



Give Hope  
2020 ANNUAL REPORT

# Our Cover

A teacher sends off her student as schools shift to distance education as an alternative learning delivery mode in light of the COVID-19 pandemic. Despite the challenges, both remain hopeful that a safer, better, and brighter future lies ahead. In 2020, One Meralco Foundation continued to “spread the light” through electrification and other initiatives to keep hope alive in the consciousness especially of marginalized communities impacted the most by the crisis.

# Our Reports

The Manila Electric Company (Meralco) is providing three (3) annual reports—the first, *Power On*, covers the Distribution Utility and its Subsidiaries; the second, *Live Life*, is its Sustainability Report; and the third, *Give Hope*, is that of its social responsibility arm, One Meralco Foundation (OMF).



## Power On

*Power On* shows Meralco's commitment to service excellence – bringing light and uninterrupted power to homes, businesses and COVID-19 vital facilities while streamlining its operations and executing a digital transformation to elevate customer experience as the Company navigates towards the new normal.



## Live Life

*Live Life* captures One Meralco's pledge to embed sustainability at the core of its business, presenting the Group's earnest efforts across Power, Planet, People and Prosperity, in support of its Powering the Good Life sustainability agenda.



## Give Hope

*Give Hope* presents One Meralco Foundation's initiatives that ignited hope to communities it served – responding to the COVID-19 pandemic with urgency and focusing on its social development programs: household and school electrification, energy education, environmental sustainability, and responsible citizenship.



# About One Meralco Foundation

One Meralco Foundation is determined to bring the light of hope to underserved communities within and beyond the Meralco franchise area, carrying out the company's vision to make the future brighter for the Filipino people. As the social development arm of Meralco, the Foundation focuses on advocacies that bring about productivity to households, schools and communities through electrification.

By 2020, the Foundation has already energized 55,899 low-income households and 260 off-grid island and mountain public schools across the Philippines. It also mobilizes partnerships among different stakeholders to empower the marginalized sector of the country to improve themselves and become active participants in nation building.

# About this Report

This report presents the 2020 accomplishments of One Meralco Foundation, Inc. with respect to its advocacy pillars namely, Household Electrification, School Electrification, Energy Education, Environmental Sustainability, Youth Development, Emergency Preparedness and Disaster Response, Grassroots Partnerships, and Employee Giving and Volunteerism. As a responsible social development institution, we exercised utmost transparency in preparing this report, making sure that our benefactors and beneficiaries are provided clear and factual information about our accomplishments and financial performance in accordance with Philippine Financial Reporting Standards.

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A beneficiary on a wheelchair clasps her hands in prayer during a food pack distribution event organized by One Meralco Foundation.



## Keeping the Hope Alive

While 2020 was a challenging year, it opened opportunities for One Meralco Foundation to keep the hope alive in the hearts and minds especially of the marginalized and the vulnerable.

A different kind of fireworks welcomed the year 2020 -- and it was a heartbreaking sight to behold. The eruption of the Taal Volcano, which started on January 12, caught by surprise more than 450,000 residents living within its 14-kilometer permanent danger zone. Close to a thousand families living on "volcano island" were forced to leave their homes and livelihood to seek shelter at temporary evacuation centers.

Still reeling from unrest of one of its most active volcanoes, our country soon had to contend with an unprecedented health crisis: COVID-19. The disease spread throughout the world like wildfire, ultimately reaching Philippine

shores at the end of that month. Who would have thought that in this time of advanced technology and the feats of the human race in the field of science, our very existence would be threatened by a pandemic reminiscent of plagues in centuries past?

The pandemic adversely affected the economy. Many companies, big and small, suffered its impacts, and thousands lost their jobs as productivity and consumer demand across various industries plunged. At the end of the domino line are the marginalized, who, in a "business-as-usual" scenario, already struggle to access the most basic necessities and services.

To get the economy rolling once more, the country's economic managers eventually recommended the gradual opening of the barriers, encouraging people to embrace the so-called "new normal" while constantly reminding them to observe basic safety precautions.

The decreasing number of new cases reported every day in the last quarter of the year and the prospect of a vaccine gave many a sense that the worst was soon going to be over. But this hope was quickly washed away by back-to-back typhoons Quinta in October, and Rolly and Ulysses in November, which swept through the northern half of the archipelago.

Albay, Cagayan, Catanduanes, Isabela, Marinduque, and Quezon were among the hardest hit.

For the One Meralco Foundation (OMF), while the year was undoubtedly a challenging one, it offered an opportunity to improve its strategy and quickly respond to the needs at hand.

It refocused its resources to implement programs that addressed the current needs of its adopted communities, especially in the context of the health crisis.

OMF also managed to sustain its regular programs by improving its operational efficiency and adopting digital tools wherever and whenever possible.

#### Protecting Our Frontliners

Health care workers were the first to feel the impact of the pandemic as hospitals began to admit those afflicted by the disease. Personal protective equipment (PPEs) and disinfectants were their only barriers from the virus, yet these became a scarce resource in the first few months since the lockdown.

To help address this, OMF donated PPEs to 26 medical facilities, benefiting at least 6,090 health workers. We also provided PPEs to frontliners of local government units in the Meralco franchise area, and law enforcement officers stationed at checkpoints and quarantine facilities.

Apart from PPEs, we also turned over more than 2,000 liters of ethyl alcohol to 21 hospitals, health care facilities, and to the Armed Forces of the Philippines (AFP).

To provide nutritious food to frontliners, and at the same time augment the income of local farmers, OMF launched a project called “From Farmers to Frontliners” in April. More than five tons of fresh produce were procured from vegetable farmers in Benguet and were served to at least 15,000 medical and local government frontliners. Homeless families living in temporary shelters across the Meralco franchise area also benefited from the project.

#### Providing Aid to the Marginalized

Although the pandemic affected everyone, its social and economic impacts hit the poor the hardest. Even before it, families living below the poverty line already struggled with meeting their fundamental needs, at the paramount of which is food. This is the reason why, just a few days after the imposition of the enhanced community quarantine

(ECQ) in the entire Luzon island, the Foundation began distributing food packs to more than 7,800 families, prioritizing the homeless.

We also partnered with the Philippine Disaster Resilience Foundation (PDRF) to provide grocery gift certificates to 1,000 low-income families in Metro Manila, and with Caritas Manila to provide 700 families with sanitation supplies.

To allow Meralco employees to contribute to our COVID-19 response efforts, we launched an online fundraising campaign called “Help from Home” and opened digital channels for them to safely and conveniently forward donations. It raised more than PHP2.81 million.

#### Complementing the Government's Efforts to Curb the Crisis

To bolster the government's national action plan to Test, Trace and Treat (Task Force T3), Meralco donated thousands of rapid test kits to the Department of Energy, the National Transmission Corporation and the local government of Pasig City.

The Foundation supported the initiative of eSakay, the electric transportation subsidiary of Meralco, and the Department of Transportation to shuttle frontliners and essential workers during the lockdown, providing free shuttle service to more than 76,000 essential workers.

OMF facilitated the donations of Meralco, South Luzon Thermal Energy Corporation (SLTEC), and San Miguel Corporation Global Power Foundation, which covered the electricity bills of three mega quarantine facilities set up by the national government.

OMF and PLDT-Smart Foundation donated hospital equipment such as beds, mechanical ventilators, laryngoscopes, cardiac monitors, air purifying respirators, KN95 masks, among others, to the East Avenue Medical Center (EAMC), particularly for its new Center for Emerging and Re-emerging Infectious Diseases (CERID) facility. These were used to provide medical care to severe and critical cases of COVID-19 in Metro Manila. We also donated equipment for the molecular laboratory in December to enable EAMC to conduct its own reverse transcriptase - polymerized chain reaction (RT-PCR) test, the gold standard for testing the presence of the COVID-19 virus.

OMF's COVID-19 initiatives are discussed in detail in the “Hope in Times of Crisis” section of this report (See page 14).

#### Onward to a Brighter Normal

Beyond the COVID-19 pandemic, the Foundation sought new ways to sustain the implementation of its core advocacies, leveraged its existing partnerships, and employed technology to find a way around obstacles introduced by the pandemic.

Its core energy programs – household and school electrification – continued to make electricity within the reach of marginalized communities and of off-grid public schools.

Despite the lockdown, the synergy among OMF, Meralco's business centers and network sectors, the local government units (LGUs), and partner communities enabled the electrification of 6,999 low-income families in the Meralco franchise area, most of whom are living in relocation sites and informal settlements. Many of the beneficiaries did not have access to electricity due to legal and documentary constraints beyond the control of Meralco. OMF, for its part, shouldered a portion of the load-side costs. Meralco, on the other hand, waived several components of the project on the distribution side, while the LGUs dealt with right-of-way issues, and either waived or provided discounts on permits and other fees required in applying for an electrical service.

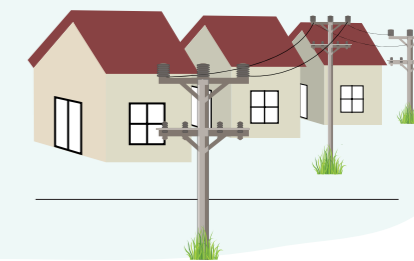
On page 24, we share the inspiring story of how our household electrification program helped a railroad-side community in Bay, Laguna achieve electrification in the middle of the pandemic.

Outside of the grid, the Foundation provided solar power systems as an alternative source of electricity to far-flung public schools.

Even without face-to-face classes, teachers report to work regularly to print learning modules for distribution to students learning at home. The blended learning scheme is challenging to carry out in remote communities where access to technology and the internet is limited, more so in villages where electricity service does not exist.

To help teachers in these communities adjust to the new learning delivery model, OMF pushed on with its school electrification program despite the limitations brought about by the community quarantine.

**6,999**  
**LOW-INCOME FAMILIES**  
**ENERGIZED**



**“We will emerge from this crisis stronger than ever. We look forward to the day that we shall see each other's smiles again.”**

Before the opening of the academic year in September, OMF completed the electrification of 15 off-grid schools -- its original target set before the pandemic. These are located in island communities in Samar and Masbate provinces. We feature on page 28 how the program helped teachers at Corocawayan Elementary School in Samar.

**7,856**  
**MARGINALIZED FAMILIES**  
**RECEIVED FOOD PACKAGES**  
**FROM OMF**



**Empowering People to Care  
for the Planet**

A year ago, OMF launched a new environmental advocacy fuelled by Meralco’s aspiration towards a more sustainable future. The “One for Trees” campaign aims at contributing to reforestation efforts by empowering communities to sustainably plant and nurture trees.

The ban on mass gatherings and activities considered as “non-essential” hampered the full implementation of the program in 2020, and greatly affected important phases such as nursery development and planting site preparation.

Despite this and the scarcity of materials, our partner farmers continued to plant more trees in the latter part of the planting season. To date, the program has planted a total of 110,637 seedlings.

Moreover, the trees planted in 2019 under the program served as a lifeline during the pandemic. Through our advocacy partner, GreenEarth Heritage Foundation, the farmers were able to harvest the leaves of the moringa (malunggay) trees, and processed them into powdered tea, which were sold in Metro Manila markets. They also grew organic vegetables alongside Meralco’s trees to boost their income.

One of our farmer beneficiaries at GreenEarth shares the story of how the Foundation’s environmental program not only cared for the planet, but also brought prosperity to people on page 34.

**15,098**  
**FRONTLINERS SERVED WITH  
FRESH VEGETABLES FROM  
LOCAL FARMERS**



**Celebrating Excellence**

Year after year, we recognize the academic achievements of dependents of Meralco and subsidiary employees through the MVP Academic Achievement Awards (MVP AAA).

We celebrated the 10th anniversary of the program through a virtual award ceremony streamed via OMF’s Facebook page and YouTube channel. Hundreds of employees, along with their winning dependents, and their families tuned in to the event, which recognized 279 honorees, including top achievers. The joyous occasion was a much-needed respite from the anxiety-ridden pandemic, and sent a strong message especially to the young awardees: that despite the challenges of the time, the constant pursuit for excellence is a virtue worthy of praise.

The Foundation also awarded 13 outstanding science research and innovation projects centered on energy during the National Science and Technology Fair (NSTF) of the Department of Education (DepEd).

The annual gathering of aspiring scientists from various public and private high schools in the country showcased over a hundred promising science projects and technology prototypes developed by young Filipino minds. Among those awarded by OMF is a prototype of a power generator that produces electricity by

consolidating the energy of various renewable sources: wind, water (tidal), and solar.

**Lending a Hand during Disasters**

From the eruption of Taal Volcano to the onslaught of typhoons Quinta, Rolly, and Ulysses, the Foundation continued to be a dependable partner of local governments and electric cooperatives in immediately addressing the needs of victims in the most trying of times.

OMF provided immediate relief to more than 25,000 families affected by various calamities such as the Taal Volcano eruption in January, and fires, typhoons and floods throughout the year. Of these, 9,519 families are located in the Meralco franchise area.

The Foundation also funded the logistics requirements of the Meralco contingent in the Power Restoration Rapid Deployment (PPRD) Task Force Kapatid 2020 in typhoon-devastated towns in Albay, Camarines Sur, and Catanduanes. Two hundred six engineers, linemen, and support personnel were deployed to four electric cooperatives for four weeks.

We also donated generator sets to local governments in Albay, Camarines Sur, Marinduque, Catanduanes, Rizal, Cagayan, and Isabela; and two rescue boats to the Philippine Air Force.



*Meralco’s power restoration team work round-the-clock to help restore power in typhoon-stricken Legaspi City in Albay.*

**Sharing the Inspiration**

Through its advocacies, OMF empowered frontliners, village leaders, teachers, and institutional partners to amplify the impacts of its initiatives by creating a positive ripple effect in their respective communities.

In this report, we feature some of the inspiring stories we’ve come across as we endeavored to fulfill our mission in 2020. These, and those of thousands of unsung heroes in this pandemic, only prove that each and every one of us can make a difference in the face of a seemingly insurmountable battle against an unseen adversary.

**The Force Behind Us**

The COVID-19 pandemic may have disrupted the way we do things but it did not put out the blazing desire of the Foundation to enkindle the light of hope especially in communities that need it the most.

Our heartfelt gratitude goes to our Board of Trustees for their guidance and encouragement, without these we would not have achieved our accomplishments in 2020.

We also thank the Meralco employees, who contributed greatly to the work of the Foundation, raising a total of PhP 34.56 million to provide cash assistance to “no work, no pay” service providers, fund relief operations, provide PPE kits to 2,596 teachers through the “Teacher Frontliner” back-to-school campaign, nurture trees under One for Trees, provide multimedia equipment to energized schools, and distribute “noche buena” food packs to more than a thousand families last Christmas through the “Tuloy Pa Rin Ang Pasko” campaign of the MVP Group.

In a very special way, we would like to thank our OMF Team, who in the most difficult of circumstances, continued to take into their hearts and hands the mission of the Foundation “to spread the light” especially in these challenging times.

Finally, we honor our donors, advocacy partners, and every individual, community, and institution we have worked with throughout the year for their trust in OMF as their partner in creating shared value. By combining our strengths, we overcame the challenges that came our way.

The pandemic might have forced us apart physically but our shared mission brought us even closer in this time of great need.

Now, we are all geared up to move forward, keeping in our hearts and minds a renewed sense of hope that we will emerge from this crisis stronger than ever. We look forward to the day that we shall see each other’s smiles again.

