI goes beyond One Meralco. On June 30, Radius participated in the Love Laban 2 Everyone Pride Festival at the Quezon Memorial Circle in Quezon City as one of the event's key sponsors, providing fiber internet connectivity to participants during the whole-day event. The event served as a platform for Radius to express its support for the Filipino LGBTQ+ community.

Through initiatives like this, we continue to take meaningful steps towards a culture where everyone, regardless of SOGIESC, feels seen, heard, and empowered to be their authentic selves.

"I am happy to be part of an organization that makes decisive progress towards adopting diversity, equity, and inclusion as workplace values. I am proud to tell the world that dito sa Meralco, welcome ka!"

– Atty. Sheil Granados

B. Closing the Gender Pay Gap

The gender pay gap remains a persistent social challenge across the globe, reflecting disparities in earnings between men and women across industries and occupations. Addressing this issue, especially in traditionally male-dominated spaces such as the energy sector, requires a progressive and multifaceted approach covering transparency in compensation, equal access to leadership opportunities, and supportive workplace policies that enable career growth for all.

AVERAGE GENDER PAY GAP IN MERALCO DU[42]

	2022	2023	2024
Senior management	4.3%	−0.5%	7.96%
Middle management	1.5%	−1.1%	−0.79%
Rank and file	11.6%	11.8%	13.37%
Fixed-term and project-based	−23.1%	−29.0%	−0.59%
Weighted average	**4.0%**	**0.2%**	**−0.12%**

As part of our commitment to advancing DEI in our organization, we strive to ensure that the total annual compensation of our female employees matches that of our male employees. In 2024, the DU recorded an overall average pay gap of −0.12%, which is not only much lower than the global energy industry average of 19% but also indicates that, on average, Meralco's female employees earn slightly higher than their male counterparts.[43]

Moving forward, we will continue our efforts to maintain, if not close, the relatively small gender pay gap in Meralco by upholding fair remuneration practices, periodically reviewing our pay structures, and fostering a discrimination-free workplace where all employees have equal opportunities for career progression.



[42] The average pay gap is the difference between the average salary of male employees and the average salary of female counterparts divided by the average salary of male employees and multiplied by 100%. [43] Thomson, E. (2022) These 4 charts show the energy sector's gender gap and what needs to change, World Economic Forum.



PROSPERITY

Creating Better Lives for *All*

Customer Enablement

Ensuring Engaged and Satisfied Clients

page 166

Innovation

Driving Future-Ready Energy Solutions

page 173

Digitalization & Cybersecurity

Adapting to a Rapidly Evolving Digital Landscape

page 176

Community Engagement

Uplifting the Unserved and Underserved

page 184

Supply Chain Sustainability

Amplifying Collective Impact with Our Business Partners

page 188



Inspired by the **United Nations' 2030 Agenda for Sustainable Development**, One Meralco is driven by an earnest commitment to helping our stakeholders enjoy fulfilling and rewarding lives while meeting our short- and long-term business objectives. We bring this vision to life by creating shared value across our businesses, enabling our customers, communities, and constituents to thrive. This is what sustainable development means for us: leave no one behind.



We power the good life for our customers by delivering efficient, innovative, and modern solutions that fuel enduring and meaningful progress across all sectors of society. Our reach extends to communities within and beyond Meralco's franchise area, working to ensure that every Filipino—no matter where they are—shares in the benefits of the nation's progress. Across our supply chain, we actively engage and enable our constituents and business partners to embark on their own sustainability journeys and promote sustainability within their own networks.

Through our Group's diverse businesses and wide network of partners, we give both present and future generations the power to lead prosperous, enriching lives.



Performance Highlights

8.11 out of 10
DU Customer Satisfaction Index ("CSI")

ZERO
incidents of bribery and corruption in the Distribution Utility ("DU")

95%
of the DU's procurement spend covered by the Meralco Supplier Sustainability Scorecard ("MS³")

KEY INPUTS
(Financial and Social & Relationship Capitals)

PhP 82.3M
spent on One Meralco Foundation's ("OMF") programs

355
suppliers engaged by the DU through MS³

PhP 43.2B
spent by the Group on local procurement contracts

KEY OUTCOMES
(Financial and Social & Relationship Capitals)

4
public schools energized by OMF

PhP 27.8M
in customer savings realized due to the DU's key digitalization efforts

414M
cyberattacks blocked and prevented by the DU



STORIES OF LIGHT

Scaling the Philippines' Digital Economy





The Philippines is emerging as a strategic digital hub in Asia Pacific, driven by the explosive growth of hyperscale data centers that are redefining the nation's role in the global digital economy. As demand for digital services grows—spurred by rising usage of social media, e-commerce, and cloud computing—these data centers have become critical infrastructure not just for the country but for the entire region. We at One Meralco have committed to powering this growth by enabling hyperscalers with reliable and cost-effective energy solutions.

Our efforts to support hyperscalers align with the Philippine Energy Plan and the government's aggressive push for renewable energy ("RE"). Through the DU and MGEN, we have been actively expanding our lower-carbon energy portfolio to meet the requirements of our clients while supporting the country's clean energy goals. As many hyperscalers originate from markets in which stringent climate targets and RE mandates are the norm, offering access to lower-carbon energy sources strengthens the Philippines' position as an attractive destination for their operations.

We are also investing in innovative smart grid technologies, which enable real-time monitoring and remote switching, to minimize downtime and host an array of distributed energy resources that provide reliable RE to energy-intensive data centers. By the end of 2024, our total actual demand from the hyperscale industry reached 1,200 MW—a testament to our Group's dedication to supporting the country's expanding digital infrastructure.

Our Group understands that powering the hyperscale industry requires more than just providing reliable energy—it demands forward-thinking solutions and a deep understanding of our partners' evolving needs. Since 2020, our Group has been delivering end-to-end energy solutions to hyperscalers through our subsidiaries MSERV, MSpectrum, and Radius. These offerings include master planning, value engineering, timely energization, energy and demand management, and RE integration.

As One Meralco's lead integrator of hyperscale-related services, MSERV offers cutting-edge solutions (such as oil-free Smardt magnetic chillers and energy-efficient generators) that help our partners reduce their operational costs and environmental footprint. A prime example of this is the company's recent work with ePLDT's VITRO Sta. Rosa data center in Laguna. Radius has also established a point of presence at VITRO Sta. Rosa, with the aim to provide reliable connectivity solutions to hyperscalers and enterprises who will soon collocate in the new facility. In addition, the company has secured multimillion-peso contracts with global telco giants Huawei, Starlink, and Verizon to meet their high-speed connectivity needs.



Looking ahead, our Group will continue powering the country's digital future with reliable, sustainable, and innovative energy solutions and value-added services to further drive economic progress and unlock new, exciting opportunities in this dynamic digital economy. With over a century of industry leadership and expertise, we at One Meralco Group are ready to lead the charge in transforming the Philippines into the next regional hyperscale hub.

Customer Enablement

Ensuring Engaged and Satisfied Clients

GRI 418-1

Meralco's commitment to enhancing quality of life for millions of Filipinos extends beyond illuminating our customers' homes and businesses. We also strive to ensure that those already connected to the grid experience the transformative power electricity brings through efficient, uninterrupted service.



Central to achieving this objective is customer enablement. We make strategic investments in customer service innovations that allow our always-ready customer service team to address customer needs more efficiently and effectively. We also leverage our extensive customer knowledge base to facilitate insightful and actionable interactions, resulting in expedited transactions and prompt resolution of concerns, all while prioritizing the welfare of customers and meeting our business objectives.

Achieved 8 millionth customer milestone

Customer Count

Total Meralco

8.04M

+2.7% vs. 2023

Residential
7.43M

Business
0.58M

Government
0.03M







A. Lighting the Way to Energy Efficiency

At Meralco, we empower customers with the knowledge and tools to make smarter energy choices. Through our flagship Bright Ideas campaign, we continue to guide our residential customers in managing their electricity consumption with practical energy-saving tips—whether through mindful appliance use or optimal energy use in every corner of the house. Our goal is to help individuals and families make informed decisions to optimize their energy use without sacrificing comfort.

Beyond households, we also engage commercial and industrial customers through expert-led webinars tackling key topics such as energy management best practices, energy-related policies and programs, and Meralco's tailored energy solutions. Salient topics covered last year included the Department of Energy's Philippine Energy Plan and the Interruptible Load Program, equipping businesses to optimize their power consumption while contributing to grid stability. Attended by key industry leaders and executives, these webinars serve as a strategic platform for fostering knowledge exchange and driving meaningful energy efficiency initiatives across sectors.

Another way in which we empower our customers is through the Advanced Metering Infrastructure ("AMI") postpaid service.

AMI represents the next step in Meralco's evolution towards a smarter, more flexible, and customer-centric energy future. The postpaid service allows customers to receive budget notifications and real-time consumption updates while enabling faster reconnections. It also helps the Company achieve operational efficiency with features such as remote meter reading, disconnection, and reconnection.

Launched in October 2023, the AMI postpaid pilot had surpassed our target of 5,000 customers by the end of 2024. On average, AMI postpaid subscribers have saved 4.8% on their electricity bills, which is attributed to improved budget management facilitated by the timely and transparent energy consumption information provided by AMI.

Looking ahead, Meralco is committed to scaling up this energy solution, having filed for the deployment of nearly 3.3 million smart meters with the Energy Regulatory Commission in the 5th Regulatory Period. The program aims to provide a more efficient and automated process that will enhance Meralco's ability to respond to outages quicker while empowering customers through consumption feedback. With the goal of converting 11 million customers by 2034 to AMI, the program will be a key driver towards a more sustainable energy future.

B. Leveraging Digital Platforms or Efficient Service Delivery

Meralco continues to harness digital innovation to enhance operational efficiency and elevate customer experience. Through key projects—including My Meralco, Mobility Solutions on Field Services ("MobSol"), Digital Official Receipts Issuance ("DORI"), and Digital Service Application ("DSA")—we are able to streamline processes and reduce operational costs while promoting environmental responsibility.

In 2024, improvements in primary channels like My Meralco encouraged our customers to shift from traditional to digital channels, as reflected by the 67% share of self-service and digital transactions. Customers continue to shift to digital platforms, reducing the need for in-person visits or lengthy phone calls as they can now easily manage their accounts, pay bills, and access services anytime, anywhere. This shift not only saves customers valuable time but also enables businesses to optimize resource allocation, resulting in enhanced operational efficiency and higher customer satisfaction.

ENHANCING OUR PRIMARY CUSTOMER TOUCHPOINT



In 2024, we launched My Meralco, the evolution of our longstanding digital customer service platform, Meralco Online. Our goal was to enhance the overall customer experience, reduce operational costs by moving away from license-based authentication, and improve service delivery time with a single codebase for both web and mobile. With My Meralco, our customers can easily view and pay bills, report outages, apply for electric service, share feedback, and stay updated on exclusive promos and electricity-saving tips—anytime, anywhere.

Since the platform's launch in September 2024, we have seen significant improvements in operational efficiency and digital engagement. In 2024, we facilitated over PhP 25 billion in payment collections (representing nearly 6.5% of our total payment collections for the year) from at least 5.2 million transactions.

We also successfully shifted nearly 39% of customer concerns to digital channels, reducing the need for in-person transactions and making it easier for customers to connect with us.

Looking ahead, we will enhance My Meralco by integrating more features that will facilitate a much more seamless and secure digital experience for our clients. These will include issuance of digital official receipts ("ORs"), end-to-end digital service application (including real-time status monitoring), digitized submission of documentary requirements, e-signature technology, fraud management tools, as well as a personalized user experience for our business customers.

PhP25B
in payment collections



OPTIMIZING FIELD OPERATIONS THROUGH MOBILE APPLICATIONS

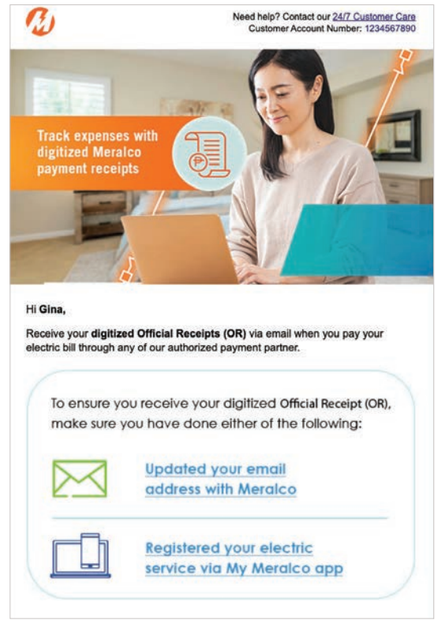
Meralco has proudly launched MobSol, a mobile field order management app designed to enhance operational efficiency, optimize field operations, and improve service delivery. By streamlining scheduling, dispatching, and execution of work orders, MobSol has improved the productivity of our customer-facing representatives, and field representatives. Implemented in phases from 2023 to 2027, the solution has already delivered substantial benefits to our operations.

The integration of Salesforce Field Service has further enhanced efficiency by enabling real-time collaboration among customer support agents, dispatchers, and technicians. This seamless connectivity ensures faster response times, smarter resource allocation, and a more agile service team, ultimately improving the overall customer experience.

Beyond operational efficiency, MobSol has also eliminated the need for printed field orders. Through digital field order processing, we have successfully reduced paper consumption, saving PhP 1.2 million in printing costs from August 2023 to December 2024 while processing over 170,000 work orders.

We plan to expand MobSol's capabilities to meet the evolving needs of our BIZ Partners Group and Enterprise & National Government customers, as well as to cover billing and collection operations, ensuring continued reliability and efficiency in service delivery. We are planning to introduce a dedicated facility that would allow customers to easily schedule field visit appointments, enhancing convenience and streamlining the process.

ISSUING DIGITAL RECEIPTS FOR CONVENIENCE



Our DORI initiative reflects Meralco's focus on enhancing customer convenience through digital transformation. Launched in phases from 2022 to 2025, this project automates the issuance of ORs for payments made via Meralco Online and third-party channels such as Bayad, banks, and automatic payment arrangements.

Our customers now receive official receipts through email in PDF format, accompanied by SMS notifications. Future enhancements will allow users to view and download their receipts directly from Meralco Online.

Outside of tangible benefits for customers, DORI supports compliance with the Bureau of Internal Revenue's regulations on prompt OR issuance and promotes operational efficiency by reducing physical receipt requests at business centers. The shift to digital receipts also yields cost savings and strengthens Meralco's customer contact database through DORI service enrollments.

CUSTOMER ENABLEMENT

Heightened customer satisfaction

Customer Satisfaction Index	Customer Experience Index	Value for Money Rating
(over-all satisfaction on different areas of the Meralco service)	(measure of transactional experience with different customer channels)	% who agreed that they get their money's worth with Meralco's service
8.11 out of 10	**90** out of 100	**82** out of 100
Total Meralco	Total Meralco	Total Meralco
8.67 Business · 7.13 Residential · 8.91 Government		

Empowered customers with innovative and sustainable energy solutions

95,357	14,618	5,248	6,541	317
Customers	Customers	Customers	Customers	DOE-registered 4-Wheel commercial charging points
Kuryente Load	Net Metering	AMI Postpaid	Peak / Off-Peak	EV Adoption

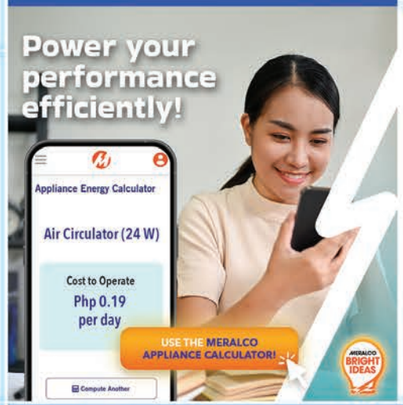
Ensured responsive customer care and high service levels



Resolution Rate	Service Level Answered in 20secs	Ave. Time to Answer
99.5%	**90.5%**	**10.2** secs

Enlightened customers through year-round information, education and communication campaigns

Total Reach
322M
views
(+194% vs 2023)



21M
average views/hits per month

8M
users of digital (social media)

Meralco Advisory
Timely updates on electricity rates, service advisory and regulatory developments

Meralco Online
Drive access of the Meralco account through web or app to seamlessly manage service, pay bills, report outage – anytime, anywhere.

46M
views/hits on digital, social media, TV, radio, billboards, customer engagements per month

1.4M
business customers via bill ads, customer engagements and messaging platforms

Bright Ideas
Offer data-driven tips for households to manage energy consumption

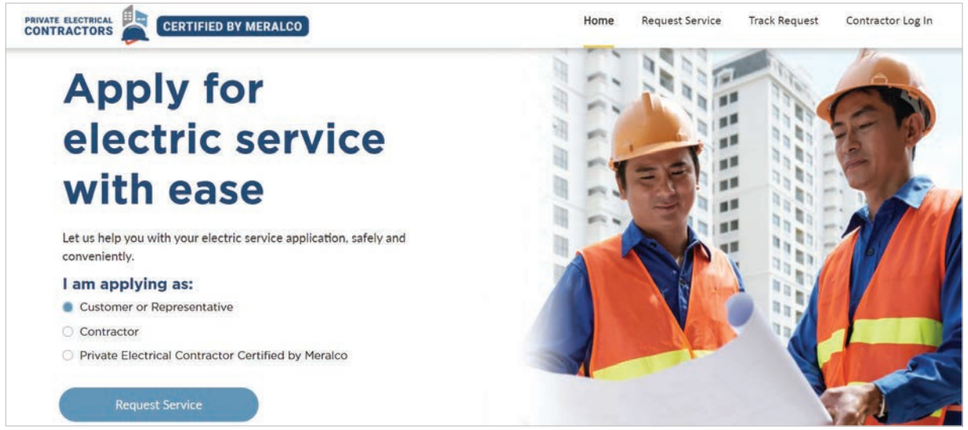
Power Ideas
Share beyond-the-meter solutions and practices for business

Drove digital access and promoted self-service options for greater convenience

2 out of **3**
transactions used self-service and digital channels



1.1M
Meralco Online
active users per month



STREAMLINING THE CUSTOMER APPLICATION JOURNEY

Meralco's DSA platform, being rolled out from 2024 until 2026, represents our commitment to customer centricity. It offers customers flexible payment methods, digital contract signing, and an online facility for submitting documentary requirements, streamlining the service application process.

With the integration of Adobe Sign for e-signatures and new online payment options through Bayad channels, DSA reduces manual processes and cuts down transportation and paper-related costs. This can reduce average service application processing time by two days, enhancing efficiency and boosting customer satisfaction.

Another platform by which Meralco is able to streamline the customer application journey is through Private Electrical Contractors Certified by Meralco ("PECCBM"). This platform revolutionizes the way energy services are delivered, providing a streamlined, accessible, and user-friendly experience for certified contractors, Meralco frontliners, and customers alike.

By simplifying and automating service workflows, the platform aims to significantly reduce Ordinary Service Application ("OSA") processing times, minimize rework, and enhance operational efficiency—all while driving better customer experience with faster service energizations.

The PECCBM offers four service bundles tailored to customer needs and budgets. The Full Bundle provides comprehensive end-to-end service, including application submission, construction, and securing permits. Meanwhile, the Technical Bundle covers planning to construction of service entrance, the Documentary Bundle focuses on obtaining necessary permits, and the Processing Bundle handles document submission to Meralco. Pricing varies based on factors such as materials, load requirements, and location, offering flexibility for different customer needs. By the end of 2024, the PECCBM platform reduced OSA processing time by 47%, delivering a faster and more efficient service experience for our customers.

Meralco's commitment to innovation through the CBM platform has garnered significant recognition, as the Company was recently honored with the prestigious Asia IoT Business Platform ("AIBP") ASEAN Enterprise Innovation Award. Furthermore, CBM played a pivotal role in Meralco being named as the ASEAN's Best Power Utility of the Year 2024. These achievements highlight our dedication to leveraging cutting-edge technology to enhance service efficiency and support sustainability goals.

Innovation

Driving Future-Ready Energy Solutions

Innovation enables us to stay ahead of evolving customer needs and contribute ever more meaningfully to the nation's progress. We strive to be future-ready by constantly developing new services, enhancing existing ones, and embracing emerging technologies. As a core value, this ethos is deeply embedded in Meralco's corporate identity, with the aim of providing better customer experiences.



Building on the collective strength of One Meralco, our subsidiaries play a crucial role in this endeavor. For instance, Movem is leading the adoption of electric vehicles (“EVs”) in the Philippines to promote cleaner mobility, while MSERV and Radius work in synergy to power the country’s growing hyperscaler industry. As a Group, we are pushing boundaries and pioneering solutions that shape the future of energy in the Philippines.

As innovation runs through every facet of our operations—from power generation and grid expansion to customer service and support—our commitment to remain at the forefront of innovation in the Philippine energy sector is woven into every material topic covered in this report.

For example, we are modernizing Meralco’s distribution network by deploying smart grid technologies, as described in the Service Reliability & Safety section under Power. In the Climate Change Mitigation section under Planet, we describe the different energy conservation and efficiency measures and technologies we have adopted across One Meralco to lower our environmental footprint. These are just a few examples of how we continue to drive innovation in our businesses to meet the evolving needs of our stakeholders and advance our sustainability journey.

A. Celebrating Our Culture of Innovation

In November 2024, Meralco’s spirit of ingenuity and transformation took center stage during the biggest celebration of innovation in our Company’s history. Established in 2022 to foster forward-thinking technological advancement within our organization, the annual corporate-wide Innovation Month has since become a driving force behind Meralco’s commitment to delivering future-fit energy solutions. Under the theme “Transcending Excellence Through Innovation,” the 2024 celebration featured new elements—including an official website and event partnerships, as well as tech exhibits and interactive sessions focusing on Meralco’s 7Ds Digital Transformation Framework[44]—across six key initiatives: the IDOL Awards, IDOL Hackathon, Tech Talk, Meralcostar, Environment, Safety, and Health (“ESH”) Innovation, and the Customer Experience Innovation Summit (“CXIS”).



Last year’s highlights included the IDOL Hackathon, where top student innovators from University of the Philippines Diliman, Mapúa University, and National University-Manila presented cutting-edge solutions for the future of electric utilities. Meanwhile, Tech Talk brought industry leaders from Huawei, Itron, and Cloudera to discuss advanced connectivity solutions in utilities, smart grids, as well as AI and data security.

Our lineup also included initiatives that showcased the innovative spirit and contributions of our people. The IDOL Awards honored outstanding internal efforts that advanced data analytics, process automation, and AI in our organization. Meanwhile, ESH Innovation recognized original solutions prioritizing public safety, and the CXIS spotlighted projects that enhanced our customer service. Finally, Meralcostar celebrated employee-driven programs that addressed challenges related to service reliability, safety, system loss, and data quality.

Moving forward, we will elevate Innovation Month to further strengthen our culture of innovation and excellence within Meralco and inspire breakthroughs that extend beyond our organization.

[44] Our 7Ds Digital Transformation Framework is described extensively in the Digitalization & Cybersecurity section.

B. Pioneering Advanced Technologies in the Telecommunications Industry

As the telecommunications landscape grows more competitive, our subsidiary Radius is leading the charge in providing reliable, cutting-edge connectivity solutions. Known for its robust end-to-end fiber optic network, Radius offers dedicated internet access, managed services, and advanced cloud solutions like SD-WAN and zero-trust networking. Its global partnerships with industry giants such as Cisco, Nokia, and Juniper, combined with over two decades of expertise and a MEF 2.0 certification, reinforce the company’s reputation for speed and reliability.

Radius’ collaboration with Console Connect HK Limited, established during the International Telecoms Week in Maryland, USA, in 2024, expands the company’s cloud services and makes it easier for Philippine-based enterprises to access the cloud. Radius also launched an IPTV ("Internet Protocol television") solution tailored for the hospitality and healthcare industries, with five-star hotels Shangri-La The Fort and Marco Polo Ortigas among the first to benefit from this innovative service. Moving forward, Radius will expand this offering to serve more hotels and hospitals, providing seamless internet and cable connectivity across these sectors.

C. Charging Towards a Cleaner Future with Electric Mobility

We at Meralco recognize that the transition to electric transport is a critical step toward a cleaner future. However, the challenge in early-stage EV markets like the Philippines extends beyond vehicle adoption—it requires a robust, accessible, and financially viable charging infrastructure. As such, our subsidiary Movem has partnered with Poland-based ChargeEuropa to introduce an innovative model that integrates digital out-of-home advertising with EV charging.

Through this approach, we aim to make EV charging more accessible to Filipinos without relying heavily on government subsidies or high user fees. With high foot traffic in urban centers and a growing commitment to sustainable development, the Philippines is an ideal market to demonstrate the impact of this model. Our partnership with ChargeEuropa will enable us to strategically deploy advertising-supported EV chargers, providing both a seamless charging experience for EV users and valuable engagement opportunities for advertisers.



Digitalization & Cybersecurity

Adapting to a Rapidly Evolving Digital Landscape

In an increasingly interconnected world, we at One Meralco recognize that embracing and undertaking digital transformation is essential to delivering an efficient and convenient service to continue satisfying our customers. Building on the initial 4Ds Digital Transformation Strategy Meralco executed from 2019 to 2023, our new 7Ds Digital Transformation Framework serves as the foundation of this journey through to the end of the decade, positioning us as a digital leader in the energy industry.



Due to the critical nature of our infrastructure as a utility, we face significantly heightened exposure to cyber risks compared to other businesses, making robust cybersecurity all the more crucial to safeguard our operations and ensure business continuity. Recognizing its strategic importance, Meralco established the CSG in 2020 as a dedicated function—separate from Information, Communications, Technology, and Transformation ("ICT")—to protect our digital infrastructure and shield our stakeholders from potential cyber threats. Complacency is not an option in our industry, and the CSG operates with an "assume breach" mindset that anticipates and prepares for inevitable cyberattacks. This proactive approach not only helps mitigate financial, reputational, legal, and regulatory risks but also reinforces the trust placed in us by our stakeholders.



A. Transforming Our Business Through Digitalization

In 2024, we commenced our revitalized five-year digital transformation journey, using our 7Ds Digital Transformation Framework as our compass. Anchored on seven key pillars—Digital Customer, Digital Grid, Digital Employee, Digital Enterprise, Data Platforms & Artificial Intelligence ("AI"), Digital Infrastructure, and Digital Communications—this framework enables us to strengthen Meralco's position as a digital leader in the Philippine energy sector by focusing on the adoption of emerging technologies and data-driven insights for operational excellence, customer centricity, and business development.





FACILITATING EFFICIENT DATA MANAGEMENT

The Meralco Data Platform ("MDP") acts as the Company's digital backbone, serving as a centralized hub for data archiving and business intelligence. Designed to manage vast volumes of data from diverse sources, including billing systems and online channels, the MDP automates critical tasks and facilitates the creation of data management dashboards to enable informed decision-making, particularly in customer service applications, leading to quicker response times and heightened customer satisfaction.

Harnessing the power of large language models, the MDP conducts real-time customer sentiment analysis, enabling our customer care representatives to address feedback efficiently. Simultaneously, MDP's machine learning models help our staff identify overloaded distribution transformers in advance, enhancing operational efficiency and minimizing the risk of unplanned outages.

The MDP serves as a unified platform for analytics and machine learning, supporting data processing and dashboard creation for insights across various domains, including grid operations and monitoring of sustainability metrics of the company. A self-service analytics program empowers business users, fostering a data-driven culture within Meralco.

The implementation of MDP has led to a 9% reduction in Meralco's average service application processing time. Customers can get their services completed 14 and 0.5 days earlier for project-covered application and ordinary service application, respectively.

Additionally, leveraging MDP, Meralco can now proactively identify distribution transformers requiring rehabilitation, thereby averting unplanned power interruptions for at least 500,000 customers annually.

In 2024, the MDP enabled our customer care representatives to address customer feedback promptly with the help of real-time customer sentiment analysis enabled by large language models ("LLM"). This LLM-powered solution transformed a tedious process into a swift, accurate, and insightful operation.

These customer centric and data-driven digital transformation achievements were recognized at the Cloudera 2024 Data Impact Awards under the Leadership and Transformation category, besting six other international nominees from various industries across Asia Pacific.

As a unified, self-service platform for advanced analytics and machine learning, the MDP supports comprehensive data processing and dashboard creation across various domains, including grid operations and monitoring of sustainability KPIs, fostering a data-driven culture across the Company. By enabling a 50% faster dashboard and analytics generation, the MDP has streamlined data-driven decision-making in our organization.

Looking ahead, we will continue to enhance the MDP, aligned with our evolving business needs as well as technological advancements in the industry, to ensure more efficient service delivery.



ENABLING INTELLIGENT EMPLOYEE AND CUSTOMER SUPPORT

A key priority in our digital transformation journey is the adoption of emerging technologies like AI, with a focus on LLMs, to drive transformative business outcomes. To this end, we have developed the Meralco Interactive Data Assistant ("MIDAS"), an intelligent digital platform akin to ChatGPT. MIDAS will allow users to interact with data through voice and chat, making data more accessible and easier to understand for both tactical and strategic functions.

The AI-based platform will also allow for automatic categorization and analysis of customer feedback as well as generation of actionable recommendations, effectively reducing manual workloads and enhancing customer service.

Moving forward, we aim to expand our self-service data analytics environment and further democratize data access to strengthen our culture of data-driven decision making.

BRIGHT SPARKS

Promoting Responsibility in the Use of AI in *Our Business*

Our Responsible Use of AI Policy sets out appropriate guardrails around the use of AI while we explore this innovative technology within Meralco. As the proliferation and use of AI continue to expand, setting clear policies and governance measures is necessary to prevent these tools from being abused. Applying to all our officers, employees, and third-party partners, the policy includes the following guiding principles:

- **Accountability** – All individuals representing Meralco shall be accountable for the proper selection, use, deployment, integration, and retirement of AI technology;
- **Fairness and Bias Detection** – Any AI tool adopted and used in Meralco must be regularly tested to prevent discrimination and reduce biases, in line with the Company's Code of Business Conduct and Ethics as well as the Diversity and Inclusion Policy;
- **Inclusive Growth, Sustainable Development, and Well-Being** Meralco's pursuit of trustworthy AI should promote inclusive growth, well-being, and reduced environmental impact;
- **Privacy** – Individual privacy must be respected, following Meralco's data privacy obligations;
- **Robustness, Security, and Safety** – Meralco's AI systems must be robust, secure, and safe throughout their lifecycle, ensuring they do not pose unreasonable safety and security risks; and
- **Transparency and Explainability** – AI usage in content development must be explained and shall be transparent to relevant stakeholders. Employees shall be informed and trained on the strengths, limitations, and responsible use of AI.



B. Securing Our Critical Cyber Infrastructure

Meralco's increasing reliance on digital technologies, combined with the accelerating convergence of information technology ("IT") and operational technology ("OT"), has significantly broadened our attack surface, introducing complex security challenges that demand heightened vigilance and protection. As traditional air-gap cybersecurity architectures erode, safeguarding our digital infrastructure requires a more robust and versatile cybersecurity approach.

The evolving cyber threat landscape is further compounded by tightening legal requirements in the Philippines, including the Data Privacy Act, the National Cybersecurity Plan ("NCSP") 2025–2028, and the proposed Energy Sector Cybersecurity and Cyber Resilience Framework by the DOE. These regulations mandate stringent security measures, data protection protocols, and incident reporting. At Meralco, we aim to not only meet but also exceed these regulatory demands by investing in advanced technologies and personnel training as well as adopting a proactive approach to threat detection and response. By ensuring that our cybersecurity measures remain agile, resilient, and future-ready, we successfully blocked and prevented a total of 414 million cyberattacks in 2024 alone.



BUILDING AN ARSENAL AGAINST CYBER THREATS

Our long-term vision for cybersecurity is embodied in ARSENAL, a strategic program designed to elevate Meralco's cybersecurity maturity by 2028, in alignment with the NCSP. Our mission is clear: to defend the Company from current and emerging cyber threats by securing our digital assets, protecting our stakeholders from these threats, and minimizing our exposure to financial, reputational, legal, and regulatory risks stemming from cybersecurity incidents.

ARSENAL lays the foundation for our proactive defense strategy, supported by the following pillars:

- **Asset Visibility** – maintaining a comprehensive inventory of all digital assets, ensuring that we can protect what we can identify;
- **Access Management** – adopting the zero-trust principle ("never trust, always verify") to mitigate risks from internal and external threats;
- **Risk Quantification** – centralizing and automating vulnerability assessments to enable faster, data-driven security investments;
- **Resilience** – building resilience into our architecture and operations to prepare for unpredictable cyber events, with specialized teams focused on early threat detection, dark web monitoring, and brand protection;
- **Response Orchestration and Automation** – enhancing incident response capabilities through automation for rapid and precise threat mitigation;
- **Security by Design** – embedding cybersecurity considerations into every phase of the system and service lifecycle;
- **Supply Chain Ecosystem** – managing third-party cyber risks through dedicated oversight, ensuring the resilience of our digital supply chain;
- **Employee Engagement and Enablement** – cultivating a strong cybersecurity culture through continuous awareness programs, empowering employees as our first line of defense;
- **Employee Workforce Development** – investing in the growth of our cybersecurity talent to manage and mitigate industry-specific threats effectively;
- **Exposure Management** – continuously identifying and addressing vulnerabilities through proactive threat exposure assessments;
- **Executive Cybersecurity Awareness** – facilitating leadership collaboration and providing executives with timely insights into emerging threats;
- **Next-Generation Technologies** – deploying advanced defense systems, intelligent automation, and robust security controls to enhance threat detection and response;
- **Adoption of Global Standards** – reinforcing stakeholder trust by adhering to global cybersecurity best practices; and
- **Legal and Regulatory Compliance** – ensuring compliance with national regulations to effectively manage legal and regulatory risks.

Through ARSENAL, we fortify our cyber infrastructure to withstand the challenges of an increasingly digitalized energy landscape. Given that Meralco powers a significant portion of the Philippines, any disruption caused by a cyberattack could have far-reaching consequences for our 8 million customers, posing a serious national security risk. As such, our proactive, collaborative, and innovative approach to cybersecurity maintains Meralco's resilience as a utility while safeguarding the trust of our stakeholders.



FOSTERING A CULTURE OF CYBER VIGILANCE AND RESPONSIBILITY

Meralco's operational risk framework focuses on identification, assessment, mitigation, and continuous improvement. At the heart of this framework is the commitment to cultivate a culture of cybersecurity awareness that transcends technical jargon and resonates with all audiences. Believing that cybersecurity is a shared responsibility, we empower our workforce to be our strongest line of defense and foster a cybersecurity culture that extends beyond our organization and into the broader community.

To raise our employees' awareness of cybersecurity, we run ongoing campaigns that include weekly advisories on cybersecurity best practices as well as alerts on threats like phishing and smishing scams. In 2024, we issued 87 advisories focused on actionable insights and practical measures.

We also measure our employees' level of vigilance through simulations of phishing attacks. During the reporting period, 4,637 Meralco employees received a simulated phishing email, with only less than 7% clicking on the embedded links. All employees who failed the test were required to undergo phishing awareness training to make them resilient against such threats.

In celebration of the Cyber Security Awareness Month in October 2024, we launched the Annual Cyber Mandatory E-Learning in Meralco, achieving a remarkable 99.93% compliance rate and an 88% overall passing rate.
The learning module combined a comprehensive instructional video with a 14-item quiz to assess employees' understanding of cybersecurity fundamentals.

Our celebration culminated in our inaugural Cybersecurity Awareness Forum, which brought together over 1,500 attendees across One Meralco.
The forum explored critical cybersecurity-related topics such as adoption of AI technologies and IT and OT convergence, as well as enhancing cybersecurity awareness across all levels of our organization. Additionally, we launched the CSG internal portal, a centralized hub for Meralco employees to access cybersecurity advisories and information security policies, and other relevant materials. This platform reinforces our commitment to ensuring that cybersecurity awareness resources remain accessible to all our employees.



PROMOTING VISIBILITY AND SYNERGY FOR CYBERSECURITY

Meralco recognizes the importance of demonstrating relevance, transparency, and accountability in our cybersecurity practices. This is achieved through initiatives that enhance visibility and promote knowledge sharing within our organization.

In 2024, we established Cytadel, an interactive cyber operations and risk management dashboard that provides a holistic view of our cybersecurity operational effectiveness, including platform stability, service responsiveness, vulnerability management, and SLA adherence. Cytadel facilitates performance tracking and reporting by consolidating data from diverse sources, promoting transparency and data-driven decision making.

We also launched the Meralco Intelligence Cyber Security Synergy ("MINT Cynergy"), a threat intelligence sharing community to elevate our managers' awareness of emerging cyber threats, empowering them to make informed decisions about cybersecurity strategy and resource allocation. Through MINT Cynergy, we are able to share and circulate: analysis and reports on security breaches, data leaks, and other critical incidents; case studies on recent security incidents affecting Meralco; updates on our brand protection initiatives, including detecting and addressing fake social media platforms and fraudulent websites; as well as detailed briefs on specific threat actors, covering their capabilities, intentions, attack methods, and possible mitigation measures.

Finally, we also actively forge public-private partnerships to strengthen national cybersecurity resilience and further promote knowledge sharing. In 2024, Meralco launched Wavemaker, in partnership with OMF, to equip teachers with essential cybersecurity knowledge that they can share with their students. We also collaborated with the Philippine National Intelligence Coordinating Agency to understand and enhance the national view of the cyber threat landscape, enabling us to better respond to country-level threats.

For more information about Wavemaker, please refer to the Community Engagement section.



BRIGHT SPARKS

Championing *Data Privacy* Within and Beyond One Meralco

At One Meralco, privacy is more than just a policy—it is a responsibility we uphold to protect and maintain the trust of our stakeholders. Through Meralco's Data Privacy Office ("DPO"), we strive to integrate data privacy principles in every aspect of our business, ensuring that privacy is prioritized by design and by default. We raise awareness among our employees through information campaigns and training sessions to foster a culture of privacy across One Meralco.

In 2024, we launched the Data Privacy Roadshow, starting with the Business Centers, to strengthen our customer-facing teams' understanding of our data privacy policies, guidelines, and risk management requirements. Our goal was to empower our employees to uphold the highest data privacy standards and help them better identify and address potential data privacy concerns. As a result of this initiative, compliance with our Privacy Risk Management requirements improved. We also saw an uptick in inquiries regarding potential data privacy concerns.

During the reporting period, we also conducted a refresher course for Meralco's Learning and Development partners, ensuring they remain well-versed in data privacy concepts and the Company's Privacy Risk and Management Program.

We extend our privacy advocacy to our subsidiaries through capacity-building efforts. Our annual Data Privacy Bootcamp, held during our Privacy Awareness Week, gathered the data privacy teams and other key personnel from our subsidiaries to enable them to stay updated on the latest guidelines and requirements from the National Privacy Commission ("NPC") and the evolving landscape of data privacy in the Philippines. Additionally, we supported MIESCOR Infrastructure Development Corporation ("MIDC") in registering its Data Protection Officer and data processing systems with the NPC.

Our commitment to data privacy goes beyond our organization. In 2024, we led the Data Privacy Council Sectoral Training for Utilities in partnership with Maynilad and the Visayan Electric Company. The training was attended by 26 data protection officers from various utility companies across the country. By actively collaborating with industry peers and the NPC, we strengthen our role as a champion of data privacy, helping protect our stakeholders, especially our customers, in an increasingly digital world.

Community Engagement

Uplifting the Unserved and Underserved

GRI 203-1 | GRI 203-2 | GRI 413

For electric utilities like Meralco, meaningful impact goes beyond delivering power—it is about driving inclusive growth and improving quality of life in the communities we call home. By addressing energy gaps in unserved communities through the One Meralco Foundation ("OMF"), we help uplift lives and drive long-term progress. Our efforts to provide marginalized communities with much needed access to energy across various areas—including education, healthcare, agriculture and livelihood, as well as access to clean water—are helping to create lasting, positive impact where it is needed most.



A. Electrifying Marginalized Communities

In 2024, we invested close to PhP 9.5 million in OMF's Household Electrification Program ("HEP") to connect low-income families within Meralco's franchise area to the grid. Specifically, OMF financed the installation of service entrances, metering centers, breaker walls, and intermediate poles for 3,455 low-income households. Initial set-up costs for these households, which are typically shouldered by residential customers applying for service connections, were carried by Meralco.

Complementing the HEP, we also invested at least PhP 2.7 million in OMF's School Electrification Program ("SEP") to power four remote public schools across the country, supporting children and teachers from indigenous communities in their academic endeavors. Specifically, OMF's SEP energized schools in the municipalities of Bongabong in Oriental Mindoro and Rizal in Palawan.

On top of these two flagship initiatives, we also expanded our efforts to cover other equally important social impact areas: healthcare, agriculture and livelihood, as well as water and sanitation. In 2024, we deployed solar power solutions to two rural health centers in the municipalities of Panukulan in Quezon and Lake Sebu in South Cotabato. Meanwhile, as part of OMF's agriculture and livelihood electrification efforts, we provided a mobile solar irrigation pump to help two farmer cooperatives in Rizal and Lupao, Nueva Ecija. Additionally, through OMF's water access electrification, we provided a 7.1-kWp solar PV solution to a community water facility in Santo Niño, South Cotabato, to help improve water access to its 217 residents.

We have also been bringing the gift of light to remote island communities through OMF's Light Up Pilipinas program. Since 2021, we have provided solar lamps to at least 8,000 families, fisherfolk, indigenous tribes, soldiers, and forest rangers, enabling them to boost their productivity at home and at work.

Through OMF's community development programs, we continue to harness the power of electricity to uplift and improve lives within and beyond our service area.

