

Building the Dream

Powering Possibility



Table of Contents

Contextual Information

COMPANY DETAILS	
Name of Organization	Alternergy Holdings Corporation Debuted at the Philippine Stock Exchange (PSE) as the first initial public offering (IPO) of 2023. PSE Ticker Code: ALTER. For additional information, please refer to our website at www.alternergy.com .
Location of Headquarters	Level 3B, 111 Paseo de Roxas Building, Paseo de Roxas Avenue, Legaspi Village, Makati City 1229, Philippines
Location of Operations	Operations are conducted within the Company's headquarters or principal office above. Subsidiaries' operations are conducted in the different project sites.
Report Boundary	Alternergy Holdings Corporation and its subsidiaries and affiliates
Business Model, including Primary Activities, Brands, Products, and Services	Alternergy Holdings Corporation ("ALTER") is a renewable energy holding company with a diversified 'Triple Play' portfolio, composed of investee companies engaged in wind, run-of-river hydro, solar (both utility-scale farms and commercial rooftop), and battery energy storage power projects.
Reporting Period	01 July 2024 to 30 June 2025
Highest Ranking Person responsible for this Report	Vicente S. Pérez, Jr., Co-founder & Chairperson

About this
Report &
Material Topics

01
Governance &
Ethics

02
People: At the
Heart of the
Dream

05
Performance
Data

03
Planet: The
Ground Beneath
the Dream

06
UN SDG
Alignment

04
Purpose: The
Meaning Behind
the Megawatts

Appendices

About this Report

This is ALTER's third Sustainability Report as a publicly listed company, and it comes at a time of visible momentum.

Our theme this year, "*Building the Dream. Powering Possibility.*" speaks to the transition we are in. We are no longer just laying the groundwork. We are rising — constructing projects, formalizing policies, deepening our governance, and strengthening the culture that will carry us forward.

This report covers the period from July 1, 2024 to June 30, 2025, and reflects the values that continue to shape our identity. Across every page, you will find how our commitment to People, Planet, and Purpose has guided both day-to-day decisions and long-term strategy. These pillars are not aspirational. They are operational, embedded in how we grow, how we lead, and how we remain accountable.

Together with our subsidiaries and affiliates (collectively referred to as ALTER or the Company), we continue to pioneer renewable energy development in the Philippines. But more than building infrastructure, we are building systems, relationships, and cultures that reflect the kind of future we want to help create.

This report is submitted in compliance with regulatory requirements and in accordance with our commitment to transparent, ethical, and sustainable business practices.

Reporting Frameworks

This report has been prepared in accordance with the 2021 Global Reporting Initiative (GRI) Standards and complies with the Securities and Exchange Commission (SEC) Memorandum Circular No. 4, Series of 2019: Sustainability Reporting Guidelines for Publicly Listed Companies.

We have also mapped our programs, initiatives, and outcomes to the 17 United Nations Sustainable Development Goals (UN SDGs), reflecting our continued alignment with global sustainability ambitions.

Where applicable, this report incorporates references to national and local laws, rules, and regulations related to environmental, social, and occupational health and safety standards. At this time, the report has not been externally assured.

Reporting Entity and Period

This report presents sustainability disclosures for Alternergy Holdings Corporation and its subsidiaries and affiliates engaged in wind, solar, run-of-river hydro, and battery energy storage development and operations. The reporting period covers the financial year ending 30 June 2025.

Review & Accountability

All disclosures in this report have been reviewed and validated by ALTER's Sustainability Committee and our Chief Sustainability Officer. While external assurance is not yet required under current SEC guidelines, we are preparing for limited assurance of key indicators beginning 2027 in line with the phased implementation of PFRS S1/S2.

We continue to strengthen our internal systems for data validation, risk oversight, and stakeholder accountability. Sustainability is embedded not just in our projects, but in how we govern ourselves.

No restatements have been made from our 2024 Sustainability Report.

Forward-Looking Statements

This report includes projections, strategic goals, and forward-looking statements based on available data and current expectations. These statements are inherently subject to change due to regulatory shifts, market conditions, climate events, or other factors beyond our control. Where applicable, we indicate assumptions and scenarios used.



On September 3, 2025, Alternergy's Board appointed Atty. Ina Arriola as Chief Sustainability Officer (CSO). She now leads the Company's expanding ESG portfolio, championing mental wellness through *#RenewWell*, gender equity and inclusion and employee skills development through *#AlterEmpowered*, and community resilience through *KAHALIGI*, while also steering climate action, responsible supply chains, and sustainability reporting.



What's New in this Report

Our 2025 report introduces several key enhancements:

- A clearer articulation of how our work contributes to national and global goals, including the Philippines' 2030 renewable energy targets and the United Nations Sustainable Development Goals (SDGs).



- A thematic approach:



is more than a slogan. It captures the energy of a company growing not just in capacity, but in purpose, delivering clean power while building trust, relationships, and the infrastructure for a more inclusive future.

- A shift from the traditional PROFIT–PLANET–PEOPLE framework to our refreshed and values-driven lens: **PEOPLE–PLANET–PURPOSE.**

Because we believe that energy transformation begins with people, thrives through environmental stewardship, and endures through shared goals and meaningful impact.



Materiality Process

Alternergy Holdings Corporation follows a structured, stakeholder-informed process to determine and manage its material sustainability topics. This process is aligned with the Securities and Exchange Commission (SEC) Sustainability Reporting Guidelines for Publicly Listed Companies (PLCs), the Global Reporting Initiative (GRI) Standards, and our own Quadruple Bottom Line (QBL) framework, which prioritizes People, Planet, Purpose, and Responsible Profit.

To determine relevant topics, we reviewed:

- SEC and GRI sector-specific disclosures for the energy and utilities sector
- Our compliance obligations under DOE, DENR, and DOLE regulations
- Industry-wide risks and opportunities related to the energy transition
- Our strategic business objectives, particularly around our “Triple Play” model of wind, solar, and run-of-river hydro
- Emerging issues such as gender sensitivity, supply chain labor ethics, and data security

ALTER’s materiality process is informed by national and sectoral developments in the Philippine renewable energy space:

- Philippine Energy Plan (PEP) 2020–2040: Our pipeline supports energy security, universal access, and emission reductions
- National Renewable Energy Program (NREP): Our projects directly contribute to the 35% RE target by 2030 and 50% by 2040
- Green Energy Auction Program (GEA): Our participation in GEA-2 and GEA-4 positions us as a proactive, competitive partner in DOE’s push for market-driven RE expansion
- Renewable Portfolio Standards (RPS): Our generation mix helps DUs and ECs meet their annual RPS quotas
- Free and Prior Informed Consent (FPIC) and National Commission on Indigenous Peoples (NCIP) Guidelines: Our hydro projects ensure full compliance with Indigenous Peoples’ rights and cultural protections

Strategic Alignment with Global Frameworks

4

Alignment with National Energy Policy & Programs

3

Stakeholder Engagement

2

Identification of Relevant Topics

1

Material topics were refined through:

- Internal discussions with senior management, department heads, and technical project teams
- Weekly Executive Committee meetings and weekly portfolio updates (wind, solar, hydro)
- Feedback from community consultations/IECs, local government units (LGUs), and Indigenous Peoples (IPs)
- Ongoing dialogue with regulatory agencies, including the DOE, DENR, NCIP, and ERC
- ESG-related engagements with investors, lenders, and development partners

This inclusive process allowed us to map the expectations of various stakeholders, i.e., investors, communities, government, employees, customers, and supply chain partners, against ALTER’s actual and potential impacts.

Our material topics are not only aligned with national policy but also benchmarked globally:

- Philippine Energy Security Goals – Direct contribution to RE Act targets, PEP, and energy independence
- United Nations Sustainable Development Goals (SDGs) – Closest alignment with SDG 7 (Affordable and Clean Energy), SDG 13 (Climate Action), SDG 8 (Decent Work and Economic Growth), SDG 5 (Gender Equality), SDG 6 (Clean Water and Sanitation), SDG 15 (Life on Land), and SDG 2 (Zero Hunger) (via jobs and community support)
- IFC Performance Standards (PS) – Our developing ESMS embeds global safeguards on environment, labor, health and safety, and community engagement
- PFRS S2: Climate-Related Disclosures – Preparing to disclose climate risks and resilience strategies, including scenario planning

Through this process, ALTER ensures that its sustainability agenda is globally benchmarked, locally relevant, and stakeholder-driven. Our material topics reflect not only compliance obligations and strategic business objectives but also the aspirations of the communities we serve and the nation’s clean energy transition.



List of Material Topics

1

Economic Performance

Direct Economic Value Generated and Distributed

Positive impact arising from ALTER's operations, measured by the economic value created and shared with stakeholders each fiscal year, including revenues, operating costs, employee compensation, government payments, and community investments (GRI 201-1).

Financial Implications and Other Risks and Opportunities Due to Climate Change

Risks and opportunities arising from climate change that may affect ALTER's operations, resources, and financial performance. While climate variability poses challenges to renewable energy generation, the global shift toward low-carbon solutions also creates opportunities for growth in clean energy demand (GRI 201-2).

2

Indirect Economic Impact

Benefits arising from ALTER's operations that extend beyond direct business activity, such as improved access to electricity for local communities, enhanced opportunities for economic activities, and tourism-driven enterprises around project sites like the Pililla Wind Farm (GRI 203-2).

3 Emissions

Emissions Avoided

ALTER's operations have a key positive impact on pollution control, as renewable energy generation displaces carbon dioxide emissions from fossil fuel-based power. Annual avoided emissions are calculated by multiplying each plant's net generation (MWh/year) by the Department of Energy's National Grid Emission Factor (0.6836 tCO₂/MWh for Luzon-Visayas, 0.7859 tCO₂/MWh for Mindanao). As a pure renewable energy company, Alternergy tracks and reports the tons of CO₂ avoided each year (GRI 305-5).

Direct (Scope 1) GHG Emissions

Greenhouse gas emissions from ALTER's company-owned vehicles, calculated using fuel purchase data and conversion factors (2.68 kg CO₂ per liter of diesel). Scope 1 emissions are not significant relative to the Company's overall impact, as they are offset by the emissions avoided through renewable energy generation (GRI 305-1).

Energy Indirect (Scope 2) GHG Emissions

Greenhouse gas emissions from electricity consumption in ALTER's Makati head office and Kirahon Solar plant, excluding sites operated by third parties. Scope 2 emissions are not significant relative to the Company's overall impact, as they are offset by the emissions avoided through renewable energy generation (GRI 305-2).

4 Water & Effluents

Potential negative impacts may arise if run-of-river hydro operations affect host community water sources. ALTER mitigates these risks through environmental and social impact assessments, strong stakeholder engagement, and strict compliance with environmental regulations (GRI 303-1, 303-2).

5 Biodiversity

Potential negative impacts on ecosystems from project development are mitigated through stringent environmental impact assessments, biodiversity studies, and site-specific management plans to avoid or minimize harm (GRI 304-2).

6 Local Communities

ALTER's operations create positive impacts through outreach and development initiatives under the KAHALIGI program. Potential adverse effects are mitigated through regular impact assessments, proactive stakeholder engagement, and maintaining strong relationships with local stakeholders (GRI 413-1).

7 Rights of Indigenous Peoples

A potential negative impact that ALTER actively mitigates by securing Free, Prior, and Informed Consent (FPIC) for each project and maintaining continuous, positive engagement with indigenous communities (GRI 411-1).



8 Employees

A positive impact for full-time employees through access to enhanced benefits, with potential negative impacts for non-full-time employees. ALTER addresses this by ensuring fair labor practices and compliance with employment standards (GRI 401-2).

9 Training & Development

A core focus area that creates positive impacts for employees through continuous skills development, training opportunities, and career transition support. These efforts are anchored in Alternergy's #AlterEmpowered program, which equips employees with the knowledge, competencies, and confidence to grow alongside the Company (GRI 404-2).

10 Diversity & Equal Opportunity

ALTER promotes an inclusive workplace through its Diversity and Gender Equality Policy, which ensures equal pay for equal work and safeguards against discrimination. Women are represented across the Board, management, and workforce, earning salaries comparable to their male counterparts (GRI 405-1).



11 12

Supplier Environmental and Social Assessment

Alternergy ensures that all suppliers and contractors develop and maintain comprehensive environmental management plans and comply with applicable environmental laws, permits, and international standards throughout project execution.

Through mandatory reporting of safety statistics and hazardous incidents, along with adherence to rigorous national environmental requirements, our contractual provisions assess and safeguard against negative impacts by ensuring supplier compliance with environmental and social standards (GRI 308-1, GRI 414-1). Breach of these environmental and social terms renders contractors and suppliers liable for breach of contract, reinforcing accountability throughout our supply chain. This systematic approach enables effective monitoring and mitigation of environmental and social risks across our entire value chain.

Note: Alternergy had no new suppliers in FY2025.

These assessments safeguard against negative impacts by ensuring supplier compliance with environmental and social standards (GRI 308-1, 414-1).



13 Anti-Corruption

As a company regulated by multiple government agencies, ALTER is exposed to corruption risks. These are mitigated through a strict Policy on Business Conduct and Ethics and a Whistleblower Policy that encourages employees and external partners to report concerns on business conduct (GRI 205-2, 205-3).



Snapshot: Management of Material Topics

Our material topics are not abstract concepts. They are the issues that define Alternergy's license to operate and our ability to build the dream of a clean energy future. To manage these topics, we embed them into the way we plan, execute, and evaluate our projects.



Through this structured approach, Alternergy ensures that managing material topics is not a side activity but the way we do business. By embedding ESG into governance, operations, and culture, we create long-term value for our stakeholders and make the transition to renewable energy just, inclusive, and resilient.



About ALTER

ALTER did not spring from nowhere. We are the product of hard choices, bold ideas, and people who dared to imagine a clean energy future for the Philippines before it was fashionable, or financially certain.

Who we are

Alternergy Holdings Corporation (ALTER) is a pioneer in renewable power development in the Philippines. Since our founding in 2008, we have championed the vision of a nation powered by clean energy, where growth is inclusive, communities are uplifted, and the environment is protected.

As a publicly listed company, ALTER engages in the development, ownership, and operation of wind, solar, run-of-river hydro, and battery energy storage projects. Together with our subsidiaries and affiliates, we are committed to delivering reliable and sustainable energy that powers possibility for millions of Filipinos.

Our philosophy has always gone beyond megawatts. We are guided by the Quadruple Bottom Line, valuing People, Planet, Purpose, and Responsible Profit. This approach ensures that every project we build is not just an investment in infrastructure, but a commitment to long-term well-being, environmental care, and national progress.

This is who ALTER is.
This is what we stand on.

This is how we're
Building the Dream.

Built by People Who Stay

Our team is made up of professionals whose excellence and commitment aren't driven by short-term gains. They stay. Because they believe in the work, in each other, and in the vision. From project finance to community engagement, from engineering to governance, our people bring heart, discipline, and consistency to everything we do.

A Track Record of Firsts

We were among the first to secure service contracts after the RE Law's passage, when clean energy was still a question mark. We have led with vision and voice in key industry platforms: DREAM, WEDAP, and through active engagement with the National Renewable Energy Board (NREB) and government stakeholders. We have helped shape policies that last, including GEA tariffs that aim to strike the right balance between investor viability and consumer protection.

Through every wave of policy, we've helped the sector move—not just forward, but forward with integrity.

But what truly sustains ALTER is not just the ideas. It's the people.

Always, the Philosophy That Grounds Us

Through it all, our *Quadruple Bottom Line Philosophy* remains our compass.

- That people come first.
- That we must protect the planet we borrow from future generations.
- That purpose matters more than profit.
- And that when we do earn profit, we must use it wisely: to grow responsibly, support communities, and build a company that endures.

The Foundations of Who We Are

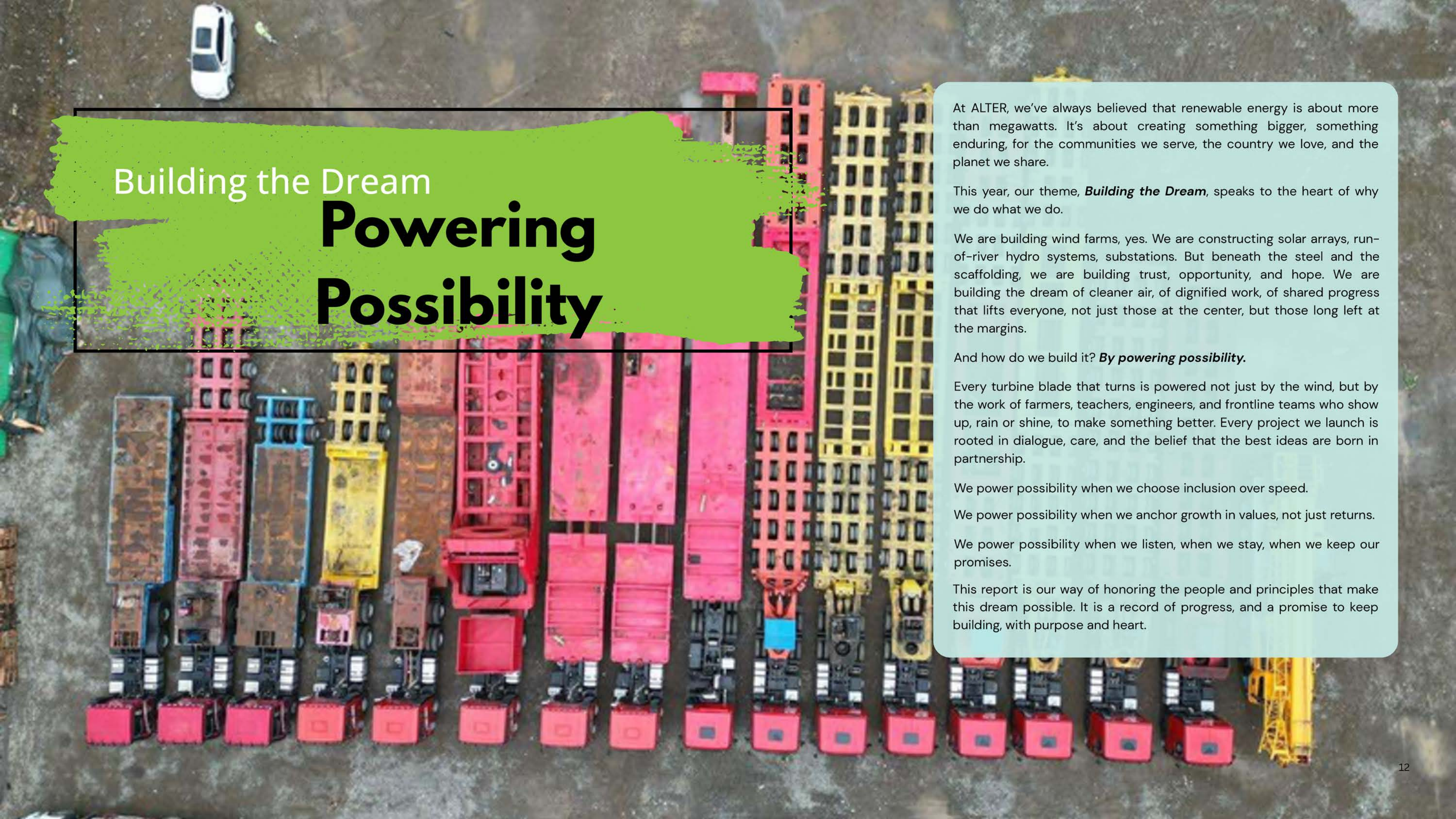
We were shaped by visionaries who helped build the renewable energy industry from the ground up.

- **Vince Pérez**, our Chairperson, was the Secretary of Energy when the Philippine energy market was reborn through EPIRA, a landmark reform that opened the grid and unbundled the sector, paving the way for private sector participation and renewables.
- **Gerry Magbanua**, our President, was instrumental in crafting the Feed-in Tariff and Green Energy Auction (GEA) financial models that continue to structure the industry today, creating fairness, bankability, and long-term sustainability for developers and consumers alike.
- **Knud Hedeager**, President of our wind holdings, helped develop the first commercial wind farm in Southeast Asia, the iconic Bangui Bay Wind Farm in Ilocos Norte, a symbol of what was once impossible.

These remarkable individuals, and the partners who stood beside them, are not just ALTER's founders.

They are founders of renewable energy in the Philippines.

We are grateful, too, for the trust placed in us by our regulators, offtakers, and lenders. Their continued partnership affirms what we've built, and what we're building still.



Building the Dream Powering Possibility

At ALTER, we've always believed that renewable energy is about more than megawatts. It's about creating something bigger, something enduring, for the communities we serve, the country we love, and the planet we share.

This year, our theme, ***Building the Dream***, speaks to the heart of why we do what we do.

We are building wind farms, yes. We are constructing solar arrays, run-of-river hydro systems, substations. But beneath the steel and the scaffolding, we are building trust, opportunity, and hope. We are building the dream of cleaner air, of dignified work, of shared progress that lifts everyone, not just those at the center, but those long left at the margins.

And how do we build it? ***By powering possibility.***

Every turbine blade that turns is powered not just by the wind, but by the work of farmers, teachers, engineers, and frontline teams who show up, rain or shine, to make something better. Every project we launch is rooted in dialogue, care, and the belief that the best ideas are born in partnership.

We power possibility when we choose inclusion over speed.

We power possibility when we anchor growth in values, not just returns.

We power possibility when we listen, when we stay, when we keep our promises.

This report is our way of honoring the people and principles that make this dream possible. It is a record of progress, and a promise to keep building, with purpose and heart.



Our Chairperson's Message

We're Building Something Bigger Than Projects

When I think about Alternergy this year, I don't just see turbines and panels. I see people. I see the early-morning safety briefings, the muddy boots, the quiet kindness when a colleague is having a hard day, the laughter after a long one. I see care turning into policy, and promises turning into work on the ground.

We say we are building the dream. For me that dream is simple and brave. Put people first. Be good neighbors to our communities. Speak honestly about gender, equity, and inclusion. Choose the long game. Choose integrity when shortcuts tempt us. We will not get everything right. But we will keep listening, learning, and trying again. That is how possibility becomes culture.

This year, that heart showed up in the work. We won in GEA4 with five new projects across Luzon, Visayas, and Mindanao. Balsik Solar is almost there. Dupinga Mini Hydro is on track to finish before year-end 2025. Alabat and Tanay are rising. And in every site, what matters most is how we build: sitting with barangays, caring for watersheds, creating livelihoods, keeping people safe.

Rules are shifting. The climate is changing. The grid is demanding more. We meet that complexity together. We do the homework. We help shape standards. We raise our own.

People. Planet. Purpose. In that order. When we honor this, value follows.

Thank you for lending not only your talent but your heart. I am proud of what we are building, and prouder still of how we are building it.

A handwritten signature in blue ink, reading "Vicente S. Pérez, Jr." in a cursive style.

Vicente S. Pérez, Jr.
Chair of the Board

From Our President

We're Building the Dream. And the Future Is Here.

If 2024 was the year we laid the groundwork, 2025 is when the dream began to rise, in concrete, steel, and possibility.

We saw cranes and cement mixers at Alabat and Tanay. Balsik Solar in Hermosa, Bataan, is nearing completion. Dupinga Mini Hydro is on the homestretch, targeted to finish before year-end 2025. We secured financing, navigated permits, faced regulators, calmed nerves, and kept going. Some days were tough. Many were joyful. Every single one moved us forward.

We also brought order to our growth: new holding companies, a dedicated ESG division, and a shared services arm so we can focus on what we do best — developing and building renewable energy projects that matter.

And the breakthrough of 2025: we won in GEA4 with five new projects. One wind project in Luzon, one wind project in the Visayas, two floating solar projects in Luzon (where we pioneer an aquavoltaic solar farm over a fish farm), and one ground-mounted solar plus storage project in Mindanao. This is a monumental step that moves ALTER firmly into powerhouse territory.

This isn't just momentum. It's transformation. We are no longer just a startup. We are builders, owners, and operators of clean energy — stewards of something real.

As we look to 2026, we will deliver these projects, grow new ones, and prepare for the day we flip the switch and bring clean power into the grid from projects under our control. We'll keep pushing forward, because this is what we were built to do.

Thank you for being part of this journey.

A handwritten signature in blue ink, reading "Gerry P. Magbanua" in a cursive style.

Gerry P. Magbanua
President



FY2025 at a Glance

Powering Possibility through People, Planet, and Purpose

One clean megawatt, one empowered community, one stronger tomorrow. This is how we build the dream.



1,200+
local jobs created across projects, prioritizing host communities and Indigenous Peoples

3
women directors on the Board, Gender Diversity Policy launched, and mandatory sensitivity training rolled out

₱40Mn
cash dividend payments to common shareholders on September 11, 2025

₱100M+
in ER1-94 community benefits, funding education, health, and livelihood projects in rural and indigenous areas

125,609
tonnes of CO2 emissions avoided, keeping ALTER fossil-free and accelerating the energy transition

500MW
renewable energy pipeline under construction, including the country's largest wind turbines (8MW each)

633,313
trees planted to date in watershed areas, under 10:1 tree replacement commitment

ZERO
effluent discharge and river-safe hydro projects, protecting ecosystems while generating power

₱15.3Bn
in green financing raised for Balsik Solar, and Tanay and Alabat Wind, aligned with our Green Finance Framework

ESMS
design completed for group-wide rollout in 2026, embedding IFC Standards in all projects

ESG
division and new policies rolled out, with Gender Sensitivity and Grievance Mechanism for roll out by year-end

₱118M
delivered to GSIS in Nov. 2024, fulfilling its commitments under its preferred share investment and reinforcing confidence with institutional partners



There are moments that change the slope of a journey. The Department of Energy's 4th Green Energy Auction is one of those moments for Alternergy. Five winning bids, three technologies, three island groups. It is life changing for us. More than a result, it is an invitation to carry greater responsibility with care.

What We Won

"ALTER secured five new projects under GEA4, totaling 440MW, bringing us closer to our goal of reaching 1GW in total capacity by 2030.



This milestone underscores the strength of our Triple Play strategy—expanding our renewable portfolio with floating solar and solar-plus-battery storage, while deepening our core expertise in onshore wind. At the same time, we are driving a truly national pipeline, with new projects across Luzon, Visayas, and Mindanao, reaffirming our commitment to deliver sustainable energy to every region of the Philippines.



Why It Matters

First, **trust and responsibility**. Wins across Luzon, Visayas, and Mindanao signal growing capability and the confidence others are placing in us. That trust must be earned again every day in how we design, build, and operate.

Second, **diversification and resilience**. Wind, floating solar, and solar plus storage help us serve the grid in different seasons and conditions. A more balanced pipeline makes for better power and better risk management.

Third, **momentum with purpose**. These wins come as Alabat and Tanay advance in construction, Balsik Solar nears completion, and Dupinga Mini Hydro moves toward finishing before year end 2025. The message is simple: the pipeline is real, and delivery is our focus.

How We Will Carry This Win

GEA 4 opens a larger door. We will enter it with humility.

- Grow fast, grow thoughtfully. We will keep listening to barangays, protecting watersheds, investing in safety, and showing up as good partners.
- Keep our compass steady: People, Planet, Purpose. People first means decent work, inclusion, and local benefit. Planet means careful stewardship of land and water. Purpose means reliable clean power that strengthens communities and the economy.
- Do even the unglamorous work well. Permits, rights of way, interconnection, EPC discipline, HSE, and transparent ESG reporting are where delivery happens. Excellence here is how we honor the trust placed in us.

What Made The Difference

These wins are a testament to our spirit and dedication. Teams learned new terrains and technologies, solved hard problems, chose integrity over shortcuts, and kept standards high. Finance kept options open. Legal kept the lane clear. ESG and stakeholder teams kept trust intact. Field teams kept their boots muddy and their focus on safety. This is what it looks like when a company grows up and stays true to itself.

What Comes Next?

We are now moving through the post-auction steps with discipline and care:

- Complete DOE post-auction requirements and secure the formal confirmation of award.
- Advance grid integration, including system impact and interconnection work with the grid operator and relevant distribution utilities.
- Progress environmental and local permitting, including ECC, rights of way, and LGU clearances, while keeping communities engaged and informed.
- Finalize EPC scopes and schedules, sequence construction to manage risk and cash, and ensure HSE readiness from day one.
- Align project financing to awarded capacity and timelines, while preserving flexibility for procurement and delivery.

There will be hard days. There always are. But we know who we are, and we know why we build.

The dream now has sites and schedules, neighbors and livelihoods, interconnections and safeguards.

If we keep our values close, scale will follow in the right way.

VICTORY AT GEA 4!
ALTER STRONGER THAN B4!

1 Governance & Ethics

At ALTER, good governance is the framework that supports the dream we are building. It is the set of guardrails that ensures our growth is not only strategic but also responsible, transparent, and anchored in the long-term interests of our stakeholders. As a publicly listed company, Alternergy Holdings Corporation (ALTER) complies with the requirements of the Philippine Securities and Exchange Commission (SEC), the Philippine Stock Exchange (PSE), and other regulatory bodies. But beyond compliance, we hold ourselves to higher standards of stewardship, knowing that renewable energy is a public trust as much as it is a business.

1.1 Governance Structure

At ALTER, we recognize that climate change is not only an environmental concern but a core business issue that demands governance at the highest levels.

Board Oversight

Oversight and management of climate-related risks and opportunities rests with our Board of Directors and implemented and monitored by the Sustainability Committee, which meets regularly to review strategies, monitor evolving regulations, and guide long-term resilience planning. At the executive level, the Executive Committee (EXECOM) ensures that climate considerations are integrated throughout our value chain, from investment evaluation and site planning to engineering and operations, so that climate action is embedded in how we deliver value for people, the planet, and our shared purpose.

ESG Division & the CSO

To strengthen accountability, we are creating a dedicated ESG Division headed by the Chief Sustainability Officer (CSO) with deputies for Environment, Social, and Governance.

The CSO reports directly to the President and coordinates closely with the Sustainability Committee. To bring governance to the ground, ESG Associates are being deployed at project sites, supported by senior ESG officers who ensure consistent implementation across the portfolio. This multi-tiered structure keeps us agile in responding to climate risks, ambitious in pursuing a just energy transition, and accountable in our decisions.

Manual on Corporate Governance

On June 21, 2022, the Board approved ALTER's Manual on Corporate Governance, incorporating SEC standards for listed companies. The Manual supplements the Amended By-Laws and guides directors, management, employees, and stakeholders in embedding governance principles into everyday decision-making.

Gender Balance

Board composition and diversity are central to effective oversight. The Board holds primary responsibility for strategic direction, accountability, and independent supervision of management. Directors are required to participate actively in regular and special meetings, in person or via teleconferencing, to ensure informed, timely decisions. In 2023, we strengthened diversity by electing two women directors: Ms. Maria Victoria C. España, a veteran CPA and GRI-certified sustainability professional who now chairs the Audit Committee; and Atty. Ina Arriola, ALTER's General Counsel and an experienced energy lawyer. Their election improved the gender balance to 3 women out of 9 directors, up from 1 out of 7 the previous year, reflecting our belief that diverse boards drive innovation, broaden perspectives, and strengthen stakeholder trust.

Specialized Committees

The Board maintains specialized committees to reinforce independence and expertise, aligned with global best practice. The EXECOM, co-chaired by the Board Chairperson and the President, and composed of six (6) directors and one (1) senior executive (the CFO, who is also the Chief Risk Officer), meets weekly to oversee strategic direction, policy implementation, compliance, and risk management. The Audit Committee (chaired by Independent Director Ms. España and meeting quarterly) oversees financial reporting, internal controls, and audit processes, and meets independently without management present. The Corporate Governance Committee (chaired by Independent Director Mr. Greg Domingo, meeting semi-annually) handles nominations, performance evaluation, and remuneration oversight. The RPT Committee (chaired by Independent Director Ms. Maria Theresa Marcial) reviews all material RPTs in compliance with SEC Memorandum Circular No. 10-2019, ensuring transparency and shareholder protection. The Risk Oversight Committee, which is integrated operationally with the RPT Committee (also chaired by Ms. Marcial and meeting semi-annually), supervises the Enterprise Risk Management (ERM) system to ensure risks are identified, monitored, and mitigated effectively.

Established in 2023, the Sustainability Committee, chaired by the Board Chairperson and vice-chaired by the CSO, with the President and five Sustainability Champions representing key verticals including HR, Treasury, IR, and Administration, operationalizes ALTER's Quadruple Bottom Line Framework. Meeting annually, it ensures alignment with the Green Finance Framework and validates eligible projects for inclusion in the Green Finance Projects Register (GFPR). Its mandate is to: (1) develop and monitor sustainability strategy; (2) track performance against ESG targets; (3) review and validate eligible projects for green financing; (4) validate annual investor reporting; (5) ensure alignment with evolving disclosure requirements; and (6) periodically review the Green Finance Framework and the committee's composition.

ESMS

To keep pace with growth, we initiated in 2025 a group-wide assessment to design a comprehensive Environmental and Social Management System (ESMS) for rollout in 2026. The ESMS will align with IFC Performance Standards and domestic frameworks such as PFRS S2, harmonize ESG practices across technologies (wind, solar, hydro) and sites, and establish minimum safeguards across the project life cycle, from pre-development to decommissioning. It will consolidate baseline protocols on environmental screening, community engagement and FPIC, grievance redress, and gender sensitivity, supported by AlterCore Management Services, Inc. (AlterCore) as our shared services unit. The ESMS will also integrate the final versions of our Gender Sensitivity Policy and Grievance Mechanism, which are slated for launch in December 2025.

Sustainability Reporting

The Executive Committee (Execom) holds full responsibility for reviewing and approving all disclosures in this Sustainability Report, including the Company's material topics. Drafts prepared by the ESG Division, aligned with global standards and regulatory requirements, undergo validation by business units, confirmation by functional heads, and consolidation before Execom's final review. This process ensures accuracy, completeness, and consistency with Alternergy's strategic priorities. Our CFO, Ms. Carmen Diaz, also strengthened oversight capability by completing rigorous IFRS training under SGV&Co. on June 3, 2025.