**Manuel V. Pangilinan**  
Chairman

**Ray C. Espinosa**  
Vice Chairman

**Jeffrey O. Tarayao**  
President

## One Meralco Foundation and the Sustainable Development Goals (SDGs)



As Meralco's social development arm, One Meralco Foundation is providing business solutions to social challenges within the Company's franchise area and to remote, off-grid communities in the Philippines. It has developed programs that address the need for productivity of Filipinos, primarily through electrification. Beyond this, its initiatives are also anchored on the United Nations' Sustainable Development Goals to enable beneficiaries and partners to contribute positively to social capital, economic growth and environmental protection.

**4,100**  
Families benefited from power restoration

**384**  
Youth development program participants

**25,143**  
Families benefited from relief operations

**7,856**  
Food packages delivered to marginalized families and frontline workers

**6,090**  
Frontliners provided with PPEs

**15,098**  
Frontliners served with vegetables procured from local farmers

**228**  
Community relations projects in the Meralco franchise area

**15**  
Off-grid schools energized using solar power



**4,489**  
Students with improved learning experience through school electrification



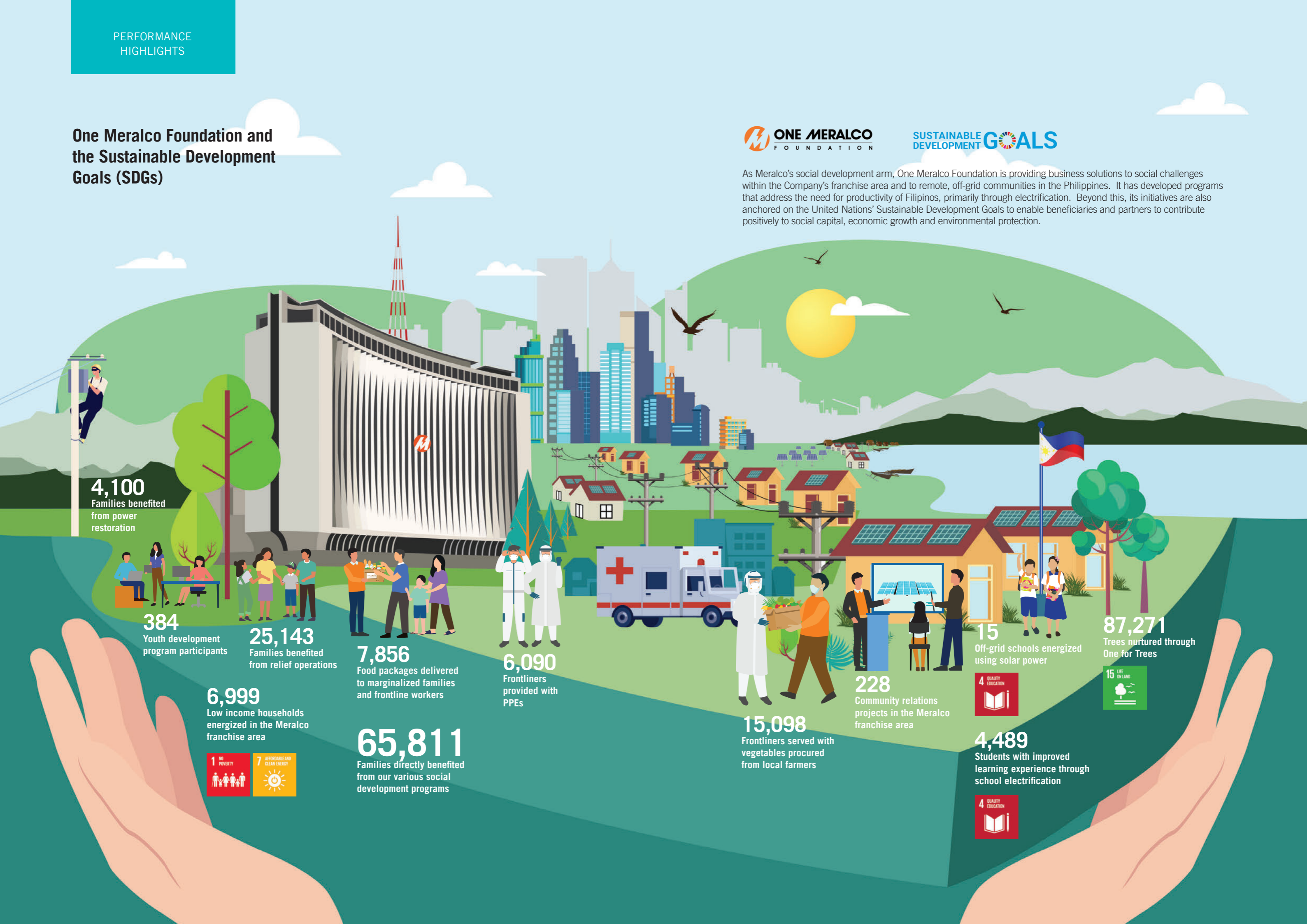
**87,271**  
Trees nurtured through One for Trees



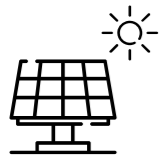
**6,999**  
Low income households energized in the Meralco franchise area



**65,811**  
Families directly benefited from our various social development programs



One Meralco Foundation's programs are built upon the following advocacy pillars which were designed to address various social development needs through interventions that are aligned with the thrust of Meralco's energy-related business.



## Household Electrification

Provides assistance to low income families in the Meralco franchise area so that they can comply with the minimum requirements for electrification. It also serves indigenous peoples' communities where solar photovoltaic technology is utilized.



## School Electrification

Improves the learning experience of students in off-grid public schools by providing an alternative source of electricity (mainly solar energy) and modern learning hardware such as laptop computers and multimedia equipment.



## Energy Education

Develops learning resources on energy and builds the capacity of educators to teach the subject to promote deeper understanding of energy, and to campaign for its sustainable use.



## Environmental Sustainability

Promotes the preservation of Philippine biodiversity through reforestation and the empowerment of local communities to become stewards of the environment.



## Grassroots Partnerships

Working hand-in-hand with government, private, and non-government organizations to implement advocacies in grassroots communities.



## Youth Development

Extends Meralco's corporate value of "Malasakit" (compassion) to the Filipino youth through academic, sports, skills building and talent enhancing programs.



## Emergency Preparedness and Disaster Response

Delivers immediate relief to calamity victims and helps electric cooperatives restore power services in areas affected by disasters.



## Employee Giving and Volunteerism

Opens opportunities for Meralco's employees to give back to society by sharing their time, talent, and treasure through the Foundation's various fundraising and volunteering campaigns.





# COVID-19 Response Hope in Times of Crisis



7,856

FOOD PACKAGES DISTRIBUTED TO MARGINALIZED FAMILIES AND FRONTLINERS



1,000

FAMILIES PROVIDED WITH GROCERY GIFT CERTIFICATES THROUGH "PROJECT UGNAYAN"



15,098

FRONTLINERS BENEFITED FROM VEGETABLE DONATION THROUGH "FROM FARMERS TO FRONTLINERS" CAMPAIGN



6,090

MEDICAL FRONTLINERS PROVIDED WITH PERSONAL PROTECTIVE EQUIPMENT (PPE)



76,364

FRONTLINERS AND ESSENTIAL WORKERS TRANSPORTED VIA ESAKAY'S FREE SHUTTLE SERVICE



12,160

GOVERNMENT RESPONDERS BENEFITED FROM THE DONATION OF RAPID TEST KITS



Php2.81 M

FUNDS RAISED FOR COVID-19 INITIATIVES FROM MERALCO EMPLOYEES VIA THE "HELP FROM HOME" CAMPAIGN



53

PUBLIC AND PRIVATE HOSPITALS BENEFITED FROM OMF'S VARIOUS COVID-19 RELATED INITIATIVES



45

LOCAL GOVERNMENT UNITS SUPPORTED BY OMF'S COVID-19 INITIATIVES



**As the Philippines braced for the COVID-19 pandemic, One Meralco Foundation focused its efforts on programs that immediately addressed the current needs of workers combating the disease from the frontlines and the marginalized sectors of society, which suffered the most from the economic impact of the crisis.**

**Frontliners**

Even before the World Health Organization (WHO) officially declared COVID-19 a global pandemic on March 11, 2020, the shortage of personal protective equipment (PPEs) was already a growing concern in many countries hit by the novel coronavirus.

In the Philippines, particularly in Metro Manila and nearby provinces, the Taal Volcano eruption in January aggravated this, as many had stacked up on facemasks to protect themselves from the ashfall resulting from the volcano's phreatic eruption.

Less than two weeks after the disaster, the Department of Health (DOH) announced the first confirmed case of COVID-19 in the country, and the list began to grow.

The rapid increase in local transmissions of the SARS-Cov2 virus, coupled with panic buying and hoarding of facemasks, gloves, and other PPEs, contributed to the depletion of healthcare systems' supplies.

To protect frontline workers, OMF procured PPEs and donated these to 26 hospitals, health centers, and quarantine facilities in Pasig and

Makati. At least 6,090 essential workers benefited from the donation.

The demand for disinfectants, particularly alcohol, also surpassed commercial supply. During the enhanced community quarantine (ECQ), supermarkets and drugstores had to impose quantity caps on the sale of essential items, including alcohol, to prevent people from hoarding them.

To ensure that frontline organizations have ample supply, the Foundation donated 2,040 liters of ethyl alcohol to 21 hospitals, other health care facilities, and to the Armed Forces of the Philippines (AFP).

OMF also donated more than 12,000 rapid antigen test kits to the Department of Energy (10,000), National Transmission Corporation (520), and the local government of Pasig City (1,640). The donation enabled the different organizations to check on their employees' health so that service to the community continues, particularly during this challenging period.

The Foundation also sponsored the disinfection using Steramist technology of the Rizal Medical Center ambulances and offices at the Philippine National Police headquarters at Camp Crame.



**6,090**  
**ESSENTIAL WORKERS**  
**BENEFITED FROM**  
**OMF'S PPE DONATION**



OMF fed the frontliners of The Medical City which were provided with free lodging during the ECQ by Meralco at its headquarters in Pasig City.

**76,364**

**ESSENTIAL WORKERS**  
**SHUTTLED FOR FREE**



Hospital staff at the Our Lady of Lourdes Hospital in Sta. Mesa, Manila, receive donations from OMF.



OMF turns over refurbished desktop computers and brand new laptops to the Philippine Red Cross (PRC). These will be used to expand the operations of PRC's molecular laboratories.



**“One Meralco Foundation remains committed to delivering services and implementing programs that help keep the hope alive.”**



*A priest blesses the hospital equipment turned over by OMF and PSF to the East Avenue Medical Center.*



Meralco’s electric transport solutions subsidiary, eSakay, forged a partnership with OMF and the Department of Transportation (DOTr) to provide free shuttle service to essential workers in the cities of Pasig, Makati, Mandaluyong, San Juan, and Manila. eSakay deployed its electric vehicles, while the Foundation provided the wages of 35 drivers who were out of work since mass transport came to a halt during the ECQ.

Throughout the service’s 15-week run, it transported a total of 76,364 passengers, most of whom are hospital workers.

To boost Philippine Red Cross (PRC) molecular laboratories’ testing capacity, the Foundation donated refurbished computers and brand-new laptops to PRC’s facilities in Mandaluyong City and at the Subic Bay Freeport.

*Frontline employees of Meralco help the Foundation distribute food packs to marginalized families in the Meralco franchise area.*



*A medical staff of the Lung Center of the Philippines receives the PPEs donated by the Foundation.*

It also turned over desktop computers to the Philippine Genome Center (PGC), which also served as the COVID-19 command center of various groups in the University of the Philippines system.

**Government and Health Care Institutions**

Apart from supporting frontliners, the Foundation also extended assistance to the national government through the electrification of quarantine facilities. It facilitated the donations of Meralco, South Luzon Thermal Energy Corporation, and San Miguel Corporation Global Power Foundation to cover the electricity bills of three mega-quarantine facilities, namely the Philippine International Convention Center (PICC) Tent, the World Trade Center (Pasay City), and the Ninoy Aquino Stadium (Manila).

In August, OMF and PLDT-Smart Foundation donated 60 hospital beds and various medical equipment to the newly inaugurated Center of Emerging and Re-Emerging Infectious Diseases (CERID) facility at the East Avenue Medical Center (EAMC). It was dedicated primarily to treating COVID-19 patients.

The donations included mechanical ventilators, high-flow oxygen therapy machines, laryngoscopes, portable suction machines, cardiac monitors, air-purifying respirators, 239,625 face masks, overhead and bedside tables, footstools, intravenous stands, and bed linens. The foundations also turned over equipment to the hospital’s molecular laboratory, which opened in December. The laboratory allowed EAMC to conduct reverse transcriptase-polymerized chain reaction (RT-PCR tests), the gold standard for detecting the virus’s presence in patient samples.

  
**12,160**  
**RAPID ANTIGEN TEST KITS DONATED**

  
**243,925**  
**FACE MASKS DONATED TO VARIOUS INSTITUTIONS**

### Marginalized

Without a home to keep them safe, street dwellers were the first to receive aid during the ECQ. OMF also prioritized marginalized families in the Meralco franchise area as it distributed food packages throughout the year.

By the end of 2020, OMF has distributed 7,856 food packages to marginalized families and uniformed frontliners in 31 cities and municipalities.

Through an internal fund-raising drive called, “Help from Home,” Meralco employees also provided grocery vouchers to 1,000 underprivileged families in Metro Manila through “Project Ugnayan” of the Philippine Disaster and Resilience Foundation (PDRF).

*OMF supported the feeding of underprivileged students at the Girls’ Town in Silang, Cavite.*

## “OMF also prioritized marginalized families in the Meralco franchise area as it distributed food packages throughout the year.”



*Meralco employee-volunteers turn over fresh vegetables to the Philippine General Hospital (PGH).*



*Wage workers of Meralco service providers receive cash assistance from Meralco employees through the “A Day to Give” and “Share A Leave” fundraising campaigns.*

Furthermore, they distributed sanitation kits to 700 indigent families in partnership with Caritas Manila, a church-run organization.

Together with the MVP Group, the Foundation supported the feeding of 4,770 underprivileged students who stayed in at Girls’ Town in Silang, Cavite, and 200 locally stranded individuals (LSIs) temporarily billeted at the AFP gymnasium.

**700**  
**SANITATION KITS**  
**DISTRIBUTED TO**  
**INDIGENT FAMILIES**



With many grocery stores and public markets closed during the ECQ, vegetable farmers in Kabayan, Benguet province, immediately felt the health crisis’s economic repercussions.

To support their livelihood, OMF launched a project called “From Farmers to Frontliners.” It procured more than five tons of fresh produce from the farmers and distributed these to hospitals, temporary shelters, and local government offices in the Meralco franchise area.

The country’s biggest and widest multi-channel payment platform, Bayad (a Meralco subsidiary formerly called “Bayad Center”), supported the project, which provided healthy meals for frontliners while infusing much-needed income to local farmers.

Intending to provide financial assistance to the families of “no work, no pay” workers of its service providers, Meralco launched two fundraising campaigns -- “A Day

to Give” and “Share A Leave.” It encouraged employees to donate at least a day’s worth of their pay or paid leave credits to support the cause. OMF facilitated the distribution of the cash gifts to 6,209 workers of 55 companies.

A year has passed since COVID-19 shocked the whole world, and with thousands of new cases reported each day, the country’s war with the novel coronavirus is far from over. As our brave heroes in hospitals and other frontline institutions confront the disease, One Meralco Foundation remains committed to delivering services and implementing programs that help keep the hope alive in the minds and hearts, especially of the most vulnerable members of our society.