For more information about OMF's corporate social responsibility initiatives, please refer to the OMF Annual Report 2024.

B. Empowering Communities Beyond Electrification



With one of the largest populations of Internet and social media users in the world, the Philippines faces growing cybersecurity challenges that impact individuals and communities alike. Recognizing the importance of sharing our expertise in cybersecurity to help create safer environments for everyone, we launched a cybersecurity awareness program called Wavemaker in 2024 to empower Filipino teachers as advocates of digital safety in the education sector.

Our pilot session, supported by the Department of Education and the Philippine National Police, brought together 60 teachers from public high schools across the National Capital Region. Led by the OMF and our Cyber Security Group ("CSG"), we equipped participants with foundational cybersecurity concepts, including identifying and reporting cyber threats, practicing responsible digital citizenship, and responding to cyberattacks. The participants also learned about career opportunities in the field of cybersecurity.

By fostering a culture of digital vigilance among educators, we aim to extend cybersecurity awareness beyond the classroom and into communities. As we expand Wavemaker across and beyond Meralco's franchise area, we remain committed to building a resilient digital society where every Filipino is prepared to navigate the online world safely and responsibly.

For more information about our cybersecurity efforts, please refer to the Digitalization & Cybersecurity section of this report.









BRIGHT SPARKS

Spreading Light and Joy for *Christmas*

Christmas holds a deep, unspoken significance for Filipinos—it is a season of festivity that brings families and loved ones together. In November 2024, we at Meralco continued a beloved community tradition by opening Liwanag Park at our Pasig City headquarters. Since its inception in 1998, Liwanag Park has been a symbol of hope and joy for Filipinos during the holiday season. Joined by First Lady Liza Araneta-Marcos and our Chairman and CEO Manuel V. Pangilinan, we illuminated the iconic Lopez Building façade and surrounding areas, highlighting our enduring commitment to bringing light to every home and heart we serve. During the opening ceremony, we also celebrated a milestone we achieved in 2024—reaching 8 million customer connections—by honoring eight community partners who symbolized our Company's electrification efforts in our franchise area.

Our celebration was extended through our partnership with the Intramuros Administration to unveil Liwanag Park in Intramuros later in the same month. Plaza Roma was transformed into a glowing Christmas wonderland, featuring a majestic tree crafted from electric meter covers, a shimmering arch of lights, our iconic tranvia, and pathways lined with radiant stars and solar lamps. As the lights came alive under the leadership of First Lady Louise Araneta-Marcos, Manila Mayor Honey Lacuna-Pangan, and Intramuros Administrator Joan Padilla, we were reminded of the resilience of the Filipino spirit as we commemorated the communities gravely affected by the devastating typhoons in 2024.

For over two decades, Liwanag Park has symbolized more than festive cheer—it has stood as our enduring promise to connect with communities and reaffirm our commitment to powering the good life for our customers.

Supply Chain Sustainability

Amplifying Collective Impact with Our Business Partners

GRI 2-6



The One Meralco ecosystem encompasses many constituents, including an extensive supply chain of companies that form the gears of the economic machinery of the country. As part of our commitment to contributing to national development by supporting domestic enterprises, one of the sourcing strategies we have adopted is to source goods and services from Philippine-based suppliers. In 2024, our Group spent close to PhP 43.2 billion on local procurement contracts, directly benefitting local businesses.

TOTAL PROCUREMENT SPEND IN 2024 (in PhP million)

	Local	Foreign	Subtotal
Meralco	32,768	5,452	38,221
Subsidiaries	10,426	12,833	23,259
TOTAL	**43,194**	**18,285**	**61,480**

TOTAL NUMBER OF SUPPLIERS BY CLASSIFICATION IN 2024

	Tier 1	Non-Tier 1	Subtotal
Meralco	3,056	0	3,056
Subsidiaries	2,084	43	2,127
TOTAL	**5,140**	**43**	**5,183**

TOTAL NUMBER OF SUPPLIERS BY LOCATION IN 2024

	Local	Foreign	Subtotal
Meralco	2,440	616	3,056
Subsidiaries	1,897	230	2,127
TOTAL	**4,337**	**846**	**5,183**



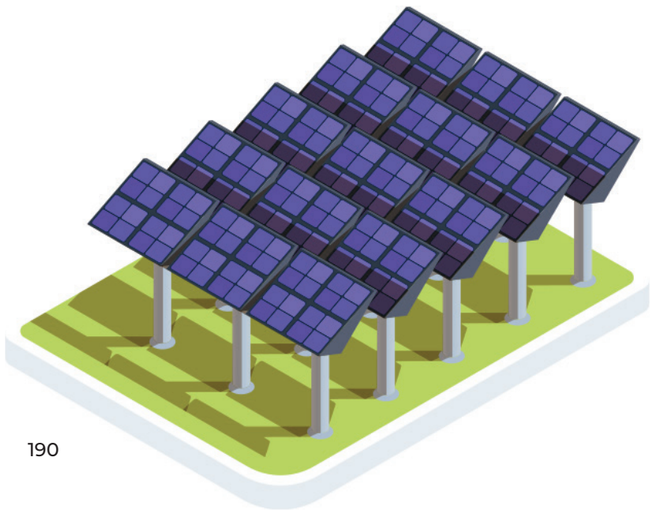
Our approach to sourcing goods and services brings financial and operational advantages. Prioritizing local procurement strengthens Meralco's reputation as a responsible corporate citizen and reduces reliance on complex international supply chains that are often vulnerable to disruptions. We therefore enhance the resilience of our supply chain while contributing to the Philippines' economic growth.

Beyond supporting the local economy, we are equally committed to addressing other environmental, social, and governance ("ESG") issues in our supply chain. Central to this commitment is our Human Rights Policy, which requires our business partners to uphold human rights principles, in line with the United Nations' Universal Declaration of Human Rights. We require our suppliers to implement policies and conditions that seek to protect and promote human rights within their own spheres of influence.

A. Influencing Our Suppliers to Embrace Sustainability

Our businesses across One Meralco substantially shape the revenue and growth of our suppliers who, in turn, impact our Group's overall ESG performance. It is therefore imperative for us to actively encourage and empower all our constituents across our supply chain to adopt sustainability principles and practices in their own operations. As such, we have embarked on a journey called the Supply Chain Sustainability Story to operationalize our ambitions.

The Supply Chain Sustainability Story was established to integrate sustainability into our supply chain in three distinct waves: Introduce, Influence, and Ingrain. The first wave focuses on introducing ESG principles into our supply chain and procurement processes. The second wave is concentrated on influencing our value chain partners to enable them to better understand and commit to sustainability. Finally, the third wave is about ingraining sustainability into our mission, strategy, and decision-making to further create shared value and positive impact in our network. Across these three waves, we will employ various initiatives such as baselining, segmentation of suppliers based on different criteria, partnerships with suppliers on strategic projects, capability-building workshops, performance monitoring, and communication campaigns.



In 2024, as part of the Introduce and Influence waves, we continued implementing the Meralco Supplier Sustainability Scorecard ("MS3"), which covers 131 ESG criteria based on the GRI Standards as well as 14 of the 17 SDGs that our suppliers need to meet in order to maintain their accreditation with the Company. We also launched a sustainability toolkit and commitment form as part of their accreditation requirements, strengthening our commitment to enhancing our collective impact with our suppliers.

MS3 provides us a better view of our suppliers' policies, processes, and initiatives that may substantially affect our Company's financial and sustainability performance. By the end of the reporting period, 355 supply chain partners, which collectively represent 95% of Meralco's annual procurement spend, were fully compliant with our sustainability standards.

Beyond mere compliance, MS3 has yielded significant gains and now functions as a platform for Meralco to engage in meaningful dialogues with its suppliers, enabling us to better identify and address the challenges our suppliers face in adopting sustainability principles and practices. Integrating ESG assessment criteria into our procurement process also helps mitigate reputational risks and engage with suppliers who demonstrate mature risk management practices or, at the very least, commitment to adopting and integrating sustainability principles into their own operations.

Moving forward, we will roll out more supply chain sustainability initiatives as we continue to pursue the Ingrain wave, tackling challenging ESG topics such as Scope 3 emissions reduction and supplier diversity.



B. Upholding Human Rights in Our Supply Chain



We at One Meralco believe that respect for human rights is non-negotiable—it is a fundamental principle that must be upheld without fail. This conviction guides every aspect of our operations and partnerships as enshrined in our Human Rights Policy, which extends to our vendors and other key partners. In this regard, we seek to ensure, through contractual stipulations or other formal commitments, that our third-party business partners uphold the same principles and implement them within their own operations through pertinent policies and conditions that seek to protect and promote human rights.

To support this, we actively advocate for human rights through education and training, ensuring that both our internal and external stakeholders are well-informed about our commitments. Our directors, officers, and employees lead by example, committing to strict compliance with our human rights standards and encouraging the same dedication from our business partners. This collective responsibility strengthens our mission to build a fair, equitable, and ethical business environment throughout our supply chain.

Our Governance

Business Ethics

Upholding Integrity and Accountability in Our Business

We at Meralco recognize our social and legal responsibility to uphold the highest standards of business ethics in everything we do. With a stakeholder network spanning over 8 million, as well as tens of thousands of employees, suppliers, and shareholders, we are committed to conducting our operations with integrity and accountability at all times. We do this not just because our success rests upon a franchise granted by the government—we do this because it is the right thing to do.



To guide this commitment, in 2017, our Board of Directors adopted the Manual of Corporate Governance (“CG Manual”) based on the Securities and Exchange Commission’s (“SEC”) Corporate Governance Code. Our CG Manual provides the framework for good governance and ethical business practices that all our directors, officers, and employees are expected to observe and adhere to in dealing with different stakeholders. Our senior management is tasked with ensuring our operations are aligned with the CG Manual. The CG Manual was amended by the Board on July 29, 2024.



CONDUCTING BUSINESS ETHICALLY

Our Code of Business Conduct and Ethics prescribes the ethical values and behavioral standards that all directors, officers, and employees of Meralco are required to observe in performing their duties and responsibilities. Copies of the policy are disseminated to all officers and employees.

Our Corporate Governance Office ("CGO") monitors implementation of, and compliance with, the Code of Business Conduct and Ethics. An online Corporate Governance Facility in our human resource portal is made available to all employees for all corporate governance-related requirements. All directors, senior management, and employees are required to annually submit Full Business Interest Disclosure Forms and Conflict of Interest Forms. We also require them to disclose any gifts they receive from business partners through the online Gift Registry.

Employees who fail to comply with our corporate governance requirements are sanctioned accordingly.

Effective management oversight is necessary to ensure that the behavior and decisions of our people are consistent with Meralco's objectives and strategies. Our Management Control Policy requires our senior management to ensure that our system of checks and balances is properly working, emphasizing the importance of internal controls as an integral part of our governance system and risk management.

For more information about how we conduct business ethically, please refer to pages 224-225 of this report.

PREVENTING BRIBERY AND CORRUPTION

Our Code of Business Conduct and Ethics requires all directors, officers, and employees to observe professionalism, integrity, and good faith in transactions with and obligations to our customers, suppliers, business partners, regulators, creditors, competitors, and employees. It prescribes ethical standards of behavior and discourages any act that may be construed as direct or indirect bribery or corruption, as defined by law, that lead to any perceived or actual favor or advantage.

Our Anti-Bribery and Corruption Policy strictly prohibits corporate gift-giving to private and public entities that constitutes bribery or corruption. It cites specific instances of such corrupt practices to guide our directors, officers, and employees. Our Policy on Solicitation and Acceptance of Gifts, on the other hand, prohibits the acceptance of gifts offered and given by suppliers, contractors, and other third-party business partners to prevent all our directors, officers, and employees from putting themselves in situations that could affect the performance of their duties and responsibilities.

Meanwhile, through our Code of Business Conduct and Ethics for Vendors, we require suppliers to comply, at all times, with all applicable anti-bribery and corruption laws, as well as to not offer, accept, promise, pay, permit, or authorize bribes and kickbacks, which include giving of gifts to any of our directors, officers, and employees or any other means to obtain an undue or improper advantage.

Our Internal Audit department reviews the compliance of directors, officers, and employees with the Code of Business Conduct and Ethics and other corporate governance-related policies and requirements. The result of the Internal Audit's review is reported to the Audit Committee.

For more information about how we prevent bribery and corruption in our organization, please refer to page 225 of this report.





ENCOURAGING OUR EMPLOYEES TO SPEAK OUT

Our Speak Out Policy, which formalizes Meralco's whistleblowing program, encourages the reporting of any violations of corporate governance rules or policies, questionable accounting or auditing matters, and other malfeasance committed by any directors, officers, or employees. The policy also covers our consultants, vendors, and other third-party business partners and, to the extent specified in the policy, subsidiaries of Meralco. Reports regarding any improper conduct or behavior may be filed by any stakeholder.

While our Speak Out Policy specifically addresses reports related to corporate governance concerns, such as violations of corporate governance rules, questionable accounting or auditing matters, and other malfeasance, we also accept reports that do not fall under these categories. These reports are referred accordingly to the concerned office for proper handling.

Consistent with this, we encourage our vendors to help maintain the integrity of our procurement process by raising concerns, filing complaints, or seeking redress for any grievance related to procurement.

We ensure that concerns, complaints, or grievances related to the procurement process are investigated and dealt with in accordance with existing laws, rules, regulations, internal policies, and procedures.

Appropriate controls or mechanisms are adopted to safeguard the confidentiality of the reports, the conduct of the investigation, and the integrity of the process. To encourage good faith reporting, we prohibit any form of retaliation arising from a Speak Out Report and provide appropriate protection from those committing retaliation. In the event of retaliation, the reporting person or witness may file a report with the CGO.

Our employees, suppliers, customers, and other stakeholders can download a whistleblower and grievance report form from the Company website and submit it via email or regular mail to the CGO.

For more information about how we encourage employees to speak out, please refer to page 226 of this report.

COMMUNICATION OF ANTI-CORRUPTION POLICIES AND PROCEDURES IN MERALCO

	2022	2023	2024
Board of directors	11	11	11
Senior management	749	789	825
Middle management	754	795	809
Rank and file	4,639	4,346	4,372
Fixed-term and project-based hires	323	320	297
Third-party workers	0	0	0
Business partners	707	1,292	409

TRAINING ON ANTI-CORRUPTION IN MERALCO

	2022	2023	2024
Board of directors	11	11	11
Senior management	749	789	825
Middle management	754	795	809
Rank and file	4,639	4,346	4,372
Fixed-term and project-based hires	323	320	297
Third-party workers	0	0	0
Business partners	707	1,292	409

NUMBER OF CORRUPTION INCIDENTS IN MERALCO REPORTED VIA OUR SPEAK OUT PLATFORM

	2022	2023	2024
Under ongoing investigation	0	0	0
Closed with corresponding corrective action	0	0	0
Closed without corresponding corrective action	0	0	0
TOTAL	**0**	**0**	**0**

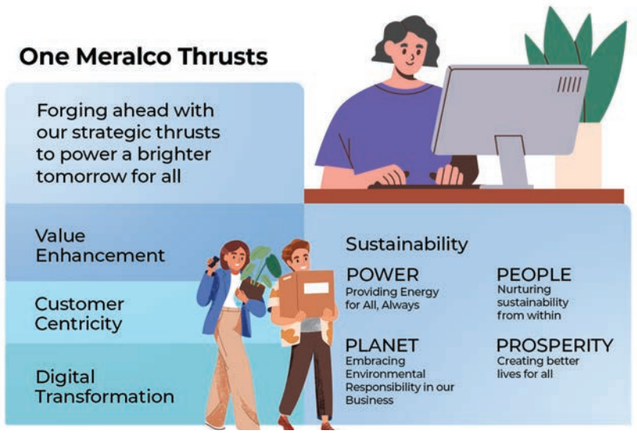
NUMBER OF REPORTED DISCRIMINATION INCIDENTS IN MERALCO

	2022	2023	2024
Under ongoing investigation	0	0	0
Closed with corresponding corrective action	0	0	0
Closed without corresponding corrective action	0	0	0
TOTAL	**0**	**0**	**0**

Corporate Governance Report

A Shared Commitment to Excellence in Governance

Aligned with the principle of collaboration that defines Meralco (“the Company”), the organization demonstrates an unwavering commitment to transparent and effective governance. By fostering synergy across its operations, the Company upholds rigorous governance standards, ensuring compliance with regulations and building trust among stakeholders. This shared commitment serves as the foundation for the Company’s sustainable growth and long-term success.



At the core of its unified efforts lies a collective dedication to strict adherence to relevant laws, regulations, and ethical standards. Meralco proudly stands as a testament to the strength of this shared vision, demonstrating compliance as guided by the trust and confidence of its stakeholders. The Company fully adheres to the corporate governance codes, rules, and regulations established by esteemed regulatory bodies such as Securities and Exchange Commission ("SEC"), Philippine Stock Exchange ("PSE"), Philippine Dealing & Exchange Corp. ("PDEx"), and others.

Through a unified approach to governance, Meralco not only drives progress but also reinforces its position as a stable and sound investment, embodying the strength of its vision for generations to come.

Recognizing that corporate governance extends beyond mere compliance, the Company ensures that its cohesive efforts maintain a strong and sustainable corporate culture. Anchored in the fundamental principles of fairness, accountability, integrity, transparency, and honesty, these shared values enable Meralco to create and sustain value, gain a competitive edge, and advance its environmental, social, and governance objectives.

Guided by its vision, mission, and core values, Meralco continuously strengthens its governance structure, policies, controls, and practices. These efforts are aligned with the SEC Memorandum Circular No. 19, Series of 2016, otherwise known as the Code of Corporate Governance for Publicly-Listed Companies (“SEC CG Code”), and the ASEAN Corporate Governance Scorecard (“ACGS”).

In recognition of the Company’s exemplary corporate governance practices, Meralco was honored with a Four (4) Golden Arrow award by the Institute of Corporate Directors ("ICD") during the 2024 Golden Arrow Awards held on September 19 at the Marriott Hotel in Manila. The assessment is based on the ASEAN Corporate Governance Scorecard, a tool used to evaluate companies’ adherence to best practices in corporate governance across the ASEAN region.

Meralco’s advancement to this 4-Arrow recognition is a significant improvement from last year’s 3-Arrow status, highlighting Meralco’s ongoing commitment to strengthening transparency, accountability, and ethical leadership and further solidifying its reputation as a benchmark for corporate governance excellence.





A. BOARD GOVERNANCE RESPONSIBILITIES

Serving as corporate governance stewards of the Company, the competent, working Board of Directors ("Board") fosters the long- term success of Meralco, and ensures that the Company sustains its competitiveness and profitability in a manner consistent with its corporate objectives and the long- term best interests of its shareholders and other stakeholders.

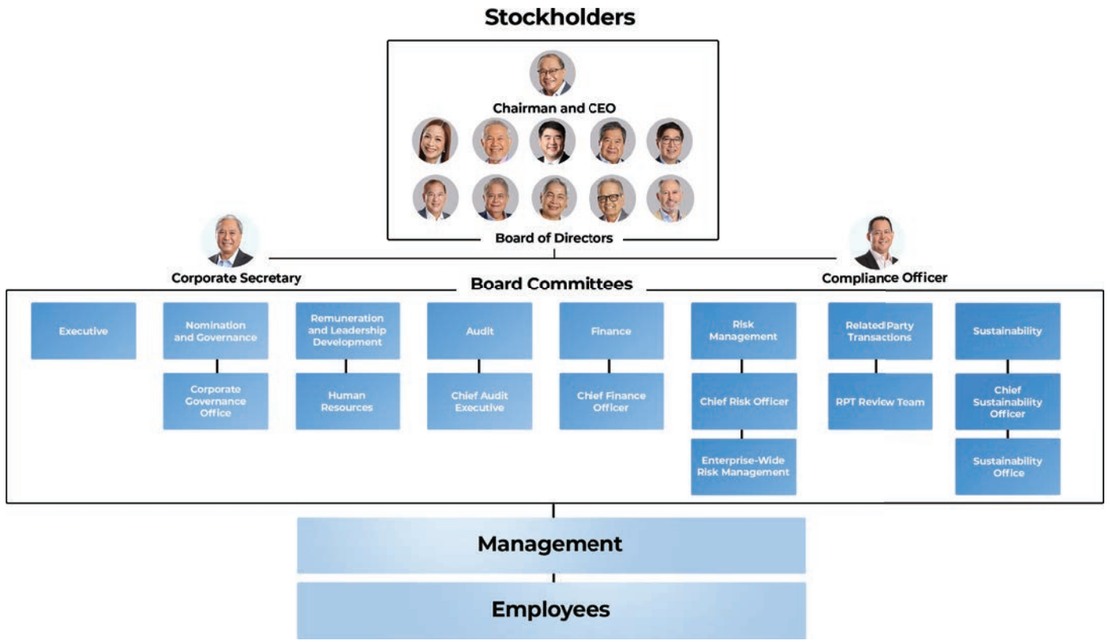
The Board is responsible for defining and reviewing the Company's vision, mission, overall strategic directions, corporate objectives, long-term goals and core values annually. It oversees and monitors the development and implementation of the Company's business objectives and strategy and ensures that obligations to stockholders and to all stakeholders are understood and fulfilled. *Please refer to pages 10-11 for information on Meralco's Vision, Mission, and Core Values.*

Pursuant to the SEC CG Code, the Board adopted in 2017 a Manual of Corporate Governance ("CG Manual") which provides the framework of good governance and ethical business practices that the Company's directors, officers, and employees are expected to observe and adhere to in dealing with various stakeholders. Management, in turn, ensures that the operations of the Company are aligned with the CG Manual.

The CG Manual conforms to regulations set forth by the SEC, the PSE, PDEx, and other relevant regulatory bodies and is reviewed annually to ensure that it is up to date with local and international best practices, and in keeping with the Company's strategic direction. The CG Manual was amended by the Board on July 29, 2024.

In accordance with the CG Manual, the Board formulates and annually reviews the Company's vision and mission statement, strategic objectives, key policies, and the mechanism for performance assessment of the Board and Management, principally the President and/or Chief Executive Officer ("CEO") as well as other key officers.

The Board, in its regular meeting held on January 29, 2024 as part of the Board's assessment of the Company's performance in the past year, reviewed the Company's material controls (including operational, financial and compliance controls) and risk management systems and confirmed the Company's full compliance with the code of corporate governance. In 2021, the Board revised the vision, mission, and values statements as well as the corporate strategic objectives of the Company and the same was again reviewed and confirmed by the Board in 2024.



A.1 COMPOSITION

The Board is composed of directors with collective working knowledge, experience or expertise that is relevant to the company's industry/sector. In accordance with the Revised Corporation Code, the Company has a diverse Board consisting of eleven (11) directors, majority of whom are non-executive directors while three (3) are Independent Directors ("ID"), including a female independent director.

The Nomination and Governance Committee ("Nom&Gov") reviews the nomination, selection, and composition of the Board pursuant to the Nomination and Election Policy. Additionally, the Board affirms that its members have a proper mix of qualifications, background, experience, independence, and skills needed to effectively perform its responsibilities and that its members remain qualified for their positions individually and collectively to enable them to fulfill their roles and responsibilities and respond to the needs of the organization.

The Board adopts a Board Diversity Policy that promotes diversity to encourage critical discussion and foster balanced decision-making in the attainment of the Company's strategic objectives and sustainable development. The Policy likewise provides for measurable objectives for implementing its board diversity policy and for reporting on progress in achieving its objectives.

The Board ensures that independent decision-making is encouraged, and that no individual director dominates decision-making. The non-executive directors actively participate in discussions at the Board and Board Committee levels, as well as with Management.

A.2 INDEPENDENT DIRECTORS

On March 14, 2024, the Nom&Gov assessed the profiles of the directors and found that the independent, non-executive directors are indeed free of relationships with the Company, its related corporations, its management or substantial shareholders that could interfere, or be reasonably perceived to interfere, with the exercise of directors' independent business judgment. The Nom&Gov had reviewed the multiple board representations held presently by the directors and assessed that they do not hinder in any way the performance of their duties to the Company.

Under the CG Manual, independent directors are allowed to serve for a maximum of nine (9) consecutive years reckoned from 2012, making sure, however, that the shareholders' legal right to vote and be voted remains inviolable. If an independent director who has served for nine (9) consecutive years is being nominated and considered for reelection, the Company is mandated to provide meritorious justification and advise the shareholders of such justification during the annual shareholders' meeting.

Given the nomination for election to the Board of Directors of independent directors, Retired Chief Justice Artemio V. Panganiban and Mr. Pedro Emilio O. Roxas after the maximum 9-year term, the Board provided for the meritorious justification for their retention in accordance with the CG Manual which was consequently approved by the shareholders during the 2024 Annual Stockholders' Meeting.

The proposal to retain Retired Chief Justice Panganiban and Mr. Roxas as independent directors is crucial given the Company's then pending franchise renewal application with the Congress. Their expertise in market dynamics, regulatory compliance, and strategic planning ensures stability, mitigates risks, and supports the Company's sustained growth. Their strong stakeholder relationships likewise foster trust and constructive dialogue, which is also imperative for successful franchise renewal. Additionally, their forward-thinking approach and strategic insights are vital as the Company navigates market challenges and diversifies into renewable energy investments.



A.3 CHAIRMAN OF THE BOARD

The Chairman of the Board and Chief Executive Officer, Mr. Manuel V. Pangilinan, serves to represent the interests of all shareholders and stakeholders, and oversees the performance of the Board and its directors. He champions exemplary ethical governance principles for directors, officers, and employees to emulate and espouse.

The Chairman and CEO, together with the Corporate Secretary and the Compliance Officer, sets a clear agenda before each Board meeting. He provides opportunities for all directors to actively participate, addresses governance-related issues that non-executive, independent directors may raise, and ensures that the Board exercises strong oversight over the Company and its Management, such that any corporate risk or threat is adequately and effectively addressed. His roles and responsibilities are specified in the CG Manual accessible at the Company's website.



A.4 MEETINGS AND MAJOR ACCOMPLISHMENTS

The Board of Directors reviews and approves major projects, policy decisions, annual budgets, major investment funding, and major restructuring of core businesses on a fully informed basis, in good faith, with due diligence and care, and in the best interest of the company.

The Board jointly plans meeting dates prior to or at the start of the calendar year, meets regularly once a month, and holds special meetings as may be required.

2024 ASM AND BOARD MEETING ATTENDANCE

Name	Designation	Annual Stockholders' Meeting	Board Meetings[1]
Manuel V. Pangilinan	Chairman	Present	16/16
Lance Y. Gokongwei	Director	Present	16/16
Ray C. Espinosa	Director	Present	16/16
June Cheryl A. Cabal-Revilla	Director	Present	16/16
Frederick D. Go[2]	Director	Not Applicable	Not Applicable
James L. Go	Director	Present	14/16
Patrick Henry C. Go[3]	Director	Present	13/13
Jose Ma. K. Lim	Director	Present	16/16
Victorico P. Vargas	Director	Present	16/16
Lydia B. Echauz	Independent Director	Present	16/16
Artemio V. Panganiban	Independent Director	Present	16/16
Pedro Emilio O. Roxas	Independent Director	Present	16/16

[1] Regular, Special, and Organizational Board Meetings
[2] Resigned as a member of the Board of Directors on January 8, 2024
[3] Elected as a member of the Board of Directors on January 29, 2024

In 2024, the Board's major accomplishments included the following:

Major Projects/Policy Decisions

- Evaluation of compliance to the SEC Revised Code of Corporate Governance
- Approval of the Integrated Annual Corporate Governance Report ("I-ACGR")
- Review and approval of the Amendments to the Manual of Corporate Governance, Finance Committee Charter, Nomination and Governance Committee Charter, Related Party Transactions Committee Charter, and Risk Management Committee Charter
- Screening of nominees to the Board
- Approval of the Updated Long-term Sustainability Strategy ("LTSS")
- Conduct of the 2024 ASM
- Approval of 2025 schedule of Board meetings
- Review and approval of the board committee composition
- Evaluation of compliance to ERC requirements
- Review and approval of business separation and unbundling plan reports
- Approval of construction, development, and commissioning of substation assets
- Review and approval of Emergency Power Supply Agreement ("EPSA")
- Review and approval of power generation projects, interim power supply agreements ("IPSAs") and power supply agreements ("PSAs"), technical services agreements, pole relocation projects, and other local and international business initiatives
- Approval of Audited Financial Statements
- Evaluation of incumbent external auditor and nomination of external auditor for 2024
- Approval of report of external auditors covering the Company's Audited Financial Statements
- Approval of dividend declaration
- Review and approval of material RPTs
- Enterprise performance evaluation and assessment
- Performance assessment of the Board, Board Committee, and Key Officers
- Review and approval of rank conferment and appointment of officers
- Review and approval of executive promotions, rightsizing policy and succession planning
- Review and approval of employee performance management plan
- Review and approval of various supply contracts in excess of PhP 50 million



Business Plan and Annual Budgets

- Review and approval of the 2025 budget
- Monitoring of investment committee report
- Review and approval of corporate strategic objectives
- Monitoring of the implementation of corporate strategies
- Review of forecast of subsidiaries' projects

Major Investment Fundings

- Infusion of equity to subsidiaries
- Renewal of credit lines, credit facilities, and bonds

A.5 CORPORATE SECRETARY AND COMPLIANCE OFFICER

All Board members have direct and independent access to the Corporate Secretary, the Compliance Officer, and Management.

The Corporate Secretary, a fellow of the Institute of Corporate Directors, Atty. Simeon Ken R. Ferrer, under the direction of the Chairman, is responsible for ensuring that good information flows within the Board and Board Committees and between Management and non-executive directors. He also facilitates the orientation and assists with the professional development of directors as required by regulators. He met all the qualifications and skills required for his position.

The Board is likewise assisted by Company's Compliance Officer and Senior Vice President, Atty. William S. Pamintuan, who monitors, reviews, evaluates, and ensures the full compliance by the corporation, its directors and officers with relevant laws, rules and regulations and all governance issuances of regulatory agencies and report violations thereof to the Board and recommends the imposition of appropriate disciplinary action.

The qualifications, duties and responsibilities of the Corporate Secretary and Compliance Officer are stated in the CG Manual and Board Charter. Both of them regularly attend trainings on corporate governance.





A.6 BOARD COMMITTEES

The Board has formed various Board Committees, namely Executive Committee ("ExCom"), Audit Committee ("AuditCom"), Risk Management Committee ("RMC"), Nom&Gov Committee, Remuneration and Leadership Development Committee ("RLDC"), Finance Committee ("FinCom"), Related Party Transactions Committee ("RPTCom"), and Sustainability Committee ("SusCom"). The Board has delegated specific responsibilities to each of these Committees guided by their respective committee charters.

2024 BOARD COMMITTEE MEETING ATTENDANCE

Name	Finance	Audit	RMC	RPT	Nom & Gov	RLDC	Executive	Sustainability
Manuel V. Pangilinan	N/A	N/A	N/A	N/A	N/A	4/4	6/6	3/3
Lance Y. Gokongwei	15/15	N/A	N/A	N/A	N/A	4/4	6/6	3/3
Ray C. Espinosa	N/A	N/A	1/2	2/2	N/A	N/A	N/A	N/A
June Cheryl A. Cabal-Revilla[1]	15/15	6/7	N/A	N/A	5/5	N/A	N/A	3/3
Frederick D. Go[2]	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
James L. Go	12/15	5/7	1/2	1/2	4/5	N/A	4/6	N/A
Patrick Henry C. Go[3]	N/A	7/7	2/2	2/2	5/5	N/A	N/A	2/2
Jose Ma. K. Lim[4]	15/15	7/7	2/2	2/2	5/5	N/A	6/6	N/A
Victorico P. Vargas	15/15	N/A	N/A	N/A	N/A	4/4	N/A	N/A
Lydia B. Echauz	15/15	7/7	N/A	N/A	5/5	N/A	N/A	N/A
Artemio V. Panganiban	N/A	7/7	2/2	2/2	N/A	N/A	6/6	N/A
Pedro Emilio O. Roxas	15/15	6/7	2/2	2/2	5/5	3/4	N/A	3/3

[1] Chairperson of the Finance Committee beginning May 28, 2024
[2] Resigned as a member of the Board of Directors on January 8, 2024, resigned as a member of the Audit, RPT, Nomination and Governance, and Sustainability Committee, and as Chairperson of the Risk Management Committee on January 8, 2024.
[3] Elected as a member of the Board of Directors on January 29, 2024, and as a member of the Audit, RPT, Nomination and Governance, and Sustainability Committee, and as Chairperson of the Risk Management Committee on January 29, 2024.
[4] Chairperson of the Finance Committee until May 27, 2024

The functions, authority and responsibilities of each Board committee and their accomplishments are as follows:

A. Executive Committee ("EXCOM")

is composed of five (5) directors, one (1) of whom is an independent director. The ExCom may act, by majority vote of all its members, on such specific matters within the competence of the Board, as may be delegated to it under the By-Laws, or upon a majority vote of the Board, subject to the limitations provided by the Corporation Code.

The ExCom conducted six (6) meetings in 2024 with the following accomplishments, among others:

- Review of updates on ongoing projects
- Approval of PSAs
- Approval of submission of 2024 Revised Power Supply Procurement Plan with the Department of Energy
- Approval of New Emergency PSA ("EPSA") for Meralco's 1,200 MW baseload supply requirement

B. Remuneration and Leadership Development Committee ("RLDC")

is composed of four (4) directors, one (1) of whom is an independent director. The duties and responsibilities of RLDC as defined in its charter include assistance to the Board in the development of the Company's overall performance management, compensation, retirement, and leadership development policies and programs based on the Company-approved philosophy and budget.

The RLDC held four (4) meetings in 2024 and accomplished the following:

- Approval of candidates for rank conferment
- Approval of proposed budget for the 2024 salary review program
- Review of annual incentive plan
- Review of the collective bargaining agreement for supervisory union
- Review of performance evaluation plan results
- Approval of Recommendation for Appointment and Employment Extension

The RLDC recommends to the Board, for the approval of the shareholders, a framework of remuneration for Directors and Management, including the President and/or CEO.



	Remuneration for Board Meetings Attended in 2024	Remuneration for Committee Meetings Attended in 2024	TOTAL
EXECUTIVE DIRECTOR			
Manuel V. Pangilinan	₱1,820,000.00	₱312,000.00	₱2,132,000.00
NON-EXECUTIVE DIRECTOR			
Lance Y. Gokongwei	₱1,820,000.00	₱600,000.00	₱2,420,000.00
June Cheryl A. Cabal-Revilla	₱1,820,000.00	₱600,000.00	₱2,420,000.00
Ray C. Espinosa	₱1,820,000.00	₱72,000.00	₱1,892,000.00
James L. Go	₱1,540,000.00	₱552,000.00	₱2,092,000.00
Patrick Henry C. Go[1]	₱1,680,000.00	₱408,000.00	₱2,088,000.00
Jose Ma. K. Lim	₱1,820,000.00	₱792,000.00	₱2,612,000.00
Victorico P. Vargas	₱1,820,000.00	₱384,000.00	₱2,204,000.00
INDEPENDENT DIRECTORS			
Lydia B. Echauz	₱1,820,000.00	₱552,000.00	₱2,372,000.00
Artemio V. Panganiban	₱1,820,000.00	₱408,000.00	₱2,228,000.00
Pedro Emilio O. Roxas	₱1,820,000.00	₱768,000.00	₱2,588,000.00
TOTAL INDEPENDENT DIRECTORS	**₱5,460,000.00**	**₱1,728,000.00**	**₱7,188,000.00**
GRAND TOTAL	**₱19,600,000.00**	**₱5,448,000.00**	**₱25,048,000.00**

[1] Elected as Director effective January 29, 2024.

The Directors and Officers are covered by a Casualty Line Insurance Policy effective until June 27, 2025. The policy covers Company Securities, Company Employment Practices Breach, Regulatory Crisis Event Costs, Investigation Costs, Public Relations Expenses, Investigation Costs for Derivative Demands, Tax Liability, and other additional limits such as Bodily Injury & Property Damage Defense Costs, Health & Safety Defence Costs, Gross Negligence Manslaughter Defense Costs and Environmental Violation (Defense Costs Including Civil and Admin Fines).

For the President and/or CEO and Management, the framework takes into account all aspects of executive remuneration including salaries, allowances, bonuses, and benefits in kind. The framework is benchmarked against pay and employment conditions within the industry and it links rewards to corporate and individual performance.

The Company's directors receive per diem fees for their attendance to Board and Board Committee meetings. Each director is entitled to a per diem allowance of PhP 140,000 for every board meeting attended and PhP 24,000 for every committee meeting.

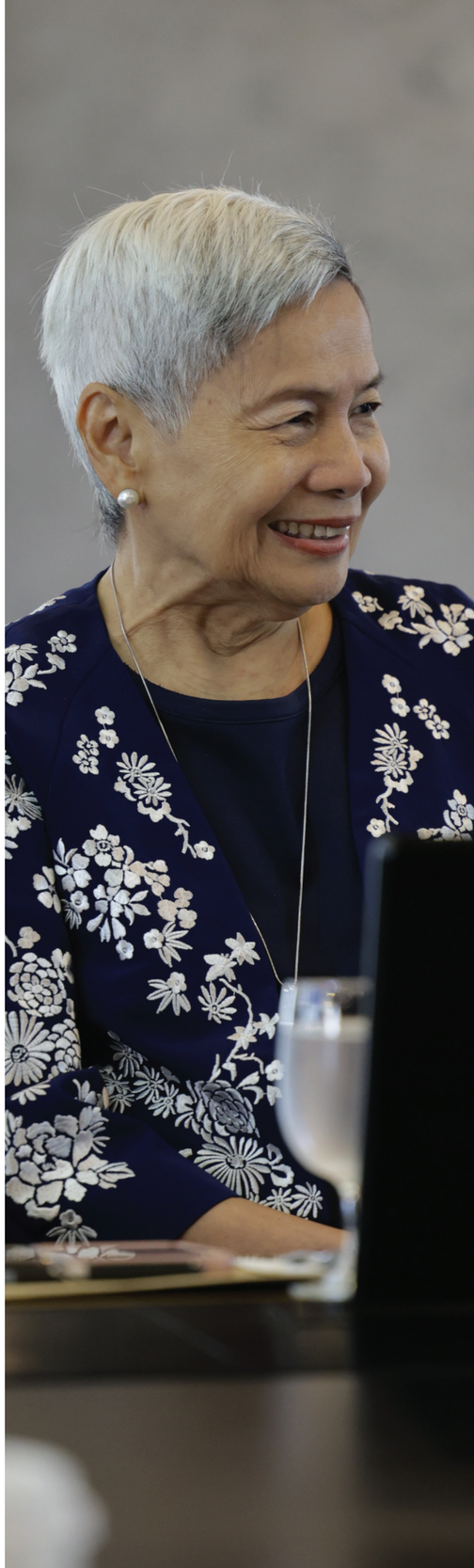


Remuneration of Key Management and Employees
The Company adopts a Remuneration Policy comprised of fixed and variable components in the form of base salary and variable incentive linked to the Company's and the individual's performance. Compensation packages and revisions of key Management's remuneration are subject to the review and approval of the RLDC.

The top five (5) key officers of the Company have received an aggregate remuneration of PhP 259 million in 2024. *For more information on the aggregate total remuneration paid to all key officers, please refer to the discussion entitled Compensation of Key Management Personnel in the Notes to Consolidated Financial Statements.*

Advisers/Consultants to Remuneration and Leadership Development Committee
Meralco engaged a human resources consultancy firm to assist in the areas of employee engagement, and compensation and benefits management.





C. Nomination and Governance Committee ("Nom&Gov")

The Nom&Gov is composed of six (6) directors with an independent director as chair. The duties and responsibilities of Nom&Gov as reflected in its charter include screening qualified nominees for election as directors, assessing the independence of directors, introducing improvements on Board organization and procedures, setting-up of mechanisms for performance evaluation of the Board and Management, and providing programs for continuing education of the Board.

The Nom&Gov undertakes the process of identifying the qualification of directors aligned with the Company's strategic directions. It reviews and recommends to the Board the appointment of members to the Board Committees. The process involves identifying, reviewing, and recommending potential candidates to the Board for consideration.

The Nom&Gov has put in place a formal and transparent process for the nomination of new directors to the Board. Shareholders who have identified suitable candidates submit the Nomination and Acceptance Letters, Full Business Interest Disclosure Forms and curriculum vitae of such candidates to Nom&Gov for discussion and review on or before the deadline set by the Nom&Gov.

These candidates are sourced from the business networks of Board members and from professional search firms such as the Institute of Corporate Directors ("ICD"), or from shareholders. These candidates should be skilled in core competencies such as strategic planning, business expertise, and industry knowledge.

The shareholders elect the directors during the Annual Stockholders' Meeting ("ASM") held every last Tuesday of May.

The Company sends out a formal letter setting the responsibilities of the duly elected director. The new director then attends an onboarding program facilitated by the CGO.

The Nom&Gov Comm held five (5) meetings in 2024 and performed the following:

- Reviewed the results of Board, Board Committees, and Key Officers performance assessment
- Assessed Meralco's public ownership report
- Screened the nominees to the Board
- Reviewed the Board committee composition
- Assessed Meralco's compliance to the Revised ASEAN Corporate Governance Scorecard ("ACGS")
- Reviewed and endorsed Meralco's Integrated Annual Corporate Governance Report ("I-ACGR") for 2023
- Reviewed and approved the Amendments to the Manual of Corporate Governance, Finance Committee Charter, Nomination and Governance Committee Charter, Related Party Transaction Charter, and Risk Management Committee Charter
- Reviewed the Company's Vision, Mission, and Values Statements
- Facilitated the annual CG enhancement and continuing education programs
- Conducted onboarding orientation for the new director, Mr. Patrick Henry C. Go



D. Audit Committee ("AuditCom")

The AuditCom consists of three (3) independent directors, and four (4) non-executive directors. Notably, Ms. June Cheryl A. Cabal-Revilla, has extensive expertise in the areas of accounting, corporate finance, treasury, financial control and risk management. Her background includes serving Chief Finance, Risk and Sustainability Officer of another publicly-listed company and Appointed Member of the Financial and Sustainability Reporting Standards Council ("FSRSC") of the Philippines since 2010. The AuditCom is chaired by the lead independent director.

