



ONE MERALCO

2025 INTEGRATED REPORT

Our Theme

Built from Foundations

This year's theme centers on returning to the foundations that matter most. Beyond building something new, it is also about building something that will last by strengthening foundations through major network upgrades, continued investments in both renewable and dependable energy sources, and efforts to give customers more energy options, all towards a future built on focus, resilience, and long-term progress. As One Meralco enters a new chapter with a renewed franchise, "Built from Foundations" reflects a stronger focus on our core purpose: delivering reliable and stable power to Filipino homes, businesses, and communities.



Our Covers



One Meralco Integrated Report

The cover features a fully illuminated light bulb, a clear symbol of our enduring role in powering the nation through electricity.

Built from pixels of light that serve as its building blocks, and guided by a hand carefully placing each piece into position, the image represents our renewed focus on our core foundations: strengthening the systems and capabilities that will continue to power progress for years to come.



One Meralco Foundation Annual Report

The cover features a hand carrying a solar-powered lantern, symbolizing One Meralco Foundation's mission of bringing light and energy to underserved and off-grid communities. Built through spreading pixels of light, the cover reflects how access to energy can create lasting impact by helping power livelihoods, essential services, and opportunities that enable communities to move forward.

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About the Report

This Integrated Report (“IR”) presents consolidated information on the financial and operational performance of the Manila Electric Company (“Meralco” or “the Company”) and our subsidiaries¹ (collectively, “One Meralco” or “the Group”), as well as discussions on material environmental, social, and governance (“ESG”) issues relevant to our businesses and stakeholders. This IR has been reviewed by the Board of Directors of Meralco and approved during their regular meeting on March 24, 2026.

This report is intended to be read in conjunction with the 2025 One Meralco Foundation (“OMF”) Annual Report, which provides a more detailed discussion of OMF’s programs, initiatives, and accomplishments during the reporting period.

¹The following subsidiaries, which are covered in Meralco’s 2025 SEC Form 17-A, are excluded from the scope of this report: Comstech Integration Alliance, Inc.; Lighthouse Overseas Insurance Company, Limited; Meridian Power Ventures, Limited; and Meralco Financial Services Corporation.

Scope & Coverage

This IR provides a comprehensive review of One Meralco's consolidated financial, operational, and ESG performance for the fiscal period January 1 to December 31, 2025. Comparative information from prior reporting periods has been included to support the assessment of performance trends and changes over time. Entities covered in this report are enumerated in the Our Portfolio section.

Quantitative highlights were selected based on data availability and their relevance to understanding the performance and key achievements of our business units.



Reporting Frameworks & Standards

International Integrated Reporting Framework (“<IR> Framework”)

This report marks Meralco's second year of reporting under the <IR> Framework, reflecting our continued commitment to integrated thinking and long-term value creation. The <IR> Framework adopts a principles-based approach that emphasizes how an organization creates, preserves, or erodes value over time. By further integrating financial and non-financial information, this report provides a more connected and holistic view of Meralco's strategy, governance, performance, and outlook within the context of our external environment.

Philippine Financial Reporting Standards (“PFRS”)

The accompanying audited consolidated financial statements have been prepared in accordance with PFRS issued by the Financial and Sustainability Reporting Standards Council (“FSRSC”), which are aligned with the standards issued by the International Accounting Standards Board (“IASB”). Consistent with the Philippines' International Financial Reporting Standards (“IFRS”) sustainability reporting roadmap, Meralco complies with current PFRS S2 requirements, which are based on IFRS S2 Climate-related Disclosures, and is progressively enhancing our disclosures to support future alignment with PFRS S1, which is based on IFRS S1 General Requirements for Disclosure of Sustainability-related Financial Information.

IFRS Sustainability Disclosure Standards

Climate-related disclosures in this report have been prepared in alignment with IFRS S2 and remain consistent with the recommendations of the Task Force on Climate-related Financial Disclosures (“TCFD”), which have been incorporated into the standards issued by the International Sustainability Standards Board. The Climate Change Mitigation section of this report on pages 108–126 includes comprehensive details about the Group's governance, strategy, risk management processes, and related metrics and targets with respect to climate-related risks and opportunities.

We have established a roadmap to enhance our annual reporting to support future alignment with IFRS S1.

Global Reporting Initiative (“GRI”) Standards

This report has been prepared in accordance with the GRI Standards, the most widely used global framework for sustainability reporting. The GRI Standards enable organizations to consistently and comparably disclose their economic, environmental, and social impacts, supporting transparency and informed decision-making by stakeholders.

Sustainability Accounting Standards Board (“SASB”) Standards

Sustainability-related disclosures in this report have been prepared with reference to the SASB Standard for Electric Utilities and Power Generators. SASB Standards provide industry-specific metrics to support the identification and disclosure of financially material sustainability matters, consistent with the IFRS Sustainability Disclosure Standards.

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

All greenhouse gas (“GHG”) emissions data disclosed in this report—including Scope 1 (direct emissions), Scope 2 (indirect emissions from purchased electricity), and Scope 3 (other indirect emissions from the value chain)—have been prepared in accordance with the GHG Protocol Corporate Standard’s equity share approach in determining organizational boundaries, whereby emissions are allocated based on the Group’s proportional equity share in each respective business entity. The GHG Protocol Corporate Standard is a globally recognized standard for GHG emissions measurement,

reporting, and monitoring that was developed by the World Resources Institute (“WRI”) and the World Business Council for Sustainable Development (“WBCSD”).

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

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

ASEAN Corporate Governance Scorecard (“ACGS”)

Disclosures on corporate governance in this report are aligned with the recommended best practices prescribed in the latest version of the ACGS, which was developed based on the Group of 20 (“G20”) countries and the Organisation for Economic Co-operation and Development Principles of Corporate Governance.

Reporting Principles

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

- Identifying ESG issues material to One Meralco and disclosing performance on these topics within the reporting period (Materiality);
- Understanding the key expectations and concerns of the Group’s stakeholders through various engagement channels (Inclusivity);

- Ensuring complete, accurate, and timely coverage of the information presented in this report (Responsiveness); and
- Being accountable for the Group’s impact throughout our operations and value chain, as well as mapping our contributions to the United Nations’ Sustainable Development Goals (Impact).

External Assurance

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

SyCip Gorres Velayo & Co. (“SGV”), a member firm of Ernst & Young Global Ltd., was appointed by Meralco’s stockholders to audit the Company’s consolidated financial statements as of and for the year ended December 31, 2025.

Meanwhile, DNV AS Philippine Branch (“DNV Philippines”), the Philippine branch of DNV Group AS, was commissioned by Meralco to provide limited assurance of the Company’s ESG performance data for the same reporting period.





About the Company Our Brand

The Meralco brand is our most valuable and enduring intellectual capital. Rooted in more than a century of service to the community, it reflects a legacy of *malasakit* and excellence—illuminating not only the present needs of our customers but also guiding the future of energy in the Philippines.

At the core of this legacy is our role as the nation's *tagapaghatid ng liwanag* (light bearer). We are committed to delivering electricity that is safe, affordable, reliable, and accessible. We light up homes, empower businesses, and uplift communities—all while nurturing a brighter future for our nation.

Building on the strength of our brand, we have relaunched our generation companies under a unified visual identity, prominently anchored by our orange logo

mark. This alignment symbolizes the synergy across One Meralco and reinforces our commitment to a balanced and diversified energy portfolio—one that supports today's demand while advancing the country's climate action and decarbonization objectives.

As we mark another milestone in our journey, the renewal of Meralco's franchise underscores the trust and confidence bestowed upon the Company to continue fulfilling its vital role in nation-building. More than a legislative mandate, the franchise renewal reflects our enduring commitment to serve generations of Filipinos through dependable energy service, operational excellence, innovation, and responsible stewardship. It strengthens our resolve to power progress and create long-term value for our customers, communities, and stakeholders.

We are more than just an electric utility. As partners in progress, we deliver responsive and future-ready energy solutions across the value chain. Beyond distribution and generation, our subsidiaries and affiliates drive innovation that enhances customer experience and energy efficiency, reflecting our integrated and holistic approach to energy management.

As we look ahead, we remain focused on what matters most: creating meaningful and lasting impact, supporting the country's energy transition, and helping power better lives in every community we serve. Guided by purpose and driven by innovation, Meralco continues to build long-term value for our stakeholders and the nation.



Vision

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



Mission

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





Customer Centricity:

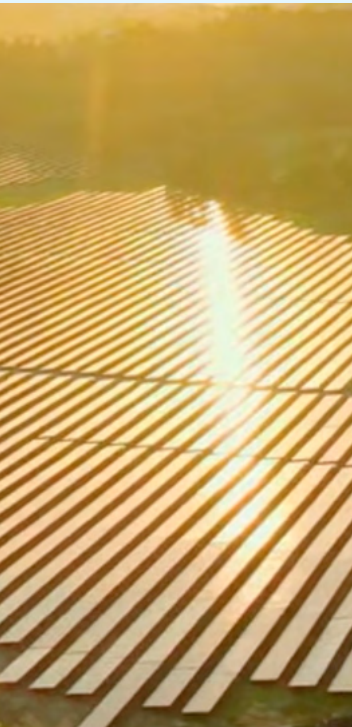
Our power comes from our customers who are our reason for being. We deliver outstanding customer experience. We live for our customers, the community, and our country.



Values

Innovation:

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



Excellence:

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

Sustainability:

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



Integrity:

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



Bayanihan

(Cooperative Spirit):

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

Malasakit (Solicitude):

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

Our Shareholders

Guided by the strategic vision of our shareholders, we remain committed to delivering innovative energy solutions that drive both operational excellence and sustainable development. We recognize that our progress is intricately linked to the continued trust and stewardship of shareholders, whose support enables us to execute our long-term strategy and fulfill our commitment to our stakeholders.

Name of shareholder and beneficial owner	% of total shares
Metro Pacific Investments Corporation*	47.46
JG Summit Holdings, Inc.	26.37
Institutional investors and public float	26.09
Meralco directors and officers	0.08
Total	100.00

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

Our Portfolio

One Meralco remains dedicated to our mission of “Powering the Good Life” by catalyzing inclusive growth through our diversified business portfolio. The Group recognizes that sustainable progress is a collective achievement, realized through the strategic synergy of our expertise in power generation and distribution, engineering, mobility, telecommunications, and financial services. Through this integration, the Group creates a holistic ecosystem that drives meaningful impact and long-term value for the communities we serve.

Business segment	% of Consolidated Core Net Income (“CCNI”)
Generation ²	33
Distribution ³	58
Retail Electricity Supply (“RES”) & Beyond the Meter ⁴	9
Total	100

²MGEN (including MGEN Thermal, MGEN Renewables, LNGPH, and PLP)

³Meralco, Clark Electric, MEP, and Shin Clark

⁴MIESCOR, MSERV, MSpectrum, Movem, Radius, Bayad, Comstech, MPower, Vantage, MGEN RES, Cogent, and Meridian X



33%
Generation

58%
Distribution

RES &
Beyond
the Meter **9%**

Distribution



Manila Electric Company (“Meralco”)

Meralco is the premier electric distribution utility in the Philippines. Headquartered in Pasig City, the Company provides energy to Metro Manila, Bulacan, Cavite, and Rizal, as well as parts of the provinces of Batangas, Laguna, Pampanga, and Quezon. Meralco’s franchise area spans about 9,685 square kilometers, reaching over 8.2 million residential, commercial, and industrial customers across 39 cities and 72 municipalities.

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



CLARK ELECTRIC

Clark Electric Distribution Corporation (“Clark Electric”)

Through a 50-year franchise (until October 2047) granted by the Clark Development Corporation, Clark Electric distributes power within the Clark Special Economic Zone (“CSEZ”), the site of the former U.S. Clark Air Base. This site was transformed into a major economic district encompassing the Clark Freeport Zone and adjoining subzones. Clark Electric plays a critical role in transforming the CSEZ into a leading

powerhouse for industry, aviation, export business, and higher learning.

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



MERALCO ECOZONE

Meralco Ecozone Power (“MEP”)

MEP is a Meralco business unit responsible for the administration and maintenance of the electric distribution network within the Cavite Economic Zone (“CEZ”). MEP offers CEZ tenants a suite of electrical services—including service applications,

meter readings, billing, payments and collection, technical assistance, and complaint resolutions—while prioritizing the integration of renewable energy (“RE”) sources such as rooftop solar installations within the CEZ.



SHIN CLARK

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

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

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

Generation



Meralco PowerGen Corporation ("MGEN")

MGEN is Meralco's power generation arm with a growing portfolio of diversified energy solutions across the Philippines, with a total net sellable capacity of 5,069.7 MW as of December 2025. From thermal and liquefied natural gas ("LNG") to solar and battery energy storage—with nuclear energy among the technologies being explored for the future—MGEN delivers reliable power to drive progress across economies, industries,

and communities. This diverse portfolio enables MGEN to supply baseload, intermediate load, peak load, and ancillary power while ensuring energy security and affordability.

As part of its commitment to a cleaner energy future, MGEN places a premium on accelerating the country's energy transition, with 2,562 MW of RE in its pipeline until 2030.





Global Business Power Corporation (“MGEN Thermal”)

MGEN Thermal is a leading independent power producer in the Philippines with the flexibility to supply power across different load categories. MGEN Thermal plays a crucial role in addressing the growing energy demands connecting businesses and communities.

San Buenaventura Power, Ltd. Co. (“SBPL”), also part of MGEN’s Thermal group, in Mauban, Quezon, pioneered the first high-efficiency, low-emission (“HELE”) coal technology in the Philippines. This facility is a joint venture between MGEN and New Growth B.V., a subsidiary of Electricity Generating Public Company Limited of Thailand.



LNGPH is an integrated LNG import and regasification terminal and gas-to-power complex in Batangas that supports the reliable supply of LNG for power generation in the Luzon grid. It operates as part of a strategic partnership between MGEN, Aboitiz Power Corporation

through Therma NatGas Power, Inc., and San Miguel Global Power Holdings Corp., following the completion of a USD 3.3 billion investment that strengthens the Philippines’ energy security and transition towards lower-carbon power generation.



MGEN Renewable Energy, Inc. (“MGEN Renewables”)

MGEN Renewables is dedicated to investing in and developing clean, sustainable, and efficient energy projects, playing a pivotal role in the country’s transition to a low-carbon future. As a key driver of MGEN’s vision for a balanced and diversified power

generation portfolio, MGEN Renewables plays a vital role in advancing RE solutions while ensuring long-term energy security.

MGEN Renewables also holds a stake in Terra Solar Philippines, Inc., the company behind the MTerra

Solar Project, a landmark 3,500 MWp integrated solar PV power plant with a 4,500 MWh battery energy storage system (“BESS”), enabling the storage and efficient dispatch of RE to support grid stability.





PacificLight Power Pte. Ltd. (“PLP”)

PLP, MGEN’s Singapore-based affiliate, is the first power plant in Singapore to be completely fueled by LNG. It owns and operates an 800 MW LNG power plant on Jurong Island. It also has a 100-MW Fast Start Ancillary Services facility, enhancing PLP’s ability to provide reliable and responsive power to the Singapore grid. It is the largest Clean Development Mechanism (“CDM”) project in the city-state registered under the United Nations Framework Convention on Climate Change.

Retail Electricity Supply



MPower is Meralco’s local retail electricity supply (“LRES”) unit that serves contestable customers (end-users with at least 500-kW demand) including the country’s top corporations, within the Company’s franchise area. Lauded for its best-in-class service and reliable and stable power supply, MPower has established lasting partnerships with its

customers and enjoys a market share of over 21% in MW demand of the country’s total Competitive Retail Electricity Market (“CREM”). MPower also manages a diversified supply portfolio and is actively increasing the share of solar and wind energy sources to complement traditional sources of power.



**Vantage Energy Solutions
and Management, Inc.
 (“Vantage Energy”)**

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



**MGEN Retail Electricity
Supplier Corporation
 (“MGEN RES”)**

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

Beyond the Meter



Meralco Industrial Engineering Services Corporation ("MIESCOR")

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



Meralco Energy, Inc. ("MSERV")

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

MSERV is a Category AAA PCAB-licensed company and a DOE-accredited energy service company.



MSpectrum, Inc. ("MSpectrum")

Established in 2016 as part of Meralco's thrust to promote RE solutions, MSpectrum provides affordable and safe solar energy products and services. MSpectrum has a total installed capacity of 95 MW across multiple solar projects nationwide.

MSpectrum has four verticals: (1) Solar for Business for commercial and industrial customers, (2) Microgrid for off-grid customers and Utility-Scale EPC for large-scale projects, (3) O&M for existing RE installations, and (4) development and management of Embedded Generation sites. The company's portfolio of customers includes those in the food & beverage manufacturing, cold storage, semiconductor, retail, and utility sectors.



Movem Electric, Inc. ("Movem")

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



radius Radius Telecoms, Inc. ("Radius")

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

As of 2025, PLDT holds 34.9% ownership interest in Radius, strengthening the Company's capital base and supporting its continued expansion in the telecommunications sector.



CIS Bayad Center, Inc. ("Bayad")

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

As of December 2025, Bayad's nationwide footprint consists of 671 Bayad Centers, 70 company-owned branches, 336 franchisee-operated outlets, and 265 local store partners—a testament to its robust and growing presence across the country.

Our Performance Highlights



Financial Highlights



PhP 497.3B
Consolidated revenues
(+6% YoY)

PhP 86.4B
Core EBITDA
(+15% YoY)

PhP 87.3B
Reported EBITDA
(+16% YoY)

PhP 50.6B
Consolidated core net
income ("CCNI")
(+12% YoY)

PhP 51.1B
Consolidated reported
net income
(+11% YoY)

PhP 28.00
Cash dividends per common share
declared out of 2025 earnings
(+16.5% YoY)



Operational Highlights

Meralco Distribution Utility ("DU")

53,257 GWh
Energy sales
(-0.6% YoY)

8.2M
Customer
accounts
(+2.2% YoY)

99.97%
Franchise area
electrification rate
(no change from 2024)

PhP 11.81 /kWh
Overall average retail rate
(+12.1% YoY)

7.97 out of 10
Customer Satisfaction Index
("CSI")
(-1.7% YoY)

94 out of 100
Customer Experience Index
("CEI")
(+4.4% YoY)

0.91 times
System Average Interruption
Frequency Index ("SAIFI")
(-12.5% YoY)

97.50 minutes
System Average Interruption
Duration Index ("SAIDI")
(-9.9% YoY)

5.85%
System loss
(-2.3% YoY)
(lower than regulatory cap
of 6.5% for the 18th year)

PhP 6.5B
Customer savings due to
system loss improvement
(+27.5% YoY)

MGEN

5,069.7 MW
Total net sellable
capacity
(+108% YoY)

27,289 GWh
Total energy generated
(+78% YoY)

408.5 MW
Net sellable renewable
energy ("RE") capacity
(+18.6% YoY)

733 GWh
RE generated
(+18.8% YoY)

95.2%
Average availability rate
of power plants
(+2.8% YoY)

ESG Highlights



Environment

GROUP-WIDE

47.9 MtCO₂e

Total greenhouse gas (“GHG”) emissions
(+2.5% YoY)

711.7 tCO₂e/GWh

GHG emissions intensity
(+3.1% YoY)

8.1 MtCO₂e

Scope 1 GHG emissions
(+22.7% YoY)

2.4 MtCO₂e

Scope 2 GHG emissions
(−2.2% YoY)

37.4 MtCO₂e

Scope 3 GHG emissions
(+0.5% YoY)

153,790

Trees planted under One for Trees (“OFT”)
(+140.5% YoY)

MERALCO DU

98%

Solid waste diversion rate
(+3.2% YoY)



Social

1.1
Lost time injury
frequency rate
(-21.4% YoY)

47.9 hours
Average training hours per
employee
(+6.4% YoY)

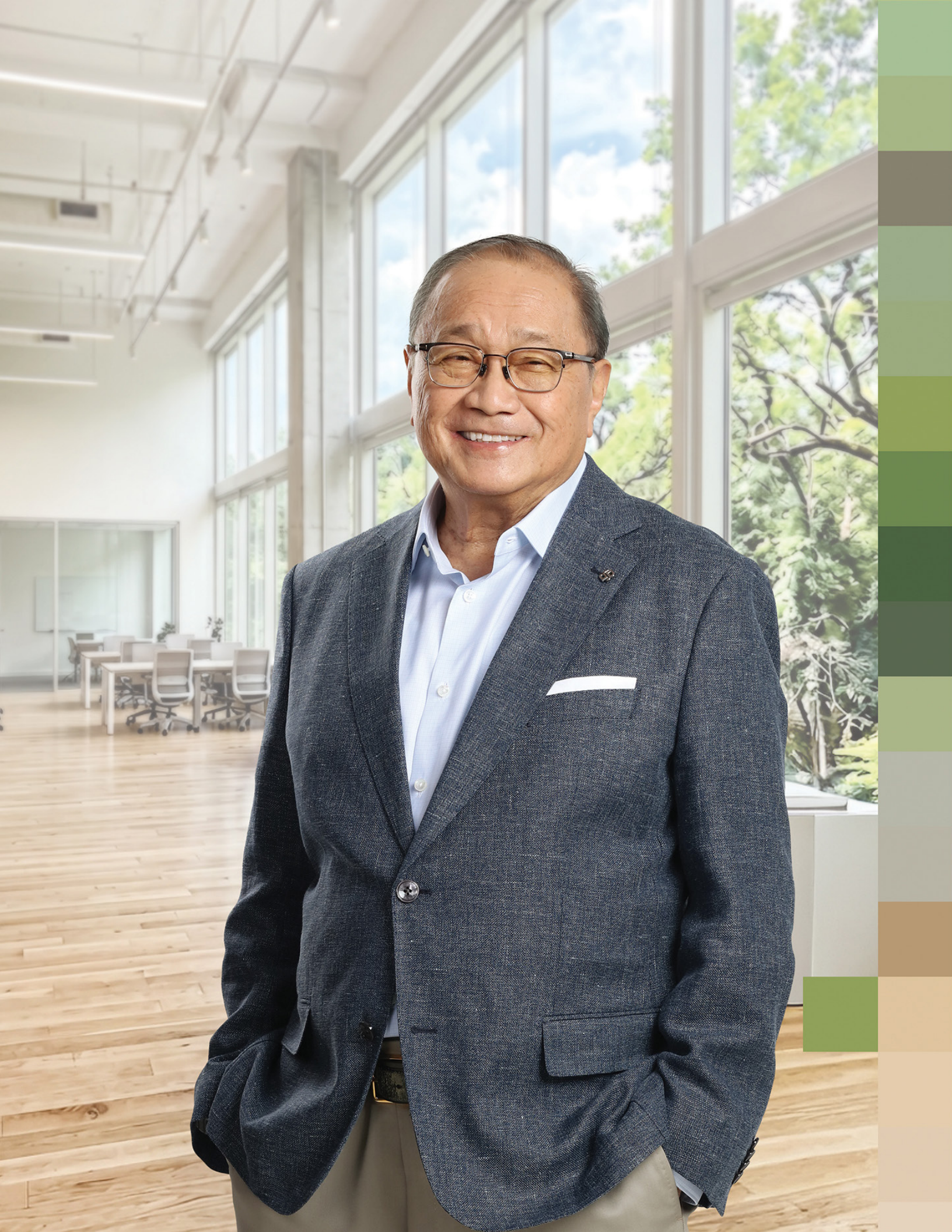
24%
Female
representation
(+4.3% YoY)
(higher than global industry
average of 14%)

4.72%
Gender pay gap
(vs. -0.12% in 2024)
(lower than global industry
average of 19%)

PhP152.2 M
Total spend on corporate
social responsibility ("CSR")
initiatives
(+84.9% YoY)

Governance

100%
of employees trained
in anti-corruption
(no change from 2024)



Message from Our Chairman & Chief Executive Officer

To our fellow stakeholders,

For over a century, Meralco has helped build the foundations of the Philippines' progress as a nation. We have lit up millions of homes, connected thousands of communities, powered industries, and helped the country's economy. And even as global conditions shift and national priorities evolve, we continue to stay true to our core: an enduring commitment to the people we serve.

In 2025, the Philippines navigated a complex landscape marked by slower growth momentum, governance concerns that weighed on public trust and investor confidence, and intensifying geopolitical tensions that reshaped global trade. Annual GDP growth closed at 4.4%, below projections and Government targets.

Despite these headwinds, One Meralco stood firm—maintaining our focus on excellent execution, reliable service, and sustainable value creation for our stakeholders. We advanced innovation across our energy platforms while supporting communities. Our steadfast performance was ultimately affirmed by the renewal of Meralco's franchise—a clear vote of confidence that strengthens our mandate to help power the nation's growth.

Renewing Our Pledge to Power Progress

The 25-year extension of Meralco's legislative franchise secured the Distribution Utility's ("DU") authority to operate until 2053. As we enter this new chapter, we return to fundamentals—building on the strong foundation we have established over the years while reinforcing our commitment to deliver affordable and reliable electricity to our 8.2 million customers.

More than ensuring continuity, the extended franchise enables us to pursue large-scale, long-term investments that will improve system reliability, enhance grid resilience against climate and demand pressures, and expand access to cleaner energy solutions.

2053



Delivering Outstanding Performance Through Resilience

Despite a challenging operating environment in 2025, the DU demonstrated first-class reliability performance, achieving a SAIFI of 0.91 times and a SAIDI of 97.50 minutes, exceeding global industry standards. From a financial standpoint, we delivered an all-time high Consolidated Core Net Income (“CCNI”) of PhP 50.6 billion, reflecting the resilience and growth of our businesses across One Meralco.

While the DU’s energy sales were relatively flat due to softened demand, we sustained a strong earnings

base due to MGEN’s growing contribution to the Group’s overall performance. Higher availability of our thermal and renewable energy (“RE”) facilities, effective participation in the reserve market, and the continued expansion of our generation portfolio boosted revenues. These results were underpinned by strategic investments totaling PhP 103.9 billion directed towards MGEN’s RE buildout. Together, these initiatives protected our overall performance in a volatile environment, and positioned us to continue delivering meaningful value for our stakeholders.

Progressing Towards Our Sustainability Ambitions

The progress we made in 2025 reflects the disciplined execution of our long-term sustainability strategy. As we advance towards our aspiration to be coal-zero, we recognize that the energy transition must be phased responsibly, as intermittent sources like solar and wind still require firm, flexible capacity to ensure stable, 24/7 supply. Our baseload assets—including MGEN’s proposed Atimonan One Energy Power Plant, which will provide dependable capacity, and MGEN’s LNG investments in Batangas, which delivers greater supply flexibility—play critical roles in ensuring energy security that enables steady economic progress.

We have also made significant strides in bolstering our overseas operations. MGEN’s affiliate PacificLight Power (“PLP”) was awarded by the Energy Market Authority of Singapore the right to build, own, and operate a 600-MW, hydrogen-ready combined cycle gas turbine (“CCGT”) facility on Jurong Island. Scheduled for commercial operation in 2029, this project will be the largest and most efficient single H-class CCGT plant in the city-state.

Our multi-horizon pursuit of a just, orderly, and affordable transition carefully balances energy security with decarbonization. As part of this journey, in 2025, we expanded

MGEN Renewables’ footprint with the completion of three new facilities across Luzon—Bongabon Solar in Nueva Ecija, Cordon Solar in Isabela, and the expanded Baras Solar in Rizal—adding a combined 152.7 MW of RE capacity to our portfolio. We also advanced our flagship clean energy project, MTerra Solar, which reached 71% construction completion for Phase 1 in 2025. Once fully developed, it will deliver up to 3,500 MWp of capacity, supported by a 4,500-MWh battery energy storage system (“BESS”), that will help secure domestic energy security while contributing to the country’s climate goals.



Democratizing the Energy Transition

While aggressively expanding our utility-scale RE, we recognize that the future of energy will be more decentralized and customer-driven, with consumers playing a more active role as producers through distributed energy resources (“DERs”). In this changing landscape, our responsibility has also evolved.

In 2025, Meralco ramped up the integration of embedded RE generation across our franchise area, commissioning more than 19,100 net metering installations, equivalent to 150 MWp of capacity. We also supported customer choice and competitiveness via the retail electricity market, delivering 7,510 GWh to commercial and industrial consumers who now enjoy greater flexibility in how they source and manage their own energy.

Meanwhile, through MSpectrum, we continued to deploy distributed solar solutions across all customer segments, reaching a cumulative installed capacity of 95 MW.

To further ensure that the grid remains stable despite the increasing penetration of RE, we continued investing in systems needed to manage DER growth responsibly. Key initiatives included deploying BESS to improve hosting capacity, expanding distribution facilities for additional embedded generators, and advancing smart grid technologies that support real-time monitoring and demand response. With a 1,485-MW pipeline of embedded RE capacity through 2027, these efforts position us to scale DER adoption while maintaining grid resilience and reliability.



Energizing the Electric Mobility Movement

Electric mobility is emerging as a new frontier of the global energy transition. We have thus decided to serve as an enabler of this budding sector by actively building the necessary electric vehicle (“EV”) infrastructure, services, and capabilities within and beyond One Meralco. In 2025, we continued to accelerate our own fleet electrification, with EVs accounting for 5% of Meralco’s total fleet by year-end, keeping us on track towards our 25% target by 2030.

Meanwhile, through our subsidiary Movem, we expanded EV charging infrastructure in Metro Manila and strengthened our service offerings with the rollout of our Charge Point Operatorship (“CPO”) business last year. We opened eight inaugural CPO charge points across three strategic areas in Metro Manila and launched the ChargeM mobile app, enabling our customers to conveniently manage EV charging. Through these initiatives, we are advancing electric mobility as a key growth platform for One Meralco, while opening pathways to cleaner and more energy-efficient cities.



Nurturing & Empowering Communities

Beyond our core operations, we continued to fulfill our social purpose through the One Meralco Foundation (“OMF”), bringing not only power but also meaningful commercial opportunities to areas where it matters most. In 2025, OMF energized 6,503 low-income households within and beyond our franchise area and delivered electricity to public schools and health centers that serve as lifelines for their communities. We also enabled livelihood projects that helped families build sustainable sources of income and deployed 3,134 solar lamps to homes with limited access to electricity and to families affected by disasters and calamities.

These efforts were complemented by other initiatives in the areas of education, environmental stewardship, and disaster resilience.

Through the MVP Academic Achievement Awards, we continued to invest in the future of 346 young achievers by providing educational grants. Meanwhile, through OMF’s One for Trees program, we continued to nurture nearly 2.9 million trees, contributing to ecosystem restoration. In parallel, we mobilized rapid response that supported 15,708 families nationwide, aiding affected communities in times of crisis.

Taken in the round, these initiatives reflect our belief that nation-building goes beyond infrastructure development and financial performance—it is about empowering people and enabling jobs that will improve welfare and lives.

Our progress in 2025 is a reflection of the strong culture of excellence across One Meralco—from our

frontliners to our Board of Directors. As we continue to navigate the shifting currents of the energy landscape, I remain deeply grateful to our shareholders, partners, employees, and customers for their continued support.

We remain firmly committed to our core mission: to deliver energy reliably, affordably, superbly, and sustainably. The road may be rough, but our direction is clear—stay true to our duty to serve.

Our journey continues with greater opportunities and even greater responsibilities. Together, we will strengthen the foundation we have built, raise the bar, and prove ourselves ever more deserving of the trust placed in us over the next 25 years.

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



Leadership Roundtable

In 2025, One Meralco sustained momentum in a more demanding operating environment shaped by extreme weather, shifting demand patterns, and an accelerating energy transition. At this roundtable, Ronnie Aperoch, Manny Rubio, and Ferdie Geluz reflect on how the Group responded—ensuring service reliability, enabling energy security, and advancing long-term investments following the 25-year renewal of Meralco’s franchise. Together, they share how One Meralco is positioned for resilience and continued relevance as we look ahead to 2026 and beyond.

2025 delivered strong financial results despite headwinds and flat sales. What were the most important drivers of value last year, and what did Meralco do differently to protect its performance?



Ferdie Geluz

In 2025, we experienced what many would describe as a “perfect storm.” La Niña brought cooler temperatures and more tropical depressions, and the full phase-out of Philippine offshore gaming operations (“POGO”) reduced commercial consumption. These external factors, which were largely beyond our control, naturally softened demand and tempered sales volume.

Even under these challenging conditions, Meralco’s resilience stood out. We achieved key operational milestones, including achieving our all-time best reliability performance in terms of System Average Interruption Duration Index (“SAIDI”) at only 97.50 minutes and System Average Interruption Frequency Index (“SAIFI”) at only 0.91 times. This reflects the benefits of disciplined execution and sustained investments in strengthening our distribution network.

We also continued introducing initiatives that enhance the customer experience and uplift communities as part of our pledge that no one will be left in the dark. This includes microgrid systems to bring reliable and sustainable electricity to communities in our franchise area that are not connected to the country’s main power grid.

Service excellence was another highlight in 2025. We expanded our customer base from 8.04 million to 8.22 million accounts, adding nearly 1,000 GWh in new load. While organic demand declined by over 2,300 GWh, including an estimated 280 to 300 GWh impact from the POGO exit, I would say that the broader picture is one of stability rather than contraction.

While distribution faced some headwinds due to market volatility and structural changes, generation told a different story.



Manny Rubio

MGEN delivered a year of strategic growth, even as the DU navigated weather-related impacts and shifting demand. MGEN’s energy sales grew by 78%, driving a 52% increase in our net income.

One of the key drivers of MGEN’s performance was the acquisition of the Batangas liquefied natural gas (“LNG”) plant under Project Chromite, which provides power to meet close to 20% of Luzon’s energy needs. But acquisition alone does not create value—execution does. Our people drove strong operational excellence across our plants, delivering exceptional and world-class plant availability of 95.2% that translated into earnings.

We also actively captured value from markets that had been previously underutilized. Our participation in the reserve market generated PHP 3.6 billion in additional income. At the same time, we challenged legacy assumptions across our portfolio. Assets that had once been considered for shutdown were repositioned to participate in revenue-generating markets, transforming potential write-offs into additional earnings. Our participation in the reserve market not only drove our growth but is also a key contributor to grid stability, providing the much-needed capacity for regulating and contingency reserves.

On top of this, our new solar farms were commissioned ahead of schedule and immediately participated in the spot market, further generating incremental earnings. PLP in Singapore also made a meaningful contribution to our overall performance with the completion of its 100-MW fast start ancillary service facility on Jurong Island.

Beyond operating results, 2025 marked a milestone in investor confidence. We supported the single largest foreign direct investment into the Philippines, with Actis committing USD 600 million in equity capital. This reflected confidence not only in a specific project, but also more broadly in the Philippine energy sector and the country’s long-term growth trajectory.

Franchise renewal is one of Meralco's most significant milestones in recent years. What does this renewed mandate mean for the country, and what will feel tangibly different for households and businesses because of it?



Ronnie Aperocho

It was indeed our banner story last year. The 25-year horizon gives us certainty. It allows us to plan responsibly and invest with discipline. We can now lay out our capital expenditure ("CapEx") program with confidence, particularly those investments that will further modernize the grid and support the government's agenda on the energy transition.

For the next regulatory period, we have submitted the largest CapEx filing in our history to the Energy Regulatory Commission ("ERC"). This includes the full rollout of our Advanced Metering Infrastructure ("AMI"), grid modernization, digital systems, and customer-facing platforms. But we have to be careful since CapEx is ultimately shouldered by customers, so we must look closely at cost-benefit and value for money. We always ensure that everything we do benefits the customer.

Meralco's renewal is a vote of confidence—and that comes with responsibility.

FG On that point, our franchise renewal inspires us to continue improving and expanding our service—even to hard-to-reach communities. Extending power to the last mile is more challenging and more expensive, but it is part of our mandate and commitment. Bringing off-grid electricity to places like Cagbalete means delivering reliable power where there was none before.

At the same time, we recognize that energy demand is closely tied to economic growth. As the economy expands, so does the need for dependable electricity. Since 2015, we have not increased our distribution rate, yet we still continue to invest heavily in system reliability and grid modernization. Customers expect that when they flip the switch, the lights come on—that expectation has not changed, and neither has our commitment to meet it.

So whether we are powering growth in major urban centers or electrifying underserved communities, our focus remains the same: to keep improving and to deliver energy that is affordable and reliable to every customer we serve.



Beyond the core grid, Meralco is building new energy platforms—from grid-edge operations and digital systems to electric mobility and distributed energy. Which of these plays are you most confident will reshape demand, customer behavior, and Meralco’s role in the energy system over the next few years?

RA Solarization is dramatically reshaping demand. We are seeing different load profiles because more customers are generating their own power. That is one of the reasons why our sales growth appears flat—it’s not simply about macroeconomics anymore; it’s about how energy is being produced and consumed. But we don’t see that as a diminished role for Meralco, but rather an expanded one.

We are ensuring that as distributed energy adoption grows, reliability and power quality are never compromised. That’s why we continue investing in smart grids, automation, and system upgrades. And this reshaping of demand does not stop with solar.

FG That’s why we’re looking at demand in a more dynamic way. While rooftop solar moderates daytime demand, electric vehicles (“EVs”) introduce an entirely new load platform. Based on our estimates, within five to six years, the additional demand from EV charging can offset much of the energy displaced by rooftop solar. In other words, the same forces reshaping demand are also creating new opportunities.

But that won’t happen automatically; infrastructure has to be built ahead of adoption—adequate capacity, charging networks, system readiness. We are currently partnering and collaborating with top industry players to accelerate EV adoption in the country. We are actively supporting the development of charging stations, ensuring the grid can handle concentrated loads, and facilitating connections so that the EV ecosystem grows in a stable and coordinated way.

Beyond partnerships, we are also investing directly in green mobility. We are developing our own charging stations through our subsidiary Movem, seeing EV infrastructure as both a growth enabler and a business opportunity. If solar is changing the way energy is produced, EVs will change how it is consumed.

As the energy transition continues to reshape the power sector, how is Meralco progressing on its long-term sustainability strategy (“LTSS”) and goals?

RA We are actually ahead of our goals. Since launching our LTSS five years ago, we have consistently met our targets across the board. That reflects disciplined execution of our initiatives to support our just, affordable, and orderly transition, which is carefully phased in three 10-year horizons. I am proud that we have built a solid momentum towards our ambition of becoming coal-zero by 2050.

These include sourcing more renewable energy (“RE”) supply through the DU and growing our own RE

portfolio through MGEN. By the end of this decade, we are targeting to avoid up to 14% in total emissions across all scopes, as well as 9% in direct emissions versus business-as-usual levels.

We are actively advancing our exploration of nuclear energy. We have been actively supporting the government’s nuclear agenda. Congress has passed legislation establishing a regulatory body for nuclear energy, with implementing rules and incentives now being finalized. That framework will set the stage for



adoption. To continue being ahead of the curve, we have sent nuclear engineering scholars abroad, with the first batch graduating this year. The U.S. government has also recognized our efforts, which is why Meralco received a USD 2.7 million grant for the study of small modular reactors (“SMRs”).

If the Philippines is to meet its long-term energy security and transition objectives, we cannot rely solely on intermittent sources like wind and solar. While coal is no longer an option given the moratorium and LNG is bridging the gap as a transition fuel, nuclear can provide a reliable baseload power for the next 60 to 80 years while supporting the climate goals of the country and remaining aligned with our LTSS.

This is where our generation platform plays a critical role.

MR When we talk about generation, it is important to start with the realities facing our country. Our people deserve reliable electricity that is affordable and has a minimized impact on the environment.

The Philippines contributes only about 0.4% of global carbon emissions. As a developing economy, we cannot simply replicate the pathways taken by more advanced countries. That reality does not limit us—it creates an opportunity to shape an energy transition that is both practical and sustainable for our own needs.

And that’s why it has to be deliberate and carefully managed. We are making solid progress on our strategy, and natural gas plays a critical role in ensuring reliability and in helping manage variability as new RE projects go online and rooftop solar and distributed energy resources continue to expand. Renewables are essential, but their variability requires firm, flexible capacity to maintain grid stability. Alongside batteries, LNG remains one of the few technologies capable of responding quickly and reliably when the system needs it most.

We already have a terminal in Luzon, and, together with our partners, we’re exploring a 435-MW gas plant in Visayas to address the thinning energy supply in the region. What we need is the right policy and market framework to allow this capacity to be deployed and serve businesses and communities.

The energy transition must be carefully planned and executed with system reliability in mind. The grid operator has raised concerns about tightening system regulation resources and the need to strengthen the grid and possibly deploy behind-the-meter batteries. Our flagship project, MTerra Solar, is a concrete option for energy security as it combines solar PV and battery energy storage system to ensure grid reliability from a low-carbon source. This model has also proven to be a competitive option for mid-merit supply that can potentially replace traditional mid-merit sources such as diesel.

Ultimately, the transition cannot happen overnight. The larger challenge lies ahead as the country moves towards the DOE’s target of 50% RE by 2040. While the ambition is clear, we must also fully understand the costs and technologies required to maintain grid stability as variable renewables expand. Adding thousands of megawatts of RE capacity is a positive step, but its variability must be managed carefully as system risks increase over time.

Leadership in the transition requires balance. It requires us to continue investing in renewables, while ensuring firm capacity and critical infrastructure remain in place. It requires us to contribute meaningfully to our decarbonization goal while responsibly powering the growth of the Philippine economy.

Looking back at 2025, how would you describe Meralco's overall environmental, social, and governance ("ESG") performance. What does it say about how the company is translating sustainability priorities into measurable outcomes?

RA When we talk about sustainability, it goes beyond the environment. It's not just about climate change and emissions. We also consider critical social and governance factors as well—and we carefully track and manage all three pillars with equal rigor.

At the board level, sustainability is overseen by a dedicated Sustainability Committee, chaired by MVP himself. Supporting this is a wide network of Sustainability Champions across One Meralco who work closely with the Sustainability Office ("SO"), led by our Chief Sustainability Officer, Raymond Ravelo. Our governance bodies ensure that our strategy is translated into action on the ground. This means ESG is not abstract at Meralco—it is deeply embedded in how we lead.

When leadership monitors performance consistently and communicates expectations clearly, sustainability becomes accountability in action.

MR The social dimension is treated with equal importance. Our approach is simple: opportunities should be open to everyone regardless of gender, background, or status. Building a diverse and inclusive organization is not just an aspiration for us—it is a deliberate part of how we grow our workforce and strengthen our company.

But social impact goes beyond representation. It is ultimately about lives and communities. That is what we are doing at MTerra Solar.

Spanning 3,800 hectares, the scale of the project alone already translates into real economic opportunity—thousands of panels that require cleaning, maintenance, and on-the-ground operations. That scale creates sustained employment, and we are already seeing our economic impact in Nueva Ecija, with recognition from the provincial and local government

units for our contributions. At the peak of our construction, we have contracted 12,000 community members to be part of the project. We are working closely with communities and local leaders to ensure MTerra Solar delivers long-term economic value where it is built.

Beyond day-to-day jobs, we are investing in skills that last. Around 600 workers have been trained and certified in electrical connections and installations. They now carry transferable skills they can apply to future projects and even other organizations.

This is how large-scale energy projects drive inclusive growth—not just delivering power to the grid, but also providing skills, jobs, and lasting opportunities for the communities that host them.



**As you look ahead to 2026,
what is the one word that will guide your focus for
One Meralco and why? And on a personal level,
what weighs most on your mind—and what inspires
you most about the year ahead?**

Execution

We already have the building blocks to expand our reach and serve more customers: grid modernization, AMI rollout, DERs, EV infrastructure, portfolio expansion. The work now is to build on this strong foundation and continue elevating how we deliver. Execution is not easy, but we need to make it happen for the betterment of millions of people.

And that's why what weighs on me most is the resilience of our system—resilience against cyberattacks, natural catastrophes, and major disruptions. Threats don't stop while we're asleep. A prolonged outage in our franchise area would be unacceptable. That's a responsibility we carry 24/7.

And with this responsibility are opportunities. We are actually receiving requests from other countries to bring Meralco's operational and service excellence to help them strengthen their own power systems. Last year, we achieved world-class reliability standards. What felt like an aspiration a decade ago is now a reality, and our focus moving forward is on sustaining and building on this achievement.

Ronnie L. Aperoch
Chief Operating Officer
Meralco



Relevance

We remain relevant only if we continue to earn trust. The franchise renewal reflects that trust—from lawmakers, consumers, and the public. But relevance must be proven every single day.

So what keeps me awake at night is accountability—to continue earning the trust our customers place in us. With an extended franchise in place, people depend on us not just to keep the lights on, but also to help the economy move forward. We are accountable not only to our customers, but also to the country and to our own people.

Ronnie and I both built our careers within this company, and that journey shapes how we lead today. Having grown with Meralco over decades, we understand not only the strategic responsibilities at the corporate level but also the operational realities on the ground. We strongly believe in trusting our people—not blind trust, not free rein, but trust anchored in accountability.

And that trust goes a long way. With it, you see long-term plans translate into measurable outcomes and real impact. And that's what inspires me—reaching milestones, seeing plans come to life, and celebrating those wins together, as one company, in service of the people we serve.

Ferdinand O. Geluz
Chief Revenue Officer
Meralco





Leadership

In ideas. In execution. In capturing opportunities early.

Leadership means moving fast and early. It's about recognizing opportunities before they become obvious to everyone else. The foundation has to be laid in advance—even when that requires investing before immediate returns are visible. First movers don't simply enter markets; they shape them. And we are uniquely positioned to lead in that space.

At the same time, we must be clear-eyed about the challenges ahead. Regulatory uncertainty and system stability will be critical as the country moves towards its energy transition goals. We talk about 50% RE by 2040, but achieving that ambition requires the right infrastructure, a resilient grid, and careful planning. When power interruptions occur or electricity prices increase, the spotlight quickly turns to energy players. That's why the transition cannot be reactive. It must be deliberate, well-planned, and supported by a strong foundation.

And so what ultimately gives me the most confidence is something more fundamental—our people. Yes, we have exciting assets coming online—MTerra Solar, LNGPH, new capacities in the pipeline, but energy is not just about assets and megawatts. It's also about the people who bring these projects to life and push the boundaries of innovation. That human capital is what will enable One Meralco to lead the transition and power a better tomorrow.

Emmanuel V. Rubio
President and CEO
MGEN

Our Business Environment

Key Economic Metrics

4.4%

Gross domestic product
(2024: 5.7%)

1.7%

Annual inflation rate⁵
(2024: 3.2%)

4.2%

Unemployment rate⁶
(2024: 3.8%)

4.9%

Household spending
(2024: 4.9%)

5.6%

Industry sector
growth rate
(2024: 5.6%)

6.7%

Services sector
growth rate
(2024: 6.7%)

***Note:** Figures above are for full-year 2025.⁷*



Overall Economic Growth Prospects

Government targets
(December 2025)

2026
5.0% to 6.0%⁸

Economist Intelligence Unit
("EIU") (December 2025)

2026
4.5%

OECD forecast
(February 2026)

2026
5.1%⁹

According to the December 2025 forecast of the EIU, the Philippine economy is projected to grow moderately in 2026 (by 4.5%) and beyond as the full impact of U.S. tariffs on the Philippine economy becomes more evident, including its potential effect on remittances from overseas Filipino workers.¹⁰ Nonetheless, economic prospects are projected to improve in 2026 vis-à-vis in 2025, as the EIU expects household consumption to improve as inflation is expected to remain low in 2026, although this could be curtailed by households' desire to pay off debts and build savings. Investment is also projected to pick up, supported by continued infrastructure development and monetary easing.



Risks to Economic Growth



- While Philippine exports have been resilient in 2025, its momentum is likely to slow down in 2026 as the full impact of U.S. tariffs on the global economy is realized.
- The Philippines is exposed to the second-round effects of tariffs on U.S. economic growth, particularly on the business process outsourcing sector.¹¹
- While the U.S. Supreme Court struck down the tariffs imposed by the Trump administration under the International Emergency Economic Powers Act, President Donald Trump imposed a 10% blanket tariff under Section 122 of the Trade Act of 1974. This has resulted in renewed uncertainty for trade partners, especially in the following months.¹²

⁸Bangko Sentral ng Pilipinas

⁹Philippine Statistics Authority. Number of unemployed persons in December 2025 increased to 2.26 million Filipinos aged 15 years and over (February 6, 2026)

⁷Philippine Statistics Authority. GDP Grows by 3.0 Percent in the Fourth Quarter of 2025: Brings the Full-Year 2025 GDP Year-on-Year Growth Rate to 4.4 Percent (January 29, 2026)

⁸Development Budget Coordination Committee. Macroeconomic Parameters Assumptions FY 2026-2030 (December 9, 2025)

⁹World Bank. Philippines Economic Update (December 2025)

¹⁰OECD Economic Surveys: Philippines 2026 (February 2026)

¹¹Ibid.

¹²Economist Intelligence Unit. Supreme Court curtails Trump tariff power (February 20, 2026)

Energy Industry Realities

Electricity Demand & Renewable Energy (“RE”)

- The buildout of more data centers is expected to increase electricity demand from the grid. During a roundtable discussion on Philippine competitiveness in hyperscale and digital infrastructure held at the Asian Development Bank Headquarters in February 2026, German consulting firm Roland Berger stated that the Philippines is experiencing a significant hyperscale and artificial intelligence expansion. It reported that about 100 MW of data center capacity is currently under construction in the country and may become operational in the next few years.¹³
- To meet the industry’s requirement for access to new RE to support ESG commitments and supply chain sustainability, at least 9,700 MW of RE facilities are expected to come online and provide additional clean energy capacity by 2030.¹⁴
- In 2026, the DOE expects the commissioning of new power generation projects with a combined capacity of nearly 7,000 MW. Nearly 90% of these projects’ total capacity will utilize RE sources, while the remaining generation capacity will come from fossil fuels.¹⁵

Distributed Energy

- Given the declining price of solar photovoltaic (“PV”) modules and the easing of requirements and expedited application process as directed by President Ferdinand Marcos Jr. during his 2025 State of the Nation Address, net metering adoption is forecasted to accelerate, led by residential customers. The streamlining of net metering application will encourage potential customers with firm intentions to install solar PV systems. A study from the Ateneo de Manila University estimated that about 20% of all households in Metro Manila and nearby provinces are interested in installing solar PV systems.¹⁶
- Net metering installations experienced significant growth in recent years. As of 2025, there were close to 19,900 active net metering customers in the Meralco franchise area, with a total capacity of 165.7 MWp. The number and solar PV capacity of net metering customers increased by an average of 42% annually for the past five years. In 2020, there were only nearly 3,300 customers with total capacity of 23 MWp under the net metering program.

Energy Efficiency & Electric Vehicles (“EVs”)

- In its Philippine Energy Plan 2023–2050, the Department of Energy (“DOE”) is seeking to sustain a 10% energy savings target and a 50% EV penetration target from 2040 onwards to help reduce greenhouse gas (“GHG”) emissions.¹⁷
- Electricity end-users are expected to continue adopting energy efficiency measures in compliance to Republic Act No. 11285, otherwise known as the Energy Efficiency and Conservation Act, and various implementing regulations promulgated by the DOE. Within the Meralco franchise area, buildings with Leadership in Energy and Environmental Design (“LEED”) or Building for Ecologically Responsive Design Excellence (“BERDE”) certification increased from eight in 2010 to at least 324 by January 2026.¹⁸
- The downward impact on electricity demand from the electric grid of behind-the-meter solar rooftops and wider adoption of energy efficiency will be partly offset by the anticipated increase in EVs. According to the data from the Land Transportation Office, there are nearly 61,000 registered EVs as of 2025, lower than an earlier projection of nearly 185,000 EVs by 2024 in the Philippine Energy Plan.¹⁹ Based on our internal estimates, about 60% of these vehicles are found within our franchise area.

¹³Roland Berger. “Sector Context: Hyperscale and Data Center Market in SEA and the Philippines”. 9 February 2026. Asian Development Bank Headquarters, Mandaluyong City. PowerPointPresentation.

¹⁴Department of Energy. Summary of Committed Power Projects in the Philippines as of 31 December 2025

¹⁵Ibid.

¹⁶Low adoption of solar tech not just due to cost, Ateneo study finds. <https://www.ateneo.edu/news/2024/12/13/low-adoption-solar-tech-not-just-due-cost-ateneo-study-finds>

¹⁷Department of Energy. Philippine Energy Plan (2023–2050)

¹⁸Green Building Information Gateway

¹⁹Philippine Energy Plan 2023–2050. Department of Energy



How We Create Value

We at One Meralco strive to create meaningful and long-term value across areas that are material to our various businesses and stakeholders, as detailed in this Integrated Report. By managing risks, capturing opportunities, and executing a robust strategy, we ensure that our Group remains resilient, adaptive, and forward-looking. In doing so, we continue to deliver reliable, accessible, and responsibly priced electricity while encouraging our partners to strengthen their sustainability practices—adapting to the changing needs of our customers, communities, and the broader ecosystem we serve.



Our Value Creation Framework

This framework demonstrates how we align our resources with strategic priorities to harness our growth platforms, generate stakeholder value, and advance meaningful contributions to sustainable development. We leverage our growth platforms to deliver value to our stakeholders and drive meaningful outcomes for sustainable development by aligning the use of our capitals with our strategies.

INPUTS



Intellectual

- 122 years of industry leadership
- Institutional knowledge on laws, policies, and best practices in the electric utility sector
- The enduring Meralco brand, including our logo, mission, vision, and core values

Manufactured

- 156 substations
- 22,107.4 km power lines
- 2,652 MWac net sellable capacity across our diversified power generation portfolio



Natural

- 5.1 million tonnes of feedstock coal
- 11 million liters of feedstock oil
- 1,371.5 GL of cooling water



Human

- 18,211 employees
- 285 third-party workers



Financial

- PhP 823.9 billion in assets
- PhP 108.9 billion in CapEx

Social & Relationships

- 3,256 suppliers and vendors
- Partnerships with communities and charitable organizations for CSR initiatives

POWER

PLANET

PEOPLE

PROSPERITY

OUR STRATEGIES

OUR GROWTH PLATFORMS

THE VALUE WE CREATE

We deliver reliable, affordable, and sustainable energy solutions for our customers and the communities we serve.

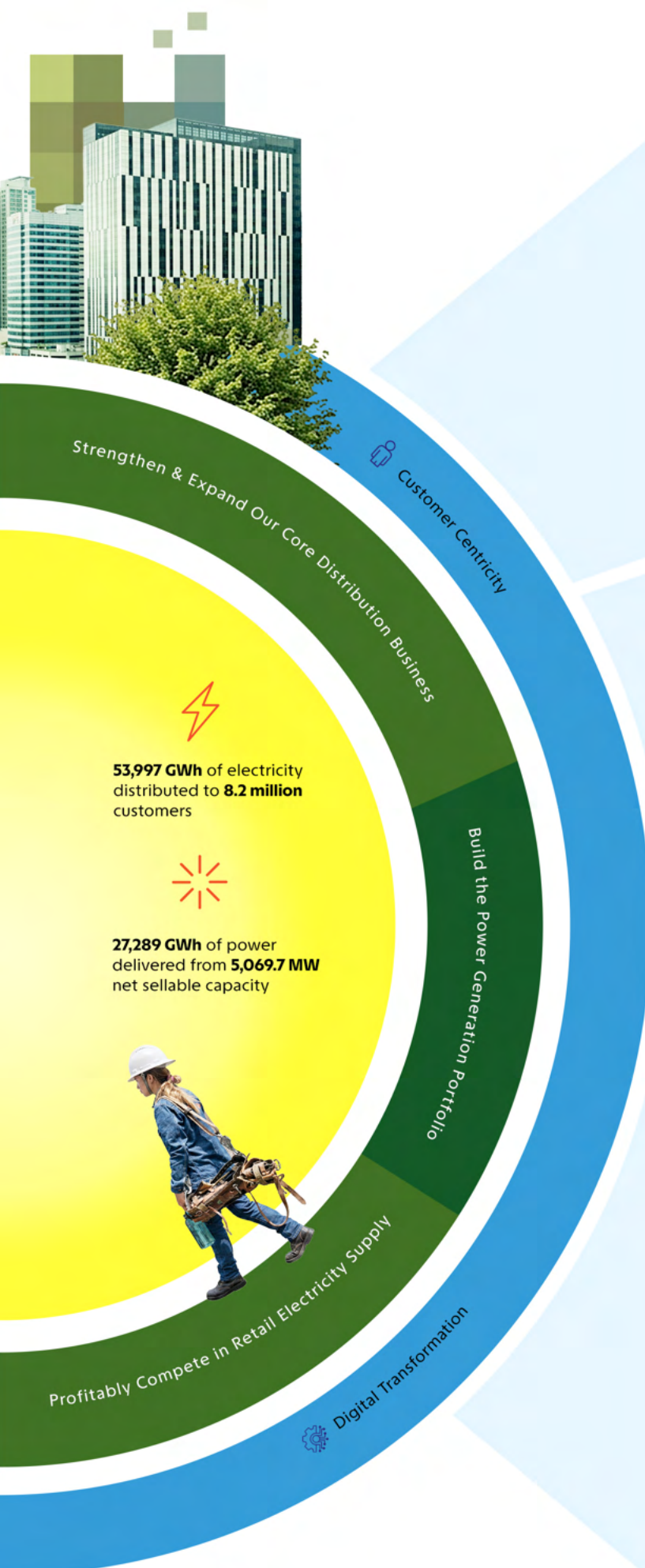
Develop & Grow New Energy Business

Drive the Expansion of Subsidiaries & Affiliates

Sustainability

Value Enhancement





OUTCOMES

Intellectual

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

Manufactured

- **5.85%** system loss, lower than the 6.5% regulatory cap, resulting in **PhP 6.5 billion** in customer savings
- Reduced number of power outages in our franchise area, as evidenced by **12.5%** improvement in SAIFI
- Shortened power interruptions for our customers, as indicated by **9.9%** improvement in SAIDI
- Estimated equivalent of **430,000** households and businesses powered by MGEN with low-carbon energy



POWER

Natural

- **2.5%** increase in Group-wide greenhouse gas emissions
- **0.6%** increase in DU water use
- Kept solid waste out of our land and oceans, as proven by **98%** DU annual waste diversion rate and **89,000 MT** coal ash diverted by MGEN



PLANET

Human

- Helped unlock the full potential of our employees, as supported by **6.4% increase** in average training hours
- **21.8%** decrease in LTIFR as a result of strengthened OHS programs
- **24%** female representation in the DU, above the 14% global industry average
- **4.7%** DU gender pay gap, lower than the 19% global industry average



PEOPLE

Financial

- Delivered greater value to our shareholders, as demonstrated by **16.5% increase** in dividends
- **PhP 497.3 billion** in consolidated revenues, a 6% increase from 2024
- **PhP 50.6 billion** CCNI, up by 12% from 2024



PROSPERITY

Social & Relationships

- Provided **375 families** access to clean and potable water with the energization of one community water facility
- **563 teachers and students** empowered with better learning conditions via the re-electrification of five public schools
- **616 suppliers** fully compliant with our sustainability standards, as part of the Meralco Sustainability Scorecard
- **8,574 residents** benefited from uninterrupted medical care through the electrification of three rural health centers
- **779 members benefited** from solar mobile irrigation pump, fish processing and water filtration facility, and electric tricycle charging station granted to three agriculture and livelihood associations

Defining What Matters Most

Financial performance and sustainability have always been intimately connected for One Meralco, from a long history powering economic and social development to our ambition to lead the energy transition in the Philippines and beyond. In 2024, we defined priority topics at this intersection through the Group's first double materiality assessment. Building upon this foundational work, we are now engaging more deeply with specific sustainability-related impacts, risks and opportunities ("IROs") across the Group.