**SCAN TO WATCH VIDEO**  
Watch our 2020 Accomplishment Report video for a summary of initiatives implemented during the year.

**Our Mission Continues**  
**Hope for a  
Brighter Future**

Despite the pandemic, One Meralco Foundation continued to sustain the long-term impacts of its regular advocacy programs, helping communities prepare for a safer, brighter “new normal.”





## Hope realized by will

A community leader's compassion and determination fulfill the electric dreams of families living in the dark for twenty years.

"Two decades." These were the first two words Marivic Briones wrote (in Filipino) in her letter to OMF as she recalled a community's pursuit of electricity.

Almost every night since she was a village nutrition worker, she would pass by a row of shanties along a railway in a section of Brgy. Paciano Rizal, Bay, Laguna referred to as PNR, an acronym for Philippine National Railways, the tracks' operator.

"The whole place did not have access to electricity. Many residents there still used gas lamps and candles for illumination during the night, while the rest of the village had 24-hour access to power," recalled Briones.

"I could only imagine how difficult life was for the residents. And it has been so for decades," she added.

According to Briones, some desperate residents negotiated with those who have access to power nearby to allow them to connect to their service for a fixed monthly fee.

"Often, they were charged by their enterprising neighbors unreasonably high fees. Some felt they were already paying for the entire electric bill of the service owner," shared Briones.

"But what can they do? They don't have a choice. It's either they pay as much as PhP2,000 or PhP3,000 a month or make do with gas lamps," she added.

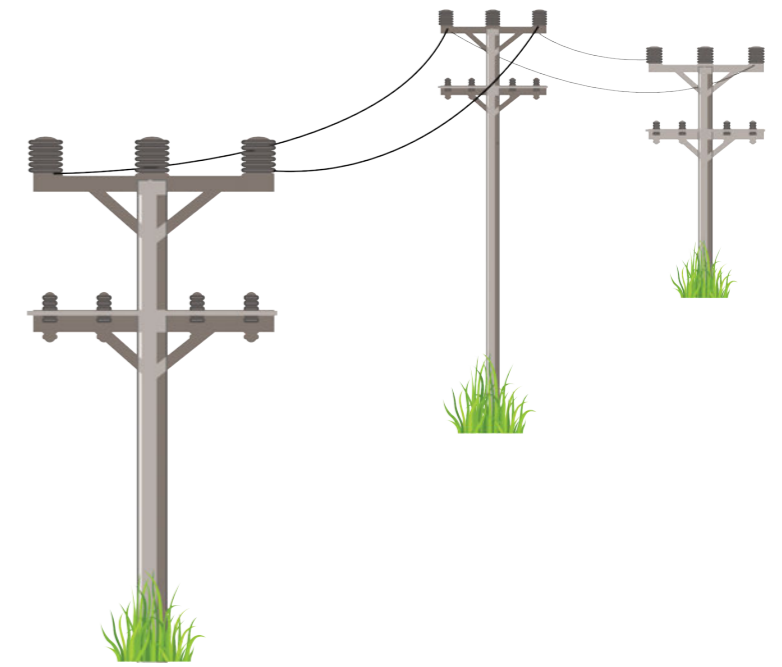
The lack of electricity access in informal communities like PNR is a tricky problem to resolve. Most of the time, the challenges are non-

**"The whole place did not have access to electricity. Many residents there still used gas lamps and candles for illumination during the night, while the rest of the village had 24-hour access to power."**

technical and beyond the electric distributor's control, in this case, Meralco.

Since residents do not own the land, they could not produce the documents required in applying for an electric service. In effect, they could not seek additional permits from the local government that would allow Meralco to facilitate their connection.

"Poverty is just one challenge. Many residents are, in fact, willing to save up for the load-side costs that applicants need to shoulder. However, unless the legal and documentary hurdles (such as right-of-way issues)



are resolved, electrification cannot commence. We launched our household electrification program to help address this problem," explained Jeffrey Tarayao, OMF President.

OMF's electrification program brings together Meralco, local government units (LGUs), and community leaders to seek ways to resolve issues hindering communities' energization.

OMF contributes to the program by helping residents comply with the load-side requirements, while Meralco finds ways to expedite the application process and minimize applicants' upfront costs. On the other hand, the LGUs seek remedies to the legal and documentary issues.

In the past ten years, the synergy among these stakeholders and the beneficiary communities enabled the program to energize more than 55,000 homes, with 6,999 of which powered up during the year. Many had a story similar to the PNR community's.

### Determined to Make a Difference

After she was elected chairman of Brgy. Paciano Rizal in 2018, Briones was determined to put an end to PNR's problem.

"Back then, when I was yet a volunteer and even later, when I became a village councilor, I did not have enough power to make things happen. Every time residents from



**55,899**  
**TOTAL HOUSEHOLDS ENERGIZED SINCE 2011**

PNR approached me about their concerns, I could only tell them I would bring it up in the next council meeting. I felt powerless, and it broke my heart," the leader said.

"I did not know where to start, and so, I decided to visit Meralco's business center in Calamba (Laguna) to inquire. I thought, there's nothing to lose, anyway," she added.

"I was very grateful to the Lord because everything seemed to fall into place. I thought it was going to be a complicated discussion. Instead, Meralco representatives warmly welcomed me and patiently explained what steps were needed to make the electrification possible. They also offered to enroll our community in OMF's household electrification program," recalled Briones.

Briones and her fellow village officials immediately worked on requirements to be submitted to the mayor's office and Meralco.

"With the help of Meralco, we conducted consultations in the community to explain the project in detail and seek their cooperation in fulfilling the requirements," the village chief said.

The more significant challenge Briones had to contend with was the pandemic.

"The enhanced community quarantine (ECQ) period delayed the processing of some requirements due to the closure of government offices. A few residents also found it hard to pay the remainder of the load-side costs (including electrical wiring) in preparation for the electrification because their livelihood was affected by the lockdowns," explained Briones.

Despite the setback, Meralco prioritized the community's electrification as soon as the government eased restrictions on essential activities such as electrical works.

"The moment the individual meters were installed, everyone in the community celebrated. Some even posted photos of themselves embracing the concrete posts where their meters have been installed," shared Briones.

"The greater news is that many residents have noticed the difference in terms of their spending on electricity. Those who used to pay around PhP2,000 for an unmetered connection now pay only around PhP300 to PhP400 to Meralco. They can spend their savings on more essential goods such as food," she said.

"It's about uplifting lives. While we power big businesses, we ensure that those living in the margins of society also have access to the same resource, so they, too, can contribute to maintaining a healthy economy," said Ferdinand Geluz, Meralco's Chief Commercial Officer and Head of Customer Retail Services.

#### Renewed Hope for Sta. Mercedes Ville

The current pandemic may have introduced unique challenges. Still, it did not stop the Foundation from facilitating the electrification of low-income families' homes.

Sta. Mercedes Ville in Brgy. Patungan, Maragondon, Cavite is another community which benefited from the program during the ECQ. The majority of residents here are relocatees who used to settle along

a private beachfront property almost an hour away from their current location. The landowners decided to develop the property and offered the settlers relocation in an inland lot negotiated by the local government.

"The private owner even went the extra mile to construct concrete houses in the relocation site with provision for water and electricity supply," shared Brgy. Chairman Leonilo Otara in Filipino.

The developers arranged for the relocatees to obtain electricity access through sub-metering and paid for their electric bill for a year. The residents were supposed to take on the responsibility of paying for their continued service, but not everyone did his/her part.

Because some failed to fulfill their obligations to the community, everyone -- including those who diligently paid their dues -- eventually suffered the consequence since the homes were connected to a single mother meter.

Cognizant of his constituents' plight, Otara brought up the matter to Meralco and the local government, which determined that the best way moving forward was to install individual meters on every home. This way, each household will be directly connected to Meralco's service and solely responsible for its energy consumption. However, this

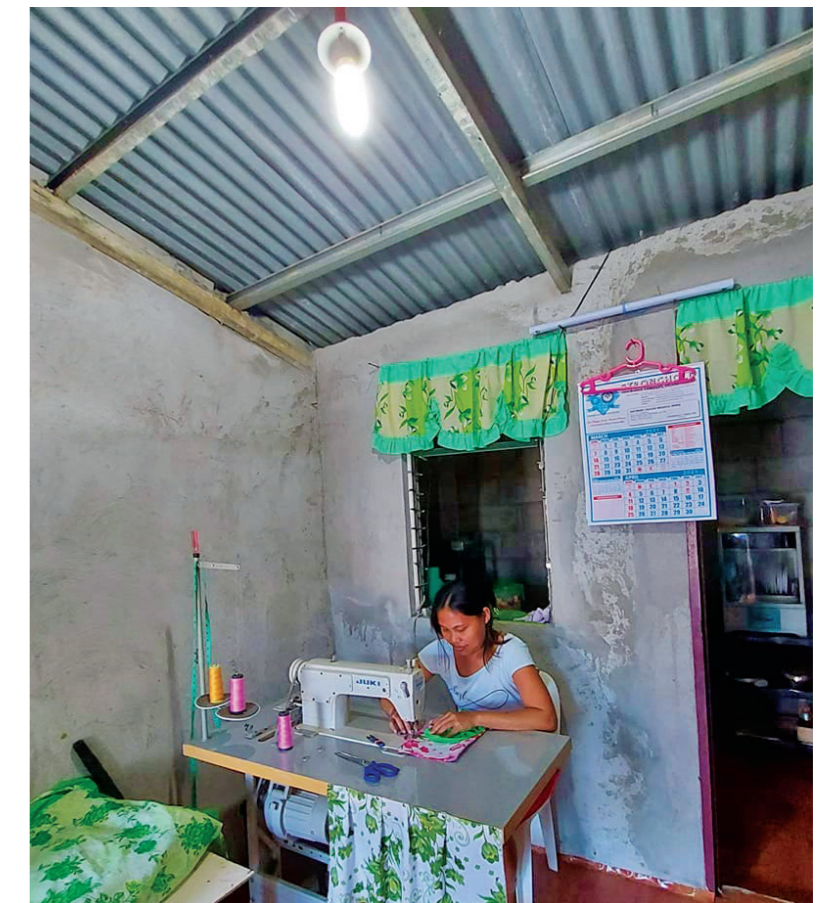
**"While we power big businesses, we ensure that those living in the margins of society also have access to the same resource, so they, too, can contribute to maintaining a healthy economy."**

entails additional requirements on the part of the applicants (load-side), which has corresponding costs.

To make electrification within reach of Sta. Mercedes Ville's residents, OMF intervened. The Foundation took care of load-side requirements, particularly the service entrance.

Meralco, for its part, extended its distribution facilities and its Rosario Business Center offered the community a feasible way of paying their past dues.

"Before electrification, implementing social distancing was challenging for us because people could not bear the intense heat of summer inside their homes, and so they stayed outdoors most of the time. Many even slept outside during the



Housewife Meychie Arguilles uses an electric sewing machine to create curtains, bed sheets and pillow cases, which she sells to neighbors to augment her family's income -- another benefit of the electrification program.

night. Also, working and studying from home was impossible," Otara shared.

After the homes had been energized, the Technical Education and Skills Development Authority (TESDA) offered free training in dressmaking for interested residents. It also provided electric sewing machines to select trainees to start their micro-business while locked in at home. Meychie Arguilles, 26, a stay-at-home mother of two and wife of a security guard, was among those who received sewing equipment.

"I am very thankful for the project because now I can make a living while staying at home. I earn extra income to buy milk and diapers for my children," Arguilles said.

"This is an example of the kind of impact we hope for in the lives of our program's beneficiaries. We start by energizing their homes. Access

to a safe and reliable electricity supply is just one of the outcomes. It also allows beneficiaries to use this valuable resource to boost their productivity and live more comfortably," explained Tarayao.

Electrification can be a complex undertaking, especially when a confluence of factors is at play. However, when stakeholders come together to make the seemingly impossible possible, it will usher unserved communities toward a brighter, progressive, and sustainable future.

**6,999**  
LOW INCOME  
HOUSEHOLDS  
ENERGIZED IN 2020



**SCAN TO WATCH VIDEO**  
Get to meet Maribeth Ramos, a resident of PNR community and beneficiary of our household electrification program.



## An Island's Beacon of Hope

After leaving the seminary, Dennis Cubelo pursues another calling: to uplift school children's lives through education.

*Corocawayan Elementary School Principal Dennis Cubelo left the seminary to pursue another mission in an island community in Samar.*

Corocawayan Elementary School principal Dennis Cubelo did not plan to become an educator. He had the only dream to enter a seminary after finishing high school and join the Franciscan order, a missionary congregation.

But halfway through his priestly formation, he had a change of heart. With his superiors' permission, he spent a year outside of the abbey (a period called "regency") to discern the future of his vocation. He never entered again.

Instead, the then 21-year-old former seminarian began to live a secular life and worked at a Metro Manila supermarket. However, he did not find fulfillment in his job.

"One of my fervent prayers was, if I was not destined to become a priest, I wanted to be a teacher. I thought that the vocation was close to the reason why I entered the seminary in the first place: I wanted to make a positive change in people's lives," he shared.

Thanks to his innate talent in music, he was invited to teach the subject in a private elementary school in Bulacan run by the Franciscan sisters. His first teaching stint made him realize what his mission was.

After three years, Cubelo's seminary education (Philosophy) enabled him to become a college professor.



*OMF's solar panels installed atop one of the classrooms provide ample electricity to power multimedia equipment, electric fans, and LED lights installed in all classrooms.*

He grabbed the opportunity to take units in education and took eligibility exams to become a full-fledged teacher.

However, the young teacher felt destiny was calling him for a greater purpose. After six years of working in the Philippine capital, he moved back to Samar to teach at a public school on the island of Camandag, his wife's hometown.

Camandag is the smaller of two islands comprising the municipality of Sto. Nino in Samar (formerly called Western Samar). Almost 20 kilometers from the nearest city on the mainland, Calbayog City, the island is accessible only via boat and is cut off from the power grid.

"When I arrived at my first assignment, Balat Gutu Elementary School, I felt sorry for my pupils. There was no electricity -- not even a generator. Cellular coverage was also non-existent because the village was located on the far side of the island, way beyond the scope of cellular sites," he recalled.

The lack of electricity access is common among many small island and mountain communities in the Philippines. Due to the country's archipelagic nature and varied topography, connecting to the grid remote communities is usually impractical and often technically challenging. In most cases, the solution is to build a standalone generation-transmission-distribution

**"One of my fervent prayers was, if I was not destined to become a priest, I wanted to be a teacher, I wanted to make a positive change in people's lives."**







Corocawayan Elementary School's teachers now comfortably work at school and are able to use laptops, printers, and other productivity tools throughout the day.

system on the village itself -- but this, too, requires a significant investment on the part of the government and the local electric cooperative, which might take decades to recover given that homes are few and far between.