Embedding governance in culture is as important as formal structures. In 2025, no material violations of our Code of Conduct were reported. Ethics trainings, compliance monitoring, and active whistleblower channels safeguard integrity across operations. By integrating sustainability oversight, risk management, and gender inclusion, ALTER's governance system goes beyond protecting shareholder value. It creates it, grounded in transparency, responsibility, and trust.

1.2 Structuring for Long-Term Stewardship & Accountability

Portfolio Holdings

Alternergy Wind Holdings Corporation

Alternergy Solar Holdings Corporation

Solar Pacific Energy Corporation

Alternergy Mini-Hydro Holdings Corporation

Dedicated real estate arm

Triple Play Land Corporation

Shared Services

AlterCore Management Services, Inc.

As ALTER transitions from developer to long-term operator, we realigned our structure in 2025 to strengthen governance, prepare for future financing, and support long-term community partnerships.

We established Triple Play Land Corporation (TPLC) as a dedicated entity to consolidate and manage all landholdings and real estate assets. It serves as (i) a central repository of project-related land assets; (ii) a potential foundation for a future Real Estate Investment Trust (REIT); and (iii) a vehicle for community-driven, socially inclusive, and environmentally responsible land development.

To streamline operations by technology, we created three 100% owned intermediate holding companies under Alternergy Holdings Corporation (AHC): Alternergy Wind Holdings Corporation (formerly Pililla AVPC Corporation) now houses all wind projects; Alternergy Solar Holdings Corporation manages solar subsidiaries; and Alternergy Mini Hydro Holdings Corporation continues to house our small-scale hydro portfolio. This separation provides each technology arm with operational autonomy while ensuring consistent ESG oversight, risk controls, and financial accountability at the group level.

We also launched AlterCore Management Services, Inc., a wholly owned shared services subsidiary responsible for resource deployment, legal, finance, and regulatory compliance support; ESG integration, training, and documentation; and group-wide consistency in implementing internal and external sustainability standards. AlterCore will lead the ESMS rollout, translating policy into operational muscle. This reorganization strengthens our capacity to grow while reinforcing discipline, accountability, and integrity, the foundation for building the dream.

1.3 Ethical Business Practices

ALTER has zero tolerance for corruption, bribery, fraud, and any form of unethical conduct. Our Policy on Business Conduct and Ethics sets standards for compliance with laws and regulations, conflict-of-interest disclosure, responsible use of company assets, and strict prohibitions on accepting or offering inappropriate gifts, favors, or inducements. These expectations extend to suppliers, contractors, and external partners, reinforcing fairness and accountability across our value chain.

Our Whistle-Blowing Policy provides secure, confidential, and protected channels for employees, contractors, consultants, former personnel, or any third party to report corruption, fraud, coercive or collusive practices, gross misconduct, regulatory violations, and actions that undermine the Company's operations or integrity. The policy guarantees strict confidentiality and protection from retaliation. Reports may be raised internally (through supervisors or directly to the President or an authorized officer) and, if necessary, externally. All reports are evaluated fairly, with investigations led by the President (or Managing Director, as applicable). Sanctions up to and including termination may be imposed on any employee or contractor found involved in corrupt practices. We may review and terminate contractor relationships where retaliatory actions against whistle-blowers occur.



Risks related to corruption in our operations are discussed and assessed at the weekly Execom meetings.

A culture of integrity is maintained through oversight by the Audit Committee and continuous monitoring by the Internal Auditor, supported by regular employee training and leadership example. For us, clean energy begins with a clean conscience.

We institutionalize integrity through core policies of care: the Code of Business Conduct and Ethics (respect, fairness, honesty); Conflict of Interest Policy (impartial decision-making); Whistleblowing Policy (safe reporting); Material Related Party Transactions Policy (transparency and prudence); and Insider Trading Policy (protecting market integrity).

Responsible sourcing is a deliberate practice. We engage contractors and suppliers who share our ESG values so that people, planet, and purpose are upheld in every transaction. In 2025, we launched the Gender Diversity, Inclusion, and Non-Discrimination Policy, affirming dignity and respect for all, including support for survivors of abuse. Activities included daily gender insights during Pride Month, Spirit Day celebrations, and mandatory gender sensitivity training beginning September 2025. We also established a Grievance Mechanism Policy (for formal launch by December 2025) to provide a safe channel for concerns related to discrimination, misconduct, or workplace conflict.

We comply with all DOLE workplace health programs and expanded #RenewWell for mental health support, flexible work, and wellness activities. Since 2023, a Workplace Sustainability Memo has driven office practices: eliminating single-use plastics, reducing paper use (with departmental tracking), adopting cloud-based filing through Google Drive, encouraging proper waste management and e-waste recycling, mandating digital signatures, replacing old lights with LEDs and switching to LCD monitors, unplugging idle equipment after work, and hosting an annual Energy Saving Challenge. A team of Sustainability Champions leads these efforts, evidence that the way we build matters as much as what we build.

Risk Management & Compliance

Metrics & Targets

ALTER tracks and discloses: estimated CO₂ emissions avoided (125,609 tonnes in FY2025); Scope 1 and 2 emissions (fuel and purchased electricity); a target to fully disclose Scope 3 by FY2026; a target to achieve 500 MW of clean energy capacity by 2026; ESMS rollout across the Group by 2026 to standardize climate risk controls; and reforestation and biodiversity commitments, including a 10:1 tree replacement for every tree cut and over 633,313 trees planted to date. We are also developing science-informed, project-level resilience benchmarks as part of our long-term roadmap.

Managing Risks

We apply a multi-tiered risk management approach to identify, assess, and respond to physical risks (typhoons, flooding, drought), transition risks (policy changes, carbon pricing, investor requirements), and reputational risks (non-compliance or disruptions linked to climate impacts). Each business unit integrates climate risks into its operational risk register, with implementation of corrective actions overseen by the Execom and the Sustainability Committee.

1.5 Labor Laws & Human Rights

We comply fully with Philippine labor laws and uphold human rights across our operations and supply chains. Protections are embedded in our Code of Business Conduct and Ethics (prohibiting harassment, discrimination, intimidation, and bullying) and in our Gender Diversity, Inclusion, and Non-Discrimination Policy, which guarantees equal opportunity in hiring, advancement, and work conditions regardless of gender identity or expression, and extends to contractors, suppliers, and third-party service providers, including protection for survivors of domestic abuse.

All contractors are required to adhere to DOLE guidelines in labor procurement and workforce management. In April 2025, a joint operation by the Bureau of Immigration and the Department of Labor and Employment was conducted on Alabat Island after reports that Chinese nationals in the area were engaged in POGO activities. No POGO operations were found, but authorities identified more than twenty foreign workers engaged on the Alabat Wind Project without proper visas or documentation. These individuals were detained. The incident exposed a gap in contractor oversight and prompted AWPC to tighten its protocols, strengthen documentation requirements, and adopt a more vigilant stance to ensure full compliance with both labor and immigration laws going forward.

Given documented upstream risks in global solar supply chains, we enforce a strict Anti-Forced Labor Policy for PV module suppliers; and while we do not yet have a formal child protection policy, we confirm that none of our existing projects or co-investments employ child labor. We are committed to strengthening child-labor risk management and are open to adopting more formalized frameworks, including the UN Guiding Principles on Business and Human Rights, as we scale.

Commitment to Transparency

Governance at ALTER is dynamic. We continuously evolve systems to meet new regulations, align with international best practices, and respond to stakeholder expectations. Integrity and accountability remain the foundations of building the dream, and of keeping the trust we are given.

Regulatory compliance. We maintain strict adherence to DOE, DENR, DOLE, SEC, and other applicable laws, permits, and standards. In 2025, ALTER reported no significant regulatory violations or penalties.

Risk oversight. The Board holds ultimate accountability for risk governance, supported by the Audit, Risk, and Sustainability Committees. We are currently in the process of developing our Enterprise Risk Management (ERM) Framework and have engaged P&A Grant Thornton to assist us in facilitating risk identification, as well as in drafting our ERM manual and charter, including its structure and implementation process. Our Risk Oversight Committee convenes twice annually.

Our ERM Framework will embed ESG-related risks into enterprise planning across the value chain, covering regulatory/legal compliance; financial and market exposures; operational and safety risks (including a zero-fatality commitment); environmental and social risks (biodiversity, watershed protection, Indigenous Peoples' rights, community engagement); and climate-related risks (scenario planning and resilience assessments aligned with PFRS S2).

Green finance governance. Under our Green Finance Framework, proceeds are allocated exclusively to eligible renewable energy projects with verifiable sustainability impacts. Safeguards include eligibility criteria, fund allocation monitoring, impact reporting in our Sustainability Report, and independent review/audits by lenders or third parties. In 2025, ALTER raised PhP2.0 billion in a Green Corporate Loan, PhP8.0 billion in project finance for Tanay Wind, PhP5.3 billion in project finance for Alabat Wind, and PhP 1.0 billion in project finance for Balsik (Solana) Solar.

Steady returns and nation-building. The Government Service Insurance System (GSIS) invested in ALTER's Perpetual Preferred Shares, providing a catalytic equity infusion that accelerated the development and construction of the Tanay and Alabat Wind Projects, part of four wind developments under construction totaling 225 MW, contributing to our Road to 500 MW by 2026. This partnership shows how ESG-aligned capital can deliver steady investor returns while advancing the government's target of 35% renewable energy by 2030, supporting climate resilience, energy security, and inclusive local development.

“Risk management is not about avoiding uncertainty. It's about preparing for it, adapting to it, and turning it into opportunity.

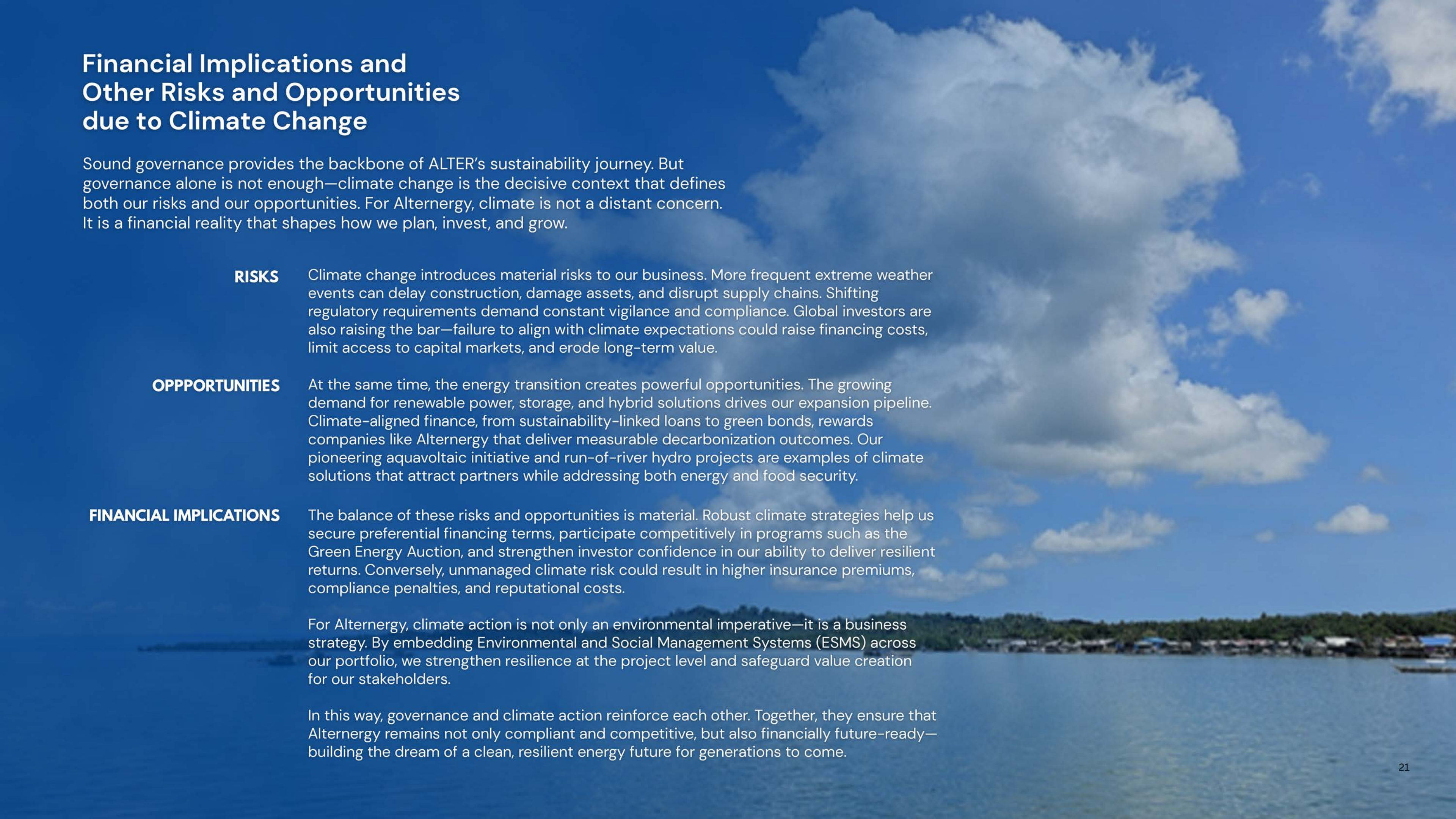
At ALTER, our ESG framework strengthens resilience across all fronts: financial, operational, social, and environmental.

As we move into a future shaped by both climate challenges and clean energy opportunities, our commitment is clear: We will manage risks with discipline, and pursue growth with responsibility.

”

Carmen G. Diaz
Chief Financial Officer &
Chief Risk Officer





Financial Implications and Other Risks and Opportunities due to Climate Change

Sound governance provides the backbone of ALTER’s sustainability journey. But governance alone is not enough—climate change is the decisive context that defines both our risks and our opportunities. For Alternergy, climate is not a distant concern. It is a financial reality that shapes how we plan, invest, and grow.

RISKS Climate change introduces material risks to our business. More frequent extreme weather events can delay construction, damage assets, and disrupt supply chains. Shifting regulatory requirements demand constant vigilance and compliance. Global investors are also raising the bar—failure to align with climate expectations could raise financing costs, limit access to capital markets, and erode long-term value.

OPPORTUNITIES At the same time, the energy transition creates powerful opportunities. The growing demand for renewable power, storage, and hybrid solutions drives our expansion pipeline. Climate-aligned finance, from sustainability-linked loans to green bonds, rewards companies like Alternergy that deliver measurable decarbonization outcomes. Our pioneering aquavoltaic initiative and run-of-river hydro projects are examples of climate solutions that attract partners while addressing both energy and food security.

FINANCIAL IMPLICATIONS The balance of these risks and opportunities is material. Robust climate strategies help us secure preferential financing terms, participate competitively in programs such as the Green Energy Auction, and strengthen investor confidence in our ability to deliver resilient returns. Conversely, unmanaged climate risk could result in higher insurance premiums, compliance penalties, and reputational costs.

For Alternergy, climate action is not only an environmental imperative—it is a business strategy. By embedding Environmental and Social Management Systems (ESMS) across our portfolio, we strengthen resilience at the project level and safeguard value creation for our stakeholders.

In this way, governance and climate action reinforce each other. Together, they ensure that Alternergy remains not only compliant and competitive, but also financially future-ready—building the dream of a clean, resilient energy future for generations to come.

Governance as Our Framework

Governance is the backbone of ALTER's ambition. Through strong board leadership, active oversight committees, a disciplined risk culture, and policies that elevate integrity and inclusion, we balance growth with responsibility. From green finance to human rights, from enterprise risk to site-level ESG, our framework ensures that the clean energy we build is worthy of the trust of our investors, regulators, employees, and host communities. In this way, governance does more than protect value. It creates it, anchoring the dream we are building in principles that endure.

In recognition of our efforts, ALTER received its first Golden Arrow Award from the Institute of Corporate Directors in 2025. For a young publicly listed company, this honor is a proud affirmation that our governance practices already stand among the country's best, aligned with ASEAN benchmarks of transparency, accountability, and board effectiveness. It is both a recognition of how far we have come and a springboard for what lies ahead. We are committed to building on this foundation and reaching even higher standards of corporate governance in the years to come.



The ALTER Board of Directors. Front Row (L to R): Ma. Victoria España, Maria Theresa Marcial, Gregory Domingo, Atty. Ephyro Amatong (Board Observer). Back Row (L to R): Knud Hedeager, Mike Lichtenfeld, Vicente S. Pérez, Jr. (Chairperson), Gerry Magbanua (President), Eduardo Miranda, and Atty. Ina Arriola.

A Board with Balance The Stewards Behind the Dream

At ALTER, the Board is where different worlds meet – public and private, local and global, technical and human. It's where experience is not just counted in years or megawatts, but in insight, conscience, and purpose.

Each director brings their own story. Together, they guide ours.



Maria Theresa Marcial brings the discipline of sustainable finance and the heart of an environmental advocate. A long-time WWF board member and passionate sailor, she doesn't just talk ESG, she lives it. Her voice ensures we marry responsible lending with climate and community consciousness.



Vince Pérez, our Chairperson, has long been one of the country's leading voices for clean energy. As Secretary of Energy, he helped rewrite the rules of the sector. As Chair, he urges us to lead not just in capacity, but in culture – pushing boundaries, embracing innovation, and staying ahead of regulatory change.



Mike Lichtenfeld offers an international investor's view, honed through years in clean energy finance across emerging markets. His voice challenges us to remain investor-ready, globally credible, and aligned with capital that's as values-driven as we are.



Gregory Domingo, independent director and former DTI Secretary, is our guardian of national interest. He brings a statesman's perspective: one that sees beyond returns, and roots our growth in service to the Filipino public and industry integrity.



Gerry Magbanua, our President and CEO, transforms energy policy into bankable project models. With deep experience in government negotiations and project finance, he ensures our strategies are both ambitious and achievable.



Atty. Ina Arriola brings systems thinking and grounded innovation to ALTER. She led the Philippines' first floating solar pilot on Laguna Lake and champions #RenewWell, Kahaligi, and #AlterEmpowered—initiatives that put care for colleagues and communities at the heart of sustainability. She keeps the company focused on solutions that are not only green, but just and inclusive.



Marivic España, legal and tax strategist and Chairperson of our Audit Committee, is our internal compass. She safeguards not only our financial discipline, but our ethical backbone, ensuring that what we build is protected by structure, integrity, and principle.



Knud Hedeager, wind pioneer and engineering purist, reminds us to stay rooted in precision. His leadership in developing the Bangui Wind Farm, Southeast Asia's first, gives us technical gravitas and real-world edge.



As Board Observer, **Atty. Ephyro Luis Amatong** contributes deep expertise in corporate governance, securities regulation, and sustainable finance. Drawing on his experience as SEC Commissioner (2014–2022) and as a leading voice in ASEAN capital markets, he guides ALTER in aligning with best practices, advancing sustainability reporting, and strengthening access to inclusive finance.



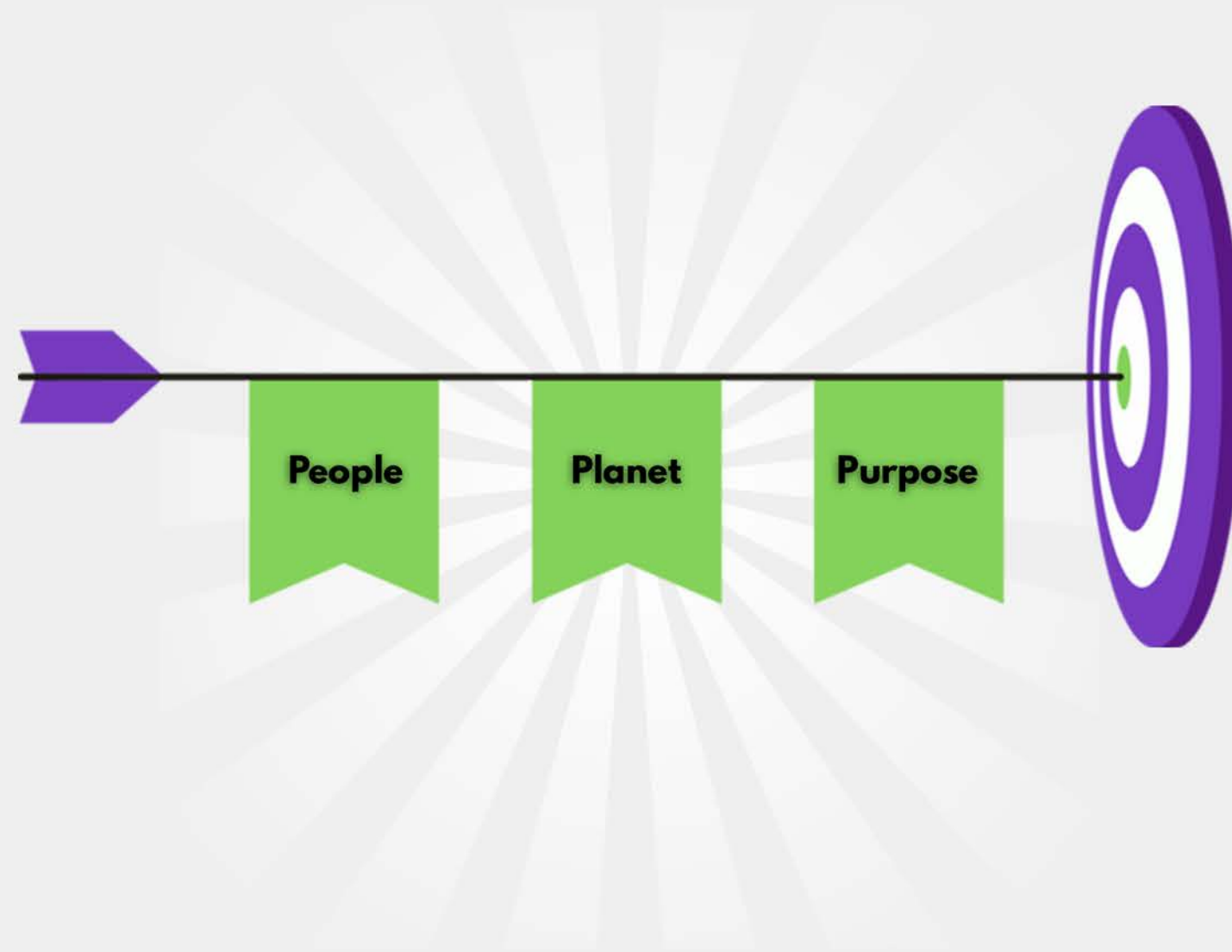
Eduardo Martinez Miranda, once a senior officer at the International Finance Corporation (IFC), is a cornerstone of our sustainability efforts. With a deep understanding of environmental and social standards and sustainable capital flows, he strengthens our alignment with multilateral funders and ESG frameworks.

This is not a Board of rubber stamps. It is a Board of advocates and architects, of clean energy, of fairness, of futures worth building. Together, they give ALTER its ballast and its boldness. Because they believe, challenge, and care.

The Foundations of Building the Dream

At ALTER, our dream is built on **People, Planet, and Purpose**. These pillars are not abstract ideals, but the everyday choices and commitments that define who we are. By putting people first, we create a culture of care and empowerment. By protecting the planet, we ensure that progress never comes at the expense of future generations. And by pursuing our purpose, we align our growth with a responsibility to uplift communities and deliver clean energy for the nation.

Together, these foundations shape how we work, how we lead, and how we power possibility.



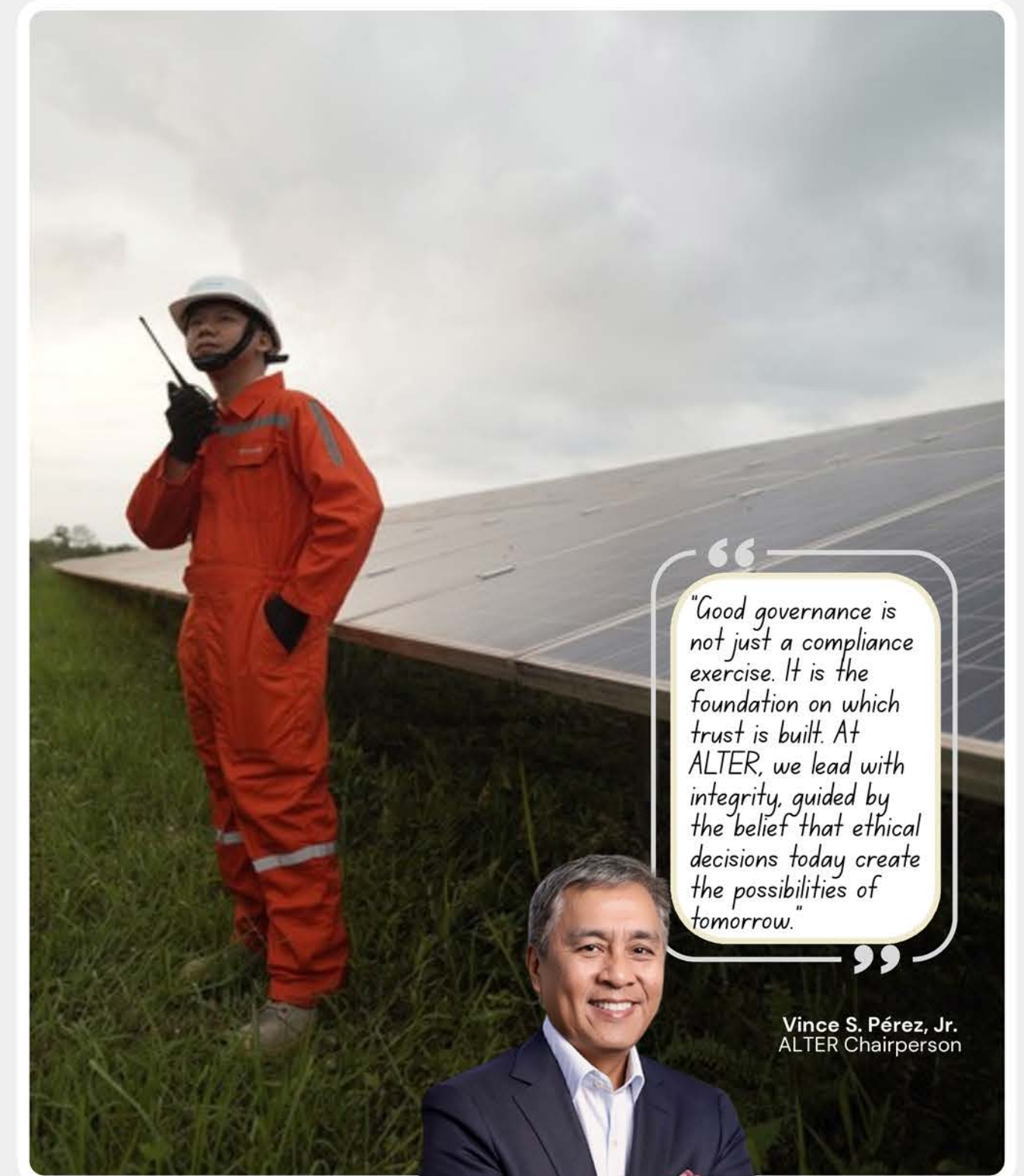
Powering Possibility, Together

As we build the dream of a cleaner, more inclusive energy future, we ground ourselves in three enduring foundations: **People, Planet, and Purpose**. These are not just categories. They are the compass points that guide every decision — from where we place a turbine, to how we partner with a barangay, to the kind of workplace culture we nurture.

Sustainability, for us, is not a checklist. It is a way of building, growing, and being. In 2025, this framework came to life through three cornerstone programs:

- **#RenewWell**, our mental wellness initiative that supports the well-being of our workforce
- **#AlterEmpowered**, our capacity-building program that equips employees with tools, knowledge, and voice
- **KAHALIGI**, our flagship community partnership program rooted in dignity, resilience, and care

Each program reflects our belief that building infrastructure must go hand in hand with building futures. They are discussed in greater depth in the sections that follow, but the stories of **People, Planet, and Purpose** begin here.



“Good governance is not just a compliance exercise. It is the foundation on which trust is built. At ALTER, we lead with integrity, guided by the belief that ethical decisions today create the possibilities of tomorrow.”

Vince S. Pérez, Jr.
ALTER Chairperson

2

PEOPLE

At the Heart of the Dream



*Every dream worth
building starts with
people.*

1,234

Direct employment provided across our projects

PhP100M+

in ER 1-94 benefits in rural and indigenous areas

89%

% Local Hires across our projects

3

women directors; Gender Diversity Policy launched

7,890

of Households provided food relief and support

At ALTER, we don't just construct turbines or transmission lines.

We help create futures with dignity, connection, and opportunity.





Empowering from Within

At ALTER, we believe that building the dream must begin at home, with our people. A clean energy future will require not only wind and water, but wellness, confidence, and care. That's why we've launched two flagship internal programs that invest in our team's growth, health, and voice: **#RenewWell** and **#AlterEmpowered**.



Caring for our people, every day of the year

#RenewWell is our mental wellness and well-being initiative that recognizes the emotional and psychological needs of our people, not just as professionals, but as human beings.

This year, the program continues to evolve, from a Pride Month pilot into a year-round support system. It includes:

- Monthly Spirit Day activities, featuring reflective moments, themed gatherings, and lighthearted community-building
- Wellness talks and activities
- Access to professional support, through curated psychological and mental health resources available to all employees
- Quiet advocacy for mental health as a right, not a luxury

In addition to its focus on mental health and emotional well-being, **#RenewWell** fosters a culture of psychological safety and gender inclusivity, ensuring that all employees, regardless of gender identity or orientation, can show up to work fully, safely, and seen.

#RenewWell is a quiet revolution in how we work: more attuned, more human, more whole.



Not just empowered.

#AlterEmpowered

A Team Equipped for Impact

Knowledge is power. And builds possibility.

#AlterEmpowered is our empowerment and upskilling program, designed to give our team the tools, language, and perspective to thrive not just in their current roles, but in the future they're helping build.

Program offerings include:

- Contracts 101 training in October 2024 to improve legal literacy and confidence in decision-making
- Orientation for upcoming financial analysis training to help team members understand project viability and sustainability
- Crisis management, environmental compliance and gender sensitivity training, which will be rolled out to all staff in Q4 2025 to Q1 2026 as part of our commitment to an empowered, aware workforce
- And the launch of *Project EnSYNC*, our initiative to build ALTER's group-wide Environmental and Social Management System (ESMS), with cross-departmental contributions and training to ensure ownership and adoption across the board



At ALTER, people are at the heart of every project we build. Respecting indigenous communities, advancing gender inclusion, and deepening our presence in host communities guide the way we grow. These commitments are supported by the development of our Environmental and Social Management System (ESMS), which ensures that our operations protect rights, foster inclusion, and create lasting partnerships.



RESPECT FOR
INDIGENOUS PEOPLES

We maintained ongoing dialogue with Indigenous communities in Ifugao, Gabaldon, and other ancestral domains. Upholding Free, Prior and Informed Consent (FPIC) is a principle of respect, not just a requirement. In 2025, we held consultations, supported livelihoods, and contributed to cultural initiatives, ensuring the dream we build includes those who have long cared for the land.



ADVANCING
GENDER INCLUSION

We strengthened our Diversity and Non-Discrimination Policy, celebrated Pride Month with daily insights and Spirit Day, and are rolling out gender sensitivity trainings in September 2025. By December, two key policies will be in place:

- A Gender Sensitivity Policy, formalizing inclusive language and protections
- A Grievance Mechanism, expanding protocols for gender-based incidents

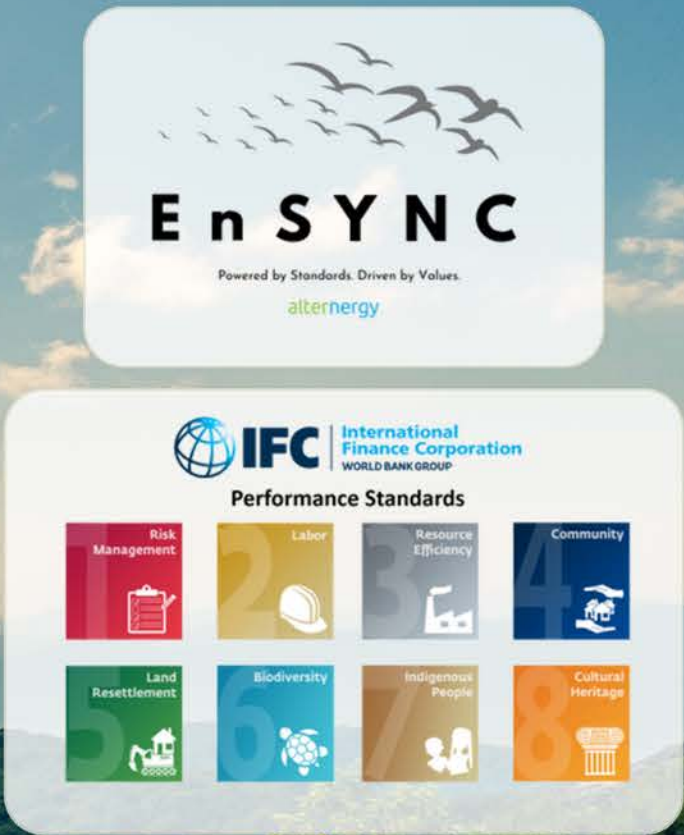


DEEPENING OUR
COMMUNITY PRESENCE

Through KAHALIGI, we deepened our presence with year-round activities:

- Distributed 2,289 school kits and hygiene packs
- Organized 3 youth-led climate and cleanup drives

What sets KAHALIGI apart is consistency. Our teams are present year-round, known not for what we promise but for how we show up.



DEVELOPING
OUR ESMS

We began building a comprehensive Environmental and Social Management System (ESMS) to unify safeguards across workplace and community. Anchored on IFC Performance Standards, the ESMS will strengthen occupational safety, gender inclusion, FPIC compliance, biodiversity protection, and grievance redress mechanisms.

We are building megawatts of renewable capacity, but more importantly, we are building futures of dignity, inclusion, and shared possibility. People are not only the heart of ALTER. They are the heartbeat of the dream we are building together.