The AuditCom had seven (7) meetings in 2024 with the following accomplishments:

Internal Control

- Reviewed Management's mid-year and annual confirmation statement on the adequacy and effectiveness of the Company's internal control and risk management system.
- Reviewed and evaluated the effectiveness of the internal control system of the Company.
- Reviewed and discussed updates on fraud investigations, recoveries from losses and appropriate actions of the Management.

Financial Reporting

- Reviewed, discussed with Management and approved the unaudited consolidated quarterly financial statements and the audited consolidated annual financial statements of the Company and its Subsidiaries.
- Reviewed the External Auditor's Report on the audit of the annual financial statements and discussed key audit matters and other required communications to the Committee.
- Endorsed for Board approval the Audited Consolidated Financial Statements of the Company.

Audit Process

- Assessed the independence, performance, and effectiveness of SGV & Co. considering its credibility, competence, ability to understand complex transactions, and the adequacy of their quality control procedures. Based on this assessment, SGV was re-appointed by the Board of Directors and shareholders as the External Auditors of the Company with the assurance that the lead audit partner complies with Rule 68 of the Securities Regulation Code on rotation of External Auditors.
- Reviewed and approved the audit plan, scope of work and proposed fees of SGV for audit, audit-related and non-audit related services in Meralco and selected subsidiaries as endorsed by Management.
- Reviewed, discussed, and approved the results of the SGV's external audit, its assessment of the Company's internal controls and the quality of the financial reporting process.
- Reviewed the Management Letter issued by SGV after the completion of the audit of the Financial Statements of the preceding year.
- Held executive sessions with the External Auditors and Internal Audit without the presence of Management. On December 5, 2024, the Audit Committee held separate executive session with the engagement partner of the external auditors, SGV, including the private session of the Audit Committee Chair with the Chief Audit Executive. The agenda in these meetings involved matters the Audit Committee and the auditors believe should be discussed without the presence of the executive director or officers from management.
- Reviewed and approved the Annual Internal Audit Plan, the related key performance indicators, and all subsequent changes to the Internal Audit Plan, as needed.
- Reviewed and discussed and dissected the results of audits reported by the Group Chief Audit Executive in her quarterly and year-end status reports to the Committee.
- All audit activities performed by Internal Audit were conducted in conformance with the International Professional Practices Framework ("IPPF") issued by the Institute of Internal Auditors ("IIA"). This includes the Global Internal Audit Standards, Topical Requirements, and Global Guidance.
- Reviewed and discussed the Internal Audit Annual Performance Report, including the Quality Assurance and

Improvement Program Annual Report to evaluate the effectiveness of the Internal Audit function.
- Monitored Management's timely implementation of appropriate corrective actions to address the audit issues and recommendations of Internal Audit and the External Auditor.
- Assessed Internal Audit's performance for the preceding year.
- Reviewed the Internal Audit and Audit Committee Charters on an annual basis for any updates or changes.

Compliance
- Reviewed and monitored compliance and adherence by the Company with all applicable laws and regulations pursuant to which the Company conducts its operations and business activities. This includes reviewing the state of legal compliance with respect to labor laws & regulations, data privacy and the reportorial requirements to regulatory agencies.



E. Risk Management Committee ("RMC")

The RMC consists of two (2) independent directors and four (4) non-executive directors. It assists the Board in its oversight role on the risk management process. In 2024, the RMC had two (2) meetings. The following activities were accomplished by RMC:

- Reviewed Meralco group's Key Enterprise Risks Report for the Distribution Utility and Subsidiaries.
- Reviewed and discussed with the Chief Risk Officer and external auditors One Meralco's key business risks as well as its ongoing and proposed risk mitigation measures.
- Evaluated the effectiveness and certified the adequacy of One Meralco's risk management process such that material risks are periodically identified, evaluated, managed, and reported appropriately by management.

The Board of Directors, through the RMC, institutes a framework of prudent and effective controls which enables risks to be identified, assessed, and managed accordingly.

F. Finance Committee ("FinCom")

The FinCom is composed of seven (7) directors, two (2) of whom are independent directors, with the Chief Finance Officer ("CFO") as ex-officio member. It reviews the financial operations of the Company and matters regarding major purchase contracts, and acquisition and/or divestment of investments, businesses, or ventures.

In its fifteen (15) meetings in 2024, its major accomplishments were:

- Review and approval of all service and supply contracts in excess of PhP 50 million
- Review of Unaudited Quarterly Consolidated Financial Statements and Audited Annual Consolidated Financial Statements
- Treasury updates
- Declaration of cash dividend
- Renewal of credit lines and bonds
- Review and approval of cash optimization strategy
- Review and approval of PSAs and any changes or issues regarding their execution
- Review and approval of annual budget and medium-term business plan and forecast
- Review of Meralco directors' and officers' insurance policy
- Review additional capital call, surety bonds, capital infusions for subsidiaries
- Review of capital and debt structure
- Review of equity call
- Review of investments
- Review and endorsement of the renewal of Wholesale Electricity Spot Market surety bond for the retail electricity supply transactions

G. Related Party Transactions Committee ("RPTCom")

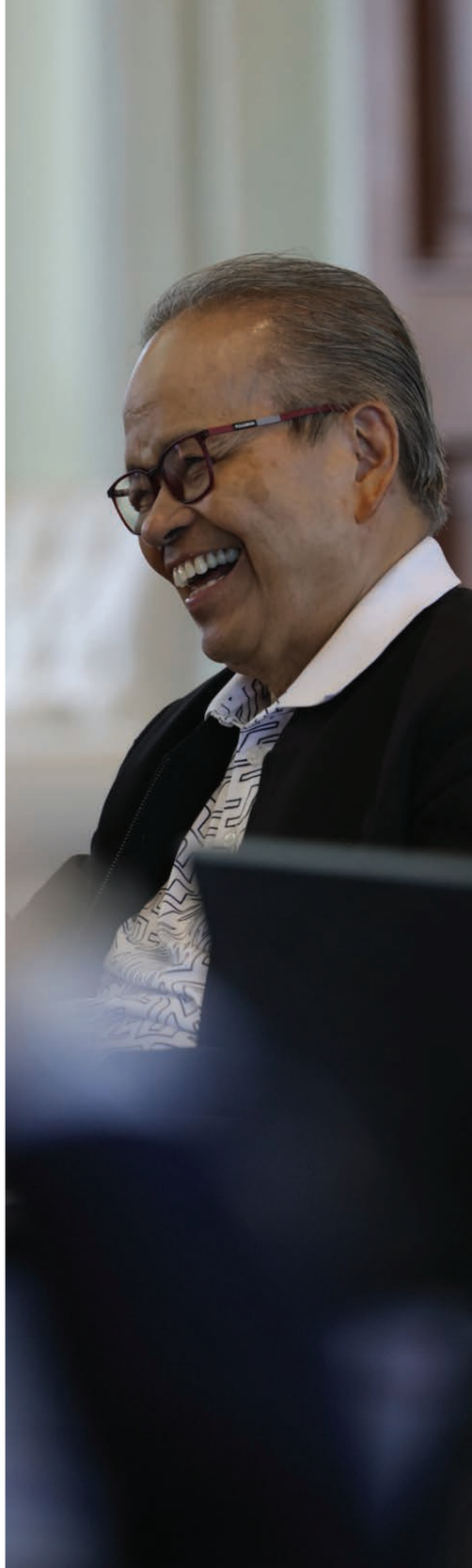
The RPTCom consists of six (6) directors, two (2) of whom are independent directors. It assists the Board in reviewing De Minimis, Significant, and Material RPTs to determine whether they are in the best interest of the Company and shareholders, and ensure that all RPTs of the Company are conducted in fair and at arms' length terms. In 2024, the RPTCom had two (2) meetings. The following activities were accomplished by the RPTCom:

- Reviewed and approved De Minimis, Significant, and Material RPTs
- Reviewed RPT Reports together with the RPT Review Team, and evaluated Meralco's purchases of goods and services from related parties to be fair and at arm's length terms
- Endorsed Material RPTs to the Board for approval

H. Sustainability Committee ("SusCom")

In 2021, the SusCom was established to institutionalize Meralco's sustainability commitment and corporate ESG imperatives. Composed of six (6) members, including the Chairman and CEO and the Chief Sustainability Officer, who acts as a non-voting member, SusCom is responsible for overseeing the Company's sustainability strategy, policies, and programs. The Committee also accounts for and monitors the economic, environmental, social, and governance ("EESG") performance of the Company in alignment with the UN SDGs, with the aim of delivering long-term value to all the stakeholders.

In 2024, the SusCom formally met three (3) times to review updates on One Meralco's Long-Term Sustainability Strategy ("LTSS") and progress on 30 by '30: Thirty Key Sustainability Plays Through 2030, and thereafter endorsed the same to the Board for final approval.



A.7 ORIENTATION AND CONTINUING EDUCATION PROGRAMS

The Board of Directors ensures that the Company complies with all relevant laws, regulations, and endeavors to adopt best business practices. Towards this end, the Board keeps abreast with the latest developments in the corporate governance regulatory landscape and implements a policy on orientation and continuing training for all directors and key officers, including an annual CG training with SEC-Accredited providers, in accordance with the Board Charter and the CG Manual.

The Company has a policy that encourages directors to attend annual continuing training programs. In fulfillment of such policy and the requirements of the Company's CG Manual, the ERC Resolution No. 1, Series of 2004, and the SEC Memo Circular No. 20, Series of 2013, the Directors, together with the Senior Management, attended via online platform the MVP Group Annual Corporate Governance Enhancement Session ("ACGES") on September 27, 2024, entitled Achieving Escape Velocity: Harnessing High Technology to Spark Creativity and Innovation by Mr. David Morey and Dr. Erika Fille T. Legara. This session covered four (4) hours of governance training and was accredited by the SEC.

2024 ATTENDANCE TO CORPORATE GOVERNANCE TRAINING AND CONTINUING EDUCATION PROGRAMS

Director	Program	Resource Person/Name of Training Institution
Manuel V. Pangilinan June Cheryl A. Cabal-Revilla Lydia B. Echauz Ray C. Espinosa Jose Ma. K. Lim Ret. Chief Justice Artemio V. Panganiban Pedro Emilio O. Roxas Victorico P. Vargas	MVP Group Annual Corporate Governance Enhancement Session: Achieving Escape Velocity: Harnessing High Technology to Spark Creativity and Innovation	Mr. David Morey Dr. Erika Fille T. Legara
Lance Y. Gokongwei Patrick Henry C. Go	Building a Resilient Gokongwei Group: Corporate Governance Training on Sustainability, Cybersecurity, and Integrity	2024 Gokongwei Group Corporate Governance Training for Directors and Officers
James L. Go	SEC granted Mr. James L. Go a permanent exemption from the corporate governance training requirement in its en banc meeting on November 10, 2015.	



A.8 BOARD, COMMITTEE AND KEY OFFICERS PERFORMANCE ASSESSMENT

The Board annually conducts a self-assessment of its performance individually, collectively, and as members of the different Board Committees. The self-assessment results are key factors in the enhancement of directors' performance and effectiveness in the discharge of their duties.

The Board conducted the performance assessment on February 20, 2024 wherein directors were given opportunity to give their opinions and suggestions or identify special issues of interest about their performance or different aspects of the Company's operation.

Every three years, the assessments are supported by an external facilitator. In 2023, the Company engaged the services of the Good Governance Advocates and Practitioners of the Philippines ("GGAPP") in the evaluation of the 2022 performance of the board, board committees, and other key officers.

Board, Committee and Key Officers Performance Assessment Forms

Collective Board Assessment - each director assessed the board performance as a whole based on the following categories:
- Board composition;
- Board efficiency and performance;
- Board meetings and participation.

Individual Director Self-Rating – each director evaluated their performance for the previous year.

Board Committee Assessment – each director assessed the overall performance of the board committees as well as the individual board committees based on the provisions of Board Committee Charters.

Key Officer Ratings – each director assessed the performance of the Chairman and CEO, Chief Compliance Officer Chief Risk Officer, and Chief Audit Executive. In addition, the Chairman participated in the self-assessment of his performance in the previous year.

PERFORMANCE INDICATORS

Financial	Non-Financial

Measures reflecting the financial results and financial position of the Company to stakeholders, such as revenues, consolidated core net income, reported net income, EBITDA, cash and cash equivalents, debt and stockholders' equity, dividend payouts, etc.	• S-Factor Indicators
	  • System Loss ("SL")
	  • System Average Interruption Frequency Index ("SAIFI")
	  • System Average Interruption Duration Index ("SAIDI")
	  • Momentary Average Interruption Frequency Index ("MAIFI")
	  • Time to Process Applications ("TPA")
	  • Time to Connect Premises ("TCP")
	  • Call Center Performance ("CCP")
	• Guaranteed Service Level ("GSL") Metrics
	• Energy Sales in GWh
	• Customer Count

B. RESPECTING THE RIGHTS OF SHAREHOLDER

The Company recognizes the rights of all shareholders as provided in the Corporation Code of the Philippines, other pertinent laws, rules, and regulations, the Company's Articles of Incorporation, Amended By-Laws, and CG Manual.

B.1 RIGHT TO DIVIDENDS



Dividend Policy

The Company's dividend policy, as approved by the Board on February 22, 2010, and ratified by the shareholders during the May 25, 2010 ASM, calls for the payment of regular cash dividends equivalent to 50% of the audited CCNI for the year with a "look-back" basis, which allows the Company to pay special dividends beyond 50% of the CCNI for the year, subject to the availability of unrestricted retained earnings in accordance with the guidelines of the SEC.

Following are the cash dividends declared by the Board on common shares for 2024:

Declaration Date	Record Date	Payable Date	Rate per Share
February 26, 2024	March 27, 2024	April 24, 2024	PhP 11.235
July 29, 2024	August 28, 2024	September 23, 2024	PhP 10.295



B.2 RIGHT TO PARTICIPATE IN DECISIONS



The Company upholds the rights of all shareholders, including the minority shareholders, to participate in:

- changes or amendments to the Company's Articles of Incorporation or By-laws
- authorization for issuance of additional shares
- authorization of extraordinary transactions, including the transfer of all or substantially all assets that in effect result in the sale of the Company
- approval of remuneration or increase in remuneration of directors
- voting by proxy and attendance in stockholders' meeting in absentia or through remote communication.

B.3 RIGHT TO VOTE AND PARTICIPATE EFFECTIVELY DISCLOSURE AND RELEASE OF NOTICE TO ANNUAL STOCKHOLDERS' MEETING ("ASM")



To provide shareholders enough time to examine the Company's information, the ASM Notice was posted on the Company's website on January 29, 2024. The Definitive Information Statement ("DIS") was distributed to the shareholders starting April 17, 2024, 28 business days before the ASM. Similar to all Company notices and circulars, the ASM Notice is written and published in English.

ASM

It is the Company's policy to encourage stockholders, including institutional and minority stockholders, to attend and actively participate in the ASM. The 2024 ASM was held on Tuesday, May 28, 2024, at 10:22 AM at the Meralco Compound, Ortigas Avenue, Barangay Ugong, Pasig City. The Company conducted its fifth virtual ASM via live broadcast of the proceedings through the Stockholders Electronic Registration and Voting Express ("SERVE"). Shareholders were given opportunity to propound questions and raise concerns to the Board during the meeting.

As in the previous years, the Company facilitated participation of stockholders who cannot attend the virtually by enclosing proxy forms in the ASM Notice where they can indicate their votes on matters that are taken up during the ASM. Shareholders can download the proxy forms together with details on how to appoint a proxy from the Company's website.

The Company granted all stockholders, including minority stockholders, the right to nominate directors and propose or inquire on agenda items. The "Call for Nominations" was posted on the Company's website on January 29, 2024 for submission of proposed agenda and nomination of qualified candidates on or before March 8, 2024. The agenda and nominees were approved by the Board on January 29, 2024 and March 22, 2024, respectively.

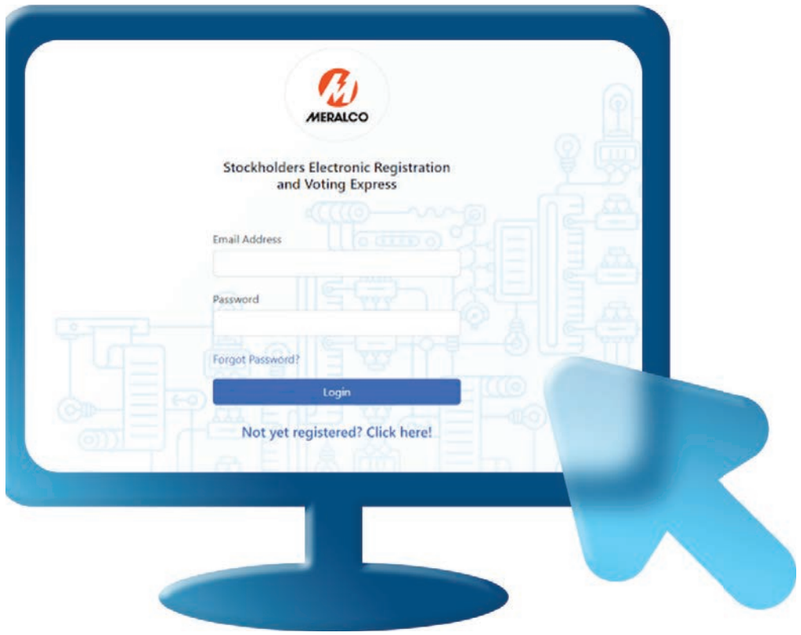
Voting Procedures

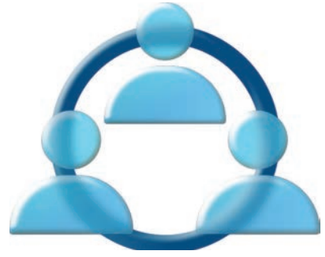
The Corporate Secretary reported a quorum with the attendance of stockholders who own or hold a total of 885,518,431 shares or approximately 78.57% of the total issued and outstanding shares of the Company. An electronic system facilitated the registration and vote tabulation to ensure accuracy and reliability of information. SERVE was also enhanced to allow the stockholders to attend and actively participate via remote communication and to cast their votes for the agenda items online.

The Corporate Secretary explained the vote tabulation procedures to the shareholders and stated that all shareholders were entitled to one vote for one share. Representatives from Reyes Tacandong & Co., an independent third party, validated the voting results for each agenda item. The Company also allowed shareholders to freely express their views and raise their questions during the ASM through the SERVE portal.

The Chairman and CEO, Chairman of the AuditCom, Chairman of the RLDC, Chairman of the Nom&Gov, Chairman of the Finance Committee, the Board, Chief Finance Officer ("CFO"), Corporate Secretary, Assistant Corporate Secretary, other officers of the Company, and its external auditor attended the ASM to present the performance results of the Company and respond to any question from the shareholders relevant thereto. The appropriate meeting procedures and guidelines were followed before, during and after the ASM.

The Company posted the resolutions approved during the ASM on its website the following day so that non-attending shareholders may be immediately informed.





B.4 RIGHT TO APPROVE MERGERS AND ACQUISITION

In the event of mergers and acquisitions requiring shareholders' approval, the Company appoints an independent party to evaluate the merits of the transaction as well as the fairness of the transaction price.

B.5 INSTITUTIONAL INVESTORS

The Company recognizes the exercise of ownership rights by all shareholders, including institutional investors. The Company does not have any shareholder owning more than 50% of its total outstanding shares.

For a detailed Map Showing the Relationships among the Companies in the Group as of December 31, 2024, please refer to Schedule I of the Consolidated Audited Financial Statements as incorporated in the Definitive Information Statement and 2024 SEC Form 17-A Annual Report.

C. EQUITABLE TREATMENT OF SHAREHOLDERS

C.1 SHARES AND VOTING RIGHTS

The Company has only one (1) classification of shares (common shares), with each share entitled to one (1) vote.



C.2 NOTICE OF ANNUAL STOCKHOLDERS' MEETING ("ASM") AND DEFINITIVE INFORMATION STATEMENT ("DIS")



The Notice of ASM and DIS contain, among others, the resolutions to be considered by the stockholders for each agenda item during the ASM. There is no bundling of several items into one resolution. It also provides the following information:

- Profiles of each director seeking election/re-election—age, academic qualification, date of first appointment, experience, and directorships in other listed companies
- External auditor seeking appointment/re-appointment
- Dividend policy
- Amount of dividends declared and any dividends payable

Readily available proxy statements, The Notice of ASM, and DIS are available on the Company's website.





C.3 POLICY ON DEALINGS IN COMPANY SHARES OF STOCKS (INSIDER TRADING/BLACKOUT PERIOD)

The Insider Trading Policy prohibits directors, officers, and employees from benefiting from information that is not generally available to the investing public through observance of a blackout period ten (10) trading days before and two (2) trading days after the release or announcement of the Company's material information or financial and operating results, during which trading in Company shares is prohibited.

The Company strictly enforces and monitors compliance with its policy on insider trading. Under the revised policy approved for implementation on December 1, 2014, directors and officers are required to disclose to the Compliance Officer the details of any trading, dealing, acquisition, disposal, or change in their beneficial ownership of the Company ("MER") shares, not later than one (1) trading day after the transaction.

C.4 RELATED PARTY TRANSACTIONS ("RPTS") BY DIRECTORS AND KEY EXECUTIVES

The RPT Policy requires the review of material/significant RPTs, to determine whether they are in the best interest of the Company and its shareholders and ensure that all RPTs of the Company are conducted in fair and at arm's length terms. The Policy provides for materiality thresholds, i.e., de minimis, significant, material RPTs including SEC material RPTs which constitute ten percent (10%) of the Company's assets.

The Company provides all the names of related parties, degree of relationship, nature, and value for each material/ significant RPT. Details are found in Note 23 to the Consolidated Financial Statements.

In 2024, all the RPTs were conducted in fair and at arm's length terms and there was no case of insider trading or policy violations involving directors and officers of the Company. Also, no RPT that can be classified as financial assistance to entities other than wholly-owned subsidiary companies. The Company is fully-compliant with the Code and policies on corporate governance.

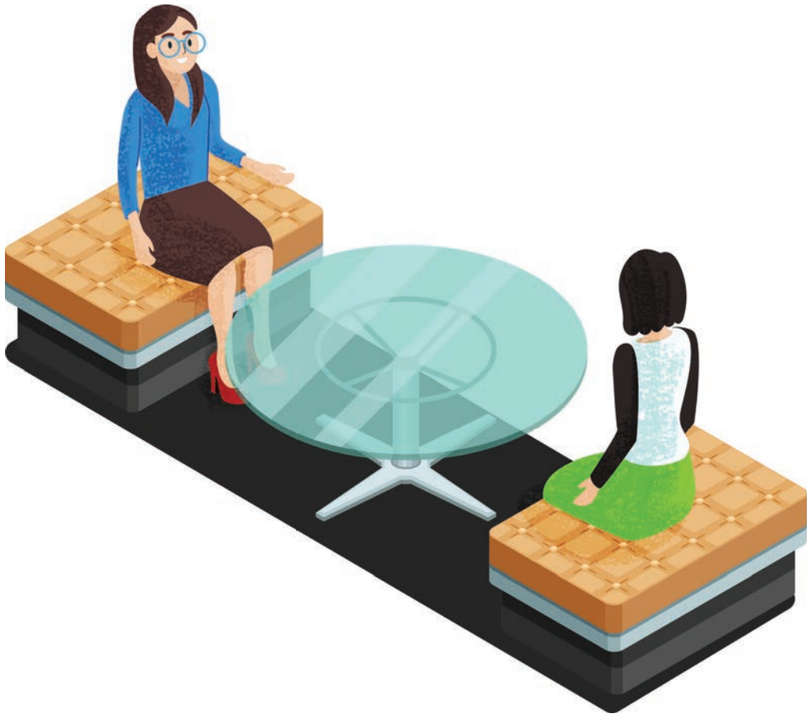
Conflict of Interest ("COI") Policy

The COI Policy requires all directors, officers and employees to annually disclose their interest in transactions and any other conflicts of interest affecting the Company through the FBID Form for directors and officers, and the COI Form for employees. The Company requires directors and key Management personnel to abstain from and/or inhibit themselves from participating in discussions on a particular agenda when a conflict exists or may exist between their personal interest and that of the Company.

C.5 PROTECTING MINORITY SHAREHOLDERS FROM ABUSIVE ACTIONS

The Company's policies recognize and protect the rights of the minority stockholders while pursuing corporate interest. Some salient provisions include:

- Timely, fair, and accurate disclosure of material information
- Review of existing and development of new policies that will prevent the major stockholders from gaining undue advantage over and at the expense of minority stockholders
- RPTs are disclosed in Note 23 of the consolidated financial statements
- Disinterested stockholders decide on all RPTs which require stockholders' approval







D. ROLE OF STAKEHOLDERS

D.1 RESPECTING THE RIGHTS OF STAKEHOLDERS

The Company strictly observes the principles of fairness, accountability, integrity, transparency, and honesty ("FAITH") in its obligations to, and dealings with, its various stakeholders. The Company values its stakeholders and protects their rights, as mandated by relevant laws and internal policies. Sanctions and penalties based on the provisions of the Company's Code on Right Employee Conduct ("COREC") and other related policies are imposed upon violators.

Customers

The Company renders excellent service, ensures fair treatment, and provides complete and accurate information, to its customers.

Suppliers/Contractors

To ensure a mutually beneficial relationship with its suppliers and contractors, the Company prescribes clearly defined and transparent procurement and supplier selection process through the Vendor's Code of Business Conduct and Ethics and Vendor Accreditation Program. It ensures faithful compliance with all the terms and conditions of its procurement contracts.

Creditors

The Company faithfully complies with all loan agreements with creditors. It ensures timely payment of its loans and efficiently operates its business to assure creditors of the Company's sound financial standing and loan payment capabilities.

Environment and Community

As an advocate of sustainable development, the Company is committed to operate profitably within the bounds of its social and environmental responsibility.

Employees

Meralco is committed to the development and welfare of its employees. The Company provides its employees with opportunities for learning and development, fair and competitive remuneration, and programs to promote health and safety. The Company devotes conscious effort to build a culture of excellence, knowledge sharing, personnel integrity, and development.



D.2 PERFORMANCE-ENHANCING MECHANISMS FOR EMPLOYEES

Employee Development Programs

Training programs and other developmental interventions including job-specific development training programs and managerial/leadership development training are implemented to enable employees and officers to acquire the technical and leadership competencies to effectively perform their jobs for their professional growth. The Company uses globally-accepted training and development metrics relevant to value creation for business and society.

Details on the Company's learning and development initiatives are found on page 176 of this report.

Compensation Philosophy/ Principles

The Company has measurable standards to align the performance-based remuneration of the executive directors and senior executives with long-term interest. The Company's performance management process measures employee performance on the basis of: 1) actual vs. desired results; and 2) how results were delivered in light of corporate core values. The achievement of financial and non-financial indicators is reflected in performance planning and assessment, which drives the Company's merit and incentive pay programs.

The Company implements short-term and long-term incentive programs to attract, retain, and motivate its employees. The Company compensates employees based on Company, team, and individual performance to help achieve corporate goals and targets. The Company evaluates performance beyond short-term financial measures. It also provides for short-term incentives to reward individual and team performance that contribute to the achievement of corporate goals and objectives.

Long-term on Meralco's achievement of specified metrics approved by the Board and determined on an aggregate basis for a three (3)-year period as well as executives' attainment of a specified performance rating.

Succession Planning of President and/or CEO and Senior Management

The Company's Board and the Remuneration and Leadership Development Committee ("RLDC") are responsible for overall guidance and direction on succession planning and leadership development of the President and/or Chief Executive Officer ("CEO") and senior management. The RLDC, working closely with the head of Human Resources ("HR"), drives the strategy for succession planning, leadership development, and talent management. The HR head develops and implements the processes and the tools to ensure robust pools of succession candidates for the President and/or CEO, senior management, middle management, and first line management.

Presently, the succession plan covers 670 leaders of the Company. The succession planning process involves the assessment of the Company's leaders' career aspirations, strengths, and development needs. A key feature of the Company's succession planning process is the talent review conducted at the senior management level and at various levels of the organization. The senior management talent review has resulted in a pool of about 48 candidates in senior management pool, who, subject to the realization of their development plans, could become management committee members within the next five (5) years.

Code of Business Conduct and Ethics

The Company's Code of Ethics prescribes the ethical values and behavioral standards, which all directors, officers, and employees of the Company are required to observe in the performance of their respective duties and responsibilities. Copies of the Code of Ethics are disseminated to all officers and employees.

The Company, through the Corporate Governance Office ("CGO"), monitors the implementation of, and compliance to, the Code of Ethics. An online HR Express Corporate Governance Facility is made available to all employees for the Corporate Governance ("CG") disclosures and commitment required from them. All directors, senior management, and employees are required to annually submit duly accomplished Full Business Interest Disclosure ("FBID") Forms and/ or Conflict of Interest ("COI") Forms. They are also required to disclose gifts they received from third-party business partners through the online Gift Registry. Failure to comply with CG disclosures is sanctioned accordingly. On July 25, 2022, the Code of Ethics was amended and renamed "Code of Business Conduct and Ethics."

The Management Control Policy prescribes Management's responsibility to ensure a system of checks and balances and emphasizes the importance of internal control processes as an integral part of the Company's governance system and risk management.

Effective management control is necessary to ensure that behavior and decisions of people in the organization are consistent with the Company's objectives and strategies.

Anti-corruption Programs and Procedures

The Code of Business Conduct and Ethics requires directors, officers, and employees to observe professionalism, integrity, and good faith in transactions with and obligations to the Company's customers, suppliers, business partners, regulators, creditors, competitors, and employees. It enforces practicing ethical standards of behavior and avoiding the commission of any act that may be construed as direct or indirect bribery and corruption, as defined by law, to facilitate any transaction to gain any perceived or actual favor or advantage.

The Anti-Bribery and Corruption Policy of the Company strictly prohibits corporate gift-giving to private and public entities that constitutes bribery or corruption. It cites specific instances of said corrupt practices to better guide directors, officers, and employees.

The Policy on Solicitation and Acceptance of Gifts, on the other hand, prohibits the acceptance of gifts offered and given by suppliers, contractors, and other third-party business partners to prevent all directors, officers, and employees from putting themselves in situations that could affect the fair, objective, and effective performance of their duties and responsibilities.

The Vendors' Code of Business Conduct and Ethics, in turn, requires vendors to comply, at all times, with all applicable anti-bribery and corruption laws, and to not offer, accept, promise, pay, permit, or authorize bribes and kickbacks, which include giving of gifts to the Company's directors, officers or employees or other means to obtain an undue or improper advantage.

The Company's Internal Audit reviews the compliance of directors, officers, and employees to the Code of Ethics and other corporate governance related policies, including the required Company disclosures. The result of the Internal Audit review is reported to the Audit Committee ("AuditCom").

In 2024, there were no confirmed cases of violations of Anti-Graft and Corruption Policy of the Company.

The foregoing policies are available to all stakeholders through the Company's website (www.meralco.com.ph).



D.3 EFFECTIVE REDRESS FOR VIOLATION OF STAKEHOLDERS' RIGHTS AND MEANS OF COMMUNICATION OF ILLEGAL OR UNETHICAL PRACTICES BY EMPLOYEES

Corporate Governance Office
Manila Electric Company
(Meralco)

Ground Floor, Lopez Building
Ortigas Avenue, Barangay Ugong
Pasig City, Philippines 1605

Tel: (+632) 1622 2789
Mobile (+63) 9209484787
Email: cgo.staff@meralco.com.ph

The Speak Out Policy ("Whistleblowing Policy") encourages the reporting of any violation of corporate governance rules or policies, questionable accounting or auditing matters, and other malfeasance committed by the Company's directors, officers, and employees.

Employees, suppliers, customers, and other stakeholders can download, through the Company website, a Whistleblower Report Form and submit the same via email or regular mail to the CGO through the contact information provided therein.

The Company provides appropriate protection against retaliation to an employee/stakeholder who reports illegal/ unethical behavior. In the event of retaliation, the reporting person or witness may file a report to the CGO by filling out a Retaliation Protection Report Form.

To maintain the integrity and impartiality of the review process, the Company's whistleblowing system is managed by an independent party. Currently, the Chairman of the Nomination and Governance Committee, who is an independent director, spearheads the review of all whistleblowing reports received by the Corporate Governance Office. This includes overseeing the investigation of reported concerns, ensuring appropriate follow-up actions are taken, and safeguarding the anonymity and protection of whistleblowers in accordance with the company's Speak Out Policy and other relevant regulations.

In 2024, the Company received certain reports of alleged violations and illegal/ unethical behavior. These reports were investigated and accordingly resolved based on the evidence provided and in accordance with the procedures defined in the whistleblowing policy.



E. DISCLOSURE AND TRANSPARENCY

E.1. TRANSPARENT OWNERSHIP STRUCTURE

The following stockholders directly own more than 5% of the Company's (MER) shares as of December 31, 2024.

Name of Shareholder and Beneficial Owner	Total Shares	% to Total Share
Beacon Electric Asset Holdings, Inc.	394,059,235	34.96%
JG Summit Holdings, Inc.	297,189,397	26.37%
Metro Pacific Investments Corporation	140,906,807	12.50%
TOTAL	**832,155,439**	**73.83%**

E.2 ENTERPRISE-WIDE RISK MANAGEMENT



Meralco has a robust internal control and Enterprise Risk Management ("ERM") framework to monitor and manage its strategic, legal and regulatory, operational, Environmental, Social, and Governance ("ESG") and financial risks that are periodically reviewed by the Board to determine its effectiveness in the light of the Company's corporate objective and business and regulatory landscape.

The Company adopted ISO 31000 as its model for ERM framework. The ERM framework helps manage risks by influencing and collaborating with internal organizations and external stakeholders to identify best practices, controls, and process improvement opportunities to address risks. The Enterprise Risk Management Manual was approved and adopted by the Company to provide the methodology and processes for risk management including:

- identification, assessment, evaluation and mitigation of risks or exploitation of opportunities;
- definition of management responsibilities and accountabilities; and
- escalation and reporting of the Company's key enterprise risks.





EWRM initiates the annual enterprise-wide assessment of the Company's risks. Risk assessment is conducted to substantiate existing and emerging risks brought about by changes in regulations, market structure developments, technological/operational issues and external forces, including changes in weather patterns, customer satisfaction measures and evolving environmental sustainability issues. Top risks are quantified, and designated risk owners are asked to develop risk treatment and mitigation plans to address potential issues. The results are presented and vetted with the RMC.

The Board, through the RMC, oversees the EWRM and reviews the top key enterprise risks and the effectiveness of risk mitigation strategies and treatment plans developed by management.

For more information on the Company's key risks, please refer to pages 52-57 of this report.

Information, Communications, and Technology Governance

The Board, through its Risk Management Committee, oversees the governance process around IT issues including disruption, cyber security, disaster recovery, to ensure that all key risks are identified, managed and reported to the board.

The Management, through ICT Governance Office and ICT Planning and Program Management Office, uses Control Objectives for Information and Related Technology ("COBIT") framework to ensure that IT goals and objectives are in line with the overall business strategy of Meralco. This involves delivering value from IT investments, managing IT risks, optimizing IT resources, measuring performance, and communicating with stakeholders. ICT Governance Office provides a comprehensive approach to aligning IT with business objectives, mitigating risks, and ensuring compliance with policies and standards.

Management is likewise accountable to the Board for the Company's information security governance. As a key pillar of Meralco's sustainability, the Management–through the Cyber Security Group ("CSG")–drives Meralco's cybersecurity initiatives, providing strategic direction and resources to effectively manage the information security risks. It ensures the highest standard of protection across all aspects of operations, with a strong focus on mission-critical and business critical assets.

The Group conducts regular assessments, and reviews, approving information security policies and standards to ensure continuous monitoring, implementation, and enhancement of a robust information security management system.

Aligned with global best practices and international standards, including ISO/IEC 27001, ISO/IEC 27002, and the NIST Cybersecurity Framework, these initiatives are effectively coordinated and integrated into the Organization's relevant processes and core business functions, with clear designation of authority, roles, and responsibilities.

Meralco's information security policies and standards integrate cybersecurity into the workforce's responsibilities in our increasingly digital world. These policies form the foundation for developing strategies and controls to prevent and mitigate cybersecurity risks, ensuring that the company and its employees are cyber-resilient and capable of effectively detecting, protecting against, and responding to cyber threats.

The Group evaluates the organization's maturity posture and identifies any gaps that require action based on the result of the regular maturity assessment. Moreover, the CSG ensures that business units, shared units, and third-party vendors remain compliant and accountable for the organization's cybersecurity requirements and protocols. The commitment to inculcating adoption and compliance within the organization will not only protect information assets but also cultivate a culture of trust, accountability, and resilience, which are essential for Meralco's long-term sustainability.

Details on the Company's Cybersecurity initiatives are found on pages 176-183 of this report.



E.3 ECONOMIC, ENVIRONMENTAL, SOCIAL, AND GOVERNANCE INFORMATION

The Company is committed to the cause of protecting the environment and mitigating the adverse impact of climate change and strictly monitors its business activities and operations to ensure sustainable development and safeguard the quality of life of society, communities, and the environment in the areas where it operates.

The Company also discloses its policies and practices on the management of economic, environmental, social and governance ("EESG") in a separate Integrated Report, in accordance with the Global Reporting Initiative ("GRI") Standards, adhering to SASB Standards for Electric Utilities and Power Generators, and adopting the IFRS[45] S2 Standard.