In December 2025, the SEC adopted PFRS S1 General Requirements for Disclosure of Sustainability-related Financial Information and PFRS S2 Climate-related Disclosures—applying the IFRS Sustainability Disclosure Standards in the Philippines and aligning the nation with the new global baseline for sustainability-related financial disclosures. These standards will now drive the identification and management of sustainability-related risks and opportunities ("SRROs") among publicly listed companies and other large non-listed entities in phases, beginning with reporting in 2027.



Impacts, Risks, and Opportunities Identification

One Meralco has taken a proactive approach to SRROs and related disclosures, producing the Group's first climate-related disclosures in alignment with IFRS S2 in 2024. In 2025, with the help of an independent consultancy firm, we kicked off a systematic, holistic IRO identification process designed to not only set the stage for compliance with PFRS S1 but to align with global best practices as the double materiality concept evolves. Extensive desk research was conducted in this initial phase, covering IROs from local and global peers, sustainability reporting standards, national and global policy agendas and sector-specific guidance from the IEA, UNEP, World Bank and other sources. This process has produced a database of over 100 potentially material IROs covering One Meralco's 19 material topics.

In this report, the IRO identification results have informed the enhancement of the Group's Key Enterprise Risk disclosures with corresponding impacts and opportunities, highlighting that within every risk there is an inherent opportunity. Going forward, a comprehensive double materiality assessment ("DMA") will identify material SRROs for quantification and disclosure in alignment with PFRS S1.

For more information about our first DMA, including details about how it was conducted, please refer to the One Meralco 2024 Integrated Report.



Our Material Topics

POWER

Affordability

Providing competitively priced energy across all customer segments

Accessibility

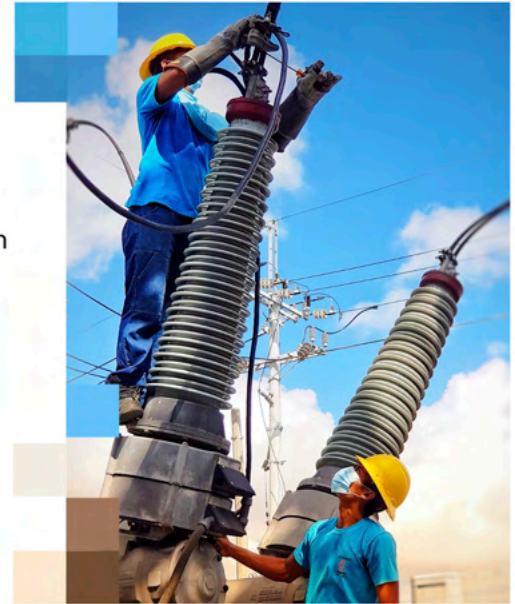
Ensuring that electricity is available to all by actively expanding grid infrastructure and enabling connections for underserved communities

Service Reliability & Safety

Consistently delivering energy through a safe and resilient distribution network while effectively responding to outages and emergencies

Energy Transition

Meeting growing energy demand with a diverse fuel mix and new power generation technologies (e.g., renewables, nuclear)



PLANET

Climate Change Mitigation

Reducing GHG emissions across Meralco's entire business, from power generation and distribution to after-the-meter energy services and beyond

Material Consumption & Waste Management

Optimizing utilization of raw materials and implementing sound waste management systems and practices



Air Quality

Managing and minimizing the release of harmful air pollutants from emission-intensive activities

Biodiversity

Mitigating the impact of Meralco's business, particularly power plants, on ecosystems and promoting the preservation of nature

Water & Effluents

Managing water consumption, particularly for cooling processes, and treating wastewater responsibly to prevent contaminating water sources

PEOPLE



Occupational Health & Safety

Providing a safe and healthy working environment with effective policies, systems and initiatives, promoting a culture of safety and minimizing workplace hazards and accidents

Talent Attraction & Retention

Promoting professional development, personal growth and a meaningful working experience for employees, supported by competitive remuneration and benefits

Diversity, Equity, & Inclusion ("DEI")

Operating with respect for differences and without discrimination based on age, gender, sexual orientation, religion or other factors, while ensuring equal opportunity and fair treatment for all employees

Labor & Human Rights

Respecting employees' labor rights, as well as the fundamental human rights of all stakeholders impacted by our business

PROSPERITY



Customer Enablement

Providing customers with the best possible services that meet their evolving needs

Innovation

Developing cutting-edge solutions across business units that can enhance our services and customer experience and create a competitive advantage in the market

Supply Chain Sustainability

Managing our supply chain in a responsible and ethical manner that minimizes impacts on the environment and respects human rights

Digitalization & Cybersecurity

Adopting digital technologies to enhance our services while safeguarding our infrastructure and systems against cyberattacks

Community Engagement

Uplifting communities and empowering future generations by leveraging electricity to enable progress, including electrifying marginalized households and schools and promoting disaster resilience

GOVERNANCE

Business Ethics

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



Our Materiality Matrix

The results of our 2024 DMA underscore the interconnectedness of the Group's impacts and financial performance. The 19 issues considered in our DMA remain material and will guide our granular assessment of IROs as we progress towards compliance with PFRS S1.

For more information about our first DMA, including details about how it was conducted, please refer to the One Meralco 2024 Integrated Report.

- **POWER**
- **PLANET**
- **PEOPLE**
- **PROSPERITY**

Impact Materiality

Emerging Topics

Relevant to Meralco's sustainability agenda, with a moderate impact on the economy, environment, people and business performance

Diversity, Equity & Inclusion ■

Air Quality ■

Water & Effluents ■

Biodiversity ■

Core Topics

Significantly influence operations and decision-making requiring proactive management

Priority Topics

Critical for long-term value creation, significantly impacting both stakeholders and business performance

Service Reliability & Safety

Affordability

Energy Transition

Occupational Health & Safety

Climate Change Mitigation

Community Engagement

Labor and Human Rights

Customer Enablement

Accessibility

Business Ethics

Innovation

Talent Attraction & Retention

Material Consumption & Waste Management

Supply Chain Sustainability

Digitalization & Cybersecurity



Financial Materiality

Our Impacts, Risks and Opportunities

Across our various businesses, the risks to One Meralco are closely tied to inherent opportunities for value creation as well as numerous positive and negative impacts on the economy, environment, and people. In 2025, we strengthened our holistic understanding of the Group's key enterprise risks by including corresponding sustainability-related impacts and opportunities across multiple risk categories, enhancing our ability to manage a dynamic risk universe. We plan to continue evolving this approach as we refresh our double materiality assessment and assess specific sustainability-related impacts, risks, and opportunities in alignment with PFRS S1, which is based on IFRS S1 General Requirements for Disclosure of Sustainability-related Financial Information.



Regulatory Decision Risks

Regulatory decisions affecting Meralco's tariff and recovery mechanisms for our over- and under- recoveries shape price outcomes for customers. The DU's ability to manage affordability alongside these and other drivers can positively or negatively impact households and businesses, and presents risks related to trust and cost recovery, as well as opportunities to strengthen credibility with regulators, customers, and other key stakeholders.

Related Material Topic: [Affordability](#)

1. **Uncertainty in Regulatory Outcomes**
The outcome of pending and future regulatory determinations, including those related to rate-setting frameworks and applications, may differ from the Company's proposals. Such outcomes may affect the timing and level of cost recovery.
2. **Policy and Methodology Changes**
Changes in regulatory approaches, including shifts in methodologies, performance frameworks, or cost recovery mechanisms, may influence the determination of allowable revenue and returns.
3. **Adoption of New or Evolving Regulatory Frameworks**
The introduction of new methodologies or standards may result in adjustments to the previously applied approaches, with possible implications for asset valuation, regulatory treatment and revenue recovery.
4. **Regulatory and Legal Developments**
Ongoing regulatory reviews, audits, or legal proceedings may affect certain cost items or recovery mechanisms. These developments may influence future applications and regulatory outcomes across the industry.

Cash Flow, Funding, and Contract Compliance Risks

If Meralco is unable to recover certain taxes or pass-through costs, or faces penalties or disputes related to unmet power supply commitments, outcomes can affect available cash and perceptions around fairness, accountability, and ethical conduct. Maintaining a strong culture of ethical conduct and compliance, alongside transparent engagement with regulators and business partners, can not only help mitigate these risks but also empower stakeholders to act ethically, reduce misconduct, and build trust in the economy and infrastructure of the Philippines—all while enhancing Meralco's reputation as a responsible partner for sustainable development.

Related Material Topic: [Business Ethics](#)

5. **Regulatory Recovery, Cost Pass-through, and Revenue and Cost Variances**
The Company's ability to recover certain costs and charges is subject to regulatory approval and prescribed mechanisms. Differences between actual costs incurred and recoveries recognized affect cash flow timing and financial results. Adjustments arising from operational or market-related factors may result in temporary variances between billed and recoverable amounts, which may impact short-term financial performance.
6. **Customer Receivables**
Collection levels may be influenced by customer payment behavior, economic conditions, and regulatory directives. These factors may affect receivables and working capital.
7. **Funding and Liquidity**
Access to funding and financing conditions may vary depending on market developments and credit considerations. These may affect the Company's liquidity position and ability to fund operations and investments.

Market, Regulatory and Competition Risks

As more Filipinos adopt behind-the-meter solar and alternative energy solutions, Meralco may experience foregone distribution revenue and increased competitive pressure. In an evolving energy market, enabling customers to better understand and manage their energy use while ensuring inclusive access to new services can mitigate risks of customer exclusion and revenue loss while creating opportunities to strengthen customer loyalty, relevance, and long-term competitiveness. In the longer term, One Meralco's ability to make energy management and low-carbon solutions attractive can help accelerate the energy transition and mitigate greenhouse gas emissions across the Philippines.

Related Material Topics:
[Energy Transition](#), [Climate Change Mitigation](#), [Customer Enablement](#), [Innovation](#)

8. Demand and Customer Mix Changes

Changes in customer demand and consumption patterns, influenced by market and regulatory developments, may affect demand forecasts, supply planning, and contract management, with potential implications for cost recovery over time. Retail competition and open access may expand customer choice and participation, and influence the Company's customer base, demand profile, and revenue mix.

9. Power Supply and Demand Management

Variability in customer demand and supply requirements of RES

business may affect the management of power supply portfolios and exposure to market-based pricing, with corresponding implications on procurement strategies and cost management.

10. Competitive Landscape

Increasing competition and evolving customer expectations in non-distribution businesses may affect pricing dynamics, service offerings, and market positioning. The Company continues to respond through innovation and customer-focused solutions.

IT Systems and Cybersecurity Risks

As Meralco's operations become increasingly digitalized, failures in information technology ("IT") systems or persistent cyber threats can disrupt critical services, expose sensitive information, and undermine trust among customers, employees, regulators, and partners. At the same time, investing in resilient, secure, and well-governed digital systems creates opportunities to improve the grid, protect stakeholders' data, enable innovation, and deliver new digital services that enhance customer value and long-term competitiveness. For customers and the general public, stronger IT systems and cybersecurity measures help prevent service interruptions that can negatively impact economic activity and threaten safety.

Related Material Topics: [Digitalization & Cybersecurity](#), [Customer Enablement](#)

11. IT Systems Reliability and Performance

Disruptions or limitations in IT systems may affect operational processes, service delivery, or data management. Ongoing investments and upgrades are essential to maintain system performance and reliability.

12. Cybersecurity and Data Protection

Cybersecurity threats and data-related risks continue to evolve alongside increased digitalization. These may affect system security, data integrity, and overall operations if not effectively managed.

Business Interruption, Project Construction, and Execution Risks

Safe and reliable electricity underpins Meralco's most significant positive impacts, enabling the delivery of essential services and economic activity across our franchise area. Natural calamities or delays in completing capital projects can disrupt service continuity, negatively impacting customers as well as the safety of employees, contractors, and the general public. Timely delivery of capital projects and investment in grid resilience and modernization, however, mitigates financial and reputational risks while creating opportunities to reduce costs associated with downtime and repairs and protect revenue and service continuity.

Related Material Topics:
[Service Reliability & Safety](#),
[Occupational Health & Safety](#)

13. Business Continuity

External events and operational disruptions may affect service continuity, infrastructure integrity, and related operations. Ongoing investments in resilience and preparedness help mitigate potential impacts.

14. Project Execution and Delivery

Delays or changes in project timelines and implementation may arise due to operational, regulatory, or market factors. These may influence the timing of project benefits and overall execution.

15. Contract Compliance

The ability to meet contractual and regulatory requirements remains subject to various operational and external factors, which may affect project or service obligations.

16. Operational Efficiency and Third-party Dependencies

The execution of business initiatives may be influenced by process efficiency, resource availability, and coordination with third-party providers. These factors may impact timelines, costs, and delivery outcomes.

Stranded Asset Risk

Thermal baseload generation at the Atimonan One Energy, Inc. ("A1E") power plant can contribute to service reliability, national energy security, and economic benefits to local communities, while creating opportunities to provide more affordable power and strengthen Meralco's relationships and reputation among cost-conscious stakeholders. Continued reliance on coal-fired power, however, presents challenges for national emissions reduction goals and may create reputational pressures for Meralco with respect to energy transition. In this context, project feasibility is dependent on many factors, and pre-development investments in A1E face stranded asset risk if regulatory, permitting, financing, technical, or contracting outcomes constrain development.

Related Material Topics: [Energy Transition](#), [Service Reliability & Safety](#), [Affordability](#), [Climate Change Mitigation](#), [Air Quality](#), [Community Engagement](#)

17. Asset Utilization and Recovery

Changes in market conditions, policy directions, or operational requirements may affect the utilization or recoverability of certain assets and pre-development investments over time.



Our Outlook and Strategy

The urgency of the global energy transition continues to intensify as climate risks grow more pronounced. Yet for emerging economies such as the Philippines, the pathway to a low-carbon future must move in step with the equally critical imperatives of energy security, affordability, and sustained economic progress. Stable baseload capacity—supported by thermal generation—remains essential to power industries, enable digital infrastructure growth, and safeguard grid stability, particularly as variable renewable energy (“RE”) expands. A diversified energy mix therefore remains central to ensuring that the country’s transition strengthens, rather than compromises, economic development.

In this context, we anchored our long-term sustainability strategy (“LTSS”) in a just, orderly, and affordable transition—one that advances clean energy while preserving reliability and affordability for millions of Filipinos. Our approach recognizes that environmental ambition must be balanced with the realities of rising demand and the need for dependable power supply as local industries expand. By integrating renewables alongside conventional and transition fuels, we support the country’s climate goals while reinforcing the foundations of national development.

Our LTSS forms a core pillar of One Meralco’s broader sustainability agenda, “Powering the Good Life”, which aligns with the United Nations’ Sustainable Development Goals (“SDGs”). While **SDG 7: Affordable and Clean Energy** remains central to our mandate, our diversified portfolio and businesses enable us to contribute to a wider set of development priorities—from economic growth and infrastructure to climate action and community well-being. Through a robust sustainability strategy supported by a wide range of initiatives, we are able to anticipate and address future demand growth, capital allocation priorities, and system readiness.



Our Holistic Approach to Sustainability

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

Pillar	Aspiration	Sample Initiative
Power	Energizing the Nation's Future	MTerra Solar, the world's largest integrated solar and battery energy storage system ("BESS") facility upon completion
Planet	Growing Within Earth's Boundaries	Greening the Network, focusing on reducing emissions and waste from distribution assets
People	Empowering Leaders in Energy	#Mbrace Program, promoting diversity, equity, and inclusion ("DEI") across our organization
Prosperity	Paving Pathways for Progress	Advanced Metering Infrastructure ("AMI"), enabling a smarter energy system through deployment of smart meters

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

One Meralco operates at the intersection of an urgent climate reality and rising national energy demand. In the Philippines—ranked among the most vulnerable to climate change—intensifying climate impacts coincide with economic expansion, industrial growth, and accelerating digital transformation, all of which require stable, affordable, and reliable power. With nearly half of the country's greenhouse gas ("GHG") emissions originating from the energy sector, we recognize a dual responsibility: supporting decarbonization while contributing to energy security. A sudden shift away from conventional fuels is neither practical nor equitable; dependable baseload capacity from thermal generation remains essential to sustaining economic progress and maintaining grid stability.

Pillar	Sample Key Performance Indicator
Power	Number of households energized in Meralco's franchise area
Planet	Amount of Scope 1 emissions
People	% female representation in the Distribution Utility's ("DU") workforce
Prosperity	Number of off-grid schools electrified by OMF



Guided by this reality, our LTSS provides a structured, three-horizon roadmap for a just, orderly, and affordable transition. The strategy integrates RE expansion with a diversified generation mix to safeguard reliability while abating GHG emissions over time compared to business-as-usual ("BAU") scenarios.

For more information about our progress in and plans for our Group-wide energy transition, please refer to the Energy Transition section under Power on pages 91-101.



Horizon 1 (2021–30)

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

Horizon 1 establishes the foundation for a low-carbon future while safeguarding energy security and affordability. Through 2030, we have committed to secure 1,500 MW of RE supply and to develop at least 1,500 MW of attributable RE generation capacity. As of end-2025, we have already contracted a total of 2,404.3 MW of RE supply, exceeding our contracting target ahead of schedule through the coordinated efforts across the Group. On the generation side, MGEN's expanding RE pipeline—including MTerra Solar, whose first phase was 71% complete by end-2025—currently stands at more than 1,800 MW of attributable capacity.

MGEN'S Operational Solar Facilities

Location of solar facility	Capacity (in MW)	
	Gross	Attributable
San Miguel, Bulacan	55.0	33.0
Baras, Rizal	80.1	48.1
Currimao, Ilocos Norte	68.7	34.4
Concepcion, Tarlac	82.5	47.3
Calatagan, Batangas	49.7	17.7
Bongabon, Nueva Ecija	19.8	19.8
Cordon, Isabela	52.7	51.6
Total	408.5	251.8

As renewable capacity expands, we continue to strengthen baseload supply through advanced coal technologies and transition fuels such as liquefied natural gas ("LNG") to ensure stable and competitively priced power while reducing our carbon footprint. These combined efforts position us to achieve a 9% reduction in Scope 1 emissions and a 14% reduction in total emissions by the end of the decade (versus BAU scenarios).

We have disbursed Php 103.9 billion for MGEN's RE buildout, representing a significant portion of the total Php 175.4 billion we have earmarked for sustainable capital investments through to 2030. With our initial energy transition initiatives under Horizon 1, we are on track to reduce our Group-wide Scope 1 emissions by 9% and our total emissions by 14% against our 2030 BAU baseline.

Horizon 2 (2031–40)

We will accelerate the Group's transition to cleaner energy through the progressive adoption of next-generation technologies.

Through 2030, our priority is to progressively reduce reliance on fossil fuels for mid-merit supply while strengthening RE integration across the system. In the succeeding decade, we will begin transitioning portions of baseload capacity towards lower-carbon alternatives to preserve long-term reliability while advancing decarbonization. Horizon 2 represents a phase of acceleration—moving beyond incremental change and advancing technologies that will shape a more resilient and flexible power system. Key areas of focus include:

- **BESS**, which can provide ancillary services, and capture value during peak hours. In 2025, MGEN accelerated deployment through two BESS projects expected to go online in 2026, reinforcing grid stability and renewable integration while complying with national directives.
- **Nuclear energy, particularly small modular reactors ("SMRs")**, which offer a reliable zero-carbon backbone with capacity factors of approximately 90%. These systems require significantly



Horizon 3 (2041–50)

less land than large-scale solar or wind projects and are well-suited to island grids with limited interconnection. Through the Nuclear Energy Strategic Transition (“NEST”) program, we are supporting the government’s nuclear energy roadmap while building long-term capability.

- **Emerging low-carbon solutions**, including hydrogen and circular technologies such as biomass, which hold potential to enhance system flexibility and reduce lifecycle emissions as these technologies mature and become commercially viable.

Through disciplined early engagement and strategic investment in these technologies—alongside initiatives such as the MTerra Solar Project, expected to be among the world’s largest integrated solar and BESS facilities—we position One Meralco to remain at the forefront of the Philippine energy transition while sustaining reliable, affordable, and progressively lower-carbon power for the long term.

One Meralco is committed to driving deep decarbonization and advancing sustainability leadership in the energy sector, with the ambition of becoming coal-zero by 2050.

Our pathway recognizes the scale and complexity of the energy transition in the Philippines, balancing climate ambition with the need to preserve affordability, reliability, and energy security. Horizon 3 represents our long-term moonshot—our decisive step towards deep decarbonization by mid-century. This phase is not only about reducing emissions but about transforming the systems that produce them and reshaping the energy landscape for future generations. Key levers under Horizon 3 include:

- **Decarbonizing existing assets** — Gradually sunseting coal production and procurement while evaluating and deploying carbon capture, utilization, and storage (“CCUS”) for hard-to-abate and transitional facilities. These measures aim to reduce residual emissions from legacy assets while maintaining baseload reliability and system stability throughout the transition.

- **Developing dispatchable low-carbon capacity** — As RE penetration increases, firm and flexible generation becomes essential. We will explore and invest in advanced SMRs, long-duration BESS, and combined-cycle gas turbines capable of co-firing with green hydrogen to provide dependable capacity with lower emissions intensity.
- **Expanding carbon sinks and nature-based solutions** — Strengthening reforestation, mangrove restoration, and other ecosystem-based initiatives to enhance carbon sequestration while delivering biodiversity and community resilience benefits.

Through this multi-lever approach, we are positioning ourselves to deliver a credible, orderly, and inclusive transition towards a low-carbon energy system—supporting national climate goals while creating long-term value for customers, investors, and society.

Responding to Present and Emerging Challenges

As we advance our commitment to supporting the Philippines' energy transition, we recognize structural and system-wide challenges—several of which are cited in the International Energy Agency's ("IEA") 2025 World Energy Outlook—that may affect the pace, cost, and complexity of the transition and therefore require careful management.

- **Economic and market challenges:** Coal and LNG continue to anchor affordable and reliable baseload supply in the Philippines amid rising demand and heightened exposure to extreme weather. While RE technologies are becoming more cost-competitive, their variability and lower capacity factors require complementary investments in flexibility solutions—such as BESS, firm capacity, and ancillary services—to ensure stable, 24/7 power delivery.
- **Regulatory and policy constraints:** The government's least-cost, technology-neutral framework mandates competitive selection processes ("CSP"), promoting transparency and price regulation. However, this structure may limit the timely adoption of emerging technologies that involve higher upfront costs but offer long-term decarbonization and system benefits.
- **Technical and infrastructure limitations:** Solar and other renewable technologies require more land than conventional thermal plants, creating siting and permitting challenges. Increasing RE penetration also places greater strain on transmission and distribution systems. Grid expansion, modernization, and digitalization—identified by the IEA as global bottlenecks—are critical to ensuring system readiness and maintaining reliability.
- **Energy security and transition pacing:** The IEA underscores that energy transitions must be carefully sequenced to safeguard energy security and affordability. For the Philippines, this means balancing decarbonization goals with the continued need for reliable baseload capacity, resilience to fuel price volatility, and consumer protection from undue cost increases.

With these challenges, we remain committed to pursuing the objectives set out in our multi-horizon LTSS. While the Philippines accounts for approximately 0.5% of global emissions, One Meralco is linked to around 15% of national emissions—placing the Group in a unique position to meaningfully influence the trajectory of the local power sector. By managing transition risks pragmatically and investing in system-ready solutions, we aim to lead a balanced, secure, and inclusive energy transition for the country.



Delivering Meaningful Social Value Through Energy

We anchor the energy transition on a broader commitment to advancing the well-being of communities beyond the franchise area, recognizing electricity as a catalyst for inclusive and sustainable development. These initiatives are implemented primarily through the One Meralco Foundation (“OMF”), guided by clear interim targets through 2030 to drive measurable impact and sustainable scale.

- **Education access and learning continuity** — We electrify off-grid public schools to enable safer learning environments, support digital education, and improve educational outcomes in underserved communities.
- **Access to quality healthcare** — We provide reliable electricity to healthcare facilities, including rural health units and barangay health stations, helping ensure the delivery of essential medical services, vaccine storage, and emergency care.
- **Livelihood productivity and rural development** — We energize agricultural facilities and equipment to improve productivity, reduce post-harvest losses, and support income generation for farmers and rural enterprises.
- **Clean water access for vulnerable communities** — We support the provision of electricity to water systems serving low-income households, enabling access to safe, potable water and improving public health and sanitation outcomes.
- **Disaster resilience and recovery** — We strengthen community resilience by training electric cooperatives and local stakeholders on disaster preparedness, response, and recovery, supporting faster restoration of power and essential services during extreme events.

Realizing Our Near-term Sustainability Aspirations: 30 by ‘30

One Meralco has defined 30 priority sustainability initiatives under the LTSS to steer implementation through to 2030. These 30 by ‘30 commitments mark important early milestones on the pathway to 2050 and are organized into three clusters, each aligned with the 4Ps of our sustainability agenda:

1. **LTSS core levers** – These initiatives represent our primary transition actions under Power, centered on RE contracting and development, alongside community-focused programs under Prosperity implemented by OMF across our priority social impact areas.
2. **Sustainability programs** – These flagship programs under Planet and People are led by Meralco’s internal units, with coordination from the Sustainability Office, and include programs such as green mobility for vehicle electrification and #Mbrace to advance diversity, equity, and inclusion (“DEI”).

3. **Sustainability-linked BAU initiatives** – These consist of essential, BAU activities led by our operating units that integrate sustainability into daily operations, including efforts such as system loss reduction and continuous improvement in workforce safety.

These 30 initiatives enable long-term business resilience and strategic positioning, particularly in areas such as electrification, distributed energy solutions, digitalization, customer engagement, and future energy demand growth. Every initiative is anchored on a defined long-term target and assigned to a responsible business unit to ensure clear accountability and effective execution. Performance is reviewed regularly by senior management and formally reported each year to the Sustainability Committee and the Board of Directors.

POWER



**Energizing the
Nation's Future**



Affordability

Making Energy Economically
Viable for Everyone

page 74



Accessibility

Connecting More People to Grid

page 77

Service Reliability & Safety

Connecting More People to Grid

page 81

Energy Transition

Balancing Energy Security
and Decarbonization

page 91

Energy is *central* to economic progress and everyday life



Meralco's mandate to serve the nation has been reaffirmed following the 25-year renewal of our franchise—strengthening our responsibility as the backbone of the country's power sector. Building on our legacy of powering economic and social progress for over a century, and with our license extended to 2053, we are even more resolute in contributing to the country's energy security and transition goals, in alignment with **SDG 7: Affordable and Clean Energy**.

KEY INPUTS

Intellectual & Manufactured Capitals

122
years of industry
leadership

22,107
km of power lines
owned by DU

5,069.7
MW net sellable capacity
by MGEN

2025 PERFORMANCE HIGHLIGHTS

99.97%

of franchise area
electrified

In 2025, Meralco delivered competitively priced electricity²⁰ to nearly 7.6 million residential customers and more than 600,000 businesses across our franchise area, including key central business districts and industrial hubs. Beyond our core network, we also advanced microgrid initiatives to enhance electricity access in geographically isolated communities.

We also continued to invest in grid resiliency and modernization initiatives to strengthen Meralco's network against the growing impacts of climate change and rising demand while enhancing overall system reliability and efficiency. This enabled us to not only achieve our all-time best performance for System Average Interruption Duration Index ("SAIDI") and System Average Interruption Frequency Index ("SAIFI") but also surpass the 1–100 gold standard for these reliability indicators.

Finally, we actively diversified MGEN's generation portfolio to meet the rising demand for affordable and clean power through the continued development of MTerra Solar, the world's largest integrated solar and battery energy storage system ("BESS") facility, alongside other solar farms across Luzon.

KEY OUTCOMES

Intellectual & Manufactured Capitals

9.9%
improvement in
the DU's SAIDI

12.5%
improvement in
the DU's SAIFI

95.2%
overall power plant
availability rate of MGEN's
power plants

76,613

households energized
under the Meralco
Electrification Program
("MEP")

8.2M

customers served
by the DU

This renewable energy ("RE") portfolio expansion is complemented by MGEN's strategic investments in coal and liquefied natural gas ("LNG") to ensure the continued delivery of reliable and cost-competitive power across the country.

Looking ahead, One Meralco will continue harnessing the power of energy to create shared value and support the country's pursuit of inclusive and sustainable national development.

²⁰We define "competitively priced electricity" as electricity whose price was determined in accordance with the Department of Energy's ("DOE") policies and the Energy Regulatory Commission's ("ERC") rules.

STORIES OF LIGHT

Powering the Future with Meralco's Extended Franchise



Meralco's social license to operate is anchored in our legislative franchise—a public mandate granted by the Philippine government and sustained by public trust. We thus carry a responsibility to deliver reliable service to the people we serve while upholding the highest standards of excellence, in support of national development goals.

In April 2025, President Ferdinand R. Marcos Jr. approved the 25-year extension of Meralco's franchise through Republic Act No. 12146, extending the DU's authority to operate until 2053, well beyond the original 2028 expiration. This renewal reaffirms our mandate to construct, operate, and maintain electricity distribution systems across Meralco's existing franchise area, ensuring continuity of service for millions of customers across Metro Manila and neighboring provinces.

During the signing of the law, President Marcos emphasized that the DU's franchise renewal advances the government's broader

objective of achieving energy security and ensuring the continuous delivery of essential services to Filipino households and businesses, particularly as electricity demand continues to grow.

Backed by consumer and industry groups, the early renewal was a strong vote of confidence by the Philippine government in Meralco's role in nation-building and economic development. The measure received broad support from both the Senate and the House of Representatives, reflecting legislative confidence in our ability to deliver with excellence.

"The fresh franchise enables us to implement long-term energy infrastructure projects that will further improve the delivery of electricity to homes, businesses, and industries that fuel the country's development."

Manny V. Pangilinan
Chairman & CEO

Meralco's renewed franchise also strengthens our role in advancing the Philippines' energy transition. We continue to increase the share of RE in the power we deliver to our customers, in support of the DOE's RPS and the country's energy transition goals. By scaling investments in renewable and flexible energy solutions that complement our distribution mandate, we continue to contribute to energy security while ensuring that the electricity we supply to homes and enterprises remains sustainable.

With renewed trust from the government and our stakeholders, Meralco and the rest of the Group are well positioned to continue powering communities and industries today while enabling a more resilient, sustainable, and modern energy system for future generations.



AFFORDABILITY

Making Energy Economically Viable for Everyone

SASB IF-EU-240



Affordability is fundamental to maximizing the social and economic benefits of electricity, especially in emerging economies such as the Philippines. Under Republic Act No. 9209, Meralco has a legal responsibility to “supply electricity to its captive market in the least-cost manner”. By keeping electricity prices manageable, we help improve quality of life, drive business activity, and enable economic development across the communities we serve.

In line with this mandate, we strive to deliver fairly priced electricity to millions of Filipinos across our franchise area in full compliance with the regulatory standards of the ERC. Recognizing that generation costs are a key driver of electricity prices, we at One Meralco continue to expand and diversify our own generation portfolio through MGEN, enabling us to help lower electricity costs in the country.

A. Keeping Prices Affordable Across the Board

Average retail electricity rate (in PhP/kWh)

	MERALCO			CLARK ELECTRIC		
	2023	2024	2025	2023	2024	2025
Residential	11.86	12.14	13.42	6.60	6.70	6.71
Commercial	10.36	10.14	11.48	6.56	6.65	6.64
Industrial	9.10	8.86	10.04	6.40	6.50	6.48
Overall	10.55	10.54	11.81	6.50	6.59	6.58

Meralco's average retail rate increased by 12% to PhP 11.81 per kWh in 2025, from PhP 10.54 per kWh in 2024. This increase was primarily driven by a 15% rise in the generation charge—which accounts for 64% of the total rate—mainly due to higher fuel costs from plants utilizing LNG and Malampaya natural gas.

In addition, the Transmission charge, representing 9% of the retail rate, increased by 31% as a result of higher ancillary service charges following additional reserve capacity procured by the NGCP from the Reserve Market.

Meanwhile, Clark Electric's overall average retail rate grew from 2024 to 2025, reflecting relatively higher energy sales to key primary-metered customers in the hotel and casino, aviation, mixed-use development, and telecommunications sectors.

System loss metrics

	MERALCO			CLARK ELECTRIC		
	2023	2024	2025	2023	2024	2025
Amount of energy lost through the distribution system (in MWh)	3,095,968	3,373,343	3,266,341	13,388	16,692	13,688
Energy lost in the distribution system vs. net system input (in %)	5.88	5.99	5.85	1.92	2.28	1.64
Customer savings due to lower system loss vs. ERC's system loss cap (in PhP million)	4,876.21	5,060.41	6,469.52	164.50	146.15	159.30

We continued to take proactive measures to reduce both technical system loss (arising from inherent limitations in the physical delivery of electricity) and non-technical system loss (which result from external factors such as pilferage, inaccurate registration due to damaged meters, and natural wear and tear of facilities).

These losses, which are recoverable from customers only up to a statutory cap, are carefully managed through continuous system enhancement efforts and sustained collaboration with law enforcement agencies, including the Philippine National Police, to deter and enforce rules against illegal service connections.

We also periodically conduct studies to ensure an optimal balance between the benefits of a lower system loss and the capital expenditures ("CapEx") required for improvement initiatives.

In 2025, Meralco and Clark Electric posted system loss levels of 5.85% and 1.64%, respectively, improving from 5.99% and 2.28% in 2024. Both utilities recorded a system loss rate that remained below the indicative 6.5% regulatory cap—with Meralco outperforming the threshold for the 18th consecutive

year—demonstrating strong operational efficiency that reduces energy wastage as a result of effective network optimization. In particular, the improvement in Meralco's system loss translated into approximately PhP 6.5 billion in customer savings during the reporting period.

B. Diversifying Our Generation Portfolio

According to the latest data from the International Energy Agency, the Philippines' power generation mix remains largely reliant on conventional, thermal sources. Coal accounted for nearly 63% of the country's total power generation, followed by LNG at almost 15%. Renewable sources—including geothermal, hydropower, solar, wind, and biofuels—collectively represented only about 22%. This mix highlights both the country's current dependence on reliable, dispatchable power sources like coal and LNG—which remain among the most cost-competitive options available to meet baseload demand—and the

significant opportunity to expand RE over time to contribute to local and global energy transition goals.

It is within this context that One Meralco is adopting a pragmatic approach to the energy transition. By maintaining a diversified power supply portfolio that balances conventional and RE sources through MGEN, we are able to supply electricity within our market at competitive prices while progressively increasing the share of cleaner energy in our portfolio as RE technologies, infrastructure, and market conditions allow. This balanced approach supports affordability and reliability today, while enabling a responsible transition towards a low-carbon energy mix over the long term.

In 2025, MGEN secured the exemption from the DOE's 2020 coal moratorium for both the 73-MW expansion of the Toledo

coal facility in Cebu as well as the development of Atimonan One Energy, Inc.'s ("A1E") 1,200 MW ultra-supercritical coal-fired power plant in the Province of Quezon. These two thermal facilities are intended to provide dependable and cost-effective baseload power for Luzon and Visayas.

Through MGEN Thermal, MGEN plans to increase its baseload capacity by 99% to over 2,500 MW over the next five years, supporting the broader goal of doubling net sellable capacity from approximately 5,070 MW as of December 2025 to about 10,063 MW by 2030. Together with continued investments in solar and LNG, these initiatives reflect MGEN's diversified and practical approach to meeting growing domestic energy demand, helping lower electricity costs, and contributing to a more secure energy future for the Philippines.



ACCESSIBILITY

Connecting More People to the Grid

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



Access to reliable energy remains a fundamental measure of progress under **SDG 7: Affordable and Clean Energy**. In

the Philippines, electricity access has reached approximately 98%, according to the latest World Bank data—bringing the country closer to full electrification. In support of the national target of achieving 100% electrification

by 2028, Meralco continues to extend dependable power service to the remaining unserved and underserved communities within our franchise area, which represents more than a quarter of the Philippine population.

Beyond expanding household energy access, One Meralco plays a pivotal role in driving national development by powering key economic and industrial corridors. Through Clark Electric, we serve the Clark Special Economic Zone; via Meralco Ecozone Power, we support the Cavite Economic Zone; and through Shin Clark, we energize New Clark City. Together, these strategic growth centers generate an estimated 50% of the country's gross domestic product and roughly 60% of total manufacturing output—underscoring the critical role of reliable electricity in sustaining national growth.

A. Expanding Customer Connections

One Meralco remained at the center of the country's economic growth in 2025, ensuring that the lights were on for more Filipino homes and enterprises than ever before. During the reporting period, we delivered approximately 53,997 GWh of electricity to over 8.2 million customer connections, compared to 54,325 GWh supplied to more than 8 million

connections in 2024. This decrease was driven by 2025 being a non-leap year, cooler temperatures during the La Niña season, POGO-related vacancies, and higher frequency of work and class suspensions due to typhoons and flooding. Nonetheless, continued electrification efforts and the addition of 178,000 new customer connections helped temper the decline.

Number of customer connections per type

	MERALCO			CLARK ELECTRIC		
	2023	2024	2025	2023	2024	2025
Residential	7,229,899	7,430,561	7,597,252	1,245	1,219	1,197
Commercial	579,721	593,897	605,164	1,320	1,313	1,301
Industrial	10,753	10,806	10,838	151	152	157
Flat streetlights	4,925	4,920	4,917	92	93	97
Total	7,825,298	8,040,184	8,218,171	2,808	2,777	2,752

Energy sales per customer type (in GWh)

	MERALCO			CLARK ELECTRIC		
	2023	2024	2025	2023	2024	2025
Residential	17,772	19,446	19,051	8	9	8
Commercial	18,612	19,980	19,887	393	422	433
Industrial	13,831	14,036	14,175	282	282	291
Flat streetlights	143	145	144	2	2	2
Total	50,359	53,606	53,257	685	715	734

In 2025, overall energy sales were broadly flat at -0.6% compared with the El Niño-boosted year in 2024. At the segment level, Residential sales declined by 2% as erratic weather patterns disrupted consumption trends; a brief lift in the first quarter was outweighed by increased typhoon activity later in the year, although sustained energizations, billing efficiencies, and proactive measures to minimize service disconnections provided some support.

Commercial sales remained flat, as persistent real estate vacancies and slower foreign tourist arrivals—particularly affecting hotel occupancy—offset gains from expanding franchise establishments. Meanwhile, industrial volumes demonstrated resilience, supported by sustained demand from the semiconductor and construction-related sectors, which helped counterbalance softness in the Food & Beverage segment and lower output from embedded generators.



B. Energizing Critical Public Infrastructure

In 2025, Meralco continued delivering reliable and future-ready energy solutions to address longstanding power infrastructure and capacity challenges at the Ninoy Aquino International Airport (“NAIA”), now operated by the New NAIA Infrastructure Corporation. The work supports NAIA’s modernization and continuity requirements by strengthening system resilience, improving safety, and enabling scalable capacity for growing operational demands.

Key initiatives included the construction of a new 115 kV–34.5 kV gas-insulated switchgear (“GIS”) substation, the implementation of an underground power distribution masterplan, and the installation of a 4,900-KVA uninterruptible power supply system across critical airport facilities to safeguard essential services from power disturbances.

C. Electrifying Communities in Need

Aligned with the DOE’s goal of achieving 100% electrification nationwide by 2028, the Meralco Electrification Program (“MEP”) continues to integrate the Group’s initiatives towards universal access to electricity. A key component of this program is One Meralco Foundation’s (“OMF”) Household Electrification Program (“HEP”), through which affordable electricity is delivered to remote and off-grid communities within Meralco’s franchise area. We work closely with local government units (“LGUs”) and homeowners’ associations to address common electrification barriers, including right-of-way and occupancy issues, that often affect communities experiencing energy poverty.

In 2025, the MEP energized a total of 76,613 households, while OMF’s

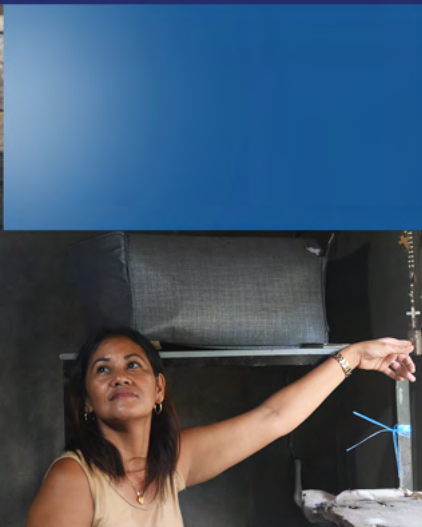
HEP enabled the connection of 6,503 low-income households that had previously lacked access to electricity. To address energy access challenges in geographically isolated and off-grid communities, Meralco continued expanding microgrid deployment in 2025. The Cagbalete Microgrid represents a major step forward in providing sustainable and reliable power to remote island communities. Once fully built within the next three years, the project is expected to become the largest microgrid system in the Philippines, combining a 2.8-MWp solar PV system, a 6.69-MWh BESS, and 1-MW diesel backup units to deliver round-the-clock electricity.

76,613
households energized
in 2025

In 2025, Meralco, together with our subsidiary MSpectrum, achieved key milestones that enabled system testing, commissioning, and full energization, culminating in the ceremonial lighting of the microgrid by the end of the year. The project is expected to deliver 24/7 electricity to more than 1,000 customers and essential facilities on Cagbalete Island, while potentially offsetting up to 42,000 tonnes of carbon dioxide (“tCO₂”) emissions—equivalent to removing approximately 9,000 cars from the road for one year.

We are also strengthening energy access for underserved communities within and beyond Meralco’s franchise area through large-scale grid infrastructure development across the country. Through the engineering, procurement, and construction (“EPC”) portfolio of MIESCOR, we are building critical transmission lines, substations, and grid reinforcement structures that will enable efficient delivery of power to more households and businesses. Some of these EPC

projects that MIESCOR started in 2025 include the Masinloc transmission line and generator transformer relay, the Giga Ace 8 solar project, and the San Jose–San Mateo–Commonwealth 115-kV line in Luzon; grid protection relay replacement in Visayas; and substation upgrading in Mindanao. Looking ahead, MIESCOR’s EPC pipeline through 2030 will increasingly prioritize RE projects across different parts of the Philippines.



SERVICE RELIABILITY & SAFETY

Fortifying the Energy System

SASB IF-EU-550



A dependable electricity supply is a cornerstone of economic and social development, enabling businesses to operate, hospitals and schools to function effectively, and households to live safely and productively. As such, Meralco continues to deliver stable, high-quality service to our customers by building and maintaining a resilient grid, optimizing load capabilities, adopting digital solutions, and ensuring the system's robustness, all while responding safely, promptly, and efficiently to any network-related incident.

A. Maintaining a Reliable Distribution Network

Meralco continued to strengthen system reliability in 2025 through sustained investments from the prior year to strengthen our distribution network, with total CapEx amounting to approximately PhP 28.5 billion. A significant portion of these investments was allocated to major miscellaneous allocation (“MA”) electric capital projects, each with a cost of at least PhP 30 million, which aimed to enhance network reliability and service quality through the replacement of aging and obsolete assets.

In 2025, key major MA projects included the replacement of power transformer banks at selected substations, the upgrading of 34.5-kV gas-insulated and metal-clad switchgear at multiple facilities, and the construction of new control houses and switchgear rooms to better protect critical substation equipment, and the uprating of 69-kV lines. These upgrades were strategically implemented across high-load and high-risk areas within Meralco’s service area to support growing demand and improve operational resilience.

Over the long term, these critical capital investments are expected to lower maintenance costs, reduce personnel exposure to high-risk activities, and significantly mitigate the risk of prolonged and widespread power outages in areas served by the upgraded substations.

Distribution reliability metrics

	MERALCO			CLARK ELECTRIC		
	2023	2024	2025	2023	2024	2025
SAIFI (in no. of times)	1.19	1.04	0.91	1.57	1.22	1.86
SAIDI (in minutes)	123.71	108.21	97.50	590.73	65.84	88.22
CAIDI (in minutes)	103.61	103.98	107.06	44.46	49.76	0.04

To monitor and manage service quality and assess the effectiveness of our investments in reliability, we continue to use internationally recognized performance indicators. In 2025, Meralco recorded improvements in both SAIFI and SAIDI. The average number of service interruptions per customer, as measured by SAIFI, decreased to 0.91 times in 2025 from 1.04 times in 2024, representing an improvement of 12.5%. Likewise, the average duration of service interruptions, based on SAIDI, decreased by 9.9% to 97.50 minutes from 108.21 minutes in the prior year. Overall, Meralco’s reliability performance exceeded the gold standard for SAIFI–SAIDI of 1–100,

demonstrating that our service not only meets but outperforms international benchmarks. These improvements were driven by continued enhancements to the distribution network, including the commissioning of new substations and the implementation of grid resiliency measures. Key initiatives included the replacement of hazardous and aging wooden poles, reconductoring of overhead bare lines to covered conductors, and upgrades to lightning protection systems. Meralco’s 2025 performance in both metrics reflected sustained progress in service reliability and operational efficiency.

Meanwhile, Clark Electric recorded lower reliability performance in 2025, with SAIFI and SAIDI increasing by 52% and 34%, respectively, from 2024 levels. Nonetheless, these were supported by proactive maintenance programs, timely replacement of aging equipment, enhanced vegetation management, and the continued deployment of covered conductors to reduce outages caused by trees and adverse weather conditions.



The distribution utilities' performance in both reliability indicators remained within the reward levels prescribed by the ERC under the Third Regulatory Period Performance Band. This continues a track record established since the implementation of the Performance Incentive Scheme in 2012, owing to continuous improvements in system reliability driven by preventive maintenance and network modernization.

Throughout 2025, both Meralco and Clark Electric carried out regular onsite inspections and testing of distribution facilities, proactively upgrading equipment to meet industry and national standards. These efforts helped maintain infrastructure stability and reduced the incidence of unplanned power interruptions. The two utilities also conducted routine tree-pruning and line-clearing activities with public safety as a priority and performed thermographic scanning of power lines and equipment following typhoons and other natural disturbances to identify potential faults and safeguard customers, employees, and the general public.

Enabling a smarter grid through telecommunication upgrades

Meralco continues to advance our grid modernization agenda through the deployment of critical telecommunications infrastructure designed to enhance network reliability and resilience. As part of this effort, we are implementing the Wireless Private Network, an initiative that leverages private LTE technology to strengthen our Distribution Automation and Advanced Metering Infrastructure ("AMI") programs. Supporting this rollout, MIESCOR serves as the EPC partner, undertaking the installation and energization of 103 base stations across Meralco's franchise area under a four-phase program. Once fully deployed, the network will enable faster fault detection and response, improve system visibility, and reinforce overall grid resilience.

In parallel, we are also modernizing substation communications under the IP Access Equipment Project, transitioning from legacy time-division multiplexing systems to IP-based multiplexers to ensure compatibility with advanced protection and automation technologies. MIESCOR supports this initiative through equipment supply and installation services. To date, 40 IP multiplexers have been deployed across various substations, with subsequent phases covering 108 existing and new substations. These upgrades strengthen real-time communication between substations and control centers, future-proof substation automation systems, and enhance the reliability and operational agility of Meralco's distribution network.

In addition, MIESCOR also supports RE integration through telecommunications infrastructure for embedded generators. For the 17.185-MW San Ildefonso Alternative Energy Corporation solar power plant, MIESCOR delivered and commissioned the required connection assets to enable seamless integration with the distribution network. MIESCOR is also building almost 3.2 kilometers of fiber optic infrastructure for Phinma Solar Energy Corporation's C-teknik and Geomax rooftop solar projects, fulfilling grid connection requirements while strengthening partnerships with RE developers and supporting the country's clean energy goals.

Commanding at the edge of the grid

As distributed energy technologies such as rooftop solar, battery storage, embedded generation, and electric vehicle (“EV”) charging infrastructure expand across Meralco’s franchise area, the distribution network is becoming increasingly decentralized and dynamic. In response, Meralco is developing a proposed Grid Edge Operations and Control Center (“GEOCC”), a next-generation command facility targeted for completion by 2030. Designed as an operational nerve center

and complementary “twin” to the existing System Control Center (“SCC”), the GEOCC will extend real-time visibility and control from high-voltage substations down to low-voltage facilities and customer-level systems, integrating telemetry from millions of smart meters and distributed energy resources (“DERs”).

Working alongside the SCC—which manages high-voltage infrastructure through SCADA and the Advanced Distribution

Management System—the GEOCC will focus on grid-edge intelligence, enabling coordinated actions such as DER dispatch and EV load management, while strengthening outage response, power quality, and localized network performance. Through this modernization initiative, Meralco is reinforcing system resiliency and preparing the network to reliably serve more than 8 million customers in an increasingly digital and renewable-driven energy landscape.

Maximizing digital visibility for operational efficiency and resilience

As the scale and complexity of MGEN’s assets continue to expand, digital asset intelligence has become central to operational efficiency and resilience. In 2025, MGEN adopted the IBM Maximo Application Suite (“MAS”), a unified asset lifecycle management platform designed to enhance visibility, reliability, and performance across its generation portfolio.

Through the platform’s advanced analytics and artificial intelligence capabilities, MGEN strengthens its ability to monitor, maintain, and optimize solar, thermal, LNG, and other facilities across 12 provinces in the Philippines and Singapore through a single integrated platform.

The implementation forms a cornerstone of MGEN’s broader digital transformation strategy. MAS integrates asset management, maintenance workflows, inventory tracking, procurement interfaces, and financial reporting into a unified platform—facilitating data-driven decision-making.



✱ BRIGHT SPARKS

Clearing the Way for Safer, Stronger Cities

In 2025, Meralco's anti-urban blight ("AUB") operations gained momentum in key urban centers such as Makati and Manila, including high-traffic areas like Guadalupe-Viejo and Binondo. We carried out careful wire-clearing work under challenging conditions to remove hazardous cable clutter and reduce safety risks for residents, pedestrians, and motorists, particularly during typhoons.

Meralco's AUB campaign has grown from one-time clean-up activities

into a sustained community effort focused on public safety and accountability. Through coordination with LGUs and telecommunications companies, we strengthen the enforcement of proper cable installation standards and reduce the recurrence of unsafe and illegal service connections. While these efforts may cause short-term inconvenience, the AUB campaign supports safer power delivery and helps restore order and dignity to streets within Meralco's franchise area.



Urban blight activities

Category	2023	2024	2025	TOTAL
Completed AUB poles	91	596	784	1,471
Retired unauthorized attachments and idle/dead wires (in kg)	8,831	103,703	129,916	242,450
Unique cities/municipalities covered by AUB	18	16	25	59

We also aggressively removed unauthorized attachments and idle or dead wires, retiring a total of over 242,000 kilograms of these hazardous materials since 2023. Annual removals have risen sharply, from only over 8,800 kilograms in 2023 to nearly 130,000 kilograms in 2025, substantially reducing safety hazards, fire risks, and service disruptions. These activities were implemented across 59 cities and municipalities, underscoring our role as a responsible infrastructure steward committed to making communities safe, orderly, and resilient.

B. Powering Through a Warming World

The Philippines is buffeted by an average of 20 typhoons annually, several of which typically cause significant and widespread damage, with recent years marked by a rising frequency of intense tropical cyclones. In 2025, 23 tropical cyclones entered the Philippine Area of Responsibility, six of which affected Meralco's franchise area, bringing in strong winds and flooding due to enhanced monsoons.

These climate-related hazards underscore the importance of ensuring the continued reliability and resilience of Meralco's distribution system. Increasing exposure to severe weather events has also contributed to higher insurance costs and tighter coverage conditions, as insurers account for heightened risks of loss and damage.

As such, we continue to implement extensive preventive and resiliency measures, focusing on infrastructure readiness and the preparedness of our disaster response teams, to reduce the impact of severe weather events on our distribution network.

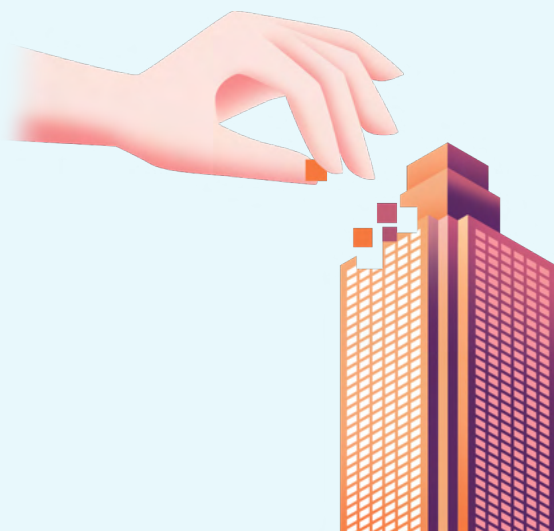
As part of our typhoon preparedness efforts in 2025, Meralco carried out pre-emptive measures such as targeted tree trimming, comprehensive line inspection and clearing, and the removal of billboards and other structures that posed risks of causing outages during strong winds. We also deployed high-bed trucks and motorized fiberglass boats to support power restoration and rescue operations while proactively communicating electrical safety reminders to customers, particularly during severe flooding. These activities were undertaken in close coordination with LGUs and key government agencies, including the DOE and the Metropolitan Manila Development Authority ("MMDA").

We also continued to strengthen storm resiliency through infrastructure hardening initiatives, including the replacement of poles, upgrading of conductors and lead wires, and the installation of line and equipment covers. In 2025, Meralco installed approximately 13,546 line and equipment covers in areas near construction sites and other high-risk locations. We also operated and maintained about 20,010 spans of overhead lines and underground cables, converted 4,277 wooden crossarms to more durable fiberglass alternatives, and replaced 12,684 aging and hazardous poles to further enhance network resilience.



Infrastructure hardening for storm resiliency metrics

	MERALCO			CLARK ELECTRIC		
	2023	2024	2025	2023	2024	2025
Poles replaced	12,054	12,012	12,684	-	10	1
Upgraded conductors (in spans)	19,975	20,150	20,010	46	16	25
Number of line and equipment covers installed	26,593	7,824	13,546	-	222	-
Wooden crossarms converted to fiberglass	3,296	3,382	4,277	-	-	-



We also continued to strengthen our Lightning Protection Improvement Program (“LPIP”), which is designed to safeguard the distribution network from lightning strikes and related power surges. During the reporting period, we installed additional line surge arresters and overhead static wires to protect overhead conductors, and further reinforced system neutral and pole grounding across our network.

These measures were complemented by the continued use of a lightning detection system that provided real-time information on the intensity and approximate location of lightning strikes within our franchise area, enabling faster and more targeted response by our field personnel. However, as a result of enhanced monsoons and higher frequency of storms in 2025, outages attributable to lightning increased by 5.6% in 2025.

Lightning protection improvement metrics

	MERALCO			CLARK ELECTRIC		
	2023	2024	2025	2023	2024	2025
Number of surge arresters installed/replaced	31,147	36,218	40,317	9	9	21
Length of system neutrals installed/replaced (in spans)	10,550	10,225	9,592	-	-	-
Length of overhead shield wires installed (in spans)	16,800	15,350	15,414	-	-	-
Number of remote-controlled line reclosers installed	200	522	368	7	2	4

C. Energizing Resilience of Local Communities

Meralco’s commitment to operational resilience extends to the safety and well-being of our employees and the communities we serve. We have established a comprehensive business continuity management system to help ensure that our people remain safe and able to work, particularly during times of calamity. We have also designed our workplaces to withstand natural hazards, with all buildings at the Meralco Operating Center

reinforced for earthquake resilience. In addition, emergency backup sites have been installed and fully operationalized to ensure continuity of system control in the unlikely event that the primary control center is disrupted, supporting the uninterrupted delivery of electricity during emergencies.

Meralco also remains a reliable partner of the Philippine government in disaster response. In 2025, when Tropical Cyclones

Crising, Dante, Emong, Nando, Opong, and Uwan affected the country, millions of Meralco customers experienced power interruptions. Throughout these events, our personnel and line crews worked round the clock to restore electricity across affected areas within our franchise, enabling the timely resumption of essential services and helping ensure that households regained access to electricity as quickly as possible.

