CITICORE RENEWABLE ENERGY

Integrated Management System
(Quality, Environment, Health and Safety Management System)

Operational Procedure

SOCIAL SYSTEM MANAGEMENT FRAMEWORK

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VERSION HISTORY

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	Name	Position	Signature	Date
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Social System Management Framework

Traditionally, companies have been focused on only shareholder's return, and social risk management and mitigation plan was less heard topic in the past. But, with increasing regulatory scrutiny, active civil society, and stringent international standards, there has been increased focused from all the organizations across different sectors to incorporate social risk management in their business plan. Managing Community concerns, providing a safe and healthy workplace, employee engagement and development, diversity, and inclusion, following labor rights and human rights policies are some of the key topics that is discussed across organizations, and ignoring these factors can lead to significant negative consequences to an organization's reputation and operations.

Solar plants undergo a continuous interaction with the host community across all the phases of its life cycle from construction to decommissioning. Large solar plants require significant amount of land which may result in conflict with the surrounding communities. Further, it has a high-water footprint as the solar plants require water for panel cleaning. For ensuring water requirements, solar plants may tap into local water bodies thus affecting surface and ground water, and the water availability to local community. The waste generated during the construction and operation of the solar plants also poses risk to the health of local communities. Also, the local community has expectations from solar plants to provide livelihood and employment opportunities by involving them in the solar activities.

In general, all the employees expect a healthy and safe workplace which helps in their development. There are stringent labor standards and human rights policy to safeguard the interest of the vulnerable labors and employee groups. Further, diversity and inclusion are very important for firms to attract talents and prevent any regulatory or reputational damages. Cognizant of the social risk, we have a holistic social risk management and mitigation plan which helps us in developing a harmonious relationship with the host community, and build a safe, healthy, progressive workplace for the employees.

We are committed to empower our people and community to make positive impact on the society and find effective solutions to address a wide range of societal issues. We have identified 3 key pillars to deliver on our responsibilities and provide support in building a prosperous and resilient society.

1. Health and Safety – We care for our people, and we are committed to make health and safety an integral part of our everyday business and culture.
2. People – We have created a values-based and performance-led culture and would be committed to maintain it by continuous investment in our people. Further, providing an engaging workplace where our people can grow and excel is one of our priority areas.
3. Community Engagement – We are committed to make a lasting positive impact on the community by contributing to the sustainable development of our communities through active engagement and partnerships, capacity building, as well as investing in initiatives that helps in community upliftment.

1. <u>Health and Safety</u>

The nature of our business means that any lapse in health or safety protocols may result in direct or indirect impact on our employees, contractors, customers, and communities.

We recognize the right to life, health, and safe working conditions, and are committed to reducing health and safety risks in our operations to as low as reasonably practicable. We believe that most incidents are preventable, and it is our responsibility to ensure that our employees are equipped with the right skills and tools to work safely. We also require our contractors to comply with our health and safety policy to prevent and manage health and safety risks. Our monitoring and control regime includes detailed inspections as well as predictive and preventive maintenance of critical equipment, parts, and instruments.

In line with our responsibility to provide a secure working environment, we closely monitor and assess security threats and potential risks to our operations and assets.

Our frameworks –

Group HSSE Management Framework comprising

1. Occupational Health & Safety Management Systems (OHSMS) Policies & Procedures

2. Security Operating Procedures & Forms

Performance Management (CREC): 2022

Topic	Quantity	Unit
Safe Man-Hours	399,072	Man-hours
No. of work-related injuries	0	incidents
No. of work-related fatalities	0	incidents
No. of work-related ill-health	0	incidents
No. of safety drills	8	Facilitation

2. <u>People</u>

A Team composed of responsible people who ensures that every project or Power plant is operated in the best practices. They are the tangible assets of the organization that ensure to safeguard the stake holder's interests.

Having a competent, highly motivated, and performance-led workforce is key to ensuring the success of our business. Our people play a vital role in ensuring our business stays relevant by delivering on our transformation strategy and goals.

We identified the following areas of focus:

- Talent Acquisition & Management

- Total Rewards

- Employee Wellness

- Employee Engagement

- Human rights and labor standards

- Diversity and equal opportunities

Talent Acquisition & Management - Our talent strategy is built upon talent acquisition and management. We are committed in developing, implementing, and embedding succession planning practices, talent management and development programs to fully utilize the potential, retain, and engage talents.