[45] International Financial Reporting Standards

E.4 DIRECTORS' AND OFFICERS' DEALINGS IN COMPANY SHARES

SHAREHOLDINGS OF DIRECTORS AND OFFICERS AS OF DECEMBER 31, 2024

Name	January 1, 2024	Buy	Sell	December 31, 2024	Direct Holdings	Indirect Holdings	Total Shares	% to Total Shares
MANUEL V. PANGILINAN	60,000	5,000	-	65,000	65,000	-	65,000	0.01%
LANCE Y. GOKONGWEI	24,313	5,000	-	29,313	29,313	-	29,313	0.00%
RAY C. ESPINOSA	61,000	5,000	-	66,000	66,000	-	66,000	0.01%
JUNE CHERYL A. CABAL-REVILLA	10	5,000	-	5,010	5,010	-	5,010	0.00%
LYDIA B. ECHAUZ	11,100	5,000	-	16,100	16,100	-	16,100	0.00%
FREDERICK D. GO[1]	30	-	-	N/A	N/A	-	N/A	N/A
PATRICK HENRY C. GO[2]	-	1.677	-	1,677	1,677	-	1,677	0.00%
JAMES L. GO	204,450	5,000	-	209,450	209,450	-	209,450	0.02%
JOSE MA. K. LIM	140,010	38,900	-	178,910	178,910	-	178,910	0.02%
ARTEMIO V. PANGANIBAN	27,001	5,250	-	32,251	32,251	-	32,251	0.00%
PEDRO EMILIO O. ROXAS	1,000	-	-	1,000	1,000	-	1,000	0.00%
VICTORICO P. VARGAS	18,917	5,000	-	23,917	23,917	-	23,917	0.00%
SIMEON KEN R. FERRER	767	-	-	767	767	-	767	0.00%
RONNIE L. APEROCHO	14	-	-	14	14	-	14	0.00%
MARIA LUISA V. ALVENDIA	-	-	-	-	-	-	-	0.00%
EDGARDO V. CARASIG	-	-	-	-	-	-	-	0.00%
ARNEL PACIANO D. CASANOVA	-	-	-	-	-	-	-	0.00%
FERDINAND O. GELUZ	15,877	-	-	15,877	15,877	-	15,877	0.00%
ANTONIO M. ABUEL, JR.[3]	7,927	-	-	N/A	N/A	-	N/A	0.00%
MELANIE T. OTEYZA	-	-	-	-	-	-	-	0.00%
WILLIAM S. PAMINTUAN	-	-	-	-	-	-	-	0.00%
BETTY C. SIY-YAP	-	-	-	-	-	-	-	0.00%
JOSE RONALD V. VALLES	-	-	-	-	-	-	-	0.00%
ROQUE D. BACANI	-	-	-	-	-	-	-	0.00%
BENNETTE D. BACHOCO	-	-	-	-	-	-	-	0.00%
REDEL M. DOMINGO	-	-	-	-	-	-	-	0.00%
CHARINA P. PADUA	42,609	-	-	42,609	42,609	-	42,609	0.00%
ROSS RAYMOND B. RAVELO	-	-	-	-	-	-	-	0.00%R
FROILAN J. SAVET	8,435	-	-	8,435	8,435	-	8,435	0.00%
FRANCIS EUSTON R. ACERO	500	-	-	500	500	-	500	0.00%
IRENEO B. ACUÑA	18,355	-	-	18,355	18,355	-	18,355	0.00%
JOSEPH L. AMOSCO	5,198	-	-	5,198	5,198	-	5,198	0.00%
PATRICK DAVE B. BACANI	-	-	-	-	-	-	-	0.00%
JOSEPH ALLAN C. BALTAZAR	-	-	-	-	-	-	-	0.00%
RITA D. BANTIGUE[4]	-	-	-	N/A	N/A	-	N/A	0.00%
SANTE C. BUELLA	-	-	-	-	-	-	-	0.00%
RICARDO CARMELO D. BUENAFE	6,070	-	-	6,070	6,070	-	6,070	0.00%
ALBERTO N. CASTILLO	600	-	-	600	600	-	600	0.00%
ANTHONY MATTHEW N. CO	1,350	800		2,150	2,150	-	2,150	0.00%
RICARDO L. CONCEPCION	-	-	-	-	-	-	-	0.00%
MA. CECILIA M. DOMINGO	1,495	-	-	1,495	1,495	-	1,495	0.00%
LAWRENCE S. FERNANDEZ	4,500	-	-	4,500	4,500	-	4,500	0.00%
MARVIN G. GONSALVES	11,780	-	-	11,780	11,780	-	11,780	0.00%
DANILO R. IGNACIO[5]	7,871	-	-	7,871	7,871	-	7,871	0.00%
JERRY B. LAO	-	-	-	-	-	-	-	0.00%
ERVILLE D. MAGTUBO	-	-	-	-	-	-	-	0.00%
RALPH M. MENCHAVEZ[5]	-	-	-	-	-	-	-	0.00%
RODERICK DENNISON N. NACU	31	-	-	31	31	-	31	0.00%
NOEL S. PORCIUNCULA[5]	144	-	-	144	144	-	144	0.00%
PAUL JAYSON I. RAMOS[6]	-	-	-	-	-	-	-	0.00%
JOSE S. REYES, JR.	8,827	-	-	8,827	8,827	-	8,827	0.00%
GLEN N. SAN PEDRO	-	-	-	-	-	-	-	0.00%
ANDREW JASON B. TAN	-	3,000	-	3,000	3,000	-	3,000	0.00%
JEFFREY O. TARAYAO	-	-	-	-	-	-	-	0.00%
MARILENE P. TAYAG[5]	-	-	-	-	-	-	-	0.00%
PAOLA MARGUERITE A. VERAYO[5]	-	-	-	-	-	-	-	0.00%
MARIA ZARAH R. VILLANUEVA-CASTRO	-	-	-	-	-	-	-	0.00%
JOCELYN C. VILLAR-ALTAMIRA[5]	-	-	-	-	-	-	-	0.00%
AGAPITO R. ZALDARRIAGA	10,369	-	-	10,369	10,369	-	10,369	0.00%
MA. CYNTHIA C. SOLUREN	11,575	-	-	11,575	11,575	-	11,575	0.00%
TOTAL	**712,125**	**84,627**	**0**	**788,795**	**788,795**	**0**	**788,795**	**0.07%**

[1] Resigned as a member of the Board of Directors on January 8, 2024.
[2] Elected as a member of the Board of Directors on January 29, 2024. The 1,677 shares include the 10 shares purchased before his election.
[3] No longer a reportable officer of Manila Electric Company effective May 28, 2024.
[4] Retired effective November 15, 2024.
[5] Rank conferment as Vice-President took effect on January 1, 2024.
[6] Appointment as Vice-President and Chief Investor Relations Officer took effect on July 1, 2024



E.5 AUDIT

Internal Audit

The purpose of the internal audit function is to strengthen Meralco, subsidiaries and affiliates' ability to create, protect, and sustain value by providing the Board and Management with independent, risk-based, and objective assurance, advice, insight, and foresight. The mission is to be a trusted partner and catalyst for improvement by promoting accountability, ethical conduct, effective risk management and continuous enhancement of processes through insightful and forward-looking internal audit work and data-informed evaluation of controls.

Meralco Internal Audit ("IA") adopts an independent risk-based and objective audit approach in formulating the annual audit plan and strategy that aligns to the key strategies and risks across the Group's business and is reassessed quarterly to consider business changes and emerging risks. This plan is developed in coordination with the relevant business units and subsidiaries and reviewed and approved by the Audit Committee ("AuditCom"). The assurance and control advisory reviews are aimed at assisting the Board through the AuditCom in promoting sound enterprise risk management, robust internal controls, and good corporate governance. Design and operating effectiveness of controls that govern the key business processes, systems and risk areas at the Distribution Utility and subsidiaries are evaluated particularly on financial reporting, operations, information technology systems reviews, cybersecurity, data privacy, sustainability, revenue assurance, legal and regulatory compliance and subsidiary oversight. This provides an independent assurance to the Audit Committee on the adequacy and effectiveness of the risk management, internal controls, governance and compliance systems.

Meralco IA communicates the results of audit engagements covering various units of the Company and its subsidiaries including specific areas of concerns identified by Management to the AuditCom.
The findings and any improvement opportunities are reviewed by AuditCom which then are reported to the Board for guidance and oversight. Significant concerns, which have been reported by IA and the implementation of responsive remedial measures by Management, are acted upon by Management and monitored by AuditCom. The AuditCom Report to the Board included the review of Meralco and its subsidiaries' system of internal controls (financial, operational, and compliance controls) and risk management systems which are found to be in place and functioning. A Certification attestation of the Internal Controls is issued bi-annually as a result of the combined risk and control assessment of the Management and IA including the scope of audit review for the financial year.

Meralco's IA is headed by the Group Chief Audit Executive and Senior Vice President, Ms. Melanie T. Oteyza, who reports functionally to the Board through the AuditCom and administratively to the Chairman and CEO, as outlined in the Company's IA Charter. The appointment and removal of the Group Chief Audit Executive require the recommendation of the AuditCom.

All internal auditors are members of the Institute of Internal Auditors ("IIA") and adopts the Global Internal Audit Standards ("Standards"), Global Guidance and Topical Requirements of the Institute of Internal Auditors' International Professional Practices Framework ("IPPF") The internal auditors are comprised of highly certified professionals – Certified Public Accountants, Certified Internal Auditors, Certified Information Systems Auditors, Certified Quality Assurance Validator, Certified Fraud Examiner, Certified Information Security Manager, Certified Tax Technician, Certified Management Accountant, Registered Electrical Engineers and others with Certification in Control Self-Assessment, Certification in Risk Management Assurance, Qualification in Internal Audit Leadership, Information Technology Infrastructure Library ("Foundation") - ITIL(F), Control Objectives for Information and Related Technologies ("Foundation") - COBIT(F) and Certified in Cybersecurity ("CC").

Meralco IA recruits and employs suitable and qualified professional staff with the requisite skillsets, competencies, and experience. Relevant trainings and continuing professional development are provided to its staff to ensure that internal audits are performed effectively and that the team possess the technical knowledge needed for the job and to remain relevant and value-adding to the organization.

Meralco IA also provides a confirmation of their independence, conformance with Code of Ethics and Global Internal Audit Standards, and provide the results of its Quality Assurance and Improvement Program to the Audit Committee on an annual basis.

External Audit

The Company's external auditor, SGV was evaluated, nominated, and recommended for appointment including its audit fees by the AuditCom, and such recommendation was approved by the Board. The re-appointment of SGV was thereafter confirmed by the shareholders in the ASM held on May 28, 2024.

CONSOLIDATED EXTERNAL AUDITOR'S FEES* (in PhP million)

	2024	2023
Financial Statements Audit*	24.8	22.9
Audit of financial statements in accordance with the requirements of the Business Separation and Unbundling Plan of the ERC, Audit of universal charge reports as required by PSALM, quarterly reviews for SP New Energy Corporation ("SPNEC")	2.0	2.2

Note: The fees for non-audit services did not exceed those for audit services.



E.6 MEDIUM OF COMMUNICATION

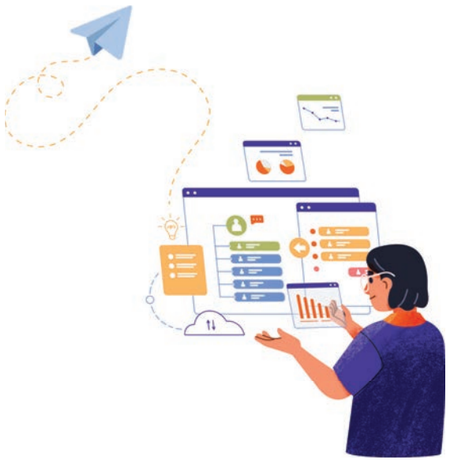
Quarterly Reports

The Company reports its quarterly and full year financial results through the SEC, PSE and PDEx to provide the shareholders, the investors, and the public a balanced and informed assessment of the Company's performance, position, and prospects.

Quarterly Reports: http://www.meralco.com.ph/investor-relations/quarterly-reports

Financial Results: http://www.meralco.com.ph/investor-relations/financial-results

Annual Reports: http://www.meralco.com.ph/investor-relations/annual-reports



Investors' Briefings/Media Briefings

The officers of the Company, led by the Chairman and CEO, with the CFO, Investor Relations Office and other officers, present information on performance results, business progress, industry trends, impact of external factors, and regulations to shareholders, analysts, investors, and media every quarter during the investors' briefing and teleconference, as well as the media briefing. Presentation materials used in these meetings are posted on the Company's website to ensure comprehensive information dissemination to all stakeholders and investors, including those who were not able to participate in the briefings.

Schedule of Events: http://www.meralco.com.ph/ investor-relations/calendar-of-events
Press Releases: http://www.meralco.com.ph/investor- relations/press-releases

Company Website

The Company website provides information on its products and services as well as the following corporate governance information:

Section	Link
Business Operations	http://biz.meralco.com.ph/ http://corporatepartners.meralco.com.ph/ http://www.meralco.com.ph/news
Financial Statements/Reports	http://www.meralco.com.ph/investor-relations/financial-results https://company.meralco.com.ph/investor-relations/quarterly-reports
Materials provided in briefings to analysts and media	http://www.meralco.com.ph/investor-relations/press-releases
Shareholding Structure	http://www.meralco.com.ph/about-us/meralco-shareholding-structure
Group Corporate Structure	http://www.meralco.com.ph/about-us/organizational-structure
Downloadable Annual Report	http://www.meralco.com.ph/investor-relations/annual-reports
Notice of ASM	http://www.meralco.com.ph/company-disclosures/notice-of-annual-or-special-stockholders-meetings
Minutes of ASM	http://www.meralco.com.ph/company-disclosures/minutes-of-all-general-or-special-stockholders-meetings
Company's By-Laws and Articles of Incorporation	https://company.meralco.com.ph/corporate-profile/articles-of-incorporation-and-by-laws



E.7 TIMELY FILING/RELEASE OF ANNUAL/QUARTERLY FINANCIAL REPORTS

The Company's 2024 Audited Financial Statements were released on March 1, 2025, 60 days after financial year-end. The true and fair representation of the Annual Financial Reports was affirmed by the Board through the Chairman and CEO, as well as the CFO of the Company on the Statement of Management's Responsibility section of this Annual Report. This can be accessed at the Company website.

E.8 INVESTOR RELATIONS

Meralco's Investor Relations Office regularly communicates relevant and timely information about the Company to both current and potential investors, to analysts, fund managers, potential business partners and the general public.



BOARD of DIRECTORS



Manuel V. Pangilinan
Chairman & Chief Executive Officer



Lance Y. Gokongwei
Vice Chairman



Jose Ma. K. Lim
Director



Pedro Emilio O. Roxas
Independent Director



Ray C. Espinosa
Director



Victorico P. Vargas
Director



James L. Go
Director

Patrick Henry Go
Director



Artemio V. Panganiban
Lead Independent Director



June Cheryl A. Cabal-Revilla
Director



MANUEL V. PANGILINAN

Filipino, 78 years old
Chairman, Board of Directors
Chairman, Executive Committee
Chairman, Remuneration and Leadership Development Committee
Chairman, Sustainability Committee
Chief Executive Officer
Director since May 26, 2009

Education and Training:
- BA Economics, Ateneo De Manila University
- Master's in Business Administration, Wharton School of Finance and Commerce University of Pennsylvania

Membership in the Board of Listed Companies:
- PLDT, Inc., Chairman, President and Chief Executive Officer
- Philex Mining Corporation, Chairman
- PXP Energy Corporation, Chairman
- Roxas Holdings, Inc., Vice-Chairman
- SP New Energy Corporation, Chairman

Membership in the Board of Non-Listed Companies, Foundations and other Organizations:
- Associated Broadcasting Corporation [TV5], Chairman
- Beacon Electric Asset Holdings, Inc., Chairman
- First Pacific Company Limited, Chief Executive Officer and Managing Director
- Global Business Power Corporation, Chairman
- Kayana Solutions, Inc., Chairman
- Landco Pacific Corporation, Chairman
- Light Rail Manila Corporation, Chairman
- Maynilad Water Services, Inc., Chairman
- Mediaquest Holdings, Inc., Chairman
- Meralco Power Foundation, Chairman
- Meralco PowerGen Corporation, Chairman
- METPower Ventures Partners, Chairman
- MetroPac Water Investments Corporation, Chairman
- Metro Pacific Agro Ventures, Inc., Chairman
- Metro Pacific Foundation, Chairman
- Metro Pacific Health Corporation, Chairman
- Metro Pacific Investments Corporation, Chairman, President and Chief Executive Officer
- Metro Pacific Tollways Corporation, Chairman
- MVP Sports Foundation, Inc., Chairman
- NLEX Corporation, Chairman
- One Meralco Foundation, Inc., Chairman
- Philippine Business for Education
- Philippine Business for Social Progress, Chairman
- Philippine Disaster Resilience Foundation (PDRF), Co-Chairman
- PLDT Communications and Energy Ventures, Inc., Chairman, President and CEO
- PLDT-Smart Foundation, Inc., Chairman
- PT Indofood Sukses Makmur Tbk (Indonesia), President Commissioner
- Samahang Basketbol ng Pilipinas, Chairman Emeritus
- San Beda College, Chairman
- Smart Communications, Inc., Chairman
- Stratbase Albert del Rosario Institute, Co-Chairperson of the Board of Trustees
- Terra Solar Philippines, Inc., Chairman
- US-Philippines Society, Co-Chairman

In recognition of Mr. Pangilinan's contributions to the country, the Philippine Air Force awarded him the rank of Lieutenant Colonel (Res) in a promotion list approved by the Philippine President in July 2021. In 2010, the Office of the President of the Philippines awarded Mr. Pangilinan the Order of Lakandula with the rank of Bayani.

Mr. Pangilinan was awarded the First Honorary Doctorate Degree in Management by the Asian Institute of Management in 2016, Honorary Doctorate in Science by Far Eastern University in 2010, in Humanities by Holy Angel University in 2008, by Xavier University in 2007 and by San Beda College in 2002 in the Philippines. He was formerly Chairman of the Board of Trustees of the Ateneo de Manila University and was a member of the Board of Overseers of the Wharton School.



LANCE Y. GOKONGWEI

Filipino, 58 years old
Vice-Chairman, Board of Directors
Vice-Chairman, Executive Committee
Member, Finance Committee
Member, Remuneration and Leadership Development Committee
Member, Sustainability Committee
Director since December 16, 2013

Education and Training:
- BS Finance, Wharton School of Finance and Commerce University of Pennsylvania
- BS Applied Science, Penn Engineering School, University of Pennsylvania

Membership in the Board of Listed Companies:
- Altus Property Ventures, Inc.
- Cebu Air, Inc., Chairman
- Endeavor Acquisition Corporation
- JG Summit Holdings, Inc., President and Chief Executive Officer
- Oriental Petroleum and Minerals Corporation
- RL Commercial REIT, Inc.
- Robinsons Land Corporation, Chairman, President and Chief Executive Officer
- Robinsons Retail Holdings, Inc., Board Advisor
- Shakey's Asia Pizza Ventures, Inc.
- Singapore Land Group Limited
- SP New Energy Corporation
- Universal Robina Corporation, Chairman

Membership in the Board of Non-Listed Companies, Foundations, and other Organizations:
- AB Capital and Investment Corporation
- Ateneo de Manila University, Trustee and Chairman of the Finance Committee
- Data Analytics Ventures, Inc.
- Gokongwei Brothers Foundation, Inc., Chairman
- JE Holdings, Inc., Chairman and President
- JG Digital Equity Ventures, Inc., Chairman and President
- JG Summit Olefins Corporation, Chairman
- World Economic Forum, Global Leaders for Tomorrow Program



JUNE CHERYL A. CABAL-REVILLA

Filipino, 51 years old
Chairperson, Finance Committee
Member, Audit Committee
Member, Nomination and Governance Committee
Member, Sustainability Committee
Director since May 30, 2023

Education and Training:
- Bachelor of Science in Accountancy, De La Salle University
- Master's in Business Management, Major in Finance, Asian Institute of Management
- Executive Program, Stanford Graduate School of Business

Membership in the Board of Non-Listed Companies, Foundations, and other Organizations:
- AF Payments, Inc.
- Beacon Electric Asset Holdings, Inc.
- Costa de Madera Corporation
- Fragrant Cedar Holdings, Inc.
- Global Business Power Corporation
- KM Infrastructure Holdings, Inc.
- Landco Pacific Corporation
- Light Rail Manila Corporation
- Maynilad Water Services, Inc.
- Meralco PowerGen Corporation
- Metro Pacific Agro Ventures, Inc.
- Metro Pacific Dairy Farms, Inc.
- Metro Pacific Fresh Farms, Inc.
- Metro Pacific Health Corporation
- Metro Pacific Health Tech Corporation - President and Chief Executive Officer
- Metro Pacific Investments Corporation, Chief Finance and Sustainability Officer
- Metro Pacific Investments Foundation, Inc.
- Metro Pacific Light Rail Corporation
- Metro Pacific Nova Agro Tech, Inc.
- Metro Pacific Tollways Corporation
- MetroPac Movers, Inc.
- Razor Crest Storage Infrastructure Holdings Corporation
- Surallah Biogas Ventures Corp.
- The Laguna Creamery, Inc.
- Indra Philippines, Inc.
- NLEX Corporation
- Iloilo Waste Recovery Holdings Corporation
- Iloilo Waste Recovery Joint Venture Corporation

Ms. Revilla is also an appointed member of the Financial Reporting and Sustainability Standards Council of the Philippines.



LYDIA B. ECHAUZ
Filipino, 77 years old
Member, Finance Committee
Member, Audit Committee
Member, Nomination and Governance Committee
Independent Director since May 25, 2021

Education and Training:
- Bachelor of Arts, Major in Economics and Mathematics, St. Theresa's College
- Master's in Business Administration, Ateneo de Manila University
- Doctor of Business Administration, De La Salle University

Membership in the Board of Listed Companies:
- D&L Industries, Inc., Independent Director
- Shell Pilipinas Corporation, Independent Director
- SP New Energy Corporation, Independent Director

Membership in the Board of Non-Listed Companies, Foundations, and other Organizations:
- Akademyang Filipino Association Inc., Trustee
- FERN Realty Corporation
- Mano Amiga Academy, Trustee
- Museo del Galeon Foundation, Inc., Trustee
- NBS Educational Services, Inc., Vice-Chairperson
- Riverside College Inc.
- SM Foundation, Inc., Independent Trustee



JAMES L. GO
Filipino, 85 years old
Member, Executive Committee
Member, Audit Committee
Member, Finance Committee
Member, Risk Management Committee
Member, Related Party Transactions Committee
Member, Nomination and Governance Committee
Director since December 16, 2013

Membership in the Board of Listed Companies:
- JG Summit Holdings, Inc., Chairman
- Oriental Petroleum and Minerals Corporation, Chairman and Chief Executive Officer
- Robinsons Land Corporation, Chairman Emeritus
- Universal Robina Corporation, Chairman Emeritus
- Robinsons Retail Holdings, Inc., Vice-Chairman
- PLDT Inc.

Education and Training:
- BS Chemical Engineering, Massachusetts Institute of Technology
- Master's in Chemical Engineering, Massachusetts Institute of Technology

Membership in the Board of Non-Listed Companies, Foundations, and other Organizations:
- JG Summit Olefins Corporation, Chairman Emeritus
- Gokongwei Brothers Foundation, Inc., President and Trustee
- Meralco PowerGen Corporation

Position and Membership in Other Organizations and Corporations:
- Board Adviser, Cebu Air, Inc.



PATRICK HENRY C. GO
Filipino, 55 years old
Chairman, Risk Management Committee
Member, Audit Committee
Member, Nomination and Governance Committee
Member, Related Party Transactions Committee
Member, Sustainability Committee
Director since January 29, 2024

Membership in the Board of Listed Companies:
- JG Summit Holdings, Inc.
- Universal Robina Corporation, Executive Vice-President
- Robinsons Land Corporation

Education and Training:
- Bachelor of Science Degree in Management – Ateneo De Manila University
- General Management Program – Harvard Business School

Membership in the Board of Non-Listed Companies, Foundations, and other Organizations:
- JG Summit Olefins Corporation
- MERALCO PowerGen Corporation
- Merbau Corporation, President and Chief Executive Officer
- Peak Fuel Corporation
- Gokongwei Brothers Foundation, Inc., Trustee and Treasurer



RAY C. ESPINOSA
Filipino, 68 years old
President and CEO from May 28, 2019 to May 30, 2023
Member, Risk Management Committee
Member, Related Party Transactions Committee
Director since May 26, 2009

Education and Training:
- BS General Studies, University of Santo Tomas
- Bachelor of Laws, Ateneo De Manila University
- Master of Laws, University of Michigan Law School

Membership in the Board of Publicly Listed Companies:
- EEI Corporation, Independent Director
- Lepanto Consolidated Mining Company, Independent Director
- PLDT Inc.
- PXP Energy Corporation

Position and Membership in Other Organizations and Corporations:
- Executive Committee Member of LAWASIA Energy Section
- Member of the Integrated Bar of the Philippines, Philippine Bar Association, and Inter-Pacific Bar Association

Membership in the Board of Non-Listed Companies, Foundations, and other Organizations:
- AGN Philippines, Inc., Co-Chairman
- Aurora Managed Power Services Inc., Chairman
- BTF Holdings, Inc.
- Beacon Electric Asset Holdings, Inc.
- Bell Telecommunication Philippines, Inc., Co-Chairman
- Bow Arken Holding Company, Inc., Co-Chairman
- Brightshare Holdings Corporation, Co-Chairman
- CIS Bayad Center, Inc., Chairman
- Cobaltpoint Telecom, Inc., Co-Chairman
- Connectivity Unlimited Resource Enterprise Inc.
- Corporate Information Solutions, Inc., Chairman
- Dominer Pointe, Inc., Co-Chairman
- Eastern Telecommunications Philippines, Inc., Co-President
- Enterprise Investments Holdings, Inc.
- e-Meralco Ventures, Inc., Chairman
- ePLDT, Inc.
- e Telco, Inc., Co-Chairman
- ESPI Real Estate Ventures Inc., President
- Excellent Energy Resources, Inc.
- First Agri Holdings Corporation, President
- First Coconut Manufacturing Inc., Vice-Chairman
- First Delta Group Security Services, Inc.
- First Pacific Leadership Academy, Inc., Trustee
- Hi Frequency Telecommunications, Inc., Co-Chairman
- Ilijan Primeline Industrial Estate Corporation
- Liberty Telecom Holdings, Inc., Co-Chairman
- Linseed Field Corporation
- Maya Bank Inc.
- Mediaquest Holdings, Inc.
- MERALCO PowerGen Corporation, Vice-Chairman
- Meridian Power Ventures Limited
- Metro Pacific Assets Holdings, Inc.
- Metro Pacific Holdings, Inc.
- Metro Pacific Investments Corporation
- Metro Pacific Resources, Inc.
- MPioneer Insurance, Inc., Chairman
- Multi Technology Investments Holdings, Inc., Co-Chairman
- MVP Rewards and Loyalty Solutions Inc.
- New Century Telecoms, Inc., Co-Chairman
- One Meralco Foundation, Inc., Vice-Chairman and Trustee
- Pacific Aurora Plantation Corp., Vice-Chairman
- Pacific Global One Aviation Company, Inc.
- PacificLight Power PTE Ltd. (Singapore Company)
- PacificLight Renewables Pte. Ltd. (Singapore Company)
- Paragon Vertical Corporation, Chairman
- Perchpoint Holdings, Inc., Co-Chairman
- PH Broadband Networks Holdings, Inc., Co-Chairman
- PH Communications Holdings Corporation
- Philippine Telecommunications Investment Corp., Director and Corporate Secretary
- Pilipinas Global Network Limited
- Pilipinas Pacific Telecom Holdings, Inc., Assistant Corporate Secretary
- PLDT - Beneficial Trust Fund, Vice-Chairman and Trustee
- PLDT Capital PTE Ltd.
- PLDT Communications and Energy Ventures, Inc., President
- PLDT Digital Investments PTE Ltd.
- PLDT Global Investments Corporation
- PLDT Global Investments Holdings, Inc.
- PLDT Online Investments PTE Ltd.
- Power Smart Capital Limited
- Radius Telecoms, Inc., Chairman
- Roxas Power Corporation
- Skyphone Logistics, Inc., Co-Chairman
- Somete Logistics & Development Corporation, Co-Chairman
- Smart Communications, Inc.
- Talas Data Intelligence Inc.
- Telecommunications Service Providers, Inc.,
- Telecommunication Technologies Philippines, Inc., Co-Chairman and Co-President
- Tori Spectrum Telecom, Inc., Co-Chairman
- Two Cassandra - CCI Conglomerate, Inc., Co-Chairman
- Two Rivers Pacific Holdings Corporation
- Vega Telecom, Inc., Co-Chairman
- WREIT, Inc., Independent Director



JOSE MA. K. LIM
Filipino, 72 years old
Member, Executive Committee
Member, Finance Committee
Member, Audit Committee
Member, Risk Management Committee
Member, Related Party Transactions Committee
Member, Nomination and Governance Committee
Director since May 29, 2012

Membership in the Board of Non-Listed Companies, Foundations, and other Organizations:
- AF Payments Inc.
- Global Business Power Corporation
- Indra Philippines
- KM Infrastructure Holdings, Inc.
- Landco Pacific Corporation
- Light Rail Manila Corporation
- Light Rail Manila Holdings, Inc.
- Maynilad Water Holding Company, Inc.
- Maynilad Water Services, Inc.
- Medical Doctors, Inc.
- Meralco PowerGen Corporation
- Metro Pacific Health Tech Corporation
- Metro Pacific Holdings, Inc.
- Metro Pacific Investments Corporation, Strategic Adviser
- Metro Pacific Investments Foundation Inc., Trustee
- Metro Pacific Management Services, Inc.
- Metro Pacific Light Rail Corporation
- Metro Pacific Tollways Corporation, President & CEO effective March 1, 2025
- MetPower Ventures Partners Holdings, Inc., Chairman
- Metro Strategic Infrastructure Holdings Incorporated, Chairman
- Metro Vantage Properties, Inc.
- NLEX Corporation
- Philippine Telecommunications Investment Corp.

Education and Training:
- BA Philosophy, Ateneo De Manila University
- Master's in Business Administration, Asian Institute of Management

Position and Membership in Other Organizations and Corporations:
- Founding Member of the Shareholders Association of the Philippines
- Member, Management Association of the Philippines



VICTORICO P. VARGAS
- Filipino, 73 years old
- Member, Finance Committee
- Member, Remuneration and Leadership Development Committee
- Director since May 28, 2019

Membership in Board of Non-Listed Companies:
- Association of Boxing Alliances in the Philippines, Chairman
- Beacon Electric Asset Holdings, Inc.
- Beacon PowerGen Holdings, Inc.
- Cignal TV, Inc.
- First Pacific Leadership Academy, President and member of the Board of Trustees
- Hastings Holdings, Inc., Chairman
- Ideaspace Foundation, Trustee
- Kayana Solutions, Inc., President
- Media5 Marketing Corporation, Chairman
- Metro Pacific Tollways Corporation
- MGen Global Power
- MQuest Ventures, Inc.
- MVP Sports Foundation, Trustee
- Philippines Basketball Association, Chairman (Season 2017 to present)
- PhilStar Daily, Inc., Chairman
- PhilStar Global, Inc., Chairman
- PhilPop Music Fest Foundation, President
- Pilipino Star Ngayon, Inc., Chairman
- Pilipino Star Printing, Chairman
- PLDT Clark Telecom, Inc.
- PLDT Global, Inc., Chairman
- PLDT Smart Foundation, Trustee
- PLDT Subic Telecom, Inc.
- Smart Communications, Inc.
- TV5 Network, Inc.

Position and Membership in Other Organizations, Foundation and Corporations:
- First Pacific Company Limited, Associate Director
- Head of Leadership Transition Office of the PLDT Group, Office of the Chairman
- Samahang Basketbol ng Pilipinas, Vice President and Former Vice Chairman
- World Boxing Council, Executive Board Member
- Philippine Olympic Committee, Immediate Past President
- Maynilad Water Services, Inc., Former President and Chief Executive Officer

Education and Training:
- BS Psychology, University of Santo Tomas



ARTEMIO V. PANGANIBAN
Filipino, 88 years old
Lead Independent Director
Chairman, Audit Committee
Member, Executive Committee
Member, Related Party Transactions Committee
Member, Risk Management Committee
Independent Director since May 27, 2008

Education and Training:
- Associate in Arts Degree ("With Highest Honors"), Far Eastern University
- Bachelor of Laws ("Cum Laude"), Far Eastern University
- Doctor of Laws ("Honoris Causa"), University of Iloilo/Far Eastern University/ University of Cebu/Angeles University/ Bulacan State University

Membership in the Board of Listed Companies:
- Asian Terminals, Inc., Independent Director
- GMA Holdings, Inc., Independent Director
- GMA Network, Inc., Independent Director
- JG Summit Holdings, Inc., Independent Director
- Jollibee Foods Corporation
- Petron Corporation, Independent Director
- PLDT Inc., Lead Independent Director
- RL Commercial REIT, Inc., Independent Director

Adviser to the Board of the following Listed Companies:
- Bank of the Philippine Islands
- Double Dragon Properties Corp.
- Merry Mart Consumer Corp.
- Metropolitan Bank and Trust Co.

Membership in Board of Non-Listed Companies, Foundations, and other Organizations:
- Asian Hospital Inc., Independent Director
- Claudio Teehankee Foundation, Vice-Chairman, Board of Trustees
- Foundation for Liberty and Prosperity, Chairman of the Board of Trustees
- Manila Metropolitan Cathedral-Basilica Foundation, Inc., President
- Metro Pacific Investments Corporation, Independent Advisor
- Metro Pacific Tollways Corporation, Independent Director
- Philippine Judges Foundation, Chairman of the Board of Trustees
- Tan Yan Kee Foundation, Trustee
- TeaM Energy Corporation, Independent Director

Position and Membership in Civic Organizations, Foundations and Corporations:
- Chairman of the Board of Advisers of Metrobank Foundation
- Chairman Emeritus of the Philippine National Committee of the Asean Law Association
- Columnist of the Philippine Daily Inquirer
- Senior Legal Advisor of the Department of Energy (Law and Energy Advisory Panel)
- Retired Chief Justice of the Supreme Court of the Philippines
- President of the Association of Retired Justices of the Supreme Court of the Philippines
- Chairman, Philippine Center for Diabetes Education Foundation, Inc.



PEDRO EMILIO O. ROXAS
Filipino, 69 years old
Chairman, Related Party Transactions Committee
Chairman, Nomination and Governance Committee
Member, Audit Committee
Member, Finance Committee
Member, Risk Management Committee
Member, Remuneration and Leadership Development Committee
Member, Sustainability Committee
Independent Director since May 25, 2010

Education and Training:
- BS Business Administration, University of Notre Dame Indiana, USA

Membership in the Board of Listed Companies:
- Roxas and Company, Inc., Chairman
- Roxas Holdings, Inc., Chairman
- Cemex Holdings Inc., Independent Director

Membership in Board of Non-Listed Companies, Foundations, and other Organizations:
- Brightnote Assets Corporation
- Club Punta Fuego, Inc., Chairman
- Fundacion Santiago, Inc.
- Global Business Power Corporation, Independent Director
- Meralco PowerGen Corporation, Independent Director
- Metro Pacific Investment Corporation, Independent Director
- Oona Insular Insurance Corporation, Independent Director
- Roxaco Land Corporation, Chairman
- Chromite Gas Holdings, Inc.

OUR MANAGEMENT COMMITTEE *and* KEY OFFICERS



Ronnie L. Aperocho
Chief Operating Officer



Manuel V. Pangilinan
Chairman and Chief Executive Officer



Ferdinand O. Geluz
Chief Revenue Officer, OIC Subsidiary Businesses



Betty C. Sly-Yap
Chief Finance Officer





William S. Pamintuan
Chief Legal Counsel, Assistant Corporate Secretary, Compliance Officer and Head, Legal and Corporate Governance Office

Jose Ronald V. Valles
Head of Regulatory Affairs and DU Regulatory Management



Simeon Ken R. Ferrer
Corporate Secretary

Maria Luisa V. Alvendia
Chief Supply Chain Officer





Edgardo V. Carasig
Chief Human Resource Officer and Head of Corporate Services



Arnel Paciano D. Casanova
Chief External and Government Affairs Officer



Froilan J. Savet
Head of Networks



Charina P. Padua
Head of Customer Retail Services

Raymond B. Ravelo
Chief Sustainability Officer



Redel M. Domingo
Head of MPower



Melanie T. Oteyza
Chief Audit Executive



Andrew Jason B. Tan
Head of Business Development



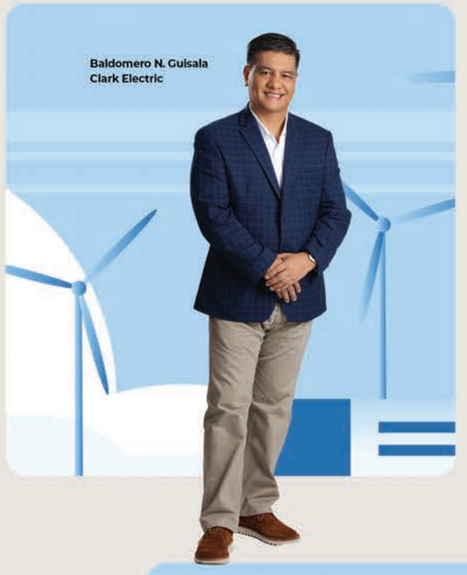
Paul Jayson I. Ramos
Chief Investor Relations Officer



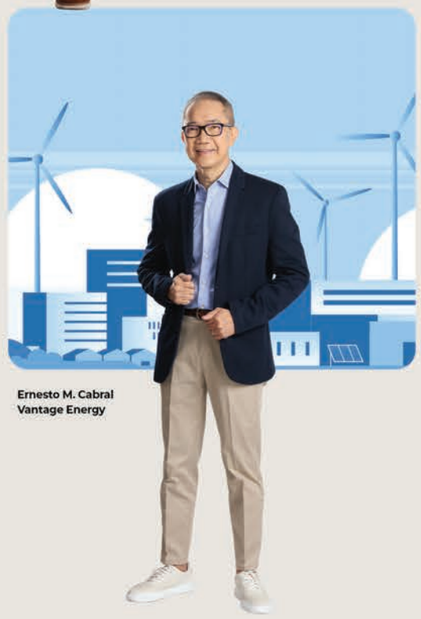
Anthony Matthew N. Co
Business Development Officer

SUBSIDIARY HEADS


Emmanuel V. Rubio
MGEN


Baldomero N. Guisala
Clark Electric


Antonio M. Abuel Jr.
Shin Clark Power


Ernesto M. Cabral
Vantage Energy


Dennis Uy
Comstech


Ronald R. Torres
MSERV


Richard O. Ochava
MIESCOR


Ma. Cecilia M. Domingo
MSpectrum


Raymond B. Ravelo
Movem

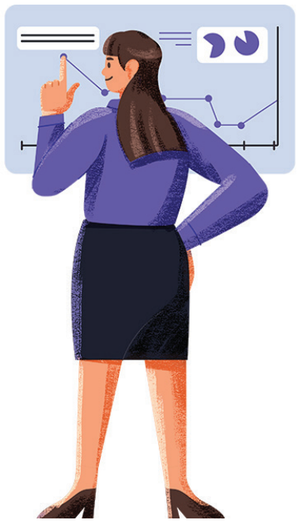

Exequiel C. Delgado
Radius


Lawrence Y. Ferrer
Bayad

Audit Committee Report



The Audit Committee was established by the Board of Directors in 1999 to assist the Board in fulfilling its oversight responsibilities to the Shareholders in the following areas:



- Integrity of the Company's financial statements and the financial reporting process;
- Appointment, remuneration, independence, and performance of Internal Audit and of the independent External Auditor; and the integrity of the audit processes;
- Effectiveness of the system of internal controls, enterprise risk management, and corporate governance processes;
- Compliance with applicable legal, regulatory, and other reporting requirements; and
- Year-End reporting for the approval of the Board and for its inclusion in the Company's Annual Report

The Audit Committee performed its duties and responsibilities in accordance with its Charter, following leading practices in corporate governance and in compliance with the Corporate Governance Code for publicly listed companies issued by the Philippine Securities and Exchange Commission (SEC) and other applicable regulations.

The Audit Committee is composed of three (3) independent non-executive directors, Mr. Artemio V. Panganiban, who sits as the Chairman, Dr. Lydia B. Echauz and Mr. Pedro E. Roxas, and four (4) non-executive directors namely, Ms. June Cheryl A. Cabal-Revilla, Mr. Patrick Henry C. Go, Mr. James L. Go, and Mr. Jose Ma. K. Lim. All the members of the Committee have professional qualifications and an adequate background in business, finance, law, management, and accounting.

The directors also hold membership positions in other Board-level Committees allowing them to stay informed about key developments across business areas. Their involvement provides valuable insights and informed guidance on risk-taking and management activities, ensuring a comprehensive and well-integrated approach to internal controls, corporate governance and risk-managed decision making.

The Audit Committee held seven (7) meetings for 2024. Individual attendance of members at the meetings of the Audit Committee during the year is presented in the Corporate Governance Report of Meralco. After each meeting, the Chairman of the Audit Committee renders a report apprising the Board of Directors of the results of the matters deliberated upon by the Committee for its information and approval.
The Audit Committee, in the discharge of its functions and duties, carried out the following activities:

A. On Financial Reporting

- Reviewed, discussed with Management, and approved the unaudited consolidated quarterly financial statements and the audited consolidated financial statements of the Company and its Subsidiaries, including Management's significant judgments, estimates and impact of new accounting standards and tax changes with respect to the Company's financial statements and analysis of financial condition and results of operation.
- The Committee also reviewed the External Auditor's Report on the audit of the annual financial statements and discussed key audit matters and other required communications to the Committee.

These actions were undertaken with the understanding that:

- Management has the primary responsibility for preparing the financial statements and the reporting process.
- The independent External Auditor, SGV & Co. (SGV), is responsible for expressing an opinion on the conformity of the Company's Audited Consolidated Financial Statements with the Philippine Financial Reporting Standards (PFRS).
- Reviewed and approved Management's Representation Letter before its submission to the External Auditor.

B. On Internal and External Audit Processes

- Assessed the independence, performance, effectiveness, and qualifications of SGV, considering its credibility, competence, ability to understand complex transactions and the adequacy of its quality control procedures. Based on this assessment, the Committee endorsed the re-appointment of SGV to the Board of Directors and the Shareholders as the independent External Auditor of the Company for the ensuing year.
- Reviewed and approved the audit plan and scope of work of SGV for the audit of the 2024 Annual Financial Statements.
- Reviewed and approved SGV's fees for all audit, audit-related, and non-audit services in Meralco and selected subsidiaries as endorsed by Management.
- Reviewed, discussed, and approved the results of the SGV's external audit, its assessment of the Company's internal controls and the quality of the financial reporting process.
- Reviewed the Management Letter issued by SGV after the completion of the audit of the Financial Statements of the preceding year.
- Held separate executive sessions with the Chief Audit Executive and SGV without the presence of Management.
- Reviewed and approved the Annual Internal Audit Plan, the related key performance indicators, and all subsequent changes to the Internal Audit Plan, as needed.
- Reviewed and discussed the results of audits as reported by the Chief Audit Executive in her quarterly and year-end status reports to the Committee with respect to the evaluation of the system of internal controls, overall quality of the financial reporting process, risk management and governance.
- All audit activities performed by Internal Audit were conducted in conformance with the International Professional Practices Framework (IPPF) issued by the Institute of Internal Auditors (IIA). This includes the Global Internal Audit Standards, Topical Requirements, and Global Guidance.
- Monitored Management's timely implementation of appropriate corrective actions to address the audit issues and recommendations of Internal Audit and the External Auditor.
- Reviewed and discussed the Internal Audit Annual Performance Report, including the Quality Assurance and Improvement Program Annual Report to evaluate the effectiveness of the Internal Audit function.

C. On Internal Control and Compliance with Laws and Regulations

- Reviewed and discussed updates on investigations, recoveries from losses and appropriate actions of the Management.
- Reviewed Management's mid-year and annual confirmation statement on the adequacy and effectiveness of the Company's internal control and risk management system, which was based on the annual risks & controls assessment validated by Internal Audit.
- Reviewed and evaluated the Company's internal control system based on the assessments completed by Internal Audit, SGV, Cybersecurity, Data Privacy Compliance, and matters delegated by the Board of Directors. The Committee is satisfied with the overall system in place and found this to be adequate and effective.
- Reviewed and monitored compliance and adherence by the Company with all applicable laws and regulations pursuant to which the Company conducts its operations and business activities. This includes reviewing the state of legal compliance with respect to labor laws & regulations, data privacy and the reportorial requirements to regulatory agencies.