D. Delivering Power Through Smarter Ways

Meralco is a proud pioneer in the next frontier of smart grid technology, leveraging advanced digital solutions to respond to dynamic challenges in the power sector. In 2025, we continued to make significant progress in our Smart Grid Program, which is anchored on two pillars:

Advanced Network Automation (“ANA”) and Advanced Metering Infrastructure (“AMI”). ANA enables real-time monitoring and management of network operations and assets to address changing loads, generation, and outage incidents. Meanwhile, AMI focuses on the rollout of smart meters along with the deployment of a secure and robust communications and data management infrastructure that enables two-way communication between Meralco and our customers.

Beyond operational gains, the AMI rollout directly supports Meralco’s broader sustainability objectives. Near-real-time consumption data empowers demand-side management, energy efficiency initiatives, and more proactive customer engagement—enabling customers to better understand and manage their energy use.

Scaling network automation and smart metering

In 2025, we sustained momentum in modernizing our distribution network through continued investments in automation and digital technologies. Building on earlier deployments, we further expanded the installation of smart devices under our Distribution Automation initiative. These enhancements enable faster fault isolation, reduce restoration time, and minimize the impact of service interruptions on customers.

Under our Advanced Asset Management program, we continued rolling out the Data Historian system across substations and distribution line equipment, strengthening real-time data capture and supporting predictive maintenance to improve asset reliability and availability. From an operational technology perspective, we advanced the implementation of the Advanced Distribution Management System (“ADMS”), integrating SCADA,

Outage Management System, and Distribution Management Systems into a unified platform. This integration enhances operational visibility, accelerates outage resolution, and improves system coordination during peak demand and critical events.

We also progressed the Mobile Workforce Management System (“MWMS”), further streamlining field operations through automated work dispatch, optimized resource allocation, and real-time data access—improving workforce efficiency and response capability.



At the same time, we continued advancing smart metering as a cornerstone of our digital transformation. In 2025, we strengthened partnerships and scaled deployment of AMI, bringing total smart meter installations to more than 196,000 across our franchise area. The multi-year rollout, which targets nearly 12 million smart meters over the next decade, remains on track. Through AMI, we empower customers with more accurate billing, better visibility into consumption patterns, and improved service responsiveness, while enhancing operational efficiency and enabling greater integration of DERs such as rooftop solar and battery storage into our network.



Lighting up smart cities

Through Meralco's Smart Streetlights ("SSL") initiative, we are assessing the technical and commercial viability of intelligent streetlighting for future rollout, validating performance through dimming simulations to improve efficiency and deliver cost savings while reducing electricity use.

Following phased deployment, operations and maintenance were transitioned in 2025 to the Manila and Pasig Sector Operations Teams. Integrated into the AMI roadmap, SSL enables automated monitoring and data-driven management with an average incident resolution time of 46.3 hours. The initiative has demonstrated improved responsiveness, with continued assessment planned to support scalable expansion alongside Meralco's broader smart infrastructure programs.

* BRIGHT SPARKS

Strengthening Singapore's Grid with Rapid-Response Generation



This milestone reflects our commitment to investing in high-efficiency, future-ready technologies that address both reliability and sustainability challenges. Through PLP, we are proud to contribute to Singapore's energy security while expanding our regional footprint with innovation at the core.

Manny Rubio
President & CEO, MGEN

MGEN, through its affiliate PacificLight Power ("PLP"), has successfully completed and commissioned a 100-MW fast-start ancillary services facility on Jurong Island, Singapore. This development marks a key milestone in enhancing PLP's ability to provide reliable and responsive power in the city-state.

The new facility enhances the flexibility of PLP's existing operations by providing rapid-response generation capacity.

Powered by Siemens Energy gas turbines, the plant will deliver critical support to the grid during unplanned outages or system disturbances. This expansion will enhance the capabilities of PLP's current 800-MW combined cycle gas turbine ("CCGT") plant, which has been supplying electricity to Singapore's grid since 2014.

Notably, the project was delivered with over 480,000 person-hours at the project site without a single lost time injury. This achievement

demonstrates PLP's strong commitment to workplace safety and robust project execution standards.

Beyond this, PLP is also gearing up to build a 640-MW hydrogen-ready CCGT power plant on Jurong Island, set to be operational by 2029. This facility will include Singapore's first large-scale BESS, demonstrating PLP's commitment to supporting grid reliability and the country's transition towards a low-carbon future.

ENERGY TRANSITION

Balancing Energy Security and Decarbonization

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



Globally, electric utilities are facing challenges in balancing the reduction of greenhouse gas emissions and maintaining energy security. This issue is particularly complex in developing countries, where carbon-intensive energy sources (such as coal and LNG) remain among the most cost-competitive means of providing affordable

electricity to millions of consumers. As such, One Meralco is pursuing a just and orderly transition that steadily expands access to cleaner power while ensuring energy affordability and reliability. This approach includes the gradual increase in the share of RE in the supply mixes of Meralco and Clark Electric, in line with the DOE's RPS. At the same time, recognizing the critical role of conventional sources

in achieving energy security, we are prudently expanding our thermal generation portfolio through MGEN by investing in transition fuels such as LNG. Together, these initiatives form a core part of One Meralco's long-term sustainability strategy ("LTSS"), which aims to meet rising electricity demand in support of national development while positioning the Group as a leader in sustainability.

A. Investing in Clean Energy Responsibly

Our continued investments in RE across Meralco, Clark Electric, MGEN, and MSpectrum support the Philippine government's targets of achieving a 35% RE share in the national power generation mix by 2030 and 50% by 2040.

Ensuring a balanced energy mix

Power distribution utility fuel mix (in %)

	MERALCO			CLARK ELECTRIC		
	2023	2024	2025	2023	2024	2025
Coal	32.89	27.30	28.57	54.25	51.09	51.03
Natural gas	42.07	42.14	55.34	0.00	0.00	0.00
Oil	4.18	0.13	0.10	0.00	0.00	0.00
Hydro	0.08	0.24	0.93	22.69	21.30	21.34
Geothermal	1.20	1.03	0.00	0.00	0.00	0.00
Wind	0.00	0.00	0.00	0.00	0.00	0.00
Solar	0.75	0.82	1.24	0.02	0.02	0.00
Biomass	0.00	0.00	0.00	0.00	0.00	0.00
Wholesale Electricity Spot Market ("WESM")	18.83	28.34	13.82	23.04	27.59	27.63
Total	100.00	100.00	100.00	100.00	100.00	100.00

Through Meralco and Clark Electric, we source substantial volumes of electricity from generation companies and deliver power to customers through our distribution networks. While fossil fuels continued to comprise a significant portion of the supply mix of both utilities in 2025, Meralco and Clark Electric made further progress towards the Group's long-term objective of sourcing at least 1,500 MW of our power supply requirements from RE sources by the end of the decade, in compliance with the RPS under the Renewable Energy Act of 2008.

During the reporting period, Meralco continued implementing previously secured RE power supply agreements ("PSAs") and advanced new initiatives to increase the share of low-carbon energy in our portfolio.

By the end of 2025, the DU had contracted a total of 1,536.3 MW of RE capacity, while MPower's RE PSAs amounted to 868 MW. These contracts are expected to progressively displace carbon-intensive mid-merit supply and support the transition towards a cleaner generation mix.

We also sustained our support for the government's RE policies, including the Green Energy Option Program ("GEOP"), which allows customers with average peak demand of at least 100 kW to source electricity entirely from RE providers. As of end-2025, 621 commercial and industrial customers within Meralco's franchise area had enrolled in the program, with additional customers expected to participate in the coming years.

Supporting broader solar participation

Since 2013, Meralco has supported the Philippines' energy transition by facilitating the interconnection of a wide range of generation systems, including customers who export electricity from their own solar PV systems to the grid through net metering. This mechanism allows customers to install RE systems with capacities of up to 100 kW and supply excess generation back to Meralco's distribution network.

In 2025, Meralco continued enabling the integration of embedded generation projects across our franchise area, including utility-scale and rooftop solar facilities as well as capacity expansions of existing RE plants. These projects further strengthened the presence of DERs within the distribution system.

During the reporting period, we integrated approximately 96.2 MW of additional RE capacity into our distribution network, bringing the cumulative installed capacity of embedded RE generators to about 808.9 MW. This totals roughly 8.9% of Meralco's peak demand in 2025. By the end of the reporting year, Meralco had already accommodated a total of 22 exporting and 372 non-exporting RE embedded generators, and 19,012 energized net metering customers.

The pipeline of RE capacity from embedded generators within our franchise area stands at 1,485 MW through 2027.

To support the continued growth of DERs, we are assessing RE growth trends, forecasting system impacts, and developing solutions to enable seamless integration. Key initiatives include deploying advanced BESS to improve hosting capacity, expanding distribution facilities to accommodate additional embedded generators, plans to install solar home systems in off-grid and protected areas, and adopting smart grid technologies that enable real-time monitoring, demand response, improved grid optimization, and system loss reduction.

96.2 MW
new RE capacity
integrated



Fast-tracking net metering in Quezon City

In 2025, we strengthened Meralco's role as a key enabler of the Philippines' energy transition by entering a tripartite agreement with the ERC and the Quezon City LGU to accelerate the RE adoption through net metering in the country's most populous city. This partnership supports national targets to increase the share of RE in the power supply mix to 35% by 2030 and 50% by 2040 by leveraging public-private partnerships that enable consumers to participate more actively in the energy transition.

Under the agreement, Meralco will establish a dedicated consultation and processing booth within the Quezon City Hall compound and deploy personnel to assist customers with net metering and DER applications, along with other distribution utility services.

Meralco will also contribute technical expertise by sharing best practices on DER interconnection and serving as a resource partner for information and education initiatives. The Quezon City LGU will in turn provide logistical support, while the Energy Regulatory Commission will ensure regulatory and technical oversight to uphold program integrity and consumer protection.

19,100+
net metering
applications
commissioned

For Quezon City, the initiative aligns with broader climate objectives as a member of the C40 Cities network, reinforcing its commitment to scaling cleaner, more reliable, and more accessible energy for households and businesses.

As of December 31, 2025, Meralco has commissioned more than 19,100 net metering applications across our franchise area, with Quezon City accounting for nearly 15% of the total. These installations represent 25 megawatt-peak ("MWp"), or 17% of Meralco's aggregate commissioned net-metering capacity of 150 MWp, the highest among all cities and municipalities served.

Building on similar partnerships with other LGUs, including Pasig City, this initiative demonstrates our role in accelerating RE adoption and bring the energy transition closer to homes and businesses.



Diversifying the energy we generate

Energy delivered by MGEN by business unit (in GWh)

	2023	2024	2025
MGEN Thermal	8,238	8,857	8,954
MGEN Natural Gas ²¹	5,719	5,820	17,554
MGEN Renewables	349	619	733
Total	14,306	15,296	27,241

MGEN's generation portfolio by fuel source (in %)

	2023	2024	2025
Coal	57.10	59.17	31.91
Natural gas	41.17	37.50	65.63
Diesel	0.47	0.37	0.12
Solar	1.25	2.97	2.34
Total	100	100	100

From a power generation perspective, One Meralco continues to focus on maintaining a balanced portfolio that addresses the country's energy security, affordability, and sustainability requirements. During the reporting period, LNG overtook coal as the primary energy source for MGEN, marking a stark shift.

In 2025, MGEN Renewables delivered 733 GWh of low-carbon energy, marking an 18% increase compared to the previous year. This increase was primarily driven by the energization of two new plants (Cordon and Bongabon) in 2025. MGEN's overall energy sales

also increased during the reporting period, supported by improved plant availability resulting from the strategic scheduling of maintenance shutdowns earlier in the year.

The Group's transition towards cleaner energy began in 2021 with the development of BulacanSol, a 55-MW solar facility in Bulacan. This was followed by the establishment of PH Renewables, Inc., which operates a 75-MW solar plant in Rizal, and Nuevo Solar Energy Corporation, which runs a 68-MW solar facility in Ilocos Norte. Both plants have been operational since 2023. Complementing these grid-edge efforts, our broader Group also expanded the RE supply.

In the first quarter of 2025, MGEN Renewables completed and inaugurated three solar projects across Luzon with a combined capacity of 152.7 MW. These included the 19.8 MW Bongabon Solar in Nueva Ecija, the 52.8 MW Cordon Solar in Isabela, and the expanded Baras Solar facility in Rizal, which has now a total capacity of 80.1 MW. The expansion provided clean and reliable electricity to more than 154,000 households while supporting national RE targets. With these additions, MGEN's RE portfolio has grown to nearly 408.5 MW of net sellable capacity across seven provinces.

²¹Comprises LNGPH and PacificLight Power

In 2025, the MTerra Solar project marked a major milestone in our transition journey, reinforcing progress towards system reliability, energy security, and the Philippines' clean energy transition. In the last quarter of 2025, the DOE confirmed the successful energization and grid cut-in of Stage 1, including the 500-kV substation along the Nagsaag–San Jose 500-kV Line 2. This enabled the initial interconnection of 364 MW of solar capacity integrated with BESS. Developed through Terra Solar Philippines, Inc., the project forms part of the DOE's pipeline of 200 priority power generation projects and is designated as an Energy Project of National Significance. Spanning Nueva Ecija and Bulacan, MTerra Solar is expected to become the world's largest integrated solar and energy storage installation once fully developed, delivering up to 3,500 MWp of solar capacity

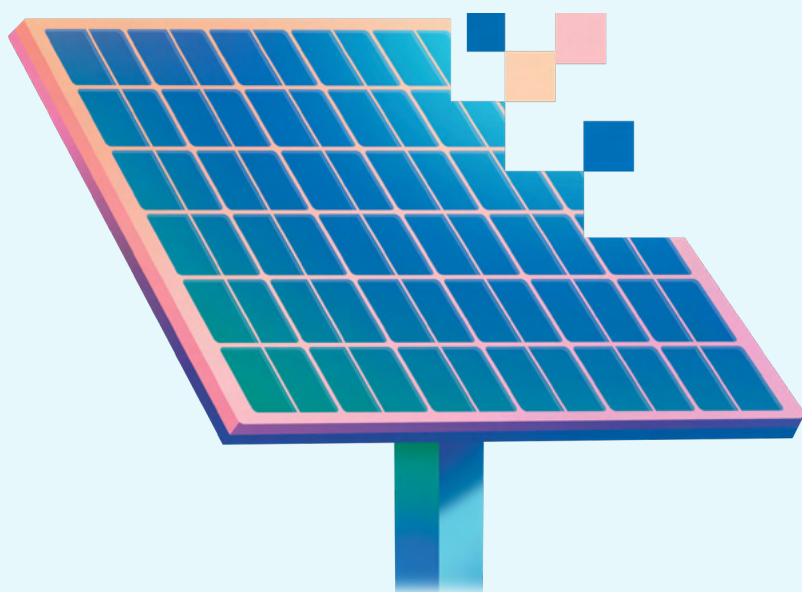
supported by 4,500 MWh of BESS and supplying clean power to at least 2 million households.

Progress in 2025 was underpinned by close coordination between Meralco, MGEN, the DOE, the National Grid Corporation of the Philippines, and LGUs, with strong support from municipal and provincial stakeholders in Nueva Ecija and Bulacan. The project is expected to begin delivering clean energy to the grid by 2026 and be fully completed by 2027.

MTerra Solar forms part of One Meralco's broader objective to build an RE portfolio with at least 1,500 MW of attributable capacity by the end of the decade. By the end of 2025, MGEN Renewables' net sellable solar capacity stood at 251.8 MW.

Annual growth of solar capacity installed by MSpectrum (in %)

2023	2024	2025
23%	24%	22%



In addition to the initiatives of Meralco and MGEN, MSpectrum continued to support the expansion of the Group's RE footprint in 2025 by delivering small-scale, distributed solar solutions to commercial and industrial customers. As of end-2025, MSpectrum had achieved a cumulative installed capacity of 95 MW and remained on track to surpass 100 MW in the near term.

Looking ahead, MSpectrum plans to significantly scale its RE portfolio through solar power purchase agreements ("PPAs"), with the goal of increasing installed capacity to more than 600 MW by 2030.



Building resilient infrastructure to support the energy transition

One Meralco actively supports the country's RE transition by building infrastructure that supports clean energy projects nationwide through our subsidiary MIESCOR. MIESCOR's role is to enable power generation companies to develop reliable, efficient, and resilient infrastructure that supports the reliable integration of RE into the main grid. The company has been involved in numerous EPC projects nationwide and continues to actively work on complex, large-scale infrastructure developments that showcase our strong engineering capability and execution expertise.

A key milestone in this effort is the company's EPC role in the USD 4-billion MTerra Solar project, where MIESCOR was engaged to

design and construct critical grid-connection infrastructure, including a 34.5/230/500-kV main collector substation, two solar PV satellite collector substations, and two double-circuit 230-kV transmission lines. These facilities will connect the 3,500-MWp solar plant and 4,500-MWh BESS in Bulacan and Nueva Ecija to the national grid, supporting the phased delivery of 2,500 MWp by 2026 and an additional 1,000 MWp by 2027.

Beyond its scale, the project highlights our ability to deliver complex, high-voltage infrastructure that strengthens system reliability while advancing clean energy integration.

Beyond MTerra Solar, MIESCOR's broader EPC portfolio reflects a deliberate shift towards RE projects. From 2026 to 2030, MIESCOR's EPC pipeline will increasingly focus on RE projects, spanning solar, wind, and renewable-supporting infrastructure nationwide. This shift reinforces our role as a critical partner to utilities and generators by expanding access to clean energy and strengthening grid resilience.

USD 4 billion
MTerra Solar EPC
project



Expanding access to solar energy through PPAs

MSpectrum continues to strengthen its role as a key driver of RE adoption in the Philippines by expanding installed PPA capacity and deepening partnerships with commercial and industrial customers. As the RE arm of One Meralco, MSpectrum focuses on delivering distributed solar solutions that enable businesses to decarbonize operations while improving long-term cost efficiency. Through PPAs, customers gain access to clean energy without upfront capital investment, making the transition to renewables both practical and scalable.

In 2025, MSpectrum expanded the installed PPA capacity by 10 MW, increasing the portfolio from 25 MW in 2024 to 35 MW in 2025. Growth was driven by continued demand from commercial and industrial customers, reflecting strong confidence in the company's capability to deliver reliable and high-quality solar energy solutions. The expanding portfolio highlights sustained market momentum and reinforces MSpectrum's position as a trusted partner for businesses seeking to manage energy costs and reduce emissions in the long term.

✱ BRIGHT SPARKS

Scaling Renewable Energy Through Strategic Partnerships



In 2025, we strengthened the expansion of RE in MGEN's portfolio through strategic partnerships with international organizations to support large-scale clean energy development in the Philippines and the ASEAN region. A key milestone was our partnership with ACWA Power, a Saudi Arabia-based developer and investor, formalized during the ASEAN Summit in Kuala Lumpur, to jointly explore and develop RE projects across the country.

The collaboration brings together ACWA Power's global portfolio of 78.8–78.9 GW of net sellable capacity and MGEN's diversified generation portfolio of 5,069.7 MW, positioning both parties to advance utility-scale solar and other RE projects critical to the region's energy transition.

In the same year, MGEN further strengthened a longstanding partnership with Korea Electric Power Corporation through

continued joint ownership of the 63.3 MWp solar farm in Calatagan, Batangas, following the formal replacement of Solar Philippines Power Project Holdings, Inc. by SP New Energy Corporation ("SPNEC") as a shareholder. Beyond the Calatagan facility, both parties have affirmed plans to expand their collaboration into other RE technologies, including wind and BESS.

B. Leveraging Natural Gas as a Transition Fuel

As electricity demand in the Philippines continues to rise, strengthening energy security remains a core priority for One Meralco. Central to this effort is the expansion of MGEN's generation portfolio through investments in LNG, which provides reliable baseload power while offering lower-carbon intensity during combustion compared with coal. In 2025, MGEN, together with key industry players San Miguel Global Power and Aboitiz Power Corporation, reached financial close on a USD 3.3-billion strategic partnership to develop the country's first fully integrated LNG complex. The project enabled the operationalization of a 2,500-MW LNG facility in Batangas, significantly strengthening the country's power supply reliability.

The integrated LNG development brings together power generation, LNG import, storage, and regasification infrastructure, enhancing fuel supply security and



**USD 3.3
billion**
strategic LNG
partnership

improving the system's ability to respond to demand fluctuations and RE variability. Through Chromite Gas Holdings, Inc., MGEN is helping deliver critical baseload and peaking capacity that supports grid stability and moderates price volatility.

Beyond domestic investments we continue to strengthen One Meralco's regional presence by advancing future-ready energy projects that support decarbonization and system resilience. Through its affiliate PLP, MGEN is developing Singapore's largest and most-advanced, hydrogen-ready CCGT power plant. The 640-MW high-efficiency facility, awarded by Singapore's

Energy Market Authority, is expected to commence operations by 2029 on Jurong Island and will be the first CCGT plant in the city-state integrated with large-scale BESS.

Designed to operate initially with hydrogen co-firing and transition to full hydrogen capability as supply chains mature, the Singapore project reflects close collaboration with government agencies, technology partners, and contractors. By combining advanced gas turbine technology with energy storage, the facility will enhance grid flexibility and support Singapore's long-term, net-zero ambitions, while building on PLP's strong operational track record in one of the region's most competitive power markets.

Taken together, these initiatives demonstrate how Meralco's LTSS is being delivered through strong partnerships with governments, regulators, industry peers, and technology leaders. By working closely with stakeholders across the value chain, Meralco is strengthening energy security, supporting regional growth, and laying the foundation for a more resilient, affordable, and low-carbon energy future in the Philippines and across the region.

C. Building an Energy-secure Future with Nuclear

Our plans to diversify the energy mix are inherently long term, integrating technologies that are appropriate for the Philippines today while laying the groundwork for a more sustainable future. Looking ahead, nuclear energy offers a low-carbon option that can help reduce reliance on fossil fuels, which contribute to global warming and are subject to price volatility, while providing a stable and reliable power supply. Through Meralco's Nuclear Energy Strategic Transition ("NEST") program, we are actively assessing nuclear power as a potential baseload solution to help balance energy security, affordability, and climate objectives over the long term.



Laying the groundwork for a nuclear-ready future

In 2025, Meralco took a significant step towards shaping the country's long-term energy future with the formal launch of the NEST Program. NEST serves as Meralco's flagship initiative to evaluate how nuclear energy can be responsibly integrated into the Philippine power mix as a secure, reliable, and low-carbon source of baseload power. The program reflects our recognition that rising electricity demand, increasing climate risks, and the need for stable supply require solutions that complement both conventional generation and RE.

NEST follows a careful and phased approach grounded in international best practices and rigorous due diligence. In 2025, Meralco strengthened engagement with global institutions such as the International Atomic Energy Agency and the Nuclear Energy Agency, while pursuing partnerships with experienced nuclear operators from France and South Korea. We entered into agreements with Électricité de France and continued collaboration with the United States to explore the potential deployment of small modular reactors ("SMRs"), which offer scalable capacity and enhanced safety features.

During the reporting period, Meralco successfully secured a USD 2.7-million grant from the United States Trade and Development Agency ("USTDA") to fund a comprehensive assessment of SMR deployment in the Philippines, scheduled to begin in early 2026 and conclude by the end of the year. In parallel, we continued evaluating the possible rehabilitation of the Bataan Nuclear Power Plant to ensure that all pathways are assessed transparently and responsibly.

At the core of NEST is the understanding that nuclear energy extends beyond infrastructure and requires strong institutions, public confidence, and skilled talent. This perspective builds on the Filipino Scholars and Interns on Nuclear Engineering ("FISSION") Program we launched in 2023, which supports local engineers pursuing advanced studies in nuclear engineering abroad, with the first batch of scholars graduating in 2026.

PLANET



**Growing
Within
Earth's
Boundaries**



Climate Change Mitigation

Enabling a Low-Carbon Future

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Material Consumption & Waste Management

Advancing Circularity Across Our Business

page 127

Air Quality

Protecting the Air We Breathe

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Water & Effluents

Preserving Our Planet's Lifeblood

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Biodiversity

Securing Ecological Resilience

page 134

**The natural
world remains in
critical condition**



KEY INPUTS

Natural Capital

5.1

Mt of feedstock coal used by MGEN

11.0

ML of feedstock oil used by MGEN

7.7

GL of freshwater withdrawn by MGEN

2025 PERFORMANCE HIGHLIGHTS

57.8

tCO₂e avoided through the DU's vehicle fleet electrification



KEY OUTCOMES

Natural Capital

2.5%

increase in Group-wide GHG emissions

~20%

decrease in MGEN's NO_x and PM₁₀ emissions

98%

of the DU's solid waste diverted from landfills

2025 was one of the three warmest years on record, with average global temperatures rising to 1.44 °C above pre-industrial levels—placing the world alarmingly close to the 1.5 °C threshold set under the Paris Agreement. In the Philippines, similar extremes have been recorded, particularly in terms of heat index, reaching dangerous levels ranging from 45 to 46 °C during summer months. This accelerated warming continues to intensify the triple planetary crisis—climate change, pollution, and biodiversity loss—posing serious risks to both ecological and human health. Recent studies underscore the mounting toll of environmental degradation: 99% of the world's population live in areas where air pollution levels are high, while more than 1 million species are on track for extinction in the coming decades.

Acknowledging the urgency of addressing these interconnected challenges, we have adopted a holistic approach to managing greenhouse gas ("GHG") emissions, solid waste, air pollutants, water consumption, and biodiversity impacts to reduce environmental footprint across our operations and value chain without compromising our commitment to delivering reliable energy.

153,790

trees planted under OMF's One for Trees ("OFT")

19,299

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

Despite evolving complexities and uncertainties, One Meralco remained steadfast in embedding environmental responsibility into our business, advancing our commitments to **SDG 12: Responsible Consumption and Production**, **SDG 13: Climate Action**, **SDG 14: Life Below Water**, and **SDG 15: Life on Land**.

STORIES OF LIGHT

Sowing the Seeds for a Greener Future



At One Meralco, we believe that success is measured not just by the power we deliver, but also by the ecosystems we help restore and the communities we empower. As the impacts of climate change and environmental degradation continue to grow, our role extends beyond providing reliable energy to our customers—it calls on us to be responsible stewards of nature.

In 2025, as part of OMF's OFT program, MGEN launched the Bucari Reforestation and Carbon Sink Project in the Municipality of Leon, Iloilo, in collaboration with the Department of Environment and Natural Resources ("DENR") Region VI, the local government unit ("LGU") of Leon, and the Bucari Eco-Planters Association. Supported by an Php 18.5 million investment, the initiative aimed to rehabilitate degraded forestlands in the municipality through active community engagement.

Spanning six years, the project will involve planting more than 340,000 native and fruit-bearing seedlings across 225 hectares in Barangays Bucari, Cagay, and Danao. This will supplement MGEN's contribution of over 1.4 million trees to OFT. Designed to restore forest cover, protect local biodiversity, and create a natural carbon sink capable of absorbing substantial amounts of GHG emissions over time, the initiative will also provide livelihood opportunities for local farmers and residents through tree cultivation, maintenance, and agroforestry.

Complementing this large-scale reforestation effort by OMF, MPower and Vantage Energy, continued to expand their own community-centered tree-planting program, CommuniTrees. In 2025, more than 2,500 native seedlings were planted by our two RES business units with employee

volunteers and community partners at the Laguna–Quezon Land Grant in Siniloan, Laguna, bringing total seedlings planted across the country to more than 15,000 over the past decade.

These efforts reinforce OMF's long-term commitment to climate action and ecosystem restoration through OFT. Looking ahead, we plan to expand our carbon sequestration initiatives beyond upland reforestation to include more absorptive natural carbon sinks such as wetlands, in addition to the more than 227,500 mangroves already planted by OMF nationwide. By working alongside LGUs, local communities, and like-minded organizations, we reaffirm that meaningful environmental action is rooted in collaboration—and that restoring ecosystems, building climate resilience, and uplifting communities go hand in hand.



CLIMATE CHANGE MITIGATION

Enabling a Low-carbon Future

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



The Philippine government has pledged to reduce the country's projected baseline GHG emissions of 3,340.3 million tonnes of carbon dioxide equivalent ("tCO₂e") by 75% from 2020 to 2030. In support of this national target and **SDG 13: Climate Action**, in 2025, we continued to pursue a range of emissions abatement initiatives and technologies to lower our Group-wide emissions, with GHG reduction remaining a key sustainability performance indicator at the corporate level. Our actions include expanding the share of RE in MGEN's generation portfolio, minimizing system losses across our

distribution utilities, and increasing RE sources in our power supply.

To support our climate change mitigation efforts with robust measurement, we maintain a comprehensive and internationally aligned approach to tracking our emissions. In defining the scope and organizational boundaries of our GHG inventory, One Meralco conforms with the GHG Protocol Corporate Accounting and Reporting Standard ("GHG Protocol") developed by the World Resources Institute ("WRI") and the World Business Council for Sustainable Development ("WBCSD").

In line with this framework, our emissions are categorized as follows:

- **Scope 1** — direct emissions from sources owned or controlled by One Meralco;
- **Scope 2** — indirect emissions from the generation of energy purchased by One Meralco; and
- **Scope 3** — all other indirect upstream and downstream emissions occurring across the One Meralco's value chain.

Beyond tracking absolute emissions, we also place strong emphasis on monitoring emissions intensity and continuously improving operational efficiency through the adoption of cleaner and more efficient technologies across our businesses.

A. Scope 1: Managing Direct Operational Emissions

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

Equity-applied Scope 1 emissions by source (in tCO₂e)

MERALCO			
	2023	2024	2025
SF ₆ leakage	3,384	4,208	5,714
Vehicular gasoline consumption	2,740	3,251	2,542
Vehicular diesel consumption	14,519	15,959	13,273
Coal combustion in power plants	5,307,255	5,490,639	5,283,571
Natural gas combustion in power plants	1,066,488	1,080,536	2,732,074
Diesel combustion in power plants	49,325	36,360	27,846
Total	6,443,711	6,630,953	8,065,020

In 2025, One Meralco's Scope 1 emissions amounted to nearly 8.07 million tCO₂e. This significant increase of 22% from 2024 was primarily driven by an increase in the amount of power generated by MGEN's coal- and liquefied natural gas ("LNG")-fired power plants, in support of our Group-wide commitment to ensuring energy security in the Philippines.

With fossil fuel combustion continuing to account for a significant share of our Group-wide GHG emissions, we continue to advance the development of RE projects across multiple technologies to diversify our generation portfolio.

As of end-2025, MGEN's RE net sellable capacity stood at 408.5 MW, of which 252 MW is attributable to MGEN. This is supported by a pipeline of projects with a total net sellable capacity of 2,652 MW, 947 MW of which is attributable to MGEN, along with several additional projects currently in the pre-development stage.

Further details on our efforts to expand our clean energy portfolio are discussed in the Energy Transition section under the Power pillar.



Minimizing our network's emissions footprint

In 2025, we strengthened our management of sulfur hexafluoride ("SF₆") emissions as part of our broader efforts to address high-impact GHGs across our operations. While SF₆ remains essential to grid reliability—serving as a highly effective insulating medium in high-voltage electrical equipment due to its safety and performance characteristics—it has a global warming potential more than 25,000 times that of CO₂ and can persist in the atmosphere for 3,200 years. Its operational use therefore requires rigorous oversight to reduce environmental impact.

Although SF₆ accounts for less than 0.04% of our Scope 1 emissions, we maintain strict monitoring and management protocols for this powerful gas. SF₆ outflows from substation equipment are regularly tracked, supported by established recovery and recycling practices. Our controls include routine monitoring of gas pressure levels and the measurement of cylinder weights before and after refilling activities. We are also evaluating the deployment of advanced online monitoring systems equipped with SF₆ pressure sensors to enable earlier detection of potential leaks in switchgears and circuit breakers.

In 2025, Meralco recorded SF₆ leakages of over 235 kilograms, an increase from 167 kilograms in 2024, primarily due to wear and tear associated with aging equipment. Despite this increase, total discharges represented approximately 0.4% of the SF₆ installed across the Company's substation assets, remaining well below the 0.5% threshold prescribed under the Institute of Electrical and Electronics Engineers' guidance on SF₆ gas handling for high-voltage equipment.

3,849
SF₆-free line switches
deployed as of 2025

As part of our Greening the Network Program, we initiated the transition to alternative technologies to address the environmental impact of SF₆, even in small quantities. This initiative includes the phased adoption of SF₆-free equipment to reduce reliance on high-global warming potential gases while maintaining grid reliability and operational safety. In 2025, we progressed the implementation of this program with the pilot installation

of SF₆-free, remote-controlled switchgears. As of end of 2025, 3,849 SF₆-free line switches had been deployed across the network, marking an important step towards our target of fully transitioning to SF₆-free line switches by 2028.

In addition, we continued adopting natural ester oil ("NEO") as an insulating and cooling medium for our substation and distribution equipment, including power transformers.

Derived from crops such as soybean and corn, NEO is free from harmful petrochemicals, siloxanes, and halogens, and has the highest fire point of any insulating fluid at 360 °C, providing enhanced fire safety for utilities. In 2025 alone, nearly 19,400 NEO-insulated transformers were installed across Meralco's and Clark Electric's franchise areas.

Looking ahead, we plan to begin deploying substation equipment by 2029 that utilizes gases of natural origin—such as technical synthetic air or ambient air—in combination with vacuum interrupters. Through this structured transition, we are working towards our long-term aspiration of achieving an SF₆-free distribution network by 2060.

Electrifying mobility from within

Since 2020, we have steadily advanced the electrification of our corporate fleet as part of our broader decarbonization strategy. To date, we have converted more than 150 internal combustion engine vehicles to EVs, with EVs accounting for 5% of the DU fleet by the end of 2025—equivalent to

117 active EVs, even as 35 units were retired during the reporting year. This progress is supported by 15 dedicated station chargers across our facilities, with an additional 14 EVs procured for delivery in February 2026. Our transition to zero-tailpipe-emission vehicles has reduced our operational carbon

footprint, generated fuel cost savings of more than PhP 5.5 million, and avoided over 150 tCO₂e to date, keeping us on track towards our target of converting more than 700 vehicles and achieving 25% fleet electrification by 2030.

B. Scope 2: Regulating Indirect Emissions from Acquired and Consumed Electricity

GRI 302-2 | GRI 305-2

Equity-applied Scope 2 emissions by source (in tCO₂e)

	2023	2024	2025
System loss	2,214,381	2,350,989	2,274,700
Electricity consumption	59,076	67,244	90,856
Total	2,273,457	2,418,233	2,365,556

One Meralco's Scope 2 emissions decreased 2% from 2.4 million tCO₂e in 2024 to 2.36 million tCO₂e in 2025 due to a decrease in the DU's system loss volumes, which accounted for 97% of the Group's emissions for this scope.

Total electricity consumption (in MWh)

	2023	2024	2025
Meralco	59,890	65,971	60,964
Subsidiaries	23,059	30,993	70,046
Total	82,949	96,964	131,010

Meanwhile, our Group-wide electricity consumption increased by 41% from 96,964 MWh in 2024 to 131,010 MWh in 2025 with MGEN's acquisition of LNG facilities.





Lowering operational emissions through energy conservation and efficiency

Improving energy efficiency remains one of the most practical and cost-effective ways for us to lower emissions while optimizing operational costs. In 2025, we continued to roll out our Group-wide Resource Conservation and Efficiency Program (“RCEP”), aimed at managing electricity use, reducing Scope 2 emissions, and optimizing costs across our facilities. The program combines sustained employee engagement and awareness campaigns with the deployment of energy-efficient technologies, including LED lighting systems and inverter-type air-conditioning units, across sites within and beyond the Meralco Operating Center (“MOC”) in Pasig City. Since the program launch in 2020, RCEP has expanded to cover a wide network of Group facilities nationwide, reinforcing our commitment to responsible energy management.

Under the RCEP, we continued to strengthen conservation practices across the Group by institutionalizing clearer performance standards and expanding operational initiatives in 2025. Within the DU, we established and baselined new energy efficiency metrics to enhance performance monitoring beyond simple consumption reduction. We also secured approval of our Integrated Environment, Safety, and Health (“ESH”) and Energy Management Policy, formalizing enterprise-wide guidelines on responsible energy use.

Building on this governance framework, we sustained the implementation of conservation measures across facilities.

For energy efficiency, we deployed solar rooftop systems across seven Business Centers, accelerated LED lighting conversions, transitioned to inverter-type air-conditioning units, and reinforced behavioral initiatives such as standardized temperature settings and scheduled operation of lighting and appliances.

Across our subsidiaries, resource conservation initiatives likewise advanced through the completion of diagnostic, design, and implementation planning phases, paving the way for stronger execution.

In 2025, several of our subsidiaries completed these phases of their RE and energy efficiency initiatives, laying the groundwork for execution in the succeeding periods. Planned programs include rooftop solar installations at Clark Electric, expanded rooftop solar deployment across MGEN’s portfolio, and feasibility studies by Bayad to assess RE integration across its branch network.

Parallel planning efforts were also undertaken for broader energy efficiency upgrades. Bayad and MIESCOR developed rollout plans for LED lighting improvements, with MIESCOR likewise preparing for the deployment of LED solar streetlights. MGEN initiated transition planning towards high energy-efficiency ratio and inverter-based appliances, while Radius assessed the migration from active to passive network infrastructure within its existing colocation facilities to improve energy performance. These initiatives are further supported by strengthened resource management frameworks,

including Clark Electric’s planned upgrade of electricity monitoring systems for more granular tracking and MIESCOR’s integration of power-rating requirements into device procurement standards. Together, these preparatory steps position our subsidiaries for more structured and measurable implementation of energy efficiency and RE programs moving forward.

Building on the resource efficiency efforts, MSERV deployed HydroMX Nanosaving Fluid at the Meralco Business Solutions Center to enhance heat transfer in HVAC systems. Without major equipment replacement, the project reduced chiller electricity consumption by an average of 28%—showing how targeted innovation can deliver measurable cost and carbon reductions.

Together, these initiatives reinforce a culture of resource stewardship across One Meralco, embedding efficiency improvements into both operational systems and everyday practices throughout the organization.

C. Scope 3: Addressing Indirect Emissions Across Our Value Chain

GRI 305-3

Equity-applied Scope 3 emissions by source (in tCO₂e)

	2023	2024	2025
DU energy sales	36,352,500	37,670,568	37,443,342
Gasoline consumption from rented/contractor-owned vehicles	2	47	31
Diesel consumption from rented/contractor-owned vehicles	5	22	29
Total	36,352,507	37,670,637	37,443,402

In 2025, One Meralco’s Group-wide Scope 3 emissions totalled more than 37.4 million tCO₂e, a 0.6% decrease from around 37.6 million tCO₂e in 2024, primarily driven by lower energy sales.

The increase in Scope 3 emissions reflects broader economic growth and our responsibility under Republic Act No. 9209 to provide reliable electricity within our franchise area at the least possible cost. In this context, coal and LNG currently remain critical in ensuring grid stability and address rising electricity demand in the country.

Within this operating landscape, we continue to advance a measured and responsible energy transition by progressively increasing the share of RE in our supply portfolio under our LTSS. Through DU and MPower, we have contracted a total of 2,404.3 MW of RE capacity to date—surpassing our initial 1,500 MW target ahead of the end of the decade and supporting the country’s RPS. This steady expansion reflects our ongoing commitment to decarbonization while maintaining affordability and energy security.

At the same time, we are continuously working to address emissions across our value chain through sustained supplier engagement. Under the Meralco Supplier Sustainability Scorecard (“MS3”) initiative, we have integrated GHG emissions performance as a key consideration in supplier accreditation and evaluation processes. By embedding accountability for emissions into procurement standards, we aim to encourage our partners to actively support emissions reduction efforts and contribute to the continuous improvement of our overall environmental performance.

D. Emissions Intensity: Monitoring Our GHG Footprint

GRI 305-4

In addition to monitoring absolute emissions, the Group tracks emissions intensity, which measures GHG emissions in tCO₂e relative to the level of activity or output, such as GWh of energy sales. This metric provides important insight into how effectively we are managing our GHG footprint while continuing to support economic growth and increasing electricity demand.

Equity-applied Scope 1+2 emission intensity (in tCO₂e/GWh)

	2023	2024	2025
Scope 1+2 emissions	8,717,168	9,049,187	10,430,577
Energy sales from distribution and generation businesses	64,253	67,706	67,317
Scope 1+2 emission intensity	135.67	134.54	154.95

Equity-applied Scope 3 emission intensity (in tCO₂e/GWh)

	2023	2024	2025
Scope 3 emissions	36,352,508	37,670,638	37,443,402
Energy sales from Meralco and Clark Electric	51,044	54,144	53,992
Scope 3 emission intensity	712.18	695.75	693.50

One Meralco's combined Scope 1 and Scope 2 emissions intensity increased by nearly 16% from 134.5 tCO₂e per GWh in 2024 to 155.0 tCO₂e per GWh in 2025. Over the same period, the Group's Scope 3 emissions intensity decreased by 0.3%, from 695.8 tCO₂e per GWh to 693.5 tCO₂e per GWh.

Guided by our long-term sustainability strategy ("LTSS"), we have rolled out initiatives designed to gradually lower both total GHG emissions and

emissions intensity through and beyond 2030, compared against a BAU trajectory—even as we continue to grow our customer base and electricity sales. These efforts involve contracting additional RE supply and investing in the development of new renewable generation facilities to diversify and decarbonize our portfolio. More comprehensive information on how we are expanding the share of RE in our supply mix and generation assets is presented in the Energy Transition discussion under the Power pillar.

E. Carbon Removal: Promoting Nature-based Solutions to Sequester Carbon

Complementing our initiatives to reduce operational and value chain emissions, we remain committed to advancing nature-based solutions that contribute to long-term carbon management and ecosystem restoration. As part of this continuing effort, we support **SDG 15: Life on Land** through OMF's OFT program, in partnership with NGOs and local communities. The program integrates carbon sequestration objectives with broader goals of rehabilitating degraded landscapes and strengthening local biodiversity. As of the end of 2025, we have

continuously nurtured close to 3 million trees in various sites across the country under OFT. These reforestation efforts are estimated to sequester at least 65,000 tCO₂e annually. Consistent with our biodiversity commitments, we prioritize the planting of native and endemic tree species to support ecological balance and long-term forest resilience.

For more information about OFT, please refer to the Biodiversity section under Planet on pages 134-135.



Climate-related Disclosures

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



We have built upon our climate risk management efforts from the previous year, striving to align more closely with upcoming disclosure requirements and best practices. One Meralco has begun aligning with International Financial Reporting Standards (“IFRS”)

S2 Climate-related Disclosures requirements and has refined previous climate risk scenario analysis efforts. With our disclosures, we aim to foster an environment of transparency and accountability, ultimately providing stakeholders with a clearer understanding of the implications associated with potential climate-related risks and opportunities across our value chain.

IFRS Pillar: Governance

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

The Committee’s responsibilities include providing governance oversight, defining roles and responsibilities, and evaluating whether the necessary skills and competencies are available or

will be developed to effectively manage strategies addressing climate-related risks and opportunities. Regular updates are provided to Committee members to keep them informed for strategic decision-making.

In addition to governance oversight, the Committee plays a crucial role in developing the Company’s LTSS. It oversees the creation and review of the Group’s sustainability framework, agenda, and policies to ensure alignment with Meralco’s business philosophy and strategic goals. The Committee tracks the Group’s performance against internal targets and national, regional, and global sustainability objective. Additionally, it recommends sustainability programs requiring investments of PhP 50 million and above to the Board of Directors

for approval, ensuring significant initiatives receive appropriate oversight.

To facilitate effective governance, the Committee meets at least three times a year. Regular reports on the Committee’s activities are provided to the Board, and an annual performance evaluation is conducted to assess its effectiveness and set goals for the upcoming year.

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

IFRS Pillar: Strategy

At One Meralco, our approach to identifying and understanding climate-related risks and opportunities is anchored in a robust climate scenario analysis. Over the past few years, we have enhanced this analysis through the development of an internal data-driven model of our business, referred to as our ‘digital twin.’

Conducted in collaboration with Marsh Advisory, our climate risk scenario analysis enables us to capture business-critical information about the potential impacts of climate change on our power generation and distribution assets, offices and customer-facing locations, and future financial performance.

Our climate scenario analysis assesses One Meralco’s businesses in the Philippines, which include Meralco—which comprises the Distribution Utility (“DU”) and the retail electricity supplier (“RES”) MPower—and MGEN, which includes MGEN Thermal, MGEN Natural Gas, and MGEN Renewables. PacificLight Power, which is based in Singapore, is not included.

Approach to indentifying climate-related risks

This climate scenario analysis assesses both transition and physical climate risks for One Meralco using Risilience, a modeling platform developed in collaboration with the Centre for Risk Studies at the University of Cambridge Judge Business School.

The analysis evaluates two distinct climate scenarios mapped to Business-as-Usual (“BAU”) and Delayed Transition worlds. They serve to understand how different future policy and warming trajectories could affect the Group.

These scenarios are grounded in two internationally recognized frameworks widely used in financial climate risk assessment:

- The Network for Greening the Financial System (“NGFS”) scenarios; and
- The Shared Socioeconomic Pathways (“SSP”) developed by the Intergovernmental Panel on Climate Change (“IPCC”).

Transition risks are underpinned by the NGFS scenarios, which provide standardized climate-economic pathways used by central banks and financial institutions. These scenarios model changes in carbon pricing, macroeconomic variables, technology deployment, and policy ambition.

Meanwhile, physical risks are underpinned by the SSP scenarios, which form the basis of the Coupled Model Intercomparison Project Phase 6 (“CMIP6”)—the latest generation of global climate models and foundational data for the IPCC Sixth Assessment Report—which provides the geospatial climate data required for detailed asset-level hazard modeling.

To ensure consistency across transition and physical risk modeling, both the NGFS and SSP pathways are mapped to equivalent warming narratives. This alignment enables comparable interpretation of risk outcomes across the BAU and Delayed Transition scenarios.

Scenario	NGFS Reference Scenario	SSP Reference Scenario	Average temperature rise compared to pre-industrial levels by 2100	Description
BAU	Current Policies	SSP3-7.0	>3 °C	In this scenario, the world takes limited to no action to limit GHG emissions, with reduction targets slowed down—global emissions increase by 200% by 2100.
Delayed Transition	Delayed Transition	SSP1-2.6	1.7–1.8 °C	New climate policies are not introduced until 2030, before which the level of action aligns with currently implemented policies. Post-2030, strong policies are implemented to limit warming to below 2 °C.

The analysis is conducted over an eight-year period (2026–2033) using the current asset portfolio, projected financials, and planned power generation capacity. This timeframe spans Meralco's short-, medium-, and long-term horizons, which are defined as one year, five years, and 10 years, respectively. It also reflects the period over which financial projections, business plans, and planned generation capacity can reasonably support transition risk assessment. Impacts beyond 2033 are not explicitly modeled, given the greater uncertainty associated with longer-dated business assumptions and financial projections. Nonetheless, longer-term considerations are incorporated where relevant in the interpretation of results. The assessment is intended to be refreshed as needed, particularly in response to significant changes in One Meralco's business model, material shifts in policy or the external environment, and as the period leading to 2033 closes and certainty becomes greater in relation to projected financials and future capacity plans.

Lastly, the assessment incorporates One Meralco's LTSS, meaning results reflect residual risk after accounting for planned measures. Each climate risk category is assessed independently to isolate its financial impact; interdependencies between risks are not explicitly modeled.

Climate risk assessment results

This report presents the results of One Meralco's climate scenario analysis, highlighting the potential financial implications of transition and physical risks under each scenario.

Qualitative results are derived from the key output of the climate scenario analysis, which is earnings value at risk ("EV@R"). EV@R represents the potential reduction in enterprise earnings value resulting from the modeled climate risks, calculated as cumulative impact on discounted cash flows over a defined time horizon. We

intend to continue enhancing our disclosures, progressively expanding to full quantitative disclosures over time.

Ratings are assigned on a five-category scale, reflecting the proportion of total EV@R under each scenario:

Very Low	Low	Medium	High	Very High
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Pale green cells indicate risks that are either not borne by the Group under the modeling assumptions or for which no financial impact is observed within the assessment horizon.

Climate risks assessed and potential impacts MGEN

Risk	Risk Rating by Scenario		Risk Description and Rationale
	BAU	Delayed Transition	
Policy		Medium	Policy risk reflects the financial impact of carbon pricing on MGEN's operations, specifically through a carbon tax applied to Scope 1 emissions, increasing operating expenditure and affecting cash flows from operations. Under the BAU scenario, no carbon pricing impact is modeled as the scenario does not assume introduction of an explicit carbon tax within the assessment period. Under the Delayed Transition scenario, a carbon tax is assumed from 2031, reaching up to PHP 701 per tCO₂e by 2033, reflecting a late but abrupt policy shift. This risk is assessed as Medium, as the post-2031 implementation window limits near-term financial exposure. In response, MGEN continues to diversify its generation portfolio towards lower-emission assets, which carry reduced carbon cost risk and greater pricing flexibility.
Technology	Medium	Medium	Technology risk captures potential asset impairment when generation units become uneconomic or underutilized due to competition with lower-cost or lower-emissions alternatives. Should these dynamics result in sustained underutilization of affected assets, the financial impact would primarily manifest as impairment of property, plant and equipment on MGEN's balance sheet. This risk is assessed as Medium, as the majority of power supply agreement ("PSA") expirations fall beyond 2035 and outside the modeling horizon, limiting near-term impairment risk. Impacts are slightly higher under the Delayed Transition scenario as stronger post-2030 assumptions accelerate the shift towards RE. Risk is primarily driven by a coal asset with a PSA expiring within the eight-year assessment period. The model attributes impairment risk as this asset re-enters an increasingly competitive contracting market, although this exposure is considered conservative as the asset operates within a regionally constrained grid where supply tightness provides natural demand support not captured in the modeling. Diesel assets with expiring PSAs are similarly flagged, facing both poor generation economics and an unfavorable emissions profile. MGEN has already begun repositioning these assets towards backup and ancillary services in response.

Risk	Risk Rating by Scenario		Risk Description and Rationale
	BAU	Delayed Transition	
Investor	Very Low	Very Low	Investor market risk captures the potential for increased debt servicing costs arising from two channels: investor preference shifts that price higher borrowing costs onto emission-intensive industries, and broader macroeconomic inflationary pressures resulting from the implementation of transition policies. Where materialized, this risk would manifest as higher finance costs. Risk is assessed as Very Low under both scenarios. Both BAU and Delayed Transition pathways track closely through 2030, as neither investor repricing nor policy-driven inflation is assumed to materially affect financing conditions within this period. These pressures emerge only post-2030 under the Delayed Transition scenario and given that the modeling horizon extends only to 2033, the window of material exposure captured remains limited, underpinning the Very Low rating. Beyond the model, investor scrutiny around coal is already present in practice. However, current financing conditions continue to reflect the strategic importance of reliable baseload capacity, partly tempering the pressure that transition concerns might otherwise exert on borrowing costs. This dynamic is similarly aligned with modeling results where short- and medium-term financing environment is not subject to borrowing cost increases because of the transition.
Liability	Very Low	Very Low	Liability risk reflects the potential for legal and compensation costs arising from climate-related claims, including greenwashing, mismanagement of climate-related risks, and public nuisance claims where communities hold emitters accountable for climate-related harm. Where materialized, such claims would result in legal settlement and compensation costs through the profit and loss ("P&L") statement, with associated provisions recognized on the balance sheet. Risk is assessed as Very Low across both scenarios. The model draws from the Philippine litigation landscape, where climate-related legal action remains nascent and disputes have historically been resolved before reaching judicial proceedings. For power generators specifically, the diffuse nature of the industry limits the attribution of liability to any one entity, reducing MGEN's direct exposure. Liability risk is more prominently concentrated within the DU, given its role as the exclusive franchise holder for distribution within its service area, creating a more direct and identifiable accountability relationship with end consumers.

MGEN

Risk	Risk Rating by Scenario		Risk Description and Rationale
	BAU	Delayed Transition	
Consumer	Very Low	Very Low	Consumer risk represents the potential for revenue loss arising from shifting customer preferences towards more sustainable power generation. Where materialized, this risk would manifest as a reduction in revenue. Risk is assessed as Very Low across both scenarios. The majority of MGEN's revenue is secured under long-term PSAs, rendering near-term risk negligible through 2030. Minor impacts emerge over the assessment horizon as expiring agreements re-enter a market where large industrial and commercial offtakers are increasingly embedding sustainability into procurement decisions. Under the Delayed Transition scenario, this preference shift is more pronounced post-2030. Beyond the modeling horizon, risk could potentially increase post-2035 as a greater share of capacity faces open market conditions. MGEN's ongoing portfolio diversification towards lower-emission assets positions the company to retain commercial relevance with sustainability-conscious offtakers over the longer term.
Reputational	Very Low	Very Low	Reputational risk captures potential revenue loss and incremental labor costs arising because of a climate-related reputational event. Following such an event, offtakers may seek to transition to lower-emission providers upon PSA expiry, while internally, premium compensation may be required to retain talent unwilling to remain associated with a reputationally damaged employer. Risk is assessed as Very Low across both scenarios. The contracted nature of MGEN's revenues materially limits offtaker switching, as the majority of power sales are secured under long-term PSAs that restrict substitution outside of expiry. Financial impact is therefore primarily observed through incremental labor costs rather than revenue loss and remains limited within the assessment horizon.
Physical	Medium	Medium	Physical risk captures potential asset damage and revenue disruption arising from extreme weather events. Where materialized, asset damage would manifest as repair and replacement costs impacting capital expenditure ("CapEx"), while revenue disruption would manifest as lost generation revenue resulting from reduced plant availability. Overall risk is assessed as Medium across both scenarios and is highest under BAU, consistent with higher warming assumptions. Both scenarios track similarly through 2030, as global warming trajectories remain broadly aligned during this period. Post-2030, BAU assumes greater warming as transition policy diverges, resulting in more severe physical perils. Tropical cyclones represent the dominant source of asset damage, with coastal flooding as a secondary contributor. For revenue disruption, water stress is the primary driver, as reduced water availability can constrain operations and curtail the generation capacity of MGEN's power plants.

Meralco

Risk	Risk Rating by Scenario		Risk Description and Rationale
	BAU	Delayed Transition	
Policy			Policy, technology, and investor-driven cost shocks are not retained as financial for the DU. Under the regulated tariff framework, such costs form part of the components considered in tariff determination and, subject to regulatory approval, are recoverable through approved rates. Accordingly, these risks do not translate into direct financial exposure for the DU within the modeling assumptions.
Technology			
Investor			
Liability	Medium	Medium	Liability risk reflects the potential for legal and compensation costs arising from climate-related claims, including greenwashing, mismanagement of climate-related risks, and public nuisance claims where communities hold emitters accountable for climate-related harm. Where materialized, such claims would result in legal settlement and compensation costs through the P&L statement, with associated provisions recognized on the balance sheet. This represents the most material transition risk for the DU, rated as Medium across the two scenarios. The model acknowledges the DU's role as the sole electricity distributor within its franchise area and its high public visibility as a regulated entity as key factors driving greater liability risk relative to other entities within the Group. Public nuisance claims represent the largest source of exposure, followed by greenwashing and directors' and officers' ("D&O") liability, consistently across both scenarios. Impacts are concentrated post-2028 as climate litigation is projected to become more prevalent, with magnitude broadly similar across the BAU and Delayed Transition scenarios.
Consumer	Very Low	Very Low	Consumer market risk captures potential revenue loss arising from large contestable customers adopting onsite RE generation, affecting the MPower business, which services this customer segment. Where materialized, this risk would manifest as a reduction in revenue. No impact is observed prior to 2030, as onsite renewable uptake is assumed to emerge post-2030, aligned with corporate decarbonization targets and the broader acceleration of transition policy. Over the assessment horizon, risk remains Very Low across both scenarios. Under the Delayed Transition scenario, a slightly higher share of contestable customers is expected to adopt onsite generation post-2030, reflecting stronger transition assumptions relative to BAU. However, overall magnitude remains comparable across both scenarios and limited within the modeling period. This risk may become more pronounced beyond the modeling horizon as corporate decarbonization commitments intensify.

Meralco

Risk	Risk Rating by Scenario		Risk Description and Rationale
	BAU	Delayed Transition	
Reputational	Very Low	Very Low	Reputational risk represents incremental labor and retention costs associated with climate-related reputational events. Revenue impacts are not assessed, given the DU's regulated operating framework and the essential nature of electricity distribution within its service area, which limits the ability of customers to switch providers in response to reputational concerns. Risk is assessed as Very Low across both scenarios, with magnitude broadly similar between BAU and Delayed Transition. The Delayed Transition scenario is assessed as slightly higher post-2030, reflecting assumptions that accelerating transition policy heightens public awareness and stakeholder expectations, increasing the likelihood that a reputational event is scrutinized and amplified. Under BAU, lower-transition momentum results in comparatively reduced public scrutiny of the DU's climate-related conduct.
Physical	Very Low	Very Low	Physical risk reflects the potential for asset damage and revenue disruption arising from extreme weather events. Where materialized, asset damage would manifest as repair and replacement costs impacting CapEx, while revenue disruption would manifest as lost distribution revenue resulting from reduced network availability. Risk is assessed as Very Low across both scenarios and is highest under BAU, consistent with higher warming assumptions. Asset damage represents the primary driver of financial impact, with tropical windstorms as the dominant peril and poles as the most-affected asset class. Secondary impacts arise from river flooding, primarily affecting Sector Offices. The modeling incorporates resilience and hardening measures already implemented across the network, reflecting the DU's proactive approach to physical risk management.

Climate resilience

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

For more information about our LTSS, as well as details of our investments in addressing climate-related risks and opportunities, please refer to Our Outlook & Strategy on pages 62-67.



Climate-related opportunities

In addition to identifying risks, the climate scenario analysis highlights areas where strategic positioning, portfolio adjustments, and operational resilience may create value. One Meralco is evaluating climate-related opportunities that support long-term competitiveness and financial resilience.