Talent strategy and development as well as succession planning are supported by the:

- Talent review and succession planning framework

- Competency Profiling

- Training Needs Analysis

Total Rewards - We have in place a competitive remuneration both monetary and non-monetary rewards and recognition programs based on the key principles of equity and meritocracy that drive and reinforce behaviors. Our salary levels are reviewed regularly and benchmarked against local markets, as well as data from global market surveys and consultancy firms.

Annual variable bonuses for all employees are based on business and individual performances which are measured against targets that were previously agreed upon with their Immediate Superior. Employee compensation and benefits are reported to the Remuneration Committee.

Employee wellness - We adopt a holistic approach to workplace wellness encompassing the physical, social, and psychological well-being of our employees.

Our workplace wellness plans are supported by:

- A dedicated budget for activities that encourage employee well-being and team bonding

- Employee-led committees that organize a range of free or subsidized recreational and wellness activities

- Mandatory medical screenings for employees whose work may include occupational health hazards and voluntary free annual health screenings to all employees in most markets.

Employee Engagement – Our leadership communicates with employees through various channels including dialogues, town halls, video conferencing, e-newsletters, and email circulars. We conduct an employee engagement survey at least once a year to evaluate, determine the gaps and priority areas, and implements relevant solutions and interventions to ensure the effectiveness and enhanced implementation of employee engagement programs.

Human rights and labor standards- Our Human Rights Policy sets out our principles with respect to human rights and labor standards, providing equal work opportunities regardless of race, gender, or creed and prohibition in the compliance with all applicable laws, rules, and regulations, including Child Labor.

Our Code of Conduct sets out key principles on fairness, opportunity, non-discrimination, dignity, respect, and non-harassment.

Diversity and equal opportunities- Our principles with respect to diversity are set out in our Human Rights Policy and Code of Conduct. Recruitment, promotion, rewards, and career development opportunities are based on merit, without discrimination against age, race, gender, sexual orientation, religion, family or marital status, or any other status protected by the laws or regulations in the locations where we operate.

We believe that our localization strategy supports local capability building and equal opportunity. We also offer our employees placements in different markets to encourage greater exposure and to diversify their skills and experience.

Our practices in these focus areas fall under the oversight of the Chief Human Resource Officer who is supported by the Human Resources & Admin Head, and Corporate Affairs & Branding Head.

Our frameworks-

- Learning and Development Policy
- Talent Acquisition Policy
- Onboarding Policy
- Whistle-blowing Policy
- Human Rights & Policy
- Employee Code of Discipline

Performance Management (CREC): 2022

Topics	Quantity	Percentage (%)
Diversity and equal opportunity		
Total Female workers in the workforce	**26**	**Percentage (%)**
Per Contract		
Regular	82	Percentage (%)
Project -based	18	Percentage (%)
By Position		
Executives	2	Percentage (%)
Managerial	27	Percentage (%)
Supervisory	27	Percentage (%)
Rank and File	44	Percentage (%)
Total Male workers in the workforce	**74**	**Percentage (%)**
Per Contract		
Regular	79	Percentage (%)
Project -based	21	Percentage (%)
By Position		
Executives	2	Percentage (%)
Managerial	17	Percentage (%)
Supervisory	32	Percentage (%)
Rank and File	49	Percentage (%)
Number of employees from indigenous communities and/or vulnerable sector*	**0**	**0**
Employee training and development		
Total training hours provided to employees	947	Hours
Average training hours provided to employees	14	Hours/Employee
Employee turnover		
New Hires	**43**	**Percentage (%)**

By Gender		
Male	68	Percentage (%)
Female	32	Percentage (%)
By Age Group		
Below 30 years old	46	Percentage (%)
30 to 50 years old	50	Percentage (%)
Over 50 years old	4	Percentage (%)
Attrition rate	**22**	**Percentage (%)**
By Gender		
Male	66	Percentage (%)
Female	34	Percentage (%)
By Age Group		
Below 30 years old	22	Percentage (%)
30 to 50 years old	69	Percentage (%)
Over 50 years old	9	Percentage (%)
Labor laws and human rights		
No. of legal actions or employee grievances involving forced or child labor	0	**0**

3. Community Engagement: Being a good neighbor

Citicore long-term success is based on being a good neighbour and valued partner to the communities we serve in. We also recognize that our business has direct or indirect impact on the economic, social and environmental aspects on the communities in which we operate.

We believe that the company has a significant contribution to the sustainable development of our communities and provide inclusive growth through our operations and community programs. We understand the diversified and unique needs of our host communities hence we proactively partner with our stakeholders to provide assistance and support to help empower the communities we serve.