D. Others

- Performed self-assessments and reviewed the overall effectiveness of its performance vis-à-vis its Charter and the expectations of the Board of Directors, Management and Shareholders in accordance with the guidelines of SEC Memorandum Circular No. 19 Series of 2016 and the Corporate Governance Manual. The assessment showed full compliance with the requirements set forth in the Audit Charter and governance best practices.
- Invited select members of Senior Management, including heads of subsidiaries, to provide updates to the Committee on new investments and acquisitions, the performance of investments and subsidiaries, risk mitigation or remediation for the noted audit items, and the developments of their strategic directions and overall results.
- Reviewed and approved the Audit Committee agenda and calendar for the year.
- Reviewed and confirmed the continued validity of the Audit Committee and Internal Audit Charters until the next annual review. The Audit Committee Charter complies with the Securities and Exchange Commission Memo Circular No. 04 (2012).
- Advised on the Enterprise Risk Management updates and major risk exposures on a semi-annual basis through the attendance of the meetings of the Risk Management Committee of which the majority are also members.



Based on the reviews undertaken, and discussions with Management and SGV, and subject to the limitations on the Committee's roles and responsibilities, the Audit Committee recommended to the Board of Directors the approval and inclusion of the Company's Audited Consolidated and Parent Company's Financial Statements in the Company's Annual Report to the Stockholders for the year ended December 31, 2024, and the filing thereof with the Philippine Securities and Exchange Commission.

February 20, 2025

On behalf of the Audit Committee:

Retired Chief Justice ARTEMIO V. PANGANIBAN
Chairman, Audit Committee

Financial Statements

STATEMENT OF MANANGEMENT'S RESPONSIBILITY FOR CONSOLIDATED FINANCIAL STATEMENTS

The Management of Manila Electric Company (the "Company") is responsible for the preparation and fair presentation of the consolidated financial statements, including the schedules attached therein, as at December 31, 2024 and 2023, and for each of the three years ended December 31, 2024, in accordance with the prescribed financial reporting framework indicated therein, and for such internal control as management determines is necessary to enable the presentation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The Board of Directors is responsible for overseeing the Company's financial reporting process.

The Board of Directors reviews and approves the consolidated financial statements, including the schedules attached therein, and submits the same to the stockholders.

SyCip Gorres Velayo & Co., the independent auditor appointed by the stockholders, has audited the consolidated financial statements of the company in accordance with Philippine Standards on Auditing, and in its report to the stockholders, has expressed its opinion on the fairness of presentation upon completion upon completion of such audit.

(signed)
MANUEL V. PANGILINAN
Chairman of the Board and Chief Executive Officer

(signed)
BETTY C. SIY-YAP
Chief Finance Officer

Manila Electric Company and Subsidiaries

Consolidated Financial Statements
as at December 31, 2024 and 2023
and Years Ended December 31, 2024,
2023 and 2022

and

Independent Auditor's Report

Scan for full Financial Statement

SyCip Gorres Velayo & Co.
6760 Ayala Avenue
1226 Makati City
Philippines

Tel: (632) 8891 0307
Fax: (632) 8819 0872
sgv.ph

INDEPENDENT AUDITOR'S REPORT

The Board of Directors and the Stockholders
Manila Electric Company

Opinion

We have audited the consolidated financial statements of Manila Electric Company (the Company) and its subsidiaries (the Group), which comprise the consolidated statements of financial position as at December 31, 2024 and 2023, and the consolidated statements of income, consolidated statements of comprehensive income, consolidated statements of changes in equity and consolidated statements of cash flows for each of the three years in the period ended December 31, 2024, and notes to the consolidated financial statements, including material accounting policy information.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Group as at December 31, 2024 and 2023, and its consolidated financial performance and its consolidated cash flows for each of the three years in the period ended December 31, 2024 in accordance with Philippine Financial Reporting Standards (PFRS) Accounting Standards.

Basis for Opinion

We conducted our audits in accordance with Philippine Standards on Auditing (PSAs). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Consolidated Financial Statements* section of our report. We are independent of the Group in accordance with the Code of Ethics for Professional Accountants in the Philippines (Code of Ethics) together with the ethical requirements that are relevant to our audit of the consolidated financial statements in the Philippines, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. For each matter below, our description of how our audit addressed the matter is provided in that context.

We have fulfilled the responsibilities described in the *Auditor's Responsibilities for the Audit of the Consolidated Financial Statements* section of our report, including those in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the consolidated financial statements. The results of our audit procedures, including the procedures performed to address the matters below, provide the basis for our audit opinion on the accompanying consolidated financial statements.

Revenue from sale of electricity

The Group's revenue from its electricity distribution business represents 91% of its consolidated revenues and arise from its service contracts with a large number of customers that are classified as either commercial, industrial or residential, located within the Group's franchise area. This matter is significant to our audit because the revenue recognized depends on (a) the complete capture of electric consumption based on the meter readings over the franchise area taken on various dates; (b) the propriety of rates computed and applied across customer classes including the application of adjustments promulgated by the Energy Regulatory Commission (ERC); and (c) the reliability of the information technology (IT) systems involved in processing the billing transactions.

Notes 2, 23, 24, 30 and 32 provide the relevant disclosures related to the rate-setting regulations and regulatory policies of the ERC.

A member firm of Ernst & Young Global Limited

Audit response

We obtained an understanding and evaluated the design of, as well as tested the controls over, the customer master file maintenance, accumulation and processing of meter data, and interface of data from the billing system to the financial reporting system. In addition, we performed a test recalculation of the bill amounts using the ERC-approved rates, adjustments and formulae, as well as actual pass-through costs incurred, and compared them with the amounts reflected in the billing statements. We involved our internal specialist in understanding the IT processes and in understanding and testing the IT general controls over the IT systems supporting the revenue process.

Adequacy of allowance for expected credit losses for receivables

The Group applies the simplified approach in calculating expected credit loss (ECL). Under this approach, the Group establishes a provision matrix that is based on its historical credit loss experience and adjusted for forward-looking factors specific to the debtors and the economic environment. The balance of the allowance and the provision for credit losses as of and for the year ended December 31, 2024 amounted to ₱8,854 million and ₱871 million, respectively. The use of the ECL model is significant to our audit as it involves the exercise of significant management judgment. Key areas of judgment include the following: segmenting the Group's credit risk exposures; defining default; determining assumptions to be used in the ECL model such as timing and amounts of expected net recoveries from defaulted accounts, and impact of any financial support and credit enhancements extended by any party; and incorporating forward-looking information (called overlays), in calculating ECL.

The disclosures in relation to the allowance for credit losses using the ECL model are included in Notes 5, 13 and 27 to the consolidated financial statements.

Audit response

We obtained an understanding of the methodologies and models used for the Group's different credit exposures and assessed whether these considered the requirements of PFRS 9 to reflect an unbiased and probability-weighted outcome, the time value of money, and the best available forward-looking information.

We (a) assessed the Group's segmentation of its credit risk exposures based on homogeneity of credit risk characteristics; (b) tested the definition of default against historical analysis of accounts and credit risk management policies and practices in place, (c) tested historical loss rates by inspecting historical recoveries and write-offs, and the effects of any financial support and credit enhancements provided by any party; (d) compared the classification of outstanding exposures to their corresponding aging buckets; and (e) evaluated the forward-looking information used for overlay through statistical test and corroboration using publicly available information and our understanding of the Group's receivable portfolios and industry practices.

Further, we compared the data used in the ECL models, such as the historical aging analysis and default and recovery data from the source system reports to the data warehouse and from the data warehouse to the loss allowance analysis/models and financial reporting systems. To the extent that the loss allowance analysis is based on credit exposures that have been disaggregated into subsets with similar risk characteristics, we traced or re-performed the disaggregation from source systems to the loss allowance analysis. We also assessed the assumptions used where there are missing or insufficient data.

Provisions and contingencies

The Group is involved in certain proceedings and claims for which it has recognized provisions for probable costs and/or expenses and/or has disclosed relevant information about such contingencies. This matter is significant to our audit because the determination of whether any provision should be recognized and the estimation of the potential liability resulting from these assessments require significant judgment by management. The inherent uncertainty over the outcome of these matters is brought about by the differences in the interpretation and implementation of the relevant laws and regulations.

Notes 2, 19, 22 and 29 to the consolidated financial statements provide the relevant disclosures related to this matter.

A member firm of Ernst & Young Global Limited

Audit response

We examined the bases of management's assessment of the possible outcomes and the related estimates of the probable costs and/or expenses that are recognized and/or disclosed in the Group's consolidated financial statements and involved our internal specialists when necessary. We discussed with management the status of the claims and/or assessments and obtained correspondences with the relevant authorities and opinions from the internal and external legal counsels. We evaluated the position of the Group by considering the relevant laws, rulings and jurisprudence. We also reviewed the disclosures on provisions and contingencies in the Group's consolidated financial statements.

Accounting for business combination

As disclosed in Note 3 to the consolidated financial statements, in 2023, MGen Renewable Energy, Inc. ("MGreen"), a wholly owned subsidiary of the Company through MERALCO PowerGen Corporation, acquired 50.5% voting equity interest in SP New Energy Corporation ("SPNEC") for a total consideration of ₱27,900 million. The acquisition was accounted for as a business combination under PFRS 3, *Business Combinations,* and reported in the 2023 consolidated financial statements based on provisional purchase price allocation. In 2024, the fair values of the net assets acquired and the purchase price allocation were finalized. Apart from the significance of the amounts involved, we consider the accounting for this acquisition as a key audit matter because the determination of the fair values of the assets acquired and liabilities assumed coming from SPNEC requires significant management judgment and estimation based on the available information, specifically about the acquired property and equipment and intangible assets, as at the acquisition date.

Audit response

We reviewed the share purchase agreement and other related contracts covering the acquisition and assessed whether the acquisition has been appropriately accounted for. We reviewed the final purchase price allocation and evaluated management's basis in determining the fair values of the assets acquired and liabilities assumed coming from SPNEC using the available information as of the acquisition date. We assessed the competence, capabilities and objectivity of the external appraiser who was engaged to prepare the appraisal report used in the final purchase price allocation, by considering their qualifications, experience and reporting responsibilities. We involved our internal specialist in evaluating the methodologies and assumptions used in arriving at the fair values of the property and equipment and intangible assets. We also assessed the adequacy of the related disclosures in Note 3 to the consolidated financial statements.

Other Information

Management is responsible for the other information. The other information comprises the information included in the SEC Form 20-IS (Definitive Information Statement), SEC Form 17-A and Annual Report for the year ended December 31, 2024 but does not include the consolidated financial statements and our auditor's report thereon. The SEC Form 20-IS (Definitive Information Statement), SEC Form 17-A and Annual Report for the year ended December 31, 2024 are expected to be made available to us after the date of this auditor's report.

Our opinion on the consolidated financial statements does not cover the other information and we will not express any form of assurance conclusion thereon. In connection with our audits of the consolidated financial statements, our responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audits, or otherwise appears to be materially misstated.

Responsibilities of Management and Those Charged with Governance for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with PFRS Accounting Standards, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Group's financial reporting process.

A member firm of Ernst & Young Global Limited

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with PSAs will always detect a material misstatement when it exists.

Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with PSAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

- Plan and perform the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group as a basis for forming an opinion on the consolidated financial statements. We are responsible for the direction, supervision and review of the audit work performed for purposes of the group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

A member firm of Ernst & Young Global Limited

The engagement partner on the audit resulting in this independent auditor's report is Narciso T. Torres, Jr.

SYCIP GORRES VELAYO & CO.

Narciso T. Torres, Jr.
Partner
CPA Certificate No. 84208
Tax Identification No. 102-099-147
BOA/PRC Reg. No. 0001, April 16, 2024, valid until August 23, 2026
BIR Accreditation No. 08-001998-111-2023, October 23, 2023, valid until October 22, 2026
PTR No. 10465393, January 2, 2025, Makati City

February 24, 2025

MANILA ELECTRIC COMPANY AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

	Note	December 31 2024	2023 (As restated - Note 3)
		(Amounts in millions)	
ASSETS			
Noncurrent Assets			
Utility plant, generation plant and others	*7 and 10*	**₱288,501**	₱272,441
Investments in associates and interests in joint ventures	*8 and 23*	**47,513**	38,388
Investment properties	*9*	**1,487**	1,493
Intangible assets	*7 and 10*	**41,559**	53,634
Deferred tax assets - net	*28*	**26,382**	24,628
Financial and other noncurrent assets	*2, 11, 15, 26, 27 and 30*	**32,900**	35,228
Total Noncurrent Assets		**438,342**	425,812
Current Assets			
Cash and cash equivalents	*12 and 27*	**84,480**	82,789
Trade and other receivables	*13, 24 and 27*	**64,697**	48,270
Inventories	*14*	**11,422**	11,130
Financial and other current assets	*11, 15, 23 and 27*	**19,017**	20,433
Total Current Assets		**179,616**	162,622
Total Assets		**₱617,958**	₱588,434
EQUITY AND LIABILITIES			
Equity Attributable to Equity Holders of the Parent Company			
Common stock	*16*	**₱11,273**	₱11,273
Additional paid-in capital		**4,111**	4,111
Equity reserve	*3*	**955**	(111)
Employee stock purchase plan	*16*	**1,049**	1,049
Hedging reserve	*16 and 27*	**1,277**	-
Unrealized fair value gains on financial assets at fair value through other comprehensive income ("*FVOCI*")	*11*	**801**	490
Remeasurement adjustments on retirement and other post-employment liabilities	*26*	**942**	3,418
Share in remeasurement adjustments on associates' retirement liabilities	*8*	**(28)**	(29)
Share in other comprehensive income and cumulative translation adjustments of associates	*8*	**1,575**	307
Cumulative translation adjustments of subsidiaries		**(682)**	52
Treasury shares	*16*	**(13)**	(11)
Retained earnings	*16*	**123,339**	101,746
Equity Attributable to Equity Holders of the Parent Company		**144,599**	122,295
Non-controlling Interests	*16*	**41,283**	45,808
Total Equity		**185,882**	168,103
Noncurrent Liabilities			
Interest-bearing long-term financial liabilities - net of current portion	*17 and 27*	**₱54,797**	₱62,272
Customers' deposits - net of current portion	*18, 22 and 27*	**33,274**	34,128
Long-term employee benefits	*26*	**16,263**	10,263
Provisions	*19, 22 and 29*	**9,855**	11,350
Refundable service extension costs - net of current portion	*22 and 27*	**3,753**	4,051
Deferred tax liabilities - net	*28*	**8,769**	9,845
Other noncurrent liabilities	*2, 5, 7, 24 and 29*	**68,991**	54,698
Total Noncurrent Liabilities		**195,702**	186,607
Current Liabilities			
Notes payable	*21 and 27*	**34,287**	27,583
Trade payables and other current liabilities	*2, 16, 22, 23, 27 and 29*	**191,472**	192,154
Customers' refund	*2, 20 and 27*	**2,853**	2,846
Income tax payable		**2,070**	1,550
Current portion of interest-bearing long-term financial liabilities	*17 and 27*	**5,692**	9,591
Total Current Liabilities		**236,374**	233,724
Total Liabilities		**432,076**	420,331
Total Liabilities and Equity		**₱617,958**	₱588,434

See accompanying Notes to Consolidated Financial Statements.

A member firm of Ernst & Young Global Limited

MANILA ELECTRIC COMPANY AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF INCOME

	Note	Years Ended December 31 2024	2023	2022
		(Amounts in millions, except per share data)		
REVENUES				
Sale of electricity	*6, 23, 24, 30 and 32*	**₱456,918**	₱430,181	₱413,950
Sale of other services	*23*	**13,444**	13,431	12,579
		470,362	443,612	426,529
COSTS AND EXPENSES				
Purchased power	*24 and 30*	**346,534**	328,248	322,645
Salaries, wages and employee benefits	*25 and 26*	**17,974**	16,521	15,836
Depreciation and amortization	*7, 9, 10 and 25*	**17,529**	16,625	16,031
Coal and fuel		**11,705**	16,133	22,577
Contracted services		**10,037**	10,074	8,440
Provision for probable losses and expenses from claims - net	*2, 19 and 29*	**6,401**	6,848	5,831
Taxes, fees and permits		**2,662**	2,325	2,132
Power plant operations and maintenance cost		**2,225**	1,881	1,906
Provision for expected credit losses (*"ECL"*)	*13*	**849**	998	2,498
Other expenses	*23 and 25*	**9,413**	7,626	8,452
		425,329	407,279	406,348
OTHER INCOME (EXPENSES)				
Equity in net earnings of associates and joint ventures	*8*	**10,267**	11,479	12,035
Interest and other financial charges	*17, 18 and 21*	**(5,302)**	(5,129)	(3,754)
Interest and other financial income	*11 and 12*	**3,884**	3,321	2,063
Foreign exchange gains (losses)		**185**	(44)	1,011
Others	*2, 5, 7, 8, 23, 30 and 32*	**2,617**	829	3,700
		11,651	10,456	15,055
INCOME BEFORE INCOME TAX		**56,684**	46,789	35,236
PROVISION FOR (BENEFIT FROM) INCOME TAX	*28*			
Current		**12,232**	9,153	4,122
Deferred		**(2,018)**	(1,042)	2,526
		10,214	8,111	6,648
NET INCOME		**₱46,470**	₱38,678	₱28,588
Attributable To				
Equity holders of the parent company	*31*	**₱45,859**	₱38,023	₱28,431
Non-controlling interests		**611**	655	157
		₱46,470	₱38,678	₱28,588
Earnings Per Share Attributable to Equity Holders of the Parent Company	*31*			
Basic		**₱40.69**	₱33.74	₱25.23
Diluted		**40.69**	33.74	25.23

See accompanying Notes to Consolidated Financial Statements.

MANILA ELECTRIC COMPANY AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

	Note	Years Ended December 31 2024	2023	2022
		(Amounts in millions)		
NET INCOME		**₱46,470**	₱38,678	₱28,588
OTHER COMPREHENSIVE INCOME				
Items that will be reclassified to profit or loss in subsequent years:				
Unrealized fair value gains (losses) on fair value through other comprehensive income (*"FVOCI"*) financial assets	*11*	**194**	88	(280)
Share in cumulative translation adjustments of associates	*8*	**333**	8	654
Cumulative translation gains of subsidiaries		**16**	1	11
Net other comprehensive income that will be reclassified to profit or loss in subsequent years		**543**	97	385
Items that will not be reclassified to profit or loss in subsequent years:				
Remeasurement gains (losses) on retirement and other post-employment liabilities	*26*	**(3,301)**	(5,152)	6,135
Income tax effect		**825**	1,288	(1,534)
		(2,476)	(3,864)	4,601
Change in fair value of cash flow hedges	*16 and 27*	**1,277**	–	–
Unrealized fair value gains on equity securities at *FVOCI*		**130**	101	99
Income tax effect		**(13)**	(10)	(10)
		117	91	89
Share in other comprehensive income (losses) of associates		**185**	329	(990)
Share in remeasurement gains (losses) on associates' retirement liabilities	*8*	**1**	(13)	9
Net other comprehensive income (loss) that will not be reclassified to profit or loss in subsequent years		**(896)**	(3,457)	3,709
OTHER COMPREHENSIVE INCOME (LOSS), NET OF INCOME TAX		**(353)**	(3,360)	4,094
TOTAL COMPREHENSIVE INCOME, NET OF INCOME TAX		**₱46,117**	₱35,318	₱32,682
Total Comprehensive Income Attributable To				
Equity holders of the parent company		**₱45,506**	₱34,663	₱32,525
Non-controlling interests		**611**	655	157
		₱46,117	₱35,318	₱32,682

See accompanying Notes to Consolidated Financial Statements.

MANILA ELECTRIC COMPANY AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
FOR THE YEARS ENDED DECEMBER 31, 2024, 2023 AND 2022

	Equity Attributable to Equity Holders of the Parent Company														
	Common Stock *(Note 16)*	Additional Paid-in Capital	Equity Reserve *(Note 3)*	Employee Stock Purchase Plan *(Note 16)*	Hedging Reserve *(Note 16)*	Unrealized Fair Value Gains on Financial Assets at *FVOCI (Note 11)*	Remeasure-ment Adjustments on Retirement and Other Post-Employment Liabilities *(Note 26)*	Share in Remeasure-ment Adjustments on Associates' Retirement Liabilities *(Note 8)*	Share in Other Comprehen-sive Income and Cumulative Translation Adjustments of Associates *(Note 8)*	Cumulative Translation Adjustments of Subsidiaries	Treasury Shares *(Note 16)*	Retained Earnings *(Note 16)*	Equity Attributable to Equity Holders of the Parent Company	Non-controlling Interests As restated - *Note 3)*	Total Equity
	(Amounts in millions)														
At January 1, 2024	**₱11,273**	**₱4,111**	**(₱111)**	**₱1,049**	**₱–**	**₱490**	**₱3,418**	**(₱29)**	**₱307**	**₱52**	**(₱11)**	**₱101,746**	**₱122,295**	**₱45,808**	**₱168,103**
Net income	–	–	–	–	–	–	–	–	–	–	–	45,859	45,859	611	46,470
Other comprehensive income (loss)	–	–	–	–	1,277	311	(2,476)	1	518	16	–	–	(353)	–	(353)
Total comprehensive income (loss)	–	–	–	–	1,277	311	(2,476)	1	518	16	–	45,859	45,506	611	46,117
Dividends	–	–	–	–	–	–	–	–	–	–	–	(24,266)	(24,266)	(1,264)	(25,530)
Effect of deconsolidation of Miescor Infrastructure Development Corporation ("*MIDC*")	–	–	–	–	–	–	–	–	–	–	–	–	–	(6,571)	(6,571)
Effect of changes in ownership in CIS Bayad Center, Inc. ("*Bayad*") and Radius Telecoms, Inc. ("*Radius*")	–	–	1,066	–	–	–	–	–	–	–	–	–	1,066	1,079	2,145
Others	–	–	–	–	–	–	–	–	750	(750)	(2)	–	(2)	1,620	1,618
	–	–	1,066	–	–	–	–	–	750	(750)	(2)	(24,266)	(23,202)	(5,136)	(28,338)
At December 31, 2024	**₱11,273**	**₱4,111**	**₱955**	**₱1,049**	**₱1,277**	**₱801**	**₱942**	**(₱28)**	**₱1,575**	**(₱682)**	**(₱13)**	**₱123,339**	**₱144,599**	**₱41,283**	**₱185,882**

	Equity Attributable to Equity Holders of the Parent Company														
	Common Stock *(Note 16)*	Additional Paid-in Capital	Equity Reserve *(Note 3)*	Employee Stock Purchase Plan *(Note 16)*	Unrealized Fair Value Gains (Losses) on Financial Assets at *FVOCI (Note 11)*	Remeasure-ment Adjustments on Retirement and Other Post-Employment Liabilities *(Note 26)*	Share in Remeasure-ment Adjustments on Associates' Retirement Liabilities *(Note 8)*	Share in Other Comprehen-sive Income and Cumulative Translation Adjustments of Associates *(Note 8)*	Cumulative Translation Adjustments of Subsidiaries	Treasury Shares *(Note 16)*	Retained Earnings *(Note 16)*	Equity Attributable to Equity Holders of the Parent Company	Non-controlling Interests *(Notes 3 and 6)*	Total Equity
	(Amounts in millions)													
At January 1, 2023	₱11,273	₱4,111	(₱111)	₱1,049	₱311	₱7,282	(₱16)	(₱30)	₱51	(₱11)	₱85,755	₱109,664	₱14,445	₱124,109
Net income	–	–	–	–	–	–	–	–	–	–	38,023	38,023	655	38,678
Other comprehensive income (loss)	–	–	–	–	179	(3,864)	(13)	337	1	–	–	(3,360)	–	(3,360)
Total comprehensive income (loss)	–	–	–	–	179	(3,864)	(13)	337	1	–	38,023	34,663	655	35,318
Dividends	–	–	–	–	–	–	–	–	–	–	(22,032)	(22,032)	(66)	(22,098)
Effect of consolidation of SP New Energy Corporation ("*SPNEC*")	–	–	–	–	–	–	–	–	–	–	–	–	30,382	30,382
Others	–	–	–	–	–	–	–	–	–	–	–	–	392	392
	–	–	–	–	–	–	–	–	–	–	(22,032)	(22,032)	30,708	8,676
At December 31, 2023 (As restated - Note 3)	₱11,273	₱4,111	(₱111)	₱1,049	₱490	₱3,418	(₱29)	₱307	₱52	(₱11)	₱101,746	₱122,295	₱45,808	₱168,103
At January 1, 2022	₱11,273	₱4,111	(₱116)	₱1,049	₱502	₱2,681	(₱25)	₱306	₱40	(₱11)	₱75,394	₱95,204	₱10,124	₱105,328
Net income	–	–	–	–	–	–	–	–	–	–	28,431	28,431	157	28,588
Other comprehensive income (loss)	–	–	–	–	(191)	4,601	9	(336)	11	–	–	4,094	–	4,094
Total comprehensive income (loss)	–	–	–	–	(191)	4,601	9	(336)	11	–	28,431	32,525	157	32,682
Dividends	–	–	–	–	–	–	–	–	–	–	(18,070)	(18,070)	(95)	(18,165)
Others	–	–	5	–	–	–	–	–	–	–	–	5	4,259	4,264
	–	–	5	–	–	–	–	–	–	–	(18,070)	(18,065)	4,164	(13,901)
At December 31, 2022	₱11,273	₱4,111	(₱111)	₱1,049	₱311	₱7,282	(₱16)	(₱30)	₱51	(₱11)	₱85,755	₱109,664	₱14,445	₱124,109

See accompanying Notes to Consolidated Financial Statements.

MANILA ELECTRIC COMPANY AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CASH FLOWS

	Note	Years Ended December 31 2024	2023	2022
			(Amounts in millions)	
CASH FLOWS FROM OPERATING ACTIVITIES				
Income before income tax		**₱56,684**	₱46,789	₱35,236
Adjustments for:				
Depreciation and amortization	*7, 9 and 10*	**17,529**	16,625	16,031
Equity in net earnings of associates and joint ventures	*8*	**(10,267)**	(11,479)	(12,035)
Interest and other financial charges	*17, 18 and 21*	**5,302**	5,129	3,754
Interest and other financial income	*11 and 12*	**(3,884)**	(3,321)	(2,063)
Provision (reversal of provision) for impairment losses	*7 and 8*	**(117)**	(1,179)	2,601
Provision (reversal of provision) for probable losses and expenses from claims – net	*2 and 29*	**2,627**	791	(15,022)
Provision for expected credit losses ("*ECL*")	*8*	**1,821**	998	2,548
Others		**(141)**	5	(592)
Operating income before working capital changes		**69,554**	54,358	30,458
Decrease (increase) in:				
Trade and other receivables		**(31,336)**	1,589	(15,083)
Inventories		**(293)**	(753)	(812)
Financial and other current assets		**(1,721)**	3,034	(4,100)
Increase (decrease) in:				
Trade payables and other current liabilities		**10,565**	(2,961)	18,253
Customers' deposits		**(753)**	2,066	1,143
Customers' refund		**7**	(59)	(24)
Long-term employee benefits		**2,670**	2,218	(1,336)
Cash generated from operations		**48,693**	59,492	28,499
Income tax paid		**(6,683)**	(1,518)	(3,317)
Net cash flows provided by operating activities		**42,010**	57,974	25,182
CASH FLOWS FROM INVESTING ACTIVITIES				
Additions to:				
Financial assets at *FVOCI*	*11*	**(22,730)**	(43,013)	(26,267)
Utility plant, generation plant and others	*7*	**(39,150)**	(24,800)	(33,663)
Intangible assets	*10*	**(5,361)**	(4,137)	(8,533)
Short-term investments		**(1,060)**	(2,482)	(2,784)
Debt securities at amortized cost	*11*	**(247)**	(1,058)	(18,587)
Investments in associates and interests in joint ventures	*8*	**(2,095)**	(13)	(504)
Investment properties	*9*	**–**	(2)	(3)
Proceeds from maturity of:				
Financial assets at *FVOCI*		**23,161**	43,039	30,396
Debt securities at amortized cost		**7,710**	20,761	22,707
Short-term investments		**1,059**	2,675	3,025
Acquisition of *SPNEC* – net of *SPNEC*'s cash upon acquisition	*3*	**–**	(5,853)	–
Interest and other financial income received		**3,900**	3,120	2,033
Proceeds from disposal of utility plant, generation plant and others		**194**	7	914
Proceeds from cash flow hedge	*16*	**2,238**	–	–
Dividends received from associates and joint ventures		**10,253**	10,106	4,039
Increase in non-controlling interests		**881**	454	4,164
Decrease in financial and other noncurrent assets		**2,484**	2,765	982
Net cash provided by (used in) investing activities		**(18,763)**	1,569	(22,081)

(Forward)

MANILA ELECTRIC COMPANY AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CASH FLOWS

	Note	Years Ended December 31		
		2024	2023	2022
		(Amounts in millions)		
CASH FLOWS FROM FINANCING ACTIVITIES				
Proceeds from availment of:				
Notes payable	*21 and 33*	**₱7,742**	₱1,331	₱2,920
Interest-bearing long-term financial liabilities	*17 and 33*	**6,523**	2,803	32,507
Payments of:				
Dividends	*16 and 33*	**(23,823)**	(21,691)	(16,890)
Interest-bearing long-term financial liabilities	*17 and 33*	**(8,133)**	(8,500)	(18,679)
Interest and other financial charges		**(2,608)**	(4,564)	(4,310)
Notes payable		**(1,038)**	(3,239)	(2,263)
Proceeds from disposal of non-controlling interests		**–**	–	6
Increase (decrease) in other noncurrent liabilities		**(254)**	1,255	4,433
Net cash used in financing activities		**(21,591)**	(32,605)	(2,276)
NET INCREASE IN CASH AND CASH EQUIVALENTS		**1,656**	26,938	825
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR		**82,789**	55,832	55,007
EFFECT OF CHANGES IN FOREIGN EXCHANGE RATES ON CASH AND CASH EQUIVALENTS		**35**	19	–
CASH AND CASH EQUIVALENTS AT END OF YEAR	*12*	**₱84,480**	₱82,789	₱55,832

See accompanying Notes to Consolidated Financial Statements.

Independent Assurance Statement

Certificate No: C765819

INDEPENDENT ASSURANCE STATEMENT

Introduction

DNV AS Philippine Branch ('DNV'), has been commissioned by Manila Electric Company ('Meralco', or 'the Company', Securities and Exchange Commission Identification Number: PW-102) to undertake an independent assurance of the Company's sustainability/non-financial disclosures reported in its Integrated Report for the calendar year 2024 (hereafter referred as 'Report').

The disclosures have been prepared by Meralco:

- in accordance with requirements of Global Reporting Initiative (GRI) sustainability reporting standards 2021
- Integrated Reporting (<IR>) framework of the International Integrated Reporting Council (IIRC)
- Sustainability Accounting Standards Board (SASB) Industry-Specific Standards
- Greenhouse Gas Protocol: *A Corporate Accounting and Reporting Standard.*

DNV has carried out assurance engagement in accordance with DNV's VeriSustain™ protocol, V6.0, which is based on our professional experience and international assurance practice, and *AccountAbility's AA1000 Assurance Standard (AA1000AS v3)* Assurance Engagements other than Audits or Reviews of Historical Financial. DNV's Verisustain™ Protocol has been developed in accordance with the most widely accepted reporting and assurance standards. Apart from DNV's Verisustain™ protocol, DNV team has also followed ISO 14064-3 - *Specification with guidance for the verification and validation of greenhouse gas statements*; to evaluate indicators wrt Greenhouse gases.

The intended user of this assurance statement is Meralco.

We have not performed any work, and do not express any conclusion, on any other information that may be published outside of the Report and/or on Company's website for the current reporting period.

Responsibilities of the Management of Meralco and of the Assurance Provider

The Management of Meralco has the sole responsibility for the preparation of the Report and is responsible for all information disclosed in the Report. The company is responsible for maintaining processes and procedures for collecting, analyzing and reporting the information and also, ensuring the quality and consistency of the information presented in the Report. Meralco is also responsible for ensuring the maintenance and integrity of its website and any referenced disclosures on their website.

In performing this assurance work, DNV's responsibility is to the Management of the Company; however, this statement represents our independent opinion and is intended to inform the outcome of the assurance to the stakeholders of the Company.

Scope, Boundary and Limitations

The agreed scope of work included a 'Limited' level of assurance of the information on non- financial performance which were disclosed in the Report prepared by Meralco based on GRI Topic-specific Standards and SASB Industry-Specific Standards for the identified material topics for the activities undertaken by the Company during the reporting period 01/01/2024 to 31/12/2024. The reported topic boundaries of non-financial performance are based on the internal and external materiality assessment covering Company's operations as brought out in the sections 'About the Report' and 'Reporting Scope and Boundary' section of the report.

The boundary of the assessment covers the performance of Meralco operations in the Philippines that fall under the direct operational control of the Company's Legal structure. Based on the agreed scope with the Company, the boundary of assurance covers Meralco's Parent Company and its subsidiaries including CIS Bayad Center, Inc. (Bayad), Clark Electric Distribution Corporation (Clark Electric), Movem Electric, Inc. (MOVEM), Meralco PowerGen Corporation (MGen), Meralco Industrial Engineering Services Corporation (MIESCOR) and its subsidiaries Miescor Builders, Inc. (MBI), Miescor Logistics, Inc. (MLI), Meralco Ecozone Power (MEP), Meralco Energy, Inc. (MSERV), Shin Clark Power Holdings, Inc. (Shin Clark), MSpectrum, Inc. (MSPECTRUM) and Radius Telecoms, Inc. (Radius).

Inherent Limitation(s):

DNV's assurance engagements are based on the assumption that the data and information provided by the Company to us as part of our review have been provided in good faith, are true, and is free from material mis-statements.
The assurance scope has the following limitations:

- The assurance engagement considers an uncertainty of ±5% based on materiality threshold for estimation/measurement errors and omissions.
- DNV has not been involved in evaluation or assessment of any financial data/performance of the company. DNV opinion on specific indicators (GRI 201: Economic Performance, 2016 – 201-1; 201-3) relies on the third party audited financial reports of the Company. DNV does not take any responsibility for the financial data reported in the Integrated report of the Company.
- The assessment is limited to data and information within the defined Reporting Period. Any data outside this period is not considered within the scope of assurance.

- Data outside the operations specified in the assurance boundary is excluded from the assurance, unless explicitly mentioned otherwise in this statement.
- The assurance does not cover the Company's statements that express opinions, claims, beliefs, aspirations, expectations, aims, or future intentions. Additionally, assertions related to Intellectual Property Rights and other competitive issues are beyond the scope of this assurance.
- The assessment does not include a review of the Company's strategy or other related linkages expressed in the Report. These aspects are not within the scope of the assurance engagement.
- The assurance does not extend to mapping the Report with reporting frameworks other than those specifically mentioned. Any assessments or comparisons with frameworks beyond the specified ones are not considered in this engagement.
- Aspects of the Report that fall outside the mentioned scope and boundary are not subject to assurance. The assessment is limited to the defined parameters.
- The assurance engagement does not include a review of legal compliances. Compliance with legal requirements is not within the scope of this assurance, and the Company is responsible for ensuring adherence to relevant laws.

DNV expressly disclaims any liability or co-responsibility for any decision a person or an entity may make based on this Independent Assurance Statement.

Assurance process

As part of the assurance process, a multi-disciplinary team of assurance specialists performed assurance work for selected sites of Meralco. We adopted a risk-based approach, that is, we concentrated our assurance efforts on the issues of high material relevance to the Company's business and its key stakeholders. We carried out the following activities:

Limited level of assurance
Reviewed the disclosures in the report. Our focus included general disclosures, management processes, principle wise performance (essential indicators, and leadership indicators) and any other key metrics specified under the reporting framework.
Understanding the key systems, processes and controls for collecting, managing and reporting the non-financial disclosures in report.
Walk-through of key data sets. Understand and test, on a sample basis, the processes used to adhere to and evaluate adherence to the reporting principles.
Collect and evaluate documentary evidence and management representations supporting adherence to the reporting principles.
Interviews with the senior managers responsible for management of disclosures. We were free to choose interviewees and interviewed those with overall responsibility of monitoring, data collation and reporting the selected indicators.
DNV audit team conducted on-site audits for corporate offices and sites. Sample based assessment of site-specific data disclosures was carried out. We were free to choose sites for conducting our assessment.
Reviewed the process of reporting as defined in the assessment criteria.

Conclusion

On the basis of the Limited level of assessment undertaken, nothing has come to our attention to suggest that the disclosures are not fairly stated and are not prepared, in all material aspects, in accordance with the reporting criteria.

AA1000 Accountability Principles Standard AA1000APS (2018)

Inclusivity

The participation of stakeholders in developing and achieving an accountable and strategic response to Sustainability.
The Report brings out the stakeholders who have been identified as significant to Meralco, as well as the modes of engagement established by the Company to interact with these stakeholder groups. The key topics of concern and needs of each stakeholder group which have been identified through these channels of engagement are further brought out in the Report.
Nothing has come to our attention to suggest that the Report does not meet the requirements related to the Principle of Stakeholder Inclusiveness.

Materiality

The process of determining the issues that are most relevant to an organization and its stakeholders.
The Report explains out the materiality assessment process carried out by the Company which has considered concerns of internal and external stakeholders, and inputs from peers and the industry, as well as issues of relevance in terms of impact for Meralco's business. The list of topics has been prioritized, reviewed and validated, and the Company has indicated that there is no significant change in material topics from the previous reporting period.
Nothing has come to our attention to suggest that the Report does not meet the requirements related to the Principle of Materiality.

Responsiveness

The extent to which an organization responds to stakeholder issues.
The Report adequately brings out the Company's responses to identified material topics, challenges, and issues, including risks that have arisen during the reporting period. This is done through disclosures on governance, business review, strategic responses to stakeholders' concerns, and shared values delivery. Further the report also brings out the Company's non-

financial performance on material topics using selected GRI Topic Specific Standards and SASB industry-specific Standards as Performance Indices.

Nothing has come to our attention to believe that the Report does not meet the requirements related to the Principle of Responsiveness.

Impact

The level to which an organisation monitors, measures and is accountable for how its actions affect its broader ecosystems.

The Report brings out the key performance metrics, surveys and management processes used by Meralco to monitor, measure and evaluate its significant direct and indirect impacts linked to identified material topics across the Company, its significant value chain entities and key stakeholder groups.

Nothing has come to our attention to suggest that the Report does not meet the requirements related to the Principle of Impact.

Reliability/Accuracy

The accuracy and comparability of information presented in the report, as well as the quality of underlying data management systems.

The Report brings out the systems and processes that the Company has set in place to capture and report its performance related to identified material topics across its reporting boundary. The majority of information mapped with data verified through our assessments with Meralco's management teams and process owners at the Corporate Office and sampled sites within the boundary of the Report were found to be fairly accurate and reliable. Some of the data inaccuracies identified in the report during the verification process were found to be attributable to transcription, interpretation, and aggregation errors. These data inaccuracies have been communicated for correction and the related disclosures were reviewed post correction.

Nothing has come to our attention to believe that the Report does not meet the principle of Reliability and Accuracy.

Additional principles as per DNV VeriSustain

Completeness

How much of all the information that has been identified as material to the organization and its stakeholders is reported?

The Report brings out the Company's performance, strategies and approaches related to the environmental, social and governance issues that it has identified as material for its operational locations coming under the boundary of the report, for the chosen reporting period while applying and considering the requirements of Principle of Completeness.

Nothing has come to our attention to suggest that the Report does not meet the Principle of Completeness with respect to scope, boundary and time.

Neutrality

The extent to which a report provides a balanced account of an organization's performance, delivered in a neutral tone.

The Report brings out the disclosures related to Meralco's performance during the reporting period in a neutral tone in terms of content and presentation, while considering the overall macroeconomic and industry environment.

Nothing has come to our attention to suggest that the Report does not meet the requirements related to the Principle of Neutrality.

Statement of Competence and Independence

DNV applies its own management standards and compliance policies for quality control, which are based on the principles enclosed within ISO IEC 17029:2019 – *Conformity assessment – General principles are requirements for validation and verification bodies*, and accordingly maintains a comprehensive system of quality control including documented policies and procedures regarding compliance with ethical requirements, professional standards, and applicable legal and regulatory requirements.

We have complied with the DNV Code of Conduct[1] during the assurance engagement. DNV's established policies and procedures are designed to ensure that DNV, its personnel and, where applicable, others are subject to independence requirements (including personnel of other entities of DNV) and maintain independence where required by relevant ethical requirements. This engagement work was carried out by an independent team of sustainability assurance professionals. DNV was not involved in the preparation of any statements or data included in the Report except for this Assurance Statement for internal use of Meralco.

[1] *DNV Corporate Governance & Code of Conduct - https://www.dnv.com/about/in-brief/corporate-governance.html*

Purpose and Restriction on Distribution and Use

This assurance statement, including our conclusion has been prepared solely for the Company in accordance with the agreement between us. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Management of the Company for our work or this report.