Climate-related opportunities considered and potential impacts MGEN

Potential Impact to 2033

Opportunity

BAU

Delayed Transition

RE Portfolio Expansion

Development and acquisition of renewable assets to grow low-carbon capacity, driven by declining technology costs and rising demand for clean electricity

Coal generation is expected to gradually decline due to the moratorium introduced by the DOE in 2020, while solar, wind, and other renewables grow from a relatively low base. In this scenario, reliability and affordability remain the dominant customer priorities in the Philippines, and cost competitiveness is a central commercial driver for capacity additions. RE technologies, particularly solar and wind, are becoming more competitive over time, but they must still compete with affordable thermal generation and flexible gas capacity to support grid stability. In this context, expanding MGEN's RE portfolio allows the company to diversify its asset mix while thermal plants continue to play a role in meeting base and flexible demand.

Prior to 2030, the trajectory mirrors BAU, with RE growing gradually while thermal generation continues to serve reliability and baseload needs. Post-2030, the opportunity accelerates sharply as carbon pricing and stronger regulatory mandates reinforce each other, eroding the competitiveness of thermal generation and creating a more urgent commercial case for RE capacity additions. MGEN's portfolio diversification strategy positions the company to capitalize on this accelerating demand, although the abrupt nature of the transition compresses development timelines and introduces execution risk.

Carbon Capture for Thermal Assets

Deployment of CCUS technologies to reduce emissions intensity, manage carbon tax exposure, and extend thermal asset life, driven by tightening emission regulation and decarbonization requirements.

Under BAU, there is no carbon price signal and no meaningful deployment of carbon capture in the pathway. In this environment, the economic case for retrofitting thermal assets with CCUS is weak, as there is no carbon tax exposure to manage and no direct financial benefit from reducing emissions intensity. Given the associated high capital and operating costs, CCUS would not be commercially viable under this scenario. The opportunity therefore centers on maintaining technical readiness and preserving optionality, rather than near-term deployment, as extending thermal asset life through abatement does not provide a clear economic advantage under current policies.

Prior to 2030, conditions mirror BAU, with no carbon price signal and a weak economic case for CCUS deployment. Post-2030, the introduction of carbon pricing creates a direct financial incentive to reduce Scope 1 emissions from thermal assets, while tightening regulatory requirements elevate the strategic value of extending thermal asset life through abatement. In this context, CCUS transitions from an optionality play to a more commercially relevant lever for managing carbon cost exposure, although the compressed transition timeline introduces deployment risk and reinforces the importance of maintaining technical readiness ahead of the regulatory inflection point.

Meralco

Potential Impact to 2033

Opportunity

BAU

Delayed Transition

Grid Expansion & RE Integration

Investment in grid expansion and connection upgrades to support electrification and increasing distributed energy resources (“DER”s), driven by the growth in electric transport, electrified buildings, and rapid uptake of rooftop solar and battery storage.

Electricity demand grows steadily as the economy expands and building electrification progresses gradually. RE uptake increases but remains moderate, and energy reliability and affordability continue to be the dominant priorities. The opportunity centers on steady grid expansion and targeted reinforcement to accommodate incremental load growth while integrating a manageable increase in rooftop solar. Investment is driven primarily by demand growth and network reliability rather than rapid system transformation.

Under the Delayed Transition scenario, grid expansion opportunities accelerate sharply post-2030. Prior to 2030, conditions mirror BAU, with steady demand growth driving incremental grid investment. Post-2030, carbon pricing and stronger decarbonization mandates drive faster uptake of DERs, rooftop solar, battery storage, and electric transport, placing significantly greater demands on grid infrastructure. The regulated tariff framework could allow qualifying CapEx to be recovered through approved rates, supporting the commercial viability of accelerated grid investment.

Further information about our decarbonization levers is detailed in Our Outlook & Strategy.

IFRS Pillar: Risk Management

Meralco’s Enterprise-wide Risk Management Office (“EWRMO”) and the SO collaborate to create a risk management process that involves everyone in the organization. This enables the whole Group to identify and evaluate climate-related risks across different business units and functions. The EWRMO leads a formal risk assessment process twice a year, which starts with the Risk Champion from each business unit and subsidiary, moving to the risk owner, and finally involving Meralco’s senior management and the Board-level Risk Management Committee.

To complement the formal risk management process, the Sustainability Strategy and Reporting unit under the SO monitors trends and

developments in the sustainability space to ensure that climate-related risks are identified and assessed appropriately and in a timely manner, while also being considered in One Meralco’s LTSS as necessary. Improvements to One Meralco’s LTSS is done through collaboration with various business units, such as Finance, Networks, and the Regulatory Management Office. Lastly, as outlined in the Strategy section, Meralco conducts scenario analysis exercises to identify and assess climate-related risks and opportunities.

Climate peril exposures are identified, assessed, prioritized, and monitored as a business interruption risk. Climate transition risk management fall under investment risk and stranded asset risk.

IFRS Pillar: Metrics and Targets

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

- **For Scope 1:**
 - Emissions from fossil fuel combustion (coal, diesel, natural gas) by power plants
 - Emissions from gasoline and diesel combustion by company-owned vehicles
 - Emissions from SF₆-insulated distribution network equipment
- **For Scope 2:**
 - Emissions from the generation of electricity purchased from the grid and used to power company-owned facilities
 - Emissions from the generation of electricity lost during the delivery of electricity to customers (i.e., system loss)
- **For Scope 3:**
 - Category 11: Use of sold products – Emissions from the generation of electricity procured by Meralco and Clark Electric from power generators then sold to customers
 - Category 3: Fuel- and energy-related activities – Emissions from gasoline and diesel combustion by rented/contractor-owned vehicles

In defining the boundaries of our emissions inventory, One Meralco abides by the GHG Protocol, a universally recognized standard developed by the WRI and the WBCSD for measuring and monitoring GHG emissions.

One Meralco has established the following key climate targets within our LTSS to reduce emissions:

- 20% reduction in Group-wide overall emissions by 2030 vs. BAU
- 30% reduction in Group-wide Scope 1 emissions by 2030 vs. BAU

Moving forward, One Meralco will adopt metrics that will provide the Group a clearer understanding of the

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

For more information about how we measure and manage our GHG emissions across the Group, please refer to the Climate Change Mitigation section under Planet on pages 108-126.



MATERIAL CONSUMPTION & WASTE MANAGEMENT

Advancing Circularity Across Our Business

GRI 306-1 | GRI 306-5



The Philippines continues to grapple with rising waste volumes driven by urbanization and changing consumption

patterns. According to the World Bank's What a Waste database, the country generates approximately 14.6 million tonnes of municipal solid waste annually, including household, commercial, industrial, hazardous, and substantial plastic waste streams. Despite the framework established under Republic Act 9003, otherwise known as the Ecological Solid Waste Management Act, infrastructure gaps and uneven enforcement constrain diversion

rates, resulting in continued landfill dependence and waste leakage into waterways that contribute to pollution and flooding.

Beyond municipal waste, coal-fired power generation represents another significant waste stream. Globally, coal plants produce an estimated one billion tonnes of coal ash each year, requiring strict management to prevent environmental contamination. In the Philippines, responsible handling of coal combustion residuals—including coal ash and bottom ash—is critical to minimizing risks to air, soil, and water quality.

Raising the bar for waste diversion and recycling

Amid these national waste challenges, our operational waste footprint at One Meralco remains comparatively limited and tightly managed. Through disciplined controls, regulatory compliance, and our Race to Zero Waste ("RZW") Program, we prioritize waste minimization, proper segregation, and responsible disposal across our facilities.

By maintaining high diversion rates and embedding circular practices into our operations, we ensure that our contribution to the broader waste landscape remains controlled, compliant, and continuously improving.

Amount of solid waste treated or disposed of by Meralco (in tonnes)

	2023	2024	2025
Biodegradable	1,562	1,730	4,593
Recyclable	403	316	227
Residual	105	117	81
Total	2,070	2,163	4,901

Through our RZW Program, we continue to advance a culture of circularity across One Meralco strengthening waste governance from policy to practice. In 2025, the DU achieved a 98% waste diversion rate—surpassing our 95% target and significantly higher than Metro Manila’s reported 69% diversion rate—marking our strongest performance to date. This outcome reflects tighter compliance monitoring in coordination with robust and integrated processes, reinforced segregation systems, and sustained employee engagement.

During the reporting period, we enhanced our waste management framework through a comprehensive waste analysis and characterization study, enabling more precise monitoring and targeted interventions. We deployed clearly labeled segregation bins, expanded materials recovery facilities, and intensified awareness campaigns to promote proper waste handling. Total solid waste generation reached over 4,900

tonnes in 2025, an increase of nearly 127% from 2024, largely driven by higher tree trimming volumes, the return of in-person corporate events, and seasonal activities. Despite this increase, we successfully diverted all biodegradable and recyclable waste streams—representing 98% of total waste generated—through strict compliance with national regulations and internal guidelines. Biodegradable waste, comprising nearly 94% of total waste, was processed through mechanized dual-drum composters across key facilities, producing six tonnes of compost by year-end. Tree trimmings from maintenance activities were also donated to local government units to support composting and waste-to-energy initiatives.

We further strengthened controls on single-use plastics (“SUPs”) by refining our SUP Ban Guidelines, expanding coverage to subsidiaries, contractors, and visitors, clarifying acceptable operational exemptions, and instituting a formal approval process for exceptions.

Our partnership with The Plastic Flamingo Philippines (“PLAF”) on plastic circularity enabled us to divert SUPs into durable school chairs for public schools, with our first plastic donation completed in collaboration with the OMF and operational teams.

Within MGEN, waste governance was reinforced through structured reporting on coal ash management and solid waste management, including coordination with DENR-EMB to secure a new coal ash off-taker and expanded composting and recycling initiatives at plant sites. In 2025, MGEN successfully diverted over 89,000 tonnes of coal ash from landfills. This by-product was repurposed as a valuable input for industries such as cement manufacturing.

Across subsidiaries, updated SUP policies, standardized segregation systems, and continuous monitoring mechanisms ensured consistent implementation of BAU waste management practices.

✱ BRIGHT SPARKS

Creating Synergies for the Circular Economy

In 2025, we formally turned over our first batch of plastic waste to social enterprise PLAF, reinforcing our commitment to circular economy principles under Meralco's RZW Program. The turnover, held during a site visit and plant tour at PLAF's facility in Muntinlupa City, brought together OMF and various departments across Meralco, reflecting a company-wide, cross-functional approach to responsible waste management.

This milestone follows the memorandum of agreement Meralco signed in 2025 with PLAF and marks the operationalization of a partnership focused on transforming plastic waste

into durable products, such as ecoboards, furniture, shelters, and school chairs. For our initial contribution, we successfully diverted over 500 kgs of plastic waste collected from our Business Centers and the MOC, preventing these materials from ending up in landfills or waterways. The initiative builds on our Group-wide ban on SUPs, which has cut SUP waste by 57%—from 45 tonnes in 2021 to 19 tonnes in 2024.

Beyond environmental gains, our collaboration with PLAF delivers long-term business value by reducing waste management costs and enhancing Meralco's

ESG performance, which is an increasingly important decision factor for investors and stakeholders.

“A key driver of success was our groundbreaking ban on SUPs. This partnership with PLAF builds on that achievement, translating our efforts into real, measurable impact for both people and the planet.”

Raymond B. Ravelo
Chief Sustainability Officer, Meralco



Protecting the Air We Breathe

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



Power generation is one of several sources of ambient air pollution, emitting pollutants that can affect ecosystems

and public health. In response, we take a proactive approach to managing air emissions and mitigating regulatory risks by ensuring that our non-GHG emissions remain within the threshold limits prescribed by the DENR, in accordance with the Philippine Clean Air Act.

Central to this effort is the implementation of robust environmental management systems across our generation assets. MGEN's thermal power plants are certified under ISO 9001:2015 – Quality Management Systems, ISO 14001:2015 –

Environmental Management Systems, and ISO 45001:2018 – Occupational Health and Safety Management Systems, all internationally recognized standards that require organizations to systematically identify environmental impacts, establish control measures, ensure regulatory compliance, and drive continuous improvement in environmental performance. Through structured monitoring, regular audits, and corrective action mechanisms mandated by the standard, our sites have strengthened pollution prevention and enhanced operational management. As a result, MGEN's thermal generation facilities have consistently complied with the DENR's non-GHG air pollutant standards over the past four years.

Concentration of air pollutants released by MGEN's power plants (in mg/Nm³)

	2023	2024	2025
Nitrogen oxides ("NO _x ")	154	308	242
Sulfur oxides ("SO _x ")	221	204	297
Particulate matter ("PM ₁₀ ")	7	18	14

In 2025, NO_x and PM emission concentrations from MGEN's power plants both declined by at least 20% from previous year's levels due to the decrease in the share of coal in the portfolio in the the addition of LNGPH. However, SO_x concentration increased by over 45% during the same period due to higher plant dispatch and generation output to meet rising demand and maintain grid reliability.

To enhance air quality monitoring, in 2025, MGEN strengthened environmental performance oversight by initiating more structured monitoring and disclosure of key air pollutants from power generation facilities. As part of a broader commitment to transparency and responsible operations, emissions data were consolidated across plants to establish a clear baseline for tracking non-GHG air pollutants and identifying opportunities for performance improvement. This enhanced monitoring supports more proactive management of emissions that may affect air quality and surrounding communities.

For the reporting year, recorded emissions included 2,051.7 tonnes of NO_x, 975.3 tonnes of SO_x, 302.7 tonnes of PM₁₀, 30.0 tonnes of VOCs, and 3,359.8 tonnes of hazardous air pollutants ("HAPs"). No releases were recorded for POPs, lead, mercury, and carbon monoxide during the period. These results establish a reference point for continuous improvement as emission controls, operational efficiencies, and cleaner generation technologies are further advanced across the portfolio.

Looking ahead, MGEN plans to evaluate its existing assets to make them more efficient. As part of its continuous improvement efforts, the company will also evaluate the use of alternative fuels—such as residual waste and hydrogen—once economically viable to further manage its air emissions.

WATER & EFFLUENTS

Preserving Our Planet's Lifeblood

GRI 303 | SASB IF-EU-140



Although the Philippines is naturally endowed with significant freshwater resources, increasing demand, uneven geographic distribution, and climate variability have intensified pressure on national water security. According to the National Water Resources Board, per capita water availability has declined to levels within the water stress threshold—estimated at roughly 1,000 to 1,700 cubic meters per person per year—signaling mounting constraints across several river basins and highly urbanized areas.

Based on the World Resources Institute's Aqueduct Water Risk Atlas, parts of the country face moderate to high baseline water stress driven by seasonal variability and drought exposure, while World Bank data underscores persistent gaps in access to safely managed water services. Together, these indicators highlight a growing challenge, as the country's water abundance and availability does not necessarily translate into secure, reliable, and safe water access for all.

In response, we at One Meralco integrate water stewardship into our operational strategy by managing consumption responsibly and safeguarding water quality across our facilities. We implement efficiency measures to optimize water use, install monitoring systems to track performance, and ensure that wastewater is properly treated prior to discharge in compliance with environmental regulations. Through these sustained efforts, we aim to minimize our operational footprint, support local water resilience, and contribute to the responsible management of this increasingly constrained resource.

Water management metrics of MGEN (in megaliters)

	2023	2024	2025
Withdrawn	1,468,928	1,464,320	5,004,714
Consumed	222,101	5,160	1,373,644
Discharged	1,246,827	1,459,160	3,631,070

In 2025, MGEN accounted for more than 99% of One Meralco's total water use and withdrew over 5 trillion liters of water (with over 26% from MGEN Thermal's coal-fired facilities) for operational cooling of its thermal power plants

using a once-through process. This represents a water withdrawal increase of more than 2.4 times compared to 2024 due to the addition of MGEN's new LNG facility in Batangas. Water was sourced from surface water, groundwater,

seawater, and utility supplies, with seawater comprising the majority. All withdrawn water was treated in accordance with DENR standards prior to being safely discharged back to the marine environment.

Promoting water efficiency across One Meralco

Through the RCEP, we continue to embed disciplined water resource management practices across One Meralco. During the reporting period, the DU strengthened monitoring by installing additional water meters and establishing baselines to better track water efficiency. We implemented practical conservation measures, including recycling treated wastewater from sewage treatment plants ("STPs") for cooling tower use, regulating water flow through control valves, replacing fixtures with automatic low-flow faucets, and conducting proactive leak detection and repairs. These actions help reduce potable water consumption while preventing unnecessary losses.

Across our subsidiaries, water efficiency initiatives were likewise implemented: Clark Electric deployed water submeters to enable more granular monitoring, while MGEN implemented rainwater collection systems to supplement non-potable water requirements. In 2025, MGEN recycled more than 255,000 cubic meters of wastewater across its facilities. Through these sustained efforts, we continue to improve operational efficiency while minimizing pressure on local water resources.

Upgrading water infrastructure

In 2025, MSERV continued upgrading the Cupang Water Reclamation Facility to ensure its compliance with DENR Administrative Order No. 2021-19. Once completed, the facility can process up to 46 million liters of wastewater per day, serving nearly 33,000 customers across different barangays in Muntinlupa City.

MSERV delivers critical civil, electrical, and auxiliary non-process works for essential public infrastructure that supports sustainable water management. As regulatory requirements evolve, the company remains prepared to enable the upgrade of additional water reclamation facilities, contributing to long-term clean water security in urban areas.

BIODIVERSITY

Securing Ecological Resilience

The accelerating loss of biodiversity has emerged as a critical global concern, with growing recognition that ecosystem degradation poses material risks to economic activity as well as human and social well-being. The power sector plays a significant role in this challenge, with energy infrastructure contributing to land-use change, habitat fragmentation, and ecosystem disturbance if not carefully planned and managed. These direct pressures are compounded by GHG emissions emitted by the industry, which drive climate change and further stress already vulnerable species by altering habitats, hydrological cycles, and atmospheric conditions.

In response to these challenges, One Meralco complies with all applicable Philippine environmental and biodiversity regulations and undertakes environmental impact assessments for new and expanding facilities to identify, avoid, minimize, and mitigate potential impacts on ecosystems throughout the project lifecycle.

Beyond regulatory compliance, we also seek to contribute positively to ecosystem restoration. Through OMF's OFT, the Group supports biodiversity enhancement by prioritizing the planting of indigenous tree species that are well-adapted to local environments. The program focuses on rehabilitating degraded forests and watersheds while supporting livelihoods in host communities involved in tree-growing and site maintenance. We are continuously nurturing close to 3 million trees across the country.

In 2025, as part of OMF's OFT program, MGEN launched the Bucari Reforestation and Carbon Sink Project in the province of Iloilo. *For more information about this initiative, please refer to the Story of Light for Planet on pages 106-107.*

Empowering coastal communities through sustainable aquaculture

In December 2025, MGEN, through its subsidiary Panay Energy Development Corporation ("PEDC"), supported the launch of the Sustainable Mud Crab Fattening through Recirculating Aquaculture System project of the Ingore-Baldoza Fisherfolk Association in Barangay Ingore, Iloilo City. In partnership with the Ingore LGU, microfinance NGO Taytay Sa Kauswagan, and the Department of Science and Technology ("DOST"), we helped introduce sustainable

aquaculture technology in the community to improve local economic productivity while protecting marine biodiversity. By equipping the fisherfolk community with an environmentally responsible and replicable livelihood model, we aim to strengthen local incomes and advance our commitment to inclusive development among communities within our areas of operation.



✱ BRIGHT SPARKS

Building Our Own Green Spaces

One Meralco strives to integrate greening and urban agriculture into our own facilities and neighboring communities and transform them into living ecosystems. In 2025, we expanded our PowerPlants urban farming initiative to 17 locations across the MOC, Business Centers, and Sector Offices, engaging more than 160 employee volunteers and benefiting nearly 500 individuals through the distribution of fresh produce from diverse plant species into densely built environments.

We also deepened our community partnerships by establishing new urban farms in Barangays Talayan, Bahay Toro, and West Kamias in Quezon City, helping strengthen local food security while enriching green cover in urban communities.

Complementing these efforts, we continued advancing the Greening the MOC initiative, an offshoot of both OFT and PowerPlants. Since its launch in late 2024, Greening the MOC has increased on-campus tree cover to over 6,000 trees as

of end-2025, with plans to more than double this to nearly 14,000 trees by 2027, aligned with DENR guidelines targeting at least 75% native tree cover. By strategically matching species to site-specific conditions—across perimeter roads, building lawns, and parking areas—we are cultivating a dynamic campus ecosystem. This includes planting carbon-absorbing species along high-traffic corridors, pollinator-friendly trees to support biodiversity, and medicinal varieties that help promote wellness.



PEOPLE



**Developing
Leaders
in Energy**



Talent Attraction & Retention

Creating a Workplace
People Choose

page 142

Occupational Health & Safety

Building Safer Workplaces

page 155

Labor & Human Rights

Safeguarding Our Workers' Rights

page 160

Diversity, Equity & Inclusion

Fostering a Culture of Belonging

page 162

**Our employees
are the driving
force behind
our progress**



KEY INPUTS

Human Capital

18,211

employees Group-wide

285

third-party workers
Group-wide

4,558

new hires Group-wide

One Meralco's enduring legacy and sustained success are anchored in the strength and diversity of our workforce—the brightest and most capable talent in the Philippine energy sector. Guided by the belief that our people shape our future growth, we strive to cultivate a culture founded on merit, dignity, and sustainability.

Across our Group, we provide remuneration packages designed to enable our employees to fulfill their everyday needs while helping them achieve their long-term aspirations. To unlock their full potential, we invest in continuous learning and meaningful opportunities for community outreach, enabling our people to sharpen their skills while contributing purposefully to our sustainability goals.

We are also committed to maintaining a safe and secure work environment where everyone feels respected and protected. By implementing clear policies and proactive measures to protect the health and basic rights of our employees at every level of the organization, we put into practice our support for **SDG 8: Decent Work and Economic Development**.

Finally, we continue to champion diversity, equity, and inclusion ("DEI") across One Meralco to reinforce our commitment to ensuring fairness and equal opportunity for each and every employee.



KEY OUTCOMES

Human Capital

47.9

average training hours
per DU employee

21.8%

decrease in DU lost time injury
frequency rate ("LTIFR")

4.7%

DU gender pay gap

2025 PERFORMANCE HIGHLIGHTS

80%

increase in training
hours in the DU

74M

safe person-hours in
MGEN²²

24.7%

female representation
in the Group's
workforce

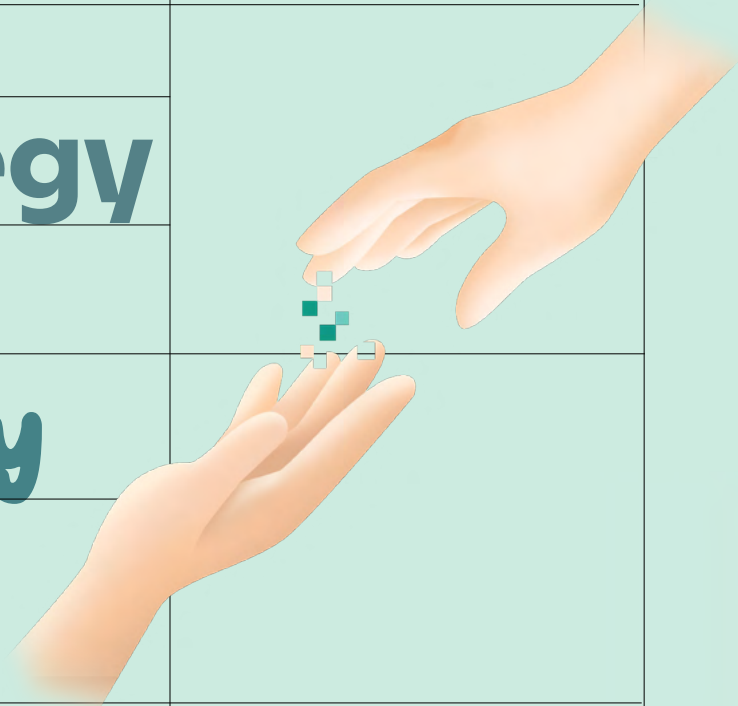
Guided **SDG 5: Gender Equality** and **SDG 10: Reduced Inequalities**, we drive targeted initiatives that expand representation of minorities within the Distribution Utility ("DU") and build a zero-tolerance culture for discrimination.

As we bring our goals and aspirations to life, our people remain at the heart of our sustainability agenda, driving progress today and carrying us forward into two more decades of service and excellence.

²²Cumulative total across all MGEN operating sites

STORIES OF LIGHT

Turning Strategy into Shared Responsibility



At One Meralco, we believe that a strategy is only as good as the people executing it. We thus gathered our leaders and employees across the Group at the Horizons: One Meralco Long-Term Sustainability Strategy (“LTSS”) Summit in September 2025 to align on and build shared understanding of our Group’s sustainability plans and ambitions. The summit opened with our Chairman & CEO Manny V. Pangilinan reaffirming a clear principle that anchored the day: a carbon-free future must move in step with a poverty-free one. He emphasized that the clean energy transition must not only be ambitious—it must also be accessible, affordable, and meaningful to the lives of our communities and customers.

One Meralco leaders then broke down what execution looks like across the Group through inspirational speeches.

MGEN President & CEO Manny Rubio addressed the major hurdles to becoming coal-zero by 2050—balancing energy security, technical feasibility, financial constraints, and the implications for communities that host coal facilities. Meralco Chief Sustainability Officer Raymond Ravelo reinforced that sustainability is managed with the same discipline as our core operations: progress is tracked through corporate-level metrics, with 15% of Meralco’s KPIs tied directly to ESG goals, ensuring accountability at every level of the organization. He also highlighted key enablers—from Board-level governance through a Sustainability Committee chaired by our Chairman & CEO, to an employee-led team of Sustainability Champions across the DU and our subsidiaries—that make sustainability deeply embedded in our day-to-day functions and decisions.

The conversation broadened further through a panel discussion and an open forum—featuring DOE Secretary Sharon Garin and our One Meralco leaders. Questions were raised about the link between One Meralco’s sustainability targets to national realities—energy mix outlook towards 2030, the role and timing of emerging technologies like nuclear and hydrogen, and how the government, the private sector, communities, and consumers can align around the Philippines’ sustainability goals.

Through the LTSS Summit, we ensured that sustainability at One Meralco is embraced not only as a top-down mandate but also as a commitment carried by everyone in the Group. We aim to progress on our sustainability journey anchored in shared responsibility and collective action—building an energy future that powers the good life.

For more information about our LTSS, please refer to Our Outlook & Strategy on pages 62–67.

“If there is a carbon-free future, there must be a poverty-free future. Strategy means little if the power it delivers is not within reach of the people who need it most. What good is a solar farm if the communities around it cannot be supplied with power 24/7, or cannot afford the power it produces? What use is a battery energy storage system if the power it holds never reaches schools, health centers, and homes? Every watt we deliver must carry not just power, but purpose.”

Manny V. Pangilinan
Chairman & CEO, Meralco



“The energy transition is not just about replacing fuels—it’s about transforming futures. It must be inclusive, resilient, and rooted in the lived realities of our people. We are building a system that powers not only homes and industries, but also hope, dignity, and opportunity.”

Sharon Garin
Secretary, Department of Energy



TALENT ATTRACTION & RETENTION

Creating a Workplace People Choose

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



Our people are at the core of organizational performance, and the collective expertise, capabilities, and contributions of our workforce underpin our continued success at One Meralco. Our operations depend significantly on highly trained professionals—particularly engineers and technical specialists—whose skills are critical to delivering reliable power services. In a local context where specialized technical talent is limited, we place strong emphasis on attracting, nurturing, and retaining these professionals to sustain our operations and future growth.

Our approach to talent management goes beyond building technical proficiency. We are committed to providing purposeful career pathways, holistic development opportunities, and programs that support personal well-being and meaningful societal impact. By doing so, we aim to cultivate not only capable professionals but also engaged individuals who can build long-term careers within the Group.

Our Human Resources and Corporate Services department leads the development and implementation of talent strategies across One Meralco. Through our robust policies and industry-aligned

programs, we can strengthen our ability to attract and develop Filipino talent while fostering a culture that values performance, accountability, and continuous learning.

To ensure alignment and consistency, HR Business Partners are embedded within our major business units. This integrated structure enables us to effectively manage talent acquisition, development, engagement, and retention across the organization—helping us maintain a workforce that is agile, competitive, and aligned with our standards for operational excellence and long-term value creation.

A. Hiring & Onboarding: Recruiting Promising Talent

Our Group's recruitment framework is anchored in fairness and meritocracy. As an equal opportunity employer, we evaluate candidates based on their competencies, experience, and demonstrated potential— ensuring that personal attributes such as age, gender, socioeconomic background, religion, or ethnicity never become barriers to opportunity. Through the years, we consistently attract exceptional talent equipped to navigate complexity and respond to the rapidly evolving demands of our businesses.

Meralco DU employees and workers by employment status

	2023		2024		2025	
	Male	Female	Male	Female	Male	Female
Permanent	4,481	1,239	4,531	1,333	4,537	1,411
Probationary	122	66	112	51	167	60
Fixed-term and project-based	218	90	190	85	261	97
Subtotal	4,821	1,395	4,833	1,469	4,965	1,568
Overall	6,216		6,302		6,533	

Subsidiary employees and workers by employment status

	2023		2024		2025	
	Male	Female	Male	Female	Male	Female
Permanent	4,079	1,795	4,494	1,937	7,340	2,276
Probationary	341	633	215	368	156	290
Fixed-term and project-based	6,096	1,288	5,201	1,045	1,227	389
Third-party	99	13	371	38	265	20
Subtotal	10,615	3,729	10,281	3,388	8,988	2,975
Overall	14,245		13,669		11,963	

Note: The increase in permanent employees in 2025 was driven by updated definition and subsequent reclassification of project-based workers.

In 2025, One Meralco's workforce comprised of 18,496 employees and workers, reflecting a decrease of over 7% from 2024 caused by the conclusion of projects across our subsidiaries, specifically MSERV and MIESCOR.

Our new employees begin their journey through Meralco's Orange Plug-in ("OPI") Online, our fully digital onboarding platform designed to ensure a smooth

and structured transition into the organization's history, mission, vision, and core values, as well as current businesses and initiatives. The platform combines guided and self-paced modules to accommodate different learning styles and features dedicated sessions on sustainability, DEI—with emphasis on gender equality—corporate governance, and data privacy. Our new hires are also provided access

to essential information on company policies, digital tools and systems, total rewards, and career development pathways. Complementing the Group-wide onboarding, each subsidiary implements their own orientation program tailored to its specific industry environment and workforce needs, ensuring that new team members are effectively prepared for their respective roles.



B. Remuneration: Incentivizing Exemplary Performance

GRI 2-19 | GRI 405-2

Meralco's approach to compensation and remuneration reflects our position as the country's leading electric distribution utility. We design our compensation and benefits programs not just to remain competitive in the market, but to recognize meaningful contributions and encourage sustained high performance among all our employees. Our structured remuneration policy balances external competitiveness with internal fairness, ensuring that compensation appropriately reflects role responsibilities, expertise, and individual impact.

Meralco's compensation framework is anchored in providing employees with financial stability today while supporting their long-term prosperity. Our salary structures are intentionally set above mandated minimum rates and are calibrated to remain competitive across both the power industry and the broader business environment.

Through regular market studies conducted with Willis Towers Watson, we evaluate and refine our pay and benefits structure to ensure continued alignment with industry benchmarks and evolving best practices. Over time, employees benefit from structured opportunities for salary progression through performance-based increases and career advancement pathways.

Beyond base pay, we offer a range of performance-linked incentives that recognize and reward meaningful contributions. These include short-term bonuses and long-term incentive programs. By connecting individual performance with overall company results—including sustainability objectives—we reinforce accountability, shared ownership, and commitment to organizational success.

All variable pay programs are anchored in clearly established performance metrics reviewed and approved by the Board Remuneration and Leadership Development Committee. Incentives are awarded only upon the achievement of defined targets, reflecting our strong emphasis on meritocracy, measurable outcomes, and the delivery of high-quality results.

These performance-based rewards are reinforced by a comprehensive benefits program that exceeds statutory requirements. Employees receive paid leave, premium health and life insurance coverage, retirement provisions, and various forms of financial assistance, including support for essential expenses such as rice, transportation, and mobile services. Across the Group, our subsidiaries maintain their own compensation and benefits structures, calibrated to industry-specific standards and aligned with the unique needs of their respective workforces.

Maternity leave

		2023	2024	2025
Entitled to leave	Meralco DU	1,328	1,384	1,471
	Subsidiaries	3,462	3,060	2,829
Took leave	Meralco DU	110	276	275
	Subsidiaries	159	237	171
Returned after leave	Meralco DU	110	276	275
	Subsidiaries	154	188	129
Returned and still employed 12 months after leave	Meralco DU	107	99	246
	Subsidiaries	145	181	84

Paternity leave

		2023	2024	2025
Entitled to leave	Meralco DU	4,640	4,543	3,056
	Subsidiaries	5,415	4,969	2,335
Took leave	Meralco DU	236	225	207
	Subsidiaries	192	275	144
Returned after leave	Meralco DU	236	225	207
	Subsidiaries	190	274	130
Returned and still employed 12 months after leave	Meralco DU	230	220	204
	Subsidiaries	186	271	112

Solo parent leave

		2023		2024		2025	
		Male	Female	Male	Female	Male	Female
Entitled to leave	Meralco DU	11	28	9	22	10	21
	Subsidiaries	19	72	1,071	117	510	83
Took leave	Meralco DU	11	28	32	106	40	91
	Subsidiaries	21	83	16	119	16	100
Returned after leave	Meralco DU	11	38	32	106	40	91
	Subsidiaries	21	83	7	118	8	100
Returned and still employed 12 months after leave	Meralco DU	11	26	28	106	28	99
	Subsidiaries	15	85	7	103	8	77

Employee satisfaction with Meralco's remuneration and work environment is reflected in the strong return-to-work rate following parental leave. In 2025, all employees who availed of parental leave returned to work after completing their leave, indicating sustained engagement and support within the organization.

Meralco continues to implement measures to support employees transitioning back to work after parental leave. These include providing dedicated lactation rooms for new mothers across our premises, such as the head office, Business Centers, and Sector Offices.

* BRIGHT SPARKS

Recognizing Excellence in Action

In 2025, we reintroduced Gintong Sinag as a company-wide recognition program where we honor employees who embody excellence, initiative, and service rooted in our core values. Replacing the former Model Employee Awards, the revitalized platform reinforces our commitment to fostering a high-performance, values-driven culture by celebrating individuals and teams whose contributions create meaningful impact across the organization.

During the inaugural ceremony in August, Mr. Jason Calsas, Head of the Pasig Sector, was named Most Outstanding Employee of the Year. Through this program, we have established a more comprehensive and transparent framework for recognition—highlighting achievements that advance customer experience, operational excellence, innovation, and integrity, and ensuring that outstanding contributions are visibly and purposefully celebrated.



“Dalawa ang puso ko: isa para sa pamilya, isa para sa Meralco.”

Jason Calsas
Pasig Sector Head
Most Outstanding Employee of the Year

C. Training & Development: Nurturing Employees Through Continuous Learning

GRI 404

Training and development are fundamental to empowering our people to realize their full capabilities and achieve sustained professional growth. We are committed to equipping our employees with the knowledge and skills they need to excel in their current roles while preparing them to take on greater responsibilities in the future. Through a diverse

portfolio of technical training, leadership programs, and professional development initiatives, we strengthen both functional expertise and leadership capability across the organization.

Operating in a highly technical and rapidly transforming industry, we recognize the importance of deepening internal expertise

and building future-ready talent. We therefore invest consistently in programs that enhance critical competencies, sustain high performance, and reinforce our long-term resilience. In doing so, we not only strengthen our organization but also help cultivate the specialized skills essential to advancing the broader Philippine energy sector.

Average training hours for Meralco DU employees by rank

	2023		2024		2025	
	Male	Female	Male	Female	Male	Female
Senior management	44.9	29.8	29.4	30.9	48.1	40.1
Middle management	47.8	36.3	30.9	26.8	36.1	31.5
Rank and file	66.3	36.8	57.0	35.1	51.9	61.7
Weighted average	59.4	34.4	49.5	31.6	47.8	48.0
Overall average	53.8		45.4		47.9	

In 2025, Meralco delivered a total of over 312,700 hours of technical and leadership training, equivalent to an average of 47.9 training hours per employee. This represents an 80% increase from nearly 173,600 training hours in 2024, or 27.5 hours per employee, driven by the introduction of new programs focused on culture-building, values integration, and competency development.

Average training hours for subsidiary employees by rank

	2023		2024		2025	
	Male	Female	Male	Female	Male	Female
Senior management	29.8	43.2	13.3	15.9	13.7	14.6
Middle management	23.0	19.0	14.7	9.6	42.6	50.4
Rank and file	6.6	3.0	5.9	7.3	5.2	5.7
Weighted average	6.7	4.5	8.0	8.7	7.3	7.3
Overall average	6.3		8.5		7.5	

The Group continues to support ongoing professional learning by ensuring that training topics remain relevant, forward-looking, and engaging across all levels of the organization. We also integrate sustainability-related topics into our learning and development curriculum to build awareness and equip employees with the knowledge needed to support the Group's sustainability objectives.

Building a powerhouse of skilled leaders

To reinforce the Group's culture of continuous learning, we strengthen our technical talent pipeline through two flagship initiatives driven by MIESCOR: the Powerhouse Program and the Lineman Program. These programs are designed to deepen specialized expertise, address critical skills gaps, and build a workforce capable of supporting long-term operational excellence.

Launched in January 2025, the Powerhouse Program serves as a strategic talent acceleration and retention platform for technical subject matter experts and high-potential professionals across engineering and project management disciplines. By combining structured career pathways, annual competency assessments, targeted development interventions, and performance-based incentives, the program addresses retention challenges while systematically elevating technical proficiency and leadership readiness. Participants benefit from accelerated learning opportunities, executive exposure, and merit-based rewards that reinforce both excellence and long-term commitment.

"The Powerhouse Program has boosted my career growth by significantly enhancing my knowledge and skills. It also motivated me to achieve my goals for the year, which have been set as part of the program."

John Carlo V. Baloloy
Design Engineer
MIESCOR

"The Powerhouse Program helped strengthen my communication, leadership, and technical skills. It has made me realize that leadership in QA/QC goes beyond the enforcement of standards—it is about influencing project teams, contractors, and stakeholders to adopt a proactive mindset."

Larleen B. Alejo
Quality Assurance and Control Engineer
MIESCOR



Complementing this is the expanded Lineman Program, which aims to develop certified 3rd Class Linemen to meet the growing demands of the DU. Through rigorous classroom and practical training, trade testing, and continuous skills evaluation, the program strengthens safety standards, operational reliability, and workforce capability. By investing in internal trainer development and structured career progression pathways, MIESCOR ensures a steady pipeline of skilled linemen and strengthens its technical talent pool.



“Dahil sa hands-on approach ng aming trainers, naging mas madali para sa aking matutunan at maunawaan ang pagiging isang lineman. Dahil sa training opportunity na ito, nagagampanan ko nang mas mabuti ang aking trabaho sa MIESCOR. Nadagdagan ang aking kaalaman, disiplina, at kakayahang harapin ang mga hamon sa field. Ang pag-unlad ko sa aking career dahil sa Lineman Program ay nagbigay-daan upang mas masuportahan ko ang aking pamilya.”

Joelito Espina Gabinay
2023 Batch 1 Star Awardee and 2025 Batch 1
– Certified 3rd Class Lineman
Lineman, Distribution Utilities Services
MIESCOR



“Ang pinakanagustuhan ko sa Lineman Program ay kung paano nito pinalalim ang aking kaalaman sa line works. Naging mas kumpiyansa ako sa pagganap ng aking mga tungkulin bilang lineman. Dahil dito, nabigyan din ako ng pagkakataong ibahagi ang aking natutunan sa mga kapwa kong lineman. Binigyan ako ng maraming opportunity ng programang ito na umunlad sa aking career.”

Adrian Joseco Macabalitao
2023 Batch 1 Lineman Graduate and 2025 Batch 1
– Certified 3rd Class Lineman
Lineman, Distribution Utilities Services
MIESCOR





D. Employee Engagement: Supporting Well-rounded Growth

To support the Group's commitment to holistic personal development, One Meralco complements professional growth initiatives with programs that promote employees' physical, spiritual, emotional, and mental well-being. The Company also provides opportunities for employees to engage in volunteer activities, enabling them to contribute to social causes while strengthening their sense of purpose and connection with the communities Meralco serves.

Promoting a culture of wellness and vitality

At One Meralco, we believe that a thriving organization begins with healthy, engaged, and empowered people. Guided by our commitment to employee engagement and holistic development, we continuously invest in programs that support the physical, mental, emotional, and social well-being of our employees. By fostering a culture that prioritizes wellness and connection, we strengthen not only individual resilience but also our organizational performance.

During the reporting period, we expanded our Orange Fit program, our year-round wellness initiative that promotes balanced and healthy lifestyles. In July 2025, we offered a wide range of health and wellness activities—from free medical screenings through the Orange Fit Caravan as well as yoga and sports sessions, to financial literacy and nutrition webinars, art workshops, and spiritual activities. We also reopened the Orange Fit Boot Camp across multiple areas,



engaging over 100 children of our employees in basketball and dance sessions. Access to the Meralco Fitness Center and our sports facilities further supported our employees in maintaining active lifestyles throughout the year.

Complementing Orange Fit are engagement events such as the One Meralco Cool-tural Festival, an annual celebration of creativity and camaraderie that brings employees from different business groups together beyond their day-to-day function.

Through friendly, inter-department competitions—such as the Meralco Olympics, the Mr. and Ms. One Meralco pageant, and the Battle of the Bands—the festival showcased the diverse talents and teamwork that energize our organization.

Meanwhile, from a mental health perspective, we strengthened our focus on mental wellness through U Matter, our expanded program at Meralco that provides counseling, self-care tools, awareness campaigns,

and leadership sessions on psychological safety, anchored in our Mental Health Policy. In parallel, our subsidiary Radius rolled out its Mindful vs. Mindfull campaign, engaging 140 employees in conversations on managing mental clutter and restoring focus. Together, these efforts help us lay the foundation for a supportive, stigma-free workplace that promotes mental and emotional resilience.



“My journey as a mental health advocate began when I realized how support wasn’t always accessible and how conversations around mental health were often avoided or misunderstood. That realization led me to build ServeYourMindPH, where I facilitate workshops to raise awareness, spark conversations, and empower individuals to better understand and care for their mental health. Through these sessions, I’ve seen how education can meet empathy, and how safe spaces can help people feel seen, heard, and supported. I want everyone to feel and believe that ‘U Matter’.”

Mary Joy S. Competente
Certified Mental Health Trainer
Founder, ServeYourMindPH



Keeping our people informed

In 2025, we continued to strengthen employee engagement through sustained and evolving communication platforms that keep our people informed, connected, and aligned with our shared purpose. Building on the launch of Meralco News in 2024—a quarterly publication featuring key achievements, programs, and organizational milestones—we are now integrating its content into our established digital channels to enhance accessibility and broaden reach.

Moving forward, updates and feature stories will be shared through Meralco and Me Alerts and Workplace, enabling more timely communication and seamless engagement across the organization. By maximizing these digital platforms, we reinforce our core values, celebrate collective successes, and cultivate a stronger sense of belonging, ensuring that communication remains dynamic, inclusive, and responsive to the needs of our workforce.

Building a community that drives impact

In addition to promoting employee well-being, we provide opportunities for our people to contribute meaningfully to community development. Each year, our employees offer dedicated time to participate in meaningful initiatives organized by the OMF and our subsidiaries to support communities and sectors across the country.



Nurturing Environmental Stewards

In 2025, we expanded our PowerPlants urban farming program to 17 locations across the Meralco Operating Center (“MOC”), Business Centers, and Sector Offices, engaging over 160 employee volunteers and benefiting nearly 500 individuals through the distribution of fresh produce. The initiative strengthened community partnerships by establishing new urban farms in Barangays Talayan, Bahay Toro, and West Kamias in Quezon City, helping improve local food security and access to nutritious vegetables.

Under the banner of our two greening programs—OFT and PowerPlants—we also continued to advance Greening the MOC which was launched in late 2024. Through this initiative, our employees have grown the tree count on our campus to over 6,000 by the end of 2025. Through these efforts, we are empowering Meralco employees to actively contribute to the company’s sustainability goals and join the wider movement for environmental stewardship.



Recognizing Academic Excellence Through Educational Grants

OMF continues to invest in youth empowerment through the MVP Academic Achievement Awards (“MVP AAA”), an initiative that honors the academic excellence of dependents of rank-and-file and supervisory employees of Meralco and our subsidiaries by providing educational grants. In 2025, the program marked its 15th year, recognizing 260 academic awardees and 86 top achievers during its annual celebration. Since launching in 2010, MVP AAA has supported a total of 3,010 awardees through 2025, helping more students stay on track towards their education goals—one milestone, one family, and one future at a time.





Investing in Our Children's Future

We reinforced our commitment to education and inclusive development during the reporting period through MGEN's participation in the Department of Education's Brigada Eskwela 2025, supporting 34 public schools across 11 provinces. Mobilizing nearly 400 employee volunteers and providing over PHP 1 million worth of targeted assistance including classroom and office supplies, audiovisual equipment, cleaning tools, and construction materials, MGEN's contributions reached more than 40,000 students, teachers, and school staff. Volunteers also provided hands-on support, repainting classrooms, repairing facilities, and preparing school grounds for the new academic year. Through close collaboration with school administrators and host communities across Luzon and Visayas, the initiative strengthened learning environments while reinforcing MGEN's long-term investment in community development.



Providing Life-saving Blood

In 2025, MGEN Thermal renewed its longstanding partnership with the Philippine Red Cross for its annual bloodletting campaign. Conducted across facilities in Cebu, Panay, and Pasig City, the initiative mobilized 131 employee donors and collected nearly 95,000 milliliters of blood—potentially benefiting up to 400 individuals. By supporting local Red Cross chapters and contributing directly to regional healthcare needs, the program demonstrates that MGEN's role extends beyond power generation to sustaining life and strengthening public health systems.



Spreading Hope Through Holiday Giving

Through its annual Handog sa Pasko ng MGEN ("HAPAG") initiative, MGEN mobilized over PHP 3.2 million in assistance to bring holiday support to more than 6,300 beneficiaries across 44 municipalities nationwide—nearly doubling the program's reach from the previous year. Implemented through MGEN Thermal and MGEN Renewables, we delivered Noche Buena gift packs and supported community activities in host areas surrounding MGEN's power plants.

As MGEN's portfolio continues to expand, HAPAG reflects its commitment to ensuring that growth is shared with the communities where it operates, strengthening relationships while advancing inclusive development during the holiday season and beyond.

Further details on OMF's social responsibility initiatives in 2025 and the role of employee volunteers in supporting these programs are presented in the 2025 OMF Annual Report.

* BRIGHT SPARKS

Igniting Ideas from Within



Just as Meralco delivers the electricity that powers economic and social development for millions, we are deepening employee engagement across One Meralco by creating meaningful opportunities for our people to connect, contribute, and shape improvements in how we work and serve our customers.

Meralco's Unified Innovation Month is a company-wide platform that brings employees together through a shared experience—uniting previously independent innovation initiatives into one cohesive program designed to strengthen connection, collaboration, and a sense of shared purpose. Anchored in the objectives to Inspire, Recognize, Act, and Realize, the month-long initiative culminates in a single event that spotlights cross-functional projects across process automation,

data analytics, generative artificial intelligence, public safety, customer experience, and operations—giving teams a space to be seen, heard, and celebrated for their contributions.

By integrating programs such as MeralcoStar, Customer Experience Innovation Summit, public safety innovations, and various Communities of Practice, the unified approach encourages employees to participate in ideation challenges, join communities, collaborate across functions, and bring forward solutions that matter. More than a celebration, the program strengthens a culture where employees feel connected to One Meralco's direction, recognized for their efforts, and empowered to take action—reinforcing everyday engagement through shared wins and continuous improvement.

OCCUPATIONAL HEALTH & SAFETY

Building Safer Workplaces

GRI 403 | SASB IF-EU-320



At One Meralco, safeguarding the health and safety of our people is a fundamental responsibility—we are committed to ensuring that every employee returns home safe at the end of each workday. We regard workplace safety not simply as a matter of regulatory compliance, but as an essential expression of our care for our workforce.

Beyond adhering to the Labor Code of the Philippines and Republic Act No. 11058, otherwise known as the Occupational Safety and Health Standards Act, we have established comprehensive occupational health and safety (“OHS”) policies, robust governance bodies, and well-defined programs that reinforce accountability and proactive risk management across the organization. In support of **SDG 13: Decent Work and Economic Growth**, these structures and initiatives work together to promote a culture of safety, prevent workplace incidents, and ensure that all employees can perform their duties in a secure and health-conscious environment.



A. Institutionalizing Fundamental Safety Principles

Our Group continues to strengthen and expand our OHS initiatives, underscoring our commitment to safeguarding every employee's right to a safe and healthy workplace. In compliance with the standards and regulations set by the Department of Labor and Employment ("DOLE"), we consistently enhance our safety programs, governance mechanisms, and risk management practices to uphold the highest levels of protection, compliance, and accountability across all operations.

Reinforcing our culture of safety

In 2025, we updated Meralco's Safety Code—an important milestone in strengthening our OHS framework. Updating the original 1998 Safety Code, the revised edition was developed through extensive expert review and consultation with line personnel to align our standards with current industry practices and regulatory requirements. The updated Code provides clearer guidelines on tools, equipment, and work processes; introduces new chapters covering specialized activities; refines key safety definitions; and imposes stricter penalties for frequently violated provisions. By retaining relevant policies while superseding outdated ones,

the Revised Safety Code reinforces a culture of discipline and shared accountability—underscoring that safety is everyone's responsibility in protecting our people, the public, and our operations.

This strengthened policy framework is supported by robust governance and operational leadership. Championing a proactive safety culture across the organization, the Facilities and Safety Management Department at the DU level oversees the execution of all OHS initiatives and integrates safety standards into daily operations to help ensure risk prevention and continuous improvement. Complementing this, Environment, Safety and Health

("ESH") Committees across business units serve as on-the-ground advocates, conducting monthly engagements to review protocols, address hazards, and reinforce compliance. Meralco's ESH Board—composed of senior executives including the Chief Operating Officer, Chief Revenue Officer, Chief Human Resource Officer, and Chief Legal Counsel—provides strategic direction, oversees corporate-wide ESH programs, and guides responses to significant safety matters and regulatory developments. Through these coordinated efforts, we continue to embed safety leadership and accountability at every level of the organization.

Shaping employee behavior for safety

At the core of Meralco's efforts to strengthen workplace safety is our flagship OHS program, TARGET ZERO: Zero Incident, Zero Harm. This ongoing initiative is focused on eliminating workplace safety incidents and is supported by a range of complementary programs and activities. Among these is the annual First Working Day Safety Campaign, which reinforces a safety-first mindset across the organization, particularly among frontline employees who are regularly exposed to physical risks.

Building on our 2024 safety initiatives, we further strengthened our safety culture in 2025 by deepening the implementation of our behavior-based safety ("BBS") approach.

This proactive framework focuses on identifying, observing, and positively influencing workplace behaviors to prevent incidents before they occur and to elevate overall safety performance across operations. During the reporting year, we conducted at least 95 BBS training sessions for safety officers, sector heads, team leaders, and line crew, reinforcing competencies in hazard recognition, injury prevention, personal accountability, and effective safety communication. Following these sessions, safety leaders implemented structured cross-validation inspections using BBS observation tools, engaged teams in constructive discussions on at-risk behaviors, and collected actionable data to guide continuous improvement.

In addition, Meralco continued to deliver a range of training courses and webinars on OHS topics, including fire prevention, heat stress management, indoor air quality, and motorcycle safety. These learning efforts were reinforced through regular safety announcements and guidelines shared via official corporate communication channels. The Company also ensured the provision of personal protective equipment ("PPE") that meets local and international standards and installed safety information materials at construction sites to help protect both employees and surrounding communities.

Key OHS metrics

		2023	2024	2025
Total employee hours worked	Meralco DU	14,262,953	13,376,584	13,543,767
	Subsidiaries	42,046,928	30,056,631	30,395,870
Safe person-hours	Meralco DU	1,002,624 ²³	2,941,176 ²³	1,383,200²⁴
	Subsidiaries	30,951,493	29,012,969	32,417,256
OHS training hours	Meralco DU	30,649 ²³	529,616 ²³	630,496
	Subsidiaries	15,548	19,381	26,541
Average OHS training hours per employee	Meralco DU	5.14 ²³	177 ²³	49
	Subsidiaries	1.40	1.68	2.74
Overall		2.71²³	39.54²³	20.31

While Meralco continues to uphold a strong safety culture and maintain comprehensive OHS programs, the nature of the power industry inherently involves elevated risks. In 2025, the Company recorded three work-related fatalities and 33 other work-connected injuries, compared to one fatality and 41 work-connected injuries in 2024.

²³2023 and 2024 figures have been restated to reflect data accuracy.

²⁴A safety incident occurred at the Meralco Operating Center on December 3, 2025.



The decrease in work-connected injuries resulted in a lower lost-time injury frequency rate from 1.4 in 2024 to 1.1 in 2025. However, safe person-hours declined by 53%, from over 2.9 million in 2024 to nearly 1.4 million in 2025, highlighting the ongoing need to further strengthen and continuously improve Meralco's OHS systems and practices.

Despite the decline in safety performance at the DU level, MGEN continued to demonstrate strong safety outcomes. By year-end 2025, MGEN accumulated more than 74 million safe person-hours with zero lost-time injuries and recordable incidents across its operating sites, reflecting effective safety management within its operations.

In 2025, we recorded 15 lost-time incidents ("LTIs")—lower than the previous year—though regrettably with three fatalities, reinforcing the urgency of sustaining stronger safety vigilance across our operations. During the year, we implemented the Revised Safety Code in December and further strengthened our BBS inspections through the deployment of additional Safety Engineers to enhance onsite oversight and risk prevention.

Looking ahead, we will intensify our Group-wide efforts to enhance existing safety measures and introduce additional preventive and innovative approaches aimed at reducing both minor injuries and serious incidents, with the objective of further improving workplace safety across our operations.

Strengthening frontline protection through equipment upgrades

In 2025, Meralco reinforced frontline safety by procuring nearly 3,700 units of upgraded arc-rated PPE, reflecting our continued commitment to protecting employees exposed to high-risk operations. While the acquisition replenished inventories following recent deployments, it also incorporated enhanced specifications informed by updated arc-flash risk assessments and evolving operational exposure profiles.

The upgraded arc-rated PPE, designed with enhanced protective ratings, improved coverage, and better compatibility, was strategically deployed to linemen and substation personnel performing live-line work, switching, and other critical operations. Through a risk-based allocation approach, we reinforced protection in high-exposure areas—ensuring that frontline teams are equipped with reliable safeguards aligned with the demands and hazards of their working environment.

B. Fortifying Emergency Preparedness

Meralco continues to strengthen safety awareness and safe work practices across the organization. Mandatory OHS training programs are regularly conducted to reinforce current workplace safety principles and standards, including fire safety and construction site awareness. In addition, specialized competency programs are provided on topics such as defensive driving, accident investigation, and the operation of heavy equipment and basket trucks.

In 2025, Meralco delivered 95 OHS training courses, amounting to 630,496 training hours, up by 19%

from 2024. This corresponds to an average of nearly 102 hours of safety training per employee during the year.

We also place emphasis on emergency preparedness by providing training on responding to hazards such as fires, earthquakes, bomb threats, and chemical spills. Regular drills are conducted to maintain employee readiness and situational awareness. In 2025, Meralco carried out 49 earthquake drills, 24 fire drills, and 12 chemical spill drills to reinforce preparedness and response capabilities.

Originally launched in 2024, the Meralco Rescue Academy continued its implementation and expansion in 2025 as part of our sustained commitment to safety and preparedness. The Academy serves as a dedicated platform offering short courses on emergency preparedness and response for One Meralco employees and their dependents, equipping participants with practical, life-saving skills applicable both in the workplace and at home.

Employees and workers covered by an OHS management system

		2023	2024	2025
Permanent and probationary	Meralco DU	5,930	5,864	6,133
	Subsidiaries	5,640	5,094	6,269
Fixed-term and project-based	Meralco DU	310	275	315
	Subsidiaries	7,555	5,956	6,271
Third-party	Meralco DU	9,846	9,542	-
	Subsidiaries	1,855	332	353
Total		31,136	27,063	19,341

Note: Third-party data for Meralco DU was not collected in 2025 in compliance with Department of Labor and Employment Department Order no. 174, Series of 2017.



Enhancing emergency response efficiency through real-time safety monitoring

In 2025, Radius initiated the soft launch of the Radius Emergency Check-in system, activating a real-time platform designed to monitor and verify employee safety during emergencies. The system enables employees to promptly report their safety status and location, allowing us to conduct rapid risk assessments and make data-driven decisions during calamities. During the initial activation, the system verified 428 employees and received 301 real-time responses, enabling targeted follow-up and faster emergency support where needed. Additionally, MGEN's similar Employee Safety Check aims to strengthen crisis preparedness and response, business continuity, and employee safety.

Safeguarding Our Workers' Rights

GRI 2-30 | GRI 402-1

Respect for labor standards and human rights is integral to how we conduct business at One Meralco. We are committed to treating every individual with fairness and dignity, guided by the principles set out in our Human Rights Policy. The policy reflects internationally recognized frameworks, including the UN Guiding Principles on Business and Human Rights, the International Bill of Human Rights, and the International Labor Organization's core conventions. We continuously work to safeguard the rights of our employees and other stakeholders who may be impacted by our operations through clearly defined governance structures, controls, and procedures. By embedding these standards into our entire operations

and business practices, we reinforce our commitment to ethical conduct and recognize that protecting labor and human rights is essential to building trust, resilience, and long-term sustainable growth.

