

# ENGINEERING FIRST-WORLD SUSTAINABILITY



# The First Megawide Sustainability Report

This is Megawide's first Sustainability Report covering our Company's economic, social and environmental performance from January 1 to December 31, 2018. This report has been prepared in accordance with GRI Standards: Core option, as well as with Philippine SEC Memorandum Circular No. 4, series of 2019: Sustainability Reporting Guidelines for Publicly-Listed Companies.

Aside from establishing baseline data on our triple-bottom line performance on 24 material aspects and 18 standard disclosures, this report aims to provide concise and transparent data on our sustainability strategy and the corporate social responsibility initiatives that we have been pursuing over the past six years. We have chosen topics that are most relevant to our sector and industry, issues that our stakeholders care about, and areas where baseline information exists within our Company.

We are releasing this report yearly and aim to finetune our strategies by building on this report's baseline data and the inputs from our key publics. For all sustainability concerns and queries, please contact us through our Megawide Foundation office at [foundation@megawide.com.ph](mailto:foundation@megawide.com.ph).

For inquiries from our customers, investors, analysts, the media, and the financial community, please contact our Investor Relations Team at [ir@megawide.com.ph](mailto:ir@megawide.com.ph) and Corporate Affairs Team at [corpaffairs@megawide.com.ph](mailto:corpaffairs@megawide.com.ph).

Megawide Construction Corporation  
20 N. Domingo St. Brgy. Valencia, Quezon City  
1112 Philippines  
(+632) 655 1111  
[www.megawide.com.ph](http://www.megawide.com.ph)

GRI 102-3, GRI 102-53, GRI 102-54



## Contents

- 3** Message from the CEO
- 7** Company Overview
- 15** Corporate Governance
- 23** Sustainability Overview
- 31** Megawide Construction Corporation
- 43** GMR MEGAWIDE Cebu Airport Corporation
- 57** MWM Terminals, Inc.
- 65** Megawide Foundation
- 69** GRI Content Index



# Sustainability is the way to a First-World Philippines

“

*Our Company is the ideal incubator for enriching sustainability practices not just in the industry but in the country, through our large-scale construction projects and long-term infrastructure contracts.*

”

Everyone speaks of Sustainability Reporting as if it were a chore and tediously necessary. It was received that way at first when we began auditing the business in 2018 when we were without baseline measurements and integrated processes. We had relied solely on one entity – Megawide Foundation – as our driver for social projects until that point, thinking that a small yet committed group of people was enough to deliver the kind of support we envisioned to give our country. This entire process has relieved us of this notion. Our Company is the ideal incubator for enriching sustainability practices not just in the industry but in the country, through our large-scale construction projects and long-term infrastructure contracts such as Mactan-Cebu International Airport (MCIA) and the Paranaque Integrated Terminal Exchange (PITX). This is an opportunity that we must take for our business and for our vision of A First-World Philippines.

This vision has always been deeply personal, with roots as far back as twenty years ago when we were young and simply dreamed of helping to improve the way structures were built in the Philippines. Back then, the Philippine construction industry was languishing in the same practices it had when it boomed in the 1960s and 1970s. There were hardly any innovations to speak of, and environmental conscientiousness took a back seat to construction deadlines. Firms leaned towards materials that were in abundance but not exactly reusable, such as lumber for formworks; and to meet delays, the common solution was to infuse more manpower in the project, no matter that they were less-skilled.

**The first time that Megawide invested in steel formworks structures – reusable, less time-consuming, and requiring less warm bodies but higher-quality labor – may have very well been our first move towards sustainability as much as it was the first step in our journey of innovation.**

Steel formwork structures allowed us to build faster and with greater economy, and the more that we added to our roster of technologies – precast, batching, equipment – the greater the value that we were able to deliver to our clients. Megawide was never a stranger to sustainability. We just needed the right framework to measure it by so that we can improve on our practices even more.

By incorporating sustainability and social responsibility into our key performance indicators and other processes, we can ensure that we meet accepted global standards at a minimum; at most, we can start paving the way for a business that is truly driven by its commitment to help improve its nation. Sustainability is an unmistakable path to a First-World Philippines, and one that Megawide is now taking.