For DNV AS Philippine Branch,

Gangwar, Vishal Digitally signed by Gangwar, Vishal Date: 2025.04.18 13:01:21 +08'00'	Kakaraparthi Venkata Raman Digitally signed by Kakaraparthi Venkata Raman Date: 2025.04.18 10:57:43 +05'30'
Vishal Gangwar Lead Verifier, Sustainability Services	Venkata Raman Kakaraparthi Assurance Reviewer, Sustainability Services
Chang Rok Yun (ACSAP) Justine Repalam (Verifier) Nizam Richard (Verifier)	

18/04/2025

AA1000 Licensed Report 000-10/V3-BGR1A

DNV AS Philippine Branch is part of DNV, a global provider of certification, verification, assessment and training services, helping customers to build sustainable business performance. www.dnv.com

Annex I

Verified disclosures

S. No.	GRI Indicator	SASB Indicator	Subject matter
1	GRI 201-1[2]		Direct economic value generated and distributed
2	GRI 201-3		Defined benefit plan obligations and other retirement plans
3	GRI 205-2		Communication and training about anti-corruption policies and procedures
4	GRI 205-3		Confirmed incidents of corruption and actions taken
5	GRI 302-1	TR-RA-110a.3; IF-WU-130a.1	Energy consumption within the organization
6	GRI 302-3		Energy intensity
7	GRI 303-3	IF-WU-440a.1	Water withdrawal
8	GRI 305-1	TR-RA-110a.1; IF-WU-000.B; IF-EU-110a.1.	Direct (Scope 1) GHG emissions
9	GRI 305-2	IF-EU-110a.2	Energy indirect (Scope 2) GHG emissions
10	GRI 305-4		GHG emissions intensity
11	GRI 306-3		Waste generated
12	GRI 306-4		Waste diverted from disposal
13	GRI 401-1		New employee hires and employee turnover
14	GRI 401-2		Benefits provided to full-time employees that are not provided to temporary or part-time employees
15	GRI 401-3		Parental leave
16	GRI 403-5		Worker training on occupational health and safety
17	GRI 403-9	TR-RA-320a.1; TR-RA-540a.1; IF-EU-320a.1; IF-EN-320a.1	Work-related injuries
18	GRI 403-10	TR-RA-540a.2	Work-related ill health
19	GRI 404-1		Average hours of training per employee
20	GRI 404-3		Percentage of employees receiving regular performance and career development reviews
21	GRI 405-1		Diversity of governance bodies and employees
22	GRI 2-7		Employees

[2] Correctness of the reported data verified against the third party audited financial statement provided by MERALCO.

Annex II

Sites selected for On-site audits

S.no	Site	Location
1.	Corporate office	G/F, Lopez Building, Meralco Center, Ortigas Avenue, Brgy. Ugong, Pasig City, 1605 Philippines
2.	MServ	17F - 18F Marco Polo Ortigas Manila, Sapphire Road, Ortigas Center, Pasig, Metro Manila

Sites selected for Off-site audits

S.no	Site	Location
1.	Toledo Power Co. (TPC) 1A, Meralco PowerGen Corporation (MGen)	Brgy. Daanlungsod, Toledo City, Cebu 6038

Appendices

CERTIFICATIONS

Company	Office/Unit	Certification Standard
MERALCO	Networks, FSM, ESH Committee, SCM	ISO 9001:2015 QMS;
	FSM, ESH Committee	ISO 14001:2015 EMS; ISO 45001:2018 OHSMS
MERALCO GEN	Cebu Energy Development Corporation	ISO 9001:2015 QMS; ISO 14001:2015 EMS; ISO 45001:2018 OHSMS
	Toledo Power Co.	ISO 9001:2015 QMS; ISO 14001:2015 EMS; ISO 45001:2018 OHSMS
	Panay Energy Development Corporation	ISO 9001:2015 QMS; ISO 14001:2015 EMS; ISO 45001:2018 OHSMS
	Panay Power Corporation	ISO 9001:2015 QMS; ISO 14001:2015 EMS; ISO 45001:2018 OHSMS
MIESCOR LOGISTICS, INC.		PCAB Category AAAA DOLE 174 ISO 9001:2015 ISO 14001:2015 ISO 45001:2018 DENR Certificate of Compliance (PD 1586, R.A. 6969, R.A. 8749, R.A. 9003, R.A. 9275) NTC Dealer's Permit for Radio Transmitter/Transceiver Bureau of Customs Certificate of Registration
MIESCOR BUILDERS		PCAB Category AA DOLE 174 ISO 9001:2015 (valid until January 28, 2025)
bayad		SISA - Payment Card Industry Data Security Standard 4.0 (PCIDSS 4.0) Certification

AWARDS


The 30th Philippine Quill Awards
COMPANY OF THE YEAR
1ST RUNNER-UP




















BEST COLLECTION PARTNER



Professional Regulation Commission (PRC)

Ronnie L. Aperocho

Most Outstanding Professional
in the field of Electrical Engineering

60th Anvil Awards



Silver Anvil

Empowerment through Sports: A Soft Tennis Clinic Promoting Inclusivity Among People with Disabilities

Meralco Newsroom's Leap Into Digital Excellence

Goodbye, Spaghetti Wires: The Meralco Anti-Urban Blight Program

With Great Power Comes Great Reliability: Meralco's Campaign to Address the Energy Challenges During the Summer and Typhoon Seasons

Empowering Women in Energy: Zuzette Castro's Journey

Goodbye Spaghetti Wires: The Meralco Anti-Urban Blight Program

OMF's Household Electrification Program 2023

Electrification for Development: Improving Agriculture in Mindanao

2024 Stevie International Business Awards

Gold Stevie

Meralco Chief Sustainability Officer

Silver Stevie

Meralco Powering the Good Life

One Meralco Foundation

Jeffrey O. Tarayao

Bronze Stevie

Lighting the Way: How Meralco's Customer Experience Dashboard (CXD) for Sales Analysis Helps Transform Insights into Action

The 9th Meralco Luminaries: Brighter New World

#Mbrace: Meralco's Diversity and Inclusion Program



IABC Philippines (the 20th Philippine Quill Awards)

Awards of Excellence

Safeguarding the Stability of the Power Grid through Power Supply and Energy Management Education

Meralco's Spectrum on solar rooftop installations: The Gift that Keeps on Giving

10th Philippine Electric Vehicle Summit 2022

Meralco Storm Watch with support of forecasting tool

Meralco's Always On Content Strategy in the New Normal

Pre-Ad and Design Test and Post-Launch Evaluation Survey for the Bill Presentment Revamp

Awards of Merit

Phoenix Phase 2 (Rating and Charging System) Go-Live

Meralco Rescue: Building a Brand of Community Service and Resiliency

MO Reskinning + Campaign

MERALCO Rescue - Leveraging MERALCO's Corporate Resiliency for Social Responsibility and External Collaborations

Meralco Innovation Awards



2024 Asia Pacific Stevie Awards

Gold Stevie

Meralco Supplier Sustainability Scorecard

Redefining Meralco's Facebook Page to Empower and Engage

Silver Stevie

Meralco Race to Zero Waste Program

Bronze Stevie

Meralco Chief Sustainability Officer

2024 Triple P Awards

Top Award

Meralco Chief Sustainability Officer

2023 Meralco Combined Annual and Sustainability Report



2024 WEPs (Women Empowerment Principles) Awards

1st Runner-up

#Mbrace: Meralco's Diversity and Inclusion Program

2024 Asia Sustainability Reporting Rating (ASRRAT)

Bronze Rank

2023 Meralco Combined Annual and Sustainability Report

2024 Asia Sustainability Reporting Awards (ASRA)

Silver Awards

2023 Meralco Combined Annual and Sustainability Report

ASEAN Innovation Business Platform (AIBP)

2024 AIBP ASEAN Enterprise Innovation Award (Philippines) - Open Category

Certified by Meralco (CBM)

Enlit - Power Energy Awards

Power Utility of the Year

Certified by Meralco (CBM)

Cloudera Data Impact Awards

Meralco Data Platform (MDP)



SHAPES

4 Corporate Safety and Health Awards (1 Gold, 1 Silver, 1 Bronze, 1 Basic)

Corporate Safety and Health Award

16 Safety and Health Professional Awards (13 Gold, 1 Silver, 1 Bronze, 1 Basic)

Outstanding Safety and Health Professional Award

Electric Vehicle Association of the Philippines (EVAP)

E-Mobility Award

Pioneer EV Adoption Enabler

IDC Future Enterprise Awards

Best in Future Work

PIXL (Powertech Innovation and Experience Lab)

Malabon LGU

Top Taxpayer

Meralco

Navotas LGU

Top Taxpayer

Meralco

Laguna Lake Development Authority (LLDA)

Bantayog ng Lawa Award

Meralco

ESG DATA
Power

AVERAGE RETAIL ELECTRICITY RATE (in PhP/kWh)

	MERALCO			CLARK ELECTRIC		
	2022	2023	2024	2022	2023	2024
Residential	10.40	11.86	12.14	6.68	6.60	6.70
Commercial	9.57	10.36	10.14	6.67	6.56	6.65
Industrial	8.31	9.10	8.86	6.47	6.40	6.50
OVERALL	**9.52**	**10.55**	**10.54**	**6.58**	**6.50**	**6.59**

SYSTEM LOSS METRICS

	MERALCO			CLARK ELECTRIC		
	2022	2023	2024	2022	2023	2024
Amount of energy lost through the distribution system (in MWh)	2,919,488	3,095,968	3,373,343	11,868	13,388	16,692
Energy lost in the distribution system vs. net system input (in %)	5.77	5.88	5.99	1.81	1.92	2.28
Customer savings due to lower system loss vs. ERC's system loss cap (in PhP million)	4,688.26	4,876.21	5,060.41	139.51	164.50	146.15

NUMBER OF CUSTOMER CONNECTIONS PER TYPE

	MERALCO			CLARK ELECTRIC		
	2022	2023	2024	2022	2023	2024
Residential	7,039,706	7,229,899	7,430,561	1,142	1,245	1,219
Commercial	567,498	579,721	593,897	1,324	1,320	1,313
Industrial	10,683	10,753	10,806	152	151	152
Flat Streetlights	4,931	4,925	4,920	93	92	93
TOTAL	**7,622,818**	**7,825,298**	**8,040,184**	**2,711**	**2,808**	**2,777**

ENERGY SALES PER CUSTOMER TYPE (in GWh)

	MERALCO			CLARK ELECTRIC		
	2022	2023	2024	2022	2023	2024
Residential	17,140	17,772	19,446	7	8	9
Commercial	17,052	18,612	19,980	351	393	422
Industrial	13,935	13,831	14,036	285	282	282
Flat Streetlights	143	143	145	2	2	2
TOTAL	**48,271**	**50,359**	**53,606**	**645**	**685**	**715**

DISTRIBUTION RELIABILITY METRICS

	MERALCO			CLARK ELECTRIC		
	2022	2023	2024	2022	2023	2024
SAIFI (in no. of times)	1.30	1.19	1.04	2.04	1.57	1.22
SAIDI (in minutes)	128.42	123.71	108.21	214.99	590.73	65.84
CAIDI (in minutes)	98.78	103.61	103.98	0.03	44.46	49.76

INFRASTRUCTURE HARDENING FOR STORM RESILIENCY METRICS

	MERALCO			CLARK ELECTRIC		
	2022	2023	2024	2022	2023	2024
Number of poles replaced	10,870	12,054	12,012	-	-	10
Upgraded conductors (in spans)	22,325	19,975	20,150	6	46	16
Number of line and equipment covers installed	13,458	26,593	7,824	-	-	222
Number of wooden crossarms converted to fiberglass	3,639	3,296	3,382	-	-	-

LIGHTNING PROTECTION IMPROVEMENT METRICS

	MERALCO			CLARK ELECTRIC		
	2022	**2023**	**2024**	**2022**	**2023**	**2024**
Number of surge arresters installed/ replaced	28,555	31,147	36,218	18	9	9
Length of system neutrals installed/ replaced (in spans)	11,400	10,550	10,225	-	-	-
Length of overhead shield wires installed (in spans)	19,025	16,800	15,350	-	-	-
Number of remote-controlled line reclosers installed	226	200	334	4	7	2

POWER DISTRIBUTION UTILITY FUEL MIX (in %)

	MERALCO			CLARK ELECTRIC		
	2022	**2023**	**2024**	**2022**	**2023**	**2024**
Coal	30.90	32.89	27.30	59.17	54.25	51.09
Natural gas	53.84	42.07	42.14	0.00	0.00	0.00
Oil	4.13	4.18	0.13	0.00	0.00	0.00
Hydro	1.05	0.08	0.24	24.99	22.69	21.30
Geothermal	0.93	1.20	1.03	0.00	0.00	0.00
Wind	0.00	0.00	0.00	0.00	0.00	0.00
Solar	0.75	0.75	0.82	0.01	0.02	0.02
Biomass	0.02	0.00	0.00	0.00	0.00	0.00
WESM	8.37	18.83	28.34	15.83	23.04	27.59
TOTAL	**100.00**	**100.00**	**100.00**	**100.00**	**100.00**	**100.00**

ENERGY DELIVERED BY MGEN BY BUSINESS UNIT (in GWh)

	2022	**2023**	**2024**
MThermal	5,756	5,878	5,654
SBPL	2,765	2,360	3,205
PLP	5,619	5,719	5,820
MGreen	112	349	617
TOTAL	**14,252**	**14,306**	**15,296**

FUEL MIX OF ENERGY GENERATED BY MGEN (in %)

	2022	**2023**	**2024**
Coal	56.18	57.11	56.70
Natural gas	42.13	41.17	38.66
Diesel	0.80	0.47	0.29
Solar	0.89	1.25	4.35
TOTAL	**100.00**	**100.00**	**100.00**



ESG DATA
Planet

TOTAL AMOUNT OF ELECTRICITY SOURCED FROM THE GRID THEN USED FOR OWN CONSUMPTION (in kWh)

	2022	2023	2024
MERALCO	61,894,437	59,889,812	65,971,203
SUBSIDIARIES	27,523,989	23,058,618	30,992,510
TOTAL	**89,418,426**	**82,948,430**	**96,963,713**

SCOPE 2 EMISSIONS FROM ELECTRICITY CONSUMPTION

	2022	2023	2024
MERALCO	44,081	42,654	45,751
SUBSIDIARIES	19,603	16,422	21,493
TOTAL	**63,684**	**59,076**	**67,244**

SF_6 LEAKAGE

	2022	2023	2024
SF6 Leakage (in kg)	105.43	143.99	166.98
Equivalent Emissions (in tCO_2e)	2,477.61	3,383.77	4,207.90

AMOUNT OF GASOLINE CONSUMED TO RUN COMPANY-OWNED VEHICLES (in liters)

	2022	2023	2024
MERALCO	255,473.17	230,180.11	220,990.16
SUBSIDIARIES	707,879.51	704,923.44	892,747.69
TOTAL	**963,352.68**	**935,103.55**	**1,113,737.85**



AMOUNT OF GASOLINE CONSUMED TO RUN COMPANY-OWNED GENERATOR SETS (in liters)

	2022	2023	2024
MERALCO	23,082.00	25,098.96	27,209.06
SUBSIDIARIES	51,765.14	33,099.00	37,490.71
TOTAL	**74,847.14**	**58,197.96**	**64,699.77**

AMOUNT OF GASOLINE CONSUMED TO RUN RENTED/THIRD-PARTY VEHICLES (in liters)

	2022	2023	2024
MERALCO	-	-	-
SUBSIDIARIES	25,919.22	893.17	17,200.05
TOTAL	**25,919.22**	**893.17**	**17,200.05**

SCOPE 1 EMISSIONS FROM COMBUSTION OF GASOLINE USED TO RUN COMPANY-OWNED VEHICLES (in tonnes CO_2e)

	2022	2023	2024
MERALCO	704.75	634.97	609.62
SUBSIDIARIES	1,952.76	1,944.60	2,462.73
TOTAL	**2,657.50**	**2,579.58**	**3,072.36**

SCOPE 1 EMISSIONS FROM COMBUSTION OF GASOLINE USED TO RUN COMPANY-OWNED GENERATOR SETS (in tonnes CO_2e)

	2022	2023	2024
MERALCO	63.67	69.24	75.06
SUBSIDIARIES	142.80	91.31	103.42
TOTAL	**206.47**	**160.54**	**178.48**

SCOPE 3 EMISSIONS FROM COMBUSTION OF GASOLINE USED TO RUN RENTED/THIRD-PARTY VEHICLES (in tonnes CO_2e)

	2022	2023	2024
MERALCO	-	-	-
SUBSIDIARIES	71.50	2.46	47.45
TOTAL	**71.50**	**2.46**	**47.45**



TOTAL SCOPE 1 EMISSIONS FROM GASOLINE CONSUMPTION (in tonnes CO_2e)

2022	2023	2024
2,863.98	**2,740.12**	**3,250.84**

TOTAL SCOPE 3 EMISSIONS FROM GASOLINE CONSUMPTION (in tonnes CO_2e)

2022	2023	2024
71.50	**2.46**	**47.45**

AMOUNT OF DIESEL CONSUMED TO RUN COMPANY-OWNED VEHICLES (in liters)

	2022	2023	2024
MERALCO	3,260,194.01	3,172,941.23	3,269,897.63
SUBSIDIARIES	1,728,598.04	2,255,985.15	2,446,925.33
TOTAL	**4,988,792.05**	**5,428,926.38**	**5,716,822.96**

AMOUNT OF DIESEL CONSUMED TO RUN COMPANY-OWNED GENERATOR SETS (in liters)

	2022	2023	2024
MERALCO	24,770.00	25,957.46	30,649.10
SUBSIDIARIES	65,477.30	324,162.19	491,810.43
TOTAL	**90,247.30**	**350,119.65**	**522,459.53**

AMOUNT OF DIESEL CONSUMED TO RUN RENTED/THIRD-PARTY VEHICLES (in liters)

	2022	2023	2024
MERALCO	-	-	-
SUBSIDIARIES	4,452.01	1,999.97	8,544.88
TOTAL	**4,452.01**	**1,999.97**	**8,544.88**

SCOPE 1 EMISSIONS FROM COMBUSTION OF DIESEL USED TO RUN COMPANY-OWNED VEHICLES (in tonnes CO_2e)

	2022	2023	2024
MERALCO	8,338.92	8,115.75	8,363.74
SUBSIDIARIES	4,421.41	5,770.36	6,258.75
TOTAL	**12,760.33**	**13,886.11**	**14,622.49**

SCOPE 1 EMISSIONS FROM COMBUSTION OF DIESEL USED TO RUN COMPANY-OWNED GENERATOR SETS (in tonnes CO_2e)

	2022	2023	2024
MERALCO	63.36	66.39	78.39
SUBSIDIARIES	167.48	829.14	1,257.95
TOTAL	**230.83**	**895.54**	**1,336.35**

SCOPE 3 EMISSIONS FROM COMBUSTION OF DIESEL USED TO RUN RENTED/THIRD-PARTY VEHICLES (in tonnes CO_2e)

	2022	2023	2024
MERALCO	-	-	-
SUBSIDIARIES	11.39	5.12	21.86
TOTAL	**11.39**	**5.12**	**21.86**



TOTAL SCOPE 1 EMISSIONS FROM DIESEL CONSUMPTION (in tonnes CO_2e)

2022	2023	2024
12,991.17	**14,781.64**	**15,958.84**

TOTAL SCOPE 3 EMISSIONS FROM DIESEL CONSUMPTION (in tonnes CO_2e)

2022	2023	2024
11.39	**5.12**	**21.86**

TOTAL ENERGY GENERATED FROM COAL COMBUSTION (in GWh)

	2022	2023	2024
SBPL	2,764.98	2,654.14	3,205.92
CEDC	1,331.48	1,653.25	1,368.81
TPC 1 (Sangi) and TPC 1A	505.76	557.49	609.76
PEDC 1 & 2	848.07	908.28	873.64
PEDC 3	815.17	903.92	690.85
SEC 1 and SEC 2	827.96	1,182.23	1,290.87
TOTAL	**7,093.43**	**7,859.31**	**8,039.86**

EQUITY-APPLIED SCOPE 1 EMISSIONS FROM COAL COMBUSTION (in tonnes CO_2e)

	2022	2023	2024
SBPL	1,331,540.65	1,150,180.93	1,501,212.31
CEDC	897,315.92	943,490.21	889,993.69
TPC 1 (Sangi) and TPC 1A	613,981.45	683,809.81	722,631.74
PEDC 1 & 2	988,817.11	1,065,376.35	1,062,600.17
PEDC 3	866,416.10	955,074.54	752,278.67
SEC 1 and SEC 2	385,136.94	509,322.91	561,922.41
TOTAL	**5,083,208.18**	**5,307,254.75**	**5,490,638.99**

TOTAL ENERGY GENERATED FROM NATURAL GAS COMBUSTION (in GWh)

	2022	2023	2024
PLP	5,318.85	5,289.38	5,481.23

EQUITY-APPLIED SCOPE 1 EMISSIONS FROM NATURAL GAS COMBUSTION (in tonnes CO_2e)

	2022	2023	2024
PLP	1,081,710.34	1,066,488.34	1,080,536.45

TOTAL ENERGY GENERATED FROM DIESEL COMBUSTION (in GWh)

	2022	2023	2024
TPC (Carmen)	44.61	51.05	30.91
PPC 1 & 2 (Iloilo)	51.93	3.37	-
PPC 3 (Nabas)	3.75	4.56	8.54
PPC 4 (New Washington)	0.83	1.43	2.17
GPRI	-	-	-
TOTAL	**101.11**	**60.41**	**41.62**

EQUITY-APPLIED SCOPE 1 EMISSIONS FROM DIESEL COMBUSTION (in tonnes CO_2e)

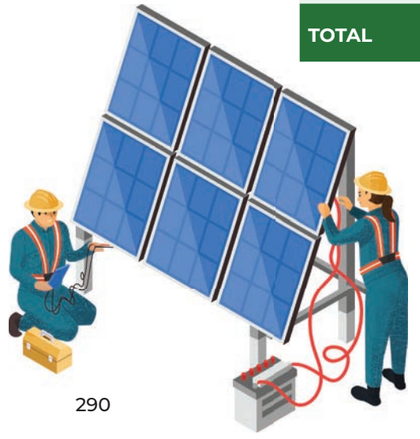
	2022	2023	2024
TPC (Carmen)	36,232.82	43,031.44	28,713.72
PPC 1 & 2 (Iloilo)	34,786.72	2,110.85	-
PPC 3 (Nabas)	2,560.82	3,153.66	6,209.82
PPC 4 (New Washington)	603.07	1,029.48	1,436.74
GPRI	-	-	-
TOTAL	**74,183.43**	**49,325.43**	**36,360.28**

TOTAL ENERGY GENERATED FROM SOLAR PLANTS (in GWh)

	2022	2023	2024
FPBSI	112,461,487.60	110,913,093.20	107,114,061.60
PHRI	-	88,609,530.00	139,418,197.00
NSEC	-	109,943,389.96	145,055,782.18
SPTC	-	-	139,955,126.87
SPCC	-	-	83,372,959.12
GSEI	-	-	2,287,600.00
TOTAL	**112,461,487.60**	**309,466,013.16**	**617,203,726.77**

EQUITY-APPLIED SCOPE 1 EMISSIONS BY SOURCE (in tCO_2e)

	2022	2023	2024
SF_6 leakage	2,478	3,384	4,208
Vehicular gasoline consumption	2,864	2,740	3,251
Vehicular diesel consumption	12,761	14,519	15,959
Coal combustion in power plants	5,083,208	5,307,255	5,490,639
Natural gas combustion in power plants	1,081,710	1,066,488	1,080,536
Diesel combustion in power plants	74,183	49,325	36,360
TOTAL	**6,257,204**	**6,443,711**	**6,630,953**



GROSS SCOPE 1 EMISSIONS PER SOURCE (in tonnes CO_2e)

	2022	2023	2024
SF_6 leakage	2,477.61	3,383.77	4,207.90
Gasoline consumption	2,863.98	2,740.12	3,250.84
Diesel consumption	12,991.17	14,781.64	15,958.84
Coal combustion	8,048,731.50	8,367,602.78	8,902,279.62
Natural gas combustion	1,865,017.82	1,838,773.00	1,862,993.87
Diesel combustion	78,730.71	50,079.58	37,276.50
TOTAL	**10,010,812.78**	**10,277,360.88**	**10,825,967.56**

SCOPE 2 EMISSIONS PER SOURCE (in tonnes CO_2e)

	2022	2023	2024
System loss	2,087,698.83	2,214,380.79	2,350,989.37
Electricity consumption	63,683.80	59,075.87	67,244.33
TOTAL	**2,151,382.63**	**2,273,456.67**	**2,418,233.70**

EQUITY-ADJUSTED TOTAL EMISSIONS FROM ENERGY SALES OF MERALCO DU (in tonnes CO_2e)

	2022	2023	2024
Emissions from Meralco DU Energy Sales	34,833,330.01	35,865,665.47	37,175,926.84
Less: Emissions from PEDC	(457,097.09)	-	-
Less: Emissions from SBPL	(1,331,540.65)	(1,023.44)	-
TOTAL	**33,044,692.27**	**35,864,642.03**	**37,175,926.84**

EQUITY-ADJUSTED SCOPE 3 EMISSIONS FROM ENERGY SALES (in tonnes CO_2e)

	2022	2023	2024
Adjusted emissions from Meralco DU energy sales	33,044,692.27	35,864,642.03	37,175,926.84
Emissions from Clark Electric energy sales	397,150.51	487,858.00	495,747.58
TOTAL	**33,441,842.78**	**36,352,500.03**	**37,671,674.42**

EQUITY-ADJUSTED APPLIED SCOPE 3 EMISSIONS PER SOURCE (in tonnes CO_2e)

	2022	2023	2024
Energy Sales	33,441,842.78	36,352,500.03	37,671,674.42
Gasoline consumption of rented/ contractor-owned vehicles	71.50	2.46	47.45
Diesel consumption of rented/ contractor-owned vehicles	11.39	5.12	21.86
TOTAL	**33,441,925.67**	**36,352,507.61**	**37,671,743.73**

EQUITY-ADJUSTED TOTAL EMISSIONS (in tonnes CO_2e)

	2022	2023	2024
Scope 1	6,257,434.70	6,443,974.05	6,630,953.29
Scope 2	2,151,382.63	2,273,456.67	2,418,233.70
Scope 3	33,441,925.67	36,352,507.61	37,671,743.73
TOTAL	**41,850,743.01**	**45,069,938.32**	**46,720,930.72**





DU ENERGY SALES (in GWh)

	2022	2023	2024
Meralco	48,271	50,359	53,606
Clark Electric	558	685	538
TOTAL	**48,829**	**51,044**	**54,144**

EQUITY ADJUSTED SCOPE 1+2 EMISSIONS INTENSITY (in tCO_2e/GWh)

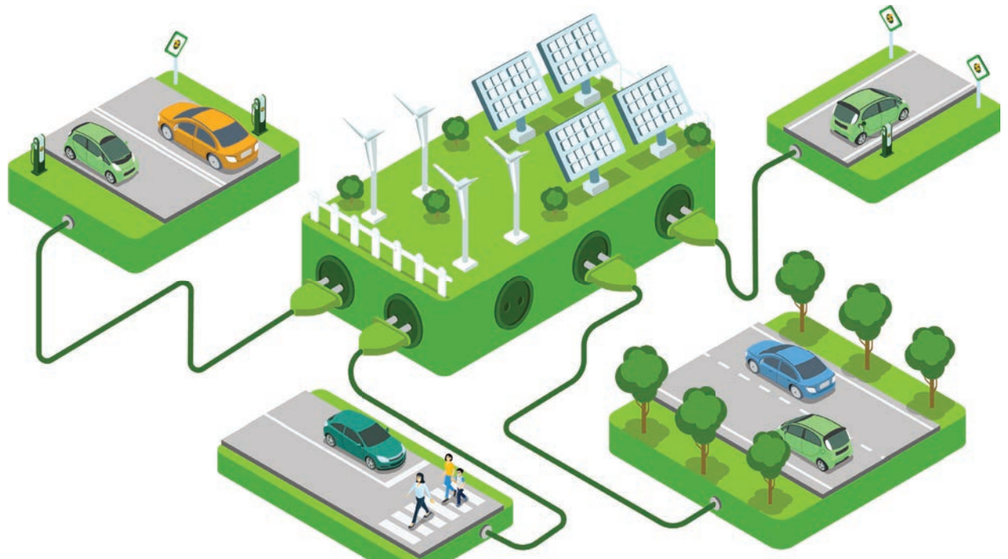
	2022	2023	2024
Total scope 1+2 emissions	8,408,817	8,717,431	9,049,187
DU and Power Gen energy sales	61,342	64,253	67,706
TOTAL	**137.08**	**135.67**	**133.65**

EQUITY ADJUSTED SCOPE 3 EMISSIONS INTENSITY (in tCO_2e/GWh)

	2022	2023	2024
Total scope 3 emissions	33,441,926	36,352,508	37,671,744
DU energy sales	48,829	51,044	54,144
TOTAL	**684.88**	**712.18**	**695.77**

EQUITY ADJUSTED TOTAL EMISSIONS INTENSITY (in tCO_2e/GWh)

	2022	2023	2024
Total GHG emissions	41,850,743	45,069,938	46,720,931
DU and Power Gen energy sales	61,342	64,253	67,706
TOTAL	**682.25**	**701.44**	**690.05**

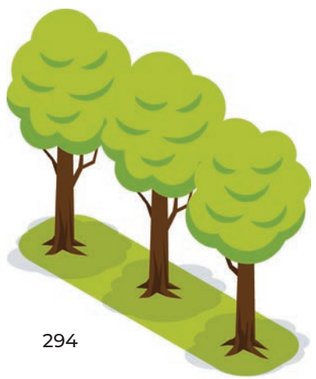


CONCENTRATION OF AIR POLLUTANTS RELEASED BY MGEN'S POWER PLANTS (in mg/Nm³)

	2022	2023	2024
Nitrogen oxides (NOx)	155.66	153.98	118.85
Sulfur oxides (SOx)	337.67	221.37	116.55
Particulate matter (PM10)	3.78	7.19	7.71
Persistent organic pollutants (POPs)	Not monitored		
Volatile organic compounds (VOCs)			
Lead (Pb)			
Mercury (Hg)			

INTENSITY OF AIR POLLUTANTS RELEASED BY MGEN'S POWER PLANTS (in mg/Nm³/GWh)

	2022	2023	2024
Nitrogen oxides (NOx)	0.0124	0.0120	0.0217
Sulfur oxides (SOx)	0.0268	0.0172	0.0144
Particulate matter (PM10)	0.0003	0.0005	0.0013
Persistent organic pollutants (POPs)	Not monitored		
Volatile organic compounds (VOCs)			
Lead (Pb)			
Mercury (Hg)			



WATER MANAGEMENT METRICS OF MGEN (in liters)

	2022	2023	2024
Withdrawn	1,201,625,458,354	1,468,927,962,266	1,464,319,694,119
Consumed	616,394,544	222,101,199,665	5,159,980,161
Discharged	1,201,009,063,810	1,246,826,762,601	1,459,159,713,958

AMOUNT OF WATER WITHDRAWN BY MGEN (in liters)

	2022	2023	2024
Surface water	113,862,000	692,045,200	1,274,119,000
Groundwater	95,763,050	3,505,183,314	3,240,317,489
Seawater	1,201,407,404,500	1,464,729,543,752	1,459,743,130,818
Third-party water	8,428,804	1,190,000	62,126,813
TOTAL	**1,201,625,458,354**	**1,468,927,962,266**	**1,464,319,694,119**

AMOUNT OF WATER DISCHARGED BY MGEN (in liters)

	2022	2023	2024
Surface water	2,973,700	1,147,300	65,082,246
Groundwater	-	-	1,142,680
Seawater	1,201,006,090,110	1,246,824,722,624	1,459,005,280,978
Third-party water	-	892,678	88,208,054
TOTAL	**1,201,009,063,810**	**1,246,826,762,602**	**1,459,159,713,958**

AMOUNT OF SOLID WASTE TREATED OR DISPOSED OF BY MERALCO DU (in tonnes)

	2022	2023	2024
Biodegradable	2,133.35	1,561.54	1,729.64
Recyclable	411.23	403.17	315.80
Residual	115.72	104.59	117.27
TOTAL	**2,660.29**	**2,069.30**	**2,162.71**

AMOUNT OF SOLID WASTE TREATED OR DISPOSED OF BY MGEN (in tonnes)

	2022	2023	2024
Biodegradable	14.42	33.28	10.27
Recyclable	2.84	1,076.80	30.01
Residual	45.25	7,888.05	142.92
TOTAL	**62.51**	**8,998.13**	**183.20**



AMOUNT OF SOLID WASTE DIRECTED TO OR DIVERTED FROM DISPOSAL BY MERALCO DU (in tonnes)

	2022	2023	2024
Composted or recycled	2,544.57	1,964.70	2,045.45
Disposed of in landfill sites	115.72	104.59	117.27
TOTAL	**2,660.29**	**2,069.30**	**2,162.71**

AMOUNT OF SOLID WASTE DIRECTED TO OR DIVERTED FROM DISPOSAL BY MGEN (in tonnes)

	2022	2023	2024
Composted or recycled	17.26	1,110.08	40.28
Disposed of in landfill sites	45.25	7,888.05	142.92
TOTAL	**62.51**	**8,998.13**	**183.20**

MGEN COAL ASH MANAGEMENT METRICS

	2022	2023	2024
Amount of coal combustion residuals (CCR) generated (in metric tons)	224,060.29	264,360.34	276,446.07
Percentage of CCR recycled	83%	39%	56%
Total number of CCR impoundments	3	3	3

AMOUNT OF HAZARDOUS WASTE GENERATED (in tonnes)

	MERALCO			MGEN		
	2022	2023	2024	2022	2023	2024
Used Oil	622.32	574.10	1,249.69	396.46	1,673.01	162.36
Busted Bulbs	143.31	35.90	19.66	0.23	0.23	0.26
Electronic Wastes	1,047.33	592.57	628.73	1.20	0.71	3.98
PCB-Contaminated Materials	95.00	62.73	18.61	-	-	-
Lead-Acid Batteries	110.47	182.69	163.38	8.02	4.24	5.86
Infectious Wastes	37.18	16.39	3.89	0.52	0.04	0.06
Oil-Contaminated Materials	11.26	22.11	45.69	19.30	4.67	4.41
Contaminated Containers	33.11	11.08	36.38	3.34	12.14	15.74
Grease Wastes	-	0.53	3.17	0.73	2.05	2.92
TOTAL	**2,100.00**	**1,498.11**	**2,169.20**	**429.81**	**1,697.08**	**195.58**

AMOUNT OF HAZARDOUS WASTE TREATED (in tonnes)

	MERALCO			MGEN		
	2022	2023	2024	2022	2023	2024
Used Oil	659.30	541.24	614.49	533.10	1,280.15	360.45
Busted Bulbs	6.25	8.27	3.48	-	0.05	0.10
Electronic Wastes	330.68	631.48	344.85	0.19	0.64	0.41
PCB-Contaminated Materials	-	-	-	14.00	-	-
Lead-Acid Batteries	2.51	118.17	-	595.00	0.17	3.80
Infectious Wastes	2.81	4.00	8.52	-	0.03	0.39
Oil-Contaminated Materials	16.57	12.41	16.52	1,624.00	3.80	4.04
Contaminated Containers	0.40	0.53	1.46	2,180.00	11.17	12.02
Grease Wastes	-	-	-	-	1.63	3.42
TOTAL	**1,018.52**	**1,316.09**	**989.32**	**4,946.29**	**1,297.64**	**384.61**

ESG DATA
People

Summary Tables

MERALCO DU EMPLOYEES BY EMPLOYMENT STATUS

	2022		2023		2024	
	MALE	FEMALE	MALE	FEMALE	MALE	FEMALE
Permanent	4,481	1,239	4,518	1,262	4,531	1,333
Probationary	150	60	122	66	112	51
Fixed-term and project-based	230	90	218	90	190	85
SUBTOTAL	**4,861**	**1,389**	**4,858**	**1,418**	**4,833**	**1,469**
OVERALL		**6,250**		**6,276**		**6,302**

SUBSIDIARY EMPLOYEES BY EMPLOYMENT STATUS

	2022		2023		2024	
	MALE	FEMALE	MALE	FEMALE	MALE	FEMALE
Permanent	4,796	1,970	4,079	1,795	8,159	2,641
Probationary	260	408	341	633	213	367
Fixed-term and project-based	6,180	1,138	6,096	1,288	1,619	322
SUBTOTAL	**11,236**	**3,516**	**10,516**	**3,716**	**9,991**	**3,330**
OVERALL		**14,752**		**14,232**		**13,321**



MATERNITY LEAVE

		2022	2023	2024
Entitled to leave	MERALCO DU	1,299	1,328	1,384
	SUBSIDIARIES	3,065	3,462	3,060
Took leave	MERALCO DU	87	110	276
	SUBSIDIARIES	176	159	237
Returned after leave	MERALCO DU	86	110	276
	SUBSIDIARIES	137	154	188
Returned and still employed 12 months after leave	MERALCO DU	80	107	99
	SUBSIDIARIES	126	145	181

PATERNITY LEAVE

		2022	2023	2024
Entitled to leave	MERALCO DU	4,631	4,640	4,543
	SUBSIDIARIES	5,741	5,415	4,969
Took leave	MERALCO DU	200	236	225
	SUBSIDIARIES	197	192	275
Returned after leave	MERALCO DU	200	236	225
	SUBSIDIARIES	190	190	274
Returned and still employed 12 months after leave	MERALCO DU	198	230	220
	SUBSIDIARIES	183	186	271

SOLO PARENT LEAVE

		2022		2023		2024	
		MALE	FEMALE	MALE	FEMALE	MALE	FEMALE
Entitled to leave	MERALCO DU	11	24	11	28	9	22
	SUBSIDIARIES	1,063	491	19	72	1,071	117
Took leave	MERALCO DU	11	23	11	28	32	106
	SUBSIDIARIES	9	79	21	83	16	119
Returned after leave	MERALCO DU	11	23	11	38	32	106
	SUBSIDIARIES	9	79	21	83	7	118
Returned and still employed 12 months after leave	MERALCO DU	9	23	11	26	28	106
	SUBSIDIARIES	9	74	15	85	7	103

AVERAGE TRAINING HOURS FOR MERALCO DU EMPLOYEES BY RANK

	2022		2023		2024	
	MALE	FEMALE	MALE	FEMALE	MALE	FEMALE
Senior management	38.3	31.2	44.9	29.8	29.4	30.9
Middle management	38.7	38.6	47.8	36.3	30.9	26.8
Rank and file	49.4	35.2	66.3	36.8	57	35.1
WEIGHTED AVERAGE	**45.5**	**34**	**59.4**	**34.4**	**49.5**	**31.6**
OVERALL AVERAGE		**42.9**		**53.8**		**45.4**

AVERAGE TRAINING HOURS FOR SUBSIDIARY EMPLOYEES BY RANK

	2022		2023		2024	
	MALE	FEMALE	MALE	FEMALE	MALE	FEMALE
Senior management	11.1	4.7	29.8	43.2	13.3	15.9
Middle management	2.6	8.4	23	19	14.6	9.5
Rank and file	7.7	5	6.6	3	6.1	7.4
WEIGHTED AVERAGE	**3.6**	**7**	**6.7**	**4.5**	**8**	**8.7**
OVERALL AVERAGE		**4.6**		**6.3**		**8.5**

EMPLOYEES COVERED BY CBAs

	2022	2023	2024
Meralco DU	4,346	4,332	4,326
Subsidiaries	1,683	1,538	1,238
TOTAL	**6,029**	**5,870**	**5,564**



KEY OHS METRICS

		2022	2023	2024
Total employee hours worked	MERALCO DU	13,235,096	14,262,953	13,376,584
	SUBSIDIARIES	37,411,073	42,046,928	37,583,689
Safe person-hours	MERALCO DU	13,152,203	14,009,289	13,376,584
	SUBSIDIARIES	28,836,133	30,951,493	37,196,107
OHS training hours	MERALCO DU	30,423	30,649	26,880
	SUBSIDIARIES	36,735	15,548	20,917
Average OHS training hours per employee	MERALCO DU	5.12	5.14	4.46
	SUBSIDIARIES	3.22	1.4	1.84
	OVERALL	3.88	2.71	2.75

EMPLOYEES COVERED BY AN OHS MANAGEMENT SYSTEM

		2022	2023	2024
Permanent and Probationary	MERALCO DU	5,930	5,928	6,027
	SUBSIDIARIES	5,845	5,362	5,795
Fixed-term and project-based	MERALCO DU	310	304	275
	SUBSIDIARIES	7,555	6,902	6,228
TOTAL		**19,640**	**18,496**	**18,325**

NEW HIRES

	2022		2023		2024	
	MALE	FEMALE	MALE	FEMALE	MALE	FEMALE
Meralco DU	304	130	309	129	289	144
Subsidiaries	3,325	1,158	2,979	1,143	2,796	1,076
SUBTOTAL	**3,629**	**1,288**	**3,288**	**1,272**	**3,085**	**1,220**
TOTAL		**4,917**		**4,560**		**4,305**

MERALCO DU EMPLOYEES BY RANK

	2022		2023		2024	
	MALE	FEMALE	MALE	FEMALE	MALE	FEMALE
Senior management	587	202	615	212	632	217
Middle management	480	315	485	324	498	354
Rank and file	3,564	782	3,540	792	3,513	813
Fixed-term and project-based	230	90	218	90	190	85
SUBTOTAL	**4,861**	**1,389**	**4,858**	**1,418**	**4,833**	**1,469**
TOTAL		**6,250**		**6,276**		**6,302**

SUBSIDIARY EMPLOYEES BY RANK

	2022		2023		2024	
	MALE	FEMALE	MALE	FEMALE	MALE	FEMALE
Senior management	129	71	74	43	126	69
Middle management	964	437	871	351	1,253	696
Rank and file	3,897	1,936	7,153	2,590	6,993	2,243
Fixed-term and project-based	7,746	1,150	2,517	745	1,619	322
SUBTOTAL	**12,736**	**3,594**	**10,615**	**3,729**	**9,991**	**3,330**
TOTAL		**16,330**		**14,344**		**13,321**