People at the Heart of the Dream

At ALTER, people are the heart of the dream. Our mission to build a clean energy future is inseparable from our responsibility to create a workplace that empowers, protects, and inspires. We are not just building renewable projects; we are building the capacity, dignity, and wellbeing of the people who make them possible.

2.1 Employee Hiring & Benefits

We hire with intention, seeking individuals who not only have the skills to contribute but who also believe in the purpose we serve. As of FY 2025, ALTER employed 81 individuals, with a nearly balanced workforce of 42% women and 58% men. Our recruitment process is anchored in fairness, inclusivity, and merit, ensuring equal opportunities for all. To nurture growth and accountability, all employees undergo annual performance reviews, which provide structured feedback, recognize achievements, and identify opportunities for development.

We uphold equitable pay and protect all employees through our Gender Diversity, Inclusion, and Non-Discrimination Policy, adopted in 2024. This policy establishes equal opportunity, gender-sensitive communication, and zero tolerance for bias, harassment, or violence. It protects women, LGBTQIA+ members, survivors of gender-based violence, and extends to contractors and suppliers. By December 2025, this framework will be reinforced with a Gender Sensitivity Policy and Grievance Mechanism, embedding accountability and safe recourse into our culture.

We also prioritize local employment in our projects. For example, 60% of the workforce in our Palau solar project were local residents. Similar commitments guide hiring in Alabat, Tanay, and Balsik, ensuring that clean energy development directly benefits nearby communities. Our Community Relations Officers are likewise sourced locally, bringing cultural insight and trust into our engagement.



Employee benefits are comprehensive and competitive, reflecting our belief that secure, well-cared-for employees can thrive and contribute meaningfully. All regular employees are enrolled in SSS, PhilHealth, and Pag-IBIG, and receive a full package that includes paid vacation and sick leaves, solo parent leave, 105-day maternity leave, up to 14-days' paternity leave, bereavement and emergency leave (including leave for survivors of violence), group life and disability insurance, HMO for employees and two dependents, medical reimbursements, business travel insurance, allowances, salary loans, performance bonuses, and flexible work arrangements. In 2023 alone, ALTER invested over Php 1.5 million in health-related benefits, averaging Php 33,000 per employee per month.

2.2 #RenewWell

Mental Wellness and Workplace Connection

Mental wellness is a core part of our workplace culture. Through #RenewWell, we promote resilience and connection across the company. Every month, Spirit Day invites employees to recharge and bond through sports, games, art, and creative activities. Employees also have access to Mind Check, a professional counseling service powered by Mindscapes, alongside gender awareness initiatives, fitness sessions, and site visits that bring them closer to the communities we serve.

These experiences create empathy, boost morale, and remind us that our mission is not just about generating megawatts. It is about sustaining people.

2.3 #AlterEmpowered

Professional Development

Launched in October 2024, #AlterEmpowered is ALTER's flagship training and development initiative. It embodies our belief that when employees understand the "why" and "how" of their work, they become empowered to lead, contribute, and grow.

The program began with Contracts 101, which gave employees across departments a shared understanding of how renewable energy projects are structured and executed. It has since expanded to include Crisis Management Training (September 2025) and will roll out Gender Sensitivity Workshops in October 2025, complementing the launch of our new grievance policies.

Upcoming modules will cover financial literacy, ESG risk management, stakeholder engagement, and community relations. A Training Needs Analysis system, tied to annual performance reviews for all employees, ensures that training aligns with both organizational goals and individual aspirations. Employees participate in workshops and curated external programs, with accountability measures like training bonds applied when necessary.

Beyond formal instruction, development also happens through KAHALIGI, our employee volunteerism program. Staff engage in community immersion, relief distribution, clean-ups, and tree planting, deepening their empathy and grounding their work in human impact. Together with #RenewWell, these initiatives ensure that learning is continuous, dynamic, and deeply connected to our purpose.

2.4 Fair & Equitable Compensation

Alternergy sets director and officer remuneration at levels sufficient to attract and retain competent individuals, following formal and transparent procedures under its Manual on Corporate Governance. No director takes part in decisions on his or her own pay. All fixed and variable compensation of directors and the top four management officers are disclosed annually in the Company's reports, consistent with GRI 2-19 and 2-20 and regulatory requirements.

In 2024, ALTER introduced a company-wide salary standardization program conducted by Mercer, a global consulting agency on career solutions, reinforcing our commitment to fairness and merit-based growth. This program benchmarks salaries against renewable energy industry standards and Philippine labor market data, integrates performance evaluations into pay and promotion decisions, and corrects equity gaps to ensure employees in similar roles receive fair compensation. Clear communication of salary bands strengthens transparency and trust.

This initiative advances SDG 8 (Decent Work and Economic Growth) by ensuring our people not only build renewable energy but also build dignified, sustainable livelihoods.

2.5 Labor – Management Relations

Trust, Dialogue, & Shared Purpose

Although ALTER has no collective bargaining agreements or unionized workforce, employee engagement is deeply participatory. Policies and programs are shaped with input from staff through surveys, open forums, and regular meetings with HR and senior leaders. An open-door culture ensures feedback is heard and acted upon quickly.

This collaborative approach gave rise to initiatives like #RenewWell and #AlterEmpowered, proving that when employees are consulted, trust and cohesion follow.

2.6 Diversity & Equal Opportunity

Diversity at ALTER is not just about numbers. It is a mindset that drives innovation and inclusion. Our workforce is nearly gender-balanced, with equal treatment embedded in hiring, pay, promotion, and training. The Gender Diversity, Inclusion, and Non-Discrimination Policy extends equal opportunity protections across employees, contractors, and suppliers.

By 2025, the rollout of company-wide Gender Sensitivity Training will deepen awareness and strengthen respectful communication. Through these efforts, diversity is lived not only in policy but in everyday decision-making.



2.7 Occupational Health & Safety

Building Clean Energy with a Culture of Care

At ALTER, safety is more than a legal requirement — it is a core value that guides every decision and action across our operations. We comply fully with the Renewable Energy Safety, Health, and Environment Rules and Regulations (RESHERR) of the Department of Energy under the Renewable Energy Act of 2008. As of June 2025, ALTER and all our project sites are fully RESHERR-compliant, with an accredited safety officer assigned to each major project, including the Tanay Wind Project, Alabat Wind Project, Balsik Solar Project, Palau Solar & Battery Storage Project, and Kirahon Solar Project. These officers ensure strict adherence to safety protocols, hazard controls, and regulatory requirements.

Our occupational health services are designed around hazard prevention, risk reduction, and health promotion. We conduct regular inspections, project-level risk assessments, and health surveillance activities across offices and sites to identify potential hazards early. Risks are minimized through engineering controls, mandatory PPE usage, proper signage, safe work procedures, and accident prevention systems. Health monitoring and surveillance programs ensure that employees and site personnel undergo regular health checks, with swift responses to any early signs of work-related health issues. Health promotion is embedded in our workplace culture through our #RenewWell program, which provides psychological counseling via Mind Check, wellness events, site visits, and community engagement activities.

We also recognize that safety thrives when it is participatory. Each project maintains a functioning Occupational Health and Safety (OHS) Committee composed of management and worker representatives. These committees meet regularly to conduct audits, review incidents, and recommend improvements. In addition, quarterly town halls and open forums give both corporate and site-based personnel opportunities to raise concerns and suggest enhancements. Employees are encouraged to report near-misses and hazards without fear of retaliation, and these inputs are integrated into our prevention strategies.

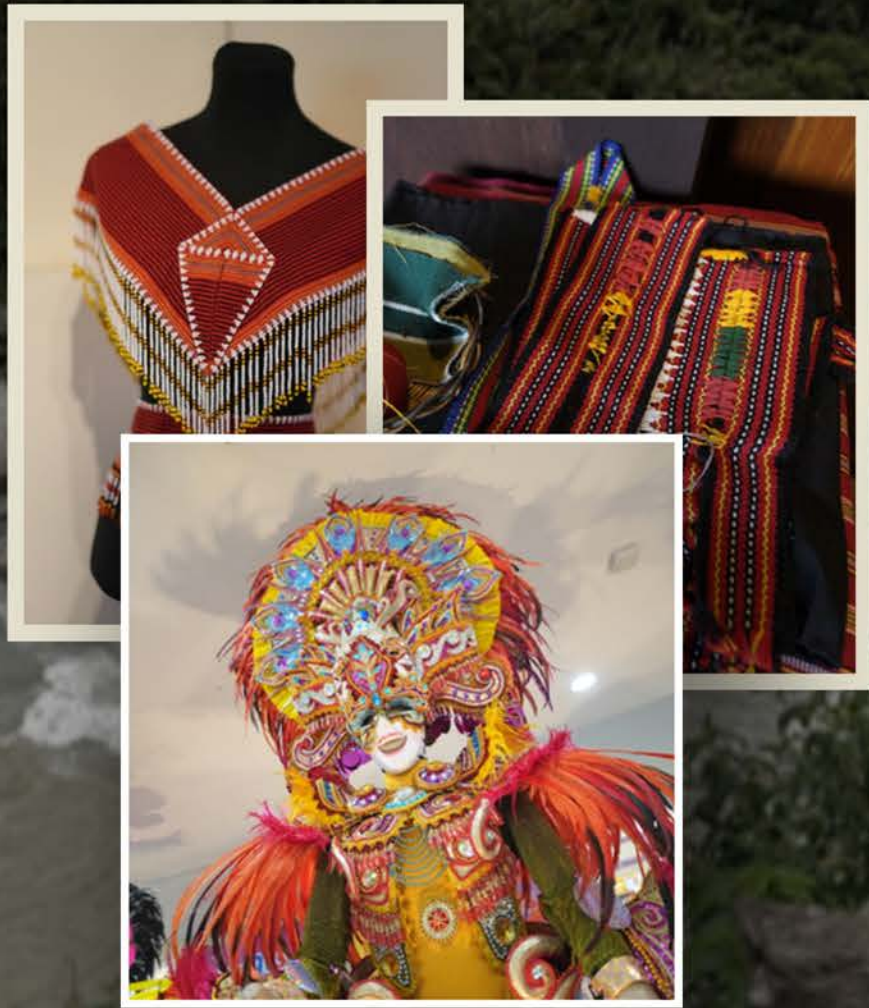
Finally, safety at ALTER is reinforced through a culture of accountability and vigilance. All contractors undergo site-specific safety orientations and are required to comply with our Construction Safety and Health Programs (CSHPs). Daily toolbox meetings, emergency drills, and safety inspections are embedded in site operations, ensuring preparedness and discipline. We uphold a zero-compromise stance on safety: no task is ever so urgent or important that it cannot be done safely.

Through these layered safeguards — regulatory compliance, proactive risk management, worker participation, and cultural reinforcement — we ensure that the clean energy we build is rooted in care for the people who make it possible.

2.8 Respect for Indigenous Peoples

Many of ALTER's projects overlap with ancestral domains. We uphold the Indigenous Peoples Rights Act (IPRA) and strictly comply with Free, Prior, and Informed Consent (FPIC). But beyond compliance, FPIC is our principle for engagement: a partnership rooted in dialogue and trust.

In 2025, we continued active collaboration with IP communities in Ifugao, Gabaldon, and other sites, integrating traditional knowledge into watershed management, supporting livelihoods, and promoting cultural and educational programs.



2.9

Community Partnerships: Building Trust Beyond Projects

At ALTER, our renewable energy projects are never built in isolation. They are rooted in the lives, cultures, and landscapes of the communities that host them. We recognize that while our mission is to deliver clean, sustainable power, our activities inevitably bring both positive and negative impacts. This is especially true in geographically isolated, indigenous, or ecologically sensitive areas. For us, responsible development means not only mitigating adverse impacts but also actively creating shared value.

Our approach to community engagement begins well before construction. From early project planning, we conduct transparent consultations, obtain Free, Prior, and Informed Consent (FPIC) where Indigenous Peoples are concerned, and ensure that voices from all stakeholder groups are heard. We comply strictly with the Indigenous Peoples Rights Act (IPRA) and the guidelines of the National Commission on Indigenous Peoples (NCIP), carrying out field-based investigations, Information and Education Campaigns (IECs), and entering into Memoranda of Agreement (MOAs) with Indigenous Peoples Organizations (IPOs). We also assist IPOs in organizing legally and in developing their Community Royalty Development Plans (CRDPs) and Ancestral Domain Sustainable Development and Protection Plans (ADSDPPs), affirming our respect for their self-determination and long-term cultural resilience.

In 2025, our engagement with Indigenous communities in Ifugao, Gabaldon, and other project areas deepened further. We integrated traditional ecological knowledge into our watershed management and biodiversity programs, partnered with IPOs on livelihood initiatives, and supported youth and education projects that sustain culture while opening new opportunities for the next generation.

We also acknowledge that challenges sometimes arise. In June 2025, heavy rains at our Tanay Wind Power Project triggered erosion and siltation of nearby rivers, prompting concerns from affected barangays and regulatory action. Our response was immediate: deploying equipment for clearing operations, constructing sediment controls, reinforcing slopes, and providing emergency water supply. We went further, committing PhP2.1 million for a potable water system to serve three barangays. With close coordination and transparent dialogue, the Cease and Desist Order was lifted within a month, demonstrating our commitment to accountability and trust-building in moments of adversity.

Beyond compliance and corrective action, we invest in long-term relationships through our KAHALIGI program, ALTER's flagship ESG initiative that reflects our philosophy of standing side by side with communities. KAHALIGI goes beyond regulatory requirements and project agreements; it is about empathy, presence, and partnership. Under KAHALIGI, our employees volunteer for tree-planting, food distribution, and immersion activities. In Tanay, we reached over 4,650 households with relief aid and organized appreciation events to honor our barangay partners. In Daraitan, we extended support to local tourism operators whose livelihoods intersect with our project sites. By encouraging employee participation, KAHALIGI not only strengthens community ties but also deepens our people's sense of purpose and shared responsibility.

Through KAHALIGI and other community-driven initiatives, ALTER continues to build a social foundation for renewable energy that is anchored on respect, inclusivity, and shared progress. Our goal is clear: to ensure that the dream of clean energy is also the dream of stronger, more resilient communities who see themselves as partners in, not bystanders to, sustainable development.



KAHALIGI

Kasangga ang Alternergy
sa pagtindig ng buhay at bayan.

Our Commitment to Communities

In every project we build, we are not just generating power—we are grounding possibility in people’s lives. That belief comes to life through **KAHALIGI**, ALTER’s newly established community empowerment and social investment program.

Launched at the close of FY2025, KAHALIGI reflects a pivotal shift in our journey: we now own and operate our projects directly, giving us the responsibility—and the opportunity—to form deeper, longer-lasting relationships with our host communities.

As owner-operators, we are no longer here only to develop and construct. We are here to stay, to listen, and to build with care. That is what KAHALIGI was designed for.

Rooted in the Filipino word for “pillar,” KAHALIGI stands for our role as a steadfast partner in building lives and communities. We walk alongside the families, barangays, and Indigenous groups who host our renewable energy projects—not as benefactors, but as co-builders of shared progress.

With the rallying call: **“Kasangga ang Alternergy sa pagtindig ng buhay at bayan,”** KAHALIGI expresses our commitment to uplift and protect what truly matters: health, livelihood, learning, safety, and the natural world.

The Five Pillars of KAHALIGI

Our program is anchored in five thematic pillars that respond to the real needs of our host communities:

- **Kalikasan (Environment):** focused on nature and environment, activities include upland reforestation, mangrove cleanup, and watershed protection talks
- **Kalusugan (Health):** focused on health and well-being, projects include potable water systems, medical supplies donation and medical / dental missions, hygiene campaigns
- **Kabuhayan (Livelihood):** focused on livelihood and economic empowerment, we prioritize local hiring, provide enterprise support and skills training
- **Karunungan (Education):** focused on education and youth development, activities include school repairs / repainting, STEM talks with engineers
- **Kaligtasan (Disaster Preparedness and Response):** focused on disaster preparedness and community safety, we undertake culvert improvement, slope protection, and conduct safety briefings, and supply emergency kits.

Each activity is designed in close coordination with LGUs, IP leaders, and local residents, ensuring that solutions are relevant, inclusive, and rooted in trust.

Looking Ahead: Staying Present, Growing Responsibly

As we move forward, KAHALIGI will evolve into a foundational program that is embedded across all our projects. Because we own and operate our assets over the long term, we recognize that our presence in communities must also be sustained, responsive, and intentional.

In 2026, we plan to:

- Expand program reach in areas affected by project-related disruption or environmental change
- Continue co-designing activities with community leaders and LGUs, while maintaining direct responsibility for implementation and impact
- Introduce annual reporting on KAHALIGI activities as part of our sustainability disclosures

**We do not pass off this work. We own it, with accountability and care.
Because building the dream means building relationships that last.**

2.10

Government Engagement and Regulatory Compliance

Developing renewable energy projects in the Philippines requires close coordination with multiple government agencies at every stage—from registration to pre-development, construction, and operations. ALTER engages proactively with these institutions to ensure that all legal, technical, environmental, and social requirements are met.

At the registration and application stage, we secure endorsements and service contracts from the Department of Energy (DOE), business permits from Local Government Units (LGUs), registrations with the Securities and Exchange Commission (SEC) and the Bureau of Internal Revenue (BIR), as well as other preliminary clearances.

During pre-development, we work with the Department of Environment and Natural Resources (DENR) for environmental compliance, the National Commission on Indigenous Peoples (NCIP) for Certificates of Non-Overlap or Pre-Condition, the Department of Agrarian Reform (DAR) for land use conversion, and the National Water Resources Board (NWRB) for water rights. We also engage with the Department of Public Works and Highways (DPWH), the Civil Aviation Authority of the Philippines (CAAP), and the Protected Area Management Board (PAMB), among others, to address site-specific technical and community concerns.

At the development and conversion stage, we obtain commerciality declarations and endorsements from the DOE, interconnection and transmission agreements with the National Grid Corporation of the Philippines (NGCP) and TRANSCO, compliance certifications from the Energy Regulatory Commission (ERC), and registration with the Wholesale Electricity Spot Market (WESM). Local governments also provide critical building, electrical, and locational permits.

Finally, during operations and monitoring, we comply with occupational health and safety oversight from the Department of Labor and Employment (DOLE), as well as ongoing monitoring by ERC, NGCP, and LGUs.

Through this structured engagement with national and local regulators, ALTER ensures that its renewable energy projects are legally compliant, socially responsible, and aligned with national development and climate goals.

REGISTRATION AND APPLICATION	
Department of Energy (DOE)	Certificate of Endorsement, Wind Energy Service Contract
Securities and Exchange Commission (SEC)	Certificate of Registration
Bureau of Internal Revenue (BIR)	Certificate of Registration
Local Government Units (LGUs)	City or Municipal Business Permit/ Barangay Clearance
Others	Letter of Intent, Application and Processing Fees, Application documents, Signing Fee and Posting of Performance Bond
PRE-DEVELOPMENT	
Department of Energy (DOE)	RE Service or Operating Contract, Certificate of Endorsement for other agencies
Department of Environment and Natural Resources (DENR)	Certificate of Non-Overlap/Environmental Compliance, Distribution Unit (DU)/ Electric Cooperative (EC) Distribution Impact Study, Distribution Asset Study, Power Supply Agreement
National Commission on Indigenous Peoples (NCIP)	Certificate of Non-Overlap/Certificate of Pre-Condition
Department of Agrarian Reform (DAR)	Land Use Conversion
Local Government Unit (LGU)	Resolution of Support
Board of Investments (BOI)	Project Registration /Importation Authority
Bureau of Customs (BOC) and Bureau of Internal Revenue (BIR)	Availment of Incentives
National Water Resource Board (NWRB)	Water Permit/Water Rights
Department of Public Works and Highways (DPWH)	Right-of-way
Civil Aviation Authority of the Philippines (CAAP)	Height Limitation Clearance
Protected Area Management Board (PAMB)	Resolution and Clearance
National Grid Corporation of the Philippines (NGCP)	Interconnection and location of substation
National Commission on Indigenous Peoples (NCIP)	Certificate of Non-Overlap

Rizal Provincial Government Resolution for Wind Resource Assessment (RPG)	Land Rights Acquisition
The Philippine Institute of Volcanology and Seismology (PHILVOLCS)	Clearance on Earthquake Hazard Assessment Conversion
Department of Energy (DOE)	Declaration of Commerciality and Application for Conversion, Certificate of Confirmation of Commerciality Development
Department of Energy (DOE)	RE Service Contract, Certificate of Endorsement
Local Government Units (LGU)	Building Permit, Electrical Permit, Locational Permit, etc.
CONVERSION	
Department of Energy (DOE)	Declaration of Commerciality and Application for Conversion, Certificate of Confirmation of Commerciality Development
DEVELOPMENT	
Department of Energy (DOE)	RE Service Contract, Certificate of Endorsement
Local Government Units (LGU)	Building Permit, Electrical Permit, Locational Permit, etc.
National Grid Corporation of the Philippines (NGCP)	Connection Agreement, Transmission Service Application
Energy Regulatory Commission (ERC)	Certificate of Compliance, FIT Eligibility
Wholesale Electricity Spot Market (WESM)	WESM Registration
National Transmission Corporation (TRANSCO)	Renewable Energy Payment Agreement
Distribution Unit (DU)/ Electric Cooperatives (EC)	Power Purchase Agreement, RE Supply Agreement
Department of Labor and Employment (DOLE)	Occupational Safety and Health Standards Monitoring
MONITORING	
Local Government Units (LGUs)	National Transmission Corporation (TRANSCO)
National Grid Corporation of the Philippines (NGCP)	Board of Investments (BOI)
Energy Regulatory Commission (ERC)	Department of Energy (DOE)

2.11

Stakeholder Engagement

Powering Progress Through Partnerships

Alternergy’s journey is strengthened by the collective commitment of our sponsors — partners who share our vision of advancing clean energy, reducing dependence on fossil fuels, and uplifting host communities through sustainable investments.

Together with our lenders, employees, and host communities, we build projects that not only generate power but also generate lasting value for people and the planet.



Employees

Through the support of our lenders, the dedication of our employees, and the trust of our communities, ALTER powers possibility for generations to come.

Financing the future of clean energy

Our lenders play a pivotal role in bringing the domestic banking market deeper into the renewable energy sector. ALTER finances its projects through non-recourse project funding, working closely with banks to establish confidence in our management expertise and the viability of clean energy investments. By striking a balanced approach to risk-sharing on market-driven terms, we demonstrate the long-term financial benefits of renewable energy. In every project, we provide world-class technical analyses and transparent benchmarks, equipping lenders with confidence and knowledge that pave the way for future investments in the energy transition.



Lenders



Communities

The backbone of our mission

Our employees are the backbone of ALTER’s success. Highly skilled in their fields and deeply committed to environmental stewardship, they embody our mission to combat climate change. Guided by corporate values that foster trust and morale, we cultivate a culture of teamwork, wellness, and inclusion. We emphasize diversity and gender equality in the workplace, creating an environment where every individual has the opportunity to contribute and thrive.

Kasangga ng Komunidad

We are equally committed to the communities that host our projects. Through ongoing engagement and collaboration, we ensure that our initiatives align with local priorities, creating opportunities that promote sustainable livelihoods, environmental protection, and social development. By working hand-in-hand with host communities, Alternergy delivers energy projects that power both progress and possibility.

Strengthening Partnerships with Other Stakeholders

Beyond our employees, lenders, and host communities, ALTER’s journey is shaped by a wide circle of partners who share in the dream we are building. We walk alongside indigenous peoples who safeguard ancestral lands, co-investors and shareholders who place their trust in us, offtakers and clients who rely on our clean power, and equipment and service suppliers who help bring our projects to life.

We value the guidance of government regulators and the vital partnership of local governments, the voice of media, and the confidence of the capital markets. A

At the heart of it all, we answer to the public — keeping us honest, reminding us of our duty, and urging us toward greater purpose.

ABy advancing gender inclusion, deepening our presence in communities, and strengthening the systems that guide our actions, we ensure these relationships are built on respect, trust, and a shared commitment to progress.

Stakeholder	Their Value	How We Engage	Concerns	Our Response
Co-investors/ Shareholders	Provide resources and oversight	- Annual stockholders meeting - Meetings with investors	Business performance	Timely and transparent disclosures
Off-takers/Clients	Buyers of energy generated	Regular meetings	Downtime level of service	Ensure proper maintenance of renewable energy systems
Financiers/Creditors	Provides capital to support business	Regular communications and business updates	- Financing additional projects - Governance and business ethics	Comply with financing terms and agreements
Equipment/ Service Suppliers	Provider of wind and water turbines, solar panels, technical consulting, contractor expertise	- Regular communications - Supplier accreditation	Governance and business ethics	Practice supplier accreditation and ethical procurement policies
Government Regulator	Policy maker and implements regulations which govern sector	- Scheduled and unscheduled audits - Regular communications - Proactive consultation	- Compliance with legal and regulations - Governance and business ethics	- Follow rules and regulations - Provide timely and accurate reports
Host Communities	Host of renewable energy equipment	Regular dialogue and consultation with host community regarding project implementation and concerns	Involvement of community	Partner in implementation of projects and community benefit programs
Employees	Implement company objectives and represent company	- Regular townhall meetings - Performance appraisals	Employee welfare and benefits	Ensure work-life balance, good working environment and employee fulfillment
Media/ Capital Markets	Accurate reporting on company performance	Media and analysts’ briefings	- Business performance - ESG Impacts	Provide timely, transparent and accurate updates on the business

Investors and shareholders

Our investors and shareholders are indispensable partners in accelerating the Philippines’ transition to sustainable energy. ALTER ensures transparency through comprehensive financial reporting and regular project updates, demonstrating that renewable energy investments generate both strong financial returns and positive environmental and social impact.

Equipment and Service Suppliers

Our equipment and service suppliers, including wind turbine manufacturers, solar panel providers, and EPC contractors, are vital partners in delivering world-class renewable energy projects. By cultivating strong partnerships with both global innovators and local providers, we secure access to cutting-edge technologies while helping build the Philippine clean energy industry. Through strict adherence to quality standards and reliable project delivery, we foster mutually beneficial relationships that advance operational excellence and support supplier growth.



Shown above: Alternergy signing with Envision Energy for the Tanay and Alabat Wind Projects



Government regulators

Our government regulators, including the National Grid Corporation of the Philippines (NGCP), Energy Regulatory Commission (ERC), and Department of Energy (DOE), play a critical role in ensuring compliant and sustainable energy development.

ALTER engages proactively with these institutions through transparent reporting, timely permit applications, and rigorous compliance with energy sector standards.

By participating constructively in policy discussions, we contribute to frameworks that foster renewable energy growth while safeguarding grid stability, consumer welfare, and offtaker protection.





2.12

Developing Our Environmental & Social Management System (ESMS)

In 2025, ALTER began developing an Environmental and Social Management System (ESMS) to unify all workplace and community safeguards. Built around IFC Performance Standards, the ESMS ensures risks and impacts are identified, managed, and monitored consistently across projects. It covers workplace health and safety, fair labor practices, FPIC, biodiversity protection, watershed conservation, and continuous improvement systems.

The ESMS represents not just compliance but commitment: a guarantee that as we grow, we do so responsibly, with accountability to people, culture, and ecosystems.



Project EnSync brings people, planet, and purpose into harmony, aligning clean energy with the rhythms of community and nature. It is our way of ensuring that every megawatt we build also powers trust, balance, and shared possibility.



3 PLANET

The Ground Beneath the Dream





**Building the dream of a renewable future
means treading lightly, giving back, and
honoring the planet that sustains us.**

125,609

tonnes of CO₂ emissions
avoided, keeping ALTER
fossil-free and accelerating
the energy transition

633,313

trees planted to date in
watershed areas at 10:1 tree
replacement commitment

ZERO

effluent discharge and
river-safe hydro projects,
protecting ecosystems
while generating power

224MW

clean energy pipeline
under construction,
including the country's
largest wind turbines (8MW
each)

500 MW

Clean energy target by
2026

The Ground Beneath the Dream

3.1

Energy Consumption & Reduction

Small Changes, Lasting Impact

At ALTER, we believe sustainability must begin at home. Our responsibility to reduce emissions and minimize our footprint extends beyond project sites into the way we work, lead, and live our values daily. On September 11, 2023, this commitment was formalized through a memorandum issued by our Chairperson and President, adopting company-wide practices on energy efficiency and waste reduction.

Although we are a renewable energy producer, our operations still require conventional fuels. Diesel and gasoline remain necessary for service vehicles, logistics, diesel generators at remote sites, and heavy equipment operated by contractors. To address this, we began tracking fuel consumption across business units in 2023 to establish baselines for reduction. Alongside this, we have introduced measures such as carpooling and ride-sharing for staff visiting sites, optimizing field visit schedules to avoid redundant trips, and phasing out older service vehicles in favor of fuel-efficient models. Contractors are now required to implement idle-time reduction policies during construction, and our Environment, Health, and Safety (EHS) Plan reviews include explicit provisions on fuel efficiency. These steps are intended not only to cut costs but also to reduce Scope 1 emissions in line with emerging disclosure obligations.



3.2

Waste Reduction and Reimagining Habits

Sustainability also means reshaping everyday habits. Since July 2023, ALTER has implemented its No Single-Use Plastics (NSUP) Policy, eliminating bottled water, straws, packaging, utensils, and other disposable items across offices. Staff are encouraged to use reusables, supported by corporate eco-bags and sustainably sourced office supplies. All bond paper now comes from Paper One, which uses 100% renewable fibers.

Paper-saving measures have become standard practice. Printers are defaulted to double-sided and draft-mode settings, and each special-purpose vehicle (SPV) monitors its paper use. We have expanded cloud-based file storage through shared Google Drive folders and Microsoft Sharepoint, and electronic approvals are increasingly adopted through digital signature platforms.

Energy efficiency is also embedded in office culture. Incandescent bulbs have been replaced with LEDs, LCD monitors installed to reduce electricity draw, and idle devices are unplugged after hours. These campaigns are guided by our Sustainability Champions, who promote awareness and demonstrate best practices across teams.

Across all office sites, our waste segregation and disposal systems are continually strengthened.



3.3

Water Consumption & Conservation

Water is essential to our operations, whether in hydro turbines, solar panel cleaning, or everyday office use. We manage this resource with care, recognizing its limited and shared nature.

For our run-of-river hydro plants, water is withdrawn using diversion systems that avoid the environmental impacts of large dams. All withdrawals are covered by National Water Regulatory Board (NWRB) permits, ensuring that irrigation flows and ecological balance are not disrupted. Our hydro facilities are designed as zero-discharge systems, compliant with Environmental Compliance Certificates (ECCs) and Environmental Management Plans (EMPs). Semi-annual monitoring reports are submitted to the DENR for sites such as Kiangnan, Dupinga, and Lamut, covering indicators such as flow and water quality to ensure ecological integrity.

In our solar operations, water use is limited to panel cleaning. Cleaning schedules are based on dust accumulation, with water sourced responsibly to avoid disrupting community supply.

Even in our offices, water stewardship is emphasized. We conduct regular maintenance to prevent leaks and encourage water-conscious behaviors through staff awareness campaigns. These practices form part of our green workplace policies alongside energy and plastic reduction. Our CSR program, KAHALIGI, extends water support to host communities by building potable water infrastructure and reinforcing the importance of conservation from river to rooftop.

3.4

Air Emissions

As a 100% renewable energy company, our impact is measured not only in megawatts generated but in emissions avoided. Since June 2022, ALTER has committed to remain exclusively focused on renewable energy, ruling out investments in coal, fuel oil, natural gas, or nuclear. This commitment underscores our belief that genuine leadership in the clean energy transition means refusing technologies that compromise the planet's health.

Our renewable projects displace emissions that fossil fuel plants would have produced. Using DOE's National Grid Emission Factors, 0.6836 tCO₂/MWh for Luzon-Visayas and 0.7859 tCO₂/MWh for Mindanao, we calculate avoided emissions by multiplying net annual generation against these benchmarks. In FY2025, operational wind and solar facilities displaced 125,609 tonnes of CO₂, up from 122,878 tonnes in FY2024, largely due to the commissioning of the Palau Solar and Battery Storage Plant and the adoption of streamlined calculations. This reduction is equivalent to removing 8,723 jeepneys from Philippine roads, based on updated data from the University of the Philippines Center for Integrative and Development Studies.

In parallel, we continue monitoring direct and indirect emissions. Scope 1 emissions from diesel purchases are tracked and converted using standard factors (2.68 kg CO₂ per liter), while Scope 2 emissions reflect electricity consumption at our head office and solar plants. Though modest, these emissions are significantly outweighed by avoided emissions. We also plan to expand to Scope 3 accounting in future reports, covering procurement and logistics.

Air pollutants such as NO_x, SO_x, PM, and VOCs are not materially emitted by our solar, wind, or hydro facilities, allowing us to contribute to cleaner air and improved public health. No exceedances or air quality violations were recorded in FY2025.

3.5

Effluents

All hydro projects comply with NWRB permits and ECC conditions, supported by wildlife assessments, baseline water tests, and semi-annual monitoring. At Tanay, construction activities in 2025 resulted in sedimentation incidents after heavy rainfall. ALTER responded by coordinating with DENR-PENRO and local governments, implementing slope stabilization, sediment traps, culvert improvements, and a potable water distribution system for affected barangays. These actions reinforced the importance of integrating environmental safeguards into project construction and embedding lessons learned into our ESMS.

No direct effluent discharges occurred across operations in FY2025, and all sites remained compliant with ECC and NWRB requirements.



3.6

Biodiversity & Watershed Programs

Protecting ecosystems is intrinsic to our mission. Our run-of-river hydro projects, such as those in Ifugao and Dupinga, avoid large-scale disruptions by eliminating the need for dams. Wildlife assessments and water quality monitoring guide our operations, complemented by reforestation and anti-illegal logging activities led by our community officers.

For our Palau Solar and Battery Storage plant, a biodiversity action plan confirmed no endangered species within the project site, despite its location in an Important Bird Area. Similarly, the Tanay Wind Project in Rizal underwent extensive environmental and indigenous vetting, securing a Certificate of Non-Overlap and ECC while ensuring minimal disturbance.