*Edgar*

Edgar Saavedra

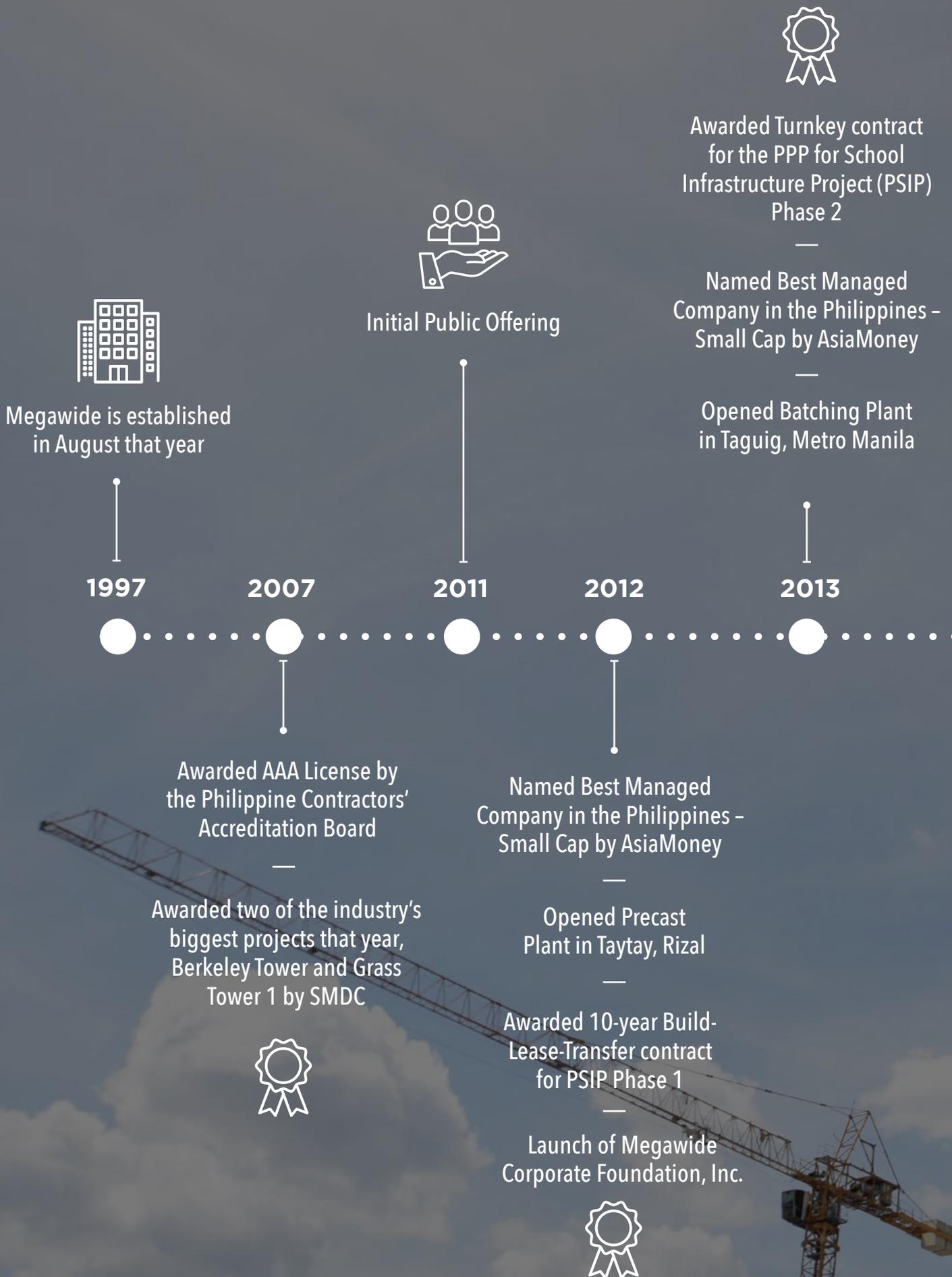




01

# COMPANY OVERVIEW

FIRST 20 YEARS





Awarded 35-year Build-Transfer-Operate contract for PITX



Inaugurated the Parañaque Integrated Terminal Exchange (PITX)

Enters into a new platform in EPC, the construction of Renewable Energy power plants

Opened the Mactan-Cebu International Airport (MCIA) Terminal 2

Recognized by Safety Organization of the Philippines for achieving 637,071 Safe Man-hours for B-Hotel Project

Market capitalization of ₱38.56 billion

2014

2015

2017

2018

Awarded 25-year Build-Operate-Transfer contract for MCIA

Named 1st Place Outstanding Large Corporation in the Landbank Gawad Kaagapay Awards Non-Agri-based category

Named Best Managed Company in the Philippines - Small Cap by AsiaMoney

Obtained Quadruple A License by the Philippines Contractors Accreditation Board

Megawide Office attains LEED Gold Certification



GMCAC assumed landside operations of the MCIA



# Megawide 2.0

**Established in 1997 and publicly listed in the Philippine Stock Exchange since 2011, Megawide and its subsidiaries have a combined market capitalization of ₱38.56 billion as of the end of 2018.**

With headquarters in Quezon City and operations in Metro Manila and Metro Cebu, Megawide has diverse assets in Engineering, Procurement, and Construction, Airport Infrastructure, and Progressive Property Development.