AVERAGE GENDER PAY GAP IN MERALCO DU

	2022	2023	2024
Senior management	4.30%	−0.5%	7.96%
Middle management	1.50%	−1.1%	−0.79%
Rank and file	11.60%	11.80%	13.37%
Fixed-term and project-based	−23.1%	−29.0%	−0.59%
WEIGHTED AVERAGE	**4.00%**	**0.20%**	**−0.12%**



Hiring

NUMBER OF NEW HIRES UNDER 30 YEARS OLD

	2022	2023	2024
MERALCO	341	304	305
SUBSIDIARIES	2,418	2,313	1,950
TOTAL	**2,759**	**2,617**	**2,255**

NUMBER OF NEW HIRES BETWEEN 30 AND 50 YEARS OLD

	2022	2023	2024
MERALCO	92	130	125
SUBSIDIARIES	1,908	1,635	1,721
TOTAL	**2,000**	**1,765**	**1,846**

NUMBER OF NEW HIRES OVER 50 YEARS OLD

	2022	2023	2024
MERALCO	1	4	3
SUBSIDIARIES	157	174	201
TOTAL	**158**	**178**	**204**

TOTAL NUMBER OF NEW MALE HIRES

	2022	2023	2024
MERALCO	304	309	289
SUBSIDIARIES	3,325	2,979	2,796
TOTAL	**3,629**	**3,288**	**3,085**

TOTAL NUMBER OF NEW FEMALE HIRES

	2022	2023	2024
MERALCO	130	129	144
SUBSIDIARIES	1,158	1,143	1,076
TOTAL	**1,288**	**1,272**	**1,220**

TOTAL NUMBER OF NEW HIRES

	2022	2023	2024
MERALCO	434	438	433
SUBSIDIARIES	4,483	4,122	3,872
TOTAL	**4,917**	**4,560**	**4,305**

Separations

NUMBER OF EMPLOYEES UNDER 30 YEARS OLD WHO RESIGNED OR RETIRED

	2022	2023	2024
MERALCO	135	103	75
SUBSIDIARIES	2,047	1,349	871
TOTAL	**2,182**	**1,452**	**946**

NUMBER OF EMPLOYEES BETWEEN 30 AND 50 YEARS OLD WHO RESIGNED OR RETIRED

	2022	2023	2024
MERALCO	110	162	169
SUBSIDIARIES	1,888	1,169	874
TOTAL	**1,998**	**1,331**	**1,043**



NUMBER OF EMPLOYEES OVER 50 YEARS OLD WHO RESIGNED OR RETIRED

	2022	2023	2024
MERALCO	164	135	130
SUBSIDIARIES	268	181	115
TOTAL	**432**	**316**	**245**

TOTAL NUMBER OF MALE EMPLOYEE SEPARATIONS

	2022	2023	2024
MERALCO	300	299	285
SUBSIDIARIES	2,799	1,797	1,307
TOTAL	**3,099**	**2,096**	**1,592**

TOTAL NUMBER OF FEMALE EMPLOYEE SEPARATIONS

	2022	2023	2024
MERALCO	109	101	89
SUBSIDIARIES	1,404	902	553
TOTAL	**1,513**	**1,003**	**642**

TOTAL NUMBER OF EMPLOYEE SEPARATIONS

	2022	2023	2024
MERALCO	409	400	374
SUBSIDIARIES	4,203	2,699	1,860
TOTAL	**4,612**	**3,099**	**2,234**

Total Employees

Senior Management

TOTAL NUMBER OF MALE SENIOR MANAGERS

	2022	2023	2024
MERALCO	587	615	632
SUBSIDIARIES	129	74	126
TOTAL	**716**	**689**	**758**

TOTAL NUMBER OF FEMALE SENIOR MANAGERS

	2022	2023	2024
MERALCO	202	212	217
SUBSIDIARIES	71	43	69
TOTAL	**273**	**255**	**286**

TOTAL NUMBER OF SENIOR MANAGERS UNDER 30 YEARS OLD

	2022	2023	2024
MERALCO	13	10	5
SUBSIDIARIES	12	13	12
TOTAL	**25**	**23**	**17**

TOTAL NUMBER OF SENIOR MANAGERS BETWEEN 30 AND 50 YEARS OLD

	2022	2023	2024
MERALCO	523	569	608
SUBSIDIARIES	122	61	109
TOTAL	**645**	**630**	**717**

TOTAL NUMBER OF SENIOR MANAGERS OVER 50 YEARS OLD

	2022	2023	2024
MERALCO	253	248	236
SUBSIDIARIES	66	43	74
TOTAL	**319**	**291**	**310**

TOTAL NUMBER OF SENIOR MANAGERS

	2022	2023	2024
MERALCO	789	827	849
SUBSIDIARIES	200	117	195
TOTAL	**989**	**944**	**1,044**

Total Employees

Middle Management

TOTAL NUMBER OF MALE MIDDLE MANAGERS

	2022	2023	2024
MERALCO	480	485	498
SUBSIDIARIES	964	871	1,253
TOTAL	**1,444**	**1,356**	**1,751**

TOTAL NUMBER OF FEMALE MIDDLE MANAGERS

	2022	2023	2024
MERALCO	315	324	354
SUBSIDIARIES	437	351	696
TOTAL	**752**	**675**	**1,050**

TOTAL NUMBER OF MIDDLE MANAGERS UNDER 30 YEARS OLD

	2022	2023	2024
MERALCO	97	110	127
SUBSIDIARIES	279	165	796
TOTAL	**376**	**275**	**923**

TOTAL NUMBER OF MIDDLE MANAGERS BETWEEN 30 AND 50 YEARS OLD

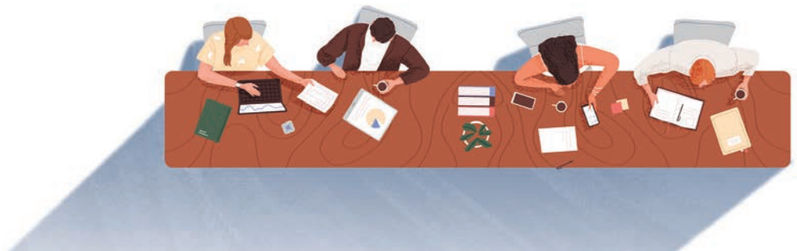
	2022	2023	2024
MERALCO	609	621	658
SUBSIDIARIES	898	823	1,019
TOTAL	**1,507**	**1,444**	**1,677**

TOTAL NUMBER OF MIDDLE MANAGERS OVER 50 YEARS OLD

	2022	2023	2024
MERALCO	89	78	67
SUBSIDIARIES	224	234	134
TOTAL	**313**	**312**	**201**

TOTAL NUMBER OF MIDDLE MANAGERS

	2022	2023	2024
MERALCO	795	809	852
SUBSIDIARIES	1,401	1,222	1,949
TOTAL	**2,196**	**2,031**	**2,801**



Total Employees

Rank and File

TOTAL NUMBER OF MALE RANK-AND-FILE EMPLOYEES

	2022	2023	2024
MERALCO	3,564	3,540	3,513
SUBSIDIARIES	8,091	7,153	6,993
TOTAL	**11,655**	**10,693**	**10,506**

TOTAL NUMBER OF FEMALE RANK-AND-FILE EMPLOYEES

	2022	2023	2024
MERALCO	782	792	813
SUBSIDIARIES	2,786	2,590	2,243
TOTAL	**3,568**	**3,382**	**3,056**

TOTAL NUMBER OF RANK-AND-FILE EMPLOYEES UNDER 30 YEARS OLD

	2022	2023	2024
MERALCO	1,257	1,247	1,254
SUBSIDIARIES	4,348	3,576	2,776
TOTAL	**5,605**	**4,823**	**4,030**

TOTAL NUMBER OF RANK-AND-FILE EMPLOYEES BETWEEN 30 AND 50 YEARS OLD

	2022	2023	2024
MERALCO	2,354	2,409	2,455
SUBSIDIARIES	5,545	5,182	5,258
TOTAL	**7,899**	**7,591**	**7,713**

TOTAL NUMBER OF RANK-AND-FILE EMPLOYEES OVER 50 YEARS OLD

	2022	2023	2024
MERALCO	735	676	617
SUBSIDIARIES	984	985	1,202
TOTAL	**1,719**	**1,661**	**1,819**

TOTAL NUMBER OF RANK-AND-FILE EMPLOYEES

	2022	2023	2024
MERALCO	4,346	4,332	4,326
SUBSIDIARIES	10,877	9,743	9,236
TOTAL	**15,223**	**14,075**	**13,562**

Total Employees

Project Based/Fixed Term

TOTAL NUMBER OF MALE PROJECT-BASED/FIXED-TERM EMPLOYEES

	2022	2023	2024
MERALCO	230	218	190
SUBSIDIARIES	2,067	2,213	1,619
TOTAL	**2,297**	**2,431**	**1,809**

TOTAL NUMBER OF FEMALE PROJECT-BASED/FIXED-TERM EMPLOYEES

	2022	2023	2024
MERALCO	90	90	85
SUBSIDIARIES	387	577	322
TOTAL	**477**	**667**	**407**



TOTAL NUMBER OF PROJECT-BASED/FIXED-TERM EMPLOYEES UNDER 30 YEARS OLD

	2022	2023	2024
MERALCO	253	232	200
SUBSIDIARIES	869	1,323	754
TOTAL	**1,122**	**1,555**	**954**

TOTAL NUMBER OF PROJECT-BASED/FIXED-TERM EMPLOYEES BETWEEN 30 AND 50 YEARS OLD

	2022	2023	2024
MERALCO	65	75	75
SUBSIDIARIES	1,458	1,320	1,031
TOTAL	**1,523**	**1,395**	**1,106**

TOTAL NUMBER OF PROJECT-BASED/FIXED-TERM EMPLOYEES OVER 50 YEARS OLD

	2022	2023	2024
MERALCO	2	1	-
SUBSIDIARIES	127	147	156
TOTAL	**129**	**148**	**156**

TOTAL NUMBER OF PROJECT-BASED/FIXED-TERM EMPLOYEES

	2022	2023	2024
MERALCO	320	308	275
SUBSIDIARIES	2,454	2,790	1,941
TOTAL	**2,774**	**3,098**	**2,216**



Total Workers

Third Party/Contracted

TOTAL NUMBER OF MALE THIRD-PARTY/CONTRACTED EMPLOYEES

	2022	2023	2024
MERALCO	N/A	N/A	N/A
SUBSIDIARIES	2,754	92	250
TOTAL	**2,754**	**92**	**250**

TOTAL NUMBER OF FEMALE THIRD-PARTY/CONTRACTED EMPLOYEES

	2022	2023	2024
MERALCO	N/A	N/A	N/A
SUBSIDIARIES	4	8	27
TOTAL	**4**	**8**	**27**

TOTAL NUMBER OF THIRD-PARTY/CONTRACTED EMPLOYEES UNDER 30 YEARS OLD

	2022	2023	2024
MERALCO	N/A	N/A	N/A
SUBSIDIARIES	16	32	73
TOTAL	**16**	**32**	**73**

TOTAL NUMBER OF THIRD-PARTY/CONTRACTED EMPLOYEES BETWEEN 30 AND 50 YEARS OLD

	2022	2023	2024
MERALCO	N/A	N/A	N/A
SUBSIDIARIES	2,729	59	177
TOTAL	**2,729**	**59**	**177**



TOTAL NUMBER OF THIRD-PARTY/CONTRACTED EMPLOYEES OVER 50 YEARS OLD

	2022	2023	2024
MERALCO	N/A	N/A	N/A
SUBSIDIARIES	13	9	27
TOTAL	**13**	**9**	**27**

TOTAL NUMBER OF THIRD-PARTY/CONTRACTED EMPLOYEES

	2022	2023	2024
MERALCO	N/A	N/A	N/A
SUBSIDIARIES	2,758	100	277
TOTAL	**2,758**	**100**	**277**

Training and Development

NUMBER OF PERFORMANCE AND CAREER DEVELOPMENT TRAINING HOURS RECEIVED BY MALE SENIOR MANAGERS

	2022	2023	2024
MERALCO	22,496	27,597	18,573
SUBSIDIARIES	1,428	2,205	1,673
TOTAL	**23,924**	**29,802**	**20,246**

NUMBER OF PERFORMANCE AND CAREER DEVELOPMENT TRAINING HOURS RECEIVED BY FEMALE SENIOR MANAGERS

	2022	2023	2024
MERALCO	6,304	6,311	6,711
SUBSIDIARIES	335	1,858	1,096
TOTAL	**6,639**	**8,168**	**7,807**

TOTAL NUMBER OF PERFORMANCE AND CAREER DEVELOPMENT TRAINING HOURS RECEIVED BY SENIOR MANAGERS

	2022	2023	2024
MERALCO	28,800	33,908	25,284
SUBSIDIARIES	1,763	4,063	2,769
TOTAL	**30,563**	**37,971**	**28,053**

NUMBER OF PERFORMANCE AND CAREER DEVELOPMENT TRAINING HOURS RECEIVED BY MALE MIDDLE MANAGERS

	2022	2023	2024
MERALCO	18,585	23,201	15,386
SUBSIDIARIES	2,462	20,076	18,298
TOTAL	**21,047**	**43,277**	**33,683**

NUMBER OF PERFORMANCE AND CAREER DEVELOPMENT TRAINING HOURS RECEIVED BY FEMALE MIDDLE MANAGERS

	2022	2023	2024
MERALCO	12,151	11,765	9,504
SUBSIDIARIES	3,689	6,668	6,646
TOTAL	**15,839**	**18,433**	**16,150**

TOTAL NUMBER OF PERFORMANCE AND CAREER DEVELOPMENT TRAINING HOURS RECEIVED BY MIDDLE MANAGERS

	2022	2023	2024
MERALCO	30,736	34,966	24,890
SUBSIDIARIES	6,150	26,744	24,944
TOTAL	**36,886**	**61,709**	**49,833**

NUMBER OF PERFORMANCE AND CAREER DEVELOPMENT TRAINING HOURS RECEIVED BY MALE RANK-AND-FILE EMPLOYEES

	2022	2023	2024
MERALCO	176,216	234,539	200,236
SUBSIDIARIES	29,986	47,114	42,353
TOTAL	**206,202**	**281,653**	**242,588**

NUMBER OF PERFORMANCE AND CAREER DEVELOPMENT TRAINING HOURS RECEIVED BY FEMALE RANK-AND-FILE EMPLOYEES

	2022	2023	2024
MERALCO	27,527	29,179	28,541
SUBSIDIARIES	9,688	7,846	16,710
TOTAL	**37,214**	**37,025**	**45,251**

TOTAL NUMBER OF PERFORMANCE AND CAREER DEVELOPMENT TRAINING HOURS RECEIVED BY RANK-AND-FILE EMPLOYEES

	2022	2023	2024
MERALCO	203,743	263,718	228,777
SUBSIDIARIES	39,673	54,961	59,063
TOTAL	**243,416**	**318,678**	**287,840**

NUMBER OF PERFORMANCE AND CAREER DEVELOPMENT TRAINING HOURS RECEIVED BY PROJECT-BASED/FIXED-TERM MALE EMPLOYEES

	2022	2023	2024
MERALCO	3,707	3,277	3,443
SUBSIDIARIES	3,269	1,010	16,991
TOTAL	**6,976**	**4,286**	**20,434**

NUMBER OF PERFORMANCE AND CAREER DEVELOPMENT TRAINING HOURS RECEIVED BY PROJECT-BASED/FIXED-TERM FEMALE EMPLOYEES

	2022	2023	2024
MERALCO	1,178	1,514	1,146
SUBSIDIARIES	5,427	86	4,776
TOTAL	**6,605**	**1,599**	**5,922**

TOTAL NUMBER OF PERFORMANCE AND CAREER DEVELOPMENT TRAINING HOURS RECEIVED BY PROJECT-BASED/FIXED-TERM EMPLOYEES

	2022	2023	2024
MERALCO	4,885	4,790	4,589
SUBSIDIARIES	8,696	1,095	21,767
TOTAL	**13,581**	**5,885**	**26,356**

TOTAL NUMBER OF PERFORMANCE AND CAREER DEVELOPMENT TRAINING HOURS RECEIVED BY MALE EMPLOYEES

	2022	2023	2024
MERALCO	221,004	288,613	237,637
SUBSIDIARIES	39,790	70,506	79,314
TOTAL	**260,794**	**359,119**	**316,951**



TOTAL NUMBER OF PERFORMANCE AND CAREER DEVELOPMENT TRAINING HOURS RECEIVED BY FEMALE EMPLOYEES

	2022	2023	2024
MERALCO	47,159	48,768	45,902
SUBSIDIARIES	24,443	16,579	29,228
TOTAL	**71,602**	**65,346**	**75,130**

TOTAL NUMBER OF PERFORMANCE AND CAREER DEVELOPMENT TRAINING HOURS RECEIVED BY ALL EMPLOYEES

	2022	2023	2024
MERALCO	268,163	337,381	283,539
SUBSIDIARIES	64,233	87,085	108,542
TOTAL	**332,396**	**424,465**	**392,081**

NUMBER OF PERFORMANCE AND CAREER DEVELOPMENT TRAINING HOURS RECEIVED BY THIRD-PARTY MALE WORKERS

	2022	2023	2024
MERALCO	N/A	N/A	N/A
SUBSIDIARIES	2,646	101	1,496
TOTAL	**2,646**	**101**	**1,496**

NUMBER OF PERFORMANCE AND CAREER DEVELOPMENT TRAINING HOURS RECEIVED BY THIRD-PARTY FEMALE WORKERS

	2022	2023	2024
MERALCO	N/A	N/A	N/A
SUBSIDIARIES	5,306	121	104
TOTAL	**5,306**	**121**	**104**



TOTAL NUMBER OF PERFORMANCE AND CAREER DEVELOPMENT TRAINING HOURS RECEIVED BY THIRD-PARTY WORKERS

	2022	2023	2024
MERALCO	N/A	N/A	N/A
SUBSIDIARIES	7,952	222	1,600
TOTAL	**7,952**	**222**	**1,600**



Occupational Health and Safety

NUMBER OF SAFETY DRILLS CONDUCTED

	2022	2023	2024
MERALCO	7	7	280
SUBSIDIARIES	200	230	723
TOTAL	**207**	**237**	**1,003**

NUMBER OF RECORDABLE WORK-RELATED INJURIES (INCLUDING FATALITIES)

	2022	2023	2024
MERALCO	34	21	47
SUBSIDIARIES	102	115	106
TOTAL	**136**	**136**	**153**

NUMBER OF HIGH-CONSEQUENCE WORK-RELATED INJURIES (EXCLUDING FATALITIES)

	2022	2023	2024
MERALCO	10	4	18
SUBSIDIARIES	6	6	12
TOTAL	**16**	**10**	**30**

NUMBER OF FATALITIES AS A RESULT OF WORK-RELATED INJURY

	2022	2023	2024
MERALCO	-	-	1
SUBSIDIARIES	1	-	1
TOTAL	**1**	**-**	**2**

NUMBER OF FATALITIES AS A RESULT OF ILL HEALTH

	2022	2023	2024
MERALCO	-	-	-
SUBSIDIARIES	-	-	1
TOTAL	**-**	**-**	**1**

NUMBER OF INJURIES DUE TO PUBLIC ACTION

	2022	2023	2024
MERALCO	157	132	191
SUBSIDIARIES	-	-	4
TOTAL	**157**	**132**	**195**

NUMBER OF PUBLIC ACCIDENTS CAUSED BY THE COMPANY

	2022	2023	2024
MERALCO	89	70	28
SUBSIDIARIES	-	5	3
TOTAL	**89**	**75**	**31**

NUMBER OF PUBLIC ACCIDENTS DUE TO COMPANY-OWNED EQUIPMENT AND FACILITIES

	2022	2023	2024
MERALCO	-	17	76
SUBSIDIARIES	30	74	109
TOTAL	**30**	**91**	**185**

TOTAL LOST WORKING DAYS DUE TO INJURIES

	2022	2023	2024
MERALCO	356	256	6,498
SUBSIDIARIES	393	1,134	285
TOTAL	**749**	**1,390**	**6,783**

ESG DATA
PROSPERITY

DIRECT ECONOMIC VALUE GENERATED AND DISTRIBUTED (in PhP million)

	2022	2023	2024
DIRECT ECONOMIC VALUE GENERATED (REVENUES)	**432,292**	**447,762**	**476,847**
Economic value distributed	412,958	419,078	431,953
Operating costs (including payment to suppliers)	366,284	364,585	371,310
Employee wages and benefits	15,836	16,521	17,974
Payments to providers of capital (investors and shareholders)	21,824	27,161	29,568
Payments to government (taxes)	8,780	10,436	12,876
Community investments (expenses for CSR projects)	234	375	224
Economic value retained	19,334	28,684	44,894

MERALCO'S CUSTOMER SERVICE METRICS

	2022	2023	2024
ANNUAL CUSTOMER SATISFACTION RATING BASED ON CONDUCTED SURVEY	**8.03**	**8.20**	**8.11**
Complaints per 1000 customers	100.97	97.97	112.36
Number of substantiated complaints concerning breaches of customer data privacy and losses of customer data	3.00	-	-



TOTAL PROCUREMENT SPEND IN 2024 (in PhP million)

	Local	Foreign	Subtotal
Meralco	32,768	5,452	38,220
Subsidiaries	10,426	12,833	23,259
TOTAL	**43,195**	**18,285**	**61,480**

TOTAL NUMBER OF SUPPLIERS BY CLASSIFICATION IN 2024

	Tier 1	Non-Tier 1	Subtotal
Meralco	3,056	0	3,056
Subsidiaries	2,084	43	2,127
TOTAL	**5,140**	**43**	**5,183**

TOTAL NUMBER OF SUPPLIERS BY LOCATION IN 2024

	Local	Foreign	Subtotal
Meralco	2,440	616	3,056
Subsidiaries	1,897	230	2,127
TOTAL	**4,337**	**846**	**5,183**

COMMUNICATION OF ANTI-CORRUPTION POLICIES AND PROCEDURES IN MERALCO

	2022	2023	2024
Board of directors	11	11	11
Senior management	749	789	825
Middle management	754	795	809
Rank and file	4,639	4,346	4,372
Fixed-term and project-based hires	323	320	297
Third-party workers	0	0	0
Business partners	707	1,292	409

TRAINING ON ANTI-CORRUPTION IN MERALCO

	2022	2023	2024
Board of directors	11	11	11
Senior management	749	789	825
Middle management	754	795	809
Rank and file	4,639	4,346	4,372
Fixed-term and project-based hires	323	320	297
Third-party workers	0	0	0
Business partners	707	1,292	409

NUMBER OF CORRUPTION INCIDENTS IN MERALCO REPORTED VIA OUR SPEAK OUT PLATFORM

	2022	2023	2024
Under ongoing investigation	0	0	0
Closed with corresponding corrective action	0	0	0
Closed without corresponding corrective action	0	0	0
TOTAL	**0**	**0**	**0**

NUMBER OF REPORTED DISCRIMINATION INCIDENTS IN MERALCO

	2022	2023	2024
Under ongoing investigation	0	0	0
Closed with corresponding corrective action	0	0	0
Closed without corresponding corrective action	0	0	0
TOTAL	**0**	**0**	**0**



GRI CONTENT INDEX

Statement of use	The Manila Electric Company (Meralco) has reported in accordance with the GRI Standards for the period 1 January 2024 to 31 December 2024.
GRI 1 used	GRI 1: Foundation 2021
Applicable GRI Sector Standard(s)	GRI G4 Sector Disclosures for Electric Utilities Note: *Updated sector standards applicable to the company are still under development by the GRI. Additionally, the use of the G4 Sector Disclosures is not required for preparing a report in accordance with the GRI Standards in the case of the Universal Standards 2021.*

GRI STANDARD	DISCLOSURE	LOCATION AND/OR DIRECT ANSWERS
GRI 2: General Disclosures 2021	2-1 Organizational details	Page nos. 8, 14, 353
	2-2 Entities included in the organization's sustainability reporting	Page nos. 4, 12-21
	2-3 Reporting period, frequency and contact point	This Integrated Report covers 1 January 2024 to 31 December 2024. All data is reported at an annual basis. CORPORATE COMPLIANCE OFFICE G/F, Lopez Building, Meralco Center Ortigas Avenue, Brgy. Ugong Pasig City, 1605 Philippines Telephone: +632 8632 8884 +632 8632 8883 +632 8632 8765 +632 8632 8616 +632 1622 2183 +632 1622 2731 Fax: +632 8632 8885 Email: corporate.compliance@meralco.com.ph and stockholder.affairs@meralco.com.ph CORPORATE SUSTAINABILITY OFFICE 12/F Lopez Building, Meralco Center, Ortigas Avenue, Barangay Ugong, Pasig City, 1605 Philippines Telephone: +632 1622 3552 Email: group.sustainability.office@meralco.com.ph
	2-4 Restatements of information	Page nos. 133, 147, 151, 153, 155 Restatements of information are attributed to the maturity of the reporting and review processes of the Company's subsidiaries
	2-5 External assurance	Page nos. 7, 253-273
	2-6 Activities, value chain and other business relationships	Page nos. 12-21
	2-7 Employees	Page nos. 132-145, 155-156
	2-8 Workers who are not employees	Page nos. 132-145
	2-9 Governance structure and composition	Governance Structure in Meralco website: https://company.meralco.com.ph/corporate-governance/corporate-governance-in-meralco
	2-10 Nomination and selection of the highest governance body	Nomination and Governance Committee Charter in Meralco website: https://meralcomain.s3.ap-southeast-1.amazonaws.com/documents/pdf_listing/2020-01/nom_and_gov_charter_rev._code_4_series_of_2019.pdf

GRI STANDARD	DISCLOSURE	LOCATION AND/OR DIRECT ANSWERS
GRI 2: General Disclosures 2021	2-11 Chair of the highest governance body	Manuel V. Pangilinan is the chairperson and CEO
	2-12 Role of the highest governance body in overseeing the management of impacts	Page nos. 111, 200-215
	2-13 Delegation of re-sponsibility for managing impacts	Page nos. 111, 200-215
	2-14 Role of the highest governance body in sustainability reporting	Page nos. 111, 213
	2-15 Conflicts of interest	Conflict of Interest Policy in Meralco website: https://meralcomain.s3-ap-southeast-1.amazonaws.com/inline-files/1507537560.fea8c510112d9a9c74e8b490b5e46cde.pdf?null
	2-16 Communication of critical concerns	Page no. 226
	2-17 Collective knowledge of the highest governance body	Manila Electric Company (“Meralco”) directors have a collective working knowledge, experience and expertise relevant to power, energy and electric distribution industry/sector. Also, the Board represents an appropriate mix of competence and expertise in the area of business, finance, operations, regulatory and legal disciplines relevant to the Company’s industry, with each director capable of adding value and exercising independent judgment, ensuring that the directors remain qualified for their positions individually and collectively to enable them to fulfill their roles and responsibilities and respond to the needs of the organization. The profiles of the directors are disclosed in Meralco Website, in the Definitive Information Statement and in the Annual Report while the required qualifications of a director are provided in Article II, Section 5 of the Company’s By-Laws, page 4 of the Board Charter, and Article I, Section 6.1 of the Revised Manual of Corporate Governance. *Profile of Directors: Meralco Website: https://company.meralco.com.ph/corporate-governance/board-directors Definitive Information Statement 2021, pages 6-17: https://meralcomain.s3.ap-southeast-1.amazonaws.com/2021-04/meralco_amended_definitive_information_statement_april_27_2021.pdf?null *Qualification standards for directors to facilitate the selection of potential nominees and to serve as benchmark for the evaluation of its performance are found in page 5 of the By-Laws: https://meralcomain.s3-ap-southeast-1.amazonaws.com/documents/pdf_listing/2017-09/by-laws.pdf Board Charter, page 4 for general qualifications; and pages 2 to 3 Board Charter, page 4 for general qualifications; and pages 2 to 3 for independent directors: https://meralcomain.s3.ap-southeast-1.amazonaws.com/images/ckedi-tor-documents/Board_Charter.pdf?null *Qualifications of independent directors are found in pages 6 and 7; qualifications of directors in general in page 15, of the Revised Manual of Corporate Governance: https://meralcomain.s3-ap-southeast-1.amazonaws.com/in-line-files/1507250421.8dd4083abcd328358189a0b0f85bc682.pdf?null The Board, through the Nomination and Governance Committee, reviews, on an annual basis, the appropriate skills and characteristics required on the Board in the context of the strategic direction of the Company (Revised Organizational Charter of the Nom&Gov Committee, B.5). https://meralcomain.s3.ap-southeast-1.amazonaws.com/documents/pdf_listing/2020-01/nom_and_gov_charter_rev._code_4_series_of_2019.pdf?null

GRI STANDARD	DISCLOSURE	LOCATION AND/OR DIRECT ANSWERS
GRI 2: General Disclosures 2021	2-17 Collective knowledge of the highest governance body	The Company has a policy that encourages directors to attend annual continuing training programs to ensure that they remain qualified for their positions individually and collectively to enable them to fulfill their roles and responsibilities and respond to the needs of the organization. The Company believes that its Directors must keep abreast with the latest developments in business, corporate governance best practices, laws and regulations, and other relevant matters that help them function effectively in the Board and in their respective committees in order to direct the Company to achieve its mission, vision and goals (Article I, Section 4.5, Revised Manual of Corporate Governance). *Policy on annual continuing training program of directors is found in page 9 of the Revised Manual of Corporate Governance and page 14 of the Board Charter: https://meralcomain.s3.ap-southeast-1.amazonaws.com/images/ckedi-tor-documents/Board_Charter.pdf?null First time directors shall undergo an orientation program covering SEC mandated topics on corporate governance and an introduction to the company’s business, Articles of Incorporation, and Code of Conduct. The orientation and continuing education program should be able to meet the specific needs of the company and the individual directors and aid any new director in effectively performing his or her functions. The trainings attended by the Company Directors are disclosed in the Annual Report and in the Company Website. Each newly elected director is provided with a director’s kit which contains policies and other information pertaining to his duties and obligations as a director provided under existing laws and regulations. An in-house orientation program, incorporating briefings from the corporate and regulatory units, is arranged for any new director to better familiarize himself with the Company’s businesses, stakeholders, regulatory environment, and governance practices. Link: Meralco Website: https://company.meralco.com.ph/corporate-governance/board-matters *Policy on annual continuing training program of directors is found in page 9 of the Revised Manual of Corporate Governance: https://meralcomain.s3-ap-southeast-1.amazonaws.com/inline-files/1507250421.8dd4083abcd328358189a0b0f85bc682.pdf?null *Same provision appears in page 14 of the Board Charter: https://meralcomain.s3.ap-southeast-1.amazonaws.com/images/ckedi-tor-documents/Board_Charter.pdf?null Contents of the Orientation Program for New Directors can be downloaded from the Company website. Link: Orientation Program Kit: https://meralcomain.s3-ap-southeast-1.amazonaws.com/documents/pdf_listing/2017-11/b8fe9d50f21d0f6778dad90976778826_0.pdf?null
	2-18 Evaluation of the performance of the highest governance body	Page no. 215
	2-19 Remuneration policies	The Remuneration and Leadership Development Committee recommends to the Board, for the approval of the shareholders, a framework of remuneration for directors and Management, including the President and CEO. For the President and CEO, and Management, the framework takes into account all aspects of executive remuneration including salaries, allowances, bonuses, and benefits in kind. The framework is benchmarked against pay and employment conditions within the industry and it links rewards to corporate and individual performance. The Board ensures that the remuneration of its members and key officers is aligned with the long-term interest of the Company.

GRI STANDARD	DISCLOSURE	LOCATION AND/OR DIRECT ANSWERS
GRI 2: General Disclosures 2021	2-19 Remuneration policies	The Company adopts a remuneration policy comprised of fixed and variable components in the form of base salary and variable bonus linked to the Company's and the individual's performance. Compensation packages and revisions of key Management's remuneration are subject to the review and approval of the Remuneration and Leadership Development Committee. The Board ensures that the remuneration of directors and officers is consistent with the Company's culture, strategy, and the business environment in which it operates and aligned with the long-term interest of the Company. Directors do not participate in discussions or deliberations involving their own remuneration. The framework of remuneration for Directors and Management, including the President and CEO is subject to the recommendation of the Board's Remuneration and Leadership Development Committee ("RLDC") and to the approval of the shareholders. Specifically, the Company's By-Laws provides for the remuneration of directors in the form of per diems for their attendance at each regular or special meeting and additional compensation, whether in the form of a fixed retainer, bonus or stock grant, or a combination thereof, as may be approved by the Board of Directors and majority vote of the outstanding capital stock. The total value of such additional compensation, in whatever form so given, shall not exceed one percent (1%) of the net income before tax of Meralco during the preceding year. By-laws, Article II, Section 7, page 6: https://meralcomain.s3-ap-southeast-1.amazonaws.com/documents/pdf_listing/2017-09/by-laws.pdf No fees or other remuneration shall be payable to the members of RLDC in respect to their services provided in connection with the Committee, save and except fees or remunerations authorized by the Board. Remuneration and Leadership Development Committee Charter: https://meralcomain.s3-ap-southeast-1.amazonaws.com/documents/pdf_listing/2017-09/1433818863.9928e1d01e76f50e57dc0740a76b3eec_0.pdf
	2-20 Process to determine remuneration	The Company adopts a remuneration policy comprised of fixed and variable components in the form of base salary and variable bonus linked to the Company's and the individual's performance. Compensation packages and revisions of key Management's remuneration are subject to the review and approval of the RLDC.
	2-21 Annual total compensation ratio	Meralco treats individual employee salaries as highly confidential in nature. Therefore, such information and/or any related information cannot be disclosed in this report.
	2-22 Statement on sustainable development strategy	Page nos. 58-63
	2-23 Policy commitments	Meralco's policies can be accessed through: https://company.meralco.com.ph/corporate-governance/policies-and-programs
	2-24 Embedding policy commitments	Meralco's policies can be accessed through:https://company.meralco.com.ph/corporate-governance/policies-and-programs
	2-25 Processes to remediate negative impacts	Page no. 226
	2-26 Mechanisms for seeking advice and raising concerns	Page no. 226
	2-27 Compliance with laws and regulations	No incidents of non-compliance were reported for the reporting year.
	2-28 Membership associations	Philippine Chamber of Commerce & Industry Management Association of the Philippines Federation of Philippine Industries Makati Business Club Employers Confederation of the Philippines American Chamber of Commerce of the Philippines Electric Vehicle Association of the Philippines Philippine Energy Efficiency Alliance Inc.

GRI STANDARD	DISCLOSURE	LOCATION AND/OR DIRECT ANSWERS
GRI 2: General Disclosures 2021	2-28 Membership associations	Philippine Solar and Storage Energy Alliance IT and Business Process Association of the Philippines Contact Centers Association of the Philippines Association of the Electricity Supply Industry of East Asia and Western Pacific Philippine Solar Power Alliance Inc. Philippine Management Association of the Philippines Toastmasters International Information Systems Audit and Control Association Institute of Corporate Directors Inc. UN Women Philippine Business Coalition for Women Empowerment United Nations Global Compact
	2-29 Approach to stakeholder engagement	Page nos. 46-47
	2-30 Collective bargaining agreements	Page nos. 146-148
GRI 3: Material Topics 2021	3-1 Process to determine material topics	Page nos. 46-47
	3-2 List of material topics	Affordability Accessibility Service Reliability & Safety Energy Transition Climate Change Mitigation Air Quality Water & Effluents Material Consumption & Waste Management Biodiversity Talent Attraction & Retention Labor & Human Rights Occupational Health & Safety Diversity, Equity & Inclusion Customer Enablement Innovation Digitalization & Cybersecurity Community Engagement Supply Chain Sustainability Business Ethics
	3-3 Management of material topics	Please refer to the repective sections of the report for further discussion on the management of material topics.
GRI 201: Economic Performance 2016	201-1 Direct economic value generated and distributed	Page no. 320
	201-2 Financial implications and other risks and opportunities due to climate change	Page nos. 110-117
	201-3 Defined benefit plan obligations and other retirement plans	Please refer to Meralco's Audited Financial Statements (https://meralco-main.s3.ap-southeast-1.amazonaws.com/2025-04/msrd_manila_electric_company_2024_17-a_report_and_sustainability_report.pdf)
	201-4 Financial assistance received from government	Please refer to Meralco's Audited Financial Statements (https://meralco-main.s3.ap-southeast-1.amazonaws.com/2025-04/msrd_manila_electric_company_2024_17-a_report_and_sustainability_report.pdf)
GRI 202: Market Presence 2016	202-1 Ratios of standard entry level wage by gender compared to local minimum wage	Not disclosed due to confidentiality constraints in relation to remuneration and pay.
	202-2 Proportion of senior management hired from the local community	Not applicable due to the Group only operating within one country (the Philippines)

GRI STANDARD	DISCLOSURE	LOCATION AND/OR DIRECT ANSWERS
GRI 203: Indirect Economic Impacts 2016	203-1 Infrastructure investments and services supported	Page nos. 184-187
	203-2 Significant indirect economic impacts	Page nos. 184-187
GRI 204: Procurement Practices 2016	204-1 Proportion of spending on local suppliers	Page no. 189
GRI 205: Anti-corruption 2016	205-1 Operations assessed for risks related to corruption	Page nos. 195, 225
	205-2 Communication and training about anti-corruption policies and procedures	Page nos. 196-197, 226
	205-3 Confirmed incidents of corruption and actions taken	Page no. 197
GRI 206: Anti-competitive Behavior 2016	206-1 Legal actions for anti-competitive behavior, anti-trust, and monopoly practices	Not applicable to Meralco as the company is a regulated entity with a legislative franchise allowing it to be the sole operator in its franchise area.
GRI 207: Tax 2019	207-1 Approach to tax	The organization does not have a publicly available tax strategy. However, matters related to tax are handled by the Finance Committee. The charter of Meralco's Finance Committee can be accessed at: https://meralcomain.s3.ap-southeast-1.amazonaws.com/images/ckeditor-documents/Finance%20Committee%20Charter%20Sgd_0.pdf
	207-2 Tax governance, control, and risk management	Matters related to tax are handled by the Finance Committee. The charter of Meralco's Finance Committee can be accessed at: https://meralcomain.s3.ap-southeast-1.amazonaws.com/images/ckeditor-documents/Finance%20Committee%20Charter%20Sgd_0.pdf
	207-3 Stakeholder engagement and management of concerns related to tax	Matters related to tax are handled by the Finance Committee. The charter of Meralco's Finance Committee can be accessed at: https://meralcomain.s3.ap-southeast-1.amazonaws.com/images/ckeditor-documents/Finance%20Committee%20Charter%20Sgd_0.pdf
	207-4 Country-by-country reporting	Not applicable as the scope of the report covers only the Group's operations within the Philippines. Pacific Light is only mentioned in the report as a major investment of the company but is not directly operated by Meralco.
GRI 301: Materials 2016	301-1 Materials used by weight or volume	Meralco does not operate any consumer goods businesses.
	301-2 Recycled input materials used	Meralco does not operate any consumer goods businesses.
	301-3 Reclaimed products and their packaging materials	Meralco does not operate any consumer goods businesses.
GRI 302: Energy 2016	302-1 Energy consumption within the organization	Page nos. 101-103
	302-2 Energy consumption outside of the organization	Page nos. 104-105
	302-3 Energy intensity	MWh consumption/revenues (in PhP million); 2024 energy intensity: 0.23 MWh/PhP million

GRI STANDARD	DISCLOSURE	LOCATION AND/OR DIRECT ANSWERS
GRI 302: Energy 2016	302-4 Reduction of energy consumption	Page no. 105
	302-5 Reductions in energy requirements of products and services	Page nos. 110-117
GRI 303: Water and Effluents 2018	303-1 Interactions with water as a shared resource	Page nos. 120-122
GRI 303: Water and Effluents 2018	303-2 Management of water discharge-related impacts	Page nos. 120-122
	303-3 Water withdrawal	Page no. 121
	303-4 Water discharge	Page no. 121
	303-5 Water consumption	Page no. 121
GRI 304: Biodiversity 2016	304-1 Operational sites owned, leased, managed in, or adjacent to, protected areas and areas of high biodiversity value outside protected areas	All of the Group's operational sites are outside protected areas and has been approved by the Philippine Department of Environment and Natural Resources.
	304-2 Significant impacts of activities, products and services on biodiversity	All of the Group's operational sites are outside protected areas and has been approved by the Philippine Department of Environment and Natural Resources.
	304-3 Habitats protected or restored	Discussed as part of the One Meralco Foundation's annual report.
	304-4 IUCN Red List species and national conservation list species with habitats in areas affected by operations	All of the Group's operational sites are outside protected areas and has been approved by the Philippine Department of Environment and Natural Resources.
GRI 305: Emissions 2016	305-1 Direct (Scope 1) GHG emissions	Page no. 101
	305-2 Energy indirect (Scope 2) GHG emissions	Page no. 104
	305-3 Other indirect (Scope 3) GHG emissions	Page no. 106
	305-4 GHG emissions intensity	Page no. 108
	305-5 Reduction of GHG emissions	Page nos. 60, 109
	305-6 Emissions of ozone-depleting substances (ODS)	Not applicable, the group does not have operations that involve the use of ozone depleting substances
	305-7 Nitrogen oxides (NOx), sulfur oxides (SOx), and other significant air emissions	Page nos. 118-119
GRI 306: Waste 2020	306-1 Waste generation and significant waste-related impacts	Page nos. 123-124
	306-2 Management of significant waste-related impacts	Page nos. 123-124
	306-3 Waste generated	Page nos. 295-297
	306-4 Waste diverted from disposal	Page nos. 295-297
	306-5 Waste directed to disposal	Page nos. 295-297

GRI STANDARD	DISCLOSURE	LOCATION AND/OR DIRECT ANSWERS
GRI 308: Supplier Environmental Assessment 2016	308-1 New suppliers that were screened using environmental criteria	Page no. 190
	308-2 Negative environmental impacts in the supply chain and actions taken	Negative environmental impacts in the supply chain have not yet been measured by the organization.
GRI 401: Employment 2016	401-1 New employee hires and employee turnover	Page no. 155
	401-2 Benefits provided to full-time employees that are not provided to temporary or part-time employees	Page nos. 132-145
	401-3 Parental leave	Page nos. 134-136
GRI 402: Labor/ Management Relations 2016	402-1 Minimum notice periods regarding operational changes	Page nos. 146-148
GRI 403: Occupational Health and Safety 2018	403-1 Occupational health and safety management system	Page no. 153
	403-2 Hazard identification, risk assessment, and incident investigation	Page nos. 150-152
	403-3 Occupational health services	Page nos. 149-153
	403-4 Worker participation, consultation, and communication on occupational health and safety	Page nos. 149-153
	403-5 Worker training on occupational health and safety	Page nos. 149-153
	403-6 Promotion of worker health	Page nos. 149-153
	403-7 Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	Page nos. 149-153
	403-8 Workers covered by an occupational health and safety management system	Page nos. 149-153
	403-9 Work-related injuries	Page no. 318
	403-10 Work-related ill health	Page no. 318

GRI STANDARD	DISCLOSURE	LOCATION AND/OR DIRECT ANSWERS
GRI 404: Training and Education 2016	404-1 Average hours of training per year per employee	Page no. 136
	404-2 Programs for upgrading employee skills and transition assistance programs	Page nos. 136-140
	404-3 Percentage of employees receiving regular performance and career development reviews	100% of employees in the group receive regular performance and career development reviews as part of the annual performance review process.
GRI 405: Diversity and Equal Opportunity 2016	405-1 Diversity of governance bodies and employees	Page nos. 154-158, 236-243
	405-2 Ratio of basic salary and remuneration of women to men	Page nos. 134, 154-158
GRI 406: Non-discrimination 2016	406-1 Incidents of discrimination and corrective actions taken	No incidents reported for the reporting year.
GRI 407: Freedom of Association and Collective Bargaining 2016	407-1 Operations and suppliers in which the right to freedom of association and collective bargaining may be at risk	No operations or suppliers are deemed to be at risk for the reporting year.
GRI 408: Child Labor 2016	408-1 Operations and suppliers at significant risk for incidents of child labor	No incidents reported and no evaluations for risk done yet.
GRI 409: Forced or Compulsory Labor 2016	409-1 Operations and suppliers at significant risk for incidents of forced or compulsory labor	No incidents reported and no evaluations for risk done yet.
GRI 410: Security Practices 2016	410-1 Security personnel trained in human rights policies or procedures	100% as human rights training is part of orientation and reorentation of all security personnel.
GRI 411: Rights of Indigenous Peoples 2016	411-1 Incidents of violations involving rights of indigenous peoples	No reported violations
GRI 413: Local Communities 2016	413-1 Operations with local community engagement, impact assessments, and development programs	Discussed as part of the One Meralco Foundation's annual report.
	413-2 Operations with significant actual and potential negative impacts on local communities	No operations with significant actual and potential negative impacts on local comunities.
GRI 414: Supplier Social Assessment 2016	414-1 New suppliers that were screened using social criteria	Page no. 190
	414-2 Negative social impacts in the supply chain and actions taken	No reported negative social impacts.
GRI 415: Public Policy 2016	415-1 Political contributions	Not applicable to Meralco as the company is a heavily regulated entity.