Engagement with civil society is part of our approach. When concerns were raised by the Wild Bird Club of the Philippines regarding tree-cutting along the Tanay transport route, we invited them on-site, explained our permits and ten-to-one replacement policy, and demonstrated mitigation efforts. Though the dialogue eventually ceased, it reflected our openness to transparent, science-informed engagement.

Tree planting remains a cornerstone of our biodiversity efforts. Since 2018, ALTER has planted over 633,313 trees, including in the last fiscal year. In 2025, we also joined Philippine Arbor Day, planting 240 native and fruit-bearing seedlings.

For us, watersheds are not resources to use, but living systems to care for.

3.7

Environmental Compliance & Incident Management

ALTER maintains full compliance with DENR regulations, securing ECCs through rigorous Environmental Impact Assessments (EIAs) before project construction. Compliance is continuous, with periodic audits and monitoring reports. In 2025, we maintained 100% ECC compliance, recorded zero fines, and implemented erosion control, reforestation, and rehabilitation programs as part of our obligations.

Nonetheless, environmental challenges arise. During land development at the Tanay Wind Project, heavy rains triggered mudflows and siltation, resulting in community concerns and regulatory notices.

ALTER Tanay Wind Corporation acted immediately, clearing roads and riverbanks, installing sediment ponds, and providing clean water to communities.

A Corrective Action and Mitigation Plan was submitted, including culvert upgrades, slope protection with vetiver grass and coconut fiber mats, and reforestation programs. Over PhP 2.1 million was committed to community water infrastructure and assistance.



Through transparency and collaboration with EMB, DENR, NCIP, LGUs, and residents, the Cease and Desist Order was lifted in July 2025. This episode highlighted the importance of swift, accountable responses and strengthened our internal environmental protocols.



3.8

Climate Risk Integration

As a renewable developer, ALTER is exposed to seasonal shifts and climate risks. To address these, our portfolio is deliberately diversified under our Triple Play strategy—combining wind, solar, and hydro to balance seasonal variability.

In 2025, we advanced climate risk integration in line with PFRS S2, embedding scenario planning, project design for resilience, and long-term monitoring into our ERM system. Measures include wind loading standards, flood risk analyses, erosion controls, and redundancy in interconnections. Board-level oversight ensures adaptation strategies are continuously refined. We also began piloting disclosure processes to align with future PFRS S2 reporting requirements.

3.9

Public Advocacy & Outlook

ALTER recognizes that solving the climate crisis requires collective action. We continue supporting NGOs raising awareness on climate change and remain open to collaborations that advance a carbon-neutral Philippines. Where feasible, we will explore carbon credit generation from eligible projects.

Ultimately, our ambition goes beyond delivering clean megawatts. We aim to leave behind cleaner skies, cooler climates, restored ecosystems, and a legacy of responsible development for future generations.



The Planet as Foundation of the Dream

From banning plastics in our offices to planting trees in our watersheds, from calculating avoided emissions to restoring silted rivers, ALTER's environmental journey is both practical and principled. Every measure, whether it is conserving water in hydro projects or committing Php2.1 million for potable water in Tanay, reflects our belief that the planet is not just a resource to be used but the very ground beneath the dream we are building.

We recognize that our projects succeed only when ecosystems thrive, communities feel secure, and future generations inherit a healthier environment. By embedding conservation, accountability, and climate resilience into every project, we are ensuring that ALTER's legacy is more than megawatts delivered to the grid. It is a foundation of regenerative growth, resilience, and responsibility.

The ground beneath our dream is the Earth itself. By caring for it today, we safeguard the possibility of a brighter, cleaner, and more inclusive tomorrow.

Climate Scenario Snapshot:



Short-Term Risks (1-3 Years)

Risk:
More frequent extreme rainfall events causing localized flooding and erosion at project sites.

Response:
Enhanced slope stabilization, riverbank protection, erosion control, and compliance with ECC conditions.

Risk:
Heat stress and weather-related safety hazards for on-site workers.

Response:
Strengthened occupational health and safety protocols, flexible work arrangements, #RenewWell wellness integration.



Medium-Term Risks (1-3 Years)

Risk:
Increasing intensity of typhoons damaging wind and transmission infrastructure.

Response:
Updated design standards for wind turbines and towers, redundancy in grid interconnections, proactive insurance coverage.

Risk:
Variability in rainfall and river flow affecting run-of-river hydro projects.

Response:
Diversification of portfolio (solar + wind + BESS), hydrological studies, integrated watershed management.



Long-Term Risks (1-3 Years)

Risk:
Rising average temperatures reducing solar PV efficiency.

Response:
Investment in higher-efficiency panels, ongoing R&D monitoring, predictive maintenance systems.

Risk:
Stranded asset risk if projects are not climate-resilient or compliant with future carbon regulation.

Response:
Full alignment with PFRS S2, IFC Performance Standards, and green finance criteria; continuous disclosure of climate resilience strategies.

4

PURPOSE

The Meaning Behind the Megawatts



Every clean kilowatt-hour we generate is more than electricity. It is possibility.



Php15.3B project finance for Tanay and Alabat Wind and Balsik Solar Projects



224MW of new capacity in construction or development



5 projects under the Green Energy Auction Program 4



Php2.0B Green Corporate Loan from BDO



Php1.45B GSIS investment in perpetual preferred shares



Php 118 Mn distribution to GSIS' preferred shares and PHP 40 Mn dividends to common shareholders



First BPI-IFC Green Bond Facility

This is the meaning behind the megawatts – the deeper reasons why we build.

1

Driving the Energy Transition

2

Integrity at the Core

3

Building Trusted Partnerships

4

Green & Transparent Finance

5

Sourcing & Accountability

6

Empowering People & Communities

7

Infrastructure Investments & Services Supported

8

Infrastructure Investments & Services Supported

4.1 Driving the Energy Transition

The Philippines stands at a crossroads. Growing demand, volatile fossil fuel markets, and urgent climate commitments make one thing clear: the energy transition is no longer optional, but necessary. ALTER was built for this moment. Our role is not only to add clean megawatts to the grid, but also to demonstrate that renewables can be both bankable and reliable — the backbone of national energy security.

In 2025, we advanced this mission by expanding renewable capacity across wind, solar, and hydro projects under development and construction. We deepened our participation in the government's Green Energy Auction Program (GEAP) with two projects actively progressing under its competitive framework. We reaffirmed our target of 500 MW by 2026, positioning ALTER among the country's leading homegrown platforms. And we began integrating Battery Energy Storage Systems (BESS) into our portfolio, helping stabilize the grid and enable higher renewable penetration.

Our contribution aligns directly with the DOE's Renewable Energy Roadmap and the Philippine Energy Plan, both of which call for scaling renewable capacity to meet 2030 and 2040 goals. But more than numbers, our purpose is about confidence, showing that clean energy projects can be technically sound, commercially viable, and resilient to both climate and market shocks.

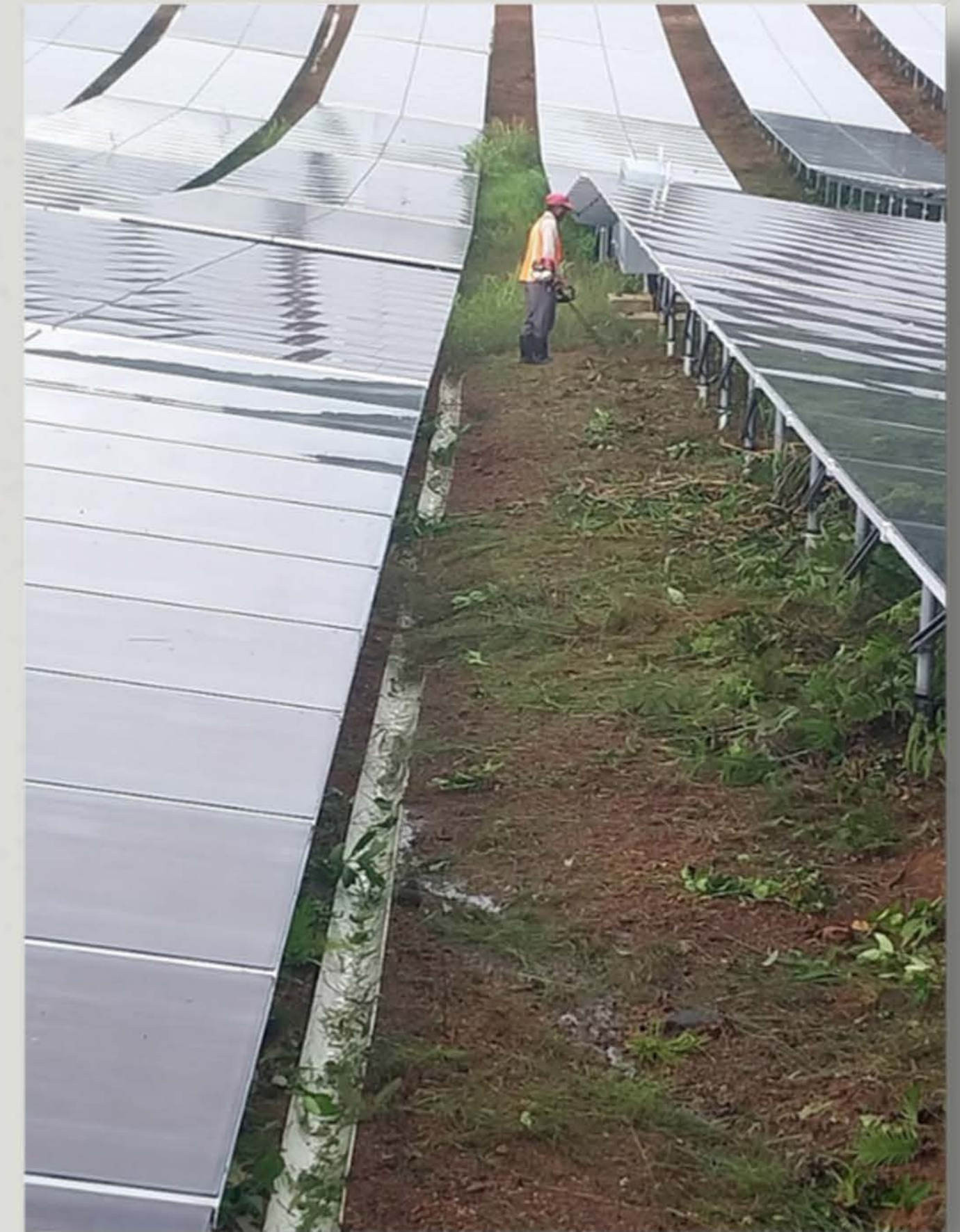


4.2 Integrity at the Core

For ALTER, the meaning behind the megawatts is not only in the clean power we generate, but also in the principles that shape how we operate. We uphold a zero-tolerance policy for corruption, bribery, fraud, or unethical conduct. Our Policy on Business Conduct and Ethics applies to directors, officers, employees, contractors, and suppliers alike, requiring disclosure of conflicts of interest, responsible use of resources, and strict prohibitions on inappropriate gifts or favors.

Integrity is safeguarded through our Whistleblowing Policy, which guarantees confidentiality, non-retaliation, and fair investigation of any report of misconduct. Contractors and partners are also bound by these protections; retaliation leads to termination of contracts. Oversight sits with the Audit Committee and Internal Auditor, who ensure every report is acted upon and lessons are built into stronger safeguards.

Training programs, leadership example, and regular compliance monitoring make sure integrity is not an aspiration but a daily practice. In this way, we affirm that clean energy must begin with a clean conscience.

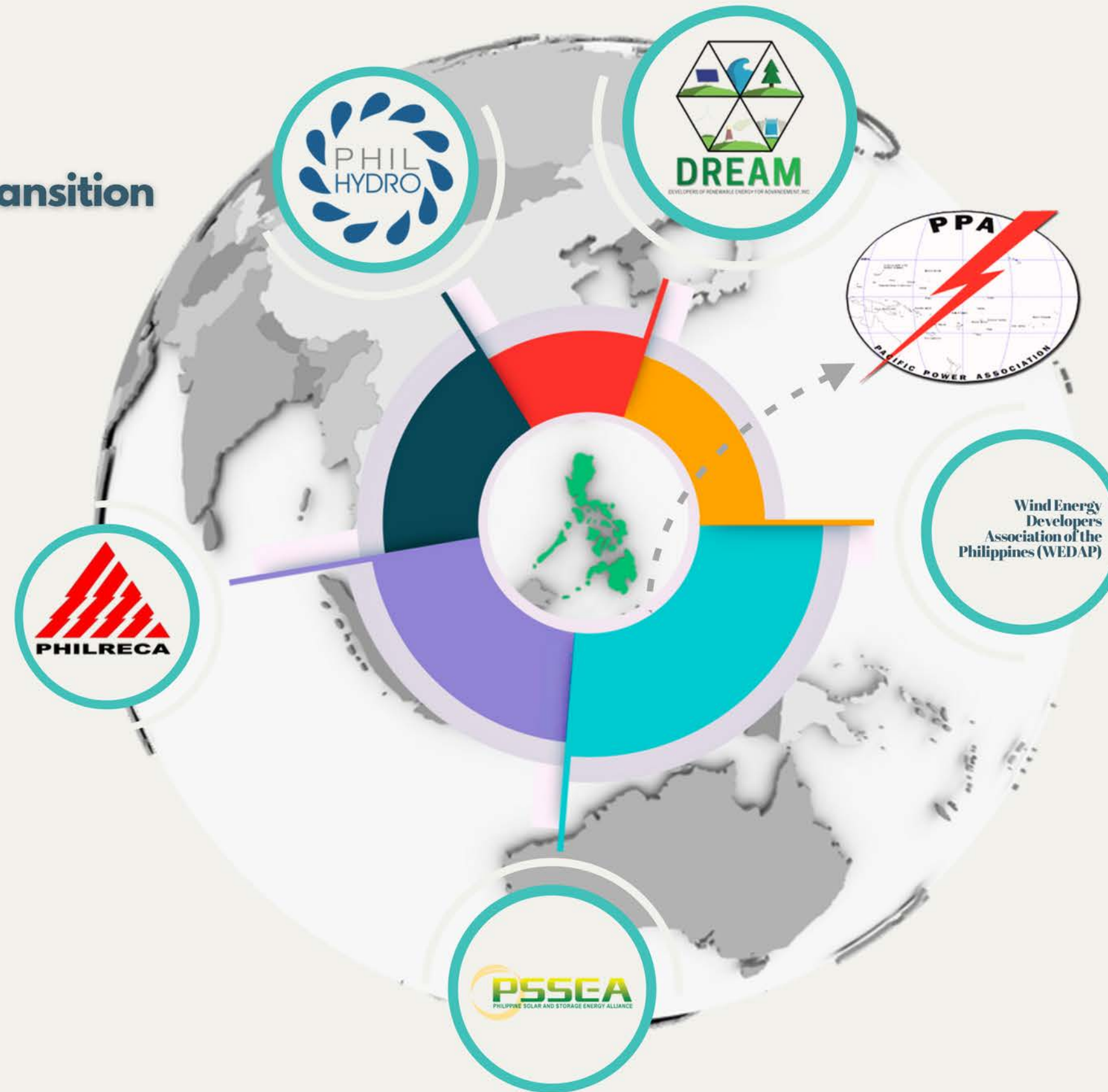


Amplifying our voice, shaping the energy transition

alternergy

Membership in Associations

Alternergy recognizes that advancing renewable energy requires collective action. By actively participating in sector-specific and cross-industry associations, we contribute to policy advocacy, knowledge sharing, and capacity building that help shape a sustainable energy future for the Philippines. These memberships provide us with platforms for collaboration, roundtable dialogue, and professional development, while also amplifying our voice on issues that affect both our industry and the broader business community.



Renewable Energy Associations

Developers of Renewable Energy for AdvanceMent, Inc. (DREAM)

The Developers of Renewable Energy for Advancement, Inc. (DREAM) is the national umbrella group of renewable energy associations in the Philippines, launched in 2019 to champion policy reforms that streamline government services and advance the country's RE targets. By uniting six industry associations, i.e., National Geothermal Association of the Philippines (NGAP), Biomass RE Alliance (BREA), Confederation of Solar Developers of the Philippines (CDSP), PSSEA, PhilHydro, and WEDAP, DREAM strengthens policy advocacy and knowledge exchange. Our Chairperson, Vince Pérez, currently serves as its Chairperson.

Wind Energy Developers Association of the Philippines (WEDAP)

WEDAP advances the growth of wind energy in the country by uniting developers and stakeholders. Its objectives mirror those of other technology-focused associations: promoting wind energy as a sustainable resource, attracting investments, advocating supportive policies, and facilitating knowledge sharing and research in the wind energy sector.

Philippine Hydro Association (PhilHydro)

PhilHydro is a non-profit organization promoting the sustainable development of hydropower in the Philippines. It serves as a platform for industry stakeholders to share knowledge, collaborate on projects, and advocate for policies that support hydro development. Its objectives include:

- Promoting hydropower as a renewable and sustainable energy source;
- Encouraging investment in hydro projects;
- Supporting research and development in hydropower; and
- Advocating for enabling policies and regulatory support.

Philippine Solar and Storage Energy Alliance (PSSEA)

PSSEA champions the development of solar energy and energy storage technologies. The alliance brings together stakeholders to accelerate adoption of solar and storage, provide policy advocacy, and support research, collaboration, and investment in these technologies to strengthen the Philippines' renewable energy mix.

Philippine Rural Electric Cooperatives Association, Inc. (PHILRECA)

The Philippine Rural Electric Cooperatives Association (PHILRECA) is the national organization of electric cooperatives, advocating for rural electrification, service reliability, and consumer empowerment. For over four decades, it has supported members through policy advocacy, government representation, and capacity-building, and is also represented in Congress through the PHILRECA Party-list.

Pacific Power Association (PPA)

The Pacific Power Association (PPA), an inter-governmental organization under the Council of Regional Organizations in the Pacific (CROP), brings together Pacific island power utilities to strengthen cooperation in technical training, information exchange, and the sharing of management and engineering expertise. Working closely with utilities, the private sector, and development partners, the PPA aims to improve the quality, reliability, and sustainability of power across the region.

Business and Professional Associations

Beyond the renewable energy sector, Alternergy's leadership actively participates in organizations that shape corporate governance, finance, and business practices in the Philippines.

Management Association of the Philippines (MAP)

MAP is one of the country's most prominent business associations, composed of more than 1,000 members including CEOs, COOs, and senior executives of leading local and multinational companies. MAP promotes management excellence as a driver of nation-building through benchmarking, networking, and advocacy for business and economic reforms. Alternergy is represented at MAP by Chairman Vince Pérez and President Gerry Magbanua.

Business for Sustainable Development (BSD)

Business for Sustainable Development is a leading Philippine non-profit business association that advances sustainability and corporate responsibility. As the local partner of the World Business Council for Sustainable Development (WBCSD), BSD brings together companies committed to integrating ESG principles into their strategies and operations. Through policy advocacy, knowledge exchange, and collaborative programs, BSD helps the private sector address pressing environmental and social challenges while supporting national and global sustainable development goals.

Makati Business Club (MBC)

MBC is a forum for constructive business engagement, dedicated to building a competitive economy and a democratic, inclusive, and sustainable society. Through policy dialogue, thought leadership, and cross-sector collaboration, MBC amplifies the voice of the private sector on national issues.

Financial Executives Institute of the Philippines (FINEX)

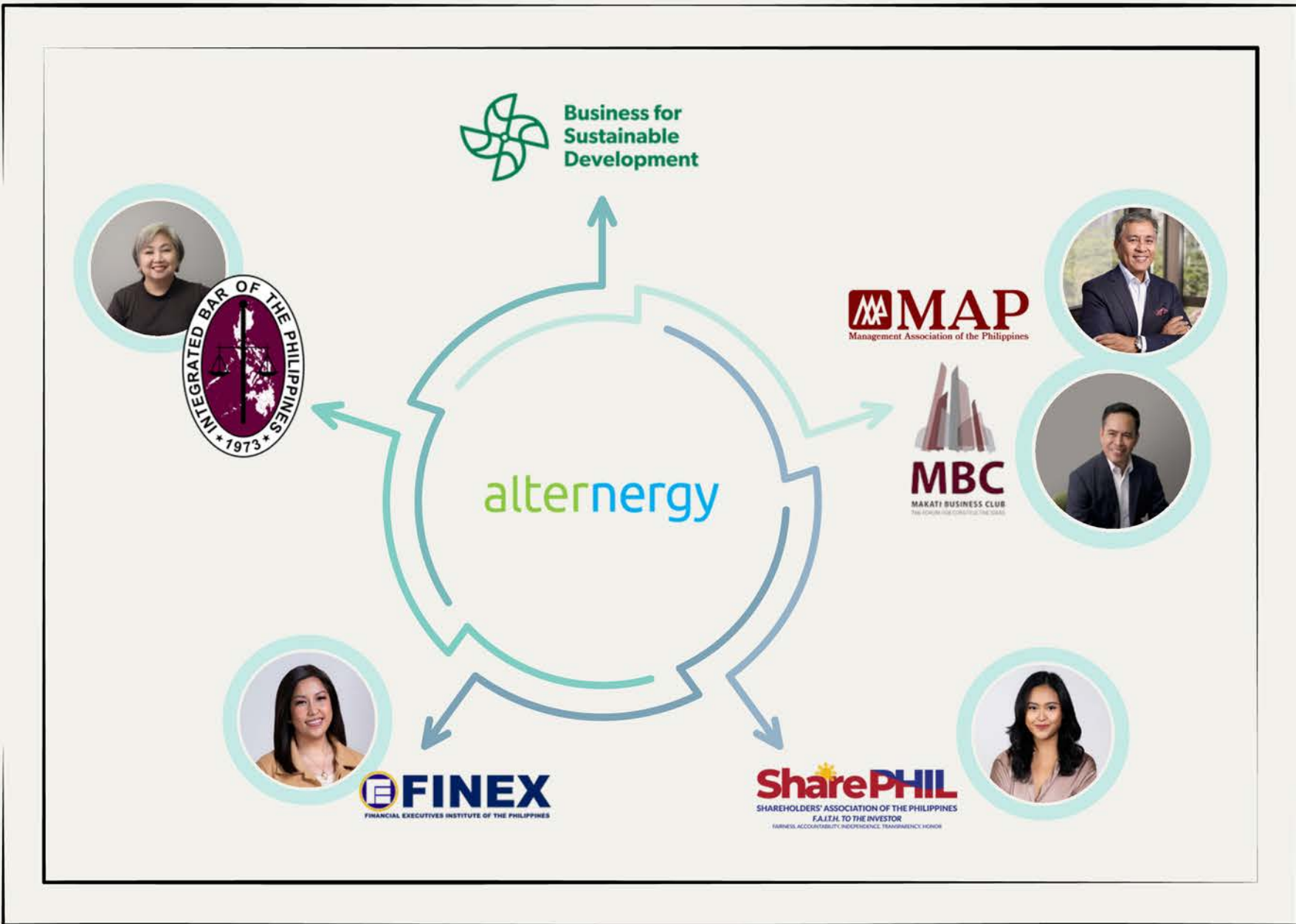
Our Chief Financial Officer, Carmen Diaz, is an active member of FINEX, which provides a platform for advancing corporate financial management, capital markets development, and sustainability-linked financial practices.

Integrated Bar of the Philippines (IBP)

Our General Counsel and Chief Sustainability Officer, Ina Arriola, is a member of the IBP, the official organization of all lawyers in the country. This membership underscores our commitment to governance anchored on ethical and legal standards.

Shareholders' Association of the Philippines Inc (SharePHIL)

Our Investor Relations Officer, Bea Bathan, is a member of SharePHIL, the leading non-profit organization dedicated to promoting and protecting shareholder rights in the Philippines. This membership underscores our commitment to transparency, investor education, and fostering strong relationships with our stakeholders while contributing to the development of a dynamic and sustainable capital markets.



Through active membership in industry and professional associations, ALTER helps shape the policies, standards, and practices that will define a more sustainable energy future for the Philippines.

4.3 Building Trusted Partnerships

Unlike retail-facing utilities, ALTER's customers are not households but offtakers and institutional partners. Power Supply Agreements (PSAs) and contracts with cooperatives, retail electricity suppliers, and the grid itself define our business model. Yet trust, responsiveness, and transparency remain as important to us as they would to any consumer-facing company.

Our long-term partnerships tell this story:

- The Kirahon Solar Farm in Misamis Oriental continues to supply CEPALCO under a 25-year PSA, a pioneering agreement that became the first PSA approved by the ERC under the RE Law.



- The Dupinga Mini Hydro Project in Nueva Ecija supplies affordable renewable power to NEECO II Area 2, supporting underserved communities and enhancing grid stability.
- The CitySun Projects, in partnership with CityMall, installed rooftop solar systems across malls nationwide, embedding sustainability directly into the country's growing retail infrastructure.



In each case, ALTER provides not only energy, but also accountability: regular performance updates, compliance reviews, technical coordination, and proactive regulatory support. And while our direct "customers" may be institutional, the ultimate beneficiary remains the Filipino electricity consumer.

4.4 Green & Transparent Finance

Our purpose extends beyond operations into how we finance growth. ALTER is one of the first renewable platforms in the Philippines to establish a Green Finance Framework, aligned with ASEAN Green Bond Standards, ICMA Green Bond Principles, and the Loan Market Association Green Loan Principles.

In 2025, this framework translated into a landmark achievement: the ₱4 billion facility for the Tanay Wind Project, financed through the BPI-IFC bilateral Green Bond Program. The deal not only provided capital for a flagship wind farm, but also embedded IFC’s rigorous environmental and social management provisions into the facility agreement, a first for project financing in the Philippines.

This milestone validated our governance, strengthened investor confidence, and set a precedent for responsible green finance nationwide. For ALTER, raising capital is not just about fueling projects, but about signaling to markets that sustainable energy is credible, transparent, and scalable.



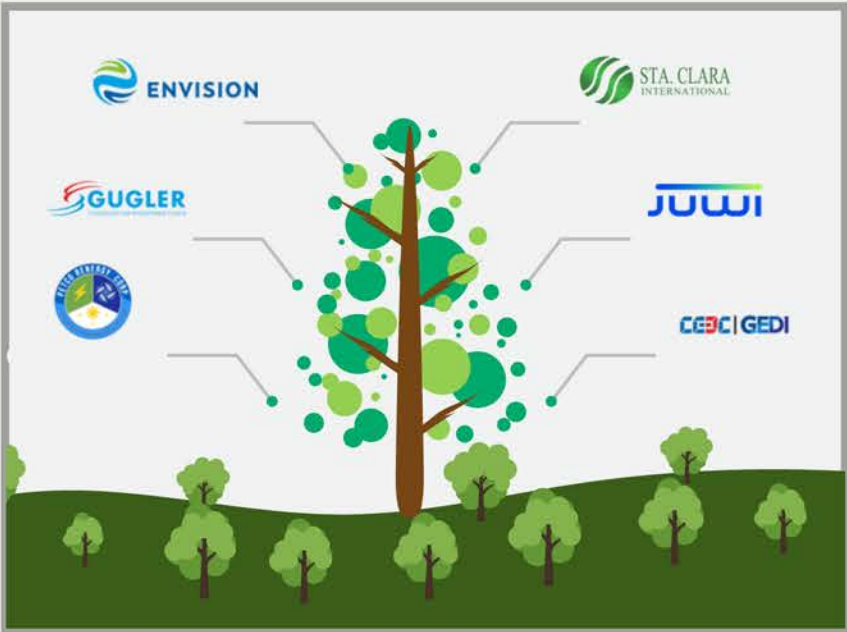
4.5 Sourcing & Accountability

The integrity of renewable energy lies not only in the electrons produced, but in the way every turbine blade, solar panel, and hydro intake is sourced. ALTER enforces rigorous ESG screening across its contractors and suppliers, ensuring that sustainability is built into every link of the chain.

- **Environmental Standards:** Bidders must submit method statements addressing erosion control, biodiversity safeguards, waste management, and pollution prevention.
- **Labor Rights:** All suppliers must comply with DOLE standards on wages, safety, and working conditions. PV module providers are required to sign our Anti-Forced Labor Policy, committing to ethical sourcing and traceability.
- **Human Rights:** Our Code of Conduct mandates respect for cultural sensitivities, gender inclusion, and Indigenous Peoples’ rights, reinforced by our Gender Diversity, Inclusion, and Non-Discrimination Policy rolled out in 2025.
- **Integrity:** We enforce a zero-tolerance stance on bribery and corruption, embedding anti-bribery clauses and audit rights in contracts.

By holding partners to these standards, we ensure that our projects are not only clean in output, but clean in process.

In FY2025, no negative environmental or social impacts in the supply chain occurred.



4.6 Shared Value: Empowering People & Communities

Purpose at ALTER means going beyond megawatts. It means building lives, skills, and communities.

- **#AlterEmpowered:** Our internal training platform delivered 959 hours of leadership and technical training in 2025, with structured mentorships and ESG learning modules designed to empower employees at every stage of their careers.
- **KAHALIGI:** Our year-round community partnership program grounded in dignity and resilience. In 2025, this meant repainting classrooms, repairing school facilities, distributing school and hygiene kits, organizing youth-led climate drives, and engaging Indigenous Peoples through ongoing FPIC dialogues. KAHALIGI is how we ensure that our presence leaves communities stronger, not disrupted.

And in a bold step into innovation, ALTER is developing the country’s first aquavoltaic project in Tarlac, a 140 MW floating solar installation above fishponds. By combining clean power with enhanced aquaculture productivity, the project demonstrates how energy, food security, and community livelihoods can advance together.



4.7

Infrastructure Investments & Services Supported

Building renewable energy projects often requires more than turbines, towers, or transmission lines. It calls for shared infrastructure that strengthens communities and leaves lasting value long after construction is complete. For Alternergy, these investments are part of our Purpose: to power possibility not only through clean energy, but also through facilities and services that uplift local economies and improve everyday life.

Building a Jetty at the Infanta Municipal Port

To deliver the massive components of the Tanay Onshore Wind Power Project, Alternergy Tanay Wind Corporation (ATWC) worked hand in hand with the Municipal Government of Infanta to enhance port facilities. A temporary jetty was built to berth shipments safely, while ₱3.0 million was donated for additional improvements and municipal projects. In total, nearly ₱40 million was invested in port assets that now serve both the project and the local fishing and passenger community.

Strengthening Seven Bridges

After the collapse of the Cabagan–Sta. Maria Bridge in early 2025, ATWC partnered with the Department of Public Works and Highways to reinforce seven key bridges along the Marikina–Infanta Road. These reinforcements ensured the safe transport of turbine components and safeguarded local mobility. By August 2025, all bridge shoring systems were certified as structurally sound, delivering peace of mind to both project engineers and daily commuters.

Constructing Culverts and a Water Storage Tank

ATWC also invested ₱2.1 million in targeted infrastructure for host barangays — replacing clogged culverts to reduce flood risks and constructing a water storage tank with pipelines to provide reliable access to clean water. Alongside these works, ₱2.73 million worth of groceries were distributed to nearly 3,900 households as a gesture of thanksgiving for the support of partner communities in Tanay.

Shared Value

These initiatives represent more than ₱45 million in infrastructure support, directly tied to project delivery yet designed with long-term community benefit in mind. Ports, bridges, and water systems are not just means to build wind farms—they are assets that build trust, resilience, and opportunity in the places we call partners.



Additional Works and Services

Beyond major infrastructure investments, ATWC has carried out a range of support services and safety measures to ensure smooth project delivery while safeguarding surrounding communities and environments.

These additional works demonstrate that even routine maintenance and safety measures are opportunities to build trust, protect communities, and extend the benefits of the Tanay Wind Project beyond energy generation.

Community & Site Maintenance

- Since December 2024, ATWC has undertaken regular housekeeping works along the Marilaque Highway near the Tanay Substation, a commitment that will continue until commercial operations begin in March 2026.
- Daily road silt removal and ditch cleaning are conducted, with ATWC allocating ₱75,000 monthly for manpower and ₱2.8 million for water truck services.
- To enhance public safety, additional traffic signages were installed along the Marilaque Highway on March 8, 2025, with an allocation of ₱90,000.
- Dust control measures are implemented twice daily by watering access roads to wind turbine sites, supported by ₱60,000 per month for manpower and ₱3.0 million for water trucks and supply.

Community Relief & Support

- Following heavy rainfall events in June 2025, ATWC initiated response measures for nearby communities. Beginning June 11, ATWC has been supplying free drinking water to residents of Barangays Cayabu and San Andres to address urgent needs—an assistance program that continues today.

Emergency Preparedness and Safety

ATWC conducted a series of emergency drills between April 2024 and June 2025 to strengthen site readiness:

- October 27, 2024 – Substation sub-office (tabletop drill and first aid demo)
- December 5, 2024 – Wind farm Tempfacil area (full-scale fire emergency)
- January 12, 2025 – Substation Tempfacil area (full-scale earthquake and evacuation drill)
- April 15, 2025 – Substation Assembly site (full-scale fire emergency)
- April 28, 2025 – GEDI Tempfacil Conference Room (tabletop drill, first aid/medical emergency)
- April 29, 2025 – Substation Main Control Building (full-scale medical emergency and rescue)

Security

On March 13, 2025, ATWC formalized the Tanay Project Security Plan in coordination with the Barangay, Provincial Security Division, Philippine National Police, Armed Forces of the Philippines, and ATWC’s own security team. The plan establishes clear protocols to maintain a safe and secure work environment and to protect personnel from external risks.

Together, these measures reflect Alternergy’s commitment to go beyond compliance, embedding care, safety, and community support into every stage of project development as part of building the dream of a just and resilient energy future.

4.8

Safeguarding Data & Upholding Privacy



In today's energy landscape, trust is not only physical. It is digital. ALTER handles sensitive contractual, technical, and financial information across its projects and partners. While we do not process large volumes of consumer data, we enforce strict confidentiality provisions in all agreements and back these with strong internal controls.

In 2025, we launched *Project FastTrak*, a company-wide IT modernization initiative that migrated document storage to OneDrive with layered encryption, transitioned approvals to DocuSign for secure digital signatures, and introduced stricter access controls. To date, ALTER has had no incidents of data breaches or privacy violations, a track record we intend to keep through proactive cybersecurity and regular system upgrades.