Since the Company acquired its Quadruple A license as of 2018 and completed its first high-rise project in 2007, Megawide has moved from strength to strength to become one of the leading general contractors and infrastructure developers in the Philippines.

Today, the Megawide brand is synonymous with engineering excellence as it consistently offers first-world services in architectural and structural works, BIM, MEPF, Line and Grade, Earthworks, and Infrastructure Development.

Megawide owns and operates the country's first and most advanced Precast Plant in Taytay, Rizal. It also runs a main Concrete Batching Plant in Taguig City and four mobile facilities in various large-scale projects.



# Megawide's sustainability strategy emanates from its corporate mission to engineer a First-World Philippines.

To achieve its vision of building a First-World Philippines, Megawide holds on to the following core values; excellence, innovation, teamwork, *malasakit*, integrity, and community.

Using the principles of sustainable development and the Company's core values as anchors, Megawide now seeks to transform its business processes into platforms for social growth and environmental conservation.



## OWNERSHIP STRUCTURE

As of December 31, 2018, Citicore Holdings Investment, Inc., Megacore Holdings Inc. and PDC Nominee Corporation hold the largest number of shares of Megawide Construction Corporation. There were no cross or pyramid shareholdings.

TITLE OF CLASS	SHAREHOLDER	NUMBER OF COMMON SHARES	PERCENT	TITLE OF CLASS
Common	Citicore Holdings Investment, Inc.	712,925,501	34.12%	Citicore
Common	Megacore Holdings Inc.	617,709,197	29.56%	Megacore
Common	PCD Nominee Corporation (Filipino)	490,860,547	23.49%	Various
Common	PCD Nominee Corporation (Non-Filipino)	221,946,360	10.62%	Various
	TOTAL	2,043,441,605	97.78%	

Scope of Report: Megawide's Major Programs and Entities

## MACTAN-CEBU INTERNATIONAL AIRPORT (MCIA)

### The World's Friendliest Resort-themed Airport



**GMR MEGAWIDE Cebu Airport Corporation (GMCAC), a partnership between Megawide and India's GMR Group, operates and develops the Mactan-Cebu International Airport (MCIA), the second largest and busiest airport in the Philippines.**

GMCAC is a consortium between Megawide and India's GMR Group, a world-renowned infrastructure developer with an excellent track record of transforming old air terminals into efficient award-winning airports. The consortium will manage and develop the Mactan-Cebu International Airport over a 25-year concession under a Build-Operate-Transfer scheme.

MCIA is the primary gateway to the Philippine South and caters to a rapidly growing number of tourists and business travelers. In 2018, the airport served 11.5 million passengers per annum (mppa) covering 50 routes.

With the opening of MCIA's second terminal in 2018, MCIA now covers 30 domestic and 20 international destinations, with 6 domestic and 18 international airline partners, up by 257% from only seven airline partners when GMCAC took over the public-private partnership franchise in 2014.

Following the opening of Terminal 2, GMCAC is immediately renovating the old terminal, Terminal 1, into a more architecturally distinct facility with a forward-looking design that mirrors Cebu's natural beauty. GMCAC will expand Terminal 1 from 38,000 sq m to more than 43,000 sq m by 2020.

*Numbers are as of December 2018*

**30**  
Domestic  
Destinations

**20**  
International  
Destinations

**6**  
Domestic  
Airline Partners

**18**  
International  
Airline Partners



## The Philippines' First Landport



**The Parañaque Integrated Terminal Exchange (PITX) is one of the country's flagship intermodal terminal projects. The terminal was inaugurated in November 2018 and is expected to function with the same systematic efficiency of airports.**

The project is owned and managed by MWM Terminals, Inc. under a build-transfer-operate scheme with the Department of Transportation. Through this strategic public-private partnership, Megawide seeks to help in addressing one of the biggest challenges facing the country today: urban traffic congestion.