As such, through the company's Corporate Foundation, we conduct and manage community assessments, engagement programs and capacity building trainings, which are aligned to the company's strategic frameworks and guidelines.

Targets and results

We foster cooperation, transparency, and participation with all stakeholders within our host and adjacent communities to achieve our shared goals, with particular emphasis on the environment and local communities.

Our Approach

In order to build sustainable and impactful outcomes, Citicore designed community engagements addressing root causes of social needs aligned on its Corporate Foundation's three pillars. We co-design interventions and engagement programs with target stakeholders to achieve ownership and sustained benefits.

Our engagement efforts are underpinned by the following principle:

- Compliance with regulatory requirements and industry best practice
- Maintain a high-level safety and health performance
- Contribute to the economic and social development of our host communities
- Adhering to our values and demonstrating them in our behaviors

Polices and Standards

Citicore's commitments to good external affairs and community development are organized in three policies:

1. Community Policy

2. Human Rights Policy
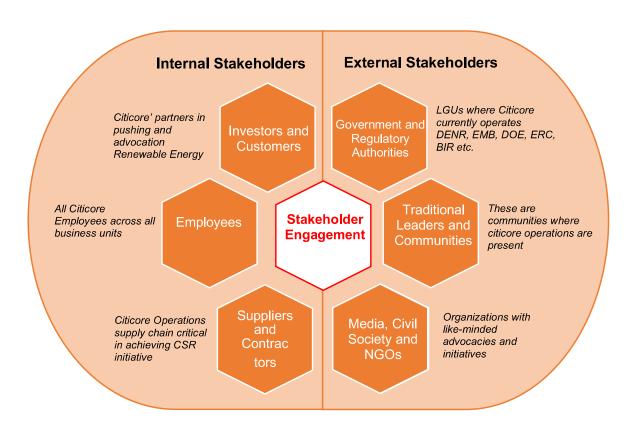
3. Corporate Governance Policy

The following guidelines/ standards supports the implementation of these policies by outlining the minimum requirements for all operations and business units across the company:

1. Community Standards

2. Human Rights Standards

3. Communication Standards

4. Stakeholders Engagement Plan

5. Grievance Management and Incident Response Policy

6. Policy on the Management and Documentation Process of Issues, Concerns and Complaints in Host Communities

7. Policy on the Implementation and Documentation Process of the ER 1-94 Program (for Host Communities priority projects and investments)

8. Land Acquisition Contracts

9. Sponsorship and Donation Guidelines

Stakeholders

Citicore is committed to two-way open communication that involves listening to our stakeholders, keeping them informed and being clear about how their contributions as part of the community. Having clear expectations keeps the on-going work understandable, rewarding, and focused. This approach is about recognizing and understanding the values, beliefs, perceptions, and ideas of our stakeholders - not simply just agreeing. Developing relationships that reflect this shared understanding enables differences to be acknowledged and expressed. It provides the basis upon which real dialogue and interaction can occur.

In 2019, we adopted key principles of stakeholder engagement that set the standards to which we aspire to create an atmosphere of understanding that actively involves project- affected people and all stakeholders in a timely manner, providing sufficient opportunity to voice their opinions and concerns that may influence Project decisions.

Purposeful	• We begin with every engagement with clear understandng what we want to achive
Inclusive	• We identify relevant stakeholders and make it easy for them to engage
Timely	• We involve stakeholders from the start and agree on when and how to engage
Transparent	• We acknowledge and respect expertise, perspective and needs of stakeholders
Respectful	• We are open and honest in our engagement and set clear expectations

In 2020, we also undertook a corporate stakeholder mapping to ensure we mapped our stakeholders and how we engage with them across the company. As an outcome of that process, we categorized our key stakeholder groups as

Our Customers / Clients:

Our clients aren't a singular block but a diverse array of interests, including:

- Electric Cooperatives
- Industrial and Commercial Businesses
- Institutional users (real property developers, schools, hospitals etc.)
- Facilities and operations managers

Key Influencers:

Key influencers refer to audiences who maintain a measure of influence over Citicore perception\

reputation, operations, and policy. This includes:

- Investors
- National and local media
- Informed Businesses
- Informed community leaders
- Elected Officials in areas of operations (Local, Municipal and Provincial)
- Legislators
- Special interest group (NGO, CSO etc.)
- Industry Leaders

Partners:

Partners can also be key influencers. This category refers to interests with whom Citicore regularly coordinates joint activities and/or operations requiring oversight, permitting and regulations. This includes:

- Local, regional and national regulatory agencies
- Local Community members in areas of operations
- Related trade associations and organizations

Ourselves (Citicore):

An informed and engaged, Board of Directors, executive, management staffs, contractors and service providers serve as extensions of communications activities. By providing everyone access to Citicore messaging, tools and outreach activities, we can all be ambassadors for Citicore.