GRI STANDARD	DISCLOSURE	LOCATION AND/OR DIRECT ANSWERS
GRI 416: Customer Health and Safety 2016	416-1 Assessment of the health and safety impacts of product and service categories	Not applicable, as a utility, there are no health and safety impacts with the products/services of the company.
	416-2 Incidents of non-compliance concerning the health and safety impacts of products and services	No incidents reported.
GRI 417: Marketing and Labeling 2016	417-1 Requirements for product and service information and labeling	Not applicable, as a utility with a specific franchise, there is no requirement for specific products/services of the company.
	417-2 Incidents of non-compliance concerning product and service information and labeling	No incidents reported.
	417-3 Incidents of non-compliance concerning marketing communications	No incidents reported.
GRI 418: Customer Privacy 2016	418-1 Substantiated complaints concerning breaches of customer privacy and losses of customer data	No complaints received.
GRI G4 : Sector Specific Standards for Electric Utility Sector	EU12 Transmission and distribution losses as a percentage of total energy	Page no. 71
	EU28 Power outage frequency	Page no. 78
	EU29 Average power outage duration	Page no. 78



SASB CONTENT INDEX

TOPIC	ACCOUNTING METRIC	CATEGORY	UNIT OF MEASURE	CODE	PAGE NUMBER/ REMARKS
Greenhouse Gas Emissions & Energy Resource Planning	(1) Gross global Scope 1 emissions, (2) percentage covered under emissions-limiting regulations, and (3) emissions-reporting regulations	Quantitative	tCO_2e, Percentage (%)	IF-EU-110a.1	(1) Page no. 291 (2) None covered under emisions-limiting regulations (3) 100% covered under emissions reporting regulations
	Greenhouse gas (GHG) emissions associated with power deliveries	Quantitative	tCO_2e	IF-EU-110a.2	Page no. 106
	Discussion of long-term and short-term strategy or plan to manage Scope 1 emissions, emissions reduction targets, and an analysis of performance against those targets	Discussion and Analysis	N/A	IF-EU-110a.3	Page nos. 58-63
	(1) Number of customers served in markets subject to renewable portfolio standards (RPS) and (2) percentage fulfillment of RPS target by market	Quantitative	Number, Percentage (%)	IF-EU-110a.4	100% of customers are covered by RPS, for customer connections, please see page no. 74
Air Quality	Air emissions of the following pollutants: (1) NOx (excluding N2O), (2) SOx, (3) particulate matter (PM10), (4) lead (Pb), and (5) mercury (Hg); percentage of each in or near areas of dense population	Quantitative	Metric tons (t), Percentage (%)	IF-EU-120a.1	Page nos. 118-119
Water Management	(1) Total water withdrawn, (2) total water consumed, percentage of each in regions with high or extremely high baseline water stress	Quantitative	Thousand cubic meters (m^3), Percentage (%)	IF-EU-140a.1	(1) Page no. 121 (2) No water withdrawn in high or extremely high baseline water stress
	Number of incidents of non-compliance associated with water quantity and/or quality permits, standards, and regulations	Quantitative	Number	IF-EU-140a.2	Zero incidents
	Description of water management risks and discussion of strategies and practices to mitigate those risks	Discussion and Analysis	N/A	IF-EU-140a.3	Page nos. 120-122

TOPIC	ACCOUNTING METRIC	CATEGORY	UNIT OF MEASURE	CODE	PAGE NUMBER/ REMARKS
Coal Ash Management	Amount of coal combustion residuals (CCR) generated, percentage recycled	Quantitative	Metric tons (t), Percentage (%)	IF-EU-150a.1	276,446.07 MT, 56%
	Total number of coal combustion residual (CCR) impoundments, broken down by hazard potential classification and structural integrity assessment	Quantitative	Number	IF-EU-150a.2	3 CCR impoundments
Energy Affordability	Average retail electric rate for (1) residential, (2) commercial, and (3) industrial customers	Quantitative	Rate	IF-EU-240a.1	Page no. 71
	Typical monthly electric bill for residential customers for (1) 500 kWh and (2) 1,000 kWh of electricity delivered per month	Quantitative	Reporting currency	IF-EU-240a.2	(1) 500 kWh: PhP 6,310.79 (2) 1,000 kWh: PhP 12,632.53
	Number of residential customer electric disconnections for non-payment, percentage reconnected within 30 days	Quantitative	Number, Percentage (%)	IF-EU-240a.3	4,350,366, 95%
	Discussion of impact of external factors on customer affordability of electricity, including the economic conditions of the service territory	Discussion and Analysis	N/A	IF-EU-240a.4	Page nos. 71-72
Workforce Health & Safety	(1) Total recordable incident rate (TRIR), (2) fatality rate, and (3) near miss frequency rate (NMFR)	Quantitative	Rate	IF-EU-320a.1	LTIFR: 1.42 (Meralco DU)
End-Use Efficiency & Demand	Percentage of electric utility revenues from rate structures that (1) are decoupled and (2) contain a lost revenue adjustment mechanism (LRAM)	Quantitative	Percentage (%)	IF-EU-420a.1	Not applicable
	Percentage of electric load served by smart grid technology	Quantitative	Percentage (%), by megawatt hours (MWh)	IF-EU-420a.2	Not measured, page no. 85-86
	Customer electricity savings from efficiency measures, by market	Quantitative	Megawatt hours (MWh)	IF-EU-420a.3	5,206.6 MWh, Page no. 71
Nuclear Safety & Emergency Management	Total number of nuclear power units, broken down by U.S. Nuclear Regulatory Commission (NRC) Action Matrix Column	Quantitative	Number	IF-EU-540a.1	Not applicable to the Philippines
	Description of efforts to manage nuclear safety and emergency preparedness	Discussion and Analysis	N/A	IF-EU-540a.2	Not applicable to the Philippines

TOPIC	ACCOUNTING METRIC	CATEGORY	UNIT OF MEASURE	CODE	PAGE NUMBER/ REMARKS
Grid Resiliency	Number of incidents of non-compliance with physical and/or cybersecurity standards or regulations	Quantitative	Number	IF-EU-550a.1	No reported incidents
	(1) System Average Interruption Duration Index (SAIDI), (2) System Average Interruption Frequency Index (SAIFI), and (3) Customer Average Interruption Duration Index (CAIDI), inclusive of major event days	Quantitative	Minutes, Number	IF-EU-550a.2	Page no. 78
Activity Metrics	Number of: (1) residential, (2) commercial, and (3) industrial customers served	Quantitative	Number	IF-EU-000.A	Page no. 74
	Total electricity delivered to (1) residential, (2) commercial, (3) industrial, (4) all other customers, and (5) wholesale customers	Quantitative	Gigawatt hours (GWh)	IF-EU-000.B	Page no. 74
	Length of transmission and distribution lines	Quantitative	Spans	IF-EU-000.C	Meralco DU – 21,228 km Clark Electric – 558 km
	Total electricity generated, percentage by major energy source, percentage in regulated markets	Quantitative	Gigawatt hours (GWh), percentage (%)	IF-EU-000.D	14,179,918.69 MWh Coal: 56.70% Natural Gas: 38.65% Diesel: 0.29% Solar: 4.35% Page no. 90 100% in regulated markets
	Total wholesale electricity purchased	Quantitative	Gigawatt hours (GWh)	IF-EU-000.E	11,134,719 MWh (electricity purchased and then sold to DU Captive Customers)



IFRS CONTENT INDEX

Governance

(5) The objective of climate-related financial disclosures on governance is to enable users of general purpose financial reporting to understand the governance processes, controls and procedures used to monitor and manage climate-related risks and opportunities.	N.B.
(6) To achieve this objective, an entity shall disclose information about 6(a) the governance body(s) (which can include a board, committee or equivalent body charged with governance) or in dividual(s) responsible for oversight of climate-related risks and opportunities. Specifically, the entity shall identify that body(s) or individual(s) and disclose information about: (i) how responsibilities for climate-related risks and opportunities are reflected in the terms of reference, mandates, role descriptions and other related policies applicable to that body(s) or individual(s); (ii) how the body(s) or individual(s) determines whether appropriate skills and competencies are available or will be developed to oversee strategies designed to respond to climate-related risks and opportunities; (iii) how and how often the body(s) or individual(s) is in formed about climate-related risks and opportunities; (iv) how the body(s) or individual(s) takes into account climate-related risks and opportunities when overseeing the entity's strategy, its decisions on major transactions and its risk management processes and related policies, including whether the body(s) or individual(s) has considered trade-offs associated with those risks and opportunities; and (v) how the body(s) or individual(s) oversees the setting of targets related to climate-related risks and opportunities, and monitor progress towards targets, including whether and how related performance metrics are included in remuneration policies. 6(b) management's role in the governance processes, controls and procedures used to monitor, manage and oversee climate-related risks and opportunities, including information about: (i) whether the role is delegated to a specific management-level position or management-level committee and how oversight is exercised over that position or committee; and (ii) whether management uses controls and procedures to support the oversight of climate-related risks and opportunities and, if so, how these controls and procedures are integrated with other internal functions.	6(a) and 6(b). See "IFRS Pillar: Governance" in the "Special Section: Climate-related Disclosures" on Page 111.
(7) In preparing disclosures to fulfil the requirements in paragraph 6, an entity shall avoid unnecessary duplication in accordance with IFRS S1 General Requirements for Disclosure of Sustainability-related Financial Information (IFRS S1) (see paragraph B42(b) of IFRS S1). For example, although an entity shall provide the information required by paragraph 6, if oversight of sustainability-related risks and opportunities is managed on an integrated basis, the entity would avoid duplication by providing integrated governance disclosures instead of separate disclosures for each sustainability-related risk and opportunity.	N.B.



Strategy

(8) The objective of climate-related financial disclosures on strategy is to enable users of general purpose financial reporting to understand an entity's strategy for managing climate-related risks and opportunities.	N.B.
9) Specifically, an entity shall disclose information to enable users of general purpose financial reports to understand: 9(a) the climate-related risks and opportunities that could reasonably be expected to affect the entity's prospects; 9(b) the current and anticipated effects of those climate-related risks and opportunities on the entity's business model and value chain; 9(c) the effects of those climate-related risks and opportunities on the entity's strategy and decision-making, including information about its climate-related transition plan; 9(d) the effects of those climate-related risks and opportunities on the entity's financial position, financial performance and cash flows for the reporting period, and their anticipated effects on the entity's financial position, financial performance and cash flows over the short, medium and long term, taking into consideration how those climate-related risks and opportunities have been factored into the entity's financial planning; and 9(e) the climate resilience of the entity's strategy and its business model to climate-related changes, developments and uncertainties, taking into consideration the entity's identified climate-related risks and opportunities. **Climate-related risks and opportunities** (10) An entity shall disclose information that enables users of general purpose financial reporting to understand the climate-related risks and opportunities that could reasonably be expected to affect the entity's prospects. Specifically, the entity shall: 10(a) describe climate-related risks and opportunities that could reasonably be expected to affect the entity's prospects; 10(b) explain, for each climate-related risk the entity has identified, whether the entity considers the risk to be a climate-related physical risk or climate-related transition risk; 10(c) specify, for each climate-related risk and opportunity the entity has identified, over which time horizons - short, medium or long term - the effects of each climate-related risk and opportunity could reasonably be expected to occur; and 10(d) explain how the entity defines 'short term', 'medium term' and 'long term' and how these definitions are linked to the planning horizons used by the entity for strategic decision-making. (11) In identifying the climate-related risks and opportunities that could reasonably be expected to affect an entity's prospects, the entity shall use all reasonable and supportable information that is available to the entity at the reporting date without undue cost or effort, including information about past events, current conditions and forecasts of future conditions. (12) In identifying the climate-related risks and opportunities that could reasonably be expected to affect an entity's prospects, the entity shall refer to and consider the applicability of the industry-based disclosure topics defined in the Industry-based Guidance on Implementing IFRS S2.	See "IFRS Pillar: Strategy" in the "Special Section: Climate-related Disclosures" on Pages 111-116.



Business model and value chain
(13) An entity shall disclose information that enables users of general purpose financial reports to understand the current and anticipated effects of climate-related risks and opportunities on the entity's business model and value chain. Specifically, the entity shall disclose:
13(a) a description of the current and anticipated effects of climate-related risks and opportunities on the entity's business model and value chain; and
13(b) a description of where in the entity's business model and value chain climate-related risks and opportunities are concentrated.

Strategy and decision-making
(14) An entity shall disclose information that enables users of general purpose financial reporting to understand the effects of climate-related risks and opportunities on its strategy and decision-making. Specifically, the entity shall disclose:
14(a) information about how the entity has responded to, and plans to respond to, climate-related risks and opportunities in its strategy and decision-making, including how the entity plans to achieve any climate-related targets it has set and any targets it is required to meet by law or regulation. Specifically, the entity shall disclose information about:
(i) current and anticipated changes to the entity's business model, including its resource allocation, to address climate-related risks and opportunities;
(ii) current and anticipated direct mitigation and adaptation efforts;
(iii) current and anticipated indirect mitigation and adaptation efforts;
(iv) any climate-related transition plan the entity has, including information about key assumptions used in developing its transition plan, and dependencies on which the entity's transition plan relies; and
(v) how the entity plans to achieve any climate-related targets, including any greenhouse gas emissions targets, described in accordance with paragraphs 33–36.
14(b) information about how the entity is resourcing, and plans to resource, the activities disclosed in accordance with paragraph 14(a).
14(c) quantitative and qualitative information about the progress of plans disclosed in previous reporting periods in accordance with paragraph 14(a).

Financial position, financial performance and cash flows
(15) An entity shall disclose information that enables users of general purpose financial reporting to understand:
15(a) the effects of climate-related risks and opportunities on the entity's financial position, financial performance and cash flows for the reporting period (current financial effects);
15(b) the anticipated effects of climate-related risks and opportunities on the entity's financial position, financial performance and cash flows over the short, medium and long term, taking into consideration how climate-related risks and opportunities are included in the entity's financial planning (anticipated financial effects).

See "IFRS Pillar: Strategy" in the "Special Section: Climate-related Disclosures" on Pages 111-116.



(16) Specifically, an entity shall disclose quantitative and qualitative information about:
16(a) how climate-related risks and opportunities have affected its financial position, financial performance and cash flows for the reporting period;
16(b) the climate-related risks and opportunities identified in paragraph 16(a) for which there is a significant risk of a material adjustment within the next annual reporting period to the carrying amounts of assets and liabilities reported in the related financial statements;
16(c) how the entity expects its financial position to change over the short, medium and long term, given its strategy to manage climate-related risks and opportunities, taking into consideration:
(i)its investment and disposal plans (for example, plans for capital expenditure, major acquisitions and divestments, joint ventures, business transformation, innovation, new business areas, and asset retirements), including plans the entity is not contractually committed to; and
(ii)its planned sources of funding to implement its strategy; and
16(d) how the entity expects its financial performance and cash flows to change over the short, medium and long term, given its strategy to manage climate-related risks and opportunities.

(17) In providing quantitative information, an entity may disclose a single amount or a range.

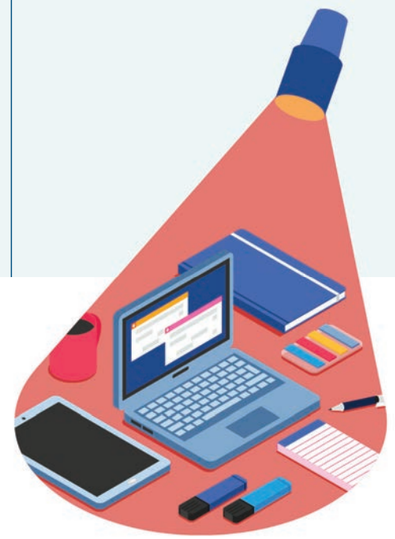
(18) In preparing disclosures about the anticipated financial effects of a climate related risk or opportunity, an entity shall:
18(a) use all reasonable and supportable information that is available to the entity at the reporting date without undue cost or effort; and
18(b) use an approach that is commensurate with the skills, capabilities and resources that are available to the entity for preparing those disclosures.

(19) An entity need not provide quantitative information about the current anticipated financial effects of a climate-related risk or opportunity if the entity determines that:
19(a) those effects are not separately identifiable; or
19(b) the level of measurement uncertainty involved in estimating those effects is so high that the resulting quantitative information would not be useful.

(20) In addition, an entity need not provide quantitative information about the anticipated financial effects of a climate-related risk or opportunity if the entity does not have the skills, capabilities or resources to provide that quantitative information.

(21) If an entity determines that it need not provide quantitative information about the current or anticipated financial effects of a climate-related risk opportunity applying the criteria set out in paragraphs 19–20, the entity shall
21(a) explain why it has not provided quantitative information;
21(b) provide qualitative information about those financial effects, including identifying line items, totals and subtotals within the related financial statements that are likely to be affected, or have been affected, by that climate-related risk or opportunity; and
21(c) provide quantitative information about the combined financial effects of that climate-related risk or opportunity with other climate-related risks or opportunities and other factors unless the entity determines that quantitative information about the combined financial effects would not be useful.

See "IFRS Pillar: Strategy" in the "Special Section: Climate-related Disclosures" on Pages 111-116.



(22) An entity shall disclose information that enables users of general purpose financial reporting to understand the resilience of the entity's strategy and business model to climate-related changes, developments and uncertainties, taking into consideration the entity's identified climate-related risks and opportunities. The entity shall use climate-related scenario analysis to assess its climate resilience using an approach that is commensurate with the entity's circumstances. In providing quantitative information, the entity may disclose a single amount or a range. Specifically, the entity shall disclose:: 22(a) the entity's assessment of its climate resilience as at the reporting date, which shall enable users of general purpose financial reports to understand: (i) the implications, if any, of the entity's assessment for its strategy and business model, including how the entity would need to respond to the effects identified in the climate-related scenario analysis; (ii) the significant areas of uncertainty considered in the analysis of climate resilience; (iii) the entity's capacity to adjust or adapt its strategy and business model to climate change over the short, medium and long term, including: (1) the availability of, and flexibility in, the entity's existing financial resources to respond to the effects identified in the climate-related scenario analysis, including to address climate-related risks and to take advantage of climate-related opportunities; (2) the entity's ability to redeploy, repurpose, upgrade or decommission existing assets; and (3) the effect of the entity's current or planned investments in climate-related mitigation, adaptation or opportunities for climate resilience; and 22(b) how and when the climate-related scenario analysis was carried out, including: (i) information about the inputs the entity used, including: (1) which climate-related scenarios the entity used for the analysis and the sources of those scenarios; (2) whether the analysis included a diverse range of climate-related scenarios; (3) whether the climate-related scenarios used for the analysis are associated with climate-related transition risks or climate-related physical risks; (4) whether the entity has used, among its scenarios, a climate-related scenario aligned with the latest international agreement on climate change; (5) why the entity decided that its chosen climate-related scenarios are relevant to assessing its resilience to climate-related changes, developments or uncertainties; (6) the time horizons the entity used in the analysis; and (7) what scope of operations the entity used in the analysis; (ii) the key assumptions the entity made in the analysis, including assumptions about: (1) climate-related policies in the jurisdictions in which the entity operates; (2) macroeconomic trends; (3) national- or regional-level variables; (4) energy usage and mix; and (5) developments in technology; and (iii) the reporting period in which the climate-related scenario analysis was carried out.	See "IFRS Pillar: Strategy" in the "Special Section: Climate-related Disclosures" on Pages 111-116.
(23) In preparing disclosures to meet the requirements in paragraphs 13–22, an entity shall refer to and consider the applicability of cross-industry metric categories, as described in paragraph 29, and industry-based metrics associated with disclosure topics defined in the Industry-based Guidance on Implementing IFRS S2 as described in paragraph 32.	See "IFRS Pillar: Metrics and Targets" in the "Special Section: Climate-related Disclosures"on Page 117.

Risk Management

(24) The objective of climate-related financial disclosures on risk management is to enable users of general purpose financial reports to understand an entity's processes toidentify, assess, prioritise and monitor climate-related risks and opportunities, including whether and how those processes are integrated into and inform the entity's overall risk management process. (25) To achieve this objective, an entity shall disclose information about: 25(a) the processes and related policies the entity uses to identify, assess, prioritise and monitor climate-related risks, including information about: (i) the inputs and parameters the entity uses; (ii) whether and how the entity uses climate-related scenario analysis to inform its identification of climate-related risks; (iii)how the entity assesses the nature, likelihood and magnitude of the effects of those risks; (iv) whether and how the entity prioritises climate-related risks relative to other types of risk; (v)how the entity monitors climate-related risks; and (vi) whether and how the entity has changed the processes it uses compared with the previous reporting period; 25(b) the processes the entity uses to identify, assess, prioritise and monitor climate-related opportunities, including information about whether and how the entity uses climate-related scenario analysis to inform its identification of climate-related opportunities; and 25(c) the extent to which, and how, the processes for identifying, assessing, prioritising and monitoring climate-related risks and opportunities are integrated into and inform the entity's overall risk management process.	See "IFRS Pillar: Risk Management" in the "Special Section: Climate-related Disclosures" on Page 117.
In preparing disclosures to fulfil the requirements in paragraph 25, an entity shall avoid unnecessary duplication in accordance with IFRS S1 (see paragraph B42(b) of IFRS S1). For example, although an entity shall provide the information required by paragraph 25, if oversight of sustainability- related risks and opportunities is managed on an integrated basis, the entity would avoid duplication by providing integrated risk management disclosures instead of separate disclosures for each sustainability-related risk and opportunity.	N.B.



Metrics and Targets

(27) The objective of climate-related financial disclosures on metrics and targets is to enable users of general purpose financial reports to understand an entity's performance in relation to its climate-related risks and opportunities, including progress towards any climate-related targets it has set, and any targets it is required to meet by law or regulation. (28) To achieve this objective, an entity shall disclose: 28(a) information relevant to the cross-industry metric categories; 28(b) industry-based metrics that are associated with particular business models, activities or other common features that characterise participation in an industry (see paragraph 32); and 28(c) targets set by the entity, and any targets it is required to meet by law or regulation, to mitigate or adapt to climate-related risks or take advantage of climate-related opportunities, including metrics used by the governance body or management to measure progress towards these targets.	See "IFRS Pillar: Metrics and Targets" in the "Special Section: Climate-related Disclosures" on Page 117. 28(a) and 28(b): See (23) above 28(c): Climate Change Mitigation, page no. 100-109
Climate-related metrics (29) An entity shall disclose information relevant to the cross-industry metric categories of: 29(a) greenhouse gas emissions - the entity shall disclose: (i) disclose its absolute gross greenhouse gas emissions generated during the reporting period, expressed as metric tonnes of CO2 equivalent, classified as: (1) Scope 1 greenhouse gas emissions; (2) Scope 2 greenhouse gas emissions; and (3) Scope 3 greenhouse gas emissions; (iii) disclose the approach it uses to measure its greenhouse gas emissions including: (1) the measurement approach, inputs and assumptions the entity uses to measure its greenhouse gas emissions; (2) the reason why the entity has chosen the measurement approach, inputs and assumptions it uses to measure its greenhouse gas emissions; and (3) any changes the entity made to the measurement approach, inputs and assumptions during the reporting period and the reasons for those changes; (iv) for Scope 1 and Scope 2 greenhouse gas emissions disclosed in accordance with paragraph 29(a)(i)(1)-(2), disaggregate emissions between: (1) the consolidated accounting group; and (2) other investees excluded from paragraph 29(a)(iv)(1); (v) for Scope 2 greenhouse gas emissions disclosed in accordance with paragraph 29(a)(i)(2), disclose its location-based Scope 2 greenhouse gas emissions, and provide information about any contractual instruments that is necessary to inform users' understanding of the entity's Scope 2 greenhouse gas emissions; and (vi) for Scope 3 greenhouse gas emissions disclosed in accordance with paragraph 29(a)(i)(3), disclose: (1) the categories included within the entity's measure of Scope 3 greenhouse gas emissions, in accordance with the Scope 3 categories described in the Greenhouse Gas Protocol Corporate Value Chain (Scope 3) Accounting and Reporting Standard (2011); and (2) additional information about the entity's Category 15 greenhouse gas emissions or those associated with its investments (financed emissions); 29(b) climate-related transition risks—the amount and percentage of assets or business activities vulnerable to climate-related transition risks; 29(c) climate-related physical risks—the amount and percentage of assets or business activities vulnerable to climate-related physical risks; 29(d) climate-related opportunities—the amount and percentage of assets or business activities aligned with climate-related opportunities; 29(e) capital deployment—the amount of capital expenditure, financing or investment deployed towards climate-related risks and opportunities;	29(a): See (23) and Climate Change Mitigation, page no. 100-109 29(b) and 29(c): Quantitative results to be disclosed in future reports 29(d) and 29(e): See "IFRS Pillar: Strategy" in the "Special Section: Climate-related Disclosures" on Pages 111-116. 29(f): No internal carbon price 29(g): See "IFRS Pillar: Governance" in the "Special Section: Climate-related Disclosures" on Page 111.

29(f) internal carbon prices – the entity shall disclose: (i) an explanation of whether and how the entity is applying a carbon price in decision-making; and (ii) the price for each metric tonne of greenhouse gas emissions that the entity uses to assess the costs of its greenhouse gas emissions; 29(g) remuneration – the entity shall disclose: (i) a description of whether and how climate-related considerations are factored into executive remuneration; and (ii) the percentage of executive management remuneration recognised in the current period that is linked to climate-related considerations.	
(30) In preparing disclosures to meet the requirements in paragraph 29(b)–(d), an entity shall use all reasonable and supportable information that is available to the entity at the reporting date without undue cost or effort. (31) In preparing disclosures to meet the requirements in paragraph 29(b)–(g), an entity shall refer to paragraphs B64–B65.	N.B.
(32) An entity shall disclose industry-based metrics that are associated with one or more particular business models, activities or other common features that characterise participation in an industry. In determining the indutry-based metrics that the entity discloses, the entity shall refer to and consider the applicability of the industry-based metrics associated with disclosure topics described in the Industry-based Guidance on Implementing IFRS S2.	See (23).
Climate-related targets (33) An entity shall disclose the quantitative and qualitative climate-related targets it has set to monitor progress towards achieving its strategic goals, and any targets it is required to meet by law or regulation, including any greenhouse gas emissions targets. For each target, the entity shall disclose: 33(a) the metric used to set the target; 33(b) the objective of the target; 33(c) the part of the entity to which the target applies; 33(d) the period over which the target applies; 33(e) the base period from which progress is measured; 33(f) any milestones and interim targets; 33(g) if the target is quantitative, whether it is an absolute target or an intensity target; and 33(h) how the latest international agreement on climate change, including jurisdictional commitments that arise from that agreement, has informed the target (34) An entity shall disclose information about its approach to setting and reviewing each target, and how it monitors progress against each target, including: 34(a) whether the target and the methodology for setting the target has been validated by a third party; 34(b) the entity's processes for reviewing the target; 34(c) the metrics used to monitor progress towards reaching the target; and 34(d) any revisions to the target and an explanation for those revisions. (35) An entity shall disclose information about its performance against each climate-related target and an analysis of trends or changes in the entity's performance.	See "IFRS Pillar: Metrics and Targets" in the "Special Section: Climate-related Disclosures" on Page 117.



(36) For each greenhouse gas emissions target disclosed in accordance with paragraphs 33–35, an entity shall disclose: 36(a) which greenhouse gases are covered by the target. 36(b) whether Scope 1, Scope 2 or Scope 3 greenhouse gas emissions are covered by the target. 36(c) whether the target is a gross greenhouse gas emissions target or net greenhouse gas emissions target. If the entity discloses a net greenhouse gas emissions target, the entity is also required to separately disclose its associated gross greenhouse gas emissions target. 36(d) whether the target was derived using a sectoral decarbonisation approach. 36(e) the entity's planned use of carbon credits to offset greenhouse gas emissions to achieve any net greenhouse gas emissions target. In explaining its planned use of carbon credits the entity shall disclose information including: (i) the extent to which, and how, achieving any net greenhouse gas emissions target relies on the use of carbon credits; (ii) which third-party scheme(s) will verify or certify the carbon credits; (iii) the type of carbon credit, including whether the underlying offset will be nature-based or based on technological carbon removals, and whether the underlying offset is achieved through carbon reduction or removal; and (iv) any other factors necessary for users of general purpose financial reports to understand the credibility and integrity of the carbon credits the entity plans to use.	
In identifying and disclosing the metrics used to set and monitor progress towards reaching a target described in paragraphs 33–34, an entity shall refer to and consider the applicability of cross-industry metrics (see paragraph 29) and industry-based metrics (see paragraph 32), including those described in an applicable IFRS Sustainability Disclosure Standard, or metrics that otherwise satisfy the requirementsin IFRS S1.	N.B.



LIST OF ABBREVIATIONS

Abbreviation	Definition
4Ps	Power, Planet, People, and Prosperity
ACGS	ASEAN Corporate Governance Scorecard
ADMS	Advanced Distribution Management System
AI	artificial intelligence
AIUs	Assisting Investigative Units
AMI	Advanced Metering Infrastructure
ANA	Advanced Network Automation
ASPA	Ancillary Services Procurement Agreement
BAU	business-as-usual
Bayad	CIS Bayad Center, Inc.
BCDA	Bases Conversion and Development Authority
BESS	battery energy storage system
BBS	behavior-based safety
CAIDI	Customer Average Interruption Duration Index
CapEx	capital expenditure
CBA	Collective bargaining agreement
CCNI	consolidated core net income
CCTP+D	Customer Centricity Transformation Program + Digitalization
CEDC	Cebu Energy Development Corporation
CEO	Chief Executive Officer

Abbreviation	Definition
CFB	circulating fluidized bed
CFS	Customer Frontline Solutions, Inc.
CGHI	Chromite Gas Holdings, Inc.
CG Manual	Manual of Corporate Governance
CGO	Corporate Governance Office
Clark Electric	Clark Electric Distribution Corporation
CO_2	carbon dioxide
Comstech	Comstech Integration Alliance, Inc.
COREC	Code on Right Employee Conduct
CSEZ	Clark Special Economic Zone
CSP	competitive selection process
CSR	corporate social responsibility
CSG	Cyber Security Group
CSI	Customer Satisfaction Index
CXIS	Customer Experience Innovation Summit
DEI	diversity, equity, and inclusion
DENR	Department of Environment and Natural Resources
DER	distributed energy resources
DMS	Distribution Management System
DNV Singapore	DNV Business Assurance Singapore Pte. Ltd.
DOE	Department of Energy
DOLE	Department of Labor and Employment
DORI	Digital Official Receipt Issuance
DPO	Data Privacy Office
DSA	Digital Service Application

Abbreviation	Definition
DT	distribution transformer
DU	Distribution Utility
EBITDA	Earnings Before Interest, Taxes, Depreciation, and Amortization
ECP	electrical capital project
EERI	Excellent Energy Resources Inc.
ENCORE	Exploring Natural Capital Opportunities, Risks and Exposure
EPC	engineering, procurement, and construction
ERC	Energy Regulatory Commission
ESG	environmental, social, and governance
ESH	Environment, Safety & Health
EV	electric vehicle
FISSION	Filipino Scholars and Interns on Nuclear Engineering
FLAMES	First Line Association of Meralco Supervisory Employees
G20	Group of 20
GDP	gross domestic product
GEOP	Green Energy Option Program
GESC	Global Energy Supply Corporation
GETI	Global Energy Talent Index
GHG	greenhouse gas
GRI	Global Reporting Initiative
GWh	gigawatt-hour
HEP	Household Electrification Program
Hg	mercury
I-ACGR	Integrated Annual Corporate Governance Report
<IR> Framework	International Integrated Reporting Framework

Abbreviation	Definition
ICE	internal combustion engine
ICT	Information, Communications, Technology, and Transformation
IFRS	International Financial Reporting Standards
IFRS S2	IFRS Sustainability Disclosure Standard S2 Climate-related Disclosures
IPIEC	Ilijian Primeline Industrial Estate Corp.
IPTV	Internet Protocol television
IR	Integrated Report
ISO	International Organization for Standardization
IT	information technology
JVA	joint venture agreement
KEPCO	Korea Electric Power Corporation
KPI	key performance indicator
kWh	kilowatt-hour
L&D	learning and development
LED	light-emitting diode
LFC	Linseed Field Corp.
LFP	lithium iron phosphate
LGU	local government unit
LLM	large language model
LNG	liquified natural gas
LPIP	Lightning Protection Improvement Program
LRES	local retail electricity supply
LTI	lost time injury
LTIFR	Lost Time Injury Frequency Rate
LTSS	Long-Term Sustainability Strategy

Abbreviation	Definition
MA	miscellaneous allocation
MBI	MIESCOR Builders Inc.
MDP	Meralco Data Platform
MEP	Meralco Ecozone Power
MEPF	mechanical, electrical, plumbing, and fire protection
Meralco	Manila Electric Company
MEWA	Meralco Employees and Workers Association
MGEN	Meralco PowerGen Corporation
MGreen	MGen Renewable Energy, Inc.
MIDAS	Meralco Interactive Data Assistant
MIDC	MIESCOR Infrastructure Development Corporation
MIESCOR	Meralco Industrial Engineering Services Corporation
MINT Cynergy	Meralco Intelligence Cyber Security Synergy
MLI	MIESCOR Logistics Inc.
MLTC	Meralco Lineman Training Curriculum
MobSol	Mobility Solutions on Field Services
MRF	materials recovery facility
MS^3	Meralco Supplier Sustainability Scorecard
MSERV	Meralco Energy, Inc.
MSpectrum	MSpectrum, Inc.
MtCO_2e	megatonnes of carbon dioxide equivalent
MThermal	Global Business Power Corporation
MW	megawatt
MWP	megawatt peak
MWMS	Mobile Workforce Management System

Abbreviation	Definition
NCC	New Clark City
NCSP	National Cybersecurity Plan
NEO	natural ester oil
NEST	Nuclear Energy Strategic Transition
NGCP	National Grid Corporation of the Philippines
NPC	National Privacy Commission
NSEC	Nuevo Solar Energy Corporation
O&M	operation and maintenance
OECD	Organisation for Economic Co-operation and Development
OFT	One for Trees
OHS	occupational health and safety
OMF	One Meralco Foundation
OMS	Outage Management System
OPI	Orange Plug-in
OR	official receipt
OT	operational technology
Pb	lead
PCAB	Philippine Contractor Accreditation Board
PEDC	Panay Energy Development Corporation
PEE	professional electrical engineer
PFRS	Philippine Financial Reporting Standards
PFRSC	Philippine Financial Reporting Standards Council
PHRI	PH Renewables, Inc.
PLC	publicly listed company
PLP	PacificLight Power Pte. Ltd.

Abbreviation	Definition
POGO	Philippine offshore gaming operator
POP	persistent organic pollutant
PSA	power supply agreement
PV	photovoltaic
Radius	Radius Telecoms, Inc.
RE	renewable energy
RCEP	Resource Conservation and Efficiency Program
RES	retail eletricity supplier
RPS	Renewable Portfolio Standards
RZW	Race to Zero Waste
SAIDI	System Average Interruption Duration Index
SAIFI	System Average Interruption Frequency Index
SASB	Sustainability Accounting Standards Board
SBPL	San Buenaventura Power Ltd.
SBR	sequencing batch reactor
SCADA	Supervisory Control and Data Acquisition
SDG	Sustainable Development Goal
SEC	Securities and Exchange Commission
SEP	School Electrification Program
SF_6	sulfur hexafluoride
SGV	SyCip Gorres Velayo & Co.
Shin Clark	Shin Clark Power Holdings, Inc.
SMGP	SMC Global Power Holdings Corp.
SMR	small modular reactors
SOGIESC	sexual orientation, gender identity and expression, and sex characteristics

Abbreviation	Definition
Solar-DER	Solar-Distributed Energy Resources
SPNEC	SP New Energy Corporation
SPPC	South Premiere Power Corp.
STP	sewage treatment plant
SUP	single-use plastics
T&D	transmission and distribution
TCFD	Task Force on Climate-related Financial Disclosures
TESDA	Technical Education and Skills Development Authority
TNGP	Therma NatGas Power Inc.
TPC	Toledo Power Company
TSPI	Terra Solar Philippines, Inc.
TTF	tertiary treatment facility
UN	United Nations
UNEP FI	United Nations Environment Programme Finance Initiative
Vantage Energy	Vantage Energy Solutions and Management, Inc.
VOC	volatile organic pollutant
VRLA	valve-regulated lead-acid
WBCSD	World Business Council for Sustainable Development
WEPs	Women's Empowerment Principles
WESM	Wholesale Electricity Spot Market
WRI	World Resources Institute

Contact Information:

Your comments and insights are valuable to One Meralco. Any feedback on this report and matters pertaining to the Group's financial and non-financial performance may be addressed to:

INVESTOR RELATIONS OFFICE
6/F Lopez Building, Meralco Center, Ortigas Avenue, Barangay Ugong, Pasig City, 1605 Philippines
Telephone: +632 8632 8771
Email: investor.relations@meralco.com.ph

CORPORATE COMPLIANCE OFFICE
G/F, Lopez Building, Meralco Center
Ortigas Avenue, Brgy. Ugong
Pasig City, 1605 Philippines
Telephone:
+632 8632 8884
+632 8632 8883
+632 8632 8765
+632 8632 8616
+632 1622 2183 +632 1622 2731
Fax:
+632 8632 8885
Email: corporate.compliance@meralco.com.ph and stockholder.affairs@meralco.com.ph

CORPORATE SUSTAINABILITY OFFICE
12/F Lopez Building, Meralco Center, Ortigas Avenue, Barangay Ugong, Pasig City, 1605 Philippines
Telephone: +632 1622 3552
Email: group.sustainability.office@meralco.com.ph

Acknowledgments:

Concept and Design: Octopus and Whale
Editorial: Sedgwick Richardson and Marsh Advisory
Photography: Wig Tysmans and Unitel Straight Shooters Media, Inc.