In 2019, PITX will fully serve as the main transfer hub for buses, jeepneys, taxis, and trains that pass through the main thoroughfares of EDSA, Baclaran, and Taft going to Cavite and Batangas, and vice-versa. The project spans 4.5 hectares in the Manila-Cavite Expressway area and was designed to ease traffic flow in the metropolis. All provincial buses coming from southern provinces, such as Cavite and Batangas will end their routes in PITX and no longer contribute to the incoming volume of traffic in the city.



## ENGINEERING, PROCUREMENT AND CONSTRUCTION (EPC)



**Engineering Excellence has been the bedrock of Megawide’s success and growth over the last 20 years. The Company’s Engineering, Procurement and Construction (EPC) business segment is the largest contributor of revenues to the Company. It is also one of the main channels by which Megawide seeks to contribute to the growth of the country.**

The Company’s EPC services are able to flexibly adapt to various types of developments—from affordable to high-end residential projects, to office and commercial, as well as industrial complex developments, such as the Clark International Airport Expansion Project.

A healthy pipeline of projects – boosted by ₱29.5 billion in new contracts secured – resulted in a record order book of ₱50.1 billion as of the end last year. While 90% of existing projects are in the residential, commercial and industrial spaces, Megawide is actively exploring opportunities in the infrastructure segment, which has grown its share to 10% of the order book as of last year, largely because of the Clark International Airport Expansion project.

In 2018, MEGAWIDE GMR Construction JV, INC. completed the construction of MCIA’s Terminal 2 and is currently constructing the Clark International Airport project, which will create a new passenger terminal building with a capacity of eight million passengers per annum and adjacent facilities, such as parking areas and access roads.

The project is the first hybrid PPP in the country with Megawide undertaking the EPC component of the project. It will be completed in 2020.





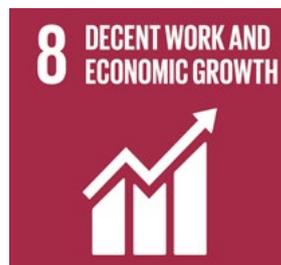
**Megawide established its corporate foundation in 2012 to pursue strategic Corporate Social Responsibility programs that complement Megawide’s vision of realizing a first-world future for the Philippines.**

In 2018, Megawide Foundation updated its vision and mission and aligned its programs with the UN Sustainable Development Goals, notably: SDG 3 (Good Health & Wellbeing), SDG 4 (Quality Education), SDG 8 (Decent Work), SDG 11 (Sustainable Cities & Communities), SDG 12 (Responsible Production), and SDG 13 (Climate Action).

The flagship program of the foundation is the Megawide Engineering Excellence Scholarship program, which provides civil, mechanical, and electrical engineering and architecture scholarships to bright students from disadvantaged Filipino families.

Other key initiatives include: Megawide-SKILLS Builder Program (vocational scholarships for out-of-school youth in carpentry, masonry, and tile-setting); Building Green (watershed adoption and tree planting); Megawide Eco-Bricks (with our partner, Green Antz Builders, development of eco-bricks made from recycled plastic waste and Megawide construction waste); and our partnership with World Surgical Foundation Philippines to provide free surgeries for indigent patients in Megawide project areas.

From a modest start in 2012, Megawide Foundation is now recognized as a Level 1 agency of the Department of Social Welfare and Development (DSWD) and has been accredited by the Philippine Council for NGO Certification (PCNC) -- considered the “good housekeeping seal” for transparency and accountability. The Foundation is also a member of the League of Corporate Foundations (LCF) and Philippine Business for Social Progress (PBSP).



# Corporate Governance

**Megawide believes that good corporate governance is an inherent aspect of an accountable and transparent corporation. As such, the Company seeks to constantly make its governance systems and processes more robust, rigorous, and equitable.**

The Company's annual corporate governance initiatives seek to strengthen the Company's policies on transparency, internal controls, risk management, and sustainability in a way that also creates long-term value for all the stakeholders of the Company

Beyond complying with all pertinent laws and statutes, Megawide has been actively promoting good conduct and ethics and fighting fraudulent business activities across its entire group of companies. Megawide also pushes its people to achieve best practices in good governance in all key aspects of operations to ensure the Company's sustained viability and profitability over the long term.

## GOVERNANCE STRUCTURE

The Board of Directors is the highest governance body at Megawide. It is primarily responsible for the management and governance of the Company, including the establishment of policies, strategies, and procedures to achieve Megawide's corporate objectives in a manner that upholds the best interests of its stakeholders. The Board spearheads the annual review of the Company's vision, mission and values, and revisits the annual corporate strategy and its implementation. The Board ensures the adequacy of internal control mechanisms for good governance and the proper implementation of Megawide's new Manual on Corporate Governance and Code of Business Conduct and Ethics.