Data security, like energy security, is a shared responsibility. Our commitment is to anticipate risks, not just respond to them.



4.9

Advancing Clean Energy Education and Literacy

In March 2025, the corridors of UP Diliman buzzed with the energy of possibility as Alternergy partnered with the UP Industrial Engineering Club during UPD's Engineering Week. What unfolded was more than a case competition—it was a convergence of brilliant minds wrestling with the real challenges that define our renewable energy landscape in the Philippines.

This partnership embodied our commitment to Karunungan, one of KAHALIGI's five pillars focused on education and youth development. By engaging directly with the country's brightest engineering students, we were not just sharing knowledge—we were co-creating solutions and nurturing the next generation of clean energy champions.

The Case: Real Problems, Real Solutions

Fifty of the Philippines' most promising engineering students, representing 10 groups across 8 different engineering disciplines, gathered to tackle a comprehensive case study authored by our Investor Relations Officer, Bea Bathan. The case presented the complex landscape of renewable energy development in the Philippines—from technological selection challenges to regulatory hurdles, from grid integration complexities to community acceptance dynamics.

What made this case competition extraordinary was its interdisciplinary nature. Students from chemical engineering brought insights on energy storage solutions, those studying to be civil engineers examined infrastructure requirements. Would-be materials engineers explored component durability under Philippine weather conditions, while future geodetic engineers analyzed optimal site selection. Each discipline contributed a unique lens, mirroring the collaborative approach needed to address our nation's energy transition.

The competition was graced by Alternergy's leadership at every level. Chairman Vince Perez delivered opening remarks that set the tone for innovation and possibility. Our Senior Project Manager, Engr. Margo Mananquil—an electrical engineer from our wind energy group—served as a panel judge, bringing his real-world expertise. CFO Carmen Diaz provided closing remarks that connected the students' innovative thinking to the broader vision of Philippine energy independence.

Building Dreams Through Education

This initiative represents more than corporate social responsibility—it exemplifies how we build the dream by powering possibility in young minds. By exposing the country's future engineers to the complexities and opportunities within renewable energy, we are cultivating a generation that understands both the technical and socio-economic dimensions of clean energy development.

Alternergy recognizes that true energy transition happens not just through the projects we build, but through the minds we inspire and the knowledge we collectively create. As these students graduate and enter the workforce, they carry with them a deeper understanding of renewable energy's role in shaping the Philippines' sustainable future.

This is how we build the dream — one mind, one partnership, one possibility at a time.



For ALTER, purpose is more than a guiding value.

Purpose is the lens through which every decision is made. From financing to partnerships, from digital safeguards to supply chains, from megawatts to classrooms, our story is one of responsibility and resilience.

We build not only to meet today's demand, but to create a future where energy is clean, inclusive, and empowering. Because behind every megawatt we generate is a promise: to power possibility for people, planet, and purpose.



As we sharpen our ESG tools and frameworks, to be aligned with global standards like ISSB and PFRS, we do so with confidence, because we know: we've been living this all along.

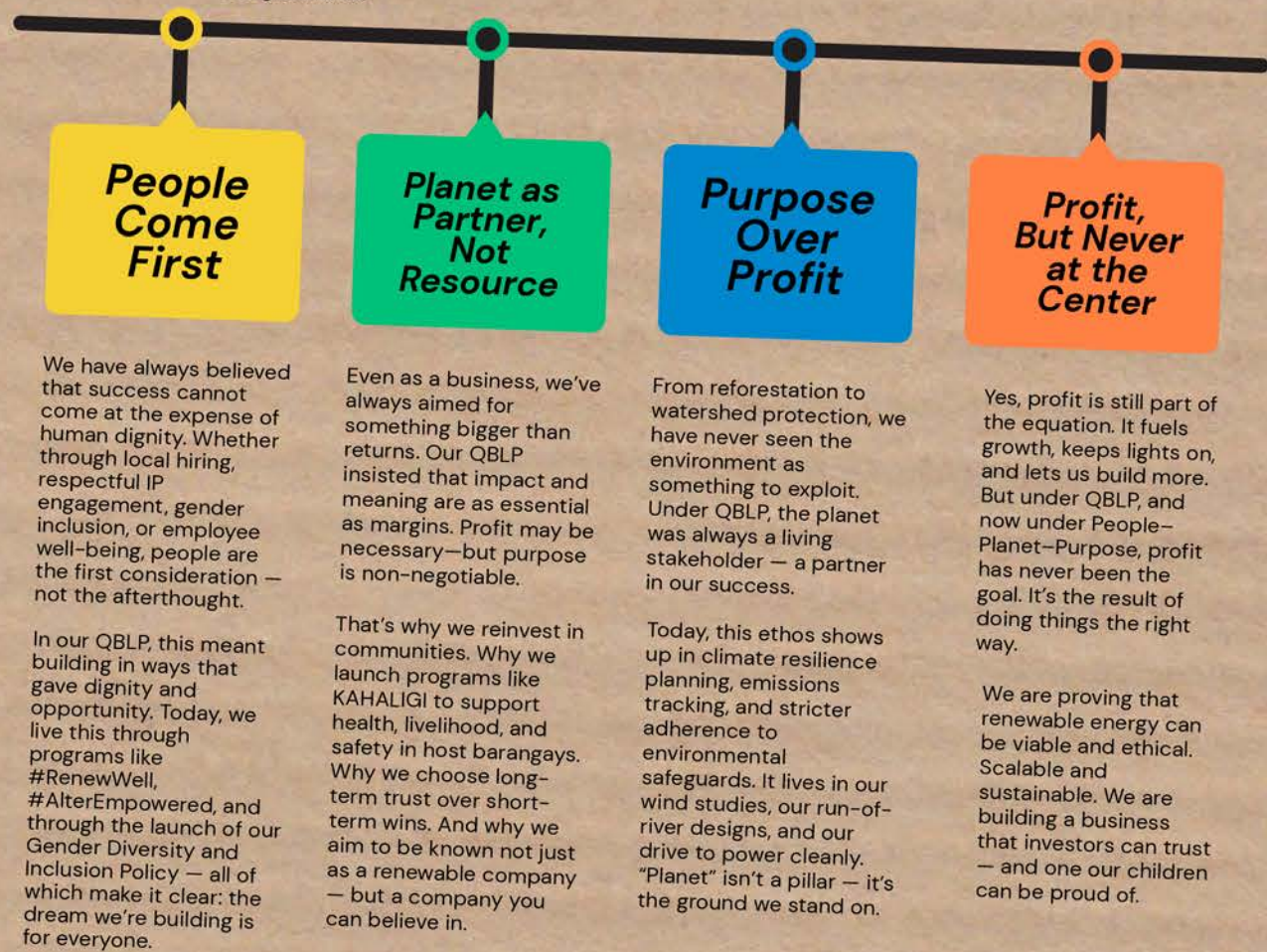
Rooted from the Start:

People, Planet, Purpose and the QBL Philosophy That Built Us

Before ESG was a checklist, before carbon disclosures and sustainability scorecards became standard practice, ALTER was already building with care. From day one, we lived and breathed our own guiding compass: the Quadruple Bottom Line Philosophy (QBLP), a framework that saw development not only as economic progress, but as a duty to people, the planet, and the future.

In many ways, our current People-Planet-Purpose pillars are not new. They are simply a clearer, more structured evolution of what's always been in our bloodstream. Our ESG philosophy isn't borrowed. It's homegrown. But like ALTER itself, it's now coming into its own.

Here's what continues to ground us:



The dream is no longer abstract.
We are building it, proudly rooted in values that never wavered.

5 PERFORMANCE DATA



5.1 Direct Economic Value Generated & Distributed

At ALTER, we measure financial performance not just through profitability, but through the economic value we generate and distribute across our ecosystem of stakeholders. Profitability is assessed in terms of annual cash flow per megawatt of installed capacity or invested capital, ensuring that our growth is both efficient and scalable.

In line with GRI 201-1, we report on our Direct Economic Value Generated and Distributed (EVG&D) to reflect how value flows through and beyond our organization.

In FY2025:

- Direct Economic Value Generated amounted to PhP 565,262,320 million, an increase of 28.17% from the previous year.
- Economic Value Distributed totaled PhP 385,678,858 million, encompassing:
 - Operating costs of PhP 224,774,374
 - Employee wages and benefits of PhP 20,455,438
 - Payments to providers of capital of PhP 103,861,570
 - Taxes and government dues PhP 15,055,087
 - **Community investments and CSR initiatives PhP21,532,389, up by 415% from FY2024**

Economic Value Retained was PhP 179,583,462 million, reinvested to support future expansion, resilience, and innovation across our renewable energy portfolio.

This distribution underscores ALTER's role not just as a renewable energy developer, but as a partner in national progress, creating value for our employees, suppliers, host communities, regulators, investors, and the broader Philippine economy.

Economic Value: 2025

(in Phil Pesos)	Year Ended June 30, 2023	Year Ended June 30, 2024	Year Ended June 30, 2025
Direct Economic Value Generated (Revenue)	246,263,889	441,013,295	565,262,320
Direct Economic Value Distributed:			
• Operating Costs	92,621,363	185,630,919	224,774,374
• Employee Wages & Benefits	7,663,197	11,689,251	20,455,438
• Dividends given to stockholders and interest payments to loan providers	88,019,114	97,263,954	103,861,570
• Taxes given to government	4,961,997	8,395,084	15,055,087
• Investments to community (e.g. donations, CSR)	5,508,318	4,175,795	21,532,389
Economic Value Distributed	198,773,989	307,155,003	385,678,858
Economic Value Retained	47,489,900	133,858,292	179,583,462

- **Revenue** – includes sale of electricity, equity in net earnings of associates, advisory fees, interest income and other income
- **Operating Costs** – include cost of sales of electricity and general & administrative expenses
- **Payments to suppliers, other operating costs** – included in operating costs
- **Payments to Providers of Capital** – cash dividends and interest payments
- **Payments to Government** – taxes and royalties paid
- **Community Investments** – CSR expenses to communities



5.1.1

Revenue Growth & Strategic Impact

ALTER's revenue composition has significantly evolved following the full-year contribution of our Palau Solar Photovoltaic and Battery Energy Storage System ("BESS"), which now accounts for 49% of electricity sales, alongside our Kirahon Solar Project. As a result, total revenues from electricity sales surged by 45%, reaching ₱565 million for the fiscal year ended June 30, 2025, compared to ₱274.9 million in the prior year.

A Landmark Overseas Venture

The Palau Solar Project marks ALTER's first international venture, developed through Solar Pacific Pristine Power Inc., a special purpose vehicle under Solar Pacific Energy Corporation. With financial support led by the Australian Infrastructure Financing Facility for the Pacific (AIFFP), comprising an AUD 25.7 million loan and AUD 5.7 million grant, the project delivered Palau's first utility-scale solar-plus-storage facility. Located in Ngatpang state on Babeldaob island, the facility includes:

- 15.28 MW peak solar photovoltaic capacity
- 12.9 MWh battery energy storage system

Completed in December 2023, the plant now supplies up to 23,000 MWh annually, meeting over 20% of Palau's energy demand. It supports Palau's national targets of 45% renewable energy and 35% energy efficiency by 2025, while reducing reliance on imported diesel and contributing to emissions reduction goals.



Sustainability & Social Impacts

- The project was constructed on a previously degraded site, minimizing environmental disruption.
- It created local employment, engaging 288 personnel, including 77 Palauans and 65 women, with a gender action plan promoting inclusion in non-traditional roles.
- Global labor standards were upheld, including a proactive shift in solar module procurement to ensure supply chain transparency.

Building the Dream

ALTER and AIFFP have built a transformative project that advances prosperity across the Pacific. In Palau, this partnership has aligned with locally determined priorities—placing climate resilience, social inclusion, and innovation at the core of infrastructure development. By strengthening high-quality, sustainable systems, the project exemplifies how private-sector leadership and concessional financing can catalyze long-term, inclusive growth.

5.1.2

Successful Private Sector-Led Investment

Through its wind and solar sub-holding companies, Alternergy Wind Holdings Corporation and Alternergy Solar Holdings Corporation, ALTER has deployed PhP5.15 billion in equity to advance the construction of three flagship renewable energy projects: the 128 MW Tanay Wind, 64 MW Alabat Wind, and 28 MW Balsik Solar. All three are now nearing completion. Upon commissioning, the combined 220 MW peak capacity will represent ALTER’s substantial contribution to the Philippine Energy Plan, contributing to the national target of 35% renewable energy share in the generation mix by 2023 and 50% by 2040.

ALTER, in partnership with three major domestic commercial banks, has secured a full non-recourse project financing (PF) for the development of these three renewable energy projects, demonstrating a wholly private sector-led investment model.

- Tanay Wind Project (128 MW): Three drawdowns have been successfully secured, totaling approximately PhP5 billion (out of PhP8 billion from project finance facilities arranged with Bank of the Philippine Islands and Security Bank Corporation).
- Alabat Wind Project (64 MW): First drawdown has been completed, amounting to PhP3.3 billion out of PhP5.3 billion from the project finance facility with Rizal Commercial Banking Corporation (RCBC).
- Balsik Solar Project (28 MW): The PhP1.03 billion project finance facility with RCBC has been fully drawn, marking a key milestone in the project’s execution.

Investor Confidence & ESG Impacts

This milestone underscores the potential to mobilize private capital for large-scale infrastructure without adding to sovereign debt. This financing structure reinforces investor confidence in the sector’s bankability and showcases ALTER’s ability to mobilize capital for infrastructure without reliance on sovereign guarantees. This achievement also highlights the role of responsible capital in accelerating the energy transition, without burdening the national balance sheet, aligning with global ESG principles and the Philippines’ climate commitments.

5.1.3

BPI & IFC Bilateral Green Bond

ALTER welcomed a new green partnership with the Bank of the Philippine Islands (BPI), following BPI’s announcement of a funding facility of up to ₱4 billion for the Tanay Wind Project under its bilateral Green Bond Program with the International Finance Corporation (IFC).

Green Collaboration

The Tanay Wind Project represents ALTER’s first project finance transaction with the Bank of the Philippine Islands (BPI), highlighting a partnership grounded in shared values and a common commitment to sustainability. As one of the flagship assets under BPI’s Green Bond Program, the project is also the first to incorporate into its facility agreement the full environmental and social management provisions of both BPI and the International Finance Corporation (IFC).

IFC’s endorsement of the Tanay Wind Project affirms its confidence in ALTER’s governance and sustainability standards. This milestone also aligns seamlessly with ALTER’s Green Finance Framework, developed with the technical support of the Asian Development Bank (ADB), further strengthening ALTER’s position as a leader in responsible, climate-aligned infrastructure development.

Green Finance Integration & Regulatory & ESG Compliance

The Tanay Wind Project stands as a landmark in sustainable finance, embodying the shared mission of ALTER, the Bank of the Philippine Islands (BPI), and the International Finance Corporation (IFC) to advance climate-resilient infrastructure and responsible capital deployment. As a core asset under BPI’s Green Bond Program, Tanay is the first project to integrate both IFC and BPI’s environmental and social management provisions into its facility agreement — setting a new benchmark for renewable energy financings in the Philippines.

Under its loan facility with BPI, ALTER is committed to upholding rigorous environmental and social governance throughout the project’s lifecycle. Compliance is reinforced through the annual Environmental and Social Appraisal Form, prepared in accordance with IFC Performance Standards, which ensures continued alignment with global benchmarks for sustainability, risk management, and stakeholder accountability.

This milestone also affirms ALTER’s adherence to its Green Finance Framework, further demonstrating its commitment to transparency, climate resilience, and responsible capital deployment.

Taken together, these measures enhance the credibility of ALTER’s green financing instruments and underscore its pioneering role in the Philippines’ energy transition.

5.1.3
Dividends Given to Stockholders

Dividends to Common Shareholders
On July 15, 2025, ALTER's BOD approved the declaration of cash dividends to its common shareholders, the Company's first dividend declaration since its IPO in March 2023. The BOD approved dividends totaling ₱40.0 million, payable to common shareholders of record as of August 14, 2025. The dividend payment will be made on 11 September 2025.

Dividends to Preferred Shareholder
In December 2023, the Government Service Insurance System (GSIS) subscribed to the ALTER's perpetual preferred shares (PPS) amounting to PhP1.45 Billion. The PPS enjoy a preference in distribution and liquidation over common shares, are non-voting and non-convertible, have a coupon of 8% per annum with a step up on its 7th anniversary, and are redeemable at a premium to GSIS beginning on the 5th year. The PPS were listed on the stock exchange in March 2024 and are tradeable securities.

The transaction was arranged through Investment & Capital Corporation of the Philippines (ICCP) as financial advisor to ALTER. Note that ALTER engaged with GSIS on an arm's length basis. Upon the advice of ICCP, GSIS was identified as a potential core investor. The PPS are equity securities specifically designed for investors like GSIS seeking attractive, long-term fixed income yield and support priority industries, such as renewable energy.

ALTER has remitted the first annual PPS coupon totaling PhP118 Million to GSIS in December 2024. This coupon is payable every year and effectively gives GSIS a 56% return on its investment in the PPS, totaling PhP826 Million, over 7 years. In addition, funds used to subscribe to the PPS amounting to PhP1.45B will be returned to GSIS in full at the end of the investment period.

Steady Returns and Supporting Nation-Building
The proceeds from GSIS's investment in ALTER's Perpetual Preferred Shares were strategically deployed to accelerate the development and construction of the Tanay and Alabat wind projects, both awarded under the Department of Energy's Green Energy Auction 2 (GEA 2) Program. These projects form part of ALTER's four wind developments currently under construction, totaling 225 MW of renewable capacity—a significant contribution to the Philippines' clean energy transition.

This equity infusion from GSIS exemplifies ESG-aligned capital deployment, enabling ALTER to fast-track its Road to 500 MW growth target by 2026. Beyond corporate growth, GSIS's investment supports national climate objectives by helping advance the government's goal of achieving a 35% renewable energy share by 2030.

By channeling institutional capital into utility-scale wind infrastructure, GSIS and ALTER demonstrate leadership in climate resilience, energy security, and inclusive economic development. The projects are expected to generate long-term environmental and social value, including reduced carbon emissions, enhanced grid stability, and job creation in host communities.

- Direct ESG Impact to ALTER:**
- Transparency and accountability: Declaring dividends requires clear financial reporting and governance practices, reinforcing ALTER's credibility.
 - Board discipline: Dividend policies often reflect prudent capital allocation, suggesting that ALTER's leadership is focused on sustainable growth.
 - Investor protection: Regular dividends can be seen as a safeguard against excessive risk-taking or mismanagement, aligning management incentives with shareholder interests.
 - Signal financial stability, allowing ALTER to invest more confidently in sustainability initiatives.
 - Attract ESG-conscious investors, who may prefer companies that balance profitability with environmental responsibility.
 - Enable reinvestment by shareholders into green funds or sustainable ventures, indirectly amplifying ALTER's environmental impact.

- Enhance ALTER's social standing:**
- Demonstrating commitment to shareholder value, which builds trust and loyalty among retail and institutional investors.
 - Supporting income generation, especially for long-term investors like retirees or community funds that rely on dividend income.
 - Promoting financial inclusion, as dividends can encourage broader participation in equity markets, especially in emerging economies.

5.2
Long Term Value Creation

Next Frontier in Renewable Energy

ALTER is advancing its commitment to innovation and sustainability with the development of the Philippines' first aquavoltaic project, a 140 MW solar installation atop fish ponds in Tarlac. This pioneering initiative showcases ALTER's ability to navigate uncharted renewable energy spaces while remaining firmly aligned with national climate goals and global ESG standards.

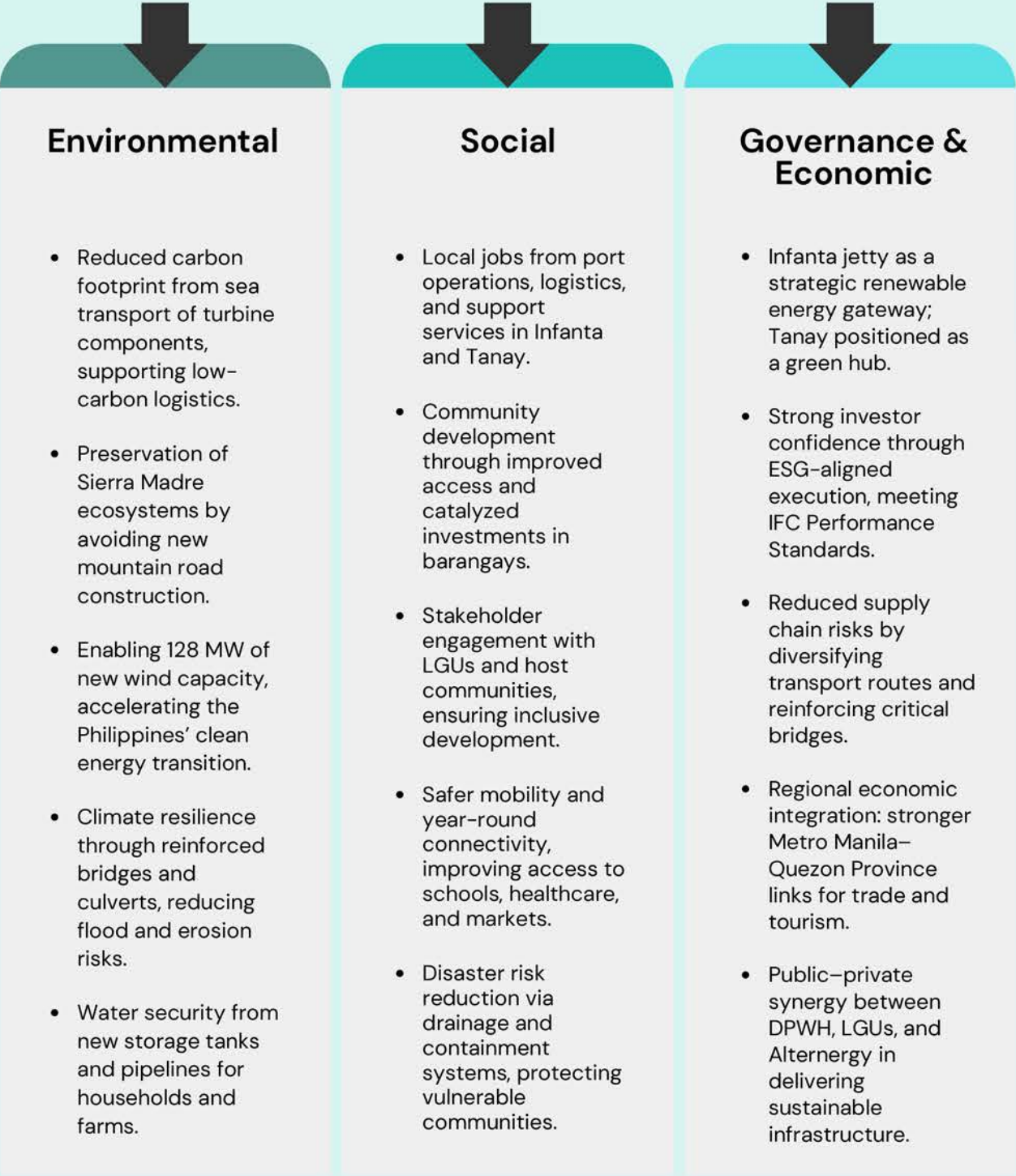
From an ESG perspective, aquavoltaics offer a compelling dual benefit: they generate clean energy without displacing agricultural land and simultaneously enhance food security by improving fish farm productivity. The project fosters inclusive economic growth by creating new income streams for fish farmers and promoting sustainable aquaculture practices. To safeguard environmental integrity and ensure social inclusion throughout the project lifecycle, ALTER will implement responsible sourcing protocols and structured community engagement frameworks.

For investors, this project highlights ALTER's strategic foresight and clear alignment with the Philippine government's renewable energy targets — 35% by 2030 and 50% by 2040. As the sole developer, ALTER ensures operational control and scalability, positioning itself to capture long-term value in a rapidly expanding market. This bold move is backed by a proven track record, including the successful delivery of the Bangui Bay Wind Farm, the Philippines' and Southeast Asia's first-ever wind farm, in 2005.

ALTER's aquavoltaic venture reinforces its role as a first-mover in emerging technologies, a steward of ESG excellence, and a trusted partner for impact-driven capital. More than just riding the wave, ALTER is shaping the future of energy.

5.3
Significant ESG Indirect Impacts

Beyond direct project delivery, Alternergy's infrastructure investments generate wide-ranging environmental, social, and economic benefits that demonstrate how clean energy development can build shared value.



Together, these indirect impacts show that every port, bridge, and culvert we build is more than project infrastructure, it is part of building the dream of resilient communities and a sustainable future.

5.4

Advancing its First Gigawatt by 2030

ALTER is charting its path toward a 1GW renewable energy portfolio by 2030, reinforcing its commitment to climate action, inclusive growth, and long-term value creation. This ambition is backed by a robust pipeline and growing interest from developers seeking strategic partnerships, joint ventures, and equity participation. The management team has considerable experience in investment banking and has already had “closed-door sessions” on how to fund the next 500 to 1,000 MW of development, including actively talking to local and international investors.

ALTER’s approach to scaling is grounded in responsible project sizing and infrastructure readiness. Recognizing transmission constraints as a key variable, the company prioritizes modular projects just over 100 MW—designed to fit seamlessly within existing grid infrastructure. This strategy minimizes environmental disruption, accelerates time-to-market, and ensures operational resilience.

ALTER’s disciplined growth model offers a compelling blend of scalability and risk management. The company is well-positioned to capitalize on the Philippine government’s renewable energy targets —35% by 2030 and 50% by 2040—while maintaining governance excellence and transparency. ALTER’s track record, including the successful delivery of Palau’s first utility-scale solar-plus-storage facility, demonstrates its ability to execute complex projects with ESG integrity and regional impact.

As ALTER moves toward its first gigawatt, it continues to tread with purpose, mobilizing capital, advancing clean energy, and shaping the future of sustainable infrastructure in the Philippines.



5.5

Expanding Our Renewable Footprint

- **Tablas Strait Offshore Wind Projects.** On November 7, 2024, ALTER, through Alternergy Wind Holdings Corporation (AWHC), assumed full control of the Tablas Strait Offshore Wind Power Corporation, acquiring the 40% stake previously held by Shell Overseas Investment B.V. The Tablas 1, 2, and 3 projects are now wholly under ALTER’s stewardship. Offshore wind is a national priority under President Marcos’ administration, and ALTER is bullish on its long-term potential. Initial feasibility studies have been completed, positioning the Tablas Projects as cornerstone assets in ALTER’s next development phase.
- **Olympia Solar Power Corporation.** On January 28, 2025, ALTER acquired a 74.99% controlling stake in Olympia Solar Power Corporation, securing development rights for a solar power project in Sultan Kudarat. This acquisition strengthens ALTER’s presence in Mindanao and supports regional energy access and decarbonization.

- **Albay Wind Power Project 1.** On February 19, 2025, the Department of Energy awarded ALTER a Certificate of Authority to explore and assess wind resources for the Albay Wind Power Project 1. The project spans the municipalities of Libon, Oas, Pio Duran, and the City of Ligao, reinforcing ALTER’s commitment to inclusive regional development and climate resilience.
- **Batangas Wind Power Project.** On May 3, 2025, ALTER received a second Certificate of Authority for onshore wind exploration in Batangas City and the municipality of Lobo. This award further diversifies ALTER’s wind portfolio and aligns with its strategy of modular, grid-ready project sizing.

These additions reflect ALTER’s disciplined growth strategy, ESG integration, and responsiveness to national policy signals. Each project is evaluated for environmental feasibility, transmission readiness, and community impact, ensuring that ALTER’s expansion is both scalable and sustainable.



5.6 Governance Transparency & Market Accessibility

ALTER is charting its path toward a 1GW renewable energy portfolio by 2030, reinforcing its commitment to climate action, inclusive growth, and long-term value creation. This ambition is backed by a robust pipeline and growing interest from developers seeking strategic partnerships, joint ventures, and equity participation. The management team has considerable experience in investment banking and has already had “closed-door sessions” on how to fund the next 500 to 1,000 MW of development, including actively talking to local and international investors.

5.6.1 Inclusion in the PSE Industrials Index 2024 to Present

ALTER was added to the Philippine Stock Exchange (PSE) Industrials Index during the August 2024 rebalancing, following its qualification under the energy sector indices. This recognition was driven by ALTER’s strong liquidity position and a free float level exceeding 20% of its outstanding shares.

The company’s entry into the PSE Industrials Index marks a significant milestone, reinforcing its growing influence in the Philippine power and utilities sector. It also reflects ALTER’s continued commitment to shareholder value creation and its strategic role in advancing the country’s energy transition.



5.6.2 Inclusion in the ATRAM Sustainability-Based Equity Fund

ALTER has been included in the ATRAM Philippine Sustainable Development and Growth Fund (ATRAM SDG Fund), a sustainability-based equity investment portfolio managed by ATRAM Trust Corporation. This fund invests in companies that actively contribute to sustainable development and align with the United Nations Sustainable Development Goals (SDGs).

ALTER’s inclusion affirms its core commitment to sustainability as a pioneer in renewable energy. As the company pursues its Road to 500MW target, it remains steadfast in implementing responsible practices across the entire value chain, from project development and procurement to community engagement and governance.

ALTER joins ATRAM’s top 20 publicly listed companies that demonstrate strong integration of SDG principles into their operations and strategies. ATRAM particularly cited the depth and transparency of ALTER’s 2024 Sustainability Report and its responses to the ATRAM Survey, which provided replicable insights for other companies seeking to improve their ESG performance.

ALTER was also recognized by ATRAM’s Sustainable Investing Champions for its leadership in SDG 7: Affordable and Clean Energy. This includes initiatives such as the Palau solar-plus-storage project, which now supplies up to 20% of the country’s energy needs while displacing imported diesel and promoting gender-inclusive employment.

The ATRAM SDG Fund, valued at Php400 million, is among ATRAM’s best-performing funds, with a year-to-date return of 18.62% as of December 2024. ALTER’s inclusion reflects investor confidence in its ESG credentials and its strategic role in accelerating the energy transition across Southeast Asia and the Pacific.



5.7 Impact Report 2025

In alignment with its Green Finance Framework and commitment to sustainable capital markets, ALTER issued its inaugural green finance instrument, the PHP 2.0 Billion Green Corporate Loan, on May 29, 2024. Following this milestone, the company has prepared its second Impact Report, detailing the environmental and social contributions of the financed projects and reinforcing transparency for stakeholders.

BDO Unibank Inc., demonstrating its commitment to sustainable finance and environmental stewardship, served as the sole lender for the PHP2.0 billion Green Corporate Loan, with BDO Capital acting as the mandated lead arranger. This ESG-aligned financing initiative supports Alternergy’s renewable energy developments currently under construction—namely, the Alternergy Tanay Wind Power Corporation (ATWC), Alabat Wind Power Corporation (AWPC), and the Balsik Solar Project—advancing the transition to clean energy and contributing to the Philippines’ low-carbon future.

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

Eligible Project	Amount	%	Description	Location	Impact
Alternergy Tanay Wind Corporation	PHP 1,005,619,490	50.28%	Capacity 128MW; 16WTGs Largest wind turbines in the Philippines Construction started in June 2024 Commercial Operations Date (COD) March 2026	Tanay, Rizal	Up to 292,000MWhr/year equivalent to 26% net capacity factor
Alabat Wind Power Corporation	PHP 694,380,510	34.72%	Capacity 64MWac; 8 WTGs; Largest wind turbines in the Philippines; Highest wind resources in the Philippines facing northeast monsoon winds Construction started in April 2024 Commercial Operations Date (COD) March 2026	Alabat Island, Quezon	Up to 202,000MWhr/year equivalent to 36% net capacity factor
Balsik Solar (Solana Solar Alpha Inc.)	PHP 300,000,000	15.00%	Capacity 28MWac, Construction started in September 2024 Commercial Operations Date (COD) 2H2025	Hermosa, Bataan	Up to 39,000MWhr/year equivalent to 22% net capacity factor
TOTAL	PHP 2,000,000,000	100.00%			53

5.8 Proactive Regulatory and LGU Engagement

The Renewable Energy sector in the Philippines is governed by a rigorous regulatory framework that underscores the nation’s commitment to responsible development, environmental stewardship, and institutional integrity. To execute and operate renewable energy projects, ALTER must secure a comprehensive array of licenses, approvals, registrations, consents, and permits, each serving as a mechanism to uphold transparency, legal compliance, and stakeholder accountability. The multi-stage registration process requires the timely submission of documentary requirements and/or approvals from relevant government agencies, ensuring alignment with national energy objectives and adherence to best-practice governance standards.

ALTER proactively engages with national agencies, local government units, and host communities to streamline permitting and approval processes prior to construction. This collaborative approach not only fosters trust and inclusivity but also accelerates project readiness while reinforcing ALTER’s commitment to ethical governance and community partnership. Our institutional credibility is further strengthened by the leadership of Chairperson Vicente S. Pérez, former Secretary of Energy, and a team with deep expertise in government affairs, including regulatory experience with the Department of Energy (DOE), Department of Environment and Natural Resources (DENR), and other key institutions. This strategic alignment enables ALTER to navigate complex regulatory landscapes with agility and integrity, ensuring our projects contribute meaningfully to the Philippines’ sustainable development goals.



5.9 Climate Risks, Exposure, Vulnerability and Opportunities

ALTER’s renewable energy portfolio is strategically positioned in climate-vulnerable geographies, including the Philippines—ranked highest globally in the 2024 World Risk Index with a score of 46.91—and the Republic of Palau, where rising sea levels and coral degradation pose escalating threats to coastal infrastructure and biodiversity. This reinforces ALTER’s commitment to climate-resilient development, adaptive infrastructure, and proactive risk management in frontline regions.

The Philippines has for the third straight year registered the highest world risk index (WRI) in the 2024 edition of the World Risk Report, which covers 193 countries including all member-states of the United Nations and 99% of the world population.