While waiting for a long-term solution to their electricity problem, residents of Camandag island either save up to purchase their

own gasoline-powered generator or share the cost of operating a more powerful, community-owned diesel generator. This setup is costlier than a grid connection because the price of petroleum could be twice as much on the island, and maintenance often costs beyond what the fishing villagers can afford. This high premium on electricity prevents residents from maximizing the generators. Many are operated

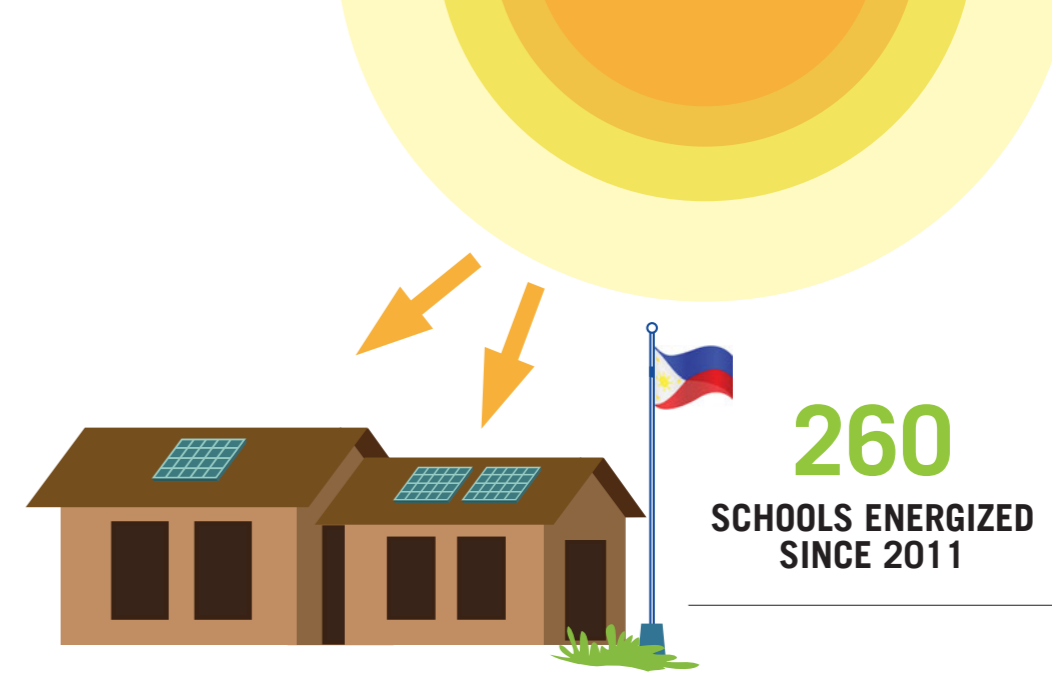
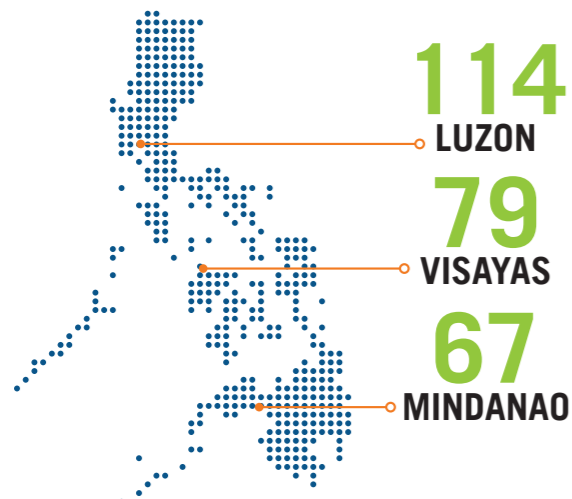
only during the evening and only for about three to four hours daily. Without electricity during the day, the education of the island's school-age children suffer greatly.

Cubelo could not help but compare his former students' experience in the metropolis to his current pupils on the island.

"They had a lot of catching up to do, especially when it comes to technology. They almost have no substantial experience with things like computers, unlike those who live in more progressive places wherein technology is part of day-to-day life," the teacher said.

In today's society, information technology proficiency is advantageous in any industry, even when pursuing technical-vocational careers or entrepreneurship. Without electricity to power modern learning tools, such as computers and the internet, teachers could not facilitate 21st Century learning in off-grid schools.

### SCHOOLS ENERGIZED BY OMF ACROSS THE COUNTRY SINCE 2011



**260**  
SCHOOLS ENERGIZED SINCE 2011

**“More than comfort and convenience, the technology gap in the schools of these last-mile communities is the primary concern that One Meralco Foundation aspires to address.”**

Cubelo estimates that only about 60 percent of high school graduates on the island make it to college. Even the fortunate ones whose families have the means to send them to universities in the mainland will have to catch up on their technology experience.

“More than comfort and convenience, the technology gap in the schools of these last-mile communities is the primary concern that One Meralco Foundation aspires to address,” explained OMF President Jeffrey Tarayao.

OMF launched its school electrification program in 2011 as a core advocacy to provide off-grid schools within and beyond the Meralco franchise area a sustainable alternative source of electricity.

Despite the challenges of the COVID-19 pandemic in 2020, OMF energized 15 more schools in Masbate (8) and Samar (7), bringing the total number of schools powered by the program to 260:

- 114 in Luzon (39 in the Meralco franchise area)
- 79 in the Visayas
- 67 in Mindanao

OMF installed solar photovoltaic (PV) systems in each school with a capacity ranging from 1 to 3 kilowatts, depending on classroom count and student population.

Corocawayan Elementary School, where Cubelo currently serves as principal, was the first to be



In far-flung communities without access to the power grid, students rely solely on printed materials produced by their teachers since they could not use a computer or access the internet at home.

energized by the program in August 2020.

Because of the pandemic, OMF adjusted its implementation timeline to include a mandatory 14-day quarantine of its installers in every municipality. It also ensured that its service providers observed safety protocols such as the wearing of face masks and physical distancing. Before the pandemic, OMF's installers completed the work within a week.

“It’s a stark deviation from the usual, but it’s our responsibility to ensure the safety of our people and the communities we serve,” shared Tarayao.

### Jumpstarting Technology-Aided Learning

Providing power is just the first step towards building a brighter future for the island's students. For the second equally important intervention, Meralco employees lead the way. Through the Meralco Employees' Fund for Charity, Inc. (MEFCI), the electric company's employees contribute to improving beneficiaries' learning experience by donating multimedia equipment.

"Each month, our members donate a portion of their pay to fund social development initiatives such as the school electrification program of OMF. It is our way of embodying Meralco's corporate value of 'Malasakit' (compassion)," said Benjamin Cusi, MEFCI chairman.

The charitable institution inside the Meralco organization sponsored the multimedia equipment donated to most schools energized by OMF.

"Many of the student-beneficiaries see education as a way out of poverty. With good education, they hope to land on higher-paying jobs one day. They have a vivid imagination of their future, but the challenging part is that education involves more than

just traditional pedagogy in today's context. Technology plays a huge part in it," explained Program Manager Rainier Manguiat.

For Cubelo and his fellow teachers, the complementary donation of electricity access and modern teaching tools is a game-changer.

"We were all in awe," Cubelo recalled how they felt the moment we switched on the solar equipment for the first time.

"After so many years of waiting, electricity has finally found its way to our school. Even before the installers came, I often updated our stakeholders on our application's progress, and everyone was excited. All the more when it finally happened," he added.

### Importance of Power in a Pandemic

Electricity and technology are essential in ordinary times, more so during a pandemic.

Due to health risks, the Department of Education (DepEd) adopted "blended learning" as an alternative learning delivery mode to face-to-face classes,



*Prior to electrification, teachers had to cross the sea aboard motorboats like this to access electricity and the internet on the mainland.*

at least for school year 2020-2021. Under the new scheme, students continue to learn at home using modular learning materials. While this is relatively easy to implement in progressive cities where telecommunication infrastructure is ubiquitous and mature, the same cannot be said in remote communities, especially those without power.

"In our case, the [Department of Education] Central Office provides us with an online channel where we can download the modules, and then we mass-produce and distribute these to our students," explained Cubelo.

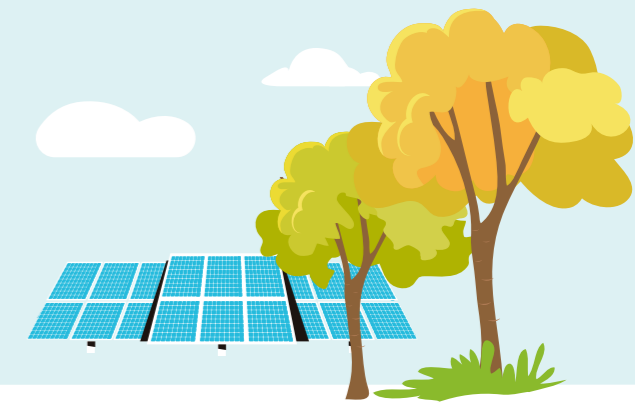
The process may seem straightforward, but in the context of off-grid island schools, it means that teachers will have to cross the sea to access electricity, a computer, a printer, and the internet on the mainland. Since students receive their modules weekly, teachers will also have to go through the same ordeal as often.

An alternative is to rent a generator, which will cost them between PhP1,500 to PhP2,000 per day (for a maximum use of five hours per day), excluding fuel.

In fact, before the solar electrification project, Corocawayan Elementary School spent more than PhP20,000 a year, on average, on generator rental alone for monthly activities. Because the school maintenance budget does

*During the pandemic, teachers produced modules which were then sent to students learning from home. Downloading and mass-producing these learning materials are a tough challenge especially for those serving in off-grid schools.*

**"With the sustained support of Meralco, its employees, and stakeholders' cooperation in the community, the program will continue to spread the light of hope where it is needed the most."**



**83,078**  
STUDENTS BENEFITED FROM OMF'S SCHOOL ELECTRIFICATION PROGRAM SINCE 2011



*In far-flung communities without access to the power grid, students rely solely on printed materials produced by their teachers since they could not use a computer or access the internet at home.*

not cover rentals and fuel expenses, the parents-teachers association (PTA) raised funds for these.

"Since solar PV systems harness a renewable energy source -- sunlight -- the school doesn't have to spend a penny to generate electricity. Additionally, since no fossil fuel is required, it doesn't negatively impact the environment," Tarayao said.

However, as with any electronic equipment, proper operation and maintenance is crucial. OMF's engineers orient teachers and PTA officers on proper

operation, maintenance, and basic troubleshooting procedures as part of the installation process. Additionally, beginning in 2018, the Foundation required its suppliers to provide a warranty for a minimum of two years instead of the usual one-year period. OMF also engaged third-party insurance companies to offer extended warranty coverage for the solar PV systems to make maintenance more affordable for the schools. In most cases, the schools pay a premium of less than PhP2,000 annually (after the two-year warranty expires), or around 1.30 percent of the cost of brand-new equipment.

Despite all of its social and environmental benefits, solar electric power has a weak link: batteries. Solar panels and other peripheral devices have a relatively long operating life, but most commercially available batteries unfortunately don't.

"The PV systems we installed in recent years use Lithium-based batteries. Unlike the conventional Lead-acid type with a lifespan of only about two years, the more advanced type could last three to four times longer. It also does not need rigorous maintenance, and the storage capacity deteriorates very slowly over time. The downside is that it's more expensive, but in the long run, it is still more cost-efficient," explained Tarayao.

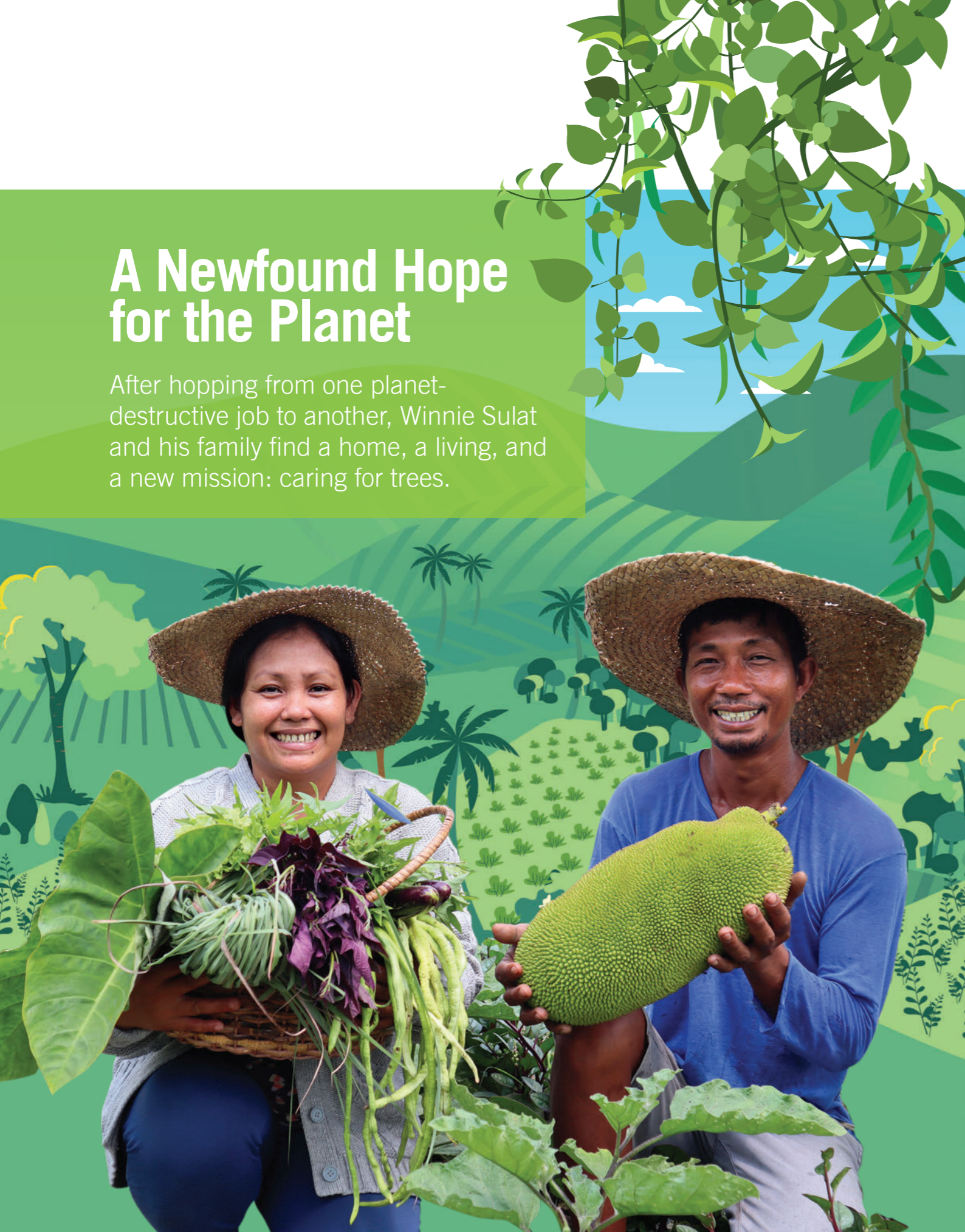
The school electrification program has benefited at least 83,078 students across the country over the past ten years. With the sustained support of Meralco, its employees, and stakeholders' cooperation in the community, the program will continue to spread the light of hope where it is needed the most.

**SCAN TO WATCH VIDEO**  
Principal Dennis Cubelo takes you to Camandag Island and share how electrification has changed his life as a teacher in an off-grid island.



# A Newfound Hope for the Planet

After hopping from one planet-destructive job to another, Winnie Sulat and his family find a home, a living, and a new mission: caring for trees.



For couple Winnie and Evangelina Sulat, caring for One Meralco Foundation's trees and the planet is not just a job but a shared mission.

It has been raining for days on the foothills of the Sierra Madre in a small village in San Miguel, Bulacan, aptly called Barangay Sibul, which in Filipino means "sprout."

To farmer Winnie Sulat and his family, it's a blessing. After more than six months of lockdown due to the pandemic, at least they still have a job -- and in this job, the rain is an ally.