In line with our commitment to responsible business, Meralco nurtures a culture built on mutual trust, open communication, and collaborative engagement. We provide employees with formal mechanisms to discuss workplace matters and actively participate in collective bargaining processes. As of 2025, collective bargaining agreements ("CBAs") extend to 1,462 rank-and-file employees and 2,891 supervisory employees, accounting for nearly 67% of our total workforce.



Championing labor representation

In 2025, the Meralco Employees and Workers Association (“MEWA”), representing rank-and-file employees, entered into a new three-year CBA covering the period from December 1, 2025, to November 30, 2028. The new CBA provides wage increases, improved medical subsidy coverage, and lump-sum grants for rank-and-file employee members. Similarly, the First Line Association of Meralco Supervisory Employees (“FLAMES”),

which represents supervisory personnel, operates under a collective bargaining agreement effective from December 1, 2024, to November 30, 2027. These agreements underscore our sustained commitment to equitable representation and constructive labor–management partnerships.

At MIESCOR, where many roles are project-based or time-bound in line with operational demands,

statutory labor standards—including OHS requirements—are consistently implemented to both regular and fixed-term personnel. The company likewise maintains full compliance with regulations governing job contracting to safeguard the lawful and equitable treatment of third-party workers. Strengthening our labor relations framework, MIESCOR successfully concluded new CBAs in 2025 with the MIESCOR Supervisory Union (“MSU”) and the MIESCOR Employee Labor Organisation (“MELO”), both affiliated with the National Union of Building and Construction Workers, covering the period from February 2025 to January 2028—demonstrating a shared commitment to stability, fairness, and sustained labor–management collaboration.

Employees covered by CBAs

	2023	2024	2025
Meralco DU	4,332	4,326	4,161
Subsidiaries	1,538	263	357
Total	5,870	4,589	4,518

Ensuring secure and confidential reporting mechanisms

Beyond formalizing employee–management dialogue through CBAs, we provide a secure and confidential reporting channel for employees and other stakeholders to raise concerns involving breaches of corporate governance policies, questionable accounting or auditing practices, or other forms of misconduct. All reported infractions are treated with utmost seriousness, triggering timely investigations and the imposition of appropriate disciplinary measures where warranted. Under Meralco’s Speak Out Policy, complaints may be filed by affected parties or witnesses—whether anonymously or otherwise—with safeguards in place to ensure full protection against retaliation.

Reports are submitted to the Corporate Governance Office (“CGO”), which evaluates and manages each case in coordination with its Assisting Investigative Units (“AIUs”).

In the event of alleged retaliation, individuals who reported concerns or served as witnesses may submit a Retaliation Protection Report Form. These cases are reviewed by the Management Disciplinary Committee or the relevant Board Committee, subject to approval by the CEO, the Chairman of the Board, or an authorized representative.

Beyond responding to reported concerns, Meralco emphasizes prevention through education and awareness. Training on the Code on

Right Employee Conduct (“COREC”) is provided to new employees and managers to reinforce expected workplace behavior. The CGO also conducts regular roadshows across business units to communicate updates on governance policies and programs, while all employees are required to complete an annual Corporate Governance Refresher every January.

Looking ahead, the Group will continue to strengthen workforce awareness and capability in upholding labor and human rights standards, while monitoring developments in laws, regulations, and jurisprudence to ensure continued compliance across our operations.

DIVERSITY, EQUITY & INCLUSION

Fostering a Culture of Belonging

GRI 405



At One Meralco, we view DEI not only as a people priority but as a strategic imperative that strengthens collaboration, innovation, and long-term success. In 2025, we formally launched and implemented the expanded #Mbrace Diversity & Inclusion Program across the Group, reinforcing our commitment to cultivating a work environment free from bias and discrimination—where every employee, regardless of background or identity, feels respected, empowered, and able to contribute meaningfully.

Since endorsing the CEO Statement of Support for the Women's Empowerment Principles ("WEPs") in 2021—alongside more than 10,000 organizations globally—we have continued to reaffirm our commitment each year.

Guided by this framework established by UN Women and the UN Global Compact, we advance concrete actions that promote gender equality, protect women's rights, and expand women's participation and leadership in the workforce, in alignment with **SDG 5: Gender Equality**.

With the 2025 rollout of #Mbrace across our subsidiaries, we are embedding DEI more deliberately into corporate policies, leadership practices, and day-to-day operations. This unified approach strengthens accountability, broadens our focus beyond gender, and ensures that inclusive values are consistently reflected throughout One Meralco—building a culture where diversity is embraced and opportunity is accessible to all.

A. Ensuring Diverse Representation in Our Workforce

Meralco continues to work towards building a more diverse workforce by increasing the participation and advancement of women across the organization. In 2025, women accounted for nearly 24% of Meralco's workforce, the highest level recorded by the Company and well above the global energy sector average of 14%.²⁵ At the Group level, women represented 22% of the total workforce during the same period.

Looking ahead, Meralco aims to further strengthen gender representation by working towards a target of 40% female participation in the DU workforce by 2030.



New hires

	2023		2024		2025	
	Male	Female	Male	Female	Male	Female
Meralco DU	309	129	289	144	367	166
Subsidiaries	3,126	1,171	2,501	1,010	3,129	896
Subtotal	3,435	1,300	2,790	1,154	3,496	1,062
Total	4,735		3,944		4,558	

During the same period, women accounted for at least 31% of the Company's new hires, more than the proportion of women in the existing workforce. This outcome reflects targeted efforts to improve gender balance in hiring, including recruitment campaigns that highlighted women's active participation across Meralco's businesses and initiatives implemented under the #Mbrace Program.



²⁵2025 Global Energy Talent Index Report

Meralco DU employees by rank

	2023		2024		2025	
	Male	Female	Male	Female	Male	Female
Senior management	615	212	632	217	660	242
Middle management	485	324	498	354	533	387
Rank and file	3,540	792	3,513	1,403	3,511	842
Fixed-term and project-based	218	90	190	85	261	97
Subtotal	4,858	1,418	4,833	2,059	4,965	1,568
Total	6,276		6,892		6,533	

Subsidiary employees by rank

	2023		2024		2025	
	Male	Female	Male	Female	Male	Female
Senior management	74	43	126	69	112	51
Middle management	871	351	1,248	695	342	145
Rank and file	7,153	2,590	7,140	2,277	7,042	2,370
Fixed-term and project-based	2,517	745	1,616	322	1,227	389
Subtotal	10,615	3,729	10,130	3,363	8,723	2,955
Total	14,344		13,493		11,678	

Purposeful recruitment of women across entry-level, technical, and managerial roles supports One Meralco's efforts to strengthen diversity and inclusion in the workplace. In 2025, women represented 27.5% of the Group's senior management positions, reflecting continued progress in increasing female representation in leadership.

As part of our continuing efforts through 2025 to expand women's participation across the workforce, we have sustained initiatives launched in 2024, including reviewing roles that can be effectively undertaken by women, collaborating with the Meralco Power Academy to prepare women for traditionally male-dominated positions such as equipment

operator and field inspector, partnering with academic institutions to offer scholarships that increase the pipeline of female electrical engineering graduates, and actively encouraging female students from technical high schools and universities to pursue careers with Meralco.

B. Championing Equality Across One Meralco

In 2025, as part of our #Mbrace Diversity and Inclusion Program, we marked International Women's Day by mobilizing employees through the #MbraceAction campaign and strengthening our focus on women's health and well-being. We mounted our first company-wide Women's Health Caravan, delivering nearly 600 health consultations in partnership with seven health providers, and hosted our first Group-wide women's wellness webinar, which attracted over 1,000 participants and achieved an average satisfaction rating of 98%.

Extending this commitment across the Group, Radius marked Women's Month through SHEroes: Celebrating Women of Radius, a company-wide initiative

recognizing the achievements and leadership of female employees and highlighting their contributions to the telecommunications sector. Meanwhile, Bayad secured approval of its Diversity and Inclusion ("D&I") Policy, launched a communications toolkit, and initiated monthly engagement activities. Clark Electric marked Women's Month and Pride Month through partnerships with expert organizations to deepen awareness and advocacy within the organization.

In addition, Movem formalized its D&I Policy, expanded equal medical coverage, and established DEI performance metrics, while MSERV implemented a D&I communications campaign and

training programs. Also reinforcing this momentum, Radius sustained its quarterly D&I campaign to foster deeper engagement. Collectively, these coordinated initiatives reflect our Group-wide commitment to cultivating a workplace culture where diversity is embraced and inclusion is actively practiced.

We are actively expanding #Mbrace to further embed all forms of inclusion into our workplace culture and practices. What began as an initiative focused on women's empowerment has evolved into a broader platform advancing gender equality and inclusion for persons with disabilities ("PWDs").



* BRIGHT SPARKS

#Mbrace-ing

All Colors with Pride

At One Meralco, we believe organizations thrive when their people are empowered to be their most authentic selves. In an industry long shaped and dominated by men, creating spaces for diverse voices therefore goes beyond representation—it is about ensuring that everyone, no matter who they are, is equally respected and valued. When employees feel they belong, they are more confident to share ideas and support one another, strengthening how we work and deliver business outcomes.

In 2025, we intensified our Group-wide commitment to LGBTQIA+ inclusion through Meralco's and MGEN's memberships in the Philippine Financial and Inter-Industry Pride ("PFIP"), a leading nonprofit organization serving as the leading voice of LGBTQIA+ workplace inclusion in the country.

"I hope we continue to inspire, uplift, and respect one another regardless of gender

identity. Let's be the reason behind someone's success and build a culture where authenticity leads the way."

Neptali Sampayan

Design Engineer, DCD Team 2



Building on this commitment, we translated LGBTQIA+ inclusion into visible, employee-centered experiences during Pride Month. We launched initiatives such as the "Proud to Be Me" forum, which brought together over 460 Meralco employees both onsite and online, creating a safe and supportive space for open dialogue, allyship, and deeper understanding of the LGBTQIA+ community across the organization. Rainbow-themed pedestrian lanes across our headquarters and 10 Sector Offices, along with art cards spotlighting LGBTQIA+ colleagues, served as visible reminders that small actions build a culture of respect and empathy for everyone.



"What excites me most about Meralco's D&I efforts is how it creates a safe space where LGBTQIA+ employees can show up as their true selves. It's empowering to be part of a workplace that values authenticity, respects individuality, and celebrates diversity—not just in words but in action. Everyone in Meralco is equal."

Lai De Guzman

Linecrew, Balintawak
Construction T2



To further elevate Meralco's DEI journey, we developed an LGBTQIA+ Inclusion Roadmap, outlining foundational initiatives—such as awareness programs, inclusive facilities, and employee resource groups—and transformative actions that enhance LGBTQIA+ policies and protections in the workplace.

With the roadmap setting a clear direction for the Group, our subsidiaries have also progressed from assessment to action. In 2025, MGEN advanced key LGBTQIA+ inclusion measures by launching its own Diversity, Equity, Inclusion and Belonging ("DEIB") Policy, adopting pronoun usage in internal communications, and extending HMO coverage to same-sex partners—steps that strengthen workplace DEI and make benefits more equitable for every employee.

C. Sustaining Gender Pay Equity

The gender pay gap continues to be a global challenge, reflecting differences in earnings between men and women across industries and occupations. Addressing this issue, particularly in traditionally male-dominated sectors such as energy, requires a comprehensive approach that promotes transparency in compensation, equitable access to leadership opportunities, and workplace policies that support career development for all employees.



Average gender pay gap in Meralco DU

	2023	2024	2025
Senior management	-0.49%	7.96%	4.26%
Middle management	-1.09%	-0.79%	-3.71%
Rank and file	11.75%	13.37%	22.32%
Fixed-term and project-based	-28.95%	-0.59%	3.35%
Weighted average	0.21%	-0.12%	4.72%

As part of our commitment to DEI, Meralco works to ensure that total annual compensation for female and male employees is equitable. In 2025, the DU recorded an overall average gender pay gap of 4.7%, indicating that, on average, male employees earned slightly more than their female counterparts. This outcome compares favorably with the global energy industry average gender pay gap of 19%.

Looking ahead, Meralco will continue to maintain and further narrow any remaining pay differences by upholding fair remuneration practices and regularly reviewing compensation structures.



PROSPERITY

**Paving Pathways
for Progress**





Customer Enablement

Elevating the Customer Experience in an Evolving Energy Ecosystem

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Supply Chain Sustainability

Strengthening Synergies in the Energy Ecosystem

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KEY INPUTS

Financial and Social & Relationship Capitals

PhP 152.2M

donations disbursed by OMF

616

suppliers engaged by the DU
through MS³

PhP 65.1B

spent by the Group on local
procurement contracts



Building on Meralco's scale as the country's largest distribution utility serving millions of Filipinos, One Meralco is uniquely positioned to help drive inclusive and sustainable prosperity for the nation. Guided by the **United Nations' 2030 Agenda for Sustainable Development**, we are committed to enabling our stakeholders across the Group to live secure, productive, and meaningful lives.

Our sustainability agenda is rooted in our pledge to uplift the lives of our customers, communities, and constituents. With our wide array of energy efficiency, smart metering, and convenient payment services, we provide excellent customer experience within a safe and secure digital environment. We also foster innovative, next-generation solutions to expand customer choice and further shape a more sustainable energy future.

Additionally, we strive to grow stronger together with our communities by supporting meaningful programs that enhance their quality of life. Finally, we work closely with constituents and partners across our supply chain and the wider power industry to build a more resilient energy ecosystem and deliver shared progress towards national development.

Through our scale, infrastructure, and diversified business portfolio, One Meralco continues to lay the foundation for a more prosperous and future-ready Philippines—empowering both present and future generations to thrive.

2025 PERFORMANCE HIGHLIGHTS

98.3%

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

7.97 out of 10

DU Customer Satisfaction
Index ("CSI")

KEY OUTCOMES

Financial and Social & Relationship Capitals

5

public schools
energized by OMF

>PhP 37.7M

in customer savings realized
due to the DU's digitalization
efforts

58M

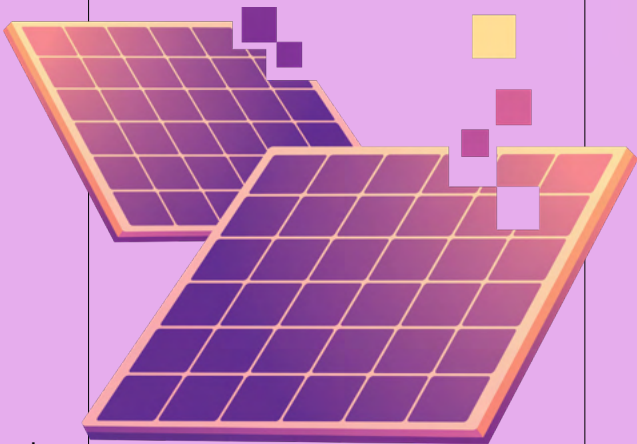
cyberattacks blocked and
prevented by the DU

STORIES OF LIGHT

Empowering Communities to Rise with MTerra Solar

As MTerra Solar rises to become the world’s largest integrated solar and battery energy storage facility, its development is being matched by a deliberate investment in host communities across Nueva Ecija. Through MGEN Renewables and its subsidiary Terra Solar Philippines, Inc., we have formalized partnerships with local governments in Gapan, Peñaranda, and General Tinio to launch livelihood and community development programs that will help ensure the benefits of this transformative project are shared from the outset. More than 1,700 construction jobs have been generated as of the end of the reporting period, while up to 10,000 jobs are expected to be created at the project’s peak, positioning renewable energy (“RE”) development as a catalyst for inclusive growth.

During the reporting period, three flagship programs were introduced during MTerra Solar’s quarterly stakeholder engagement forum, Agora, to deliver immediate and sustained impact. BrightER will install solar-powered streetlights across seven host barangays, improving safety and mobility along approximately two kilometers of road network. TERRAnform, implemented in partnership with the Meralco Power Academy and local government units, will equip around 630 scholars with job-readiness and technical training aligned with project construction needs, with qualified participants absorbed by Engineering, Procurement, and Construction contractors. Complementing these efforts, CarTER establishes three temporary community marketplaces within the Phase 1 project site, providing structured spaces for local vendors to serve up to 7,500 workers and stimulate grassroots entrepreneurship.



These projects underscore MTerra Solar’s potential for positive social and economic impact beyond the transformative benefits of supplying clean energy to approximately 2.4 million households and avoiding an estimated 4.3 million tons of carbon emissions annually. By lighting streets, building skills, and strengthening livelihoods, we are demonstrating that by embedding impact into RE development, the transition to clean power can drive both environmental progress and lasting community empowerment.

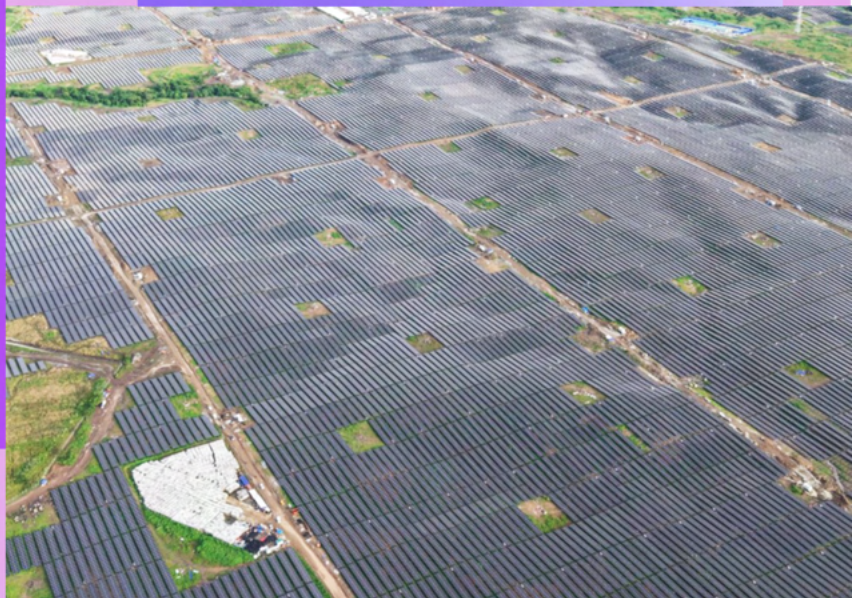


“As we build this transformative clean energy project, we are equally committed to building better lives for the people in our host communities. Even while in the construction stage, the positive impact of MTerra Solar has already been felt—and this is just the beginning.”

Dennis B. Jordan
President & CEO,
MGREN Renewables

“Ang MTerra Solar ay biyaya para sa Nueva Ecija at kasama niyo kami sa historical project na ito.” (“MTerra Solar is a blessing to Nueva Ecija, and we stand with you in making history with this project.”)

Emary Joy Pascual
Mayor, City of Gapan,
Nueva Ecija



CUSTOMER ENABLEMENT

Elevating the Customer Experience in an Evolving Energy Ecosystem

GRI 418-1



Customer enablement lies at the intersection of service excellence and market transformation. At Meralco, we give customers greater control, clarity, and convenience in how they use and access electricity—while ensuring Meralco can deliver service that is faster, more reliable, and more responsive to evolving needs. As consumption patterns change and customer expectations rise, we are strengthening the tools, programs, and technologies that help households and businesses manage energy use more efficiently, make informed decisions, and reduce avoidable costs.

At the core of this effort is our continued push on energy efficiency, which helps customers lower consumption through practical solutions and timely guidance, while also supporting a smarter and more resilient power sector. Complementing this is the expansion of Advanced Metering Infrastructure (“AMI”), which is transforming metering from a basic billing function into a platform for real-time insights, two-way communication, improved outage detection, and more accurate billing—enabling a more customer-centric, data-driven energy system.

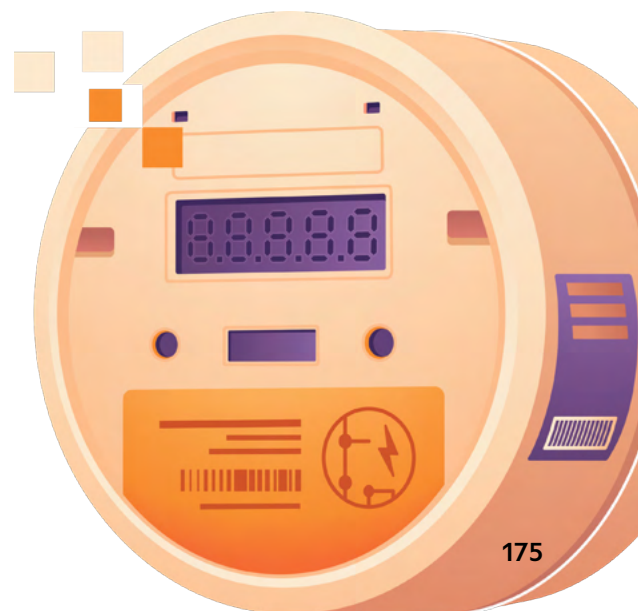
Finally, we are enhancing service efficiency through digital platforms that simplify key customer journeys—from monitoring usage and managing accounts to paying bills, requesting services, and receiving confirmations in real time. Together, these initiatives are designed to improve transparency, speed, and reliability across everyday interactions, while building the foundation for greater customer choice, stronger service performance, and a more sustainable energy future.

A. Lighting the Way to Energy Efficiency

Meralco continues to advance energy efficiency as a cornerstone of building a smarter and more resilient power sector. At the same time, we empower customers with better tools and timely information to manage electricity consumption more effectively, promoting greater control, transparency, and cost efficiency. Through intelligent and data-driven solutions, we strengthen operational performance while fostering a more responsive and customer-enabled energy system.

“This collaboration is pivotal in our AMI journey. With Itron’s Gen5 solution, we are laying the foundation for a smart grid that enhances customer experience, supports the digital economy, and builds a more sustainable power future for the Philippines.”

Ronnie L. Aperoch
Executive Vice President and
Chief Operating Officer, Meralco



B. Advancing a Smarter Energy Ecosystem



As energy markets and customer expectations evolve, AMI has become more than a meter replacement program: it is a pathway towards more intelligent, efficient, responsive, and customer-centric energy systems.

A growing number of smart meters are enhancing grid visibility and service reliability across our franchise area, providing real-time usage insights, enabling two-way communication, and improving outage detection and response. Measuring consumption in five-minute intervals—the market-prescribed standard—and transmitting data daily to the electricity Market Operator, the meters are also playing a critical role in enabling accurate billing and efficient energy management under the Retail Competition and Open Access (“RCOA”) framework under the Department of Energy’s Retail Aggregation Program (“RAP”).

Meralco is continuing to advance preparations for large-scale AMI deployment to realize these benefits at scale. Of the 140,000 smart meters initially approved—primarily for prepaid customers—more than 196,000 have been installed to date. The Company plans to deploy nearly 12 million smart meters over the next decade, including 3.6 million units between 2025 and June 2030, supported by allocations in Meralco’s Php 272-billion First Regulatory Period CapEx plan under the Rationalized Rules for Setting Distribution Wheeling Rates (“RRDWR”). Given the scale of investment—approximately USD 100 per meter—the rollout will be phased, with efforts underway to optimize costs.

In October 2025, we strengthened the infrastructure behind this smart meter rollout through a partnership with U.S.-based Itron, Inc. Itron’s Gen5 solution,

built on an open, IPv6-based network integrating mesh and cellular technologies, supports multiple meter brands and enables two-way, near real-time communication between its operations and customer endpoints. The solution drives faster outage detection and restoration, improved billing accuracy, and greater transparency in energy consumption. It will initially manage 73,000 endpoints across Metro Manila, with multi-year expansion across the franchise area.

Through continued investment in AMI and grid modernization, Meralco is building a more resilient, data-driven energy infrastructure with benefits for customer choice, efficiency, and ultimately the nation’s transition towards a smarter energy future.

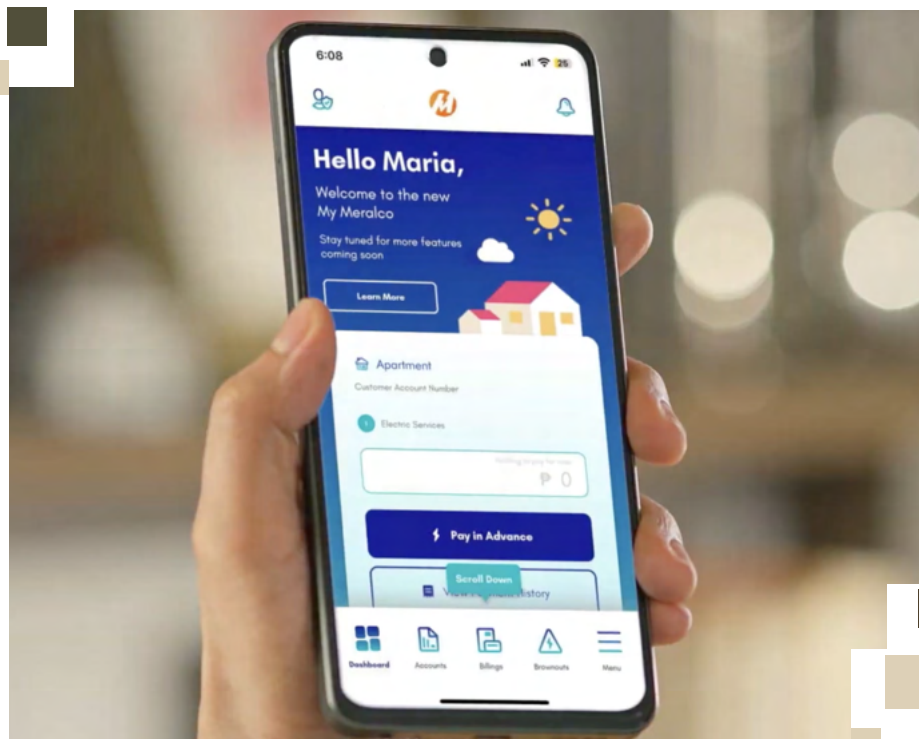
Empowering customers with flexible and smart solutions

Anchored on our AMI program, we continue to expand customer choice and empowerment through both prepaid and postpaid smart solutions. Kuryente Load provides a flexible prepaid option in smaller, more manageable amounts alongside consumption monitoring via SMS notifications—broadening access for low-income households, relocated families, and *balik-liwanag* customers. In 2025, the program reached nearly 102,000 active customers, including over 10,600 new accounts, achieving 95% of its annual target while reducing convenience fees to enhance affordability.

Complementing this, AMI Postpaid leverages smart metering technology to deliver real-time consumption data and transparent billing, strengthening transparency, reliability, and customer trust. By year-end 2025, active AMI Postpaid accounts grew to over 7,400, up 41% from 2024, with 91% customer satisfaction and improved collection performance. As we relaunch prepaid services in AMI-covered areas and prepare for a broader 10-year rollout, we continue to scale technology-enabled solutions that give customers greater control over their energy use.



C. Ensuring Efficient Customer Service Through Digital Platforms



Meralco continues to leverage digital innovation to improve operational efficiency and enhance the customer experience. Through initiatives such as My Meralco, Kuryente Load, Digital Official Receipt Issuance (“DORI”), and the DSA, we are able to streamline processes, reduce operating costs, and support more environmentally responsible practices.

Strengthening accessible payment solutions

A key focus from 2024 to 2026 is the strengthening of our payment ecosystem by accelerating real-time posting, expanding access points, and advancing paperless transactions. Through our partnership with Bayad and other third-party channels, we transitioned from batched to real-time payment posting, ensuring that customer payments are instantly reflected—eliminating delays, preventing missed deadlines, and reducing payment-related concerns. RTP Bayad payments grew by 153% from PhP 9.5 million in 2024 to PhP 24.0 million in 2025, following the implementation of RTP GCash, while batch payments declined

significantly, signaling a clear shift towards faster and more reliable channels.

At the same time, we expanded the acceptance of payments for disconnected services across Bayad outlets nationwide, complementing Meralco Business Centers and digital platforms.

This wider network of payment touchpoints enables customers to conveniently settle outstanding dues and supports service reconnection typically within 24 hours, with around 3,000 transactions processed monthly—improving accessibility, efficiency, and customer satisfaction.

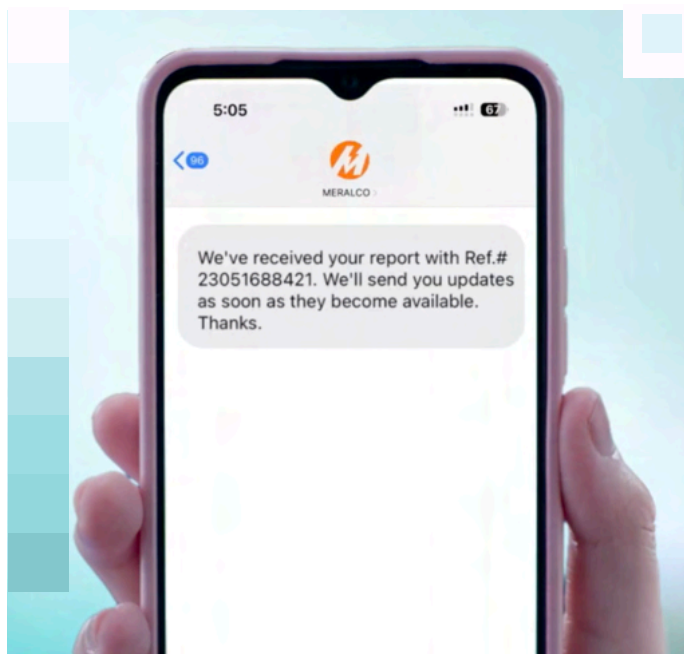
Further reinforcing our digital transformation agenda, we implemented DORI for payments made via Meralco Online and third-party channels, including Bayad, banks, and Automatic Payment Arrangements. By providing secure, readily accessible electronic receipts, we enhanced convenience while promoting environmental responsibility through reduced paper use. In 2025, requests for printed official receipts at Business Centers declined by 24% compared to 2024, reflecting improved accessibility, operational efficiency, and a more seamless customer experience.

Expanding real-time payment access for faster reconnection

In 2025, Meralco launched Real-Time Posting for Disconnected Meralco Accounts, which enables customers to settle outstanding dues through Bayad and initiate reconnection without unnecessary delays. The project provides customers with faster and more convenient payment options beyond Meralco Business Centers by integrating real-time posting technology into Bayad's extensive over-the-counter network.

The initiative enhances speed, reliability, and overall customer experience while supporting Meralco's customer-centric and sustainability agendas.

Looking ahead, Meralco plans to extend real-time posting capabilities to additional corporate and digital partners, as well as the Bayad App and online channels, further broadening customer access and convenience.



Modernizing field services through Mobility solutions

The Mobility Solution for Field Services (“MobSol”) is a multi-year digital transformation initiative to digitize field order management and optimize on-the-ground operations. Since its launch in 2023, MobSol has processed over 888,000 CXE work orders, eliminated paper-based field orders, and generated approximately PHP 6.2 million in printing savings. Through mobile applications and web-based dispatch tools, the system reduces manual work, improves labor deployment and scheduling, and enhances productivity—reinforcing service reliability, operational efficiency, and paperless operations. In 2025, the project expanded to support BIZ Partners Group and Enterprise & National Government customers. Upon its full rollout in 2027, MobSol will serve as Meralco’s standard platform for field order management and operations.



Customer Enablement Metrics

Heightened customer satisfaction



7.97
OUT OF 10

Customer Satisfaction Index

overall satisfaction on different areas of the Meralco service



94
OUT OF 100

Customer Experience Index

measure of transactional experience with different customer channels



82
OUT OF 100

Value for Money Rating

% who agreed that they got their money's worth with Meralco's service

Empowered customers with innovative and sustainable energy solutions

101,880

CUSTOMERS

Kuryente Load

19,127

CUSTOMERS

Net Metering

7,422

CUSTOMERS

AMI Postpaid

6,684

CUSTOMERS

Peak / Off-Peak



599

DOE-registered 4-wheel commercial charging points

EV Adoption

Ensured responsive customer care and high service levels

97.1%
Resolution Rate

5.4 MINUTES
Average Time to Answer



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

258M

VIEWS

Total Reach

Social static and video, TVC



4.6M

AVERAGE VIEWS/HITS PER MONTH

Meralco Advisory

Timely updates on electricity

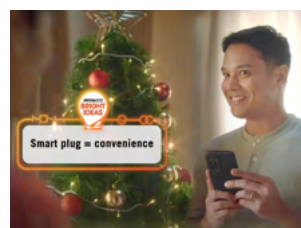


82.9M

VIEWS/HITS ON DIGITAL, SOCIAL MEDIA PER MONTH

Bright Ideas

Offer data-driven tips for households to manage energy consumption



1.3M

VIEWS

Power Ideas

Share beyond-the-meter solutions and practices for business



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



88.4%

Transactions used self-service and digital channels

2.56M

USERS

My Meralco

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

✱ BRIGHT SPARKS

Enabling Customer Choice



One Meralco firmly supports the objective of the ERC's Omnibus Rules for Customer Choice Programs ("CCP") to establish a modern, clear, consistent regulatory framework that ensures fair competition, protects consumer rights and facilitates reliable access to electricity market options. These efforts help expand the eligible customer base and further promote the "Power of Choice".

Meralco, as a DU and designated Meter Service Provider, and in alignment with our corporate strategic focus on Customer Centricity, is facilitating and supporting customers switching to CCP. This is being achieved by

promoting general awareness, streamlining operations to meet regulatory timelines, and enhancing the customer experience through a dedicated SPOC and the availability of a switching manual.

Beyond the DU, in 2025, MPower and Vantage Energy responded to evolving CCP and deepened industry engagement in the RES market. Following the rollout of the RAP and the lowering of the CREM threshold to 100 kW, MPower successfully transitioned 18 RAP groups totalling 31 MW, with 10 additional groups representing 15 MW secured for 2026. This includes groups such as DMCI, PLDT and Smart—the first in the real estate

and telecommunications sectors, respectively, to transition to RAP. MPower also became the first RES to sign a new account under CREM Phase 4 through partnership with the Burgundy group.

MPower and Vantage Energy further reinforced customer retention and brand loyalty through strategic learning initiatives in 2025, including two batches of the Recertification Course for Energy Managers with MPA, producing over 60 graduates, and the 11th Executive Forum, which gathered a record 217 business leaders from nearly 100 companies.

DIGITALIZATION & CYBERSECURITY

Navigating Risks and Opportunities in the Digital Age



As technology reshapes industries and customer expectations continue to evolve, One Meralco is accelerating digital

transformation to make everyday customer experiences faster, easier, and more reliable. Guided by our 7Ds Digital Transformation Framework through the end of the decade, we are strengthening the digital capabilities that enable more convenient services, quicker issue resolution, more responsive support, and a more seamless end-to-end customer journey—

while reinforcing the systems that keep power delivery efficient and dependable.

Because customers rely on Meralco's infrastructure and digital channels for essential services, cybersecurity is a critical part of protecting service continuity and customer trust. Operating in an environment with heightened cyber risk exposure, we established a dedicated Cyber Security Group ("CSG") in 2020, independent from Information, Communications,

Technology, and Transformation ("ICT"), to safeguard our digital assets and protect stakeholders from evolving threats. With an "assume breach" mindset, the CSG proactively identifies and mitigates cyber risks to help prevent disruptions, protect customer information, and maintain the reliability of digital services—reinforcing the confidence customers and partners place in Meralco.

A. Redefining Customer Centricity Through Digital Transformation

We continued to advance our digital transformation journey in 2025, anchored on the seven strategic pillars of the 7Ds Digital Transformation Framework—Digital Customer, Digital Grid, Digital Employee, Digital Enterprise, Data Platforms and Artificial Intelligence (“AI”), Digital Infrastructure, and Digital Communications. The framework drives the adoption of emerging technologies and data-driven insights across key areas to enhance operational excellence, deepen customer centricity, and unlock new business opportunities.

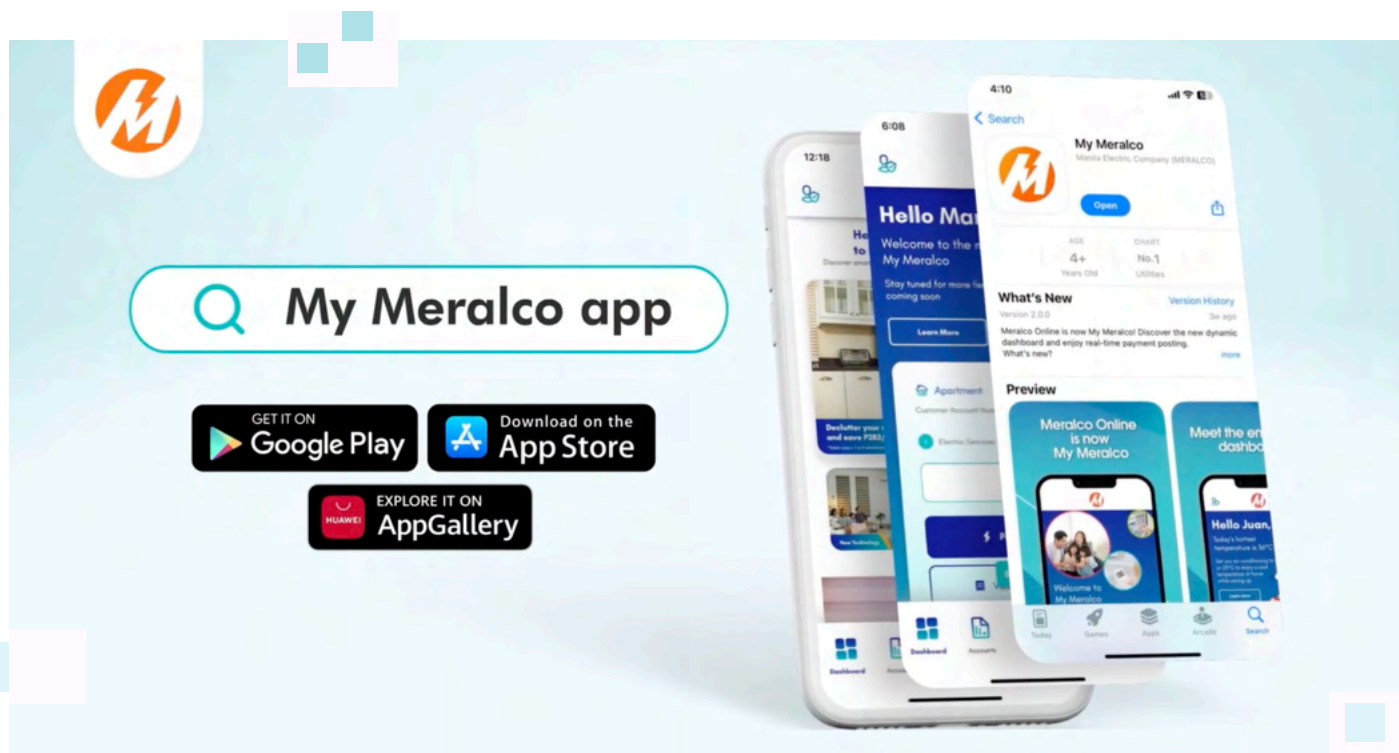
Unlocking digital convenience and efficiency for customers

Meralco must do more than deliver electricity alone. We must deliver that electricity in a way that continues to meet and exceed the expectations of 8.2 million customers in a digitalized world—one that demands speed, transparency, and flexibility. In response, we continue to listen to customer feedback and tailor our digital platforms to their needs, with the aim of providing convenient, end-to-end services that empower people and improve operational efficiency.

At the forefront of this effort is the My Meralco App, our primary self-service channel. The platform enables customers to easily view and pay bills, report outages, apply for electric service, lodge inquiries, share feedback, and access electricity-saving tips and promotions—all within a secure and user-friendly environment. By consolidating essential services into a single digital channel, the application allows customers to connect with Meralco anytime and anywhere.

The complete customer journey is covered through a comprehensive suite of functions, supporting everything from seamless account management, bill paying and service applications, to real-time reporting of concerns and outages, to value-added features that promote more efficient consumption.

					
Account Management	Bills & Payments	Concerns	Outages	Service Applications	Value-added Services
Self-service registration for residential customers	PDF copies of bills for the past 13 months	Lodging of inquiries and concerns	Outage map Outage reporting	Digital Service Application for Ordinary Service Applications	Service-related notifications
Pre-enrollment for business customers	Partial, full and pay-in-advance options for active, disconnected and terminated services				Bright Ideas
Single view for all enrolled customer accounts	7:00 AM – 11:00 PM real-time posting			Modification, termination, and reconnection of service	Appliance Calculator
Multi-factor authentication through MPIN and biometrics	24-month consumption chart				
	DORI				



In 2025, we enhanced the platform with new ways for customers to engage with Meralco and reduce routine paperwork. DORI was introduced beginning in July, improving transaction transparency, documentation and the delivery of receipts. In December, we streamlined the submission process for Ordinary Service Applications with a fully digital application process.

More Meralco customers than ever are now experiencing the benefits of our digital services. Adoption of the My Meralco App accelerated following the full transition from our legacy platform, Meralco Online, reaching 2.56 million registrations in 2025.

The app supported 7.1 million payment transactions and PHP 34.8 billion in collections during the year, representing year-on-year growth of 34% and 37%, respectively. Active paperless billing subscribers reached 116,000. Notably, the share of self-service transactions through the My Meralco App rose from 38.9% in 2024 to 70% in 2025, significantly reducing the need for in-person visits and reflecting stronger digital engagement across our customer base.

Looking ahead to 2026, we will continue to expand the platform's capabilities. Planned enhancements include improved concern management with real-time status monitoring, a Fraud Management Tool to further strengthen payment

security, and a tailor-fit portal and mobile application for business customers. Additional features will support consumption monitoring and top-up for prepaid electricity and Postpaid Plus customers, applications for net metering, and service modification, or switching, options for contestable customers.

Through continuous innovation, the My Meralco App is enabling us to deliver ever more convenient, secure, and responsive energy services, strengthening the customer experience while supporting our broader digital transformation journey.

Translating digital infrastructure improvements to positive customer experience



Meralco's digitalization transformation is focused on what customers need every day: faster responses when they need help, more accurate and flexible billing and energy options, and more reliable service continuity. By modernizing critical systems behind the scenes—from customer contact channels to metering data and billing automation—we improve speed, accuracy, and customer experience across all touchpoints.

To keep customer support always accessible and secure, Meralco upgraded contact center components that had reached end of life and end of service support, including aspect applications, Cisco Unified Communications Manager ("CUCM"), and related

third-party systems. The upgrade addressed cybersecurity and supportability risks while ensuring uninterrupted business-as-usual call center operations.

In parallel, we strengthened the accuracy, completeness, and usability of meter and market data by replacing Meralco's legacy Meter Data Management System ("MDMS"). The new MDMS supports core functionalities for billing, rating and charging, and reporting to the Independent Electricity Market Operator of the Philippines ("IEMOP"), while enabling customer-facing programs (e.g., CCP, Competitive Retail Electricity Market, Green Energy Option Program, Retail Aggregation Program) and offerings (including

Kuryente Load, AMI Postpaid, and Peak/Off-Peak).

We also accelerated revenue and service turnaround by automating billing and collection processes through the integration of the Foreign Attachment Management System with the Enterprise Resource Planning system. This integration streamlines formerly manual workflows for third-party users of Meralco's electric poles and delivers measurable cycle-time improvement, with an average processing time of 14.2 days based on 24 cleared service orders, better than the project's commitment of 21 days.

Improving customer outcomes with intelligent solutions

We at Meralco are turning AI into real service improvements—helping us respond faster, operate more reliably, and better serve more than 8 million customers in a sector under increasing pressure to decarbonize, digitize, and deliver at scale. Our focus is to apply AI where it creates measurable value for customers, while keeping innovation responsible, secure, and people-centered.

AI applications are already delivering tangible results for our customers. Meralco utilizes a sentiment analysis platform that processes customer feedback in hours instead of weeks, enabling near real-time insights that strengthen service improvements. Our predictive models have reduced transformer-related outages by more than half, preventing service interruptions for hundreds of thousands of customers. Additionally, our advanced computer vision tools are also supporting rooftop solar integration by improving visibility and coordination of distributed energy resources within our network.

Deployment is also expanding across our subsidiaries. Radius has implemented AI tools to automate documentation and analytics processes, while Bayad



has introduced automated response capabilities that significantly reduce handling time. Meanwhile, MGEN is utilizing AI tools to streamline asset monitoring and maintenance processes, enhancing operational insights across its generation portfolio.

To align leaders, employees, and global technology partners behind this direction, we convened the first One Meralco AI Summit in 2025 to define how AI can accelerate growth and elevate customer

service even further. The Summit reinforced our commitment to place AI at the center of transformation, guided by clear standards for responsible, secure, and people-centered innovation. With over 50 use cases identified and six lighthouse projects prioritized—supported by a structured roadmap and responsible AI guardrails—the initiative affirms that AI is not a replacement for people, but a powerful partner to serve our customers better.

B. Fortifying Our Cyber Defense

Meralco's dependence on digital technologies, together with the increasing convergence of information technology ("IT") and operational technology ("OT"), has expanded the Company's cyber risk exposure and introduced more complex security challenges. As traditional air-gapped cybersecurity architecture continues to erode, protecting critical digital infrastructure requires a more

comprehensive and adaptive cybersecurity approach. These challenges are further intensified by evolving regulatory requirements in the Philippines, including the Data Privacy Act, the National Cybersecurity Plan ("NCSP") 2025–2028, and the DOE's Energy Sector Cybersecurity and Cyber Resilience Framework. These frameworks call for stronger security controls, data protection

measures, and incident reporting protocols. In response, Meralco continues to invest in advanced security technologies, strengthen workforce capabilities, and adopt proactive threat detection and response strategies. Through these efforts, the Company maintained a resilient cybersecurity posture and successfully blocked and prevented over 58 million cyberattacks in 2025.



Building an arsenal against cyber threats

Meralco's long-term cybersecurity vision is anchored in ARSENAL, a strategic program designed to enhance the Company's cybersecurity maturity by 2028 in alignment with the NCSP. The program aims to protect Meralco from current and emerging cyber threats by securing digital assets, safeguarding stakeholders, and reducing financial, reputational, legal, and regulatory risks associated with cybersecurity incidents.

Through ARSENAL, we strengthen Meralco's cyber infrastructure to address the growing risks of a digitalized energy landscape. As a utility serving millions of customers nationwide, any major cyber disruption could have wide-reaching implications. This reinforces the importance of Meralco's proactive, collaborative, and forward-looking approach to cybersecurity in preserving system resilience and maintaining stakeholder trust.

Fostering a culture of cyber vigilance and responsibility

Meralco's operational risk framework focuses on a robust risk management process that includes identification, assessment, mitigation, and continuous improvement. Central to this approach is cultivating a pervasive cybersecurity culture that is practical, inclusive, and embedded across the organization. Cybersecurity is upheld as a collective responsibility,

equipping employees to act as a critical first line of defense against evolving threats. This commitment also extends beyond the workplace, promoting responsible digital practices within the wider community.

To reinforce awareness, Meralco sustains year-round cybersecurity education initiatives, including regular advisories on emerging

risks such as phishing and smishing and clear guidance on preventive measures. In 2025, 151 advisories were issued to provide actionable insights to employees. Our annual mandatory e-learning cyber course, launched in 2025, achieved an outstanding 99% compliance rate and 97% overall passing rate.

Thinking Before Clicking

In 2025, we intensified our cybersecurity awareness efforts through the Think Before You Click campaign, launched during a critical period when Meralco faced a surge in phishing attempts. Designed to make complex cyber threats easier to recognize, the campaign adopted a playful yet purposeful approach, personifying common phishing tactics without diminishing their seriousness. Timely advisories, themed materials, and continuous engagement ensured that employees remained alert to emerging threats throughout the year.

The campaign established a formal baseline for phishing resilience and reporting performance. Email security controls achieved a 99.6% block rate, with only 0.4% of phishing attempts reaching user inboxes. Among those delivered, the click rate was kept to 2.9%, while the reporting rate reached 96%, resulting in a strong phish resilience ratio of 33:1—meaning that for every employee who clicked, 33 proactively reported the attempt.

Strengthening Crisis Response Through Simulation

In November 2025, we reinforced our cyber resilience by launching our annual cyber crisis simulation program, underscoring the importance of preparedness in managing high-impact incidents. Aligned with leading global standards—including the National Institute of Standards and Technology Cybersecurity Framework and ISO 27001—the program emphasized regular testing of incident response capabilities to ensure effective governance, risk management, and protection of critical information assets.

The initiative began with a tabletop exercise designed to familiarize participants across Meralco with crisis management roles, escalation protocols, and decision-making expectations in preparation for more complex scenarios. The program culminated in a

full-scale crisis simulation conducted in partnership with our cyber insurance partners. The exercise presented a realistic, high-pressure cyber incident scenario to assess organizational readiness, validate escalation pathways, and strengthen coordination across our business units.

By testing processes, communications, and leadership responses in a controlled environment, we enhanced our ability to respond swiftly and decisively to evolving cyber threats, further embedding resilience and accountability across the organization.



Powering stronger access security across One Meralco

In 2025, One Meralco's Cybersecurity Awareness Month ("CSAM") placed user access at the forefront of our cyber defense strategy, recognizing that every account can serve as a potential gateway to our network. Under the theme "The Power of Less: Protecting More with Minimal Access", the component Cybersecurity Awareness Forum remained the flagship event, redesigned to be more immersive and engaging while reinforcing the principles of access security.

The celebration featured expert insights from industry leaders, including a keynote emphasizing the evolving threat landscape and the critical role of access security in protecting digital assets. Threat simulation videos illustrated how attackers exploit unauthorized access, while subject matter experts provided department-specific guidance to reinforce that cybersecurity is a shared responsibility.

The forum also marked the official kickoff of Project REVERB, the Group's cybersecurity maturity acceleration program for subsidiaries, further strengthening alignment and resilience across the organization's cyber ecosystem.

Reinforcing Group-wide Cyber Resilience

In 2025, we launched Project REVERB (Reinforcing Excellence, Value, and Empowerment of our cyber-ecosystem for Resilience-Building) to align and accelerate cybersecurity maturity across the Group. Built on two goals—cyber strategy synergy and maturity acceleration—it unifies direction while giving each subsidiary the

tools, resources, and flexibility to strengthen defenses within its own operating environment. Through a centralized, structured framework, REVERB spreads best practices, deepens expert collaboration, and institutionalizes continuous improvement to boost collective resilience against evolving threats.



INNOVATION

Inspiring Next-generation Solutions

Innovation at One Meralco is ultimately about delivering better solutions and outcomes for customers—more reliable service, more choices, and support that keeps pace with how people live and work today. As the energy landscape evolves through digitalization, decentralization, and rising customer expectations, we are investing in enterprise-wide innovation so we can respond faster and serve better.

Our subsidiaries help extend these customer benefits across different needs and segments. Movem supports customers who

want cleaner and more convenient mobility by helping expand electric vehicle (“EV”) adoption. MSERV and Radius enable high-demand customers—such as data centers and large facilities—with solutions that help them meet growing power requirements reliably and efficiently. Across the Group, we are working together to bring practical innovations to the market and unlock new options for customers. Together, these efforts reflect One Meralco’s commitment to meeting customer needs today and building a more responsive, resilient energy future for the Philippines.



A. Pioneering Advanced Technologies in the Telecommunications Industry



Innovation at Radius continues to reinforce its position as a trusted digital infrastructure provider amidst an increasingly competitive market. During the reporting period, enhanced IPTV and Premium Dark Fiber solutions helped the business stay at the forefront. IPTV delivers standard and high-definition content over full IP network infrastructure powered by Radius' 100% pure fiber network and enterprise-grade eLINE, ensuring stable, high-quality viewing across hotels and healthcare facilities. During the reporting year, four additional enterprise clients confirmed orders and completed implementation, reflecting growing demand for reliable, fiber-based content distribution.

In parallel, Premium Dark Fiber continued to serve mission-critical operations that require the highest levels of performance, security and scalability. The solution provides fully private, unlit fiber networks that give businesses complete control to meet their needs. The service generated an average monthly revenue of PhP 21.7 million, up 74% year-on-year, with around 240 active circuits and Optical Line Monitoring and Protection deployed across 11 major data centers to uphold a 99.9% uptime commitment—solidifying Radius' role in supporting the Philippines' expanding digital economy.

Enhancing customer experience through network reliability

Through our subsidiary Radius, we strengthened both digital engagement and network reliability in 2025. Radius relaunched its website in phases from July to December, aiming to improve the customer experience by enabling clients to view circuits in real time, monitor requests and trouble tickets, check service feasibility, request proposals, and place orders online. Delivered through close collaboration among Sales, Product and Market Development, IT, Business Process Management, and Network teams, the enhanced platform improves transparency and efficiency while also positioning Radius to drive greater lead generation and order conversion.

The next phase will introduce real-time online billing statements and integrated help center access, further reinforcing a responsive, customer-centric digital interface.

At the same time, Radius has upgraded its Optical Transport Network to support up to 200 Gbps capacity to meet the needs of hyperscale, telecommunications and other high priority customers, with an ongoing proof-of-concept to deliver and support high-capacity connectivity up to 800 Gbps. Proactive Fiber Network Monitoring through Optical Line Monitoring and Optical Line Protection was also implemented to uphold stringent service level commitments to hyperscale customers in

major data centers. Completed in two phases across nine facilities in 2025, the system enables real-time monitoring of fiber health and automatic switching to backup links, ensuring uninterrupted traffic flow and strengthening resilience. Through this initiative, we have committed to maintaining service availability of 99.9% and targeted restoration times of 12 hours for cable and 4 hours for network incidents. Further expansion to more data centers is planned in 2026 to continue to support future-ready, high-performance connectivity infrastructure.



B. Enabling Data Center Growth

In response to the growing demand for electricity in an increasingly data-driven world, MSERV has undertaken the supply and installation of mission-critical electrical infrastructure for ST Telemedia Global Data Centers (“STT GDC”), one of the world’s fastest-growing data center providers. Started in 2023, MSERV completed the project in June 2025, enabling reliable and high-performance operations by enhancing uptime, strengthening redundancies, and improving overall energy efficiency. Beyond commissioning, the initiative reinforces our commitment to energy-efficient, future-ready power systems and positions MSERV for potential expansion opportunities.

C. Electrifying Mobility in the Philippines



The uptake of EVs in the Philippines continues to grow, and One Meralco remains committed to supporting the ecosystem that is enabling this historic transition. Through our subsidiary Movem, we formally established the Charge Point Operatorship (“COP”) business in 2025, launching eight inaugural charge points and laying the foundation for scalable, long-term growth. Installations included a 22-kW charging station at Festival Mall Alabang—marking the first ad-based charging at Festival Mall in partnership with ChargeEuropa—five 22-kW charging stations at Rockwell Edades Tower and Suites, and two 22-kW charging stations at the Meralco Operating Center constituting our first employee charging facility at the Meralco head office.

We also helped ensure the safe, timely, and reliable energization of more EV charging stations in close coordination with our customers. In 2025, we energized multiple sites, including facilities for Victory Liner, V-Green, and commercial carparks, generating incremental electricity demand and opening new growth opportunities as we continue scaling electric mobility in the years ahead.

Complementing this physical expansion, we launched ChargeM by Movem Electric, a fully functional EV charging mobile application with an integrated payment gateway. The platform enables drivers to locate stations, check real-time availability, initiate and pay for charging sessions, and access

detailed reports—enhancing convenience while strengthening a connected, data-driven EV ecosystem.

Beyond this, Movem entered into an agreement with Megaworld Corporation to electrify its Citylink bus fleet, aiming to cut carbon emissions, reduce noise pollution, and deliver a more comfortable commuting experience for thousands of daily passengers. Eleven (11) e-buses are targeted to be introduced by 2026, positioning Megaworld as one of the early movers in large-scale transport electrification within private developments.



Scaling clean transport through synergies

Meralco has signed a memorandum of understanding with Vingroup-affiliated companies V-Green and Green GSM Philippines to accelerate EV adoption and build a more integrated electric mobility ecosystem in the country. The partnership brings together Meralco's expertise in power infrastructure with V-Green's extensive experience in EV charging networks and Green GSM's electric ride-hailing operations to help scale sustainable urban transport solutions across Metro Manila and other key cities.

Under the agreement, the three companies will identify and evaluate strategic locations for public charging stations and

electric taxi hubs, support the rollout of scalable and efficient charging networks, and explore complementary initiatives such as solar-powered charging stations, workforce training, and technical knowledge sharing. The collaboration also aligns with the goals of the Electric Vehicle Industry Development Act ("EVIDA"), reinforcing national efforts to promote cleaner transport and reduce carbon emissions.

V-Green, the exclusive charging partner of VinFast in Vietnam, brings significant operational experience, having developed one of Southeast Asia's most extensive charging networks. Green GSM,

which operates a fully electric ride-hailing fleet powered by VinFast vehicles, is set to expand its presence in the Philippines, further strengthening the country's transition towards low-emission mobility solutions.

Through this collaboration, Meralco continues to support the development of a future-ready, inclusive transportation ecosystem—one that integrates reliable power infrastructure with innovative mobility solutions to help drive the Philippines' green mobility revolution.

COMMUNITY ENGAGEMENT

Growing Stronger Together

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



While access to reliable energy is a cornerstone of inclusive and sustainable development, we at Meralco have always recognized that our responsibility extends beyond delivering electricity alone—we must operate in a way that advances resilience, opportunity, and long-term progress for the communities we serve. Through the One Meralco Foundation (“OMF”), we work to close critical energy access gaps in unserved and underserved areas, ensuring that essential areas that can do the most good—including education, healthcare, agriculture, livelihoods, and clean water—are supported by dependable power infrastructure. These efforts directly served over 52,000 families in 2025 alone. Beyond electrification, we work with like-minded partners to drive progress where it is needed most.