Vulnerability		Opportunities	
Susceptibility	The Philippines has fragile structural conditions (e.g., poverty, infrastructure gaps) that heighten disaster impact.Fragile supply chains, outdated designs, or poor-quality materials increase damage potential.	Climate Resilience	Investors increasingly favor developers with robust risk management and adaptive infrastructure.
Coping Capacity	The Philippines has limited ability to respond effectively to disasters.Limited emergency protocols, insurance coverage, or community support can slow recovery.	Green Finance Access	ALTER has secured a ₱2 Billion Green Corporate Loan to finance the development of our Tanay and Alabat wind farms, as well as the Balisk solar project. This transaction reflects our strategic commitment to sustainable finance, with all capital-raising activities structured to establish robust project finance facilities that accelerate the deployment of our pipeline renewable energy across the country.
Adaptive Capacity	The Philippines lacks long-term planning, climate modeling, or resilient design reduces ability to adjust over time	Community Engagement	ALTER’s mini run-of-river projects in Nueva Ecija and Kiangnan are situated within the ancestral domains of indigenous communities. In recognition of their cultural heritage and land rights, we engage personnel with deep understanding of local traditions to guide land acquisition and community relations. Our approach prioritizes the preservation of family ties and indigenous customs, fostering trust-based partnerships and ensuring respectful, inclusive development aligned with global ESG and FPIC (Free, Prior, and Informed Consent) standards.
		Innovation in Design	Envision’s (ALTER’s wind turbine supplier) state-of-the-art wind turbines integrate climate-resilient technologies—including smart control systems, adaptive rotor and yaw mechanisms, and predictive maintenance capabilities—designed to optimize performance in volatile weather conditions and high-risk geographies. These innovations support ALTER’s commitment to resilient infrastructure, operational continuity, and long-term sustainability in climate-vulnerable regions.
		Policy Alignment	Aligning with national adaptation plans and disaster risk reduction frameworks strengthens regulatory positioning and ESG disclosures.

Key Direct and Indirect Impacts to ALTER’s Renewable Energy Assets and Operations

Climate Risks		Exposure	
Extreme Weather Events	Typhoons, floods, droughts, and heatwaves can damage infrastructure, delay construction, and disrupt operations.	Geographic Siting	Projects in coastal, floodplain, or typhoon corridors are more exposed.
Sea Level Rise	Wind farms and substations face long-term inundation risks.	Asset Type	Solar panels and wind turbines are more vulnerable to hail, wind, and debris than traditional energy infrastructure.
Temperature Variability	Affects solar panel efficiency and grid stability.	Construction Phase Sensitivity	Projects under development are especially exposed to multi-cycle weather events over 12–18 months
Resource Volatility	Hydropower is sensitive to changing rainfall patterns; wind and solar depend on predictable climate conditions.		

6

OUR ALIGNMENT WITH THE UN SUSTAINABLE DEVELOPMENT GOALS

6.1

Powering Progress, Enabling Possibility

ALTER is charting its path toward a 1GW renewable energy portfolio by 2030, reinforcing its commitment to climate action, inclusive growth, and long-term value creation. This ambition is backed by a robust pipeline and growing interest from developers seeking strategic partnerships, joint ventures, and equity participation. The management team has considerable experience in investment banking and has already had “closed-door sessions” on how to fund the next 500 to 1,000 MW of development, including actively talking to local and international investors.

Our portfolio of wind, solar, run-of-river hydro, and integrated battery energy storage projects contributes most directly to SDG 7: Affordable and Clean Energy (GRI Reference: 302-1, 305-5, 3-3), but the impact goes well beyond megawatts delivered to the grid. Every project creates pathways for employment, empowerment, environmental protection, and equitable growth. For us, SDG alignment is not a postscript tacked onto reporting. It is embedded into our strategy, stakeholder engagement, project execution, and risk management. The SDGs guide us to identify where we can drive the greatest positive change, anticipate and mitigate adverse impacts, collaborate with partners for long-term inclusive development, and track how our work contributes to the Philippine Energy Plan and the National Renewable Energy Program.



6.2

How ALTER Delivers on the SDGs

Our commitment is comprehensive, touching all 17 SDGs:



Through the DOE's ER 1-94 program, we channel ₱0.01/kWh from power sales to host communities, funding health, education, electrification, and livelihood projects. Local hiring, training, and CSR initiatives generate inclusive growth, particularly in rural and Indigenous areas.



Community partnerships extend to food security, supporting sustainable farming and aquaculture initiatives in host barangays to ensure that clean energy development also nourishes families.



Our #RenewWell program integrates mental health support, wellness activities, and healthcare benefits for employees and dependents. In Tanay, after the June 2025 siltation event, we funded potable water systems benefiting three barangays.



We support Brigada Eskwela, provide student internships, and run internal training under #AlterEmpowered, from Contracts 101 to ESG risk and gender sensitivity workshops.



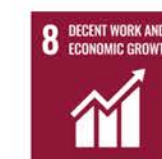
Our Gender Diversity, Inclusion, and Non-Discrimination Policy affirms equal opportunity, equitable pay and a harassment-free workplace. Three women directors now sit on our Board, enhancing gender balance and leadership diversity.



Our hydro projects avoid river damming and effluent discharge, validated by NWRB and ECCs. We also rehabilitate water systems in communities such as Dupinga and Tanay.



We are on track to build 224 MW of renewable capacity by 2026, displacing fossil fuels and delivering affordable, sustainable electricity nationwide.



ALTER advances SDG 8 by creating quality jobs, supporting inclusive growth, and ensuring safe and equitable workplaces. Through local hiring, training, and community partnerships, it provides livelihoods that uplift families and reduce inequalities. By upholding labor rights and strict health, safety, and grievance standards, ALTER ensures the energy transition delivers not just clean power but shared prosperity.



From Southeast Asia's first wind farm to deploying 8 MW turbines in Tanay and Alabat, innovation drives our projects. Palau's Solar + BESS system extends this expertise regionally. Project FastTrak modernizes our internal IT infrastructure.



We uphold inclusive hiring, equitable pay, and safe working conditions, engaging Indigenous communities through transparent FPIC processes and equitable benefit-sharing.



Our electrification projects under ER 1-94 and partnerships with LGUs enhance resilience and sustainable development in host communities.



Supplier screening integrates ESG standards. We enforce an Anti-Forced Labor Policy for solar suppliers and maintain a No Single-Use Plastic Policy across operations.



Our projects displace 125,609 tonnes of CO₂ annually, while climate-resilient designs, tree planting, and slope stabilization embed adaptation and mitigation into operations.



We ensure zero effluent discharge, protect aquatic ecosystems, and participate in DENR-led conservation initiatives such as Arbor Day.



Reforestation, watershed conservation, and biodiversity protection, including Kaliwa Watershed rehabilitation, are central to our project lifecycle.



We maintain zero tolerance for bribery, corruption, and misconduct, with strong whistleblower protections. Transparent FPIC processes with Indigenous Peoples safeguard rights and institutional trust.



We scale impact through partnerships, with associations (DREAM, PhilHydro, WEDAP, PSSEA), financial institutions (ADB, RCBC, BPI, BDO, Norfund), and global frameworks (our Green Finance Framework ensures climate-aligned capital).

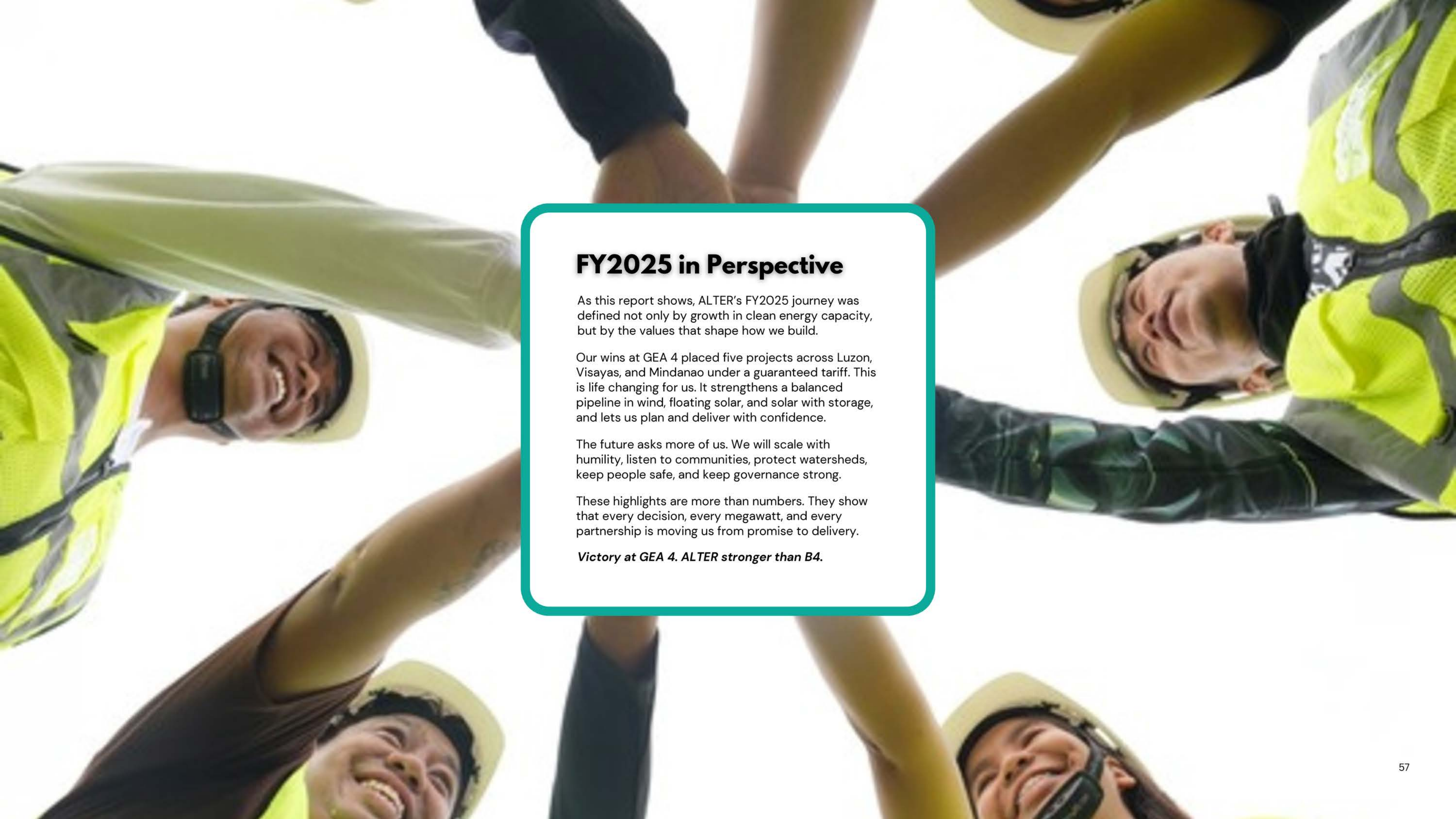


While certain goals, such as SDG 7 (Affordable and Clean Energy), SDG 13 (Climate Action), and SDG 5 (Gender Equality), are closest to our mission, our contribution is holistic. Every ESG policy, CSR project, and stakeholder partnership reinforces another, creating a system where clean energy enables equity, care, innovation, and collaboration.

We are proud to play our part in making the 2030 Agenda for Sustainable Development a living reality, one clean megawatt, one empowered community, and one committed team at a time.

Gerry P. Magbanua
ALTER President





FY2025 in Perspective

As this report shows, ALTER's FY2025 journey was defined not only by growth in clean energy capacity, but by the values that shape how we build.

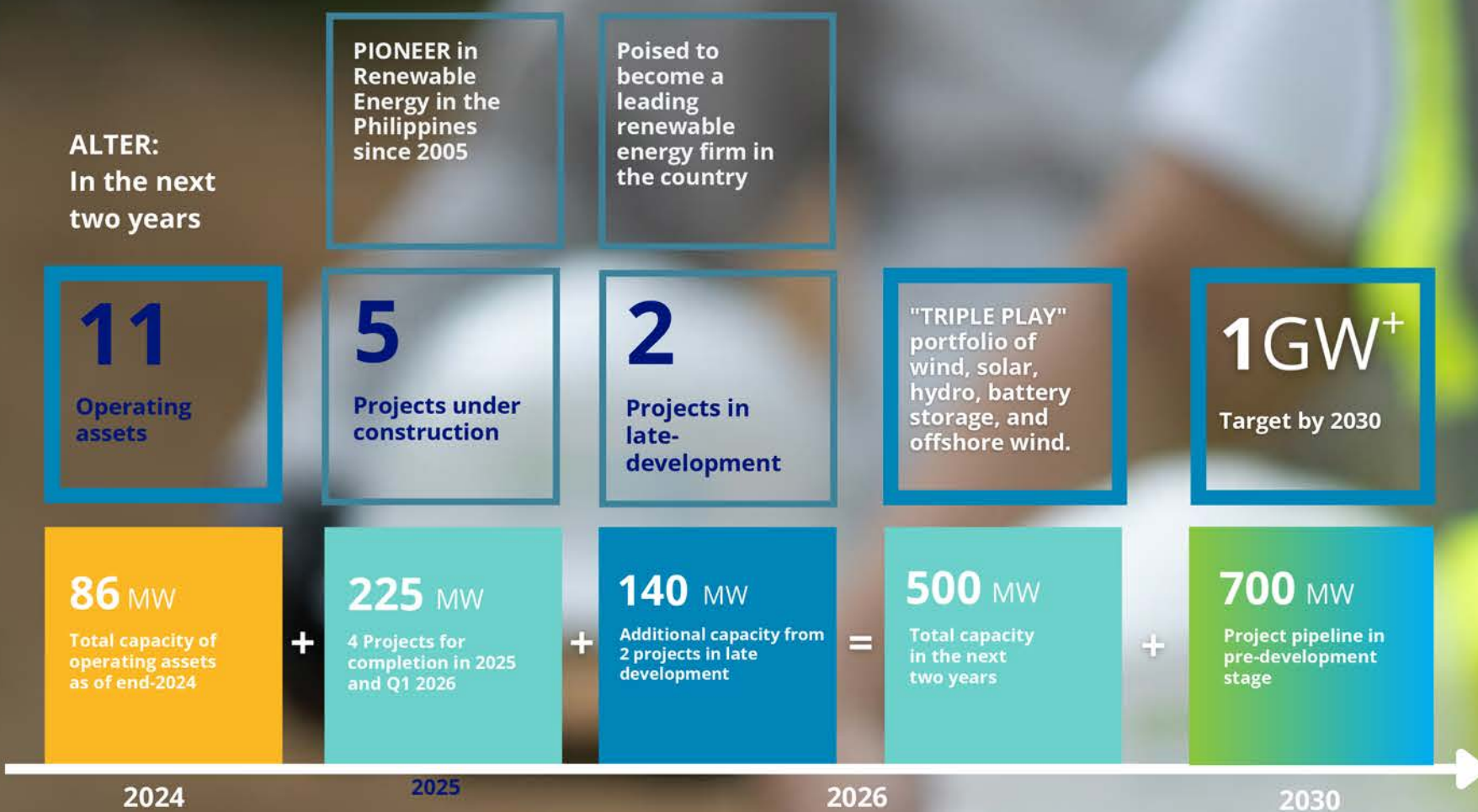
Our wins at GEA 4 placed five projects across Luzon, Visayas, and Mindanao under a guaranteed tariff. This is life changing for us. It strengthens a balanced pipeline in wind, floating solar, and solar with storage, and lets us plan and deliver with confidence.

The future asks more of us. We will scale with humility, listen to communities, protect watersheds, keep people safe, and keep governance strong.

These highlights are more than numbers. They show that every decision, every megawatt, and every partnership is moving us from promise to delivery.

Victory at GEA 4. ALTER stronger than B4.

From Pioneer to Powerhouse: ALTER's Road to 1 GW



From pioneer to powerhouse, ALTER is building the future of renewable energy in the Philippines, one well-delivered project at a time.

ALTER is charging ahead. With five wins in GEA 4 across Luzon, Visayas, and Mindanao under a guaranteed tariff, plus five projects under construction and two in late-stage development, we are set to grow from 86 MW today to about 500 MW within two years. Work is advancing at Alabat and Tanay, Balsik Solar is nearing completion, and Dupinga Mini Hydro is on track to finish before year-end 2025.

Our Triple Play strategy is simple and strong: onshore wind, floating solar, and solar with storage. We complement this with mini-hydro and early offshore wind work, giving us a balanced portfolio that can serve the grid in different seasons and conditions.

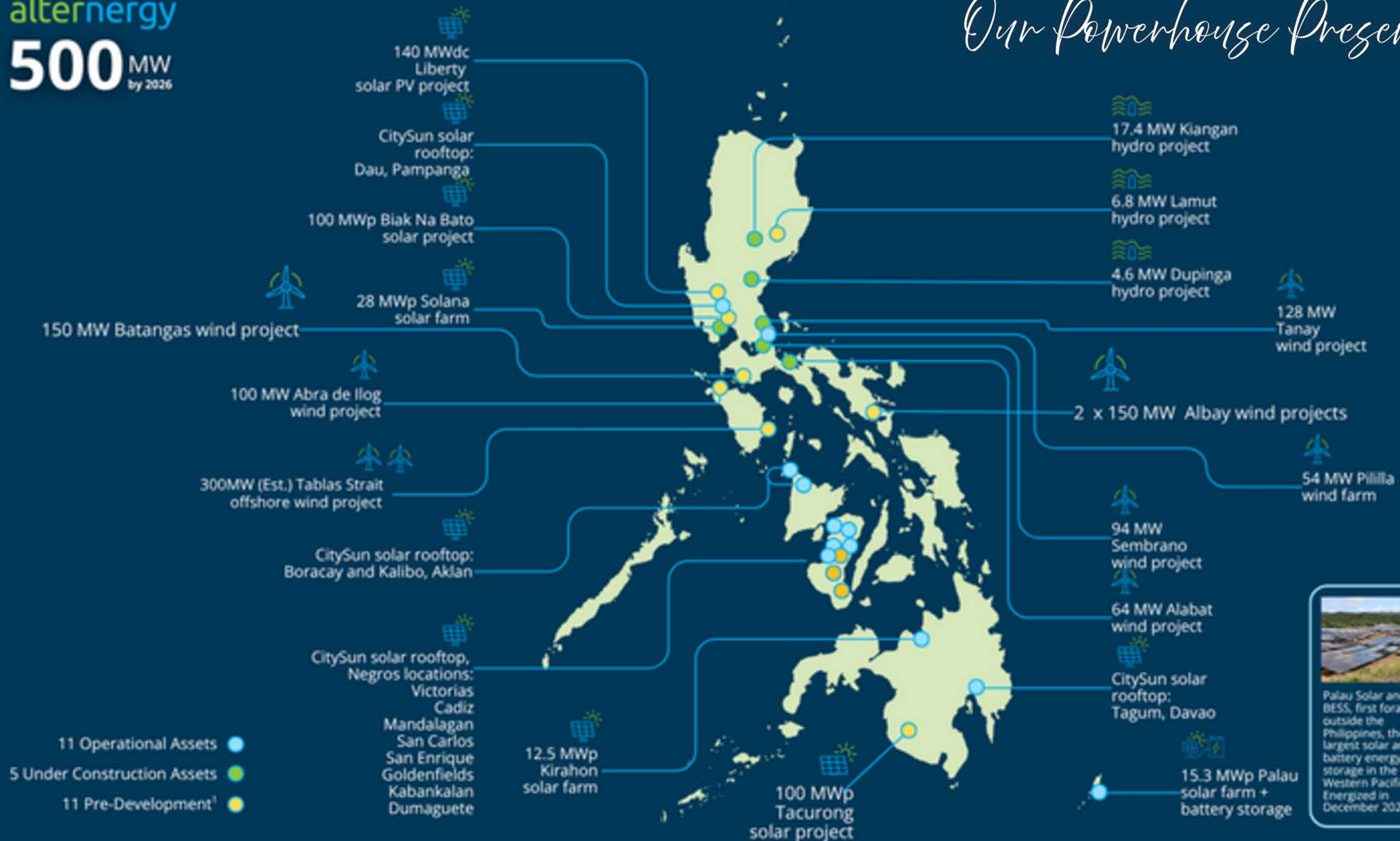
We are also building for tomorrow. With roughly 700 MW in pre-development, we are on track to surpass 1 GW by 2030, subject to regulatory and construction milestones. We will scale with humility, keep people first, protect the planet, and uphold purpose through transparency and strong governance.

alternergy
pioneer in renewable power

alternergy

500 MW
by 2026

Our Powerhouse Presence



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



Closing Message from the CSO

As I take on this role, I feel both excitement and responsibility. Our ESG journey is not just about reports or metrics. It's about the people we work with, the communities we stand beside, and the planet we all share.

In the year ahead, we will bring our commitments to life: rolling out our Environmental and Social Management System across the Group, expanding reforestation and biodiversity efforts, and pioneering the country's first aquavoltaic project. Just as importantly, we'll continue to grow our people and communities – through KAHALIGI, through #RenewWell's focus on wellbeing, and through #AlterEmpowered's push for inclusivity.

Sustainability at ALTER has always been built on *malasakit*. With every project, every partnership, and every act of care, we are proving that clean energy can also be human energy. The work ahead is big, but so is our dream. And together, we will make it real.

The future is ours to build, friends.

Let's power it with purpose.

Atty. Ina Arriola
Chief Sustainability Officer



Appendix A:

Highlights of our ESG Policies

WHISTLE-BLOWING POLICY

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

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

- Failure to comply with statutory obligations;
- Unlawful acts or orders involving violation of law, gross waste, abuse of authority, mismanagement, and substantial danger to public health or safety;
- Corruption;
- Fraud;
- Misconduct;
- Coercive Practices;
- Collusive practices;
- Any other activity which undermines ALTER’s operations

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

BUSINESS CONDUCT AND ETHICS POLICY

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

SUSTAINABILTY PRACTICES

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

- “No Single-Use Plastics” (NSUP) Policy which includes water bottles, packaging, service wares, straws, and utensils. These are plastic products designed to be used once before being discarded. Continue using corporate eco-bags provided to all employees and purchase bond paper from our existing supplier, Paper One, which uses 100% renewable fibres. The aim is to reduce single-use plastic pollution or plastic waste. The NSUP policy was approved by the Executive Committee on July 10, 2023. The policy was enforced on the same date.
- Use less paper: change the printing setting mode of all computers; monitor bond paper consumption of all SPV companies; use scratch papers; continue incorporating a green email signature environmental footer.
- Secure cloud-based storage using Google Drive’s shared drive feature for a centralized filing system.
- Enforce proper waste management.
- Reduce purchase of individually packed condiments.
- Donate old scrap papers, unused paper stock, newspaper, old books to recycling solution companies;
- Sustainable business practices such as quarterly collection of electronics waste (ie. mobile phones, cables, computer monitors, etc.), and send them to companies engaged in proper e-waste management
- Optimize the use of digital or electronic signature approvals.
- Energy efficiency measures: replace incandescent lights with Light Emitting Diode (LED lights, liquid crystal display (LCD) monitor, unplug equipment that drains energy when not in use.
- Have energy saving competitions every Christmas party to encourage employees to think of practical and creative ways to save energy and reduce waste. Recognize and award employees with incentives.
- Raise awareness on energy efficiency in the office to adopt sustainable practices which will be cascaded by the Sustainability Champions of the Company

CONFLICT OF INTEREST POLICY

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

POLICY AND DATA RELATING TO HEALTH, SAFETY AND WELFARE OF EMPLOYEES, INCLUDING COMPANY SPONSORED TRAININGS

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

- Implementation of a Drug-Free Workplace Policies and Programs (Department of Labor and Employment Department Order No. 53-03, Series of 2003);
- Implementation of HIV and AIDS Prevention and Control in the Workplace Program (Department of Labor and Employment Department Order No. 102-10, Series of 2010);
- Implementation of a Workplace Policy and Program on Hepatitis B (Department of Labor and Employment Department Advisory No. 05, Series of 2010); and
- Tuberculosis treatment through the TB-DOTS Package of the Philippine Health Insurance Corporation

INSIDER TRADING POLICY

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

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

ENTERPRISE RISK MANAGEMENT

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

- Defining a risk management strategy;
- Identifying and analyzing key risk exposures relating to economic, environmental, social and governance (EESG) factors and the achievement of the organization’s strategic objectives;
- Evaluating and categorizing each identified risk using the Company’s predefined risk categories and parameters;
- Establishing a risk register with clearly defined, prioritized and residual risks;
- Developing a risk mitigation plan for the most important risks to the Company, as defined by the risk management strategy;
- Communicating and reporting significant risk exposures including business risks (i.e., strategic, compliance, operational, financial and reputational risks), control issues and risk mitigation plan to the Board Risk Oversight Committee; and
- Monitoring and evaluating the effectiveness of the Company’s risk management processes

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

RELATED PARTY TRANSACTION (“RPT”) POLICY

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

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

GENDER DIVERSITY INCLUSION AND NON-DISCRIMINATION POLICY

Purpose: The Company is committed to fostering an inclusive, diverse, and respectful workplace where all employees feel valued, supported, and empowered to contribute fully. This policy outlines our commitment to:

- Promoting gender diversity and equal opportunities for all employees, regardless of gender identity or expression.
- Preventing discrimination, harassment, and bias based on gender, gender identity, sexual orientation, or other protected characteristics.
- Supporting employees affected by domestic violence and abuse by providing assistance, workplace accommodations, and access to resources.
- Aligning with United Nations Sustainable Development Goal 5 (SDG 5), which focuses on gender equality and women’s empowerment.

Non-Discrimination and Equal Opportunity: Strictly prohibits discrimination, harassment and bias based on:

- Gender, gender identity, or gender expression.
- Sexual orientation, marital status, or family responsibilities.
- Race, ethnicity, nationality, or religion.
- Disability, age, or socioeconomic status.

Employment decisions (recruitment, hiring, promotions, salary, training, and benefits) will be based solely on merit, skills, and qualifications.

Gender Diversity and Inclusion Initiative:

- Implement Gender-Neutral Policies: Ensure that HR policies, benefits, and workplace practices support all gender identities and family structures.
- Gender-Inclusive Language: Use gender-neutral terms in communications, job descriptions, and workplace documents.
- Equal Pay and Advancement: Conduct annual pay equity audits to eliminate gender-based pay gaps.
- Diversity Training: Provide mandatory unconscious bias training and gender-sensitivity workshops.
- Employee Resource Groups (“ERGs”): Support LGBTQ+ networks, women’s leadership programs, and gender diversity groups.

Preventing and Addressing Gender-Based Harassment: Zero-tolerance for gender-based harassment and seeks to address and prevent workplace sexual harassment. Gender-based harassment includes unwanted sexual advances, inappropriate remarks about gender identity, sexual coercion, and exclusion based on gender identity. Reporting and investigation procedures shall be governed by the ALTER Group’s existing Anti-Sexual Harassment Policy, to the extent not inconsistent with the following:

- Employees can report incidents to HR or through an anonymous whistleblower channels.
- All complaints will be taken seriously, investigated confidentially, and addressed promptly.
- No retaliation will be tolerated against employees who report discrimination or harassment.

Support for Victims of Domestic Violence and Abuse: defined to include physical, sexual, psychological, emotional, or financial abuse by a partner, spouse, or family member.

Workplace Support Measures:

- Paid Leave and Flexible Work Arrangements
 - 1.Up to ten (10) days of paid leave for medical treatment, counseling, legal assistance, or relocation, at the discretion of management, taking into account the needs of the survivor.
- Flexible work hours or remote work options for employees affected by domestic violence.

Workplace Safety Planning

- Confidential safety assessments with HR.
- Adjustments to work location, contact details, or schedules to protect affected employees.

#RenewWell Mental Health Program and Counseling

- Free, confidential counseling services for survivors of domestic violence, integrating with existing #RenewWell Mental Wellness program.
- Referral to legal aid, social services, and emergency shelters.

Financial Assistance: Emergency salary advances or short-term financial support for employees facing economic hardship due to abuse.

Non-Retaliation Clause: Employees will not face disciplinary action for taking leave or seeking help for domestic violence issues.

Leadership and Management Responsibilities: Ensure integration of gender diversity policies into business operations. Actively promote inclusion and respond to discrimination concerns.

Human Resources (HR) Responsibilities: Ensure fair hiring, promotion, and pay practices. Provide confidential support for employees experiencing discrimination, harassment, or domestic violence. Conduct annual policy reviews and gender diversity reports.

Monitoring, Compliance, and Review: This policy will be reviewed annually to ensure compliance with: National labor laws, International standards, and best practices (including ILO Convention No. 190 on workplace harassment), and regular gender diversity audits and employee feedback surveys.

SEXUAL HARASSMENT POLICY

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

TRAVEL AND BUSINESS MEALS POLICY

Through Project FastBreak, ALTER’s in-house developed application, ALTER personnel are able to manage cash advances, liquidations, and reimbursements for company-related expenses. It provides employees with a convenient platform to request and track advances, submit receipts, and process reimbursements, while enabling Finance teams to streamline approvals and maintain real-time oversight of transactions. Designed specifically for ALTER’s needs, the software application improves efficiency, reduces paperwork, and ensures transparency in expense management.

B

Appendix B

SEC Sustainability Report Disclosures

Economic Performance: Materiality Topic Discussion

What is the impact and where does it occur?

At ALTER, economic performance is not simply about financial results. It is the engine that powers our impact across people, the planet, and our purpose as a renewable energy company. Every peso earned and reinvested helps us build projects, create green jobs, empower communities, and accelerate the country's clean energy transition.

Our economic activities generate ripple effects at multiple levels:

- Locally, through employment, procurement, and social investment
- Nationally, through energy infrastructure, climate action, and industry leadership
- Organizationally, through financial resilience and operational expansion

In FY2025, we delivered strong growth through the ongoing construction of our Alabat and Tanay Wind Projects and our Solana Solar project, and won 5 new projects under GEA 4, ensuring a robust pipeline for future development and shared prosperity.

What is the organization's involvement in the impact?

ALTER directly generates, manages, and distributes economic value through its renewable energy portfolio. We raise capital, deploy it responsibly, manage financial risk, and ensure our operations deliver meaningful outcomes not only for shareholders, but for a wide network of stakeholders.

Which stakeholders are affected?

- Employees: through job creation, training, and fair compensation
- Host communities: through infrastructure support, community spending, and local hiring
- Regulators and national government: through taxes, fees, and public-private alignment
- Investors and lenders: through consistent, transparent financial performance
- Suppliers and contractors: through fair, long-term partnerships

Management Approach

- We measure and disclose Direct Economic Value Generated, Distributed, and Retained in line with GRI 201-1
- In FY2025, ALTER recorded a 28% increase in economic value generated, totaling PhP 565,262,320 million, with PhP 385,678,858 million distributed and PhP 179,583,462 million retained for reinvestment
- Financial performance is reviewed by the Board and the Audit Committee, and monitored by the Sustainability Committee, to ensure it supports strategic priorities
- Green capital was responsibly deployed under our Green Finance Framework, ensuring alignment with sustainability outcomes
- Our financial systems are reinforced by independent audits, internal controls, and regulatory compliance

Risks Identified

- Delays or cost escalations from permitting, supply chain constraints, or environmental incidents
- Interest rate volatility or currency fluctuations affecting financing costs
- Energy policy uncertainty or changes in auction timelines and regulatory requirements

Opportunities Identified

- Access to new green and sustainable finance instruments
- Expansion of ALTER's RE footprint through GEA 4 and beyond
- Deeper partnerships with local governments, communities, and regulators
- Enhanced value proposition for investors prioritizing ESG performance and purpose-driven growth

Procurement Practices: Materiality Topic Discussion

What is the impact and where does it occur?

Impacts related to responsible sourcing occur primarily within ALTER's supply chain, particularly through its engagement with contractors, equipment suppliers, and service providers in the development and operation of renewable energy projects. Environmental risks, labor rights concerns, and ethical sourcing issues, especially in the solar PV supply chain, are among the most critical impacts.

What is the organization's involvement in the impact?

ALTER may be linked to these impacts through its business relationships with contractors and suppliers. While ALTER does not directly cause these impacts, it acknowledges its responsibility to ensure suppliers uphold ESG standards and comply with both local and international regulations.

Which stakeholders are affected? (Impact)

The primary stakeholders affected include contract workers, local communities near project sites, equipment manufacturing labor forces (particularly in overseas PV supply chains), host communities, government regulators, and civil society groups monitoring human rights and environmental compliance.

Risks Identified

- Reputational damage from associations with forced labor or unethical practices (especially in solar supply chains)
- Project delays due to non-compliance with environmental permits or regulatory violations by contractors
- Legal liability for non-compliant labor practices by third-party contractors
- Environmental degradation due to improper waste handling or site practices by EPCs

Which stakeholders are affected? (Risk)

Stakeholders affected by these risks include ALTER's investors and financiers, government regulators, local communities, and workers within the contractor supply chain.

Management Approach

ALTER manages supplier-related ESG risks through a structured sourcing policy framework. Key elements include:

- A robust supplier and contractor screening process, requiring environmental and social compliance documentation
- Mandatory Anti-Forced Labor Policy for PV module suppliers
- Integration of IFC Performance Standards in project-level EHS plans
- Adherence to DOLE labor guidelines
- Supplier and Contractor Code of Conduct covering environmental responsibility, human rights, and inclusion
- Extension of ALTER's Gender Diversity, Inclusion, and Non-Discrimination Policy to suppliers and contractors
- Use of pre-qualification, performance monitoring, and on-site audits to enforce expectations

Management Approach (Risk)

- Strict inclusion of ESG criteria in tender documents and contracts
- Binding legal clauses on labor practices and environmental performance
- Continuous contractor engagement, including briefings, training, and site inspections
- Immediate corrective action protocols for any violations
- Oversight from the Sustainability Committee and Executive Committee

Opportunities Identified

- Strengthening investor and lender confidence, especially under green finance frameworks
- Building a more resilient and values-aligned supply chain
- Enhancing reputation as a sustainable and ethical developer
- Encouraging innovation in low-impact construction practices and inclusive labor models

Which stakeholders are affected? (Opportunity)

These opportunities benefit ALTER’s shareholders, lending institutions, partner communities, and future project hosts who seek long-term, ethical partnerships.