Tucked in the middle of the village is a 100-hectare land endowed to GreenEarth Heritage Foundation. This church-based, non-profit organization aims to uplift local farmers' lives through organic agriculture-based forestry (agroforestry).

For close to ten years, GreenEarth has been employing indigent farmers (and their families) from



A new batch of seedlings sprout after a few weeks of nurturing in the nursery. These will be planted during the next rainy season.

**"In designing the One for Trees initiative, we considered the value of the reforestation project to the immediate community where we will plant our trees."**

various provinces to provide them with a sustainable livelihood. Winnie is among them.

The 37-year-old father of two hails from San Andres, Quezon province. At the young age of 21, he got married and assumed the responsibility of earning a living for his family.

"Life was hard. I earned a meager income harvesting copra (dried coconut meat used for extracting oil), but it barely made ends meet," Winnie recalled.

Making matters worse, when his parents needed money, they sold their farmland in Quezon and moved back to Masbate, their hometown.



**87,271**  
TREES NURTURED  
BY THE PROGRAM  
IN 2020



*OMF's reforestation program opens opportunities for local farmers to become tree growers, and earn a living out of rehabilitating forest lands.*



Consequently, Winnie and his family moved from place to place, searching for a more stable livelihood source.

First, he tried fishing but only earned between PhP35 to PhP40 from every catch. After one year, they transferred to Angat, Bulacan, to scavenge recyclables from heaps of garbage. It wasn't tidy, but at least they earned PhP500 a week, on average.

After four years, the family moved back to Quezon. Winnie earned a

living cutting down trees and making charcoal, which is a time-consuming process.

"I would hide under the shade of a hut while waiting for the wood to turn into charcoal. It was a long process, but I must stay alert. If I doze off, the fire will completely burn the wood. I constantly feared I might get caught because I knew that there are laws against charcoal-making," he confessed.

Despite all his efforts, Winnie barely made enough money to cover for this family's basic needs. He began to look for greener pasture elsewhere.

One day, he learned about GreenEarth's program and moved into the foundation's farm. He brought his entire family to San

Miguel, Bulacan, to determine whether it was the opportunity he had been praying for.

GreenEarth trained Winnie and the rest of the farmer-beneficiaries in organic farming. At the same time, their spouses learned to process vegetables into high-value products that could sell for a higher price.

"Apart from the knowledge transfer and technology, we also provide complimentary housing and education for their children," shared Dr. Mylene Matti, GreenEarth's founder.

"And since we are a church-based organization, we implement programs that promote their holistic wellbeing and build good character -- and these are more valuable than any material reward they get out of working here," she added.

However, the prospects of something bigger hounded Winnie. After a while, he received an invitation from a relative to work in a quarry in the province. He left GreenEarth with his family and settled in Masbate.

"We were flattening mountains, blasting them off with explosives to extract stones," he shared.

The physically strenuous job only paid him around PhP600 a week. It was also tough on his family.

"I worked more than two hours away on foot from where my family lived. On Fridays, my wife and kids would come to visit me and return to the downtown to attend school at the end of the weekend," he recalled.

Realizing it was not worth it, he eventually quit the quarry and instead worked at a construction project in Batangas while his family returned to Quezon.

**"Apart from the knowledge transfer and technology, we also provide complimentary housing and education for their children."**

"One day, I received a phone call from my brother-in-law who remained at GreenEarth. He invited me to come back to the farm since it needed more farmers for a massive reforestation program initiated by Meralco. Without hesitation, I returned to GreenEarth with my entire family," he shared.

Winnie's story demonstrates how people's needs hang in the balance with the need to preserve the environment. Forests are rich, and their products are precious. If people around them have unmet basic needs, the temptation to cash in on these valuable products is irresistible despite stringent policies in place.

"In designing the One for Trees initiative, we considered the value of the reforestation project to the immediate community where we will plant our trees. In GreenEarth, for example, our funding covers the cost of seedlings and the wages of farmers who will grow and maintain the seedlings until these are mature enough to survive on their own," explained Meralco President and CEO and OMF Vice Chairman, Ray Espinosa.

"One of the program's goals is to offer a viable substitute to the income derived from forest-damaging activities such as charcoal making and tree-cutting. We can plant millions of trees, but if no one takes



*Winnie tills the soil where a fresh batch of moringa saplings will soon be planted.*

care of them or if people continue to cut and burn them, our efforts will only be futile,” he added.

Now that he’s back at GreenEarth, Winnie is happy to be able to sleep comfortably at night with a clear conscience. His children are studying in a DepEd-accredited school built by GreenEarth within its farm. The school has an extensive library, computer laboratory, music studio, among other amenities. Moreover, it follows the curriculum of a Metro Manila-based international school, a GreenEarth benefactor.

**“Indeed, the path towards maintaining healthier forests is long and complex, but One Meralco Foundation remains committed to taking a share of this mission one tree at a time.”**

With their primary needs addressed, Winnie and his family can focus on the mission at hand: growing more trees.

### Pandemic Challenges

At the beginning of the year, farmers at GreenEarth started preparing to grow the next batch of 87,271 trees funded by the One for Trees program.

Unfortunately, an unprecedented crisis came: COVID-19.

When the government placed the entire Luzon island under an enhanced community quarantine (ECQ) from March 17 to May 31, 2020, mass gatherings -- including tree planting activities -- were banned. It also became challenging to source for planting materials with the closure of businesses during the period.

The ECQ coincided with the ideal period for seedling production and nursery preparation, allowing ample time for the seedlings to be ready for planting during the rainy season (usually starting in July).

“The planting schedule shifted by at least six months, and we had to catch up when restrictions eventually eased,” explained Tarayao.

“Most species need to be nurtured in the nursery first before they are transferred to their final planting sites. If we plant them directly on the ground or move them prematurely, they will most likely not survive,” explained Aileen de Ocampo, GreenEarth’s farm manager.

“In planting trees, quality is the utmost priority. You cannot rush natural processes; otherwise, it will only result in a high mortality rate,” added the forester.



The Commission on Audit has a similar take as stated in its 2019 review of the government’s National Greening Program.

“Instead of accelerating reforestation, fast-tracking only opened the program to waste. Forest cover yielded a marginal increase of 177,441 hectares after five (5) years of implementation, which is 88.17 percent below the target of 1.50 million hectares. It could not be expected that the forest cover would increase significantly because the seedlings are not surviving,” the report read.

### Carrying Out the Mission Despite the Pandemic

GreenEarth’s farmers established a new nursery for One for Trees’ next batch of trees in August and employed additional workers from among the locals who lost their jobs to the pandemic.

With the augmented workforce and OMF’s funding, GreenEarth simultaneously built concrete rainwater collection tanks (1 tank for every 500 seedlings) to take advantage of the rainy season. GreenEarth’s tanks allow its farmers to plant the 87,271 seedlings in the last quarter of 2020 and continue

to do so until the end of April 2021. Even if the dry season comes early, the tanks’ water will sustain the seedlings’ growth.

GreenEarth adopted the same strategy when One for Trees piloted in its farm in 2019, with 5,500 trees. As of December 31, 2020, at least 90 percent of these survived.

The moringa trees planted by farmers alongside Meralco employees in 2019 also supported the farmers’ livelihood during the ECQ. They were able to harvest, process, and sell the leaves as powdered tea. They also planted organic vegetables alongside the trees since their presence prevented the soil’s moisture from completely drying out at the peak of summer. These vegetables were a hit among Metro Manila residents turning to organically-grown food for nourishment during the health crisis.

“As we continue to implement and improve the One for Trees program, we factor in the lessons we have learned, especially with our experience at GreenEarth. When we look for partners to facilitate the program’s expansion to more planting sites, we look for all the ingredients that proved to be effective in ensuring that our efforts and investments are not wasted.

*Constructing these concrete rainwater storage tanks are vital to the success of the reforestation program. Without water during the dry season, majority of the young trees will die.*

Besides the technical factors, we also determine if the community is engaged and ready to take on the project. One for Trees must also have a tangible, long-term benefit for the farmers, such that they will take care of its trees for the long haul,” Tarayao explained.

Indeed, the path towards maintaining healthier forests is long and complex, but One Meralco Foundation remains committed to taking a share of this mission one tree at a time.



*Apart from moringa and fruit-bearing trees, GreenEarth also plants native hardwood trees, the seeds of which were collected mostly from existing trees that naturally grow in the area.*



**90%**

**SURVIVAL RATE OF TREES PLANTED IN 2019 AT GREENEARTH**



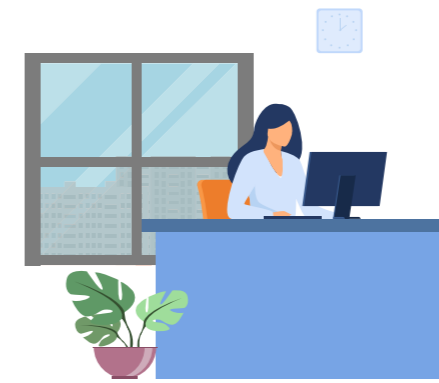
**SCAN TO WATCH VIDEO**  
Farmer Winnie Sulat shares how his family's long journey in quest for greener pastures led him to One for Trees.



## Spreading Hope from Home

The pandemic may have brought Meralco employees physically apart as many of them had to work remotely, but it did not deter them from contributing to the Foundation's mission.

Every year, One Meralco Foundation engages Meralco employees in giving and volunteering opportunities to support various causes such as greening initiatives, back-to-school activities, and Christmas outreach projects. However, the pandemic made it impossible for most to participate in the Foundation's activities physically. Fortunately, the corporate value of 'makabayan' burns passionately in their hearts.



# PhP2.81M

## FUNDS RAISED FROM MERALCO EMPLOYEES THROUGH THE 'HELP FROM HOME' CAMPAIGN

### Help from Home

When the Foundation launched the "Help from Home" fundraising drive in March to sustain relief operations for marginalized families affected by the pandemic, employees -- most of whom were working from home -- generously supported the campaign, raising PhP2,806,902. It allowed OMF to distribute 5,228 more food packs, 1,000 grocery vouchers to disadvantaged families, and sanitation kits to 700 more.

Representatives from Meralco's business centers, network sectors, and corporate offices also helped distribute food packages, vegetables, PPEs, and alcohol to health care institutions, temporary shelters, and LGU offices throughout the year.

### Teacher Frontliner

In celebration of World Teachers' Month in September through October, OMF again elicited support for "Teacher Frontliner," its back-to-school campaign. The initiative aimed at providing PPEs to public school teachers who are considered education frontliners.

Instead of passing the hat for their group's Christmas celebration, various employee groups got creative and pooled resources to support the campaign instead.

"Teacher Frontliner" raised PhP1,381,750 from Meralco employees and provided PPE kits to 2,596 teachers in 58 public schools.



OMF Trustee and Meralco's Chief Commercial Officer Ferdinand Geluz leads the distribution of back-to-school kits to teacher-frontliners in Cavite.



Public school teachers in full PPE gear pose with their "Teacher Frontliner" backpack from OMF.

**"In celebration of World Teachers' Month in September through October, OMF again elicited support for 'Teacher Frontliner,' its back-to-school campaign."**



**2,596**

**PPE KITS PROVIDED BY MERALCO EMPLOYEES TO TEACHERS IN 58 PUBLIC SCHOOLS**

Ma. Luz Baltazar, a sixth-grade teacher at Marick Elementary School in Cainta, Rizal, was among the first recipients of Meralco employees' donations.

"I feel blessed to be chosen to benefit from the 'Teacher Frontliner' campaign. PPEs are very helpful, especially since we, teachers, need to physically report to work several days a week to prepare and distribute learning materials to our students," she said.

The 56-year-old teacher is mindful of the risks, but she needs to carry on for her students' sake.

"Our situation now is indeed challenging," she said in Filipino.

"We don't see the enemy. When we take public transport, we have no way of determining whether the one seated beside us has the virus. We have to be extra careful, especially since anyone -- young or old -- can get infected by it."

**Tuloy Pa Rin Ang Pasko**

In December, OMF joined the rest of the MVP Group in spreading a cheerful vibe during the holiday season despite the pandemic through the "Tuloy Pa Rin Ang Pasko" movement.

The campaign provided noche buena packages to 1,105 individuals severely affected by the lockdowns, of which

692 packs worth Php346,150 were funded by employees.

Beneficiaries include jeepney and tricycle drivers, persons with disabilities, blind massage therapists, and families affected by typhoons in Manila, Pasig City, Quezon City, Rodriguez, Rizal; Dona Remedios Trinidad, Bulacan; and Mauban, Quezon.



*In celebration of the Christmas season, Meralco employees donated noche buena packages to marginalized families through the "Tuloy Pa Rin Ang Pasko" campaign.*



*Meralco sent a contingent of more than 200 engineers, linemen and support personnel to help restore power in typhoon-affected communities outside of its franchise area.*

**Reaching Out in Times of Calamities**

Meralco's workforce extends OMF's social development programs to reach those affected by calamities within and beyond its franchise area.

Employees donated Php911,860 to fund the Foundation's relief operations during the Taal Volcano eruption and Php699,300 in response to typhoons Rolly and Ulysses.

Business center and network sector employees served as conduits in "spreading the light of hope" to families affected by fires, floods, and typhoons in the franchise area.

In the aftermath of typhoons, Meralco sends its power restoration volunteers to help local electric cooperatives expedite the resumption of electricity service in badly affected areas. Such was the case when Typhoon Rolly battered provinces in the Bicol region in October.

Meralco deployed heavy-lifting equipment and more than 200 personnel (engineers, linemen, and support crew) in Albay, Camarines Sur, and Catanduanes. It was one of the most significant power restoration projects Meralco has embarked on outside its franchise area. One Meralco Foundation, for its part, supported the logistics requirement of the said activity.

Meralco employees' unwavering support for the Foundation's social development initiatives, even when they, too, are affected by a global health crisis, speaks loudly of the admirable culture rooted deeply in the organization's 117-year history.

**"Meralco's workforce extends OMF's social development programs to reach those affected by calamities within and beyond its franchise area."**

## 2020 Financial Review

While no one could have prepared enough for the global health crisis that is COVID-19, One Meralco Foundation recalibrated its plans early in the year and managed its resources such that it can continue to deliver the targets of its core advocacies, while implementing new programs that address the needs of marginalized communities and frontliners.

It also launched fundraising campaigns to augment resources necessary in initiatives related to the pandemic such as the donation of personal protective equipment, food packages to marginalized communities, and cash assistance to out-of-work service providers of Meralco.

Additionally, it optimized expenses by forgoing activities not feasible during the pandemic such as mass volunteerism activities, and improved efficiency by employing digital tools to automate and expedite operational processes.

In summary, the Foundation undertook the following measures during the year to carry out its mission while maintaining a healthy financial performance:

- Total expenditures of OMF for 2020 is PhP132.84M of which 98% or PhP130M was spent for the implementation of various social development programs distributed as follows: Grant Operating (PhP126.02M) and Grant Making (PhP6.82M).
- More than half (59%) of the Foundation's grant operating expenses or PhP74.95M was spent on its response to COVID-19 which includes donations to the frontliners and healthcare workers (PhP25.47M), marginalized families (PhP29.14M) and electricity bills of various quarantine facilities (PhP20.34M).
- Out of PhP74.95M expenses in COVID-related projects, PhP20.34M

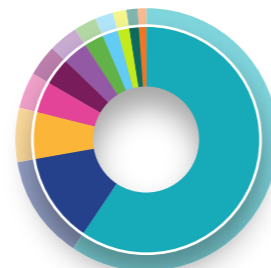
was spent for electricity bills and distribution charges of various quarantine facilities of which PhP8.34M was donated by Meralco's co-sponsors, South Luzon Thermal Energy Corporation (SLTEC) and SMC Global Power Foundation, Inc. Aside from this major COVID-related expense, the Foundation also distributed cash grants to 6,209 employees of Meralco service providers with a total amount of PhP24.84M. This was fully-funded by the employees of Meralco and its subsidiaries. Meralco also donated PhP16.42M to the Foundation to fund the purchase of various medical equipment for the East Avenue Medical Center.

