

PNOC Renewables Corporation

Corporate Social Responsibility Report for 2016

Nature of Business as a GOCC

As a fully owned subsidiary of state-owned Philippine National Oil Company (PNOC), PNOC Renewables Corporation is mandated to be the catalyst in providing renewable energy (RE) and energy efficiency (EE) services. The corporate social responsibility (CSR) initiatives, in spite of being new and currently at development stages in RE and EE projects, are integrated into its business operations as mandated under its corporate vision and mission. It continues to be the premier government owned and controlled corporation (GOCC) religiously complying with laws, rules and regulations for sustainable utilization of natural resources, sustainable energy development, and application of climate change adaptation and mitigation strategies. It is in this spirit and resolve that PNOC RC shall continue to live its mission of becoming the lead GOCC in providing renewable energy and energy efficiency programs and projects. It is believe that private partners would be able to abide with government regulations following PNOC RC's experiences in the industry.

Developing and promoting RE and EE are CSR in itself with its environment-friendly characters providing positive impacts to local and global environment. The company has project portfolio in geothermal, hydropower, solar farm, and biomass and also ventures into solar rooftop and light retrofitting projects with energy efficient light emitting diodes for government facilities all for the reduction of carbon footprint and combating climate change impacts from energy generation.

Tree Planting and Nurturing

An environmental cause dubbed as "Tree Planting and Nurturing Activity" was successfully implemented by PNOC RC last September 29 and 30, 2016 at La Mesa watershed in Quezon City. This is part of the company's CSR of bringing back its moral obligations to the environment and society



and in support to its vision of conserving natural resources through the development of renewable energy as a response to a global call for action on climate change mitigation and adaptation.

The two-day feat highlighted planting of about 2,000 indigenous tree seedlings of molave (*Vitex parviflora*), narra (*Pterocarpus indicus*), kamagong (*Diospyros blancoi*), kalumpit (*Terminalia microcarpa*), bignai (*Antidesma bunius*), and banaba (*Lagerstroemia speciosa*). These species were known to be suitable with local climate conditions, have high resistance to insect and disease attacks, and more resilient to typhoons. The DENR National Capital Region entrusted PNOC RC through a Memorandum of Agreement (MOA) a 4-hectare planting site to maintain and protect the planted seedlings for the next 3 years. DENR studies have shown that after 3 years, seedlings will be able to withstand prevailing environmental conditions of the site to survive. In addition to these studies, trees take carbon dioxide from the atmosphere at a rate of 0.4 to 0.8 ton for every cubic meter of growth or 14 to 17 kilograms of CO₂ per year. Carbon is continuously locked during the lifetime of the tree. The PNOC RC planted trees in a four (4)-hectare area can sequester about 154 tons CO₂-equivalent, annually.

A total of 64 people composed of 33 females and 31 males shared their time and effort to the tree planting activity in spite of continued rains and about 30-minute trek to a muddy trail going to the site. Other invited participants to the tree planting were from PNOC Alternative Fuels Corporation, PNOC Parent Company, PNOC Exploration Corporation, and relatives of PNOC RC staffs who have shown stanch and determination for this noble activity.

In previous years, PNOC RC implemented various tree planting activities in collaboration with host local government unit of Rizal, Nueva Ecija and with DENR in support to National Greening Program. The company also complied with conditions set forth under the tree cutting permit issued by DENR for its hydropower project by donating about 300 guyabano seedlings as replacement to trees cut during construction of Rizal Hydropower Project. As planned, the company shall continuously support tree planting and nurturing programs.



Training and Livelihood

In line with the company's objectives of providing renewable energy that enhances the quality of life of the Filipino people and to advance the well-being of its host community, a training related to technical engineering, particularly Shielded Metal Arc Welding (SMAW) NC II was offered to thirty (30) local residents of Rizal, Nueva Ecija as host community to the 1 MW Rizal Hydropower Project. The Asia Pacific College of Business and Arts, Inc. (APCBAI) based at Brgy. Poblacion East, Rizal, Nueva Ecija was tapped to be the training provider that started November 28, 2016 until mid-January of 2017. With technical know-how on SMAW NC II, it is expected that participants would be able to land a good job or can start a business on welding.



Customer/Stakeholders Satisfaction Survey

The customer/satisfaction survey is part of PNOC RC's responsibility to inform individual and corporate beneficiaries the importance of renewable energy and energy efficiency programs. The survey also aims to determine stakeholder's satisfaction to services provided by PNOC RC during pre-development, installation or construction, and operation and maintenance. In November 2016 to December 2016, a total of about 100 respondents for eight (8) different projects were surveyed through a third-party service provider. The result of the survey showed a "Very Satisfied" rating in terms of project variables and also a "Very Satisfied" rating from stakeholders from seven (7) different project sites.

The independent survey shows a positive correlation between satisfaction of respondents vis-à-vis RE and EE projects implemented at their respective buildings. With continued improvement in facilitating the bidding and installation processes coupled with strengthening technical considerations, PNOC RC has a great potential to be the leading GOCC in implementing RE and EE projects and eventually bring more private companies to venture at these noble undertakings.