For more information about OMF's corporate social responsibility initiatives, please refer to the 2025 OMF Annual Report.

A. Electrifying Underserved Communities



In 2025, we invested nearly PHP 22.3 million through OMF's Household Electrification Program ("HEP") to connect low-income families within Meralco's franchise area to the grid. This contributed to 6,503 low-income households being energized during the reporting period. Complementing this effort, the School Electrification Program energized five off-grid public schools, while learning conditions were improved for 531 students through electrification.

In addition, we also energized three agricultural cooperatives serving 779 members and their families, three rural health stations that can support 2,144 families, and a water access facility that directly benefits 374 families.

In total, 52,304 families were directly served by OMF in 2025. Through these community development initiatives, Meralco continues to use electricity as a catalyst for improving quality of life within and beyond our service area.

Bringing power to the hard-to-reach

The Cagbalete Microgrid is set to become the largest microgrid system in the Philippines upon reaching its full build-out capacity, consisting of a 2.8-MWp solar PV system, a 6.69 MWh battery energy storage system, and four sets of 0.25-MW diesel backup. This hybrid solution is designed to deliver 24/7 electricity to over 1,000 residential and commercial customers, as well as essential facilities in the island.

Energized by OMF on December 18, the project aims to achieve 100% household-level electrification for the island and provide RE that can potentially offset up to 42,000 tonnes of carbon dioxide emissions, significantly benefiting the environment and advancing the nation's electrification and sustainability goals.

B. Empowering Communities Beyond Electrification

Beyond expanding energy access, One Meralco is committed to strengthening the social, environmental, and economic foundations of our communities in other ways, by working in close collaboration with stakeholders from local governments, national agencies and private partners to host communities themselves.

Together, we continue to advance programs that support environmental stewardship, inclusive mobility, education, disaster preparedness, health, and local livelihoods for thousands of beneficiaries.



Preparing for the big one

Strengthening community resilience in the Philippines—by some assessments the world’s most disaster-prone nation—requires both preparedness and rapid response. In 2025, we intensified our disaster readiness efforts, with more than 3,000 Meralco employees, contractors, and partners participating in the Fourth Quarter Nationwide Simultaneous Earthquake Drill (“NSED”) led by the National Disaster Risk Reduction and Management Council (“NDRRMC”). The full-scale simulation for “The Big One” rigorously tested emergency response and business continuity protocols under realistic conditions, reinforcing our capability to protect our people, sustain critical operations, and maintain

reliable service during large-scale disruptions.

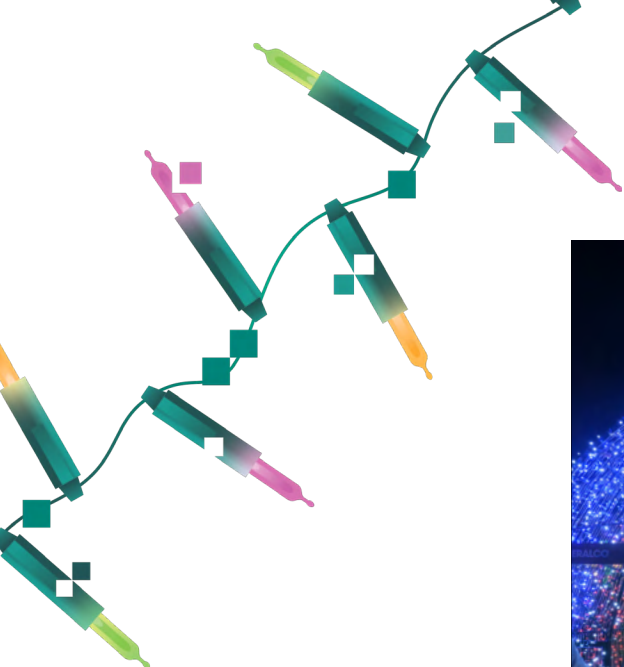
Beyond preparedness, we continue to extend support to affected communities. In partnership with OMF, Vantage Energy mobilized earthquake relief efforts in Cebu following the 6.9 magnitude earthquake in October 2025. Over 300 relief packs and solar lamps were distributed to affected households in Bogo City, Daanbantayan, and Tabogon. Together, these initiatives demonstrate One Meralco’s holistic approach to disaster resilience—combining operational readiness with swift, community-centered assistance in times of need.



Making green mobility inclusive

We at Meralco believe the shift towards electric mobility should be an inclusive one. In partnership with the Department of Social Welfare and Development (“DSWD”) and with support from OMF, Meralco energized five e-tricycle charging stations with ten outlets at the VAL MULCETRODA terminal in Valenzuela City in October, providing 24-hour access to reliable charging for e-tricycle drivers serving local communities. Strategically located near Lawang Bato School, the facility enhances transport reliability for nearby residents, including parents that use e-tricycles to pick up their children from school.

The pilot project supports sustainable urban mobility and the livelihoods of e-tricycle drivers, while generating incremental electricity demand estimated at nearly 8,000 kWh per month at full utilization. It is demonstrating a scalable model that integrates livelihood development with electrification. Subject to successful implementation, the initiative may be replicated across franchise areas in partnership with DSWD and OMF, expanding both community impact and long-term energy growth.



Turning the spotlight on our country's heritage

When the first lights glow against centuries-old stone walls and historic plazas, Christmas in the Philippines feels timeless once again. Through Maliwanag ang Pasko 2025, Meralco transforms Plaza Roma into Liwanag Park—a celebration of history, innovation, and shared joy under the theme “A Brighter Christmas for All”. The ceremonial switch-on, led by Meralco leaders alongside representatives from key cultural and tourism institutions, gathered families, tourists, and heritage enthusiasts to witness a historic district illuminated in a way that honors both tradition and progress. At the heart of the installation stands a 20-foot Christmas tree crafted from recycled meter covers and steel crossarms, its LED glow

symbolizing sustainability and creativity. A wooden tranvia replica made from reclaimed materials pays tribute to Meralco's roots and the area's storied past, inviting visitors to walk through light-filled pathways that blend cultural heritage with energy-efficient design. Liwanag Park offers more than a display—it creates an experience where history shines brighter and the spirit of Christmas is warmly shared.





Building brighter shared spaces for communities

Our support for local communities extends to culture, sport, and other activities that excite and inspire. During the reporting period, MGEN, through Panay Energy Development Corporation (“PEDC”) and with support from OMF, completed the Php 17.3 million illumination of the La Paz Football Ground in partnership with the Iloilo City Government. This upgrade has established the first internationally compliant, plaza-based football lighting system in Western Visayas, enabling evening training, tournaments, and community events that will strengthen Iloilo’s position as a center for grassroots sports

development, while expanding safe and accessible public spaces for youth and families.

This initiative forms part of MGEN’s compliance with Energy Regulation No. 1-94 (“ER 1-94”), which was enacted to ensure host communities receive a reasonable share of the benefits from power plants operating in their area. ER 1-94 provides that host communities receive one centavo for every kilowatt-hour generated.



Mobilizing our customers for social impact

Now in its sixth year, the Back-to-School Donation Drive led by MPower and Vantage Energy further expanded our impact through education. Joined by five partner-customers in 2025—Bataan 2020, Robinsons Land Corporation, EMD Technologies, Pioneer Highlands South, and Anilson Packaging—the program delivered essential school supplies worth Php 880,000 to six schools across Luzon and Visayas. Since its launch in 2020, the initiative has supported over 45,000 students.

✱ BRIGHT SPARKS

Inspiring Energy Innovation Across the Nation



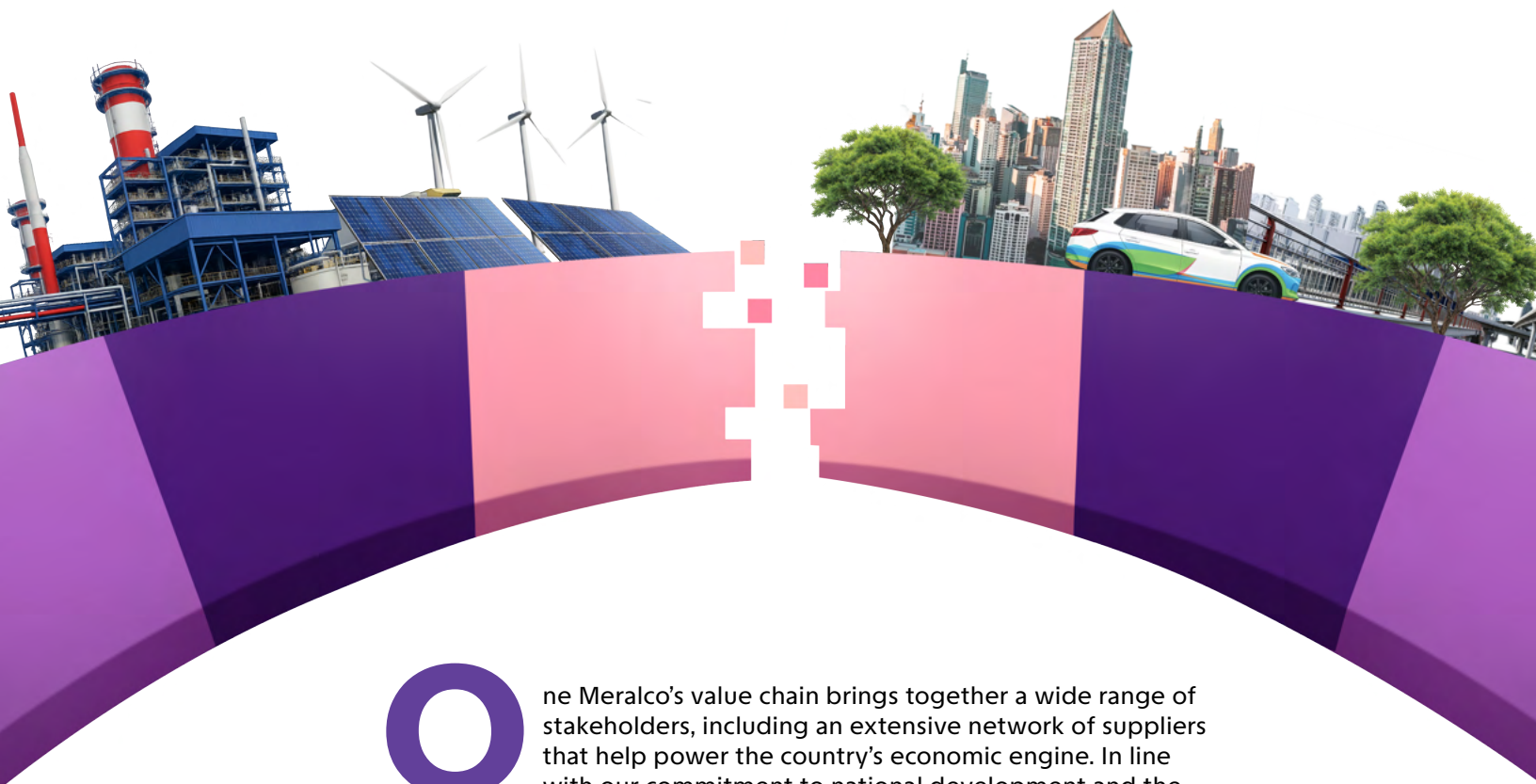
In October 2025, MGEN, in partnership with the Meralco Power Academy (“MPA”), inaugurated the first MGEN Center for Innovation (“MCI”) in Iloilo City—establishing a dedicated hub for energy education, research, and capability development in the Visayas. Located within the Panay Energy Development Corporation (“PEDC”) facility, the Center marks the first MPA learning facility established outside the Meralco franchise area, extending One Meralco’s technical expertise, training programs, and best practices to a broader regional audience. Formerly known as the GBP Institute for Energy, the facility has been revitalized to address the evolving needs of the energy sector, with the ambition of becoming the first in a series of innovation centers across MGEN’s sites nationwide.

The MCI serves as a bridge between current and emerging capabilities—strengthening regional talent pipelines, fostering technical excellence, and supporting inclusive growth through continuous learning. By opening its programs to students, professionals, and industry stakeholders, the Center aims to cultivate future energy leaders equipped to navigate decarbonization, digitalization, and operational complexity. For its inaugural run, it hosted Young Engineers and Scientists Summit that gathered students for collaborative learning and exposure to energy innovation, underscoring the Center’s role in nurturing the next generation of engineers and scientists who will shape the country’s sustainable energy future.

SUPPLY CHAIN SUSTAINABILITY

Strengthening Synergies in the Energy Ecosystem

GRI 2-6



One Meralco's value chain brings together a wide range of stakeholders, including an extensive network of suppliers that help power the country's economic engine. In line with our commitment to national development and the growth of local businesses, we prioritize sourcing goods and services from Philippine-based suppliers whenever feasible. In 2025, our Group spent PhP 65.1 billion on local procurement contracts, directly supporting Filipino enterprises and strengthening the local economy.

Total procurement spend in 2025 (in PhP million)

	Local	Foreign	Subtotal
Meralco	33,733	5,661	39,394
Subsidiaries	31,377	34,996	66,373
Total	65,110	40,657	105,767

Total number of suppliers by classification in 2025

	Tier 1	Non-Tier 1	Subtotal
Meralco	782	0	782
Subsidiaries	2,637	327	2,964
Total	3,419	327	3,746

Total number of suppliers by location in 2025

	Local	Foreign	Subtotal
Meralco	650	132	782
Subsidiaries	2,564	400	2,964
Total	3,214	532	3,746

Our sourcing strategy delivers both financial and operational benefits. By prioritizing local procurement where possible, we strengthen our role as a responsible corporate citizen while reducing exposure to complex international supply chains that may be vulnerable to disruption. This approach supports our supply chain resilience and contributes to broader economic growth in the Philippines.

In addition to economic considerations, we are committed to addressing ESG issues across our supply chain. This commitment is anchored in our Human Rights Policy, which requires business partners to uphold human rights principles in line with the United Nations' Universal Declaration of Human Rights. We require our suppliers to implement policies and conditions that seek to protect and promote human rights within their own spheres of influence.

A. Enabling Our Suppliers' Sustainability Journeys

All business units across One Meralco play a significant role in shaping the performance and growth of our suppliers, whose practices in turn influence the Group's overall ESG performance. Recognizing this interdependence, we actively encourage and support suppliers in adopting sustainability principles within their own operations.

In 2025, we continued implementing the Meralco Supplier Sustainability Scorecard ("MS³"), which covers 131 ESG criteria—aligned with the GRI Standards and the SDGs—that Meralco's suppliers are required to meet to maintain accreditation. We also continued rolling out our sustainability

toolkit and supplier commitment form as part of the accreditation process, further strengthening alignment with and engagement on sustainability expectations.

Through MS³, we gain clearer insight into our suppliers' policies, processes, and initiatives that could influence Meralco's financial and sustainability performance.

As of the end of 2025, 616 supply chain partners—accounting for 98.3% of our annual procurement spend—comply with our sustainability-related requirements.

MS³ has evolved beyond a compliance mechanism into a strategic engagement platform that fosters meaningful dialogue with

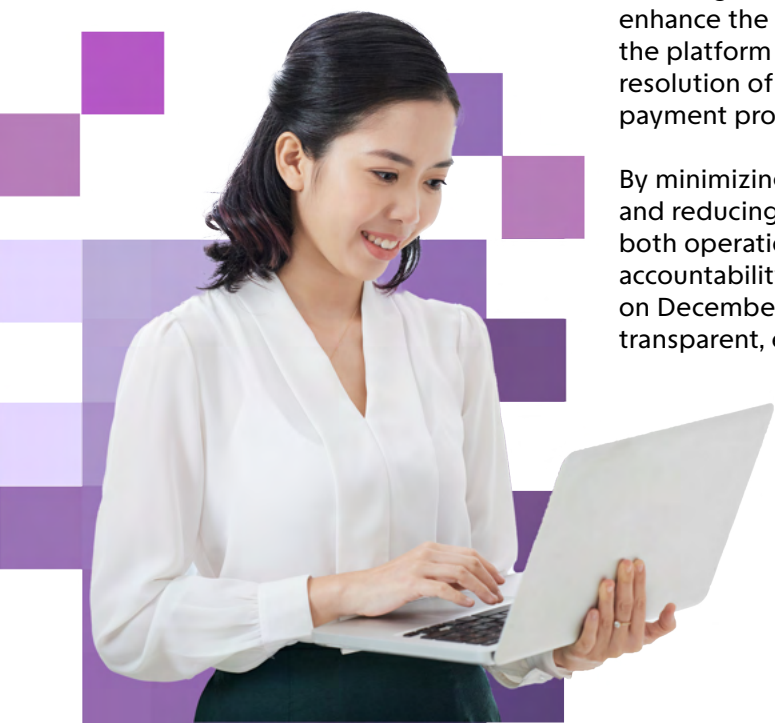
our suppliers. This initiative enables us to understand and address the challenges they encounter in integrating sustainability principles into their operations. By embedding ESG assessment criteria into our procurement processes, we not only manage reputational risks to our organization but also help elevate sustainability standards in the broader industry.

Looking ahead, we plan to advance additional supply chain sustainability initiatives, with a focus on more complex ESG priorities such as Scope 3 emissions reduction and supplier diversity.

Closing data gaps in our supply chain

Recognizing that strong supplier relationships are built on reliable and transparent information, we launched the Vendor Data Quality Dashboard to strengthen data governance across our supply chain. Designed to enhance the accuracy, completeness, and consistency of vendor records, the platform improves visibility into data gaps and enables timely resolution of issues affecting procurement, invoicing, and payment processes.

By minimizing duplicate records, preventing erroneous payments, and reducing manual reconciliation efforts, the initiative delivers both operational efficiency and cost savings while promoting greater accountability and engagement with our suppliers. Phase 1 went live on December 19, 2025, marking a meaningful step towards a more transparent, efficient, and digitally enabled supply chain ecosystem.



B. Strengthening Human Rights Due Diligence in Our Supply Chain



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

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

C. Forging Strategic Partnerships Beyond Our Value Chain



Beyond strengthening individual customer capabilities and modernizing our grid infrastructure, we are advancing broader strategic partnerships that support the nation's accelerating industrial growth, reinforcing Meralco's role as a reliable partner in powering economic development.

In 2025, following a successful collaboration to strengthen the power systems in the Cavite Economic Zone, Meralco and the Philippine Economy Zone Authority ("PEZA") formalized a strategic partnership to energize future-ready economic zones nationwide. The agreement permits Meralco to design, build, own, and operate electric distribution projects within PEZA-managed economic hubs, leveraging the Company's track

record and PEZA's growing network of 433 ecozones and over 4,000 export-oriented locator companies.

In the same year, Meralco committed to power the expansion of Samsung Electro-Mechanics Philippines Corporation's manufacturing facility in Calamba, Laguna, to ensure stable electricity supply that can support the plant's higher operational requirements. Additionally, Meralco held strategic dialogues with the Philippine Iron & Steel Institute to address economic and geopolitical pressures affecting the local steel sector and to explore collaborative investment opportunities. We also reinforced Meralco's role as a trusted industry partner through active participation in leading industry associations, including the

Federation of Philippine Industries, the Semiconductor and Electronics Industries in the Philippines, and other sector boards.

Meralco also advanced our push to position the Philippines as a competitive and sustainable hub for hyperscale data centers by strengthening executive partnerships and shaping industry dialogue. From strategic sector engagements to thought leadership at the Philippines Cloud & Data Center Convention 2025 and the Siemens Tech Forum: The Next Level for the Philippine Data Center Industry—as well as the completion of a white paper on hyperscale growth—we reinforced our role as the trusted power partner for mission-critical facilities, supporting the country's digital transformation.

GOVERNANCE





Sustaining Trust Through Integrity and Accountability



We at Meralco are firmly committed to upholding our social and legal responsibilities by maintaining the highest standards of business ethics in everything we do. Serving more than 8 million customers and working alongside thousands of employees, suppliers, and shareholders, we are strongly committed to conducting our business with integrity and accountability at all times. This commitment extends beyond the obligations of our franchise—it is rooted in our conviction that doing what is right defines who we are as an organization.

To institutionalize this commitment, our Board of Directors enacted our Manual of Corporate Governance (“CG Manual”) in 2017, aligned with the Securities and Exchange Commission’s (“SEC”) Corporate Governance Code. The Manual establishes the principles and standards that guide ethical conduct and sound governance throughout the organization, applying to all directors, officers, and employees in their engagement with stakeholders. Senior management ensures that our operations remain consistent with these standards, and the Board most recently amended the Manual on July 29, 2024, to keep our governance framework responsive and up to date.

Conducting business ethically

Our Code of Business Conduct and Ethics serves as the foundation for how we conduct business as an organization, outlining the ethical principles and behavioral standards that all directors, officers, and employees are expected to uphold in the performance of their duties and responsibilities. To raise awareness and consistent application, copies of the Code are distributed to all officers and employees across the organization.

Implementation and compliance of our Code of Business Conduct and Ethics are overseen by the Corporate Governance Office (“CGO”). Through the online Corporate Governance Facility available on our human resource portal, employees must complete all governance-related requirements.

As part of our governance protocols, directors, senior management, and employees are required to annually file Full Business Interest Disclosure Forms and Conflict of Interest Forms. We also require them to declare any gifts received from business partners through the online Gift Registry. Non-compliance with these obligations is addressed through appropriate disciplinary measures.

Our Management Control Policy mandates senior management to maintain a robust system of checks and balances and ensure that internal controls function effectively across the organization. This helps ensure that effective management oversight keeps the behavior and decisions of our people aligned with Meralco’s objectives and strategies. The policy also reinforces the importance of internal controls as an integral part of our governance system and risk management.



Preventing bribery and corruption

To guide us in conducting our business with integrity and accountability, our Code of Business Conduct and Ethics sets clear standards for all our directors, officers, and employees to act with professionalism, honesty, and good faith in all dealings with customers, suppliers, business partners, regulators, creditors, competitors, and fellow employees. It defines the ethical boundaries we uphold and explicitly prohibits any act that may constitute, or be perceived as, direct or indirect bribery or corruption under applicable laws—particularly those that result in actual or perceived undue advantage.

Complementing this, our Anti-Bribery and Corruption Policy strictly prohibits corporate gift-giving to both private and public entities when such actions are deemed as a bribery or corrupt practices. The policy outlines specific examples to guide directors, officers, and employees in recognizing and avoiding improper conduct.

In parallel, our Policy on Solicitation and Acceptance of Gifts prohibits the acceptance of gifts from suppliers, contractors, and other third-party business partners to prevent situations that could compromise objectivity or influence the performance of duties.

We extend these standards to our supply chain through our Code of Business Conduct and Ethics for Vendors which requires suppliers to comply with all applicable anti-bribery and corruption laws. Vendors are strictly prohibited from offering, promising, authorizing, or giving bribes, kickbacks, gifts, or any form of improper advantage to our directors, officers, or employees.

Compliance with these policies is subject to regular review by our Internal Audit department. Findings are reported to the Audit Committee to ensure independent oversight and continued adherence to our governance standards.

Encouraging our employees to speak out

Meralco's Speak Out Policy institutionalizes the Company's whistleblowing program and encourages the reporting of violations of corporate governance rules or policies, questionable accounting or auditing practices, and other forms of misconduct involving directors, officers, or employees. The policy also applies to consultants, vendors, other third-party business partners, and, where specified, Meralco's subsidiaries. Any stakeholder may file a report on improper conduct or behavior.

While the policy focuses on corporate governance-related concerns, Meralco also accepts reports that fall outside these categories. Such reports are referred to the appropriate offices for proper review and action. In line with this approach, vendors are encouraged to help safeguard the integrity of the procurement process by raising concerns, filing complaints, or seeking redress for grievances related to procurement activities. All procurement-related concerns are investigated and

addressed in accordance with applicable laws, regulations, and internal policies and procedures.

To protect the integrity of the process, Meralco has established controls to ensure the confidentiality of reports and investigations. The Company strictly prohibits retaliation against individuals who submit reports in good faith and provides protection to whistleblowers and witnesses. In cases of retaliation, affected individuals may file a report with the CGO.

Employees, suppliers, customers, and other stakeholders can download whistleblower and grievance report forms from the Company website and submit them to the CGO via email or regular mail.

For more information about how we conduct business ethically, please refer to the Corporate Governance Report on pages 212–243.



Communication of anti-corruption policies and procedures in Meralco²⁶

	2023	2024	2025
Board of directors	11	11	11
Senior management	789	825	845
Middle management	795	809	851
Rank and file	4,346	4,372	4,364
Fixed-term and project-based hires	320	297	249
Third-party workers	0	0	0
Business partners	1,292	409	362

Training on anti-corruption in Meralco²⁶

	2023	2024	2025
Board of directors	11	11	11
Senior management	789	825	845
Middle management	795	809	851
Rank-and-file	4,346	4,372	4,364
Fixed-term and project-based hires	320	297	249
Third-party workers	0	0	0
Business partners	1,292	409	362

Number of corruption incidents in Meralco reported via our Speak Out platform

	2023	2024	2025
Under ongoing investigation	0	0	0
Closed with corresponding corrective action	0	0	2
Closed without corresponding corrective action	0	0	0
Total	0	0	2

Number of reported discrimination incidents in Meralco

	2023	2024	2025
Under ongoing investigation	0	0	0
Closed with corresponding corrective action	0	0	0
Closed without corresponding corrective action	0	0	0
Total	0	0	0

²⁶Meralco's anti-corruption training and awareness programs are conducted in January of every year. Hence, the figures in this table do not reflect the year-end count of employees.

CORPORATE GOVERNANCE REPORT

A Future Re-energized

Powering the Nation through Excellence in Governance

One Meralco Thrusts



Forging ahead with our strategic thrusts to power a brighter tomorrow for all

Value Enhancement

Customer Centricity

Digital Transformation

Sustainability

Power

Energizing the Nation's Future

Planet

Growing Within Earth's Boundaries

People

Developing Leaders in Energy

Prosperity

Paving Pathways for Progress

In renewing our pledge to power customers, communities, and the country sustainably, we at Meralco reinforce our unwavering commitment to strong, transparent, and responsible corporate governance. The Company recognizes that sustainable progress is rooted not only in operational excellence but also in governance practices that safeguard stakeholder trust and uphold the highest ethical standards.

Central to this commitment is Meralco's governance philosophy anchored in FAITH—Fairness, Accountability, Integrity, Transparency, and Honesty. These principles guide the Company's decisions, shape our organizational culture, and ensure that governance is both a moral compass and a strategic driver of sustainable growth. By embedding FAITH into our governance systems, we strengthen Meralco's role as a responsible organization dedicated to powering the nation with integrity and purpose.

Concomitantly, Meralco fully complies with applicable laws, rules, and regulations set by the Securities and Exchange Commission ("SEC"), the Philippine Stock Exchange ("PSE"), and other regulatory bodies in a manner that reflects our steadfast pursuit of integrity and ethical business decision-making. These standards form the foundation of the Company's governance structure and reinforce the confidence placed in it by our stakeholders.

Guided by our vision and mission, we consistently enhance the Company's corporate governance framework, policies, and controls to align with the SEC Memorandum Circular No. 19, Series of 2016 ("Code of Corporate Governance for Publicly-Listed Companies" or "SEC CG Code") and the ASEAN Corporate Governance Scorecard ("ACGS"). Through these sustained improvements, we ensure that Meralco's governance approach remains resilient, future-ready, and reflective of global best practices.



Meralco's commitment to FAITH-driven governance was once again recognized during the 2025 Golden Arrow Awards, where the Company earned four (4) Golden Arrows from the Institute of Corporate Directors ("ICD"). It affirms our strengthened dedication to transparency, ethical leadership, and consistent compliance—qualities essential to our mandate of powering the nation sustainably.

As the Company renews our pledge to serve customers and communities with excellence, our governance principles remain at the core of our operations. Through fairness in our dealings, accountability in our actions, integrity in our conduct, transparency in our reporting, and honesty in our relationships, Meralco continues to build a governance culture that fuels long-term value creation and supports a more sustainable and empowered Philippines.

A. Board Governance Responsibilities

Serving as the corporate governance stewards of the Company, the competent, working Board of Directors ("Board") fosters the long-term success of Meralco and ensures that the Company sustains competitiveness and profitability in a manner consistent with our corporate objectives and the long-term best interests of our shareholders and other stakeholders.

The Board is responsible for defining and reviewing the Company's vision, mission, overall strategic directions, corporate objectives, long-term goals and core values annually. It oversees and monitors the development and implementation of the Company's business objectives and strategy and ensures that obligations to stockholders and to all stakeholders are understood and fulfilled.

Pursuant to the SEC CG Code, the Board adopted a Manual of Corporate Governance ("CG Manual") in 2017, which provides the framework

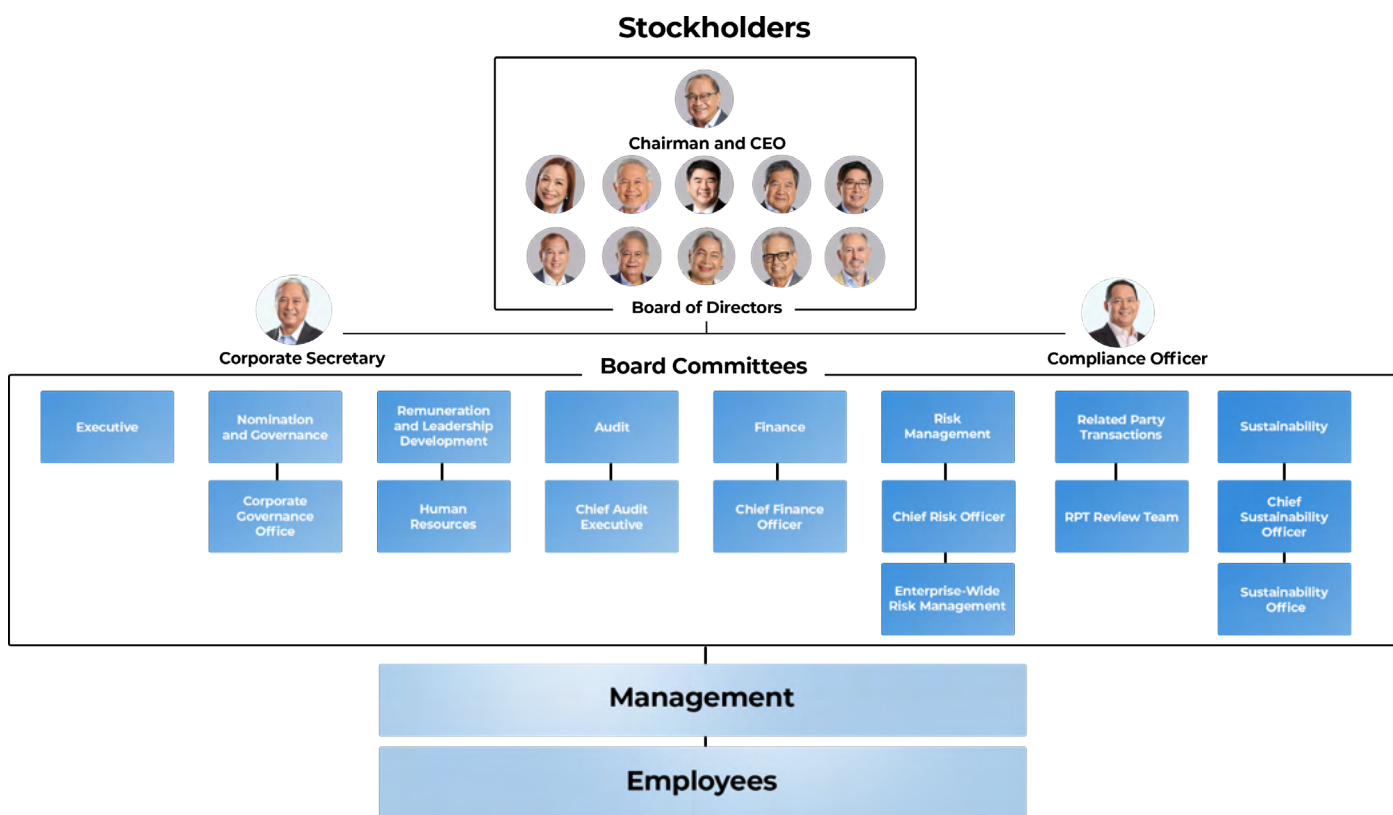


for good governance and ethical business practices that the Company's directors, officers, and employees are expected to observe and adhere to in dealing with various stakeholders. Management, in turn, ensures that the operations of the Company are aligned with the CG Manual.

The CG Manual conforms to regulations set forth by the SEC, the PSE, and other relevant regulatory bodies and is reviewed annually to ensure that it is up to date with local and international best practices and in keeping with the Company's strategic direction. The CG Manual was amended by the Board on July 29, 2024.

In accordance with the CG Manual, the Board formulates and annually reviews the Company's vision and mission statement, strategic objectives, key policies, and the mechanism for performance assessment of the Board and Management, principally the President and/or Chief Executive Officer ("CEO") as well as other key officers.

The Board, in its regular meeting held on January 27, 2025, as part of the Board's assessment of Meralco's performance in the past year, reviewed the Company's material controls (including operational, financial, and compliance controls) and risk management systems and confirmed the Company's full compliance with the SEC CG Code. In 2021, the Board revised the vision, mission, and values statements as well as the corporate strategic objectives of the Company and the same was again reviewed and confirmed by the Board in 2025.



A.1 Composition

The Board is composed of directors with collective working knowledge, experience or expertise that is relevant to the Company's industry/sector. In accordance with the Revised Corporation Code, the Company has a diverse Board consisting of eleven (11) directors, majority of whom are non-executive directors, while three (3) are independent directors ("IDs"), including a female independent director.

The Nomination and Governance Committee ("Nom&Gov") reviews the nomination, selection, and composition of the Board pursuant to the Nomination and Election Policy. Additionally, the Board affirms that its members have a proper mix of qualifications, background, experience, independence, and skills needed to effectively perform its responsibilities, and that its members remain qualified for their positions individually and collectively to enable them to fulfill their roles and responsibilities and respond to the needs of the organization.

The Board adopts a Board Diversity Policy promoting diversity to encourage critical discussion and foster balanced decision-making in the attainment of the Company's strategic objectives and sustainable development. The Policy likewise provides for measurable objectives for implementation and for reporting on progress in achieving its objectives.

The Board ensures that independent discussion is encouraged, and that no individual director dominates decision-making. The non-executive directors actively participate in discussions at the Board and Board Committee levels, as well as with Management.

A.2 Independent Directors

On March 13, 2025, the Nom&Gov assessed the profiles of the directors and found that the independent, non-executive directors are indeed free of relationships with the Company, its related corporations, its management, or substantial shareholders that could interfere, or be reasonably perceived to interfere, with the exercise of directors' independent business judgment. The Nom&Gov had reviewed the multiple board representations held presently by the directors and assessed that they do not hinder in any way the performance of their duties to the Company.

Under the Company's CG Manual, independent directors are allowed to serve for a maximum of nine (9) consecutive years reckoned from 2012, making sure, however, that the shareholders' legal right to vote and be voted remains inviolable.

If an independent director who has served for nine (9) consecutive years is being nominated and considered for reelection, the Company is mandated to provide meritorious justification and advise the shareholders of such justification during the annual shareholders' meeting. Given the nomination for election to the Board of Directors of independent directors Retired Chief Justice Artemio V. Panganiban and Mr. Pedro Emilio O. Roxas after the maximum nine-year term, the Board provided for the meritorious justification for their retention in accordance with the CG Manual, which was consequently approved by the shareholders during the 2025 Annual Stockholders' Meeting ("ASM").

The retention of Retired Chief Justice Panganiban and Mr. Roxas as independent directors was approved due to their extensive

expertise and deep institutional knowledge, which are vital for the Company's stability and growth. Their leadership was instrumental in securing the approval of Congress for Meralco's 25-year franchise renewal, ensuring reliable and efficient electricity distribution while driving growth and innovation. Additionally, Retired Chief Justice Panganiban and Mr. Roxas uphold robust corporate governance principles, reinforcing ethical leadership, transparency, and stakeholder confidence. Both directors have demonstrated strategic acumen, regulatory expertise, and strong stakeholder relationships, which have proven essential in navigating complex processes like the franchise renewal and the rate reset filing with the Energy Regulatory Commission. Their forward-thinking approach aligns with the Company's long-term goals, particularly in diversifying investments in renewable energy.



A.3 Chairman of the Board

The Chairman of the Board and Chief Executive Officer, Mr. Manuel V. Pangilinan, serves to represent the interests of all shareholders and stakeholders, and oversees the performance of the Board and its directors. He champions exemplary ethical governance principles for directors, officers, and employees to emulate and espouse.

Together with the Corporate Secretary, Atty. Simeon Ken R. Ferrer; and the Compliance Officer, Atty. William S. Pamintuan, the Chairman sets

a clear agenda before each Board meeting. He provides opportunities for all directors to actively participate, addresses governance-related issues that non-executive, independent directors may raise, and ensures that the Board exercises strong oversight over the Company and the Management, such that any corporate risk or threat is adequately and effectively addressed. His roles and responsibilities are specified in the CG Manual accessible on the Company's website.



A.4 Meetings and Major Accomplishments

The Board of Directors reviews and approves major projects, policy decisions, annual budgets, major investment funding, and major restructuring of core businesses on a fully informed basis, in good faith, with due diligence and care, and in the best interest of the Company.

The Board jointly plans meeting dates at the start of the calendar year, meets regularly once a month, and holds special meetings as may be required.

2025 ASM and board meeting attendance

Name	Designation	ASM	Board Meetings ²⁷
Manuel V. Pangilinan	Chairman	Present	15/16
Lance Y. Gokongwei	Director	Present	16/16
Ray C. Espinosa	Director	Present	16/16
June Cheryl A. Cabal-Revilla	Director	Present	16/16
James L. Go	Director	Present	16/16
Patrick Henry C. Go	Director	Present	16/16
Jose Ma. K. Lim	Director	Present	16/16
Victorico P. Vargas	Director	Present	16/16
Lydia B. Echauz	Independent Director	Present	16/16
Artemio V. Panganiban	Independent Director	Present	16/16
Pedro Emilio O. Roxas	Independent Director	Present	16/16

²⁷Regular, Special, and Organizational Board Meetings

In 2025, the Board's major accomplishments included the following:

Major Projects/Policy Decisions

- Evaluation of compliance to the SEC Revised Code of Corporate Governance
- Approval of the Integrated Annual Corporate Governance Report ("I-ACGR")
- Review and approval of the Procurement-related Complaints Management Guidelines and Procedures and amendments to the Insider Trading Policy
- Screening of nominees to the Board
- Approval of the updated long-term sustainability strategy ("LTSS")
- Conduct of the 2025 ASM
- Approval of 2026 schedule of Board meetings
- Review and approval of the board committee composition
- Evaluation of compliance to ERC requirements
- Review and approval of business separation and unbundling plan reports
- Review and approval of Emergency Power Supply Agreement ("EPSA")
- Review and approval of power generation projects, power supply agreements ("PSAs"), technical services agreements, and other local and international business initiatives
- Approval of Audited Financial Statements
- Evaluation of incumbent external auditor and nomination of external auditor for 2025
- Approval of report of external auditors covering the Company's Audited Financial Statements
- Approval of dividend declaration
- Review and approval of material related party transactions ("RPTs")
- Enterprise performance evaluation and assessment
- Performance assessment of the Board, Board committees, and key officers
- Review and approval of rank conferment and appointment of officers
- Review and approval of executive promotions and succession planning
- Review and approval of employee performance management plan
- Review and approval of various supply contracts in excess of PhP 50 million

Business Plan and Annual Budgets

- Review and approval of the 2026 budget
- Monitoring of investment committee report
- Review and approval of corporate strategic objectives
- Monitoring of the implementation of corporate strategies
- Review of forecast of subsidiaries' projects

Major Investment Fundings

- Infusion of equity to subsidiaries
- Renewal of credit lines, credit facilities, and bonds



A.5 Corporate Secretary and Compliance Officer

All Board members have direct and independent access to the Corporate Secretary, the Compliance Officer, and Management.

The Corporate Secretary, a fellow of the ICD, Atty. Simeon Ken R. Ferrer, under the direction of the Chairman, is responsible for ensuring that good information flows within the Board and Board Committees and between Management and non-executive directors. He also facilitates the orientation and assists with the professional development of directors as required by regulators. He met all the qualifications and skills required for his position.

The Board is likewise assisted by Company's Compliance Officer and Senior Vice President, Atty. William S. Pamintuan, who monitors, reviews, evaluates and ensures the full compliance by the corporation, its directors and officers with relevant laws, rules and regulations and all governance issuances of regulatory agencies and report violations thereof to the Board and recommends the imposition of appropriate disciplinary action.

The qualifications, duties and responsibilities of the Corporate Secretary and Compliance Officer are stated in the CG Manual and Board Charter. Both of them regularly attend trainings on corporate governance.

A.6 Board Committees

The Board has formed various Board Committees, namely Executive Committee ("ExCom"), Audit Committee ("AuditCom"), Risk Management Committee ("RMC"), Nom&Gov Committee, Remuneration and Leadership Development Committee ("RLDC"), Finance Committee ("FinCom"), Related Party Transactions Committee ("RPTCom"), and Sustainability Committee ("SusCom"). The Board has delegated specific responsibilities to each of these Committees guided by their respective committee charters.



2025 board committee meeting attendance

Name	Finance	Audit	RMC	RPT	Nom & Gov	RLDC	Executive	Sustainability
Manuel V. Pangilinan	N/A	N/A	N/A	N/A	N/A	5/5	-	1/1
Lance Y. Gokongwei	10/12	N/A	N/A	N/A	N/A	5/5	-	0/1
Ray C. Espinosa	N/A	N/A	1/2	2/2	N/A	N/A	-	N/A
June Cheryl A. Cabal-Revilla	12/12	5/6	N/A	N/A	4/4	N/A	-	1/1
James L. Go	12/12	5/6	2/2	1/2	2/4	N/A	-	N/A
Patrick Henry C. Go	N/A	6/6	2/2	2/2	4/4	N/A	-	1/1
Jose Ma. K. Lim	12/12	5/6	2/2	2/2	4/4	N/A	-	N/A
Victorico P. Vargas	11/12	N/A	N/A	N/A	N/A	4/5	-	N/A
Lydia B. Echauz	12/12	6/6	N/A	N/A	4/4	N/A	-	N/A
Artemio V. Panganiban	N/A	6/6	2/2	2/2	N/A	N/A	-	N/A
Pedro Emilio O. Roxas	12/12	5/6	2/2	2/2	4/4	5/5	-	1/1

The functions, authority and responsibilities of each Board committee and their accomplishments are as follows:

A. Executive Committee (“ExCom”)

is composed of five (5) directors, one (1) of whom is an independent director. The ExCom may act, by majority vote of all its members, on such specific matters within the competence of the Board, as may be delegated to it under the By-Laws, or upon a majority vote of the Board, subject to the limitations provided by the Revised Corporation Code.

B. Remuneration and Leadership Development Committee (“RLDC”)

is composed of four (4) directors, one (1) of whom is an independent director. The duties and responsibilities of RLDC as defined in its charter include assistance to the Board in the development of the Company’s overall performance management, compensation, retirement, and leadership development policies and programs based on the Company-approved philosophy and budget. The RLDC held five (5) meetings in 2025 and accomplished the following:

- Approval of candidates for rank conferment
- Approval of proposed budget for the 2025 salary review program

- Review of annual incentive plan
- Review of the collective bargaining agreement for rank and file union
- Review of performance evaluation plan results
- Approval of recommendation for appointment

The RLDC recommends to the Board, for the approval of the shareholders, a framework of remuneration for Directors and Management, including the President and/or CEO.



	Remuneration for Board Meetings Attended in 2025 (in PhP)	Remuneration for Committee Meetings Attended in 2025 (in PhP)	Total (in PhP)
Executive Director			
Manuel V. Pangilinan	2,040,000	222,000	2,262,000
Non-Executive Directors			
Lance Y. Gokongwei	2,240,000	594,000	2,834,000
June Cheryl A. Cabal-Revilla	2,240,000	814,000	3,054,000
Ray C. Espinosa	2,240,000	98,000	2,338,000
James L. Go	2,240,000	892,000	3,132,000
Patrick Henry C. Go	2,240,000	542,000	2,782,000
Jose Ma. K. Lim	2,240,000	964,000	3,204,000
Victorico P. Vargas	2,240,000	568,000	2,808,000
Independent Directors			
Lydia B. Echauz	2,240,000	840,000	3,080,000
Artemio V. Panganiban	2,240,000	370,000	2,610,000
Pedro Emilio O. Roxas	2,240,000	1,160,000	3,400,000
Total Independent Directors	6,720,000	2,370,000	9,090,000
Grand Total (in PhP)	24,440,000	7,064,000	31,504,000

The Directors and Officers are covered by a Casualty Line Insurance Policy effective until June 27, 2026. The policy covers Company Securities, Company Employment Practices Breach, Regulatory Crisis Event Costs, Investigation Costs, Public Relations Expenses, Investigation Costs for Derivative Demands, Tax Liability, and other additional limits such as Bodily Injury & Property Damage Defense Costs, Health & Safety Defence Costs, Gross Negligence Manslaughter Defense Costs and Environmental Violation (Defense Costs Including Civil and admin Fines).

For the CEO and Management, the framework takes into account all aspects of executive remuneration including salaries, allowances, bonuses, and benefits in kind.

The framework is benchmarked against pay and employment conditions within the industry and it links rewards to corporate and individual performance.

On April 28, 2025, the Board of Directors of the Company endorsed for approval of the stockholders the increase in the per diem from PhP 140,000.00 to PhP 200,000.00 for each board meeting attended by each director. For each board committee meeting attended by each director, an increase in per diem from PhP 24,000.00 to PhP 50,000.00 was likewise endorsed for approval of the Company's stockholders. The increase was approved by the stockholders of the Company during their annual meeting held on May 27, 2025. The increase took effect on June 1, 2025.



Remuneration of Key Management and Employees

The Company adopts a Remuneration Policy comprised of fixed and variable components in the form of base salary and variable bonus linked to the Company's and the individual's performance. Compensation packages and revisions of key Management's remuneration are subject to the review and approval of the RLDC.

The top five (5) key officers of the Company have received an aggregate remuneration of PhP 360 million in 2025. For more information on the aggregate total remuneration paid to all key officers, please refer to the discussion entitled Compensation of Key Management Personnel in the Notes to Consolidated Financial Statements.

Advisers/Consultants to Remuneration and Leadership Development Committee

Meralco engaged a human resources consultancy firm to assist in the areas of employee engagement and compensation and benefits management.

C. Nomination and Governance Committee (“Nom&Gov”)

The Nom&Gov is composed of six (6) directors with an independent director as chair. The duties and responsibilities of Nom&Gov as reflected in its charter include screening qualified nominees for election as directors, assessing the independence of directors, introducing improvements on Board organization and procedures, setting up of mechanisms for performance evaluation of the Board and Management, and providing programs for continuing education of the Board.

The Nom&Gov undertakes the process of identifying the qualification of directors aligned with the Company’s strategic directions. It reviews and recommends to the Board the appointment of members to the Board Committees. The process involves identifying, reviewing, and recommending potential candidates to the Board for consideration.

The Nom&Gov has put in place a formal and transparent process for the nomination of directors to the Board. Stockholders who have identified suitable candidates submit the Nomination and Acceptance Letters, Full Business Interest Disclosure Forms and curriculum vitae of such candidates to Nom&Gov for discussion and review on or before the deadline set by the Nom&Gov.

These candidates are sourced from the business networks of Board members and from professional search firms such as the ICD or from shareholders. These candidates should be skilled in core competencies such as strategic planning, business expertise, and industry knowledge.

In the previous years until May 27, 2025, the shareholders elect the directors during the ASM held on the last Tuesday of May. Beginning 2026, the ASM of the Company will be held on the last Tuesday of June each year. The change in the schedule of the ASM was approved by the stockholders during the ASM held last year, and the corresponding

amendment of Article I of the By-Laws of the Company. The Company submitted the corresponding application to amend its By-Laws with the Securities and Exchange Commission, and the latter approved the application for amendment on June 26, 2025.

The Company sends out a formal letter setting the responsibilities of the duly elected director. The new director then attends an onboarding program facilitated by the CGO.

The Nom&Gov Comm held four (4) meetings in 2025 and performed the following:

- Reviewed the results of Board, Board Committees, and Key Officers performance assessment
- Assessed the Company’s public ownership report
- Screened the nominees to the Board
- Reviewed the Board committee composition
- Assessed the Company’s compliance to the Revised ACGS
- Reviewed and endorsed the Company’s I-ACGR for 2024
- Reviewed and approved the Procurement-related Complaints Management Guidelines and Procedures and the amendments to the Insider Trading Policy
- Reviewed the Company’s Vision, Mission, and Values Statements
- Facilitated the annual CG enhancement and continuing education programs



D. Audit Committee (“AuditCom”)

The AuditCom consists of three (3) independent directors, and four (4) non-executive directors. Notably, Ms. June Cheryl A. Cabal-Revilla has extensive expertise in the areas of accounting, corporate finance, treasury, financial control and risk management. Her background includes serving as Chief Finance, Risk and Sustainability Officer of other companies and Appointed Member of the Financial and Sustainability Reporting Standards Council (“FSRSC”) of the Philippines since 2010. The AuditCom is chaired by the lead independent director.

The AuditCom held six (6) meetings in 2025. Details of their accomplishments are provided in the Audit Committee Report on pages 256-261.

E. Risk Management Committee (“RMC”)

The RMC, composed of two (2) independent directors and four (4) non-executive directors, assists the Board in its oversight responsibilities over the Company’s risk management framework and processes.

In 2025, the RMC convened two (2) meetings and undertook the following key activities:

- Reviewed One Meralco’s Key Enterprise Risks Report for the Distribution Utility and its subsidiaries
- Reviewed and discussed with the Chief Risk Officer and external auditors One Meralco’s key business risks, including existing, ongoing, and proposed risk mitigation measures.
- Evaluated the effectiveness of One Meralco’s risk management process and certified that these remain adequate, ensuring that material risks are periodically identified, assessed, managed, and appropriately reported by Management.

Through the RMC, the Board of Directors establishes and maintains a framework of prudent and effective internal controls that enables the timely identification, assessment, and management of risks across the organization.

F. Finance Committee (“FinCom”)

The FinCom is composed of seven (7) directors, two (2) of whom are independent directors, with the Chief Finance Officer (“CFO”) as ex-officio member. It reviews the financial operations of the Company and matters regarding major purchase contracts, and acquisition and/or divestment of investments, businesses, or ventures.

In its twelve (12) meetings in 2025, the FinCom’s major accomplishments were:

- Review and approval of all service and supply contracts in excess of PHP 50 million
- Review of Unaudited Quarterly Consolidated Financial Statements and Audited Annual Consolidated Financial Statements
- Treasury updates
- Declaration of cash dividend
- Renewal of credit lines and bonds
- Review and approval of cash optimization strategy
- Review and approval of PSAs and any changes or issues regarding their execution
- Review and approval of annual budget and medium-term business plan and forecast
- Review of Meralco directors’ and officers’ insurance policy
- Review additional capital call, surety bonds, capital infusions for subsidiaries
- Review of capital and debt structure
- Review of equity call
- Review of investments
- Review and endorsement of the renewal of Wholesale Electricity Spot Market surety bond for the retail electricity supply transactions



G. Related Party Transactions Committee (“RPTCom”)

The RPTCom consists of six (6) directors, two (2) of whom are independent directors. It assists the Board in reviewing De Minimis, Significant, and Material RPTs to determine whether they are in the best interest of the Company and shareholders, and ensure that all RPTs of the Company are conducted in fair and at arms’ length terms. In 2025, the RPTCom had two (2) meetings. The following activities were accomplished by the RPTCom:

- Reviewed and approved De Minimis, Significant, and Material RPTs
- Reviewed RPT Reports together with the RPT Review Team, and evaluated the Company’s purchases of goods and services from related parties to be fair and at arm’s length terms
- Endorsed Material RPTs to the Board for approval

H. Sustainability Committee (“SusCom”)

In 2021, the SusCom was established to institutionalize the Company’s sustainability commitment and corporate ESG imperatives. Composed of six (6) members, including the Chairman and CEO and the Chief Sustainability Officer, who acts as a non-voting member, SusCom is responsible for overseeing the Company’s sustainability strategy, policies, and programs. The Committee also accounts for and monitors the economic, environmental, social, and governance (“EESG”) performance of the Company in alignment with the UN SDGs, with the aim of delivering long-term value to all the stakeholders.

In 2025, the SusCom formally met once to review updates on One Meralco’s LTSS and progress on 30 by ’30: Thirty Key Sustainability Plays Through 2030, and thereafter endorsed the same to the Board for final approval.

A.7 Orientation and Continuing Education Programs

The Board of Directors ensures that the Company complies with all relevant laws, regulations, and endeavors to adopt best business practices. Towards this end, the Board keeps abreast with the latest developments in the corporate governance regulatory landscape and implements a policy on orientation and continuing training for all directors and key officers, including an annual CG training with SEC-accredited providers, in accordance with the Board Charter and the CG Manual.

The Company has a policy that encourages directors to attend annual continuing training programs. In fulfillment of such policy and the requirements of the Company's CG Manual, the ERC Resolution No. 1, Series of 2004, and the SEC Memo Circular No. 20, Series of 2013, the Directors, together with the Senior Management, attended the MVP Group Annual Corporate Governance Enhancement Session ("ACGES") on November 18, 2025, entitled Decision Intelligence and SuperCreativity: Leading in the Age of AI by Cassie Kozyrkov and James Taylor. This session covered four (4) hours of governance training and was accredited by the SEC.

2025 attendance to corporate governance training and continuing education programs

Director	Program	Resource Person / Name of Training Institution
Manuel V. Pangilinan June Cheryl A. Cabal-Revilla Lydia B. Echauz Ray C. Espinosa Jose Ma. K. Lim Ret. Chief Justice Artemio V. Panganiban Victorico P. Vargas	MVP Group Annual Corporate Governance Enhancement Session: Decision Intelligence and SuperCreativity: Leading in the Age of AI	Cassie Kozyrkov James Taylor
Lance Y. Gokongwei Patrick Henry C. Go	Corporate Governance in the Age of AI: Navigating Opportunities and Risks for a Future-Ready Gokongwei Group	2025 Gokongwei Group Corporate Governance Training for Directors and Officers
Pedro Emilio O. Roxas	Powering Trust: The Critical Role of Transparency and Accountability in Corporate Disclosures	Kenneth V. Nerecina
James L. Go	SEC Granted Mr. James L. Go a permanent exemption from the corporate governance training requirement in its en banc meeting on November 10, 2015.	

A.8 Board, Committee, and Key Officers Performance Assessment

The Board annually conducts a self-assessment of its performance individually, collectively, and as members of the different Board Committees. The self-assessment results are key factors in the enhancement of directors' performance and effectiveness in the discharge of their duties.	The Board conducted the performance assessment on February 24, 2025, wherein directors were given the opportunity to give their opinions and suggestions or identify special issues of interest about their performance or different aspects of the Company's operation.	Every three years, the assessments are supported by an external facilitator. The Company engaged the services of the Good Governance Advocates and Practitioners of the Philippines ("GGAPP") in the evaluation of the 2019, 2022, and 2025 performance of the board, board committees, and key officers.
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Board, committee, and key officers performance assessment forms

- **Collective Board Assessment** – each director assessed the board performance as a whole based on the following categories:
 - Board composition;
 - Board efficiency and performance;
 - Board meetings and participation.
- **Individual Director Self-Rating** – each director evaluated their performance for the previous year.
- **Board Committee Assessment** – each director assessed the overall performance of the board committees as well as the individual board committees based on the provisions of Board Committee Charters.
- **Key Officer Ratings** – each director assessed the performance of the Chairman and Chief Executive Officer, Chief Compliance Officer, Chief Risk Officer, and Chief Audit Executive in the previous year.

Financial

Measures reflecting the financial results and financial position of the Company to stakeholders, such as revenues, consolidated core net income, reported net income, EBITDA, cash and cash equivalents, debt and stockholders' equity, dividend payouts, etc.

Non-Financial

- S-Factor Indicators
 - System Loss ("SL")
 - System Average Interruption Frequency Index ("SAIFI")
 - System Average Interruption Duration Index ("SAIDI")
 - Momentary Average Interruption Frequency Index ("MAIFI")
 - Time to Process Applications ("TPA")
 - Time to Connect Premises ("TCP")
 - Call Center Performance ("CCP")
- Guaranteed Service Level ("GSL") Metrics
 - Energy Sales in GWh
 - Customer Count

B. Respecting the Rights of Shareholder

The Company recognizes the rights of all shareholders as provided in the Revised Corporation Code of the Philippines, other pertinent laws, rules, and regulations, the Company's Articles of Incorporation, Amended By-Laws, and the CG Manual.

B.1 Right to dividends

Dividend Policy

The Company's dividend policy, as approved by the Board on February 22, 2010, and ratified by the shareholders during the May 25, 2010 ASM, calls for the payment of regular cash dividends equivalent to 50% of the audited CCNI for the year with a "look-back" basis, which allows the Company to pay special dividends beyond 50% of the CCNI for the year, subject to the availability of unrestricted retained earnings in accordance with the guidelines of the SEC.

Following are the cash dividends declared by the Board on common shares for 2025:

Declaration Date	Record Date	Payable Date	Rate per Share
February 24, 2025	March 12, 2025	April 4, 2025	PhP 13.736
July 28, 2025	August 27, 2025	September 22, 2025	PhP 11.328



B.2 Right to participate in decisions

The Company upholds the rights of all shareholders, including the minority shareholders, to participate in:

- changes or amendments to the Company's Articles of Incorporation or By-laws
- authorization for issuance of additional shares
- authorization of extraordinary transactions, including the transfer of all or substantially all assets that in effect result in the sale of the Company
- approval of remuneration or increase in remuneration of directors
- voting by proxy and attendance in stockholders' meeting in absentia or through remote communication.