Management Approach (Opportunity)

- ALTER is leveraging these opportunities by:
- Promoting responsible sourcing as part of its core sustainability messaging
- Expanding ESG alignment criteria in project bids (e.g., requiring ISO 14001 and human rights policies)
- Working toward regional supplier engagement that prioritizes ethical labor and lower emissions
- Including gender and inclusion requirements in community hiring practices

Anti-corruption

Training on Anti-corruption Policies and Procedures

Disclosure	Quantity	Units
Percentage of employees to whom the organization’s anti-corruption policies and procedures have been communicated to	100	%
Percentage of business partners to whom the organization’s anti-corruption policies and procedures have been communicated to	100	%
Percentage of directors and management that have received anti-corruption training	0	%
Percentage of employees that have received anti-corruption training	0	%

Anti-Corruption: Materiality Topic Discussion

What is the impact and where does it occur?

Corruption can undermine fair competition, erode public trust, delay project development, and compromise the integrity of energy and infrastructure sectors. Given the regulatory nature of the energy industry, ALTER’s exposure to this risk is real and persistent, particularly in dealings with permitting offices, procurement processes, government agencies, and commercial negotiations. The potential for corruption exists across both our core operations and supply chain, from land access and licensing to procurement and construction contracts. Risks may also arise in our engagement with local officials, financing institutions, or subcontracted agents acting on our behalf.

What is the organization’s involvement in the impact?

ALTER may be linked to corruption risks through its business relationships (e.g., suppliers, contractors, intermediaries), or cause reputational and operational harm if unethical practices are tolerated internally or left unaddressed. While we do not knowingly support corrupt behavior, failure to actively prevent, detect, or sanction it can make an organization complicit.

Which stakeholders are affected? (Impact)

Stakeholders affected by corruption include government regulators, investors, financial institutions, local communities, and employees. Public confidence in ALTER’s projects and the broader renewable energy sector depends on our ability to operate with transparency and integrity.

Management Approach

ALTER enforces a robust governance framework to ensure anti-corruption is not just a policy, but a lived principle.

Our key management measures include:

- A comprehensive Policy on Business Conduct and Ethics, applicable to all directors, officers, employees, and extended to third-party contractors and suppliers. This policy outlines expectations regarding bribery, gift-giving, regulatory compliance, and conflicts of interest.
- A standalone Whistle-Blowing Policy, which provides multiple, secure, and confidential channels for reporting suspected misconduct, whether internal or involving a business partner. The policy guarantees non-retaliation and anonymity where requested.
- Integration of anti-corruption clauses in all contractual agreements with suppliers and EPC contractors.
- Periodic ethics training and reinforcement through onboarding, policy dissemination, and leadership communication.
- Oversight by the Audit Committee, and monitoring by the Internal Auditor, ensuring internal controls are functioning and red flags are investigated promptly.

Risks Identified

The material risks associated with corruption include:

- Regulatory sanctions, license revocation, or project stoppage
- Loss of public trust, especially in host communities and among project stakeholders
- Damage to relationships with investors and lenders, particularly those aligned with ESG and green finance frameworks
- Legal liability under national anti-graft laws and international frameworks
- Internal morale degradation, where unethical behavior is ignored or rewarded

Which stakeholders are affected? (Risk)

The primary stakeholders impacted by these risks include regulators, lenders, shareholders, employees, contractors, and host communities who depend on ALTER’s credibility and accountability.

Management Approach (Risk)

We mitigate these risks by:

- Enforcing a zero-tolerance policy on bribery and corruption, as codified in our internal policies
- Requiring mandatory reporting of suspected misconduct
- Conducting due diligence on partners and service providers, particularly those involved in sensitive stages like land negotiation or government permitting
- Routinely reviewing and updating internal controls
- Elevating red flags to senior management or independent reviewers where necessary

Opportunities Identified

Strong anti-corruption governance opens the door to:

- Stronger investor and lender confidence, especially under green finance frameworks
- Faster project execution, due to better permitting processes and fewer legal risks
- Improved company culture, where employees are proud to work for an ethical organization
- Better supplier partnerships, built on fairness and shared values
- Reputation as a sector leader, not just in renewable energy, but in ethical governance

Which stakeholders are affected? (Opportunity)

Opportunities created through anti-corruption measures benefit investors, employees, suppliers, regulators, and communities, all of whom thrive under transparent, rules-based engagement.

Management Approach (Opportunity)

ALTER is actively:

- Communicating its anti-corruption stance across all engagements, from partner onboarding to public reports
- Building a culture of reporting and transparency
- Strengthening internal accountability through management reviews and board oversight
- Encouraging whistle-blower participation as a tool for improvement, not punishment
- At ALTER, we believe that clean energy must begin with a clean conscience.

Anti-corruption is not simply about avoiding risk. It is about building a company where trust, fairness, and responsibility are part of the foundation. As we grow, we will continue to hold ourselves to the highest ethical standards, because integrity is the power behind possibility.

Incidents of Corruption

Disclosure	Quantity	Units
Number of incidents in which directors were removed or disciplined for corruption	0	# of incidents
Number of incidents in which employees were dismissed or disciplined for corruption	0	# of incidents
Number of incidents when contracts with business partners were terminated due to incidents of corruption	0	# of incidents

Incidents of Corruption: Materiality Topic Discussion

What is the impact and where does it occur?

As a publicly listed company operating in a highly regulated and capital-intensive industry, ALTER is exposed to potential corruption risks throughout its operations: from project permitting, procurement, and contracting to community engagement and regulatory compliance.

Such risks may arise:

- In dealings with national and local government agencies for project approvals and clearances
- In procurement and bidding processes with EPC contractors and suppliers
- In financial transactions or when managing large project-based disbursements
- In third-party interactions such as land acquisition, right-of-way negotiations, or stakeholder agreements
- Corruption undermines public trust, distorts markets, and is inconsistent with our values of transparency, fairness, and good governance.

What is the organization’s involvement in the impact?

ALTER does not tolerate corruption in any form. We are fully committed to upholding the highest ethical standards and take proactive steps to prevent, detect, and address any actual or suspected incidents of corruption, whether caused by employees, agents, or third-party partners.

This commitment is embedded in our Policy on Business Conduct and Ethics, Conflict of Interest Policy, and Whistleblowing Policy, which apply to all directors, officers, employees, contractors, and suppliers. Our internal controls and Code of Conduct emphasize integrity as a non-negotiable part of how we do business. To date, no confirmed incidents of corruption have been reported within the organization

Which stakeholders are affected? (Impact)

- Employees and officers – through expectations of ethical behavior and accountability
- Contractors and suppliers – who are expected to comply with ALTER’s Code of Conduct and anti-corruption commitments
- Government regulators and permitting bodies – where transparency is key to fair access and reputation
- Investors and lenders – who require evidence of strong governance as a condition of trust and support
- Communities and civil society – who depend on responsible corporate conduct in decision-making that affects local welfare

Management Approach

- We implement clear policies on anti-corruption, business ethics, conflict of interest, and whistleblowing, all of which are publicly disclosed and cascaded internally
- We conduct training and internal discussions on ethical conduct, especially for senior officers and those involved in procurement, finance, and permitting
- All employees are encouraged and protected in raising concerns through anonymous reporting channels as provided in our Whistleblowing Policy
- We enforce disciplinary measures and legal recourse, when warranted, in cases of substantiated violations
- Suppliers and contractors are evaluated for ethical practices and must commit to compliance as part of our project documentation

Risks Identified

- Reputational damage from actual or alleged corruption cases
- Financial or legal penalties from regulatory non-compliance
- Project delays or cancellations due to integrity-related concerns
- Loss of stakeholder trust and investor confidence

Opportunities Identified

- Strengthening ethical culture across the ALTER Group and supply chain
- Building stakeholder confidence through transparency and proactive disclosure
- Enhancing anti-corruption controls as part of our Environmental and Social Management System (ESMS) rollout
- Aligning with international sustainability frameworks such as GRI, ISSB, and IFC Performance Standards

ENVIRONMENT

Resource Management

Energy Consumption Within the Organization

Disclosure	Quantity	Units
Energy consumption (renewable sources)	N/A	
Energy consumption (gasoline)	N/A	
Energy consumption (LPG)	N/A	
Scope 1: Energy consumption (diesel)	76	CO2e metric tonnes
Scope 2: Energy consumption (electricity)	491,936	kWh

Reporting Period	Vehicle Emission (Diesel consumption)	% change	Emissions: in kg CO ₂ e	In metric tons CO ₂ e
	liters	%		
2023 SR: July 2022 - June 2023	824.73		2,210.26	2.21
2024 SR: July 2023 - June 2024	1,751.07			
2024 SR: July 2023 - June 2024	3,502.14	325%	9,385.72	9.39
2025 SR: July 2024 - June 2025	28,438.00	712%	76,213.84	76.21
2025 SR: ex-transformer oil importation	17,938.00	412%	48,073.84	48.07

Energy Consumption (Scope 1)

- Total diesel consumption increased 712% from previous year
- Primary drivers: Transformer oil importation for Solana Solar Plant and expanded reporting coverage to include Tanay Wind, Alabat Wind, and Solana Solar subsidiaries
- Expected continued growth in diesel consumption as company operations expand
- Enhanced reporting accuracy through inclusion of additional subsidiary operations in 2025

Environmental Impact Context: As an RE developer, ALTER avoided 125,609 CO2 metric tonnes of emissions compared to 76.21 CO2 metric tonnes from Scope 1 consumption - demonstrating a net positive environmental impact of 1,648:1 ratio.

Alternergy Subsidiaries (Operational)	SR 2023: kwh consumed	SR 2024: kwh consumed	SR 2025: kwh consumed	% Change: kwh consumed
	<i>kwh</i>	<i>kwh</i>	<i>kwh</i>	<i>%</i>
KSEC (Kiraheon Solar Plant Mindanao office)	-	100,103	89,600	-10%
Alternergy Makati Office	9,017	9,859	35,260	258%
Solar Pacific (Palau)			367,076	-
Tanay Wind Power Corp	-	-	-	-
Solana Solar	-	-	-	-
Alabat Wind Power Corp	-	-	-	-
TOTAL SCOPE 2 EMISSIONS	9,017	109,961	491,936	347%
In metric tons CO ₂ e	9.02	109.96	491.94	
TOTAL SCOPE 2 EMISSIONS: EX-PALAU	9,017	109,961	124,860	14%

Electricity Consumption (Scope 2)

- Total electricity consumption increased 347% from previous year
- Primary driver: Expansion of reporting coverage to include Palau Solar Plant and BESS first full year of operations
- Comparable increase excluding Palau solar plant: 14%
- ALTER expects exponential growth in Scope 2 emissions in 2026 as larger plants commence operations (Tanay Wind, Alabat Wind, and Solana Solar)
- Electricity consumption (Scope 2) holds less materiality for an RE developer as this is exponentially offset by the clean energy we produce.

Energy Consumption: Materiality Topic Discussion

What is the impact and where does it occur?

As a renewable energy developer, ALTER’s projects contribute to national decarbonization goals by generating clean power. However, like any organization, we still consume energy in our daily operations, particularly in office spaces, project development logistics, construction sites, and fleet movements. These areas, especially fuel use and electricity consumption, generate Scope 1 and Scope 2 emissions and contribute to our operational environmental footprint.

Impacts also occur within the supply chain, particularly during the construction phase where contractors use diesel-powered machinery and temporary site offices require generator support.

What is the organization’s involvement in the impact?

ALTER is directly responsible for the energy consumed in its offices and company-owned vehicles. We are also linked to further energy impacts through our contractors, suppliers, and development partners, especially during project construction and equipment mobilization.

Which stakeholders are affected? (Impact)

Primary stakeholders include employees, office tenants, project communities, and contractors, all of whom are either energy users or beneficiaries of energy reduction policies. Investors, regulators, and lenders are also stakeholders in our commitment to reduce environmental impacts and disclose Scope 1 and 2 emissions.

Management Approach

We implemented a comprehensive Energy Efficiency and Waste Reduction Memo, approved in September 2023 by the Chairperson and President, to drive lower consumption across operations. Key management actions include:

- Transition to LED lighting and LCD monitors across offices
- Unplugging idle devices and promoting behavioral change through Sustainability Champions
- Eliminating single-use plastics and switching to 100% renewable-fiber office paper
- Cloud-based document storage to reduce energy from printing and file duplication
- Promoting digital signatures and paper-saving protocols
- Tracking diesel and gasoline use across fleet operations with the goal of reduction
- Replacing outdated vehicles with fuel-efficient models
- Partnering with EPCs to implement energy-conscious construction practices

Risks Identified

- Escalating energy costs, particularly in off-grid operations or leased spaces
- Dependence on fossil fuels for essential mobility and logistics
- Failure to meet investor expectations on Scope 1 and 2 disclosures
- Reputational risk if we are seen as inconsistent with our clean energy mandate
- Operational inefficiencies and higher emissions in project delivery timelines

Which stakeholders are affected? (Risk)

Stakeholders impacted by these risks include investors, employees, financiers, and regulatory bodies that require accurate emissions data and performance disclosures.

Management Approach (Risk)

We manage these risks through:

- Progressive tracking of fuel and electricity consumption per business unit
- Partner engagement to promote low-emission construction strategies
- Integration of Scope 1 and 2 disclosures into our sustainability reporting
- Gradual shift to hybrid or electric vehicles where feasible
- Strengthened procurement guidelines to support energy-efficient materials and systems

Opportunities Identified

- Cost savings from lower utility bills and fuel expenses
- Reinforcement of our credibility as a clean energy developer
- Enhanced alignment with green finance frameworks and ESG benchmarks
- Greater employee engagement through culture-building and incentive programs
- Data-informed decisions that support carbon reporting and ESG transparency

Which stakeholders are affected? (Opportunity)

Investors, employees, lenders, host communities, and ESG rating agencies are positively impacted by strong performance on energy consumption and reduction.

Management Approach (Opportunity)

We continue to:

- Expand our internal tracking systems for real-time monitoring of energy metrics
- Set measurable annual targets for consumption reduction across categories
- Design training programs to educate staff on energy-saving practices
- Include energy metrics in sustainability KPIs and internal reporting dashboards
- Encourage green office culture, with champions and recognition for employee-led initiatives

Through these efforts, ALTER is not only minimizing its own footprint but setting the tone for how clean energy companies should operate, with humility, mindfulness, and measurable progress toward sustainability in every corner of the organization.

Ecosystems and Biodiversity

Disclosure	Quantity	Units
Operational sites owned, leased, managed in, or adjacent to, protected areas and areas of high biodiversity value outside protected areas	3 Plants: - Dupinga (Nueva Ecija, Philippines) - Palau (Babeldaob, Republic of Palau) - Tanay (Rizal, Philippines)	
Habitats protected or restored	- Dupinga, Nueva Ecija: 1.9 ha - Babeldaob, Palau: 16 ha - Tanay: 44 ha	ha.
IUCN Red List species and national conservation list species with habitats in areas affected by operations	- Catadromous eel (Dupinga) - Pacific Island land snails (Palau)	

Ecosystems & Biodiversity: Materiality Topic Discussion

What is the impact and where does it occur?

ALTER’s operations take place in biodiversity-rich environments, i.e., upland forests, watershed zones, and run-of-river systems, where construction or ongoing activity may affect flora, fauna, and water quality. These impacts may occur both within our project sites and along access or transport corridors, such as in the Tanay Wind Project, where tree-cutting and soil erosion had localized effects on nearby ecosystems.

What is the organization’s involvement in the impact?

We are directly responsible for land use changes, tree-cutting, and civil works that may disrupt ecological balance. We are also accountable for preventing or mitigating such impacts through science-based planning, regulatory compliance, and community engagement.

Which stakeholders are affected? (Impact)

Local communities, environmental regulators, conservation groups, indigenous peoples, and ecosystem-dependent species may all be impacted by activities in biodiversity-sensitive areas.

Management Approach

- Conduct ecological assessments and Critical Habitat studies at the outset of each project
- Obtain all environmental permits, including ECCs, Tree-Cutting Permits, PAMB and FPIC clearance
- Implement reforestation and tree replacement programs
- Engage with environmental stakeholders, such as WBCP, even in challenging contexts
- Respond quickly and transparently to incidents, like soil erosion in Tanay, with corrective action
- Integrate long-term habitat monitoring and adaptive management in environmental plans

Risks Identiied

- Loss of biodiversity, especially for birds, aquatic species, or endemic plants
- Community and civil society backlash due to perceived environmental harm
- Regulatory sanctions or delays due to environmental incidents
- Reputational damage if concerns are not addressed transparently

Management Approach (Risk)

- Apply stricter erosion control for upland civil works
- Maintain open communication with stakeholders
- Document and audit all restoration and mitigation efforts
- Use third-party experts for biodiversity monitoring when needed

Opportunities Identified

- Enhance credibility as a responsible renewable energy developer
- Build partnerships with conservation groups and scientific institutions
- Support long-term reforestation and carbon offsetting
- Integrate biodiversity into green finance and ESG performance reporting

Management Approach (Opportunity)

- Continue multi-year tree planting and habitat restoration
- Showcase case studies of responsible engagement and incident response
- Align biodiversity programs with national forest conservation targets and SDGs

Environmental Impact Management

Air Emissions

GHG

Disclosure	Quantity	Units
Direct (Scope 1) GHG Emissions	76.21	Tonnes CO2e
Energy indirect (Scope 2) GHG Emissions	290.1	Tonnes CO2e
Emissions of ozone-depleting substances (ODS)	N/A	Tonnes CO2e

Disclosure	Quantity	Units
NOx	N/A	kg
SOx	N/A	kg
Persistent organic pollutants (POPs)	N/A	kg
Volatile organic compounds (VOCs)	N/A	kg
Hazardous air pollutants (HAPs)	N/A	kg
Particulate matter (PM)	N/A	kg

Air Emissions: Materiality Topic Discussion

What is the impact and where does it occur?

Greenhouse gas (GHG) emissions are among the most significant contributors to global climate change. While ALTER is a pure renewable energy company, and therefore not a direct source of large-scale emissions, we recognize our role in both avoiding emissions through clean energy generation and minimizing emissions from our own operations.

Emissions may occur across three scopes:

- Scope 1: From company-owned vehicles and on-site fuel use
- Scope 2: From electricity purchased for our head office and project facilities
- Scope 3: From upstream and downstream activities such as transport, construction, and supply chain; not yet fully reported, but under review for future disclosure

By displacing fossil fuel-based power with renewable generation, our projects help reduce the country’s overall carbon footprint. At the same time, our operational and administrative activities, though modest in emissions, are continuously monitored and improved.

What is the organization’s involvement in the impact?

ALTER directly contributes to emissions mitigation through the development of renewable energy projects, displacing thousands of tonnes of CO₂ that would otherwise be emitted from coal, oil, or gas-fired generation.

We also cause limited Scope 1 and 2 emissions through vehicle fuel and electricity use. These are measured, tracked, and reported. Our internal practices aim to minimize these operational emissions and offset them many times over through clean power generation.

As we continue to grow, we recognize our responsibility to deepen our emissions accounting and pursue full Scope 3 mapping and reduction strategies.

Which stakeholders are affected? (Impact)

- Communities and future generations, whose quality of life is impacted by climate change
- Investors and financiers, who are increasingly seeking low-carbon portfolios
- Government and regulators, who rely on industry actors to meet national GHG reduction goals
- Employees and partners, who expect the company to lead by example in sustainability

Management Approach

- We use DOE National Grid Emission Factors (NGEF) to calculate avoided emissions per MWh of clean energy generated: 0.6836 tCO₂/MWh for Luzon-Visayas and 0.7859 tCO₂/MWh for Mindanao
- In FY2025, our projects displaced 125,609 tonnes of CO₂, up from 122,878 tonnes the previous year
- We measure Scope 1 emissions from diesel consumption, using a 2.68 kg CO₂/liter conversion rate
- Scope 2 emissions are calculated based on electricity used in the Makati office and select facilities
- Our Scope 1 and 2 emissions are not material, and are vastly offset by our emissions avoided
- We use conservative modeling, including a 0.5 tCO₂/MWh grid average, for integrity and consistency
- We plan to expand to Scope 3 disclosures and consider carbon credit generation where feasible
- We continuously educate staff and partners on emissions awareness and energy conservation
- We adhere to GRI 305, and aim to align with ISSB/PFRS S2 and future SEC climate disclosuresry-cleaning alternatives to reduce dependency.
- Offices implement water-saving measures such as low-flow fixtures, leak maintenance, and sustainability awareness led by our Sustainability Champions.
- CSR projects include potable water systems in host communities to address water access needs and improve shared infrastructure.

Risks Identiifed

- Increased scrutiny from regulators, investors, and civil society on carbon disclosure and impact
- Potential reputational risk if emissions data is incomplete or lacks transparency
- Climate-related risks such as changing weather patterns that impact project yields

Opportunities Identified

- Strong emissions performance supports access to green finance and impact investing
- Renewable energy generation aligned with national NDCs and global Net Zero goals
- Enhanced resilience through portfolio diversification across solar, wind, and hydro
- Positive brand recognition as a climate-conscious and emissions-accountable company

Effluents

Disclosure	Quantity	Units
Total volume of water discharges	0	Cubic meters
Percent of wastewater recycled	0	%

ALTER's renewable energy operations and construction generate no material water discharges, eliminating the need for effluent monitoring. Our run-of-river hydroelectric facilities are being constructed without water-intensive industrial processes, chemical treatments, or manufacturing activities that typically produce effluents. The water passing through our turbines is returned to the river system unchanged, with no contaminants introduced during energy generation.

We maintain full compliance with environmental permits, including ECC and EMP requirements. Our semi-annual Compliance Monitoring Reports to DENR monitor ambient water quality parameters to verify our operations do not impact natural water systems. Given the non-consumptive, non-polluting nature of our renewable energy model, no material effluent discharges occurred in FY2025.

Currently, ALTER does not record wastewater recycling volumes as our operations lack wastewater recycling mechanisms. Our Makati office headquarters operates within a leased building that does not have wastewater recycling infrastructure in place.

Effluents:
Materiality Topic Discussion

What is the impact and where does it occur?

Effluent discharge into water systems can pose risks to ecosystems, water quality, and public health, especially in areas that rely on rivers for irrigation, drinking water, or biodiversity. In ALTER's case, the most sensitive areas of potential impact are in run-of-river hydro project sites, such as those in Ifugao, Dupinga, and Lamut, where our operations are closely intertwined with local water systems. Even small alterations in water quality or flow could affect indigenous communities, farmers, and the surrounding wildlife.

What is the organization's involvement in the impact?

ALTER's renewable energy portfolio is designed to avoid direct effluent discharge. Our run-of-river hydro plants do not involve water-intensive processing or industrial effluent generation. We also avoid damming and flooding, thus preserving the natural flow regimes of the rivers we tap. We are directly responsible for ensuring that all developments are in full compliance with environmental permits, particularly the Environmental Compliance Certificate (ECC) and Environmental Management Plan (EMP) requirements, and that no harmful discharges are released into waterways.

To further strengthen environmental integrity, we submit semi-annual Compliance Monitoring Reports (CMRs) to the DENR. These reports include water quality parameters such as pH, turbidity, sedimentation, and dissolved oxygen levels.

No material effluent discharges were recorded in FY2025.

Which stakeholders are affected?

- Local communities and Indigenous Peoples, especially those dependent on rivers for water, food, and irrigation
- Regulators, including the DENR and the National Water Resources Board (NWRB)
- Downstream users, including farmers and local ecosystems
- LGUs and host barangays, who monitor local environmental health

Management Approach

- No effluent discharge from hydro projects or operational facilities
- All hydro plants comply with NWRB water permits and DENR ECC and EMP conditions
- Run-of-river design avoids damming and flooding, preserving natural water flow
- Baseline and ongoing water quality monitoring conducted as part of ECC compliance
- Submission of semi-annual Compliance Monitoring Reports to DENR
- CSR initiatives support potable water access:
 - In Dupinga, through handwashing stations, public toilets, and e-community centers
 - In Tanay, via a new potable water storage tank and distribution system for nearby barangays
- In 2025, sedimentation and water discoloration were observed in rivers downstream of the Tanay Wind Project's construction route. ALTER responded promptly by coordinating with LGUs, the DENR, and PENRO, implementing corrective and mitigating measures, including slope protection, river rehabilitation, and construction of sediment barriers.
- These efforts were supported by a Rapid River Rehabilitation Plan and a revised Corrective Action Schedule, with ongoing monitoring reported to the DENR and host LGUs.

Risks Identified

- Reputational and regulatory risk from construction-related sedimentation or water quality issues, as seen in the Tanay river siltation incident
- Ecological risk from uncontrolled runoff during earthworks
- Social risk from perceived neglect or lack of transparency in community impacts

Opportunities Identified

- Community trust-building through proactive water infrastructure support
- Regulatory goodwill through full ECC and EMP compliance
- Ecosystem conservation as a point of differentiation for sustainable investors

Environmental Compliance

Disclosure	Quantity	Units
Total amount of monetary fines for non-compliance with environmental laws and/or regulations	0	Php
No. of non-monetary sanctions for non-compliance with environmental laws and/or regulations	1	#
No. of cases resolved through dispute resolution mechanism	0	#

Environmental Compliance: Materiality Topic Discussion

What is the impact and where does it occur?

Environmental non-compliance incidents primarily occur at the project site level, particularly during construction and land development activities. In 2025, a major compliance challenge emerged at the Tanay Wind Power Project, where excessive rainfall led to soil erosion and siltation of nearby river systems. This resulted in sediment runoff, affecting both the physical environment and the water supply used by nearby barangays. The impact extended beyond natural resources. Communities were affected, public confidence was tested, and regulatory scrutiny intensified.

What is the organization’s involvement in the impact?

The incident was directly linked to our construction activities, specifically soil hauling, movement and disposal amidst unusually heavy rains. As project proponent, ALTER Tanay Wind Corporation (ATWC) was held responsible by the DENR and the Tanay LGU for lapses in environmental management. A Notice of Violation (from DENR-EMB) and a Cease and Desist Order (from LGU) were issued, citing among others breaches in our Environmental Compliance Certificate (ECC) conditions.

Which stakeholders are affected?

- Local communities and indigenous residents in Barangays San Andres, Sto. Niño, Cayabu, Laiban, and Daraitan
- Local government units and regulators (Tanay LGU, PENRO, EMB)
- Civil society organizations concerned with ecological protection
- Construction partners and EPC contractors under our supervision

Management Approach

ALTER responded with urgency and transparency. Affected communities were provided immediate relief, including clean water, clean-up teams, and financial support. We replaced blocked culverts with larger-capacity pipes, reinforced slopes with riprap and coconut fiber mats, and submitted a Rapid River Rehabilitation Plan, Corrective Action Schedule, and updated Environmental Management Plan to the authorities.

We also committed Php2.1 million in infrastructure and mitigation projects, including a potable water storage and distribution system for our host barangays. All activities were reported in full to DENR-EMB and the Tanay LGU.

On 28 July 2025, Executive Order No. 14 was issued lifting the Cease and Desist Order, confirming that the incident had been responsibly addressed.

Internally, we are enhancing early warning protocols, climate-resilient site planning, and stricter contractor oversight across all projects. Environmental risk mapping and engagement protocols are also being updated as part of our Environmental and Social Management System (ESMS) development under Project EnSync.

Risks Identified

- Reputational damage due to public perception of environmental negligence
- Delays in construction schedules due to enforcement actions
- Fines or penalties from non-compliance with ECC and other environmental laws
- Strained relationships with host communities and LGUs
- Potential loss of trust from regulators and financing institutions

Which stakeholders are affected?

- Host communities, particularly those relying on natural resources
- Regulators (DENR-EMB, PENRO, LGUs)
- Internal teams and project contractors
- Investors and project financiers concerned with ESG performance

Management Approach

We’ve institutionalized a crisis response protocol (including the establishment of an Emergency Response Team which includes representatives from the LGUs for better coordination), enhanced our contractor compliance requirements.

Additional safeguards include regular site inspections, faster reporting channels, and stricter adherence to our ECC and EMP conditions. These measures have been communicated to regulators and incorporated into our project timelines and budgets.

Opportunities Identified

- Demonstrating commitment to accountability and environmental stewardship
- Strengthening community relations through transparency and support
- Improving climate-resilient infrastructure design and environmental safeguards
- Enhancing our ESMS framework and contractor governance protocols
- Setting a new benchmark for responsible project development in ecologically sensitive areas

Which stakeholders are affected?

- Local communities and barangay leaders
- Internal project teams, EPC contractors
- Government partners and regulatory agencies
- Civil society and environmental watchdogs

Management Approach

We used this incident as a springboard to launch our KAHALIGI ESG program in Tanay, deepening our relationships with host communities through aid, consultation, and shared commitment. The learnings from this experience have informed our internal policy updates, which will be embedded into our Group-wide ESMS. Future projects will benefit from more robust safeguards and community-centered risk management practices.

SOCIAL

Employee Management

What is the impact and where does it occur?

Employee hiring and benefits have a profound impact across ALTER’s operations, directly shaping workplace culture, inclusivity, and employee well-being. These effects are visible both at our corporate headquarters and at project sites, where employment creates not only livelihoods, but also local empowerment, especially in under-resourced or remote communities.

What is the organization’s involvement in the impact?

ALTER directly causes this impact through our hiring decisions, compensation frameworks, benefit structures, and human resources policies. We also influence the broader community by demonstrating how a clean energy company can lead with empathy, equity, and employee-centric practices.

Which stakeholders are affected?

- Employees and their dependents
- Job applicants and recruits
- Community members hired locally
- Regulators and labor authorities
- Civil society partners on mental health and gender equity

Management Approach

ALTER manages this topic through a multi-dimensional approach anchored in both compliance and compassion:

- Gender Diversity, Inclusion, and Non-Discrimination Policy: We proactively promote gender parity, inclusive language, and safe spaces. We prohibit all forms of gender-based discrimination and harassment and support LGBTQIA+ inclusion across all levels.
- Equal Pay for Equal Work: We ensure that pay is based on role, skill, and merit, not gender or background.
- Local Hiring: We prioritize qualified residents from our host communities, ensuring they are not just beneficiaries but active participants in the renewable energy transition.
- Comprehensive Benefits: Our offerings include HMO coverage (with dependents), group life and disability insurance, medical reimbursement, housing and education loans, paid parental and emergency leave (including for VAWC survivors), and more.
- Wellness and Training Programs: Our #RenewWell and #AlterEmpowered programs address mental health, gender sensitivity, and professional development.
- Upcoming Plans: We are in the process of finalizing our Retirement and Employee Stock Option Plans to expand long-term security and ownership.

Risks Identified

- Lack of inclusion may lead to workplace disengagement, turnover, or reputational damage.
- Failure to comply with labor and gender-related laws could result in penalties.
- Ignoring mental health needs risks burnout and reduced productivity.
- Missing out on local hiring may weaken community trust and increase project risk.

Which stakeholders are affected?

- Employees, jobseekers, local governments, community leaders, and regulators.

Management Approach

We conduct regular policy reviews, gender sensitivity training, and onboarding sessions to reinforce expectations. Our grievance mechanisms (being finalized under a standalone policy) will also provide a clear path for reporting discrimination or abuse. Wellness support is accessible, and employee feedback mechanisms are in place to monitor sentiment and concerns.

Opportunities Identified

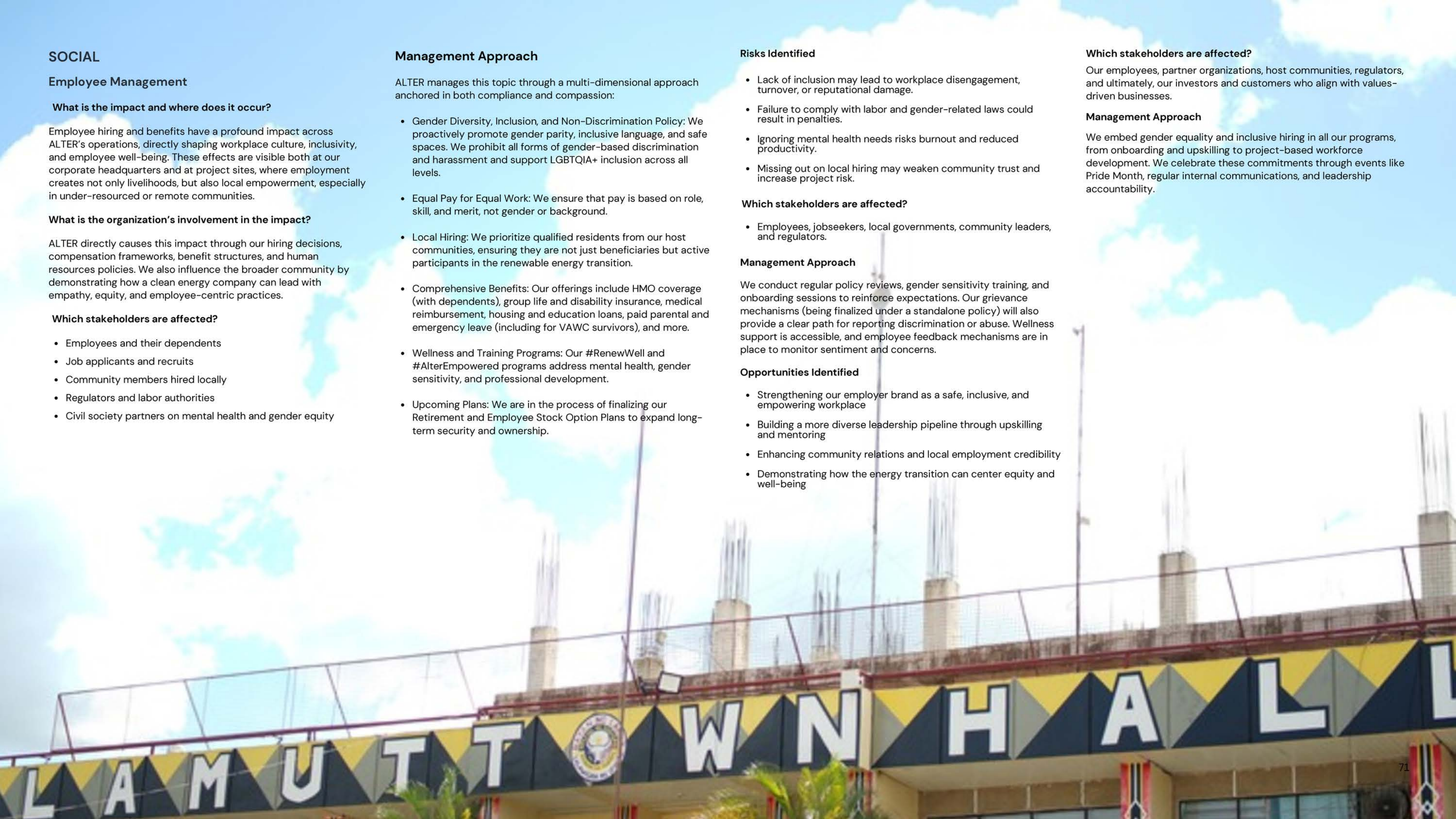
- Strengthening our employer brand as a safe, inclusive, and empowering workplace
- Building a more diverse leadership pipeline through upskilling and mentoring
- Enhancing community relations and local employment credibility
- Demonstrating how the energy transition can center equity and well-being

Which stakeholders are affected?