- A total of PhP26.53M was spent on the Foundation's core programs, school and household electrification and environmental sustainability.
- The Foundation also received funds from employees of Meralco and its subsidiaries/affiliates and its corporate partners. A total of PhP34.06M were raised from the following campaigns: Taal Volcano Eruption Disaster Response (PhP0.91M), "Help from Home" COVID Response Campaign (PhP2.81M), "A Day to Give and Share A Leave" Campaign (PhP27.91M), "Teacher Frontliner" back-to-school campaign (PhP1.38M), Typhoon Ulysses Disaster Response (PhP0.70M+) and "Tuloy Pa Rin Ang Pasko" Christmas Campaign (PhP0.35M).

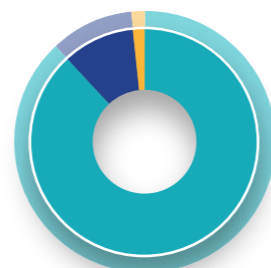
- The Foundation maintained its general and administrative expenses at two percent of both the total donations received and the total expenses it incurred during the year—lower than the 30 and 20 percent caps set by the Philippine Council for NGO Certification (PCNC) and the Department of Social Welfare and Development (DSWD), respectively.



**FUNDS BY SOURCE**  
 ● PhP 67.29 - Meralco Donation  
 ● PhP 37.07 - Meralco Business Units & Employees  
 ● PhP 9.39 - External Donors  
 ● PhP 4.11 - Interest Income



**GRANTS OPERATING-UTILIZATION**  
 ● PhP 74.95 - COVID-19 Response Proj  
 ● PhP 16.23 - Household Electrification Program  
 ● PhP 8.23 - Disaster Response  
 ● PhP 5.71 - One For Trees  
 ● PhP 4.79 - Youth Development  
 ● PhP 4.59 - School Electrification Program  
 ● PhP 3.67 - Regular Donations & Sponsorships  
 ● PhP 2.78 - General and Administrative Expenses  
 ● PhP 2.18 - Grassroots Partnerships  
 ● PhP 1.68 - Other Program Expenses  
 ● PhP 1.12 - Marketing & Communications



**GRANTS MAKING-UTILIZATION**  
 ● PhP 6.00 - First Pacific Leadership Academy  
 ● PhP 0.71 - Donations & Sponsorships  
 ● PhP 0.12 - Grassroots Partnerships

Note: Amounts in million PhP

## Recognition from the Community

One Meralco Foundation is honored and inspired by the following awards it has received from reputable organizations in the country and abroad.

These serve as a heartwarming validation of the quality and efficacy of its social development programs, and more importantly, of their sustained impact on the lives of beneficiaries.

### International Business Awards

**Help from Home**  
Bronze, Most Valuable Corporate Response Category

**Free eShuttle for Frontliners**  
Bronze, Most Valuable Corporate Response Category

**From Farmers to Frontliners**  
Bronze, Most Valuable Non-Profit Response

**Empowering the People through Partnership**  
Bronze, Most Valuable Non-Profit Response

### 56th Anvil Awards (Public Relations Society of the Philippines)

**From Farmers to Frontliners**  
Silver Anvil Award

**OMF's Household Electrification Program**  
Silver Anvil Award

**No School Left in the Dark: School Electrification Program Energizes the Farthest Schools in the Country**  
Silver Anvil Award

### Philippine Quill Awards (International Association of Business Communicators)

**MVP Academic Achievement Awards 2019: Builders of the Future**  
Excellence Award

**Laging Handa: The 2019 One Meralco Foundation Back-to-School Program**  
Excellence Award

**COVID Comms 2020: From Farmers to Frontliners**  
Merit Award

**No School Left in the Dark: Energizing the Farthest Public Schools in the Philippines**  
Merit Award

**OMF's Household Electrification Program**  
Merit Award

**One For Trees: Engaging Employees in Sustainable Reforestation**  
Merit Award







**Manuel V. Pangilinan**  
Chairman  
Chairman, Meralco

**Ray C. Espinosa**  
Vice Chairman  
President and Chief  
Executive Officer, Meralco

**Jeffrey D. Tarayao**  
President  
Chief Corporate Social  
Responsibility Officer,  
Meralco

**Betty C. Siy-Yap**  
Trustee  
Senior Vice President and  
Chief Finance Officer,  
Meralco

**Ronnie L. Aperoch**  
Trustee  
Senior Vice President and  
Head, Networks, Meralco

**Ferdinand O. Geluz**  
Trustee  
First Vice President and  
Chief Commercial Officer,  
Customer Retail Services  
Meralco

**Rogelio L. Singson**  
Trustee  
President and Chief  
Executive Officer,  
Meralco PowerGen  
Corporation

**Rev. Fr. Antonio Cecilio T. Pascual**  
Trustee  
Executive Director,  
Caritas Manila

**Dr. Emerlinda R. Roman**  
Independent Trustee  
Professor Emeritus, Virata  
School of Business  
University of the Philippines



**Jeffrey O. Tarayao**  
*President*

**Atty. Maria Zarah Villanueva-Castro**  
*Corporate Secretary*

**Anna Marie C. Lerma**  
*Treasurer*

**Michael J. Del Rosario**  
*Program Manager*  
Household Electrification,  
and Youth Development

**Grace G. Noche**  
*Program Manager*  
Employee Volunteerism,  
Grassroots Partnerships,  
and Governance and  
Foundation Operations

**Rainier R. Manguiat**  
*Program Manager*  
School Electrification, and  
Emergency Preparedness  
and Disaster Response

**Neil Celeste T. Rara**  
*Program Manager*  
Social Marketing and  
Communications, and  
Environmental Sustainability



**Mary Ann O. Domingo**  
*Finance Manager*

**Rhea F. Iligan**  
*Administrative Officer*

**Ronald B. Apolonio**  
*Project Assistant*

**Raymond A. Buenaventura**  
*Administrative Assistant*

## Statement of Management's Responsibility for Financial Statements

The management of One Meralco Foundation, Inc. (the "Foundation") (a non-stock, non-profit organization) is responsible for the preparation and fair presentation of the financial statements for the years ended December 31, 2020 and 2019, in accordance with the prescribed financial reporting framework indicated therein, and for such internal control management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Foundation'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 Foundation or to cease operations, or has no realistic alternative but to do so.

The Board of Trustees is responsible for overseeing the Foundation's financial reporting process.

The Board of Trustees reviews and approves the financial statements, and submits the same to the members.

R.G. Manabat & Co., the independent auditors appointed by the members, has audited the financial statements of the Foundation in accordance with Philippine Standards on Auditing, and in its report to the members, has expressed its opinion on the fairness of presentation upon completion of such audit.



**MANUEL V. PANGILINAN**  
Chairman



**JEFFREY O. TARAYAO**  
President



**ANNA MARIE C. LERMA**  
Treasurer

Signed this May 17, 2021

## Report of Independent Auditors



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The KPMG Center, 9/F  
6787 Ayala Avenue, Makati City  
Philippines 1226  
Telephone +63 (2) 8885 7000  
Fax +63 (2) 8894 1985  
Internet www.home.kpmg/ph  
Email ph-inquiry@kpmg.com

### REPORT OF INDEPENDENT AUDITORS

The Board of Trustees  
**One Meralco Foundation, Inc.**  
Lopez Building, Meralco Center  
Ortigas Avenue, Brgy. Ugong  
Pasig City

### Report on the Audit of the Financial Statements

#### Opinion

We have audited the financial statements of One Meralco Foundation, Inc. (the "Foundation"), which comprise the statements of assets, liabilities and fund balances as at December 31, 2020 and 2019, and the statements of revenues and expenses, statements of changes in fund balances and statements of cash flows for the years then ended, and notes, comprising significant accounting policies and other explanatory information.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the One Meralco Foundation, Inc. as at December 31, 2020 and 2019, and its financial performance and its cash flows for the years then ended in accordance with the Philippine Financial Reporting Standard for Small and Medium-sized Entities (PFRS for SMEs).

#### 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 *Auditors' Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Foundation in accordance with the Code of Ethics for Professional Accountants in the Philippines (Code of Ethics), together with the ethical requirements that are relevant to our audit of the financial statements in the Philippines, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.



#### *Responsibilities of Management and Those Charged with Governance for the Financial Statements*

Management is responsible for the preparation and fair presentation of these financial statements in accordance with PFRS for SMEs, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Foundation'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 Foundation or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Foundation's financial reporting process.

#### *Auditors' Responsibilities for the Audit of the Financial Statements*

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' 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 aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with PSAs, we exercise professional judgment and maintains professional skepticism throughout the audit. We also:

- Identify and assess the risk of material misstatement of the financial statements, whether due to fraud or error, designs 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 Foundation's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of the accounting estimates and related disclosures 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 Foundation's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the 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 auditors' report. However, future events or conditions may cause the Foundation to cease to continue as a going concern.



- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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.

#### **Report on the Supplementary Information Required Under Revenue Regulations No. 15-2010 and Revenue Regulations No. 34-2020 of the Bureau of Internal Revenue**

Our audits were conducted for the purpose of forming an opinion on the basic financial statements taken as a whole. The supplementary information in Note 16 to the financial statements is presented for purposes of filing with the Bureau of Internal Revenue and is not a required part of the financial statements. Such information is the responsibility of management. The information has been subjected to the auditing procedures applied in our audit of the basic financial statements. In our opinion, the information is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

#### **R.G. MANABAT & CO.**

  
ENRICO E. BALUYUT  
Partner

CPA License No. 065537  
SEC Accreditation No. 1177-AR-2, Group A, valid until July 9, 2021  
Tax Identification No. 131-029-752  
BIR Accreditation No. 08-001987-026-2020  
Issued July 20, 2020; valid until July 19, 2023  
PTR No. MKT 8533892  
Issued January 4, 2021 at Makati City

May 17, 2021  
Makati City, Metro Manila

ONE MERALCO FOUNDATION, INC.  
(A Non-stock, Non-profit Organization)

## Statements of Assets, Liabilities and Fund Balances

		December 31	
	Note	2020	2019
<b>ASSETS</b>			
<b>Current Assets</b>			
Cash and cash equivalents	4, 5	P241,936,704	P252,334,886
Advances to program officers	6	724,822	593,203
Held-to-maturity investments - current	8	5,000,000	6,000,000
Other current assets	4, 7	3,860,026	4,381,686
<b>Total Current Assets</b>		<b>251,521,552</b>	263,309,775
<b>Noncurrent Assets</b>			
Held-to-maturity investments - net of current portion	4, 8, 15	5,000,000	10,000,000
Property and equipment – net	9	313,848	582,968
<b>Total Noncurrent Assets</b>		<b>5,313,848</b>	10,582,968
		<b>P256,835,400</b>	P273,892,743
<b>LIABILITIES AND FUND BALANCES</b>			
<b>Liabilities</b>			
Accounts payable and accrued expenses	4, 10	P11,647,532	P13,722,479
<b>Fund Balances</b>	14	<b>245,187,868</b>	260,170,264
		<b>P256,835,400</b>	P273,892,743

See Notes to the Financial Statements.

ONE MERALCO FOUNDATION, INC.  
(A Non-stock, Non-profit Organization)

## Statements of Revenues and Expenses

		Years Ended December 31	
	Note	2020	2019
<b>REVENUES</b>			
Donations and contributions	11, 15	P113,741,566	P140,772,653
Interest income	5, 8	4,114,466	7,660,599
		<b>117,856,032</b>	148,433,252
<b>EXPENSES</b>			
Program costs	12	129,903,091	138,920,530
General and administrative expenses	13	2,838,667	3,591,809
Foreign exchange loss – net		96,670	69,025
		<b>132,838,428</b>	142,581,364
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENSES</b>		<b>(P14,982,396)</b>	P5,851,888

See Notes to the Financial Statements.

## Statements of Changes in Fund Balances for the Years Ended December 31, 2020 and 2019

	Note	Restricted Fund	General Fund	Corpus Fund	Total
Balance at January 1, 2019		P3,547,544	P103,643,403	P147,127,429	P254,318,376
Excess (Deficiency) of revenues over expenses		(64,466)	1,193,771	4,722,583	5,851,888
Balance at December 31, 2019		3,483,078	104,837,174	151,850,012	260,170,264
Excess (Deficiency) of revenues over expenses		(60,861)	(18,397,727)	3,476,192	(14,982,396)
<b>Balance at December 31, 2020</b>	<b>14</b>	<b>P3,422,217</b>	<b>P86,439,447</b>	<b>P155,326,204</b>	<b>P245,187,868</b>

See Notes to the Financial Statements.

## Statements of Cash Flows

	Note	Years Ended December 31	
		2020	2019
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Excess (deficiency) of revenues over expenses		<b>(P14,982,396)</b>	P5,851,888
Adjustments for:			
In-kind donations to beneficiaries		<b>455,266</b>	396,271
Depreciation	9, 12	<b>335,051</b>	350,938
Unrealized foreign exchange loss		<b>96,670</b>	69,025
In-kind donations received from donors		<b>(455,266)</b>	(530,036)
Interest income	5, 8	<b>(4,114,466)</b>	(7,660,599)
Deficiency of revenues over expenses before changes in working fund		<b>(18,665,141)</b>	(1,522,513)
Changes in operating assets and liabilities			
Increase in:			
Advances to program officers		<b>(131,619)</b>	(364,751)
Other current assets		<b>(198,555)</b>	(22,742)
Increase (decrease) in accounts payable and accrued expenses		<b>(2,074,947)</b>	4,928,101
Net cash generated from (used in) operations		<b>(21,070,262)</b>	3,018,095
Interest received	5, 7, 8	<b>4,834,681</b>	7,333,698
Net cash provided by (used in) operating activities		<b>(16,235,581)</b>	10,351,793
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Proceeds from held-to-maturity investments	8	<b>6,000,000</b>	-
Additions to property and equipment	9	<b>(65,931)</b>	(206,745)
Net cash provided by (used in) investing activities		<b>5,934,069</b>	(206,745)
<b>EFFECTS OF EXCHANGE RATE CHANGES ON CASH AND CASH EQUIVALENTS</b>			
		<b>(96,670)</b>	(69,025)
<b>NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS</b>		<b>(10,398,182)</b>	10,076,023
<b>CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR</b>	5	<b>252,334,886</b>	242,258,863
<b>CASH AND CASH EQUIVALENTS AT END OF YEAR</b>	5	<b>P241,936,704</b>	P252,334,886

See Notes to the Financial Statements.

# Notes to the Financial Statements

## 1. Corporate Information

One Meralco Foundation, Inc. (the "Foundation") was incorporated and registered with the Philippine Securities and Exchange Commission (SEC) on May 8, 2002 as a non-stock, non-profit organization. It is the corporate social responsibility (CSR) arm of Manila Electric Company (Meralco). The thrusts of the Foundation are: (i) community electrification; (ii) energy education; (iii) grassroots partnerships; (iv) youth and sports advocacy; (v) disaster response; (vi) environmental sustainability.