In 2021, we refresh our corporate stakeholder engagement strategy in line with our engagement principles and annual business strategy. We use the feedback we gain from our stakeholders to identify and manage social, environmental, and political risks and opportunities to receive the support of our communities and stakeholders thereby giving us the social license and social defense.

Through our IEC and direct engagement initiatives we aim to improve the way we record, report and manage information consistently at operational and corporate level on stakeholder engagement activities, permitting and compliance obligations.

Communities are identified, analyzed and their needs clearly understood, we create a pro-active and strategic engagement plans specific to each community through stakeholder mapping and analysis along with social, political and impact study done by third party.

Our Policy on Confidentiality outline how Citicore and its business units collect, use and manage personal information in compliance with applicable laws. In 2020, we developed our new Privacy Policy which provides a framework for the collection, use, disclosure, and security of personal information. The Standard was finalized and released in early 2021.

Our stakeholders, their interests and how we engage with them

Stakeholder	Key Areas of Interest	Engagement Channels
Customers/Clients	• Business Strategy • Environmental Advocacy • Quality of Service • Contract Performance	• Direct engagement • Corporate reporting and publications • Company website and social media • Site visits • Virtual and in-person roadshows
Key Influencers	• Business strategy and performance • Environmental Advocacy • Business risk • Project delivery • Commitment to external initiatives, charters, principles • Issues reflecting stakeholder concerns and priority	• Direct engagement • Regulatory reporting (Formal submissions) • Conferences, events and forums • Corporate reporting and publications • Company website and social media • Site visits

	• Investment practices • Innovation and technology Employment practices	
Partners	• Business strategy and performance • Innovation and technology • Positive and negative impacts and mitigations • Employment opportunities	• Direct engagement formal and informal forums • Representative groups events Information centers • Social and infrastructure investment programs • Donations and sponsorships • Company website and social media • Site visits
Citicore	• Business strategy and performance • Project delivery • Recruitment practices • Remuneration and work conditions • Training and development • Procurement practices • Investment practices	• Direct engagement • Onboarding • Technical reports • Internal communication collateral • Company website and social media • Paid contracts and onboarding

Our Performance

Community Programs

We invest in the communities that host our operations and align our focus with community identified needs and priorities. This is one way we empower communities and become a good neighbor in areas where we operate.

To achieve this, we are conscious of the need to deliver respectful community programs that are created in consultation with the communities we work in. This ensures our programs align with each community's needs and priorities and supports social and economic development in a manner that avoids dependencies over the long-term.

Citicore and Citicore Foundation has become an active partner of its stakeholders by providing significant direct benefits to local communities. To date Citicore have provided the following:

- Education, training and employment

- Local business support and/or development

- Livelihood thru People Organizations

- Community infrastructure.

From 2020 to 2023, we invested Php 5 million in social programs, donations, in-kind support and community infrastructure. In 2019, we implemented our Sponsorship and Donations Standard to reflect a new internal compliance process for evaluating and awarding any donations or sponsorships across the company.

2020 - 2023 Operational Community Programs

Operation	Description
Citicore Solar Bulacan	• Agro-Solar Project • Usbong Scholarship Program • Grass Cutting • Balik Eskwela • Material Recovery Facility
Citicore Solar Bataan	• Agro-Solar Project • Usbong Scholarship Program • Brigada Basa • Balik Eskwela • Grass Cutting
Citicore Solar Clark	• Agro-Solar Project • Usbong Scholarship Program • Balik Eskwela • Grass Cutting • Eco-Shed
Citicore Solar Cebu	• Usbong Scholarship Program • Grass Cutting • Pailaw • Balik Eskwela
Citicore Solar Negros Occidental	• Usbong Scholarship Program • Grass Cutting • Pailaw • Balik Eskwela
Citicore Solar South Cotabato	• Usbong Scholarship Program • Eco-Tables • Grass Cutting • Balik Eskwela • Sponsorship of Livelihood Programs
Citicore Solar Tarlac 1	• Agro-Solar Project • Usbong Scholarship Program • Grass Cutting • Eco-Shed • Sponsorship on Disaster Relief Assistance
Citicore Solar Tarlac 2	• Agro-Solar Project • Usbong Scholarship Program

	• Grass Cutting • Eco-Shed
Arayat-Mexico Project	• Training-to Employment (T2E) • Eco-Shed • Balik Eskwela • Agro-Solar • Grass Cutting
Citicore Solar Lumbangan, Luntal, and Bolbok. (New Project)	• Brigada Basa • Balik Eskwela • Pailaw

Complaints and Grievances

Our grievance mechanisms are supported by our Grievance Mechanism Guidelines and Management and Documentation Process for Issues, Concerns and Complaints which outlines our approach to the timely and adequate resolution of concerns, complaints and grievances related to our operations and projects, through a process and management system that allows preventative and transformational conflict management.