B.3 Right to vote and participate effectively, disclosure and release of notice to ASM

To provide shareholders enough time to examine the Company's information, the ASM Notice was posted on the Company's website on January 27, 2025. The Definitive Information Statement ("DIS") was distributed to the shareholders starting April 24, 2025. Similar to all Company notices and circulars, the ASM Notice is written and published in English.

ASM

It is the Company's policy to encourage stockholders, including institutional and minority stockholders, to attend and actively participate in the ASM. The 2025 ASM was held on Tuesday, May 27, 2025, at 10:20 AM at the Meralco Theater, Ortigas Avenue, Barangay Ugong, Pasig City. The proceedings were likewise made available via live broadcast through the Stockholders Electronic Registration and Voting Express ("SERVE"). Stockholders were given opportunity to propound questions and raise concerns to the Board during the meeting.

As in the previous years, the Company facilitated participation of stockholders who cannot attend the ASM in person or online by enclosing proxy forms in the ASM Notice where they can indicate their votes on matters that are taken up during the ASM. Shareholders can download the proxy forms together with details on how to appoint a proxy from the Company's website.

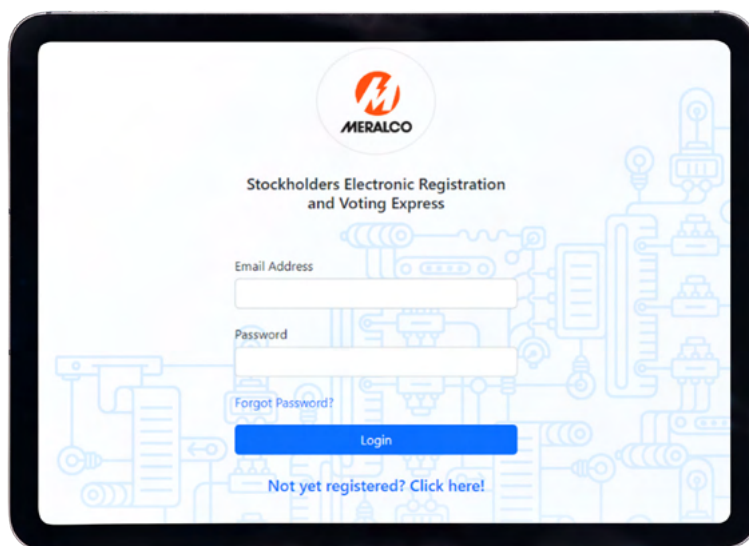
The Company granted all stockholders, including minority stockholders, the right to nominate directors and propose or inquire on agenda items.

The "Call for Nominations" was posted on the Company's website on January 27, 2025, for submission of proposed agenda and nomination of qualified candidates on or before March 7, 2025. The agenda and nominees were approved by the Board on January 27, 2025, and March 18, 2025, respectively.



Voting Procedures

The Corporate Secretary reported a quorum with the attendance of stockholders who own or hold a total of 910,775,522 shares or approximately 80.81% of the total issued and outstanding shares of the Company. An electronic system facilitated the registration and vote tabulation to ensure accuracy and reliability of information. SERVE was also enhanced to allow the stockholders to attend and actively participate via remote communication and to cast their votes for the agenda items online.



The Corporate Secretary explained the vote tabulation procedures to the shareholders and stated that all shareholders were entitled to one vote for one share. Representatives from Reyes Tacandong & Co., an independent third party, validated the voting results for each agenda item. The Company also allowed shareholders to freely express their views and raise their questions during the ASM through the SERVE portal.

The Chairman and CEO, Chairman of the AuditCom, Chairman of the RLDC, Chairman of the Nom&Gov, Chairman of the Finance Committee, the Board, the CFO, Corporate Secretary, Assistant Corporate Secretary, Chief Investor Relations Officer, other officers of the Company, and our external auditor attended the ASM to present the performance results of the Company and respond to any question from the shareholders relevant thereto. The appropriate meeting procedures and guidelines were followed before, during and after the ASM.

The resolutions approved during the ASM were posted on Meralco's official website the following day so that non-attending shareholders may be immediately informed.

B.4 Right to approve mergers and acquisition

In the event of mergers and acquisitions requiring shareholders' approval, the Company appoints an independent party to evaluate the merits of the transaction as well as the fairness of the transaction price.

B.5 Institutional investors

The Company recognizes the exercise of ownership rights by all shareholders, including institutional investors. The Company does not have any shareholder owning more than 50% of the total outstanding shares.

For the detailed Map Showing the Relationships among the Companies in the Group as at December 31, 2025, please refer to Schedule I of the Definitive Information Statement.

C. Equitable Treatment of Shareholders

C.1 Shares and voting rights

The Company has only one (1) classification of shares (common shares), with each share entitled to one (1) vote.

C.2 Notice of ASM and definitive information statement (“DIS”)

The Notice of ASM and DIS contain, among others, the resolutions to be considered by the stockholders for each agenda item during the ASM. There is no bundling of several items into one resolution. It also provides the following information:

- Profiles of each director seeking election/ re-election—age, academic qualification, date of first appointment, experience, and directorships in other listed companies
- External auditor seeking appointment/ re-appointment
- Dividend policy
- Amount of dividends declared and any dividends payable
- Readily available proxy statements
- The Notice of ASM and DIS are available on the Company’s website.

C.3 Policy on dealings in company shares of stocks (insider trading/blackout period)

The Insider Trading Policy prohibits directors, officers, and employees from benefiting from information that is not generally available to the investing public through observance of a blackout period ten (10) trading days before and two (2) trading days after the release or announcement of the Company’s material information or financial and operating results, during which trading in Company shares is prohibited.

The Company strictly enforces and monitors compliance with our policy on insider trading. Under the revised policy approved for implementation on July 28, 2025, directors and officers are required to disclose to the Compliance Officer the details of any trading, dealing, acquisition, disposal, or change in their beneficial ownership of the Company (MER) shares, not later than one (1) trading day after the transaction.

C.4 Related party transactions (“RPTs”) by directors and key executives

The RPT Policy requires the review of material/significant RPTs, to determine whether they are in the best interest of the Company and our shareholders and ensure that all RPTs of the Company are conducted in fair and at arm’s length terms. The Policy provides for materiality thresholds, i.e., de minimis, significant, material RPTs

including SEC material RPTs which constitute ten percent (10%) of the Company’s assets.

The Company provides all the names of related parties, degree of relationship, nature, and value for each material/ significant RPT. Details are found in Note 23 to the Consolidated Financial Statements.

In 2025, all the RPTs were conducted in fair and at arm’s length terms and there was no case of insider trading or policy violations involving directors and officers of the Company. Also, no RPT that can be classified as financial assistance to entities other than wholly owned subsidiary companies. The Company is fully compliant with the Code and policies on corporate governance.

Conflict of Interest (“COI”) Policy

The COI Policy requires all directors, officers and employees to annually disclose their interest in transactions and any other conflicts of interest affecting the Company through the Full Business Interest Disclosure (“FBID”) Form for directors and officers, and the COI Form for employees. The Company requires directors and key Management personnel to abstain from and/or inhibit themselves from participating in discussions on a particular agenda when a conflict exists or may exist between their personal interest and that of the Company.



C.5 Protecting minority shareholders from abusive actions

The Company’s policies recognize and protect the rights of the minority stockholders while pursuing corporate interest. Some salient provisions include:

- Timely, fair, and accurate disclosure of material information
- Review of existing and development of new policies that will prevent the major stockholders from gaining undue advantage over and at the expense of minority stockholders
- RPTs are disclosed in Note 23 of the consolidated financial statements
- Disinterested stockholders decide on all RPTs which require stockholders’ approval



D. Role of Stakeholders

D.1 Respecting the rights of stakeholders

We strictly observe the principles of FAITH in the Company's obligations to, and dealings with, our various stakeholders. We value all our stakeholders and protect their rights, as mandated by relevant laws and internal policies. Sanctions and penalties based on the provisions of the Company's COREC and other related policies are imposed upon violators.

Customers

The Company renders excellent service, ensures fair treatment, and provides complete and accurate information to our customers.

Environment and Communities

As an advocate of sustainable development, the Company is committed to operate profitably within the bounds of our social and environmental responsibility.

Suppliers/Contractors

To ensure a mutually beneficial relationship with our suppliers and contractors, the Company prescribes clearly defined and transparent procurement and supplier selection process through the Vendor's Code of Business Conduct and Ethics and Vendor Accreditation Program. We ensure faithful compliance with all the terms and conditions of our procurement contracts.

Employees

We are committed to the development and welfare of our employees. We provide them with opportunities for learning and development, fair and competitive remuneration, and programs to promote health and safety. The Company devotes conscious effort to build a culture of excellence, knowledge sharing, personnel integrity, and development.

Creditors

The Company faithfully complies with all loan agreements with creditors. We ensure timely payment of our loans and efficiently operates our business to assure creditors of the Company's sound financial standing and loan payment capabilities.

D.2 Performance-enhancing mechanisms for employees

Employee Development Programs

Training programs and other developmental interventions including job-specific development training programs and managerial/ leadership development training are implemented to enable employees and officers to acquire the technical and leadership competencies to effectively perform their jobs for their professional growth. The Company uses globally accepted training and development metrics relevant to value creation for business and society.

Details on the Company's learning and development initiatives are found on pages 147-149 of this report.

Compensation Philosophy/ Principles

The Company has measurable standards to align the performance-based remuneration of the executive directors and senior executives with long-term interest. The Company's performance management process measures employee performance on the basis of: 1) actual vs. desired results; and 2) how results were delivered in light of corporate core values. The achievement of financial and non-financial indicators is reflected in performance planning and assessment, which drives the Company's merit and incentive pay programs.

The Company implements short-term and long-term incentive programs to attract, retain, and motivate employees. The Company compensates employees

based on Company, team, and individual performance to help achieve corporate goals and targets. The Company evaluates performance beyond short-term financial measures. It also provides for short-term incentives through variable pay, such as annual performance-based bonuses and variable incentive plan, to reward individual and team performance that contribute to the achievement of corporate goals and objectives.

Long-term incentives include additional compensation conditioned on the Company's achievement of a specified level of Consolidated Core Net Income ("CCNI") approved by the Board and determined on an aggregate basis for a three (3)-year period as well as executives' attainment of a specified performance rating.



Succession Planning of President and/or CEO and Senior Management

The Company's Board and the RLDC are responsible for overall guidance and direction on succession planning and leadership development of the President and/or CEO and senior management. The RLDC, working closely with the head of Human Resources ("HR"), drives the strategy for succession planning, leadership development, and talent management. The HR head develops and implements the processes and the tools to ensure robust pools of succession candidates for the President and/or CEO, senior management, middle management, and first line management.

Presently, the succession plan covers 700 leaders of the Company. The succession planning process involves the assessment of the Company's leaders' career aspirations, strengths, and development needs. A key feature of the Company's succession planning process is the talent review conducted at the senior management level and at various levels of the organization. The senior management talent review has resulted in a pool of about 42 candidates in senior management pool, who, subject to the realization of their development plans, could become management committee members within the next five (5) years.

Code of Business Conduct and Ethics

The Company's Code of Ethics prescribes the ethical values and behavioral standards, which all directors, officers, and employees of the Company are required to observe in the performance of their respective duties and responsibilities. Copies of the Code of Ethics are disseminated to all officers and employees. On July 25, 2022, the Code of Ethics was amended and renamed "Code of Business Conduct and Ethics."

For more information about our Code of Business Conduct and Ethics and how we enforce it across the Company, please refer to the Business Ethics section under Our Governance on pages 208-211.

Anti-corruption Programs and Procedures

The Code of Business Conduct and Ethics requires directors, officers, and employees to observe professionalism, integrity, and good faith in transactions with and obligations to the Company's customers, suppliers, business partners, regulators, creditors, competitors, and employees. It enforces practicing ethical standards of behavior and avoiding the commission of any act that may be construed as direct or indirect bribery and corruption, as defined by law, to facilitate any transaction to gain any perceived or actual favor or advantage.

Meralco's policies related to anti-bribery and corruption are available to all stakeholders through the Company's website (www.meralco.com.ph).

For more information about Meralco's anti-bribery and corruption initiatives, please refer to the Business Ethics section under Our Governance on pages 208-211.



D.3 Effective redress for violation of stakeholders' rights and means of communication of illegal or unethical practices by employees

Corporate Governance Office Manila Electric Company (Meralco)

8F, Lopez Building
Ortigas Avenue, Barangay Ugong
Pasig City, Philippines 1605

Tel: (+632) 1622 2798
Mobile: (+63) 9209484787
Email: cgo.staff@meralco.com.ph

The Speak Out Policy (Whistleblowing Policy) encourages the reporting of any violation of corporate governance rules or policies, questionable accounting or auditing matters, and other malfeasance committed by the Company's directors, officers, and employees.

Employees, suppliers, customers, and other stakeholders can download, through the Company website, a Whistleblower Report Form and submit the same via email or regular mail to the CGO through the contact information provided therein.

The Company provides appropriate protection against retaliation to an employee/stakeholder who reports illegal/unethical behavior. In the event of retaliation, the reporting person or witness may file a report to the CGO by filling out a Retaliation Protection Report Form.

To maintain the integrity and impartiality of the review process, the Company's whistleblowing system is managed by an independent party. Currently, the Chairman of the Nomination and Governance Committee, who is an independent director, spearheads the review of all whistleblowing reports received by the Corporate Governance Office. This includes overseeing the investigation of reported concerns, ensuring appropriate follow-up actions are taken, and safeguarding the anonymity and protection of whistleblowers in accordance with the company's Speak Out Policy and other relevant regulations.

In 2025, the Company received certain reports of alleged violations and illegal/unethical behavior. These reports were investigated and accordingly resolved based on the evidence provided and in accordance with the procedures defined in the whistleblowing policy.



E. Disclosure and Transparency

E.1. Transparent ownership structure

The following stockholders directly own more than 5% of the Company's (MER) shares as at December 31, 2025.

Name of Shareholder and Beneficial Owner	Total Shares	% to Total Share
Beacon Electric Asset Holdings, Inc.	394,059,235	34.96%
JG Summit Holdings, Inc.	297,189,397	26.37%
Metro Pacific Investments Corporation	140,906,807	12.50%
Total	832,155,439	73.83%

E.2. Enterprise-wide risk management

The Company maintains a robust internal control system and an Enterprise Risk Management ("ERM") framework designed to identify, monitor, and manage strategic, legal and regulatory, operational, ESG, and financial risks. These risks are periodically reviewed by the Board to assess the continued effectiveness of the ERM framework in relation to the Company's corporate objectives and evolving business and regulatory environment.

Meralco has adopted ISO 31000 as the foundation of the Company's ERM framework. This framework promotes a structured and systematic approach to risk management by fostering collaboration among internal functions and external stakeholders to identify best practices, strengthen controls, and pursue process improvement opportunities.

The Enterprise Risk Management Manual, approved and adopted by the Company, defines the methodology and processes for managing risks, including:

- the identification, assessment, evaluation, and mitigation of risks, as well as the exploitation of opportunities;
- the delineation of management responsibilities and accountabilities; and
- the escalation, monitoring, and reporting of the Company's key enterprise risks.

The EWRM function leads the periodic enterprise-wide risk assessment. This assessment validates existing and emerging risks arising from changes in regulations, market structure developments, technological and operational challenges, and external factors such as changing weather patterns, customer satisfaction trends,

and evolving environmental sustainability considerations. Significant risks are quantified, and designated risk owners are required to develop and implement appropriate risk treatment and mitigation plans. The results of the enterprise-wide risk assessment, together with Management's mitigation strategies, are presented to and reviewed by the RMC.

The Board of Directors, through the RMC, provides oversight of the EWRM function and regularly reviews the Company's key enterprise risks, as well as the effectiveness of Management's risk mitigation strategies and treatment plans.

For further discussion of the Company's key risks and corresponding mitigation strategies, please refer to pages 58–61 of this report.

Information, Communications, and Technology (“ICT”) Government

The Board, through its Risk Management Committee, oversees the governance process around IT issues including disruption, cyber security, disaster recovery, to ensure that all key risks are identified, managed and reported to the Board.

The Management, through ICT Governance Office and ICT Planning and Program Management Office, uses Control Objectives for Information and Related Technology (“COBIT”) framework to ensure that IT goals and objectives are in line with the overall business strategy of the Company. This involves delivering value from IT investments, managing IT risks, optimizing IT resources, measuring performance, and communicating with stakeholders. ICT Governance Office provides a comprehensive approach to aligning IT with business objectives, mitigating risks, and ensuring compliance with policies and standards.

Management is likewise accountable to the Board for the Company’s information security governance. As a key pillar of the Company’s sustainability, the Management—through the Cyber Security Group (“CSG”)—

drives Meralco’s cybersecurity initiatives, providing strategic direction and resources to effectively manage the information security risks. It ensures the highest standard of protection across all aspects of operations, with a strong focus on mission-critical and business critical assets.

The Group conducts regular assessments, and reviews, approving information security policies and standards to ensure continuous monitoring, implementation, and enhancement of a robust information security management system. Aligned with global best practices and international standards, including ISO/IEC 27001, ISO/IEC 27002, and the NIST Cybersecurity Framework, these initiatives are effectively coordinated and integrated into the Organization’s relevant processes and core business functions, with clear designation of authority, roles, and responsibilities.

The Company’s information security policies and standards integrate cybersecurity into the workforce’s responsibilities in our increasingly digital world. These policies form

the foundation for developing strategies and controls to prevent and mitigate cybersecurity risks, ensuring that the Company and our employees are cyber-resilient and capable of effectively detecting, protecting against, and responding to cyber threats.

The Group evaluates the organization’s maturity posture and identifies any gaps that require action based on the result of the regular maturity assessment. Moreover, the CSG ensures that business units, shared units, and third-party vendors remain compliant and accountable for the organization’s cybersecurity requirements and protocols.

The commitment to inculcating adoption and compliance within the organization will not only protect information assets but also cultivate a culture of trust, accountability, and resilience, which are essential for Meralco’s long-term sustainability.

Details on the Company’s cybersecurity initiatives are found on pages 183-190 of this report.

E.3 Economic, environmental, social, and governance information

The Company is committed to the environment and mitigating the adverse impact of climate change and strictly monitors our business activities and operations to contribute to sustainable development and help safeguard the quality of life of society, communities, and the environment in the areas where we operate.

We also disclose our policies and practices on the management of economic, environmental, social and governance (“EESG”) in this Integrated Report, in accordance with the Global Reporting Initiative (“GRI”) Standards, adhering to SASB Standards for Electric Utilities and Power Generators, and adopting the IFRS²⁸ S2 Standard.

²⁸International Financial Reporting Standards

E.4 Directors' and officers' dealings in company shares

Shareholdings of directors and officers as of December 31, 2025

Name	January 1, 2025	Buy	Sell	December 31, 2025	Direct Holdings	Indirect Holdings	Total Shares	% to Total Shares
MANUEL V. PANGILINAN	65,000	33,000	-	98,000	89,015	8,985	98,000	0.01%
LANCE Y. GOKONGWEI	29,313	5,000	-	34,313	10	34,303	34,313	0.00%
RAY C. ESPINOSA	66,000	5,000	-	71,000	41,668	29,332	71,000	0.01%
JUNE CHERYL A. CABAL-REVILLA	5,010	5,000	-	10,010	10,010	-	10,010	0.00%
LYDIA B. ECHAUZ	16,100	5,000	-	21,100	100	21,000	21,100	0.00%
PATRICK HENRY C. GO	1,677	5,000	-	6,677	6,677	-	6,677	0.00%
JAMES L. GO	209,450	5,000	-	214,450	40,010	174,440	214,450	0.02%
JOSE MA. K. LIM	178,910	5,000	-	183,910	5,010	178,900	183,910	0.02%
ARTEMIO V. PANGANIBAN	32,251	5,000	-	37,251	1	37,250	37,251	0.00%
PEDRO EMILIO O. ROXAS	1,000	5,000	-	6,000	6,000	-	6,000	0.00%
VICTORICO P. VARGAS	23,917	5,000	-	28,917	100	28,817	28,917	0.00%
SIMEON KEN R. FERRER	767	-	-	767	767	-	767	0.00%
RONNIE L. APEROCHO	14	-	-	14	14	-	14	0.00%
MARIA LUISA V. ALVENDIA	-	-	-	-	-	-	-	0.00%
EDGARDO V. CARASIG ¹	-	-	-	-	-	-	-	0.00%
ARNEL PACIANO D. CASANOVA	-	-	-	-	-	-	-	0.00%
FERDINAND O. GELUZ	15,877	-	-	15,877	12,877	3,000	15,877	0.00%
MELANIE T. OTEYZA	-	-	-	-	-	-	-	0.00%
WILLIAM S. PAMINTUAN	-	-	-	-	-	-	-	0.00%
BETTY C. SIY-YAP	-	-	-	-	-	-	-	0.00%
JOSE RONALD V. VALLES	-	-	-	-	-	-	-	0.00%
ROQUE D. BACANI	-	-	-	-	-	-	-	0.00%
BENNETTE D. BACHOCO	-	-	-	-	-	-	-	0.00%
REDEL M. DOMINGO	-	-	-	-	-	-	-	0.00%
HANS JOACHIM R. MONTENEGRO ²	-	200	-	200	-	200	200	0.00%
CHARINA P. PADUA	42,609	-	-	42,609	-	42,609	42,609	0.00%
RAYMOND B. RAVELO	-	-	-	-	-	-	-	0.00%
FROILAN J. SAVET	8,435	-	-	8,435	8,435	-	8,435	0.00%
FRANCIS EUSTON R. ACERO	500	-	-	500	-	500	500	0.00%
IRENEO B. ACUÑA	18,355	-	-	18,355	18,355	-	18,355	0.00%
JOSEPH L. AMOSCO	5,198	-	-	5,198	5,198	-	5,198	0.00%

Notes:

¹Retired effective December 31, 2025

²Appointed as First Vice President and Deputy Head for Human Resources effective October 3, 2025

³Appointed as Senior Assistant Vice President Treasurer and Head, Treasury DU Subsidiaries and Other Business Units effective June 1, 2025

⁴Appointed as Vice President and Head, Regulatory Legal Case Management effective January 1, 2025

Name	January 1, 2025	Buy	Sell	December 31, 2025	Direct Holdings	Indirect Holdings	Total Shares	% to Total Shares
ALDWIN CHRISTIAN C. ANG ⁵	-	400		400	-	400	400	0.00%
FRANCIS DINO S. ANTONIO ⁴	1,203	-	-	1,203	-	1,203	1,203	0.00%
REMIGIO R. ANGELES JR. ⁵	1,075	-	-	1,075	75	1,000	1,075	0.00%
PATRICK DAVE B. BACANI	-	-	-	-	-	-	-	0.00%
JOSEPH ALLAN C. BALTAZAR	-	-	-	-	-	-	-	0.00%
CHRISTOPHER REDEEMSON R. BROCALES ⁶	-	-	-	-	-	-	-	0.00%
SANTE C. BUELLA	-	-	-	-	-	-	-	0.00%
RICARDO CARMELO D. BUENAFE	6,070	-	-	6,070	-	6,070	6,070	0.00%
ALBERTO N. CASTILLO	600	-	-	600	600	-	600	0.00%
ANTHONY MATTHEW N. CO	2,150	-	-	2,150	-	2,150	2,150	0.00%
MA. CECILIA M. DOMINGO	1,495	-	-	1,495	-	1,495	1,495	0.00%
LAWRENCE S. FERNANDEZ	4,500	-	-	4,500	-	4,500	4,500	0.00%
MARVIN G. GONSALVES	11,780	-	-	7,580	4,200	-	11,780	0.00%
DANILO R. IGNACIO	7,871	-	-	7,871	7,871	-	7,871	0.00%
JERRY B. LAO	-	-	-	-	-	-	-	0.00%
EDELIZA T. LIM ⁷	-	-	-	-	-	-	-	0.00%
ARIEL G. LUCAS	-	-	-	-	-	-	-	0.00%
ERVILLE D. MAGTUBO	-	20	20	-	-	20	20	0.00%
RALPH M. MENCHAVEZ	-	-	-	-	-	-	-	0.00%
RODERICK DENNISON N. NACU	31	-	-	31	31	-	31	0.00%
NOEL S. PORCIUNCULA	144	-	-	144	144	-	144	0.00%
PAUL JAYSON I. RAMOS	-	-	-	-	-	-	-	0.00%
JOSE S. REYES, JR.	8,827	-	-	8,827	8,727	100	8,827	0.00%
GLEN N. SAN PEDRO ⁸	-	-	-	-	-	-	-	0.00%
ANDREW JASON B. TAN	3,000	-	-	3,000	-	3,000	3,000	0.00%
JEFFREY O. TARAYAO	-	-	-	-	-	-	-	0.00%
MARILENE P. TAYAG	-	-	-	-	-	-	-	0.00%
PAOLA MARGUERITE A. VERAYO	-	-	-	-	-	-	-	0.00%
MARIA ZARAH R. VILLANUEVA-CASTRO	-	-	-	-	-	-	-	0.00%
JOCELYN C. VILLAR-ALTAMIRA	-	-	-	-	-	-	-	0.00%
AGAPITO R. ZALDARRIAGA	10,369	-	-	10,369	6,858	3,511	10,369	0.00%
MA. CYNTHIA C. SOLUREN ⁹	11,575	-	-	11,575	-	11,575	11,575	0.00%
Total	791,073	83,620	20	870,473	272,753	552,360	874,693	0.06%

⁵Appointed as Vice President and Head, South Distribution Services effective January 1, 2025

⁴Appointed as Vice President and Head, Shared Services HR and Labor Relations effective January 1, 2025

⁷Appointed as Vice President and Head, Marketing and Brand Experience effective January 1, 2025

⁸Retired effective December 31, 2025

⁹Retired effective May 31, 2025



E.5 Audit

Internal Audit

Meralco Internal Audit adopts a risk-based audit approach in formulating the annual audit plan and strategy that aligns with the key strategies and risks across the Group's business and is reassessed quarterly to consider business changes and emerging risks. This plan is developed in coordination with the relevant business units and subsidiaries and reviewed and approved by the AuditCom. The assurance and control advisory reviews are aimed at assisting the Board through the AuditCom in promoting sound enterprise risk management, robust internal controls, and good corporate governance. Design and operating effectiveness of controls that govern the key business processes, systems and risk areas at the Distribution Utility and subsidiaries are evaluated particularly on financial reporting, operations, information technology systems reviews, cybersecurity,

data privacy, sustainability, revenue assurance, legal and regulatory compliance and subsidiary oversight. This provides an independent assurance to the Audit Committee on the adequacy and effectiveness of the governance, risk management, internal controls, and compliance systems.

Meralco Internal Audit communicates the results of audit engagements covering various units of the Company and our subsidiaries including specific areas of concerns identified by Management to the AuditCom. The findings and any improvement opportunities are reviewed by AuditCom which then are reported to the Board for guidance and oversight. Significant concerns, which have been reported by Internal Audit Group and the implementation of responsive remedial measures by Management, are acted upon by Management and

monitored by AuditCom. The AuditCom Report to the Board included the review of One Meralco's system of internal controls (financial, operational, and compliance controls) and risk management systems which are found to be in place and functioning. A certification attestation of the internal controls is issued bi-annually as a result of the combined risk and control assessment of the Management and Internal Audit including the scope of audit review for the financial year.

Meralco's Internal Audit is headed by the Group Chief Audit Executive and Senior Vice President, Ms. Melanie T. Oteyza, who reports functionally to the AuditCom and administratively to the Chairman and CEO, as outlined in the Company's Internal Audit Charter. The appointment and removal of the Chief Audit Executive require the approval of the AuditCom.

All internal auditors are members of the Institute of Internal Auditors (“IIA”) and adopt the Global Internal Auditing Standards laid down in the International Professional Practices Framework. The internal auditors are comprised of highly certified professionals – Certified Public Accountants, Certified Internal Auditors, Certified Information Systems Auditors, Certified Quality Assurance Validator, Certified Fraud Examiner, Registered Electrical Engineers and others

with Certification in Control Self-Assessment, Certification in Risk Management Assurance, and Qualification in Internal Audit Leadership.

Meralco Internal Audit recruits and employs suitable and qualified professional staff with the requisite skillsets, competencies, and experience. Relevant training and continuing professional development opportunities are provided to its staff to ensure

that internal audits are performed effectively and that the team possess the technical knowledge needed for the job and to remain relevant and value-adding to the organization.

Meralco Internal Audit also provides a confirmation of their independence to the Audit Committee on an annual basis.

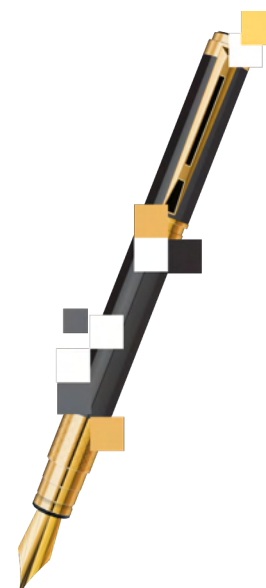
Consolidated external auditor’s fees* (in million PhP)

	2025	2024
Financial Statements Audit*	26.9	24.8
Audit of financial statements in accordance with the requirements of the Business Separation and Unbundling Plan of the ERC and Audit of universal charge reports as required by PSALM	11.0	2.0

Note: The fees for non-audit services did not exceed those for audit services.

External Audit

The Company’s external auditor, SGV, was evaluated, nominated, and recommended for appointment, including its audit fees, by the AuditCom, and such recommendation was approved by the Board. The re-appointment of SGV was thereafter confirmed by the shareholders at the ASM held on May 27, 2025.



E.6 Medium of communication

Quarterly Reports

We report the Company's quarterly and full year financial results through the SEC and the PSE to provide the shareholders, the investors, and the public a balanced and informed assessment of the Company's performance, position, and prospects.

Quarterly Reports:

<http://www.meralco.com.ph/investor-relations/quarterly-reports>

Financial Results:

<http://www.meralco.com.ph/investor-relations/financial-results>

Annual Reports:

<http://www.meralco.com.ph/investor-relations/annual-reports>

Investors' Briefings/Media Briefings

The officers of the Company, led by the Chairman and CEO, with the CFO, Investor Relations Office and other officers, present information on performance results, business progress, industry trends, impact of external factors, and regulations to shareholders, analysts, investors, and media every quarter during the investors' briefing and teleconference, as well as the media briefing. Presentation materials used in these meetings are posted on the Company's website to ensure comprehensive information dissemination to all stakeholders and investors, including those who were not able to participate in the briefings.

Schedule of Events: <http://www.meralco.com.ph/investor-relations/calendar-of-events>

Press Releases: <http://www.meralco.com.ph/investor-relations/press-releases>

Company Website

Our website provides information on Meralco's products and services as well as the following corporate governance information:

Section	Link
Business Operations	http://biz.meralco.com.ph/ http://corporatepartners.meralco.com.ph/ http://www.meralco.com.ph/news
Financial Statements/Reports	http://www.meralco.com.ph/investor-relations/financial-results https://company.meralco.com.ph/investor-relations/quarterly-reports
Materials provided in briefings to analysts and media	http://www.meralco.com.ph/investor-relations/press-releases
Shareholding Structure	http://www.meralco.com.ph/about-us/meralco-shareholding-structure
Group Corporate Structure	http://www.meralco.com.ph/about-us/organizational-structure
Downloadable Annual Report	http://www.meralco.com.ph/investor-relations/annual-reports
Notice of ASM	http://www.meralco.com.ph/company-disclosures/notice-of-annual-or-special-stockholders-meetings
Minutes of ASM	http://www.meralco.com.ph/company-disclosures/minutes-of-all-general-or-special-stockholders-meetings
Company's By-Laws and Articles of Incorporation	https://company.meralco.com.ph/corporate-profile/articles-of-incorporation-and-by-laws



E.7 Timely filing/ release of annual/ quarterly financial reports

The Company's 2025 Audited Financial Statements were released on March 1, 2026, 60 days after financial year-end. The true and fair representation of the Annual Financial Reports was affirmed by the Board through the Chairman and CEO, as well as the CFO of the Company on the Statement of Management's Responsibility section of this Annual Report. This can be accessed on the Company website.

E.8 Investor relations

Meralco's Investor Relations Office regularly communicates relevant and timely information about the Company to both current and potential investors, analysts, fund managers, potential business partners, and the general public.



Board of Directors

MANUEL V. PANGILINAN

Chairman and Chief Executive Officer



**JUNE CHERYL
A. CABAL-REVILLA**
Director



JOSE MA. K. LIM
Director



LANCE Y. GOKONGWEI
Vice Chairman



VICTORICO P. VARGAS
Director



A portrait of Ray C. Espinosa, an older man with grey hair and a goatee, smiling. He is wearing a light blue blazer over a purple and white checkered shirt. The background is a dark blue-grey grid pattern.

RAY C. ESPINOSA
Director

A portrait of Lydia B. Echaüz, an older woman with short grey hair, smiling. She is wearing a light blue button-down shirt under a white textured cardigan. The background is a light grey grid pattern.

LYDIA B. ECHAUZ
Independent Director

A portrait of James L. Go, an older man with dark hair, smiling. He is wearing a dark navy blazer over a light blue checkered shirt. The background is a light grey grid pattern.

JAMES L. GO
Director



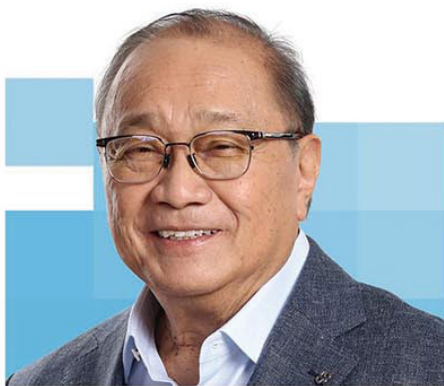
**ARTEMIO V.
PANGANIBAN**
Lead Independent
Director

**PEDRO EMILIO
O. ROXAS**
Independent
Director



PATRICK HENRY C. GO
Director





Manuel V. Pangilinan, 79, is the Chairman of the Board and Chief Executive Officer (“CEO”) of Meralco. A director since May 26, 2009, Mr. Pangilinan also serves as the Company’s Chairman of the Executive Committee, Remuneration and Leadership Development Committee (“RLDC”), and Sustainability Committee. He holds a bachelor of arts degree in economics from Ateneo de Manila University and a master’s degree in business administration (“MBA”) from the Wharton School of the University of Pennsylvania.

Mr. Pangilinan is also the Chairman, President, and CEO of Metro Pacific Investments Corporation (“MPIC”) and PLDT Inc., as well as the Chairman of Beacon Electric Asset Holdings, Inc., Maynilad Water Services, Inc. (“Maynilad”), Philex Mining Corporation, PXP Energy Corporation, and SP New Energy Corporation; Vice Chairman of Roxas Holdings, Inc.; and a director of Axelum Resources Corporation. Within One Meralco, he serves as the Chairman of Meralco PowerGen Corporation (“MGEN”), Global Business Power Corporation (“MGEN Thermal”), Kayana Solutions, Inc., One Meralco Foundation (“OMF”), and Terra Solar Philippines, Inc.

In recognition of Mr. Pangilinan’s contributions to the country, the Philippine Air Force awarded him

the rank of Lieutenant Colonel (Res.) in a promotion list approved by the Philippine President in July 2021. In 2010, the Office of the President of the Philippines awarded Mr. Pangilinan the Order of Lakandula with the rank of Bayani.

Mr. Pangilinan was awarded the first honorary doctorate degree in management by the Asian Institute of Management (“AIM”) in 2016, honorary doctorate in science by the Far Eastern University in 2010, in humanities by Holy Angel University in 2008, by Xavier University in 2007, and by San Beda College in 2002. He was formerly the Chairman of the Board of Trustees of Ateneo de Manila University and was a member of the Board of Overseers of the Wharton School.



Lance Y. Gokongwei, 59, serves as the Vice Chairman of the Board, Vice Chairman of the Executive Committee, and a member of the Finance, RLDC, and Sustainability Committees of Meralco. Mr. Gokongwei has served as a director since December 16, 2013. He holds bachelor of science degrees in finance and applied science from the Wharton School and the Penn Engineering School of the University of Pennsylvania.

Mr. Gokongwei holds leadership positions in a number of listed companies. He is the Chairman of Cebu Air, Inc., Robinsons Land

Corporation (“RLC”), and Universal Robina Corporation (“URC”); the President and CEO of JG Summit Holdings, Inc.; and a director of Altus Property Ventures, Inc., MGEN, Oriental Petroleum and Minerals Corporation, Robinsons Retail Holdings, Inc. (“RRHI”), Shakey’s Asia Pizza Ventures, Inc., Singapore Land Group Limited, and SP New Energy Corporation.

Mr. Gokongwei was a member of the World Economic Forum’s Global Leaders for Tomorrow Program and is a trustee at the Ateneo de Manila University and the Gokongwei Brothers Foundation, Inc.



June Cheryl A. Cabal-Revilla, 52, serves as Chairperson of the Finance Committee and a member of the Audit, Nomination and Governance (“Nom&Gov”), and Sustainability Committees of Meralco. She has served as a

director since May 30, 2023. She holds a bachelor of science degree in accountancy from De La Salle University and a master’s degree in business management, major in finance, from the AIM. She has also completed executive and sustainability programs at Stanford Graduate School of Business, the Swedish Institute Management Program, and MIT Sloan School of Management.

Ms. Cabal-Revilla is the Executive Vice President and Chief Finance,

Sustainability & Risk Officer of MPIC. She is a Director of Maynilad and likewise holds relevant positions in Beacon Electric Asset Holdings, Inc., Indra Philippines, Inc., and MGEN.

Ms. Cabal-Revilla is an appointed member of the Financial Reporting and Sustainability Standards Council of the Philippines and a founding member of the Asia Pacific Chapter of the Accounting for Sustainability Chief Financial Officers Leadership Network established by the Prince of Wales.



Lydia B. Echauz, 78, has served as an Independent Director of Meralco since May 25, 2021. Dr. Echauz is a member of the Company’s Finance, Audit, and Nom&Gov Committees. She holds a bachelor of arts degree, major in economics and mathematics, from St. Theresa’s College; an MBA from Ateneo de Manila University; and a doctor of

business administration degree from De La Salle University.

Dr. Echauz also serves as an Independent Director of D&L Industries, Inc., Shell Pilipinas Corporation, and SP New Energy Corporation, as well as a trustee and director in a number of local foundations.



Atty. Ray C. Espinosa, 70, serves as a member of the Risk Management Committee and the Related Party Transactions (“RPT”) Committee of Meralco. Mr. Espinosa served as the President and CEO of Meralco from May 28, 2019, to May 30, 2023, and has been a director since May 26, 2009.

He holds a bachelor of science degree in general studies from the University of Santo Tomas; a bachelor of laws degree from Ateneo de Manila University; and a master of laws degree from the University of Michigan Law School.

Mr. Espinosa also serves as an Independent Director of EEI Corporation, Lead Independent Director of Lepanto Consolidated Mining Company, and a director of PLDT Inc. and PXP Energy Corporation. Within One Meralco and affiliated companies, he serves in various capacities at MPIC, Aurora Managed Power Services, Inc., Beacon Electric Asset

Holdings, Inc., CIS Bayad Center, Inc. (“Bayad”), Corporate Information Solutions, Inc., e-Meralco Ventures, Inc., Excellent Energy Resources, Inc., Ilijan Primeline Industrial Estate Corporation, Linseed Field Corporation, Meridian Power Ventures Limited, MGEN, MPioneer Insurance, Inc., OMF, Singapore-based PacificLight Power PTE Ltd., Paragon Vertical Corporation, Radius Telecoms, Inc., and South Premiere Power Corporation.

Mr. Espinosa is a member of the Integrated Bar of the Philippines, the Philippine Bar Association, and the Inter-Pacific Bar Association.



James L. Go, 87, serves as a member of the Executive, Audit, Finance, Risk Management, RPT, and Nom&Gov Committees of Meralco. He has served as a director since December 16, 2013. He holds both a bachelor of science degree in chemical engineering and a master's degree in chemical engineering from the Massachusetts Institute of Technology.

Mr. Go is the Chairman of JG Summit Holdings, Inc. and the Chairman and CEO of Oriental Petroleum and Minerals Corporation; Chairman Emeritus of RLC and URC; Vice Chairman of RRHI, and a director of PLDT Inc. He also sits on the board of MGEN and as a board adviser of Cebu Air, Inc.

Mr. Go is the President of and a trustee at the Gokongwei Brothers Foundation, Inc.



Patrick Henry C. Go, 56, serves as the Chairman of the Risk Management Committee and a member of the Audit, Nom&Gov, RPT, and Sustainability Committees of Meralco. He has served as a director since January 29, 2024. He holds a bachelor of science degree in management from Ateneo de Manila University and completed the General Management Program

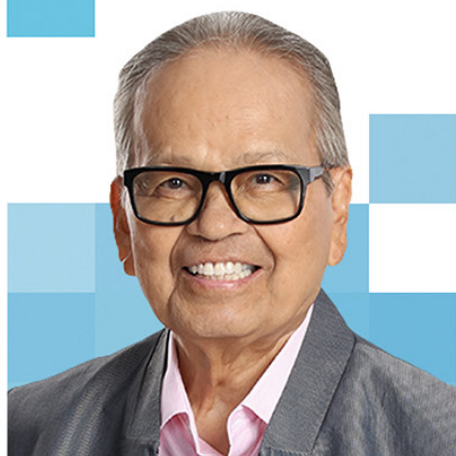
at Harvard Business School. Mr. Go also serves as Executive Director of JG Summit Holdings, Inc., Executive Vice President of URC, and a director of RLC. He likewise sits on the board of MGEN.

Mr. Go is a trustee at and the treasurer of the Gokongwei Brothers Foundation, Inc.



Jose Ma. K. Lim, 74, serves as a member of the Executive, Finance, Audit, Risk Management, RPT, and Nom&Gov Committees of Meralco. He has served as a director since May 29, 2012. He holds a bachelor of arts degree in philosophy from Ateneo de Manila University and an MBA from the AIM.

Mr. Lim also holds relevant Board positions in MPIC, MGEN, MGEN Thermal, Indra Philippines, and Maynilad. He is likewise a founding member of the Shareholders Association of the Philippines and a member of the Management Association of the Philippines.



Former Chief Justice **Artemio V. Panganiban**, 89, serves as Lead Independent Director, Chairman of the Audit Committee, and a member of the Executive, RPT, and

Risk Management Committees of Meralco. He has served as an Independent Director since May 27, 2008. He earned an associate in arts degree with highest honors and a bachelor of laws degree, cum laude, from the Far Eastern University, and has received several doctor of laws (honoris causa) degrees from different higher learning institutions in the Philippines.

Mr. Panganiban also serves as Independent Director of Asian Terminals, Inc., GMA Holdings, Inc., GMA Network, Inc., JG Summit Holdings, Inc., Petron Corporation, and RL Commercial REIT, Inc.; Lead

Independent Director of PLDT Inc.; and a director of Jollibee Foods Corporation. He is likewise an Independent Adviser to MPIC.

The President of the Association of Retired Justices of the Supreme Court of the Philippines, Mr. Panganiban is widely recognized for his distinguished public service, legal scholarship, and leadership in judicial and civic institutions, including the Metrobank Foundation, the Philippine Center for Diabetes Education Foundation, Inc., and the Philippine National Committee of the ASEAN Law Association.



Pedro Emilio O. Roxas, 70, serves as the Chairman of the RPT and the Nom&Gov Committees, and is a member of the Audit, Finance, Risk Management, RLDC, and Sustainability Committees of Meralco. He has served as an Independent Director since May 25, 2010. He holds a bachelor of science degree in business administration

from the University of Notre Dame in Indiana, USA.

Mr. Roxas is the Chairman of Roxas and Company, Inc. and Roxas Holdings, Inc. He also serves as an Independent Director of MGEN, MGEN Thermal, and Chromite Gas Holdings, Inc.; and an Independent Adviser to MPIC.



Victorico P. Vargas, 74, serves as a member of the Finance Committee and the RLDC of Meralco.

He has served as a director since May 28, 2019. He holds a bachelor of science degree in psychology from the University of Santo Tomas.

Mr. Vargas also serves in relevant capacities in MPIC, Beacon Electric Asset Holdings, Inc., Beacon PowerGen Holdings, Inc., Bayad, and Kayana Solutions, Inc. He is also an Associate Director of First Pacific Company Limited, the Head of the Leadership Transition Office of the PLDT Group's Office of the Chairman, and the Officer-in-Charge

of MediaQuest Holdings, Inc. and its affiliated companies.

Beyond the corporate sphere, he has held prominent leadership positions in sports administration, including as the former President of the Philippine Olympic Committee, the incumbent President of Samahang Basketbol ng Pilipinas, the Honorary Chairman of the Association of Boxing Alliances in the Philippines, and the Chef de Mission for the 2028 Summer Olympics.

Management Committee & Key Officers



**SIMEON KEN
R. FERRER**

Corporate
Secretary

**EDGARDO V.
CARASIG**

Chief Human
Resources Officer
and Head of
Corporate Services

**MELANIE T.
OTEYZA**

Chief Audit
Executive

**RONNIE L.
APEROCHO**

Chief Operating
Officer

**WILLIAM S.
PAMINTUAN**

Chief Legal
Counsel

**FERDINAND
O. GELUZ**

Chief Revenue
Officer

**BETTY C.
SIY-YAP**

Chief Finance
Officer

**HANS R.
MONTENEGRO**

Deputy Chief
Human Resources
Officer

**MANUEL V.
PANGILINAN**

Chairman and
Chief Executive
Officer



PAUL JAYSON I. RAMOS

Chief Investor Relations Officer

JOSE RONALD V. VALLES

Head of Regulatory Affairs and DU Regulatory Management

REDEL M. DOMINGO

Head of MPower

CHARINA P. PADUA

Head of Customer Retail Services

RAYMOND B. RAVELO

Chief Sustainability Officer

MARIA LUISA V. ALVENDIA

Chief Supply Chain Officer

ARNEL PACIANO D. CASANOVA

Chief External and Government Affairs Officer

ANDREW JASON B. TAN

Head of Business Development

FROILAN J. SAVET

Head of Networks

Subsidiary Heads

EMMANUEL V. RUBIO
MGEN



**EXEQUIEL
C. DELGADO**
Radius



ANTONIO M. ABUEL, JR.
Shin Clark



**ERNESTO
M. CABRAL**
Vantage Energy

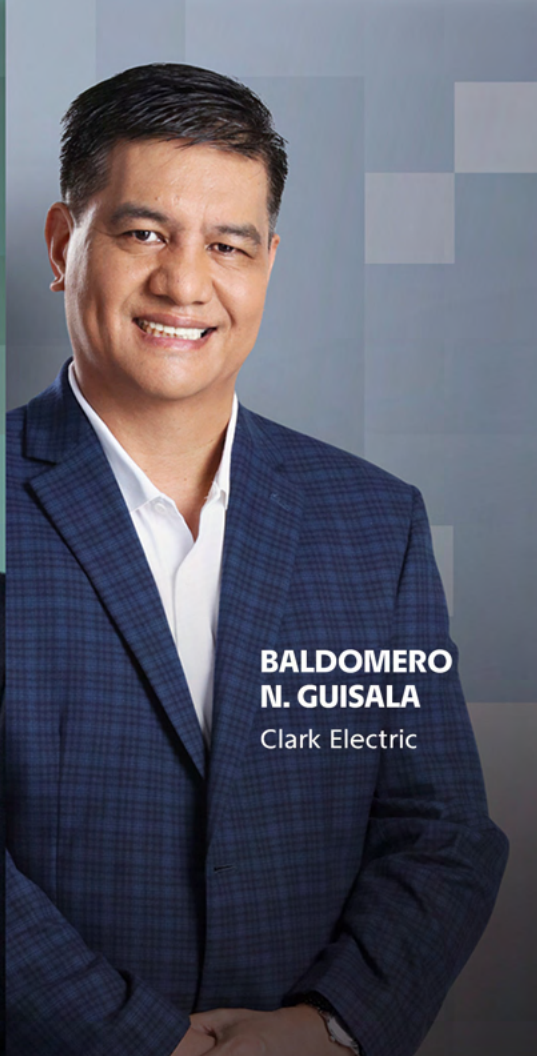


RAYMOND B. RAVELO
Movem





ARIEL C. ONG
MSERV



**BALDOMERO
N. GUISALA**
Clark Electric



**MA. CECILIA
M. DOMINGO**
MSpectrum



DENNIS ANTHONY UY
Comstech



**RICHARD
O. OCHAVA**
MIESCOR



**LAWRENCE
Y. FERRER**
Bayad

AUDIT





COMMITTEE REPORT

**Manila Electric Company and Subsidiaries
Report of the Audit Committee
for the Year Ended December 31, 2025**

The Audit Committee was established by the Board of Directors in 1999 to assist the Board in fulfilling its oversight responsibilities to the Shareholders in the following areas:

- Integrity of the Company's financial statements and the financial reporting process;
- Appointment, remuneration, independence, and performance of Internal Audit and of the independent External Auditor; and the integrity of the audit processes;
- Effectiveness of the system of internal controls, enterprise risk management, and corporate governance processes;
- Compliance with applicable legal, regulatory, and other reporting requirements; and
- Year-End reporting for the approval of the Board and for its inclusion in the Company's Annual Report

The Audit Committee performed its duties and responsibilities in accordance with its Charter, following leading practices in corporate governance and in compliance with the Corporate Governance Code for publicly listed companies issued by the Philippine Securities and Exchange Commission ("SEC") and other applicable regulations.

The Audit Committee is composed of three (3) independent non-executive directors, Mr. Artemio V. Panganiban, who sits as the Chairman, Dr. Lydia B. Echauz and Mr. Pedro E. Roxas, and four (4) non-executive directors namely, Ms. June Cheryl A. Cabal-Revilla, Mr. Patrick Henry C. Go, Mr. James L. Go, and Mr. Jose Ma. K. Lim. All the members of the Committee have professional qualifications and an adequate background in business, finance, law, management, and accounting.

The directors also hold membership positions in other Board-level Committees, allowing them to stay informed about key developments across business areas. Their involvement provides valuable insights and informed guidance on risk-taking and management activities, ensuring a comprehensive and well-integrated approach to internal controls, corporate governance, and risk-managed decision making.

The Audit Committee held six (6) meetings for 2025. Individual attendance of members at the meetings of the Audit Committee during the year is presented in the Corporate Governance Report of Meralco. After each meeting, the Chairman of the Audit Committee renders a report apprising the Board of Directors of the results of the matters deliberated upon by the Committee significant judgments exercised, and recommendations requiring Board approval, ensuring transparency and effective Board oversight.



The Audit Committee, in the discharge of its functions and duties, carried out the following activities:

A. On Financial Reporting

- Reviewed, discussed with Management, and approved the unaudited consolidated quarterly financial statements and the audited consolidated financial statements of the Company and its Subsidiaries, including Management's significant judgments, estimates and impact of new accounting standards and tax changes with respect to the Company's financial statements and analysis of financial condition and results of operation.

The Committee also reviewed the External Auditor's Report on the audit of the annual financial statements and discussed key audit matters and other required communications with the Committee.

These actions were undertaken with the understanding that:

- Management has the primary responsibility for preparing financial statements and reporting processes.
- The independent External

Auditor, SGV & Co. ("SGV"), is responsible for expressing an opinion on the conformity of the Company's Audited Consolidated Financial Statements with the Philippine Financial Reporting Standards ("PFRS").

- Reviewed and approved Management's Representation Letter before its submission to the External Auditor.



B. On Internal and External Audit Processes

- Assessed the independence, performance, effectiveness, and qualifications of SGV, considering its credibility, competence, ability to understand complex transactions and the adequacy of its quality control procedures. Based on this assessment, the Committee endorsed the re-appointment of SGV to the Board of Directors and the Shareholders as the independent External Auditor of the Company for the ensuing year.
- Reviewed and approved the audit plan and scope of work of SGV for the audit of the 2025 Annual Financial Statements, including the audit strategy, areas of significant risk, and reliance on component auditors, to ensure adequate coverage of key risks and compliance with applicable auditing standards.
- Reviewed and approved SGV's fees for all audit, audit-related, and non-audit services in Meralco and selected subsidiaries as endorsed by Management.
- Reviewed, discussed, and approved the results of the SGV's external audit, its assessment of the Company's internal controls, and the quality of the financial reporting process.
- Reviewed the Management Letter issued by SGV after the completion of the audit of the Financial Statements of the preceding year.
- Held separate executive sessions with the Chief Audit Executive and SGV without the presence of Management.
- Reviewed and approved the Annual Internal Audit Plan, the related key performance indicators, and all subsequent changes to the Internal Audit Plan, as needed.
- Reviewed and discussed the results of audits as reported by the Chief Audit Executive in her quarterly and year-end status reports to the Committee with respect to the evaluation of the system of internal controls, overall quality of the financial reporting process, risk management, and governance.
- All audit activities performed by Internal Audit were conducted in accordance with the International Professional Practices Framework ("IPPF") issued by the Institute of Internal Auditors ("IIA"). This includes Global Internal Audit Standards, Topical Requirements, and Global Guidance.
- Monitored Management's timely implementation of appropriate corrective actions to address the audit issues and recommendations of Internal Audit and the External Auditor.
- Reviewed and discussed the Internal Audit Annual Performance Report, including the Quality Assurance and Improvement Program Annual Report to evaluate the effectiveness of the Internal Audit function.

C. On Internal Control and Compliance with Laws and Regulations

- Reviewed and discussed updates on investigations, recoveries from losses and appropriate actions of the Management.
- Reviewed Management's mid-year and annual confirmation statement on the adequacy and effectiveness of the Company's internal control and risk management system, which was based on the annual risks & controls assessment validated by Internal Audit.
- Reviewed and evaluated the Company's internal control system based on the assessments completed by Internal Audit, SGV, Cybersecurity, Data Privacy Compliance, and matters delegated by the Board of Directors. The Committee is satisfied with the overall system in place and found this to be adequate and effective.
- Reviewed and monitored compliance and adherence by the Company with all applicable laws and regulations pursuant to which the Company conducts its operations and business activities. This includes reviewing the state of legal compliance with respect to labor laws & regulations, data privacy, and the reportorial requirements of regulatory agencies.



D. Other Governance and Oversight Activities

- Performed self-assessments and reviewed the overall effectiveness of its performance vis-à-vis its Charter and the expectations of the Board of Directors, Management and Shareholders in accordance with the guidelines of SEC Memorandum Circular No. 19 Series of 2016 and the Corporate Governance Manual. The assessment showed full compliance and alignment with governance best practices and leading corporate governance standards.
- Engaged select members of Senior Management, including heads of subsidiaries, to provide updates to the Committee on new investments and acquisitions, the performance of investments and subsidiaries, risk mitigation or remediation for the noted audit items, and the developments of their strategic directions and overall results.
- Reviewed and approved the Audit Committee agenda and calendar for the year.
- Reviewed and confirmed the continued validity of the Audit Committee and Internal Audit Charters until the next annual review. The Audit Committee Charter complies with the Securities and Exchange Commission Memo Circular No. 04 (2012).
- Reviewed and approved the Internal Audit Oversight Framework for subsidiaries, formalizing the Group CAE's oversight role to ensure consistent audit practices, effective coordination, and alignment with Global Internal Audit Standards.
- Advised on the Enterprise Risk Management updates and major risk exposures on a semi-annual basis through the attendance of the meetings of the Risk Management Committee of which the majority are also members

Based on the reviews undertaken, and discussions with Management and SGV, and subject to the limitations on the Committee's roles and responsibilities, the Audit Committee recommended to the Board of Directors the approval and inclusion of the Company's Audited Consolidated and Parent Company's Financial Statements in the Company's Annual Report to the Stockholders for the year ended December 31, 2025, and the filing thereof with the Philippine Securities and Exchange Commission. This recommendation reflects the Committee's assurance on the integrity of the financial statements, effectiveness of internal controls, compliance with laws and regulations, and the quality of the internal and external audit processes..

February 19, 2026

On behalf of the Audit Committee:

Retired Chief Justice ARTEMIO V. PANGANIBAN
Chairman, Audit Committee

STATEMENT OF MANAGEMENT’S RESPONSIBILITY FOR CONSOLIDATED FINANCIAL STATEMENTS

The Management of Manila Electric Company (the “Company”) is responsible for the preparation and fair presentation of the consolidated financial statements, including the schedules attached therein, as at December 31, 2025 and 2024, and for each of the three years in the period ended December 31, 2025, in accordance with the prescribed financial reporting framework indicated therein, and for such internal control as management determines is necessary to enable the presentation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing the Company’s ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The Board of Directors is responsible for overseeing the Company’s financial reporting process.

The Board of Directors reviews and approves the consolidated financial statements, including the schedules attached therein, and submits the same to the stockholders.

SyCip Gorres Velayo & Co., the independent auditor appointed by the stockholders, has audited the consolidated financial statements of the Company in accordance with Philippine Standards on Auditing, and in its report to the stockholders, has expressed its opinion on the fairness of presentation upon completion of such audit.