The Foundation is a registered donee institution duly qualified by the Philippine Council for NGO Certification (PCNC). The certification is valid for five (5) years up to March 30, 2022.

As a non-stock, non-profit organization, the Foundation is exempt from payment of income tax on income received by it pursuant to Section 30(G) of the Tax Code of 1997.

The registered office address of the Foundation is Lopez Building, Meralco Center, Ortigas Avenue, Brgy. Ugong, Pasig City.

## 2. Basis of Preparation

### Statement of Compliance

The financial statements have been prepared in accordance with the Philippine Financial Reporting Standard for Small and Medium-sized Entities (PFRS for SMEs).

The financial statements of the Foundation were approved and authorized for issuance by its Board of Trustees (BOT) on May 17, 2021.

### Basis of Measurement

The financial statements of the Foundation have been prepared using the historical cost basis of accounting.

### Functional and Presentation Currency

The financial statements are presented in Philippine peso, which is the Foundation's functional currency. All values are rounded off to the nearest peso, except when otherwise indicated.

### Use of Judgments and Estimates

The preparation of the Foundation's financial statements in conformity with PFRS for SMEs requires management to use judgments, estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. The estimates and assumptions used in preparing the financial statements are based on management's evaluation of relevant facts and circumstances as at the date of the financial statements. Actual results could differ from these estimates. Estimates and underlying assumptions are reviewed on an ongoing basis and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. Revisions to accounting estimates are recognized in a period in which the estimate is revised and in any future periods affected.

Information about significant areas of estimation, uncertainty and critical judgments in applying accounting policies that have the most significant effect on the amounts recognized in the financial statements is as follows:

### Judgments

In the process of applying the Foundation's accounting policies, management has made the following judgments, apart from those involving estimations, which has the most significant effect on the financial statements.

### Classification of Held-to-Maturity (HTM) Investments

The Foundation follows the guidance in Philippine Accounting Standard (PAS) 39, *Financial Instruments: Recognition and Measurement*, on classifying non-derivative financial assets with fixed or determinable payments and fixed maturity as HTM investments. This classification requires significant judgment. In making such judgment, the Foundation evaluates its intention and ability to hold such investments to maturity. If the Foundation fails to keep these investments to maturity other than for the specific circumstances, for example, selling more than an insignificant amount close to maturity, the entire portfolio shall be reclassified as available-for-sale (AFS) financial asset and would therefore be measured at fair value and not at amortized cost.

As at December 31, 2020 and 2019, the Foundation classified its investments in fixed notes amounting to P10,000,000 and 16,000,000 as HTM investments, respectively (see note 8).

### Estimates

The key assumption concerning the future and other key source of estimation and uncertainty as at reporting date that has significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year is discussed below.

### Estimating Impairment Loss on HTM Investments

The Foundation assesses at each reporting date whether there is any objective evidence that the HTM investments are impaired as a result of one or more loss events that has an impact on the estimated future cash flows of the investments. Determining the future cash flows requires the Foundation to make estimates and assumptions that can materially affect the financial statements. As at December 31, 2020 and 2019, the Foundation's HTM investments amounted to P10,000,000 and P16,000,000, respectively (see Note 8). No impairment loss was recognized with respect to the Foundation's HTM investments for the years ended December 31, 2020 and 2019.

## 3. Summary of Significant Accounting Policies

The accounting policies set out below have been applied consistently to all periods presented in these financial statements unless otherwise indicated.

### Financial Instruments

The Foundation adopted the recognition and measurement provisions of PAS 39, *Financial Instruments: Recognition and Measurement* and the disclosure requirements of Sections 11 and 12 of the PFRS for SMEs to account for all its financial instruments.

**Date of Recognition.** The Foundation recognizes a financial asset or a financial liability in the statement of assets, liabilities, and fund balances when it becomes a party to the contractual provisions of the instrument. In the case of a regular way purchase or sale of financial assets, recognition is done using trade date accounting.

**Initial and Subsequent Recognition of Financial Instruments.** Financial instruments are recognized initially at the fair value of the consideration given (in case of an asset) or received (in case of a liability). The initial measurement of financial instruments, except for those designated at fair value through profit or loss (FVPL), includes transaction costs.

Subsequent to initial recognition, the Foundation classifies its financial instruments in the following categories: financial assets and liabilities at FVPL, HTM investments, AFS financial assets, loans and receivables and other financial liabilities. The classification depends on the purpose for which the financial instruments are acquired and whether they are quoted in an active market. Management determines the classification of its financial assets at initial recognition and, where allowed and appropriate, re-evaluates such designation at every reporting date.

As at December 31, 2020 and 2019, the Foundation has no financial assets and liabilities classified as “at FVPL” and AFS financial assets.

*Loans and Receivables.* Loans and receivables are non-derivative financial assets with fixed or determinable payments and maturities that are not quoted in an active market. They are not entered into with the intention of immediate or short-term resale and are not designated as AFS financial assets or financial assets at FVPL. Subsequent to initial measurement, loans and receivables are carried at amortized cost using the effective interest method, less any impairment in value. Any interest earned on loans and receivables is recognized in the “Interest income” account in the statement of revenues and expenses on an accrual basis.

The Foundation’s cash and cash equivalents and interest receivable are classified in this category.

*HTM Investments.* HTM investments are quoted non-derivative financial assets with fixed or determinable payments and fixed maturities for which the Foundation’s management has the positive intention and ability to hold to maturity. Where the Foundation sells other than an insignificant amount of HTM investments, the entire category would be tainted and classified as AFS investments. After initial measurement, these investments are measured at amortized cost using the effective interest method, less impairment in value. Amortized cost is calculated by taking into account any discount or premium on acquisition and fees that are an integral part of the effective interest rate. Gains and losses are recognized in the statement of revenues and expenses when the HTM investments are derecognized or impaired, as well as through the amortization process.

The Foundation’s investments in fixed rate bonds as at December 31, 2020 and 2019 are classified under this category.

*Other Financial Liabilities.* This category pertains to financial liabilities that are not designated or classified as “at FVPL”. After initial measurement, other financial liabilities are carried at amortized cost using the effective interest method. Amortized cost is calculated by taking into account any premium or discount and any directly attributable transaction costs that are considered an integral part of the effective interest rate of the liability.

Included in this category are the Foundation’s accounts payable and accrued expenses, excluding statutory liabilities.

#### Impairment of Financial Assets

The Foundation assesses at each reporting date whether there is any objective evidence that a financial asset or group of financial assets is impaired.

A financial asset or a group of financial assets is considered to be impaired if, and only if, there is objective evidence of impairment as a result of one or more events that have occurred after the initial recognition of the asset (an incurred loss event) and that loss event has an impact on the estimated future cash flows of the financial asset or the group of financial assets that can be reliably estimated.

For assets carried at amortized cost such as loans and receivables and HTM investments, the Foundation first assesses whether objective evidence of impairment exists individually for financial assets that are individually significant, or collectively for financial assets that are not individually significant. If no objective evidence of impairment has been identified for a particular financial asset that was individually assessed, the Foundation includes the asset as part of a group of financial assets pooled according to their credit risk characteristics and collectively assesses the group for impairment. Assets that are individually assessed for impairment and for which an impairment loss is, or continues to be, recognized are not included in the collective impairment assessment.

Evidence of impairment for specific impairment purposes may include indications that the borrower or a group of borrowers is experiencing financial difficulty, default or delinquency in principal or interest payments, or may enter into bankruptcy or other form of financial reorganization intended to alleviate the financial condition of the borrower. For collective impairment purposes, evidence of impairment may include observable data on existing economic conditions, indicating that there is a measurable decrease in the estimated future cash flows of the related assets.

If there is objective evidence of impairment, the amount of loss is measured as the difference between the asset’s carrying amount and the present value of estimated future cash flows (excluding future credit losses) discounted at the financial asset’s original effective interest rate (i.e., the effective interest rate computed at initial recognition). Time value is generally not considered when the effect of discounting the cash flows is immaterial. For collective impairment purposes, impairment loss is computed based on their respective default and historical loss experience.

The carrying amount of the asset shall be reduced either directly or through use of an allowance account. The impairment loss for the period shall be recognized in statement of revenues and expenses. If, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognized, the previously recognized impairment loss is reversed. Any subsequent reversal of an impairment loss is recognized in the statement of revenues and expenses, to the extent that the carrying amount of the asset had the impairment not previously been recognized.

#### Derecognition of Financial Instruments

*Financial Assets.* A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is derecognized when:

- the rights to receive cash flows from the asset expired;
- the Foundation retains the right to receive cash flows from the asset, but has assumed an obligation to pay them in full without material delay to a third party under a ‘pass-through’ arrangement; or
- the Foundation has transferred its rights to receive cash flows from the asset and either: (a) has transferred substantially all the risks and rewards of the asset; or (b) has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When the Foundation has transferred its rights to receive cash flows from an asset and has neither transferred nor retained substantially all the risks and rewards of the asset nor transferred control of the asset, the asset is recognized to the extent of the Foundation’s continuing involvement in the asset. Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Foundation could be required to repay.



*Financial Liabilities.* A financial liability is derecognized when the obligation under the liability is discharged or cancelled or has expired. When an existing financial liability is replaced by another from the same lender or substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as derecognition of the carrying amount of the original liability and the recognition of a new liability at fair value, and any resulting difference in the respective carrying amounts is recognized in the statement of revenues and expenses.

Offsetting Financial Instruments

Financial assets and financial liabilities are offset and the net amount is reported in the statement of assets, liabilities and fund balances if, and only if, there is a currently enforceable legal right to offset the recognized amounts and there is an intention to settle on a net basis, or to realize the asset and settle the liability simultaneously. This is not generally the case with master netting agreements, and the related assets and liabilities are presented at gross amounts in the statement of assets, liabilities and fund balances.

Project Supplies and Materials

Project supplies and materials under “Other current assets” account are initially recognized at the cost incurred by the donor. Project supplies and materials are recognized as expense when donated.

Prepaid Insurance

Prepaid insurance under “Other current assets” account is carried at cost and is amortized over the terms of the contract to which the payment applies.

Property and Equipment

Property and equipment are stated at cost, excluding the costs of day-to-day servicing, less accumulated depreciation and any impairment in value. The initial cost of property and equipment comprises its purchase price and any directly attributable costs of bringing the asset to its working condition and location for its intended use. Expenditures incurred after the property and equipment have been put into operations, such as repairs and maintenance and overhaul costs, are normally charged to operations in the period the costs are incurred. In situations where it can be clearly demonstrated that the expenditures have resulted in an increase in the future economic benefits expected to be obtained from the use of an item of property and equipment beyond its originally assessed standard of performance, the expenditures are capitalized as additional costs of property and equipment. When assets are sold or retired, their costs and accumulated depreciation and impairment losses, if any, are eliminated from the accounts and any gain or loss resulting from their disposal is included in the statement of revenues and expenses.

The useful life of each of the property and equipment is estimated based on the period over which the asset is expected to be available for use.

Depreciation is computed on a straight-line method over the estimated useful lives of the assets as follows:

	Number of Years
Transportation equipment	5
Computer and office equipment	3 - 5
Emergency equipment	5

The assets’ residual values, useful lives and depreciation method are reviewed, and adjusted if appropriate, if there is an indication of significant change since the last reporting date. Depreciation starts when an item of property and equipment is available for use.

An item of property and equipment is derecognized upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or

loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the item) is included in the statement of revenues and expenses in the year the item is derecognized.

Impairment of Non-financial Assets

The Foundation assesses as at reporting date whether there is an indication that an asset may be impaired. If any such indication exists, or when annual impairment testing for an asset is required, the Foundation makes an estimate of the asset’s recoverable amount. An asset’s recoverable amount is calculated as the higher of the asset’s or cash-generating unit’s fair value less costs to sell and its value in use. A cash-generating unit is the smallest identifiable asset group that generates cash flows and largely independent from other assets of the Foundation. Where the carrying amount of an asset exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessment of the time value of money and the risks specific to the asset. Impairment losses are recognized in the statement of revenues and expenses in those expense categories consistent with the function of the impaired asset.

An assessment is made at each reporting date as to whether there is an indication that previously recognized impairment losses may no longer exist or may have decreased. If such indication exists, the recoverable amount is estimated. A previously recognized impairment loss is reversed only if there has been a change in the estimates used to determine the asset’s recoverable amount since the last impairment loss was recognized. If that is the case, the carrying amount of the asset is increased to its recoverable amount. That increased amount cannot exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognized for the asset in prior years. Such reversal is recognized in the statement of revenues and expenses unless the asset is carried at revalued amount, in which case the reversal is treated as revaluation increase. After such a reversal, the depreciation charge is adjusted in future periods to allocate the asset’s revised carrying amount, less any residual value, on a systematic basis over its remaining estimated useful life.

Revenue Recognition

Revenue is recognized when it is probable that the economic benefits associated with the transaction will flow to the Foundation and the amount of the revenue can be measured reliably. The Foundation measures revenue at the fair value of the consideration received.

*Donations and Contributions and Fund Raising Activities*

Donations and contributions are recognized upon receipt, except for those received in relation to the Foundation’s fund raising activities, which are recognized upon the occurrence of the event and the right to receive the asset is established.

Donations and contributions received may either be cash or in kind. Donations and contributions received in kind are valued at either the fair value of asset received or at the acquisition cost of the donee, whichever is available. Fair value is usually determined based on the current market price of the donations received in kind. All donations and contributions received are considered as available for general use unless otherwise restricted by donors for use in specific projects.

*Interest Income*

Interest income is recognized as it accrues, using the effective interest method. The effective interest rate is the rate that discounts estimated future cash receipts through the expected life of the financial instrument. Interest income is recognized net of applicable taxes.

#### Cost and Expense Recognition

Expenses are decreases in economic benefits during the accounting period in the form of outflows or decrease of assets or incurrence of liabilities that result in decreases in the fund balance. Program costs and general and administrative expenses are recognized in the statement of revenues and expenses upon utilization of the service or when incurred.

#### Program Costs

Program costs refer to the donations to charitable institutions and costs incurred in the projects carried out by the Foundation and are generally recognized when the services are rendered or the expenses are incurred.

#### General and Administrative Expenses

General and administrative expenses represent costs incurred related to the direction and general administration of day-to-day operations of the Foundation and are generally recognized when the services are rendered or the expenses are incurred.

#### Provisions and Contingencies

A provision is recognized if, as a result of a past event, the Foundation has a present legal or constructive obligation that can be estimated reliably, and it is probable that a transfer of economic benefits will be required to settle the obligation. Provisions are determined by discounting the expected future cash flows at a rate that reflects current market assessments of the time value of money and the risks specific to the liability. The unwinding of the discount is recognized as a finance cost. The Foundation does not recognize a provision for future operating losses.

Contingent liabilities are not recognized in the financial statements. They are disclosed in the notes to the financial statements unless the possibility of an outflow of resources embodying economic benefits is remote. Contingent assets are not recognized in the financial statements but are disclosed in the notes to the financial statements when an inflow of economic benefits is probable.

#### Events After the Reporting Date

Post year-end events up to the date of approval of the financial statements by the BOT that provide additional information about the Foundation's financial position at reporting date (adjusting events) are reflected in the financial statements. Post year-end events that are not adjusting events are disclosed in the notes to financial statements when material.