The standard also defines what we mean when we report concerns, complaints, grievances, and third-party resolution.

ISSUE	Something that people are talking about or thinking about in relation to the company, its facilities, employees, projects, etc. It can be an important subject or topic, a vital or unsettled matter. Usually, an issue is much softer than a problem and has a readily recognizable solution. It bears only a slight impact, and causes personal annoyance, it is not however life altering, temporarily or permanently that can cause others to be affected.
CONCERN	Something to be concerned about, something that causes doubt or worry or similar. This is not a topic for debate, or a problem that one might hope to solve.
COMPLAINT	A statement that expresses dissatisfaction, disappointment or frustration concerning the power plant. An individual, an organization, or a group may do it in person, by text message, email, letter, or social media messages or posts.
GRIEVANCE	A grievance is a concern or complaint which can result from either real or perceived impacts of a company's operations, and may be filed in the same manner and handled with the same procedure

Each of our operations record, monitor and respond to community concerns, complaints and grievances, taking corrective action as required.

Our site-based O&M community officer and community affairs officer consult and engage with host communities and other stakeholders and provide an important conduit for identifying, reporting and responding to complaints and grievances.

Each operation has a community hotline or office where community members can report grievances (via phone, online or in-person)

Performance Management – Community

Operations and Maintenance Activities with significant (positive or negative) impacts on local communities (exclude CSR projects; this has to be business operations)	Location	Vulnerable groups (if applicable) *	Collective or individual rights that have been identified that or particular concern for the community	Mitigating measures (if negative) or enhancement measures (if positive
Grass Cutting Services	Solar Plants (Bataan, Bulacan, Clark,Tarlac, Cebu,Negros Occidental, South Cotabato, Arayat)	N/A	Host Communities should be prioritized for employment (MOA)	N/A

Community Incidents Resulting to Business Interruption

Site Incidents resulting to company losses	No. of Days delay/ interruptions or Amount of company losses	Mitigating Measures Done/Catch up Action Plans Implemented
None	n/a	n/a

Issues, Concerns, Complaints, Grievances and Claims Management Resolution

Operation	Nature of concerns, complaints, grievances (details of site issues)	Cycle Time to resolve and settle with individual/ parties concerned	Action Implemented
None	n/a	n/a	

Community Projects Implemented

Name of Project	Project Impact Rate (% improvement from baseline before project roll-out)	Community Priority List/Approval Rating
Agro-Solar Project	90%	Agriculture/Livelihood
Brigada Basa: Reading and Writing Comprehension Program	94%	Education
Balik Eskwela	50%	Education
Clean-up Drive	85%	Environment
Usbong Scholarship	87.5%	Education
Eco-shed /Eco-Table	33%	Infrastructure
Training-to-Employment (T2E)	10%	Livelihood
Pailaw	10%	Infrastructure
Malasakit Program (Mindanao Earthquake and Taal Volcano Eruption)	90%	Social Development

Whistleblower Service

In 2021, we launched the whistleblower service to enable stakeholders, either Citicore or non-Citicore employees, to report and provide information, anonymously if opted to, and testify on matters involving acts or omissions of the Citicore Management, Officers and Employees that are illegal, unethical, violate good governance principles, contrary to company policy and morals, promote unsound and unhealthy business practices that are grossly disadvantageous to the Citicore Group of Companies.

Land Acquisition and Land Access Agreement

Our Land Acquisition and Land Access contracts establishes the requirements for managing all forms of temporary and permanent acquisition related to development and operations, as well as associated areas and facilities. On land access we provide Right-of-Way (ROW) to affected lots subject to legal process and minimum requirements of the law. No involuntary resettlement occurred at any of our solar plant operations. All land purchases completed were done with mutual consent from all affected parties.

Indigenous Peoples

We identify and acknowledge Indigenous Peoples, their duly elected representatives, their significant sites and cultural values. With Citicore solar operation, there are no recorded indigenous people within the host communities and operation area.