(signed)

MANUEL V. PANGILINAN

Chairman of the Board and Chief Executive Officer

(signed)

BETTY C. SIY-YAP

Chief Finance Officer

Manila Electric Company and Subsidiaries

Consolidated Financial Statements
as at December 31, 2025 and 2024
And Years Ended December 31, 2025,
2024 and 2023

and

Independent Auditor's Report



Scan for the full Consolidated Financial Statements



A member firm of Ernst & Young Global Limited

INDEPENDENT AUDITOR'S REPORT

The Board of Directors and the Stockholders
Manila Electric Company
Lopez Building, Ortigas Avenue
Barangay Ugong, Pasig City, Metro Manila

Opinion

We have audited the consolidated financial statements of Manila Electric Company (the Company) and its subsidiaries (the Group), which comprise the consolidated statements of financial position as at December 31, 2025 and 2024, and the consolidated statements of income, consolidated statements of comprehensive income, consolidated statements of changes in equity and consolidated statements of cash flows for each of the three years in the period ended December 31, 2025, and notes to the consolidated financial statements, including material accounting policy information.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Group as at December 31, 2025 and 2024, and its consolidated financial performance and its consolidated cash flows for each of the three years in the period ended December 31, 2025 in accordance with Philippine Financial Reporting Standards (PFRS) Accounting Standards.

Basis for Opinion

We conducted our audits in accordance with Philippine Standards on Auditing (PSAs). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Consolidated Financial Statements* section of our report. We are independent of the Group in accordance with the Code of Ethics for Professional Accountants in the Philippines (the Code of Ethics), as applicable to the audits of the financial statements of public interest entities, together with the ethical requirements that are relevant to the audits of financial statements of public interest entities in the Philippines. We have also fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. For each matter below, our description of how our audit addressed the matter is provided in that context.



We have fulfilled the responsibilities described in the *Auditor's Responsibilities for the Audit of the Consolidated Financial Statements* section of our report, including those in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the consolidated financial statements. The results of our audit procedures, including the procedures performed to address the matters below, provide the basis for our audit opinion on the accompanying consolidated financial statements.

Revenue from sale of electricity

The Group's revenue from its electricity distribution business represents 92% of its consolidated revenues and arise from its service contracts with a large number of customers that are classified as either commercial, industrial or residential, located within the Group's franchise area. This matter is significant to our audit because the revenue recognized depends on (a) the complete capture of electric consumption based on the meter readings over the franchise area taken on various dates; (b) the propriety of rates computed and applied across customer classes, including the application of adjustments promulgated by the Energy Regulatory Commission (ERC); and (c) the reliability of the information technology (IT) systems involved in processing the billing transactions.

Notes 2, 23, 24, 30 and 32 provide the relevant disclosures related to the rate-setting regulations and regulatory policies of the ERC.

Audit response

We obtained an understanding and evaluated the design of, as well as tested the controls over, the customer master file maintenance, accumulation and processing of meter data, and interface of data from the billing system to the financial reporting system. In addition, we performed a test recalculation of the bill amounts using the ERC-approved rates, adjustments and formulae, as well as actual pass-through costs incurred, and compared them with the amounts reflected in the billing statements. We involved our internal specialist in understanding the IT processes and in understanding and testing the IT general controls over the IT systems supporting the revenue process.

Adequacy of allowance for expected credit losses for receivables

The Group applies the simplified approach in calculating expected credit loss (ECL). Under this approach, the Group establishes a provision matrix that is based on its historical credit loss experience and adjusted for forward-looking factors specific to the debtors and the economic environment. Allowance for credit losses and the provision for credit losses as of and for the year ended December 31, 2025 amounted to ₱9,676 million and ₱1,046 million, respectively. The use of the ECL model is significant to our audit as it involves the exercise of significant management judgment. Key areas of judgment include the following: segmenting the Group's credit risk exposures; defining default; determining assumptions to be used in the ECL model such as timing and amounts of expected net recoveries from defaulted accounts, and impact of any financial support and credit enhancements extended by any party; and incorporating forward-looking information (called overlays), in calculating ECL.

The disclosures in relation to the allowance for credit losses using the ECL model are included in Notes 5, 13 and 27 to the consolidated financial statements.



Audit response

We obtained an understanding of the methodologies and models used for the Group's different credit exposures and assessed whether these considered the requirements of PFRS 9 to reflect an unbiased and probability-weighted outcome, the time value of money, and the best available forward-looking information.

We (a) assessed the Group's segmentation of its credit risk exposures based on homogeneity of credit risk characteristics; (b) tested the definition of default against historical analysis of accounts and credit risk management policies and practices in place, (c) tested historical loss rates by inspecting historical recoveries and write-offs, and the effects of any financial support and credit enhancements provided by any party; (d) compared the classification of outstanding exposures to their corresponding aging buckets; and (e) evaluated the forward-looking information used for overlay through statistical test and corroboration using publicly available information and our understanding of the Group's receivable portfolios and industry practices.

Further, we compared the data used in the ECL models, such as the historical aging analysis and default and recovery data from the source system reports to the data warehouse and from the data warehouse to the loss allowance analysis/models and financial reporting systems. To the extent that the loss allowance analysis is based on credit exposures that have been disaggregated into subsets with similar risk characteristics, we traced or re-performed the disaggregation from source systems to the loss allowance analysis. We also assessed the assumptions used where there are missing or insufficient data.

Provisions and contingencies

The Group is involved in certain proceedings and claims for which it has recognized provisions for probable costs and/or expenses and/or has disclosed relevant information about such contingencies. This matter is significant to our audit because the determination of whether any provision should be recognized and the estimation of the potential liability resulting from these assessments require significant judgment by management. The inherent uncertainty over the outcome of these matters is brought about by the differences in the interpretation and implementation of the relevant laws and regulations.

Notes 2, 19, 22 and 29 to the consolidated financial statements provide the relevant disclosures related to this matter.

Audit response

We examined the bases of management's assessment of the possible outcomes and the related estimates of the probable costs and/or expenses that are recognized and/or disclosed in the Group's consolidated financial statements and involved our internal specialists when necessary. We discussed with management the status of the claims and/or assessments and obtained correspondences with the relevant authorities and opinions from the internal and external legal counsels. We evaluated the position of the Group by considering the relevant laws, rulings and jurisprudence. We also reviewed the disclosures on provisions and contingencies in the Group's consolidated financial statements.



Accounting for Investment in Joint Venture

As disclosed in Note 3 to the consolidated financial statements, on January 27, 2025, Meralco PowerGen Corporation, a wholly owned subsidiary of the Company, together with Therma NatGas Power, Inc., completed an investment agreement with the parties holding 60% and 40% interests in Chromite Gas Holdings, Inc. (“Chromite Holdings”), respectively. Chromite Holdings contemporaneously completed the acquisition of a 67% stake in South Premiere Power Corporation, Excellent Energy Resources, Inc., Linseed Field Corporation and Ilijan Primeline Industrial Estate Corporation.

The Company accounted for its interest in Chromite Holdings as an investment in a joint venture in accordance with PFRS 11. In 2025, the fair values of the share in net assets acquired and the related purchase price allocation were finalized.

We considered the accounting for this acquisition to be a key audit matter due to the significance of the amounts involved and the significant management judgment and estimation required in determining the fair values of the share in net assets acquired, particularly relating to the fair values of acquired property and equipment and intangible assets as at the acquisition date, based on the information available.

Audit response

We reviewed the share purchase agreements and other related contracts covering the acquisition of interest and assessed whether the acquisition has been appropriately accounted for. We reviewed the purchase price allocation and evaluated management’s basis for determining the fair values of the share in net assets acquired using information available as of the acquisition date. We assessed the competence, capabilities, and objectivity of the external appraiser engaged by management to prepare the appraisal reports used in the purchase price allocation, by considering their qualifications, relevant experience and reporting responsibilities. We involved our internal specialist in evaluating the valuation methodologies and key assumptions used in determining the fair values of the acquired property and equipment and intangible assets. In addition, we assessed the adequacy of the related disclosures in Note 3 to the consolidated financial statements.

Other Information

Management is responsible for the other information. The other information comprises the information included in the SEC Form 20-IS (Definitive Information Statement), SEC Form 17-A and Annual Report for the year ended December 31, 2025 but does not include the consolidated financial statements and our auditor’s report thereon. The SEC Form 20-IS (Definitive Information Statement), SEC Form 17-A and Annual Report for the year ended December 31, 2025 are expected to be made available to us after the date of this auditor’s report.

Our opinion on the consolidated financial statements does not cover the other information and we will not express any form of assurance conclusion thereon.



In connection with our audits of the consolidated financial statements, our responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audits, or otherwise appears to be materially misstated.

Responsibilities of Management and Those Charged with Governance for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with PFRS Accounting Standards, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Group's financial reporting process.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with PSAs will always detect a material misstatement when it exists.

Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with PSAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.



- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Plan and perform the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group as a basis for forming an opinion on the consolidated financial statements. We are responsible for the direction, supervision and review of the audit work performed for purposes of the group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.



The engagement partner on the audit resulting in this independent auditor's report is Roel E. Lucas.

SYCIP GORRES VELAYO & CO.


Roel E. Lucas

Partner

CPA Certificate No. 98200

Tax Identification No. 191-180-015

BOA/PRC Reg. No. 0001, April 16, 2024, valid until August 23, 2026

SEC Partner Accreditation No. 98200-SEC (Group A)

Valid to cover audit of 2022 to 2026 financial statements

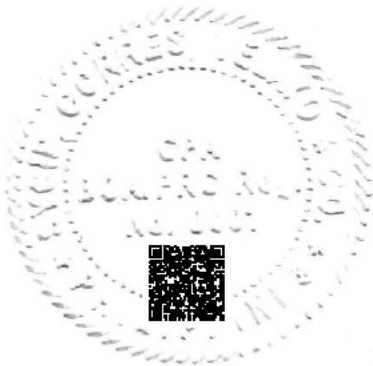
SEC Firm Accreditation No. 0001-SEC (Group A)

Valid to cover audit of 2021 to 2025 financial statements

BIR Accreditation No. 08-001998-095-2025, October 1, 2025, valid until September 30, 2028

PTR No. 10765069, January 2, 2026, Makati City

February 25, 2026



MANILA ELECTRIC COMPANY AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

		December 31	
	<i>Note</i>	2025	2024
<i>(Amounts in millions)</i>			
ASSETS			
Noncurrent Assets			
Utility plant, generation plant and others	<i>7 and 10</i>	₱378,232	₱288,501
Investments in associates and interests in joint ventures	<i>8 and 23</i>	140,440	47,513
Investment properties	<i>9</i>	1,483	1,487
Intangible assets	<i>7 and 10</i>	40,658	41,559
Deferred tax assets – net	<i>28</i>	25,706	26,382
Other noncurrent assets	<i>2, 11, 15, 26, 27 and 30</i>	24,136	32,900
Total Noncurrent Assets		610,655	438,342
Current Assets			
Cash and cash equivalents	<i>12 and 27</i>	109,317	84,480
Trade and other receivables	<i>13, 24 and 27</i>	76,726	64,697
Inventories	<i>14</i>	10,983	11,422
Other current assets	<i>11, 15, 23 and 27</i>	16,198	19,017
Total Current Assets		213,224	179,616
Total Assets		₱823,879	₱617,958

EQUITY AND LIABILITIES

Equity Attributable to Equity Holders of the Parent Company

Common stock	<i>16</i>	₱11,273	₱11,273
Additional paid-in capital		4,111	4,111
Equity reserve	<i>3</i>	5,953	955
Employee stock purchase plan	<i>16</i>	1,049	1,049
Hedging reserve	<i>16 and 27</i>	483	1,277
Unrealized fair value gains on financial assets at fair value through other comprehensive income (“FVOCI”)	<i>11</i>	895	801
Remeasurement adjustments on retirement and other post-employment liabilities	<i>26</i>	2,035	942
Share in remeasurement adjustments on associates’ retirement liabilities	<i>8</i>	(28)	(28)
Share in other comprehensive income and cumulative translation adjustments of associates	<i>8</i>	1,861	1,575
Cumulative translation adjustments of subsidiaries		(701)	(682)
Treasury shares	<i>16</i>	(13)	(13)
Retained earnings	<i>16</i>	146,219	123,339
Equity Attributable to Equity Holders of the Parent Company		173,137	144,599
Non-controlling Interests	<i>3 and 16</i>	50,387	41,283
Total Equity		223,524	185,882

(Forward)



		December 31	
	Note	2025	2024
(Amounts in millions)			
Noncurrent Liabilities			
Interest-bearing long-term financial liabilities - net of current portion	17 and 27	₱186,531	₱54,797
Customers' deposits - net of current portion	18, 22 and 27	39,206	33,274
Long-term employee benefits	26	13,565	16,263
Provisions	19, 22 and 29	12,335	9,855
Refundable service extension costs - net of current portion	22 and 27	3,371	3,753
Deferred tax liabilities - net	28	8,432	8,769
Other noncurrent liabilities	2, 3, 8, 24 and 29	84,865	68,991
Total Noncurrent Liabilities		348,305	195,702
Current Liabilities			
Notes payable	21 and 27	36,367	34,287
Trade payables and other current liabilities	2, 16, 22, 23, 27 and 29	199,620	191,472
Customers' refund	2, 20 and 27	2,851	2,853
Income tax payable		1,764	2,070
Current portion of long-term employee benefits	26	4,300	—
Current portion of interest-bearing long-term financial liabilities	17 and 27	7,148	5,692
Total Current Liabilities		252,050	236,374
Total Liabilities		600,355	432,076
Total Liabilities and Equity		₱823,879	₱617,958

See accompanying Notes to Consolidated Financial Statements.



MANILA ELECTRIC COMPANY AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF INCOME

		Years Ended December 31		
	Note	2025	2024	2023
<i>(Amounts in millions, except per share data)</i>				
REVENUES				
	2, 5, 6, 23, 24, 30			
Sale of electricity	and 32	₱485,547	₱456,918	₱430,181
Sale of other services	23	11,778	13,444	13,431
		497,325	470,362	443,612
COSTS AND EXPENSES				
Purchased power	24 and 30	377,284	346,534	328,248
Salaries, wages and employee benefits	25 and 26	19,745	17,974	16,521
Depreciation and amortization	7, 9, 10 and 25	17,034	17,529	16,625
Contracted services		12,239	10,037	10,074
Coal and fuel		9,022	11,705	16,133
Power plant operations and maintenance cost		2,260	2,225	1,881
Taxes, fees and permits		2,181	2,662	2,325
Provision (reversal of provision) for probable losses and expenses from claims - net	2, 19 and 29	(1,449)	6,401	6,848
Provision (reversal of provision) for impairment losses		1,200	—	—
Provision for expected credit losses ("ECL") - net of recoveries	13	1,008	849	998
Other expenses	23 and 25	8,328	9,530	7,626
		448,852	425,446	407,279
OTHER INCOME (EXPENSES)				
Equity in net earnings of associates and joint ventures	8	16,731	10,267	11,479
Interest and other financial charges	17, 18 and 21	(8,892)	(5,302)	(5,129)
Interest and other financial income	11 and 12	3,459	3,884	3,321
Foreign exchange gains (losses)		43	185	(44)
Others	2, 5, 7, 8, 23, 30 and 32	3,778	2,734	829
		15,119	11,768	10,456
INCOME BEFORE INCOME TAX		63,592	56,684	46,789
PROVISION FOR (BENEFIT FROM) INCOME TAX	28			
Current		12,770	12,232	9,153
Deferred		(20)	(2,018)	(1,042)
		12,750	10,214	8,111
NET INCOME		₱50,842	₱46,470	₱38,678
Attributable To				
Equity holders of the parent company	31	₱51,130	₱45,859	₱38,023
Non-controlling interests		(288)	611	655
		₱50,842	₱46,470	₱38,678
Earnings Per Share Attributable to Equity Holders of the Parent Company				
	31			
Basic		₱45.36	₱40.69	₱33.74
Diluted		45.36	40.69	33.74

See accompanying Notes to Consolidated Financial Statements.



MANILA ELECTRIC COMPANY AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

		Years Ended December 31		
	Note	2025	2024	2023
		(Amounts in millions)		
NET INCOME		₱50,842	₱46,470	₱38,678
OTHER COMPREHENSIVE INCOME				
Items that will be reclassified to profit or loss in subsequent years:				
Unrealized fair value gains on fair value through other comprehensive income (“FVOCI”) financial assets	11	108	194	88
Share in cumulative translation adjustments of associates	8	739	333	8
Cumulative translation gains (losses) of subsidiaries		(19)	16	1
Net other comprehensive income that will be reclassified to profit or loss in subsequent years		828	543	97
Items that will not be reclassified to profit or loss in subsequent years:				
Remeasurement gains (losses) on retirement and other post-employment liabilities	26	1,437	(3,301)	(5,152)
Income tax effect		(360)	825	1,288
		1,077	(2,476)	(3,864)
Change in fair value of cash flow hedges	16 and 27	673	1,277	–
Unrealized fair value gains (losses) on equity securities at FVOCI		(15)	130	101
Income tax effect		1	(13)	(10)
		(14)	117	91
Share in other comprehensive income (losses) of associates		(453)	185	329
Share in remeasurement gains (losses) on associates’ retirement liabilities	8	–	1	(13)
Net other comprehensive loss that will not be reclassified to profit or loss in subsequent years		1,283	(896)	(3,457)
OTHER COMPREHENSIVE INCOME (LOSS), NET OF INCOME TAX		2,111	(353)	(3,360)
TOTAL COMPREHENSIVE INCOME, NET OF INCOME TAX		₱52,953	₱46,117	₱35,318
Total Comprehensive Income Attributable To				
Equity holders of the parent company		₱53,257	₱45,506	₱34,663
Non-controlling interests		(304)	611	655
		₱52,953	₱46,117	₱35,318

See accompanying Notes to Consolidated Financial Statements.



MANILA ELECTRIC COMPANY AND SUBSIDIARIES
**CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
FOR THE YEARS ENDED DECEMBER 31, 2025, 2024 AND 2023**

	Equity Attributable to Equity Holders of the Parent Company														
	Common Stock (Note 16)	Additional Paid-in Capital	Equity Reserve (Note 3)	Employee Stock Purchase Plan (Note 16)	Hedging Reserve (Notes 16 and 27)	Unrealized Fair Value Gains on Financial Assets at FVOCI (Note 11)	Remeasure- ment Adjustments on Retirement and Other Post- Employment Liabilities (Note 26)	Share in Remeasure- ment Adjustments on Associates' Retirement Liabilities (Note 8)	Share in Other Comprehen- sive Income and Cumulative Translation Adjustments of Associates (Note 8)	Cumulative Translation Adjustments of Subsidiaries	Treasury Shares (Note 16)	Retained Earnings (Note 16)	Equity Attributable to Equity Holders of the Parent Company	Non- controlling Interests (Notes 3 and 6)	Total Equity
	(Amounts in millions)														
At January 1, 2025	₱11,273	₱4,111	₱955	₱1,049	₱1,277	₱801	₱942	(₱28)	₱1,575	(₱682)	(₱13)	₱123,339	₱144,599	₱41,283	₱185,882
Net income	-	-	-	-	-	-	-	-	-	-	-	51,130	51,130	(288)	50,842
Other comprehensive income (loss)	-	-	-	-	673	94	1,093	-	286	(19)	-	-	2,127	(16)	2,111
Total comprehensive income (loss)	-	-	-	-	673	94	1,093	-	286	(19)	-	51,130	53,257	(304)	52,953
Dividends	-	-	-	-	-	-	-	-	-	-	-	(28,250)	(28,250)	(1,450)	(29,700)
Effect of changes in ownership in subsidiaries	-	-	4,903	-	-	-	-	-	-	-	-	-	4,903	10,844	15,747
Reclassification	-	-	-	-	(1,467)	-	-	-	-	-	-	-	(1,467)	-	(1,467)
Others	-	-	95	-	-	-	-	-	-	-	-	-	95	14	109
	-	-	4,998	-	(1,467)	-	-	-	-	-	-	(28,250)	(24,719)	9,408	(15,311)
At December 31, 2025	₱11,273	₱4,111	₱5,953	₱1,049	₱483	₱895	₱2,035	(₱28)	₱1,861	(₱701)	(₱13)	₱146,219	₱173,137	₱50,387	₱223,524

	Equity Attributable to Equity Holders of the Parent Company														
	Common Stock (Note 16)	Additional Paid-in Capital	Equity Reserve (Note 3)	Employee Stock Purchase Plan (Note 16)	Hedging Reserve (Note 16 and 27)	Unrealized Fair Value Gains on Financial Assets at FVOCI (Note 11)	Remeasure- ment Adjustments on Retirement and Other Post- Employment Liabilities (Note 26)	Share in Remeasure- ment Adjustments on Associates' Retirement Liabilities (Note 8)	Share in Other Comprehen- sive Income and Cumulative Translation Adjustments of Associates (Note 8)	Cumulative Translation Adjustments of Subsidiaries	Treasury Shares (Note 16)	Retained Earnings (Note 16)	Equity Attributable to Equity Holders of the Parent Company	Non- controlling Interests (Note 3 and 6)	Total Equity
	(Amounts in millions)														
At January 1, 2024	₱11,273	₱4,111	(₱111)	₱1,049	₱–	₱490	₱3,418	(₱29)	₱307	₱52	(₱11)	₱101,746	₱122,295	₱45,808	₱168,103
Net income	–	–	–	–	–	–	–	–	–	–	–	45,859	45,859	611	46,470
Other comprehensive income (loss)	–	–	–	–	1,277	311	(2,476)	1	518	16	–	–	(353)	–	(353)
Total comprehensive income (loss)	–	–	–	–	1,277	311	(2,476)	1	518	16	–	45,859	45,506	611	46,117
Dividends	–	–	–	–	–	–	–	–	–	–	–	(24,266)	(24,266)	(1,264)	(25,530)
Effect of deconsolidation of Miescor Infrastructure Development Corporation ("MIDC")	–	–	–	–	–	–	–	–	–	–	–	–	–	(6,571)	(6,571)
Effect of changes in ownership in CIS Bayad Center, Inc. ("Bayad") and Radius Telecoms, Inc. ("Radius")	–	–	1,066	–	–	–	–	–	–	–	–	–	1,066	1,079	2,145
Others	–	–	–	–	–	–	–	–	750	(750)	(2)	–	(2)	1,620	1,618
	–	–	1,066	–	–	–	–	–	750	(750)	(2)	(24,266)	(23,202)	(5,136)	(28,338)
At December 31, 2024	₱11,273	₱4,111	₱955	₱1,049	₱1,277	₱801	₱942	(₱28)	₱1,575	(₱682)	(₱13)	₱123,339	₱144,599	₱41,283	₱185,882

	Equity Attributable to Equity Holders of the Parent Company													
	Common Stock (Note 16)	Additional Paid-in Capital	Equity Reserve (Note 3)	Employee Stock Purchase Plan (Note 16)	Unrealized Fair Value Gains (Losses) on Financial Assets at FVOCI (Note 11)	Remeasure- ment Adjustments on Retirement and Other Post- Employment Liabilities (Note 26)	Share in Remeasure- ment Adjustments on Associates' Retirement Liabilities (Note 8)	Share in Other Comprehen- sive Income and Cumulative Translation Adjustments of Associates (Note 8)	Cumulative Translation Adjustments of Subsidiaries	Treasury Shares (Note 16)	Retained Earnings (Note 16)	Equity Attributable to Equity Holders of the Parent Company	Non- controlling Interests (Notes 3 and 6)	Total Equity
	(Amounts in millions)													
At January 1, 2023	₱11,273	₱4,111	(₱111)	₱1,049	₱311	₱7,282	(₱16)	(₱30)	₱51	(₱11)	₱85,755	₱109,664	₱14,445	₱124,109
Net income	—	—	—	—	—	—	—	—	—	—	38,023	38,023	655	38,678
Other comprehensive income (loss)	—	—	—	—	179	(3,864)	(13)	337	1	—	—	(3,360)	—	(3,360)
Total comprehensive income (loss)	—	—	—	—	179	(3,864)	(13)	337	1	—	38,023	34,663	655	35,318
Dividends	—	—	—	—	—	—	—	—	—	—	(22,032)	(22,032)	(66)	(22,098)
Effect of consolidation of SP New Energy Corporation ("SPNEC")	—	—	—	—	—	—	—	—	—	—	—	—	30,382	30,382
Others	—	—	—	—	—	—	—	—	—	—	—	—	392	392
	—	—	—	—	—	—	—	—	—	—	(22,032)	(22,032)	30,708	8,676
At December 31, 2023	₱11,273	₱4,111	(₱111)	₱1,049	₱490	₱3,418	(₱29)	₱307	₱52	(₱11)	₱101,746	₱122,295	₱45,808	₱168,103

See accompanying Notes to Consolidated Financial Statements.



MANILA ELECTRIC COMPANY AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CASH FLOWS

		Years Ended December 31		
	Note	2025	2024	2023
		(Amounts in millions)		
CASH FLOWS FROM OPERATING ACTIVITIES				
Income before income tax		₱63,592	₱56,684	₱46,789
Adjustments for:				
Depreciation and amortization	7, 9 and 10	17,034	17,529	16,625
Equity in net earnings of associates and joint ventures	8	(16,731)	(10,267)	(11,479)
Interest and other financial charges	17, 18 and 21	8,892	5,302	5,129
Interest and other financial income	11 and 12	(3,459)	(3,884)	(3,321)
Provision (reversal of provision) for impairment losses	7 and 8	1,200	(117)	(1,179)
Provision (reversal of provision) for probable losses and expenses from claims – net of settlement	2 and 29	(2,336)	2,627	791
Provision for expected credit losses (“ECL”)	8	1,008	849	998
Others		(417)	(141)	5
Operating income before working capital changes		68,783	68,582	54,358
Decrease (increase) in:				
Trade and other receivables		6,825	(25,335)	9,138
Inventories		439	(293)	(753)
Other current assets		(4,248)	(1,721)	3,034
Increase (decrease) in:				
Trade payables and other current liabilities		4,374	10,565	(2,961)
Customers’ deposits		5,943	(753)	2,066
Customers’ refund		(2)	7	(59)
Long-term employee benefits		3,521	2,670	2,218
Cash generated from operations		85,635	53,722	67,041
Income tax paid		(13,558)	(11,712)	(9,067)
Net cash flows provided by operating activities		72,077	42,010	57,974
CASH FLOWS FROM INVESTING ACTIVITIES				
Additions to:				
Utility plant, generation plant and others	7	(106,520)	(39,150)	(24,800)
Investments in associates and interests in joint ventures	8	(74,774)	(2,095)	(13)
Financial assets at <i>FVOCI</i>	11	(52,532)	(22,730)	(43,013)
Intangible assets	10	(645)	(5,361)	(4,137)
Short-term investments		(130)	(1,060)	(2,482)
Debt securities at amortized cost	11	(1)	(247)	(1,058)
Investment properties	9	–	–	(2)
Proceeds from maturity of:				
Financial assets at <i>FVOCI</i>		53,709	23,161	43,039
Debt securities at amortized cost		8,834	7,710	20,761
Short-term investments		–	1,059	2,675
Increase (decrease) in non-controlling interests		–	881	454
Dividends received from associates and joint ventures		9,181	10,253	10,106
Interest and other financial income received		3,513	3,900	3,120
Proceeds from cash flow hedge	16	399	2,238	–
Proceeds from disposal of utility plant, generation plant and others		105	194	7
Acquisition of <i>SPNEC</i> – net of <i>SPNEC</i> ’s cash upon acquisition	3	–	–	(5,853)
Decrease (increase) in Other noncurrent assets		(291)	2,484	2,765
Net cash provided by (used in) investing activities		(159,152)	(18,763)	1,569

(Forward)



Years Ended December 31				
	Note	2025	2024	2023
(Amounts in millions)				
CASH FLOWS FROM FINANCING ACTIVITIES				
Proceeds from availment of:				
Interest-bearing long-term financial liabilities	17 and 33	₱143,597	₱6,523	₱2,803
Notes payable	21 and 33	20,389	7,742	1,331
Payments of:				
Dividends	16 and 33	(27,416)	(23,823)	(21,691)
Notes payable		(18,309)	(1,038)	(3,239)
Interest and other financial charges		(9,447)	(2,608)	(4,564)
Interest-bearing long-term financial liabilities	17 and 33	(9,103)	(8,133)	(8,500)
Proceeds from capital infusion of a non-controlling shareholder of a subsidiary		17,794	—	—
Dividends paid by subsidiaries attributable to non-controlling interests		(1,751)	—	—
Increase (decrease) in other noncurrent liabilities		(3,234)	(254)	1,255
Net provided by (cash used) in financing activities		112,520	(21,591)	(32,605)
NET INCREASE IN CASH AND CASH EQUIVALENTS		25,445	1,656	26,938
CASH AND CASH EQUIVALENTS				
AT BEGINNING OF YEAR		84,480	82,789	55,832
EFFECT OF CHANGES IN FOREIGN EXCHANGE RATES ON CASH AND CASH EQUIVALENTS		(608)	35	19
CASH AND CASH EQUIVALENTS				
AT END OF YEAR	12	₱109,317	₱84,480	₱82,789

See accompanying Notes to Consolidated Financial Statements.



INDEPENDENT ASSURANCE STATEMENT

Introduction

DNV AS Philippine Branch ('DNV'), has been commissioned by Manila Electric Company ('Meralco', or 'the Company', Securities and Exchange Commission Identification Number: PW-102) to undertake an independent assurance of the Company's sustainability/non-financial disclosures reported in its Integrated Report for the calendar year 2025 (hereafter referred as 'Report').

The disclosures have been prepared by Meralco in accordance with the Integrated Reporting (<IR>) framework of the International Integrated Reporting Council (IIRC) and the Global Reporting Initiative (GRI) Standards 2021, and in reference to the Sustainability Accounting Standards Board (SASB) Industry-Specific Standards, Greenhouse Gas Protocol: A Corporate Accounting and Reporting Standard, Integrated Annual Corporate Governance Report (I-ACGR), and the ASEAN Corporate Governance Scorecard (ACGS).

DNV has carried out assurance engagement in accordance with DNV's VeriSustain™ protocol, V6.0, which is based on our professional experience and international assurance practice, and AccountAbility's AA1000 Assurance Standard (AA1000AS v3) Type 2 Moderate level Assurance Engagements other than Audits or Reviews of Historical Financial. DNV's Verisustain™ Protocol has been developed in accordance with the most widely accepted reporting and assurance standards. Apart from DNV's Verisustain™ protocol, the DNV team has also followed ISO 14064-3 - *Specification with guidance for the verification and validation of greenhouse gas statements*; to evaluate indicators wrt greenhouse gases.

The intended user of this assurance statement is Meralco.

We have not performed any work, and do not express any conclusion, on any other information that may be published outside of the Report and/or on Company's website for the current reporting period.

Responsibilities of the Management of Meralco and of the Assurance Provider

The Management of Meralco has the sole responsibility for the preparation of the Report and is responsible for all information disclosed in the Report. The company is responsible for maintaining processes and procedures for collecting, analyzing and reporting the information and also, ensuring the quality and consistency of the information presented in the Report. Meralco is also responsible for ensuring the maintenance and integrity of its website and any referenced disclosures on their website. In performing this assurance work, DNV's responsibility is to the Management of the Company; however, this statement represents our independent opinion and is intended to inform the outcome of the assurance to the stakeholders of the Company.

Scope, Boundary and Limitations

The agreed scope of work included a 'limited' level of assurance of the information on non-financial performance (Annex I) which was disclosed in the Report prepared by Meralco based on GRI Topic-specific Standards and SASB Industry-Specific Standards for the identified material topics for the activities undertaken by the Company during the reporting period 1 January 2025 to 31 December 2025. The reported topic boundaries of non-financial performance are based on the internal and external materiality assessment covering Company's operations as brought out in the sections 'About the Report' and 'Reporting Scope and Coverage' section of the report.

The boundary of the assessment covers the performance of Meralco operations in the Philippines that fall under the direct operational control of the Company's Legal structure. Based on the agreed scope with the Company, the boundary of assurance covers Meralco's Parent Company, Clark Electric Distribution Corporation (Clark Electric), Meralco Ecozone Power (MEP), Shin Clark Power Holdings, Inc. (Shin Clark), Meralco PowerGen Corporation (MGEN), Global Business Power Corporation (MGEN Thermal), LNGPH, MGEN Renewable Energy, Inc. (MGEN Renewables), PacificLight Power Pte. Ltd. (PLP), MPower, Vantage Energy Solutions and Management, Inc. (Vantage Energy), MGEN Retail Electricity Supplier Corporation (MGEN RES), Meralco Industrial Engineering Services Corporation (MIESCOR) and its subsidiaries Miescor Builders, Inc. (MBI), Miescor Logistics, Inc. (MLI), Customer Frontline Solutions, Inc. (CFS), Meralco Energy, Inc. (MSERV), MSpectrum, Inc. (MSPECTRUM), Movem Electric, Inc. (Movem), Radius Telecoms, Inc. (Radius), and CIS Bayad Center, Inc. (Bayad).

Inherent Limitation(s):

DNV's assurance engagements are based on the assumption that the data and information provided by the Company to us as part of our review have been provided in good faith, are true, and are free from material misstatements.

The assurance scope has the following limitations:

- The assurance engagement considers an uncertainty of $\pm 5\%$ based on materiality threshold for estimation/measurement errors and omissions.
- DNV has not been involved in evaluation or assessment of any financial data/performance of the company. DNV opinion on specific indicators (GRI 201: Economic Performance, 2016 – 201-1; 201-3) relies on the third party audited financial reports of the Company. DNV does not take any responsibility for the financial data reported in the Integrated report of the Company.
- The assessment is limited to data and information within the defined reporting period. Any data outside this period is not considered within the scope of assurance.
- Data outside the operations specified in the assurance boundary is excluded from the assurance, unless explicitly mentioned otherwise in this statement.
- The assurance does not cover the Company's statements that express opinions, claims, beliefs, aspirations, expectations, aims, or future intentions. Additionally, assertions related to Intellectual Property Rights and other competitive issues are beyond the scope of this assurance.
- The assessment does not include a review of the Company's strategy or other related linkages expressed in the Report. These aspects are not within the scope of the assurance engagement.
- The assurance does not extend to mapping the Report with reporting frameworks other than those specifically mentioned. Any assessments or comparisons with frameworks beyond the specified ones are not considered in this engagement.
- Aspects of the Report that fall outside the mentioned scope and boundary are not subject to assurance. The assessment is limited to the defined parameters.
- The assurance engagement does not include a review of legal compliances. Compliance with legal requirements is not within the scope of this assurance, and the Company is responsible for ensuring adherence to relevant laws.

DNV expressly disclaims any liability or co-responsibility for any decision a person or an entity may make based on this Independent Assurance Statement.

Assurance process

As part of the assurance process, a multi-disciplinary team of assurance specialists performed assurance work for selected sites of Meralco. We adopted a risk-based approach, that is, we concentrated our assurance efforts on the issues of high material relevance to the Company's business and its key stakeholders. We carried out the following activities:

Limited level of assurance
Reviewed the disclosures in the report. Our focus included general disclosures, management processes, principle wise performance (essential indicators, and leadership indicators) and any other key metrics specified under the reporting framework.
Understanding the key systems, processes and controls for collecting, managing and reporting the non-financial disclosures in report.
Walk-through of key data sets. Understand and test, on a sample basis, the processes used to adhere to and evaluate adherence to the reporting principles.
Collect and evaluate documentary evidence and management representations supporting adherence to the reporting principles.
Interviews with the senior managers responsible for management of disclosures. We were free to choose interviewees. We interviewed those with overall responsibility for monitoring, data collation and reporting the selected indicators.
The DNV audit team conducted on-site audits for corporate offices and sites. Sample based assessment of site-specific data disclosures was carried out. We were free to choose sites for conducting our assessment.
Reviewed the process of reporting as defined in the assessment criteria.

Conclusion

On the basis of the Limited level of assessment undertaken, nothing has come to our attention to suggest that the disclosures are not fairly stated and are not prepared, in all material aspects, in accordance with the reporting criteria.

AA1000 Accountability Principles Standard AA1000APS (2018)

Inclusivity

The participation of stakeholders in developing and achieving an accountable and strategic response to Sustainability.

The Report brings out the stakeholders who have been identified as significant to Meralco, as well as the modes of engagement established by the Company to interact with these stakeholder groups. The key topics of concern and needs of

Page 3 of 5

each stakeholder group which have been identified through these channels of engagement are further brought out in the Report.

Nothing has come to our attention to suggest that the Report does not meet the requirements related to the Principle of Stakeholder Inclusiveness.

Materiality

The process of determining the issues that are most relevant to an organization and its stakeholders.

The Report describes the materiality assessment process, detailing how sustainability factors were identified, drawing on stakeholder surveys, industry and peer input, sustainability reporting standards, national and global policy agendas and sector-specific guidance from relevant global organizations such as the International Energy Agency, World Bank, and UN Environment Programme, and other sources. The resulting list of material topics has been prioritized, reviewed, and validated by the Company.

Nothing has come to our attention to suggest that the Report does not meet the requirements related to the Principle of Materiality.

Responsiveness

The extent to which an organization responds to stakeholder issues.

The Report adequately brings out the Company's responses to identified material topics, challenges, and issues, including risks that have arisen during the reporting period. This was done through disclosures on governance, business review, strategic responses to stakeholders' concerns, and shared values delivery. Further, the report also brings out the Company's non-financial performance on material topics using selected GRI Topic Specific Standards and SASB industry-specific Standards as Performance Indices.

Nothing has come to our attention to believe that the Report does not meet the requirements related to the Principle of Responsiveness.

Impact

The level to which an organisation monitors, measures and is accountable for how its actions affect its broader ecosystems.

The Report brings out the key performance metrics, surveys and management processes used by Meralco to monitor, measure and evaluate its significant direct and indirect impacts linked to identified material topics across the Company, its significant value chain entities and key stakeholder groups.

Nothing has come to our attention to suggest that the Report does not meet the requirements related to the Principle of Impact.

Reliability/Accuracy

The accuracy and comparability of information presented in the report, as well as the quality of underlying data management systems.

The Report explains the systems and processes that the Company has set in place to capture and report its performance related to identified material topics across its reporting boundary. The majority of information mapped with data verified through our assessments with Meralco's management teams and process owners at the Corporate Office and sampled sites within the boundary of the Report were found to be fairly accurate and reliable. Some of the data inaccuracies identified in the report during the verification process were found to be attributable to transcription, interpretation, and aggregation errors. These data inaccuracies have been communicated for correction and the related disclosures were reviewed post correction.

Nothing has come to our attention to believe that the Report does not meet the principle of Reliability and Accuracy.

Additional principles as per DNV VeriSustain

Completeness

How much of all the information that has been identified as material to the organization and its stakeholders is reported?

The Report brings out the Company's performance, strategies and approaches related to the environmental, social and governance issues that it has identified as material for its operational locations coming under the boundary of the report, for the chosen reporting period while applying and considering the requirements of Principle of Completeness.

Nothing has come to our attention to suggest that the Report does not meet the Principle of Completeness with respect to scope, boundary and time.

Neutrality

The extent to which a report provides a balanced account of an organization's performance, delivered in a neutral tone.

The Report explains the content and presents the disclosures related to Meralco's performance during the reporting period in a neutral tone considering overall macroeconomic and industry environment.

Nothing has come to our attention to suggest that the Report does not meet the requirements related to the Principle of Neutrality.

Statement of Competence and Independence

DNV applies its own management standards and compliance policies for quality control, which are based on the principles enclosed within ISO IEC 17029:2019 - *Conformity assessment - General principles are requirements for validation and verification bodies* and accordingly maintains a comprehensive system of quality control including documented policies and procedures regarding compliance with ethical requirements, professional standards, and applicable legal and regulatory requirements.

We have complied with the DNV Code of Conduct¹ during the assurance engagement. DNV's established policies and procedures are designed to ensure that DNV, its personnel and, where applicable, others are subject to independence requirements (including personnel of other entities of DNV) and maintain independence where required by relevant ethical requirements. This engagement work was carried out by an independent team of sustainability assurance professionals. DNV was not involved in the preparation of any statements or data included in the Report except for this Assurance Statement for internal use of Meralco.

Purpose and Restriction on Distribution and Use

This assurance statement, including our conclusion has been prepared solely for the Company in accordance with the agreement between us. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Management of the Company for our work or this report.

For DNV AS Philippine Branch,

Gangwar, Vishal Digitally signed by Gangwar, Vishal Date: 2026.04.15 13:35:58 +08'00'	Yun, Chang Rok Digitally signed by Yun, Chang Rok Date: 2026.04.15 14:58:30 +09'00'
Vishal Gangwar Lead Verifier, Sustainability Services	Yun Chang Rok (ACSAP) Assurance Reviewer Sustainability Services
Justine Repalam (Verifier)	

15 April 2026



AA1000
Licensed Report
000-10/V3-91919

DNV AS Philippine Branch is part of DNV, a global provider of certification, verification, assessment and training services, helping customers to build sustainable business performance. www.dnv.com

¹ DNV Corporate Governance & Code of Conduct - <https://www.dnv.com/about/in-brief/corporate-governance.html>

Annex I

Verified disclosures

S. No.	GRI Indicator	SASB Indicator	Subject matter
1	GRI 201-1 ²		Direct economic value generated and distributed
2	GRI 201-3		Defined benefit plan obligations and other retirement plans
3	GRI 205-2		Communication and training about anti-corruption policies and procedures
4	GRI 205-3		Confirmed incidents of corruption and actions taken
5	GRI 302-1	TR-RA-110a.3; IF-WU-130a.1	Energy consumption within the organization
6	GRI 302-3		Energy intensity
7	GRI 303-3	IF-WU-440a.1	Water withdrawal
8	GRI 305-1	TR-RA-110a.1; IF-WU-000.B; IF-EU-110a.1.	Direct (Scope 1) GHG emissions
9	GRI 305-2	IF-EU-110a.2	Energy indirect (Scope 2) GHG emissions
10	GRI 305-4		GHG emissions intensity
11	GRI 306-3		Waste generated
12	GRI 306-4		Waste diverted from disposal
13	GRI 401-1		New employee hires and employee turnover
14	GRI 401-2		Benefits provided to full-time employees that are not provided to temporary or part-time employees
15	GRI 401-3		Parental leave
16	GRI 403-5		Worker training on occupational health and safety
17	GRI 403-9	TR-RA-320a.1; TR-RA-540a.1; IF-EU-320a.1; IF-EN-320a.1	Work-related injuries
18	GRI 403-10	TR-RA-540a.2	Work-related ill health
19	GRI 404-1		Average hours of training per employee
20	GRI 404-3		Percentage of employees receiving regular performance and career development reviews
21	GRI 405-1		Diversity of governance bodies and employees
22	GRI 2-7		Employees

Annex II

Sites selected for On-site audits

S.no	Site	Location
1.	Corporate office	Lopez Building, Meralco Center, Ortigas Avenue, Brgy. Ugong, Pasig City, 1605 Philippines
2.	Bayad Center Head Office	G/F, Business Solutions Center Meralco Complex, Ortigas Avenue 0300 Pasig City, Philippines

² Correctness of the reported data verified against the third party audited financial statement provided by MERALCO.

APPENDICES

CERTIFICATION

Company	Office/Unit	Certification Standard
	Networks	ISO 9001:2015 QMS
	SCM	ISO 9001:2015 QMS
	FSM	ISO 9001:2015 QMS
		ISO 14001:2015 EMS
		ISO 45001:2018 OHSMS
	ESH Committee	ISO 9001:2015 QMS
		ISO 14001:2015 EMS
		ISO 45001:2018 OHSMS
	Meralco Meter Testing Laboratory	PNS ISO/IEC 17025:2017 TESTING LABORATORY
	Meralco Meter Shop	Certificate of Authority - Category A
	Global Business Power Corporation (MGEN Thermal)	ISO 9001:2015 QMS
	Cebu Energy Development Corporation (Cebu Energy)	ISO 9001:2015 QMS
		ISO 14001:2015 EMS
		ISO 45001:2018 OHSMS
	Toledo Power Co. (Toldedo Power)	ISO 9001:2015 QMS
		ISO 14001:2015 EMS
		ISO 45001:2018 OHSMS
	Panay Energy Development Corporation (Panay Energy)	ISO 9001:2015 QMS
		ISO 14001:2015 EMS
		ISO 45001:2018 OHSMS
	Panay Power Corporation (Panay Power)	ISO 9001:2015 QMS
		ISO 14001:2015 EMS
		ISO 45001:2018 OHSMS
	MGEN Renewables Energy, Inc. (MGEN Renewables)	ISO 9001:2015 QMS
		ISO 14001:2015 EMS
		ISO 45001:2018 OHSMS
	PowerSource First Bulacan Solar, Inc. (Bulacan Solar)	ISO 9001:2015 QMS
		ISO 14001:2015 EMS
		ISO 45001:2018 OHSMS
	PH Renewables, Inc. (Baras Solar)	ISO 9001:2015 QMS
		ISO 14001:2015 EMS
		ISO 45001:2018 OHSMS

Company	Office/Unit	Certification Standard
	Greentech Solar Energy, Inc. (Bongabon Solar)	ISO 9001:2015 QMS
		ISO 14001:2015 EMS
		ISO 45001:2018 OHSMS
	Greentech for Global Inc. (Cordon Solar)	ISO 9001:2015 QMS
		ISO 14001:2015 EMS
		ISO 45001:2018 OHSMS
	Solar Philippines Calatagan Corporation (Calatagan Solar)	ISO 9001:2015 QMS
		ISO 14001:2015 EMS
		ISO 45001:2018 OHSMS
	Solar Philippines Tarlac Corporation (Tarlac Solar)	ISO 9001:2015 QMS
		ISO 14001:2015 EMS
		ISO 45001:2018 OHSMS
		ISO 9001:2015 QMS
		ISO 14001:2015 EMS
		ISO 45001:2018 OHSMS
		PCAB Category AAAA
		DOLE 174
		DENR Certificate of Compliance (PD 1586, R.A. 6969, R.A. 8749, R.A. 9003, R.A. 9275)
		NTC Dealer, Æs Permit for Radio Transmitter/Transceiver
		Bureau of Customs Certificate of Registration
		NPC Certificate of Registration (until October 10, 2026)
		DENR Hazardous Waste Generator Registration Certificate (February 13, 2025)
		ISO 9001:2015 QMS
		PCAB Category AA
		DOLE 174
		SISA - Payment Card Industry Data Security Standard 4.0 (PCIDSS 4.0) Certification

AWARDS

2025 International Business Awards

Gold Stevie

Meralco Powering the Good Life
 Meralco Greening the Network Program
 A Global Breakthrough: MTerra Solar, the world's largest integrated solar and battery facility
 Meralco Powerhouse: Reigniting Confidence, Powering the Future
 Meralco Chief Sustainability Officer

Silver Stevie

Meralco Powering the Good Life
 #Mbrace: Meralco's Diversity and Inclusion Program
 Meralco's Race to Zero Waste
 One Meralco Foundation
 Jeffrey Ochoa Tarayao
 Meralco Liwanag Park 2024: Honoring Service, Partnerships, and the Power of Community
 The 9th Meralco Luminaries: Brighter New World
 Meralco Chief Sustainability Officer

Bronze Stevie

Meralco's Pangako (Promise): The 2023 Annual and Sustainability Report
 BulacanSol: Meralco's Road to a Coal-Free Future by 2050



2025 Asia-Pacific Stevie Awards

Gold Stevie

A Global Breakthrough: MTerra Solar, the world's largest integrated solar and battery facility
 Meralco Chief Sustainability Officer

Silver Stevie

Meralco's Race to Zero Waste Program

Bronze Stevie

Meralco Powering the Good Life
 #Mbrace: Meralco's Diversity and Inclusion Program
 A Global Breakthrough: MTerra Solar, the world's largest integrated solar and battery facility
 Meralco's Pangako (Promise): The 2023 Annual and Sustainability Report
 Pangarap: Creating a Better World for Dreamers Through Community Empowerment
 BulacanSol: Meralco's Road to a Coal-Free Future by 2050
 Meralco Liwanag Park: Honoring Service, Partnerships, and the Power of Community

Asian Power Awards 2025

CEO of the Year

Emmanuel V. Rubio

Power Plant Upgrade of the Year - Philippines

MGEN Renewables Baras Solar

Fast-Track Power Plant of the Year (Gold)

PacificLight Power Pte Ltd

Power Plant Upgrade of the Year - Singapore

PacificLight Power Pte Ltd





61st Anvil Awards

Gold Anvil

The Next 25: Meralco's Commitment to Nation-Building, Sustainable Growth, and Power Innovation

From Sun to Safe Water: Water Access Electrification in South Cotabato

Through the Rain: How Meralco Newsroom Powered PR on Meralco's Readiness and Response During the July 2025 Habagat
Tulong-tulong para sa mas Ligtas na Kinabukasan:
Meralco's Communications Campaign to Combat Illegal Service Connection

From Fake News to Fact: Strengthening Public Discernment with Manong Joe



Silver Anvil

Restoring Trust: How Credible Channels Renewed Public Confidence in Meralco

E-Illuminating the Media through Meralco Newsroom Omnichannels: Expanding the Digital Reach of Meralco's Communications

PAW-ering Compassion: Meralco's CATropa Animal Welfare Program

Energizing Minds: Meralco's Journey Toward Nuclear Energy Leadership
One Meralco Balik Eskwela 2025: Empowering Young Learners Through Literacy Kits

From Darkness to Dreams: Energizing Education

Empowering low-income households through One Meralco Foundation's Household Electrification Program 2024

The Voices of Change: Empowered Filipinos Transformed One Meralco Foundation's Social Media Reporting into Organic Conversation

Meralco's Wavemaker Community Program: Empowering Educators for a Safer Digital Future in Schools

Sparking Internal Audit Literacy: A Professional & Student Exchange Forum

MGEN's New Vision - Mission - Values Rollout

Meralco PowerCamp - Illuminating a Just Energy Transition

A Global Breakthrough in Sustainable Energy: MTerra Solar, the world's largest solar integrated and battery energy storage
MTerra Solar Groundbreaking Ceremony

AWARDS



21st Philippine Quill Awards (IABC Philippines)

Division 1: Communication Management

Meralco's #Mbrace Diversity and Inclusion Program

Meralco Extends a Lifeline for its Marginalized Customers

Meralco Strengthens Cybersecurity Awareness Among Employees Through an Intensified Communication Strategy

E-Illuminating the Media through Meralco Newsroom:
Expanding the Digital Reach of Meralco's Communications Program for its Monthly Rates Adjustment

CRS 2024 Annual Kickoff: Journey to Center of Our World
(The Hearts of Our Customers)

The Power of Collaboration: Meralco Biz Success Stories

Bringing Safety to Light: Meralco's Public Safety
Communications Campaign

Meralco Guess Watt and Current Info: Empowering Customers
Through Knowledge

Harvesting Sustainability: Urban Farming with Trimming Debris

Bayanihan Para Walang Brownout: Meralco's Interruptible Load
Program Communications Campaign Enjoining Businesses
to Help Ease Power Supply Challenges During Summer Months

Turning Crisis into an Opportunity: Meralco's Quick and Efficient
Communications Response to Manage the 2023 NAIA Power Outages

Shaping Public Awareness and Amplifying Impact:
The Meralco Anti-Urban Blight Media Strategy

One Meralco Foundation's Household Electrification Program

Driving a Sustainable Energy Future: Meralco's Strategic
Communications Program for the 2023 Giga Summit

Meralco's Pangako (Promise): The 2023 Annual and
Sustainability Report

Meralco's Sustainability Agenda: Powering the Good Life

Driving a Brighter and Sustainable Energy Future:

Meralco's Communications Push for its Solar Initiatives

Meralco's Communications Campaign for the Roll-Out
of the Enhanced Lifeline Rate Program

Securing a Smart Energy Future: AMI Postpaid Briefing
for the Presidential Security Group

With great power comes great reliability: Addressing energy
challenges during the summer and typhoon seasons

Division 2: Communication Research Management

Powering Perception: Meralco's Shift to Data-Driven Storytelling

From Rice Grains to Life Gains: A Qualitative Case Study on
One Meralco Foundation's Agriculture and Livelihood Electrification
Program in Laak, Davao de Oro

Reframing the Communication of Electricity Rates:
A Qualitative Study on the Meralco Advisory

Division 4: Communication Skills

Fostering Meaningful Connections: Meralco Celebrates Media
Partnerships Through the One Meralco Media Thanksgiving Night

Meralco Golf Cup: Driving Power in Partnerships

Power in Motion: Meralco's Anti-Urban Blight Video Campaign

Empowering Women in Energy: Zuzette Castro's Journey

One Meralco Foundation's Household Electrification Program

Communicating Meralco Care Thru Manong Joe

Meralco's Sustainability Roadshows

Meralco's Sustainability Microsite



IJGlobal ESG Awards 2025

ESG Developer of the Year in Asia-Pacific

MTerra Solar

Project Finance International (PFI) Asia-Pacific Awards 2025

Solar Deal of the Year

MTerra Solar



2025 Asia Sustainability Reporting Rating (ASRRAT)

Silver Rank

One Meralco
2024 Integrated Report

2025 Asia Integrated Reporting Awards (AIRA)

Platinum (First-Time Category)

One Meralco
2024 Integrated Report

AWARDS

Manila Times

Sustainability Champion
Manila Electric Company

Bureau of Fire Protection (BFP)

Plaque of Appreciation
Manila Electric Company

AFP Pension and Gratuity Management Center

Valuable Stakeholder 2025
Manila Electric Company

Hiras Gubatnon, Inc.

Certificate of Appreciation
Manila Electric Company

Department of Labor and Employment - Region III

15 Million Safe-person Hours with Zero LTI
Terra Solar Philippines, Inc.

AFP Second Infantry Division

Valuable Stakeholder 2026
Manuel V. Pangilinan

Philippine National Police (PNP)

Special Award
Ronnie L. Apercho

San Pablo City Water District

Certificate of Appreciation
Manila Electric Company

DepEd Schools Division of Dasmariñas City

2025 Gawad Bayanihan
Manila Electric Company

Philippine Business for Social Progress

Partners Recognition Award
Manila Electric Company

Dasmariñas Elementary School

Certificate of Appreciation to Meralco Dasmariñas Business Center
Manila Electric Company

Professional Regulation Commission

Professional Electrical Engineer
Various Meralco Engineers

Armed Forces of the Philippines (AFP) - Reserve Command Mission

Valuable Stakeholder 2025
Manila Electric Company

Department of Education (DepEd) National Capital Region School Division Office of Muntinlupa City

Certificate of Appreciation as a Valued Stakeholder
Manila Electric Company

Safety and Health Association of the Philippine Energy Sector, Inc. (SHAPES)

Zero LTI Award
MGEN Renewables Energy, Inc.

Institute of Integrated Electrical Engineers of the Philippines, Inc. (IIEE)

Fellow Distinction
Froilan J. Savet

Makati City Government – Department of Environmental Services (DES)

Plaque of Recognition – Environmental Stewardship Excellence
Manila Electric Company

Makati City Government – Disaster Risk Reduction and Management Office (DRRMO)

Partner for Resilience – LGU Makati Collaboration Award
Manila Electric Company

Philippine Navy Naval Installation Command, Naval Installation & Facilities – NCR

Plaque of Recognition
Manila Electric Company

Western Digital Storage Technologies (Philippines) Corporation

Partners Recognition Award
Manila Electric Company

Commission on Elections Makabagong Halalan 2025

Plaque of Appreciation
Manila Electric Company

BFP – Las Pinas City

Plaque of Recognition
Manila Electric Company

COMELEC – Las Piñas City

Certificate of Appreciation
Manila Electric Company

DepEd – Las Piñas

Certificate of Appreciation
Manila Electric Company

North Daanghari Elementary School
Certificate of Appreciation
Manila Electric Company

City Government of Muntinlupa
Top 5 TaxPayer Award
Manila Electric Company

City Government of Dasmariñas
Grand Champion
Lighted Float Parade
Manila Electric Company

Mandaluyong City – Persons with Disability Affairs Division (PDAD)
Certificate of Appreciation – Disability Sensitivity and Inclusion Advocacy
Manila Electric Company

Department of Social Welfare and Development (DSWD) / Local Implementing Units
Certificate of Appreciation – 4Ps Caravan Information Campaign
Manila Electric Company

City Government of Taguig
Top 100 TaxPayer Award
Manila Electric Company

Department of Energy (DOE)
Certificate of Appreciation – Support to 2025 National and Local Elections
Manila Electric Company

Roman Catholic Bishop of Pasig, Inc. (RCBP)
Certificate of Appreciation – RCBP Power Up Forum Resource Support
Manila Electric Company

National Disaster Risk Reduction and Management Council (NDRRMC)
Certificate of Appreciation – NDRRM Exhibit Facilitation
Manila Electric Company

Department of Trade and Industry – Rizal (DTI Rizal) and Philippine Chamber of Commerce and Industry – Rizal (PCCI Rizal)
Certificate of Appreciation – 2nd Eastern Rizal Business Conference Support
Manila Electric Company

COMELEC – Pasay
Certificate of Commendation – Support to 2025 National and Local Elections
Manila Electric Company

City Government of Calamba
Top 10 TaxPayer Award
Manila Electric Company

Barangay Highway Hills, Mandaluyong City
Certificate of Appreciation – Kita Na ang Langit Community Initiative
Manila Electric Company

City Government of San Juan
Certificate of Appreciation – Power Up Talk Resource Speaker (San Juan LGU)
Manila Electric Company

Department of Social Welfare and Development – National Capital Region (DSWD–NCR)
Certificate of Recognition – 4Ps Caravan of Services Partnership
Manila Electric Company

BFP San Juan
Certificate of Appreciation – BFP Fire Safety Roadshow 2025 Support
Manila Electric Company

City Government of Binan
Top 1 Outstanding Taxpayer Award for Other Local Taxes
Manila Electric Company

DepEd – Padre Burgos Elementary School
Certificate of Appreciation – Balik Eskwela Support (Padre Burgos Elementary School)
Manila Electric Company

Office of the Senior Citizens Affairs (OSCA)
Certificate of Appreciation – Senior Citizen Services Consultation Dialogue
Manila Electric Company

Contact Information:

Your comments and insights are valuable to One Meralco.
Any feedback on this report and matters pertaining to the
Group's financial and non-financial performance may be addressed to:

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Pasig City, 1605 Philippines

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