#### 4. Categories of Financial Assets and Financial Liabilities

	Note	2020	2019
<b>Financial Assets at Amortized Cost</b>			
Cash and cash equivalents	5	<b>P241,936,704</b>	P252,334,886
Accrued interest receivable	7	<b>237,200</b>	957,415
HTM investments	8	<b>10,000,000</b>	16,000,000
		<b>P252,173,904</b>	P269,292,301
<b>Financial Liabilities at Amortized Cost</b>			
Accounts payable and accrued expenses*	10	<b>P10,801,861</b>	P12,828,956

\*Excluding statutory liabilities of P845,671 and P893,523 as of December 31, 2020 and 2019, respectively.

The Foundation's non-derivative financial assets consist of cash and cash equivalents, accrued interest receivable under "Other current assets" account and HTM investments. Non-derivative financial liabilities include accounts payable and accrued expenses, excluding statutory payables.

#### 5. Cash and Cash Equivalents

This account consists of the following:

	Note	2020	2019
Petty cash fund		<b>P40,000</b>	P40,000
Cash in banks	14	<b>48,536,974</b>	42,631,238
Short-term investments	14	<b>193,359,730</b>	209,663,648
		<b>P241,936,704</b>	P252,334,886

Cash in banks earn interest at the respective bank deposit rates. Short-term investments are made for varying maturity periods of up to three (3) months, depending on the immediate cash requirements of the Foundation, and earn interest ranging from 0.50% to 3.00% in 2020 and 1.25% to 5.25% in 2019.

Total interest income earned on cash and cash equivalents amounted to P3,536,666 and P7,082,799 in 2020 and 2019, respectively.

The Foundation's cash and cash equivalents include cash donations which are restricted for projects as specified by the donors. Total donor-restricted funds included in cash and cash equivalents amounted to P3,491,242 and P3,552,103 as at December 31, 2020 and 2019, respectively.

#### 6. Advances to Program Officers

These advances relate to the following projects:

	2020	2019
Emergency Preparedness and Disaster Response	<b>P641,546</b>	P328,717
Sponsorships and Special Projects	<b>78,494</b>	110,732
Community Electrification Program	<b>4,782</b>	105,378
Grassroots Partnerships	-	41,000
Youth and Sports Advocacy Projects	-	7,376
	<b>P724,822</b>	P593,203

Advances are provided to program officers to defray costs incurred for project implementation (see Note 12). Such advances are required to be liquidated within 60 days after the project is completed. The Foundation's uncompleted projects as at December 31, 2020 and 2019 are expected to be fully executed within the following calendar year.

## 7. Other Current Assets

	2020	2019
Project supplies and materials	P3,424,266	P3,231,069
Accrued interest receivable	237,200	957,415
Prepaid insurance	66,076	66,402
Others	132,484	126,800
	<b>P3,860,026</b>	<b>P4,381,686</b>

Project supplies and materials consist of books and footballs, gifts surrendered by employees consistent with Corporate Governance Policy, and other items from various donors to be used in the Foundation's projects and programs.

## 8. HTM Investments

This account consists of the following:

	<i>Note</i>	2020	2019
Investments in bonds issued by:			
Manila North Tollways Corporation (MNTC)		P5,000,000	P5,000,000
Ayala Land, Inc. (ALI)		5,000,000	5,000,000
Meralco	15	-	6,000,000
		<b>10,000,000</b>	16,000,000
Less: current portion of HTM investments		5,000,000	6,000,000
Noncurrent portion of HTM investments		<b>P5,000,000</b>	P10,000,000

Investments in MNTC bonds represent peso denominated 7-year fixed rate notes maturing on March 31, 2021. The ALI bond is a 10-year fixed rate note maturing on October 25, 2025. Interest income earned amounted to P577,800 in 2020 and 2019.

Investment in Meralco amounting to P6,000,000 which matured on December 12, 2020, has been redeemed by issuer.

## 9. Property and Equipment

The movements for each class of property and equipment are as follows:

	Transportation Equipment	Computer and Office Equipment	Emergency Equipment	Total
<b>Gross Carrying Amount</b>				
As at January 1, 2019	P3,104,033	P694,882	P1,347,385	P5,146,300
Acquisitions	-	206,745	-	206,745
As at December 31, 2019	3,104,033	901,627	1,347,385	5,353,045
Acquisitions	-	65,931	-	65,931
<b>As at December 31, 2020</b>	<b>3,104,033</b>	<b>967,558</b>	<b>1,347,385</b>	<b>5,418,976</b>
<b>Accumulated Depreciation</b>				
As at January 1, 2019	2,445,187	626,567	1,347,385	4,419,139
Depreciation for the year	272,626	78,312	-	350,938
As at December 31, 2019	2,717,813	704,879	1,347,385	4,770,077
Depreciation for the year	272,626	62,425	-	335,051
<b>As at December 31, 2020</b>	<b>2,990,439</b>	<b>767,304</b>	<b>1,347,385</b>	<b>5,105,128</b>
Carrying Amount as at December 31, 2019	P386,220	P196,748	P -	P582,968
<b>Carrying Amount as at December 31, 2020</b>	<b>P113,594</b>	<b>P200,254</b>	<b>P -</b>	<b>P313,848</b>

The depreciation expense recognized in statements of revenues and expenses are included under Program Costs and General and Administrative Expenses amounted to P272,626 and P62,425 in 2020 and P350,938 and nil in 2019, respectively. (see Notes 12 and 13).

As at December 31, 2020 and 2019, the aggregate acquisition cost of the fully depreciated property and equipment that are still being utilized by the Foundation amounted to P4,217,426.

As at December 31, 2020 and 2019, the Foundation assessed that there were no indicators of impairment on its property and equipment.

## 10. Accounts Payable and Accrued Expenses

	2020	2019
Accounts payable	P10,764,010	P12,574,255
Withholding taxes payable	845,671	893,523
Accrued expenses	37,851	254,701
	<b>P11,647,532</b>	<b>P13,722,479</b>

Accounts payable are noninterest-bearing and are payable to suppliers within 15 to 60 days from the invoice date.

Accounts payable includes dues payable to Meralco amounted to P2,189,345 and P346,284 in 2020 and 2019, respectively (see Note 15).

## 11. Revenues

Donations and contributions received either in cash or in kind are considered available for general use unless otherwise restricted by the donor to be used for specific projects. Restricted and unrestricted donations and contributions received are as follows:

	Note	2020	2019
Restricted:			
Emergency Preparedness & Disaster Response		<b>P64,424,052</b>	P4,292,309
Community Electrification Program		<b>16,200,056</b>	36,361,476
Environmental Sustainability Project		<b>10,863,266</b>	-
Grassroots Partnerships		<b>6,094,261</b>	8,383,709
Youth and Sports Advocacy Projects		<b>2,736,581</b>	48,922,850
Energy Education Program		<b>1,050,789</b>	4,371,580
Sponsorship and Others		<b>12,132,502</b>	38,183,819
		<b>113,501,507</b>	140,515,743
Unrestricted		<b>240,059</b>	256,910
	15	<b>P113,741,566</b>	P140,772,653

Emergency Preparedness and Disaster Response revenues as of December 31, 2020 include receipts restricted for COVID-19 response projects amounting to P62,334,744.

## 12. Program Costs

Program costs consist of:

	Note	2020	2019
Project costs		<b>P120,348,706</b>	P50,896,086
Donations and charitable contributions		<b>6,823,483</b>	84,048,787
Salaries, wages, and employee benefits		<b>1,265,971</b>	1,247,197
Events and marketing expenses		<b>1,115,899</b>	1,683,206
Depreciation	9	<b>272,626</b>	272,626
Insurance		<b>39,426</b>	45,043
Communications		<b>22,109</b>	26,286
Professional fees		<b>11,966</b>	370,000
Office meetings and supplies		<b>2,905</b>	115,163
Transportation and travel		-	216,136
		<b>P129,903,091</b>	P138,920,530

Donations and charitable contributions were made by the Foundation to various charitable institutions under the following programs:

	2020	2019
Sponsorships and Special Projects	<b>P6,705,483</b>	P40,898,787
Grassroots Partnership	<b>118,000</b>	150,000
Youth and Sports Development Projects	-	43,000,000
	<b>P6,823,483</b>	P84,048,787

Project costs comprise direct expenses related to the following programs:

	2020	2019
Emergency Preparedness & Disaster Response	<b>P83,183,022</b>	P2,228,003
Community Electrification Program	<b>20,814,114</b>	27,507,753
Environmental Sustainability Project	<b>5,707,523</b>	1,330,900
Youth and Sports Advocacy Projects	<b>4,788,137</b>	5,685,180
Sponsorships and Special Projects	<b>3,680,161</b>	3,460,756
Grassroots Partnership	<b>2,175,749</b>	7,222,418
Energy Education Program	-	3,461,076
	<b>P120,348,706</b>	P50,896,086

The following are the programs undertaken by the Foundation:

### Community Electrification Program

The program develops feasible electrification alternatives through workable socialized schemes for various types of community beneficiaries, like schools and households, in partnership with the Department of Education, Local Government Units (LGUs), NGOs, and other community institutions. Expenses related to Household Electrification is P16,227,236 and P20,113,823 in 2020 and 2019, respectively while School Electrification expenses is P4,586,878 and P7,393,930 in 2020 and 2019, respectively.

### Grassroots Partnership

The program promotes responsible stewardship among residents that spurs growth and development in communities. Employees of Meralco and its subsidiaries

have opportunities to do their share in nation-building by volunteering for various community projects.

### Youth and Sports Advocacy Projects

The program promotes the development of sports among youth in various communities not only to enhance their fitness, well-being and health, but also to develop leadership, character and discipline that will ultimately make them productive citizens of the country.

### Energy Education Program

The program aims to build energy awareness for the society by providing learning and teaching materials on energy to students and teachers.

### Emergency Preparedness & Disaster Response

The program provides support and assistance by lending the Foundation's experience and resources in emergency and disaster preparedness to other utility companies and communities to further improve response to major emergency situations, natural calamities and disasters. In 2020, through this program, the Foundation provides support and assistance to the individuals, particularly the health care workers, frontliners, and families affected by the Corona Virus Disease 2019 (COVID-19) pandemic with expenses amounting to P74,950,129.

### Environmental Sustainability Project

The program aims to restore biodiversity in critically threatened forests and watersheds through reforestation, with the target of planting and nurturing native trees starting 2019.

### 13. General and Administrative Expenses

The details of general and administrative expenses incurred in 2020 and 2019 are as follows:

	Note	2020	2019
Salaries, wages and employee benefits		<b>P1,533,648</b>	P1,397,771
Dues and fees		<b>242,300</b>	278,900
Professional fees		<b>237,757</b>	347,254
Transportation and travel		<b>149,196</b>	120,159
Entertainment, amusement, and representation		<b>132,834</b>	342,384
Repairs and maintenance		<b>118,602</b>	98,032
Office meetings and supplies		<b>97,567</b>	149,848
Depreciation	9	<b>62,425</b>	78,312
Taxes, permits and licenses		<b>26,271</b>	16,303
Bank charges		-	12,429
Others		<b>238,067</b>	750,417
		<b>P2,838,667</b>	P3,591,809

### 14. Fund Balances

#### Restricted Fund

Restricted Fund represents the accumulated excess of revenues over expenses pertaining to donations and contributions received for specific projects, net of related expenses.

#### General Fund

General Fund represents the accumulated excess of revenues over expenses pertaining to donations and contributions received for general use, net of related expenses.

#### Corpus Fund

Corpus Fund was set aside from the General Fund to serve as seed money to ensure the sustainability of the Foundation.

The creation of the Corpus Fund was approved by the BOT and the principal amount shall be disbursed only when BOT authorizes so. The interest earned from the placement of the funds, which amounted to P3,666,293 and P5,131,548 in 2020 and 2019, respectively, may be used for the projects of the Foundation and for any operational expenses.

Corpus fund as at December 31, 2020 and 2019 consists of the following:

	Note	2020	2019
Cash in banks	5	<b>P9,680,699</b>	P3,287,085
Short-term investments	5	<b>135,645,505</b>	132,562,927
HTM investments	8	<b>10,000,000</b>	16,000,000
		<b>P155,326,204</b>	P151,850,012

### 15. Related Party Transactions

Parties are considered to be related if one party has the ability to control the other party or exercise significant influence over the other party in making financial and operating decisions. This includes relationship that exists between and/or among entities, which are under common control with the reporting enterprise, or between and/or among the reporting enterprises and their key management personnel or trustees.

Significant transactions and outstanding balance of the Foundation with Meralco as at December 31, 2020 and 2019 are as follows:

Transaction	Year	Amount of Transaction	Accounts Payable
Donations and contributions	2020	<b>P68,788,180</b>	P -
	2019	136,523,374	-
Payment for electricity bills of COVID-19 quarantine facilities	2020	<b>18,150,167</b>	<b>2,144,627</b>
	2019	-	-
Theater rentals and, gas and oil	2020	<b>341,678</b>	<b>44,718</b>
	2019	366,337	346,285
<b>TOTAL</b>	<b>2020</b>		<b>P2,189,345</b>
TOTAL	2019		P346,285

Outstanding payable with a related party is expected to be settled in cash.

Theater rentals are payable on demand and non-interest bearing (see Note 10).

The Foundation's program management functions are being handled by Meralco employees.

## 16. Supplementary Information Required by the Bureau of Internal Revenue (BIR)

In addition to the disclosures mandated under PFRS for SMEs, and such other standards and/or conventions as may be adopted, companies are required by the BIR to provide in the notes to the financial statements, certain supplementary information for the taxable year based on Revenue Regulations No. 15-2010. The amounts relating to such information may not necessarily be the same with those amounts disclosed in the financial statements which were prepared in accordance with PFRS for SMEs. The following are the tax information / disclosures required for the taxable year ended December 31, 2020:

### A. Withholding Taxes

Withholding tax - expanded	<b>P1,168,597</b>
Tax on compensation and benefits	<b>12,124</b>
	<b>P1,180,721</b>

### B. All Other Taxes (Local and National)

<b>Other taxes paid during the year recognized under "Taxes, permits and licenses" account under General and Administrative Expenses</b>	
Local	
Business permits	<b>P9,812</b>
Community tax certificate	<b>10,500</b>
National	
Land Transportation Office registration fees	<b>5,459</b>
BIR annual registration fee	<b>500</b>
	<b>P26,271</b>

Information on the amount of value added tax, custom duties and tariff fees paid or accrued and the amount of excise taxes is not applicable since there are no transactions that the Foundation entered into that resulted in the payment or accrual of such taxes.

As at December 31, 2020, the Foundation has no pending tax cases nor tax assessment notices from the BIR.

### Based on Revenue Regulations No. 34-2020

In relation to Section 4 of BIR Revenue Regulations No. 34-2020, the Foundation is not covered by the prescribed requirements and procedures for the submission of BIR form No. 1709 Information Return on Related Party Transactions, Transfer Pricing Documentation and other supporting documents.

## 2020 Donors

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**One Meralco Foundation** is the social development arm of the Manila Electric Company (Meralco). It is a donee institution accredited by the Philippine Council for NGO Certification (PCNC), a registered social welfare and development agency under the Department of Social Welfare and Development (DSWD), and a member of the Philippine Business for the Environment, League of Corporate Foundations, and the Association of Foundations. For more information on One Meralco Foundation's programs and activities, visit [www.onemeralcofoundation.org](http://www.onemeralcofoundation.org), or follow its page on Facebook at [fb.com/onemeralcofoundation](https://www.facebook.com/onemeralcofoundation).

One Meralco Foundation is located at G/F West Wing, Lopez Building, Ortigas Avenue, Pasig City, Philippines.

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# 2020 Reports

Meralco Annual Report  
Meralco Sustainability Report  
One Meralco Foundation Annual Report