Our employees, partner organizations, host communities, regulators, and ultimately, our investors and customers who align with values-driven businesses.

Management Approach

We embed gender equality and inclusive hiring in all our programs, from onboarding and upskilling to project-based workforce development. We celebrate these commitments through events like Pride Month, regular internal communications, and leadership accountability.



Employee Training & Development

Disclosure	Quantity	Units
Total training hours provided to employees		
a. Female employees	438	hrs
b. Male employees	521	hrs
Average training hours provided to employees		
a. Female employees	12	Hrs/employee
b. Male employees	11	Hrs/employee

Employee Training & Development: Materiality Topic Discussion

What is the impact and where does it occur?

Training and development impact ALTER’s operations directly at the corporate and project level. As a renewable energy company expanding across multiple technologies and geographies, our success depends on building and retaining a workforce that is agile, knowledgeable, and aligned with our sustainability mission. The impact of our training efforts spans multiple areas, from improved project execution and regulatory compliance to employee morale and community engagement.

What is the organization’s involvement in the impact?

The impact is caused by the organization, as all employee learning and development efforts are planned, resourced, and implemented internally. It is also shaped through partnerships with external experts and consultants, including trainers in law, crisis management, ESG risk, and gender sensitivity.

Which stakeholders are affected?

Primarily employees, but also external stakeholders such as host communities, regulators, and business partners who benefit from our teams’ enhanced skills, ethical conduct, and community engagement.

Management Approach

ALTER manages this material topic through structured training programs under the #AlterEmpowered initiative, launched in FY 2025. The program includes company-wide foundational learning (e.g., Contracts 101), targeted capacity-building for critical functions (e.g., Crisis Management for project teams), and values-based training (e.g., Gender Sensitivity workshops). Learning is reinforced through project site visits, CSR engagement under KAHALIGI, and regular team-building.

In addition to programmatic offerings, we are institutionalizing a more deliberate process through a Training Needs Analysis (TNA) that will be conducted in parallel with the annual performance review cycle. This ensures that development plans are personalized and linked to both current job needs and succession planning. Depending on the outcome of the TNA, employees may be enrolled in internal learning sessions or external training, subject to Company policy. Where appropriate, training bonds or similar commitments may be imposed to ensure mutual accountability and return on investment.

Participation rates and training hours are monitored, with a focus on equitable access across gender, role, and seniority. Future learning tracks will include ESG risk, stakeholder engagement, financial literacy, and leadership development.

Risks Identified

- Operational risk from insufficient project-level understanding of contracts, compliance, or crisis response
- Reputational risk from gaps in employee understanding of ESG principles or cultural sensitivity
- Retention risk if career growth and development are not adequately supported

Opportunities Identified

- Strengthened internal leadership pipeline
- Enhanced regulatory and ESG compliance
- Greater employee loyalty, purpose alignment, and productivity
- Improved stakeholder engagement and community impact
- Through our training efforts, ALTER is not only investing in the present. We are building the capability, character, and confidence needed to power a renewable future.

Diversity & Equal Opportunity

Disclosure	Quantity	Units
# of female workers in the workforce	42	%
# of male workers in the workforce	58	%
Number of employees from indigenous communities and/or vulnerable sector*	15	#

Diversity & Equal Opportunity: Materiality Topic Discussion

What is the impact and where does it occur?

Inequitable hiring and workplace practices can result in the underrepresentation of women, minorities, and marginalized groups, particularly in male-dominated sectors like energy. This impact can occur across our business, from recruitment and leadership development to third-party contracting and field operations.

What is the organization’s involvement in the impact?

As the employer and project proponent, ALTER has a direct influence on hiring, compensation, training, and promotion decisions. We are responsible for shaping workplace norms and partner expectations.

Which stakeholders are affected?

Employees, job applicants, contractors, host communities, and marginalized groups, especially women, indigenous peoples, and those in rural areas, are the most affected by diversity and inclusion outcomes.

Management Approach

We manage this material topic through our Gender Diversity, Inclusion, and Non-Discrimination Policy, employee education, equal opportunity hiring practices, and inclusive employee engagement programs. We promote gender-balanced hiring, enforce non-discrimination in pay and promotion, and conduct gender sensitivity training to build a more respectful and equitable workplace. We also apply our inclusion principles to contractors and suppliers.

Risks Identified

Risks include reputational damage, legal or regulatory non-compliance, talent attrition, and a less innovative work culture if diversity is not embraced. In host communities, perceived exclusion from opportunities could affect project acceptability.

Opportunities Identified

A diverse workforce leads to better decision-making, stronger innovation, and higher employee engagement. Inclusive practices also enhance community trust and strengthen our social license to operate, especially in culturally diverse and gender-sensitive settings.

Workplace Conditions, Labor Standards, and Human Rights

Occupational Health & Safety

Disclosure	Quantity	Units
Safe Man-Hours	163,944	Man-hours
No. of work-related injuries	0	#
No. of work-related fatalities	0	#
No. of work-related ill-health	0	#
No. of safety drills	6	#

Workplace Conditions, Labor Standards, and Human Rights: Materiality Topic Discussion

What is the impact and where does it occur?

Occupational health and safety risks are inherent across ALTER’s operations, particularly in project construction sites, upland and remote areas, and field work involving electrical, civil, and transport activities. These risks may result in injury, illness, or even fatalities if not properly identified and mitigated. Poor site practices can also lead to environmental damage or harm to surrounding communities.

What is the organization’s involvement in the impact?

As the project proponent and contracting entity, ALTER is directly responsible for enforcing OHS standards and ensuring that all workers, whether employees or contractors, are trained, protected, and working under safe and healthy conditions. We are accountable for both preventive systems and responsive actions when incidents arise.

Which stakeholders are affected?

Employees, contractors, subcontractors, construction workers, project site visitors, and host communities may all be affected by OHS risks. Regulators, local government units, and community leaders are also key stakeholders in maintaining safe work environments.

Management Approach

ALTER’s OHS governance is anchored in full compliance with national regulations, including the DOE’s RESHERR (Renewable Energy Safety, Health and Environment Rules and Regulations), under which all our project sites are accredited as of end-June 2025. Each project site has an assigned, qualified Safety Officer who implements a site-specific HSE Management Plan. We follow an integrated approach, combining engineering controls, safety procedures, and personnel training. Key measures include:

- Mandatory safety orientations and PPE use for all site personnel
- Daily toolbox meetings and regular site audits
- Incident, near-miss, and hazard reporting protocols
- Periodic drills and health monitoring
- Coordination with local emergency services
- Regular OHS Committee meetings attended by worker and management reps

In addition, we support overall employee well-being through our #RenewWell program, which includes access to mental health services, monthly Spirit Days, team-building, and exposure trips to project sites for better risk appreciation. Quarterly town halls also serve as platforms for employees to raise safety concerns and propose improvements.

Risks Identified

Failure to manage OHS properly could result in injuries or fatalities, operational shutdowns, regulatory sanctions, reputational damage, or loss of community trust. For large construction projects, even minor lapses in safety can escalate into major delays or legal issues.

Opportunities Identified

Proactive safety management strengthens organizational resilience. It builds a culture of care, reduces injury-related costs, improves contractor compliance, and enhances relationships with host communities and regulators. A robust OHS culture also boosts employee morale and helps attract and retain top talent, reinforcing our mission to build clean energy responsibly.

Labor Standards & Human Rights

Disclosure	Quantity	Units
No. of legal actions or employee grievances involving forced or child labor	0	#

Policy Topic	Y/N	If Yes, cite reference in company policy
Forced labor	Y	Anti-Forced Labor Policy in solar project development
Child labor	Y	
Human Rights	Y	

Labor Standards & Human Rights: Materiality Topic Discussion

What is the impact and where does it occur?

Non-compliance with labor laws and human rights standards can lead to reputational damage, legal consequences, contractor disputes, project delays, and diminished trust from employees, investors, and communities. Risks may arise across ALTER’s operations, particularly at project sites where multiple contractors are engaged and where workers’ welfare must be proactively safeguarded.

What is the organization’s involvement in the impact?

As the project developer and primary contracting entity, ALTER is directly responsible for setting, monitoring, and enforcing standards on labor practices and human rights. This includes corporate offices, project sites, and the broader value chain. We shape the culture, contractual obligations, and expectations around ethical employment.

Which stakeholders are affected?

Affected stakeholders include employees, contractors, subcontracted laborers, suppliers (especially PV module providers), and vulnerable groups such as women, indigenous peoples, and local communities in host barangays.

Management Approach

ALTER’s approach is rooted in Philippine labor law, and further reinforced by internal policies such as the Code of Business Conduct and Ethics, and the Gender Diversity, Inclusion, and Non-Discrimination Policy. These expressly prohibit discrimination, harassment, bullying, and other human rights violations. Contractors are required to comply with DOLE regulations in their workforce practices.

In our solar project procurement, we have implemented a dedicated Anti-Forced Labor Policy for PV module suppliers, targeting upstream risks in the supply chain. Suppliers must certify that their manufacturing processes are free from forced or exploitative labor. Although we do not currently have a formal child protection policy, we confirm that none of our operations or co-investments involve child labor. We commit to enhancing our due diligence practices in this area.

Risks Identified

Failure to uphold labor and human rights standards can expose ALTER to regulatory penalties, litigation, project disruption, and stakeholder backlash, particularly in industries like solar where global scrutiny on labor conditions is rising.

Opportunities Identified

By embedding fairness, dignity, and equality into our operations, ALTER builds a stronger employer brand, attracts top talent, fosters local goodwill, and promotes long-term supply chain resilience. It also reinforces our commitment to sustainable development that truly benefits people, not just the power sector.

Supply Chain Management

Topic	Y/N	If Yes, cite reference in supplier policy
Environmental Performance	Y	Palau Project adopts the Equator Principles
Forced labor	Y	Palau Project adopts the Equator Principles
Child labor	Y	Palau Project adopts the Equator Principles
Human rights	Y	Palau Project adopts the Equator Principles
Bribery and corruption	Y	Supplier Contracts, Business Conduct and Ethics Policy, Whistleblower Policy

Supply Chain Management: Materiality Topic Discussion

What is the impact and where does it occur?

Supply chain practices have a direct impact on ALTER’s ability to deliver clean energy responsibly. From engineering, procurement, and construction (EPC) contractors to equipment and service providers, the conduct of our suppliers influences our environmental footprint, labor practices, community relations, and regulatory compliance. Poor supplier performance or unethical sourcing could result in environmental harm, human rights violations, reputational damage, or operational delays.

What is the organization’s involvement in the impact?

As the project developer and contracting entity, ALTER is responsible for screening, selecting, and managing contractors and suppliers. While we do not yet maintain a formal supplier accreditation system, we enforce rigorous ESG screening during procurement, and incorporate compliance conditions in our contracts. We require all major suppliers to align with our Codes of Conduct, environmental safeguards, and labor rights standards.

Which stakeholders are affected?

Communities near project sites, contracted workers, indigenous peoples, and end-users are all affected by the conduct of suppliers. Reputationally and operationally, the company and its shareholders also bear the consequences of any negative supplier-related impact.

Management Approach

Our procurement and contracting processes prioritize responsible and ethical partners. We require contractors and suppliers to submit technical proposals that include environmental method statements, health and safety plans, and gender inclusion commitments.

Key measures include:

- Mandatory compliance with our Code of Conduct
- Enforcing our Anti-Forced Labor Policy for solar PV supply chains
- Promoting continuous improvement

Risks Identified

Inadequate supplier oversight may expose ALTER to risks such as project delays, environmental violations, labor malpractice, or supply chain disruptions. Weak screening may also lead to non-compliance with national or international standards, threatening our license to operate and stakeholder trust.

Opportunities Identified

Strong supplier management reinforces responsible development and improves project efficiency. It enhances our ability to meet sustainability goals, attract ESG-conscious investors, and contribute to industry leadership in ethical infrastructure development. It also strengthens relationships with communities, regulators, and workers, ensuring that our clean energy journey is inclusive, compliant, and resilient.

Relationship with Community

Significant Impacts on Local Communities

Certificates	Quantity	Units
FPIC process is still ongoing	0	#
CP secured	3	#

Operations with Significant (positive or negative) impacts on local communities (excluding CSR projects)	Location	Vulnerable groups (if applicable)*	Does the particular operation have impacts on indigenous people (Y/N)?	Collective or individual rights that have been identified that or particular concern for the community	Mitigating measures (if negative) or enhancement measures (if positive)
Tanay Wind Power Project: Siltation and soil erosion during land development phase (June 2025)	Tanay, Rizal	Dumagat	Yes	Right to clean water and safe environment	Rapid River Rehabilitation Plan, culvert replacements, slope stabilization, potable water infrastructure, and clean-up drives.
Dupinga Mini-Hydro Project: Development of run-of-river hydro power within ancestral domain	Gabaldon, Nueva Ecija	Dumagat	Yes	Right to Free, Prior and Informed Consent (FPIC); Water rights	Full compliance with NCIP and FPIC processes, including field-based investigations, IECs, and MOA with the IPO. Also implemented water systems and provided
Palau Solar + BESS Project: Land access and community interface during construction	Palau Island	Local Palauan community	No	Employment, land use	60% local hires; road upgrades; community consultations and training; gender-sensitive CSR initiatives.
Alabat Wind Project: Infrastructure development, road works	Quezon Province	Rural host communities	No	Livelihood and land access	Road and bridge construction; employment prioritization; stakeholder consultations
Kiangan Mini-Hydro Project Development of run-of-river hydro power within ancestral domain	Kiangan, Ifugao	Tuwali	Yes	Right to Free, Prior and Informed Consent (FPIC); Water rights	Full compliance with NCIP and FPIC processes, including field-based investigations, IECs, and MOA with the IPO. Also implemented water employment opportunities.

Relationship with Community: Materiality Topic Discussion

What is the impact and where does it occur?

ALTER’s renewable energy projects, particularly those in remote or indigenous areas, inevitably create both positive and negative impacts on local communities. These impacts range from land development and environmental risks during construction, to long-term economic and infrastructure benefits during operation. In June 2025, for example, land development works at our Tanay Wind Power Project led to temporary soil erosion and river siltation, affecting several barangays in Rizal. On the other hand, our Palau Solar Project, Dupinga Mini-Hydro Project, and our wind projects (including the Pililla wind farm) have contributed positively through infrastructure upgrades, job creation, and improved access to clean energy. The Pililla wind farm is a prime example of a socially and economically impactful project. A popular tourist destination, it has a dedicated Visitors Center which hosts over 350,000 visitors every year.

What is the organization’s involvement in the impact?

ALTER is directly involved as project proponent, land developer, and operator. We are responsible for ensuring that all construction, environmental, and community interfaces are properly managed through preemptive planning, compliance with regulatory requirements (e.g., FPIC, ECC), and prompt resolution of concerns when they arise. We also go beyond compliance by investing in local hiring, infrastructure, and sustained community engagement.

Which stakeholders are affected?

Affected stakeholders include indigenous peoples, local residents, barangay councils, municipal LGUs, water users, landowners, and nearby economic actors (e.g., farmers, small businesses, tourism operators). In some cases — such as in Tanay — vulnerable groups included upland barangays and communities relying on river systems for agriculture and daily use.

Management Approach

ALTER integrates stakeholder consultation and environmental and social risk assessment into every stage of the project lifecycle. For projects located within ancestral domains, we strictly follow the Free, Prior, and Informed Consent (FPIC) process, guided by the Indigenous Peoples Rights Act (IPRA) and NCIP protocols. For all communities, we implement IECs and impact mitigation plans. In Tanay, for example, we implemented a Rapid River Rehabilitation Plan, culvert upgrades, slope protection, and clean-up operations in response to erosion-related concerns. A potable water system for the host barangays was also committed as part of a PhP2.1 million response initiative.

Risks Identified

Unmanaged community impacts can result in reputational harm, regulatory sanctions, delays in project implementation, complaints to regulators, or even loss of social license. Environmental risks such as sedimentation or access issues can erode trust and create conflict with local governments or indigenous organizations. Negative perceptions may also affect investor confidence and long-term project viability.

Opportunities Identified

Properly managed, these interactions create opportunities for deep community partnerships, stronger local economies, and long-term project success. Community goodwill enhances project security, enables smoother operations, and allows for co-creation of sustainable development outcomes. Programs like KAHALIGI, which encourage direct employee engagement, further reinforce these relationships and create a shared sense of purpose.





Appendix C

GRI Content Index

Alternergy Holdings Corporation has reported the information cited in this GRI content index for the period July 1, 2024 to June 30, 2025 in accordance to the GRI 2021 Standards.

GRI 1: Foundation 2021

GRI 2: General Disclosures 2021

2-1 Organizational details	2 (Contextual Information), 3 (About this Report), 19
2-2 Entities included in the organization's sustainability reporting	2 (Contextual Information), 3 (About this Report), 19 (Governance & Ethics; Ethical Business Practices)
2-3 Reporting period, frequency and contact point	3 (About this Report) contact person is in page 81 (last page)
2-4 Restatements of information	3 (About this Report)
2-5 External assurance	3 (About this Report)
2-6 Activities, value chain and other business relationships	3 (About this Report), 14 (FY2025 at a Glance), 31 (People at the Heart of the Dream; Stakeholder Engagement), 33 (Strengthening Partnerships with Other Stakeholders), 44 (Purpose; 4.3 - Building Trusted Partnerships), 45 (Purpose; 4.5 - Sourcing & Accountability)
2-7 Employees	28 (People at the Heart of the Dream), 29 (People; 2.5 – Labor – Management Relations)
2-8 Workers who are not employees	28 (People at the Heart of the Dream)
2-9 Governance structure and composition	18 (Governance & Ethics; Governance Structure), 19 (Governance & Ethics; Ethical Business Practices), 20 (Governance & Ethics; Risk Management & Compliance; Labor Laws & Human Rights), 22 (A Board with Balance: The Stewards Behind the Dream)
2-10 Nomination and selection of the highest governance body	18 (Governance & Ethics; Governance Structure), Page 5 Manual on Corporate Governance
2-11 Chair of the highest governance body	22 (A Board with Balance: The Stewards Behind the Dream), Page 7-8 Manual on Corporate Governance
2-12 Role of the highest governance body in overseeing the management of impacts	10 (Snapshot: Management of Material Topics) 20 (Governance & Ethics; Risk Management & Compliance), Page 24 of Manual on Corporate Governance



Appendix C

GRI Content Index

GRI 2: General Disclosures 2021	2-13 Delegation of responsibility for managing impacts	5 (Materiality Process), 18 (Governance & Ethics; Governance Structure), 20 (Governance & Ethics; 1.4 – Risk Management & Compliance)
	2-14 Role of the highest governance body in sustainability reporting	18 (Governance & Ethics; Governance Structure), Page 24 of Manual on Corporate Governance
	2-15 Conflicts of interest	19 (Governance & Ethics; Ethical Business Practices), 61 (Highlights of our ESG Policies),
	2-16 Communication of critical concerns	19 (Governance & Ethics; 1.3 – Ethical Business Practices)
	2-17 Collective knowledge of the highest governance body	22 (A Board with Balance: The Stewards Behind the Dream)
	2-18 Evaluation of the performance of the highest governance body	18 (Governance & Ethics; Governance Structure), Page 21 of Manual on Corporate Governance (should refer to evaluation of sustainability performance though)
	2-19 Remuneration policies	28 (People at the Heart of the Dream; Fair & Equitable Compensation), Page 15 of Manual on Corporate Governance
	2-20 Process to determine remuneration	28 (People at the Heart of the Dream; Fair & Equitable Compensation), Page 15 of Manual on Corporate Governance
	2-21 Annual total compensation ratio	Information unavailable
	2-22 Statement on sustainable development strategy	3 (What’s New in this Report), 11 (About ALTER), 48 (Rooted from the Start), 60 (Closing Message from the CSO)
	2-23 Policy commitments	61-62 (Highlights of our ESG Policies), website
	2-24 Embedding policy commitments	18 (Governance & Ethics; 1.1 - Governance Structure), 19 (Governance & Ethics; 1.3 - Ethical Business Practices), website
	2-25 Processes to remediate negative impacts	10 (Snapshot: Management of Material Topics), 19 (Governance & Ethics; 1.3 - Ethical Business Practices), website
	2-26 Mechanisms for seeking advice and raising concerns	19 (Governance & Ethics; Ethical Business Practices), website
	2-27 Compliance with laws and regulations	20 (Governance & Ethics; 1.4 – Risk Management & Compliance, 1.5 – Labor Laws & Human Rights), 31 (People at the Heart of the Dream; Government Engagement and Regulatory Compliance), 54 (Purpose; 5.8 - Proactive Regulatory and LGU Engagement)
	2-28 Membership associations	43 (Purpose; Membership in Associations), 44 (Purpose; Memberships in Associations)
	2-29 Approach to stakeholder engagement	5 (Materiality Process), 31 (People at the Heart of the Dream; Stakeholder Engagement), 33 (Strengthening Partnerships with Other Stakeholders)
	2-30 Collective bargaining agreements	29 (People; 2.5 – Labor-Management Relations)



Appendix C

GRI Content Index

GRI 3: Material Topics 2021	3-1 Process to determine material topics	5 (Materiality Process)
	3-2 List of material topics	6-9 (List of Material Topics)
GRI 201: Economic Performance 2016	3-3 Management of material topics	10 (Snapshot: Management of Material Topics), 49 (Performance Data; 5.1 - Direct Economic Value Generated & Distributed), 63 (Economic Performance: Materiality Topic Discussion)
	201-1 Direct economic value generated and distributed	6 (List of Material Topics; Economic Performance) 49 (Performance Data; 5.1 - Direct Economic Value Generated & Distributed), 51 (Purpose; 5.1 - Direct Economic Value Generated & Distributed), 63 (Economic Performance)
	201-2 Financial implications and other risks and opportunities due to climate change	6 (List of Material Topics; Economic Performance), 21 (Financial Implications and Other Risks and Opportunities due to Climate Change), 54 (Purpose; 5.9 - Climate Risks, Exposure, Vulnerability and Opportunities)
GRI 203: Indirect Economic Impacts 2016	3-3 Management of material topics	5-10 (Materiality Process, List of Material Topics, and Snapshot: Management of Material Topics)
	203-1 Infrastructure investments and services supported	46 (Purpose; 4.7 - Infrastructure Investments & Services Supported), 51 (Purpose; 5.2 - Long Term Value Creation)
	203-2 Significant indirect economic impacts	6 (List of Material Topics; Indirect Economic Impact), 49 (Performance Data; 5.1 - Direct Economic Value Generated & Distributed, Sustainability & Social Impacts), 51 (Purpose; 5.2 - Long Term Value Creation)
GRI 205: Anti-corruption 2016	3-3 Management of material topics	9-10 (Snapshot: Management of Material Topics), 64-65 (Anti-corruption)
	205-1 Operations assessed for risks related to corruption	19 (Governance & Ethics; 1.3 - Ethical Business Practices)
	205-2 Communication and training about anti-corruption policies and procedures	64 (Anti-corruption)
	205-3 Confirmed incidents of corruption and actions taken	65 (Incidents of Corruption)
GRI 303: Water and Effluents 2018	3-3 Management of material topics	37 (The Ground Beneath the Dream; 3.3 - Water Consumption & Conservation, 3.5 - Effluents), 69 (Effluents)
	303-1 Interactions with water as a shared resource	37 (The Ground Beneath the Dream; 3.3 - Water Consumption & Conservation, 3.5 - Effluents)
	303-2 Management of water discharge-related impacts	37 (The Ground Beneath the Dream; 3.3 - Water Consumption & Conservation, 3.5 - Effluents)
	303-3 Water withdrawal	37 (The Ground Beneath the Dream; 3.3 - Water Consumption & Conservation, 3.5 - Effluents)
	303-4 Water discharge	37 (The Ground Beneath the Dream; 3.5 - Effluents), 69 (Effluents) Appendix B SEC Guidelines "Effluents")
	303-5 Water consumption	37 (The Ground Beneath the Dream; 3.3 - Water Consumption & Conservation)



Appendix C

GRI Content Index

GRI 205: Anti-corruption 2016	3-3 Management of material topics	9-10 (Snapshot: Management of Material Topics), 64-65 (Anti-corruption)
	205-1 Operations assessed for risks related to corruption	19 (Governance & Ethics; 1.3 - Ethical Business Practices)
	205-2 Communication and training about anti-corruption policies and procedures	64 (Anti-corruption)
	205-3 Confirmed incidents of corruption and actions taken	65 (Incidents of Corruption)
GRI 303: Water and Effluents 2018	3-3 Management of material topics	37 (The Ground Beneath the Dream; 3.3 - Water Consumption & Conservation, 3.5 - Effluents), 69 (Effluents)
	303-1 Interactions with water as a shared resource	37 (The Ground Beneath the Dream; 3.3 - Water Consumption & Conservation, 3.5 - Effluents)
	303-2 Management of water discharge-related impacts	37 (The Ground Beneath the Dream; 3.3 - Water Consumption & Conservation, 3.5 - Effluents)
	303-3 Water withdrawal	37 (The Ground Beneath the Dream; 3.3 - Water Consumption & Conservation, 3.5 - Effluents)
	303-4 Water discharge	37 (The Ground Beneath the Dream; 3.5 - Effluents), 69 (Effluents) Appendix B SEC Guidelines “Effluents”)
	303-5 Water consumption	37 (The Ground Beneath the Dream; 3.3 - Water Consumption & Conservation)



Appendix C

GRI Content Index

GRI 304: Biodiversity 2016	3-3 Management of material topics	7 (List of Material Topics; Biodiversity) 37 (The Ground Beneath the Dream; 3.6 - Biodiversity & Watershed Programs), 67 (Ecosystems and Biodiversity)
	304-1 Operational sites owned, leased, managed in, or adjacent to, protected areas and areas of high biodiversity value outside protected areas	67 (Ecosystems and Biodiversity)
	304-2 Significant impacts of activities, products and services on biodiversity	67 (Ecosystems and Biodiversity)
	304-3 Habitats protected or restored	67 (Ecosystems and Biodiversity)
	304-4 IUCN Red List species and national conservation list species with habitats in areas affected by operations	67 (Ecosystems and Biodiversity)
GRI 305: Emissions 2016	3-3 Management of material topics	37 (The Ground Beneath the Dream; 3.4 - Air Emissions), 68 (Air Emissions)
	305-1 Direct (Scope 1) GHG emissions	37 (The Ground Beneath the Dream; 3.4 - Air Emissions), 68 (Air Emissions)
	305-2 Energy indirect (Scope 2) GHG emissions	37 (The Ground Beneath the Dream; 3.4 - Air Emissions), 68 (Air Emissions)
	305-3 Other indirect (Scope 3) GHG emissions	Information unavailable/incomplete, 20 (Governance & Ethics; 1.4 - Risk Management & Compliance), 37
	305-4 GHG emissions intensity	None
	305-5 Reduction of GHG emissions	37 (The Ground Beneath the Dream; 3.4 - Air Emissions), 68 (Air Emissions)
	305-6 Emissions of ozone-depleting substances (ODS)	68 (Air Emissions)
	305-7 Nitrogen oxides (NOx), sulfur oxides (SOx), and other significant air emissions	37 (The Ground Beneath the Dream; 3.4 - Air Emissions), 68 (Air Emissions)



Appendix C

GRI Content Index

GRI 308: Supplier Environmental Assessment 2016	3-3 Management of material topics	9 (List of Material Topics; Supplier Environmental and Social Assessment), 19 (Governance & Ethics; 1.3 - Ethical Business Practices), 63-64 (Economic Performance: Materiality Topic Discussion), 74 (Supply Chain Management)
	308-1 New suppliers that were screened using environmental criteria	9 (List of Material Topics; Supplier Environmental and Social Assessment)
	308-2 Negative environmental impacts in the supply chain and actions taken	45 (Purpose; 4.5 - Sourcing & Accountability)
GRI 401: Employment 2016	3-3 Management of material topics	8 (List of Material Topics; Employees), 28 (People at the Heart of the Dream)
	401-1 New employee hires and employee turnover	28 (People at the Heart of the Dream)
	401-3 Parental leave	28 (People at the Heart of the Dream; 2.1 - Employee Hiring & Benefits)
GRI 404: Training and Education 2016	3-3 Management of material topics	8 (List of Material Topics; Training and Development) 25 (Empowering from Within), 28 (People at the Heart of the Dream; 2.3 - #AlterEmpowered), 72 (Employee Training & Development), Page 2 of Policy on Health & Wellness and Training
	404-1 Average hours of training per year per employee	72 (Employee Training & Development)
	404-2 Programs for upgrading employee skills and transition assistance programs	25 (Empowering from Within), 28 (People at the Heart of the Dream; 2.3 - #AlterEmpowered)
	404-3 Percentage of employees receiving regular performance and career development reviews	28 (People at the Heart of the Dream), 72 (Employee Training & Development)
GRI 405: Diversity and Equal Opportunity 2016	3-3 Management of material topics	8 (List of Material Topics; Diversity & Equal Opportunity), 18 (Governance & Ethics; 1.1 - Governance Structure), 19 (Governance & Ethics; 1.3 - Ethical Business Practices), 20 (Governance & Ethics; 1.4 - Risk Management & Compliance; 1.5 - Labor Laws & Human Rights), 26 (People), 28 (People at the Heart of the Dream), 28 (People at the Heart of the Dream), 31 (People at the Heart of the Dream; 2.11 - Stakeholder Engagement), 45 (Purpose; 4.5 - Sourcing & Accountability), 48 (Rooted from the Start), 55 (Our Alignment with the UN SDGs; 6.2 - How ALTER Delivers on the SDGs), 62 (Highlights of our ESG Policies), 72 (Employee Training & Development)
	405-1 Diversity of governance bodies and employees	18 (Governance & Ethics; 1.1 - Governance Structure), 24 (People at the Heart of the Dream), 72 (Employee Training & Development)
	405-2 Ratio of basic salary and remuneration of women to men	28 (People at the Heart of the Dream; 2.4 - Fair & Equitable Compensation)



Appendix C

GRI Content Index

GRI 411: Rights of Indigenous Peoples 2016	3-3 Management of material topics	7 (List of Material Topics; Rights of Indigenous Peoples) 26 (People), 29-30 (People; 2.8 - Respect for Indigenous Peoples, 2.9 - Community Partnerships: Building Trust Beyond Projects)
	411-1 Incidents of violations involving rights of indigenous peoples	30 (Community Partnerships: Building Trust Beyond Projects), 32 (People; 2.11 - Stakeholder Engagement), 45 (Purpose; 4.6 - Shared Value: Empowering People & Communities)
GRI 413: Local Communities 2016	3-3 Management of material topics	7 (List of Material Topics; Local Communities), 30 (People; 2.9 - Community Partnerships: Building Trust Beyond Projects), 31, 74-75 (Relationship with Community)
	413-1 Operations with local community engagement, impact assessments, and development programs	30 (People; 2.9 -Community Partnerships: Building Trust Beyond Projects), 31 (Kahaligi; Our Commitment to Communities), 74-75 (Relationship with Community)
	413-2 Operations with significant actual and potential negative impacts on local communities	30 (People; 2.9 -Community Partnerships: Building Trust Beyond Projects), 31 (Kahaligi; Our Commitment to Communities), 74-75 (Relationship with Community)
GRI 414: Supplier Social Assessment 2016	3-3 Management of material topics	9 (List of Material Topics; Supplier Environmental and Social Assessment), 19 (Governance & Ethics; 1.3 - Ethical Business Practices),
	414-1 New suppliers that were screened using social criteria	9 (List of Material Topics; Supplier Environmental and Social Assessment)
	414-2 Negative social impacts in the supply chain and actions taken	45 (Purpose; 44.5 -Sourcing & Accountability; 74 (Supply Chain Management)



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Thank you.

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Shareholder Information

Annual Stockholders' Meeting
December 11, 2024 or every second Wednesday of December

Stock Listing
Philippine Stock Exchange (PSE) debut on March 24, 2023 with the stock symbol "ALTER."
The Company raised PHP1.6 billion from an initial public offering (IPO).

Number of Shares of Common Stock
3,933,840,480 Shares for the fiscal year ending June 30, 2025
(Listed at the PSE)

Number of Shares of Preferred Stock for the fiscal year ending June 30, 2025
370,398,637 Perpetual Preferred 1.
100,000,000 Perpetual Preferred 2 – Series A (Listed at the PSE)

Shareholders
The number of common shareholders of record as of June 30, 2025 was 3,252

Major Shareholder
Vespers Holdings Corporation with 40.36% shareholder stake
Nationality: Filipino

Investor Relations
Located at the principal office of the Company, with contact details as follows: beatriz.bathan@alternergy.com and at +632 7759 4327

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