Megawide provides for a highly competent, diverse and complementary mix of expertise in its Board:

- Megawide's Board is composed of seven (7) members who have diverse experience, background, and disciplines in the areas of business, engineering, finance, law, and economics.
- The Directors are elected annually and serve for a term of one (1) year.
- Four (4) out of seven (7) members of the Board are non-executive and independent directors

“

**We are committed to nurturing a strong culture of ethics, compliance, and enforcement across the Megawide group.**

”

## STATEMENT FROM THE BOARD

Our vision of engineering a First-World Philippines will only be possible with a strong foundation of good governance. As the highest governing body in the Company, we are committed to nurturing a strong culture of ethics, compliance, and enforcement across the Megawide group. To this end, we will lead by example by fighting corruption, upholding the highest standards of governance across the board, supporting all measures that protect and promote ethical business practices, and fostering inclusive decision making, accountability, and transparency in all our actions.



## BOLDER VISION AND MISSION

As a testament to its commitment to good governance, the Board reviewed Megawide’s Vision, Mission and Values in 2018 to guarantee that these corporate pillars are still relevant to all of Megawide’s stakeholders and reflective of the Company’s more mature perspective and expanding goals.

As a result, the Company’s former vision of becoming “the Philippines’ leading and largest construction conglomerate” has evolved into a bolder vision. The Company’s new vision—“We will be a First-World Philippines”—demonstrates Megawide’s commitment to not only growing the company, but also to inspiring the inclusive growth of the whole country.

Consequently, the Company’s former Mission of “Improving Communities Through Engineering Excellence” has also become: “We will be at the forefront of building a First-World Philippines through Engineering Excellence and Innovation.”

## NEW CORPORATE VALUES

Notably, the Company has adopted a new set of values which are: Excellence, Innovation, Teamwork, Integrity, Community, and the Filipino value of *Malasakit* or Concern for Others.

These three new core values embody the Company’s commitment to become a sustainable construction firm, as they integrate the concepts of ethical and responsible business practices, inclusive community growth, and compassion for others into the core business of Megawide.

## Vision



**We will be a  
First-World  
Philippines.**

## Mission



**We will be at the forefront  
of building a First-World  
Philippines through  
engineering excellence  
and innovation.**

# Values



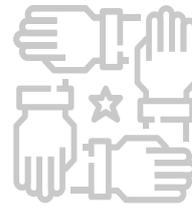
## Excellence

We practice efficiency and strive to deliver the best possible results in our work at all times.



## Innovation

We are innovators who are always open to new perspectives and consistently find better ways to achieve our goals.



## Teamwork

We are united by a common goal and support one another to reach our objectives more efficiently.



## Malasakit

We practice the Filipino concept of compassion because we consider Megawide family, and wherever we are, our community.



## Integrity

We are honest and responsible individuals who treat our partners fairly and practice modesty in all our activities.



## Community

We work closely with our partner communities to attain a common goal and ensure that the fruits of our labor are beneficial to the nation.

## GOVERNANCE POLICIES AND ACTIVITIES

	<b>POLICY</b>	<b>ACTIVITIES</b>
<b>Customer's Welfare</b>	The Company implements strict quality assurance and quality controls.	Conducts site visits to perform audit on the accomplishments and quality output of each site.
<b>Supplier/Contractor Selection Practice</b>	The Company has a supplier accreditation policy in place.	At least three (3) suppliers are required to submit their bid proposals for review and evaluation; a recommendation is submitted for consideration.
<b>Environmentally Friendly Value-Chain</b>	ISO 14001-2004 Environmental Management System Standards  LEED Certification	The Company is ISO 14001 compliant.
<b>Community Interactions</b>	Megawide Corporate Foundation, Inc.	Alignment of programs to Corporate strategy and UN SDGs. Initiatives undertaken include watershed adoption, organic farming, scholarship programs, and upgrading of Technological University of the Philippines library, among others.
<b>Anti-Corruption Programs and Procedures</b>	The Company does not condone dishonest, unethical, or unprofessional behavior regardless of the level of authority of the other individual.	Violations or suspected violations of Company policies against corruption can be brought to the attention of any of the following: <ul style="list-style-type: none"> <li>• Head of Human Resources Department</li> <li>• Compliance Officer</li> <li>• Head of Internal Audit Group</li> </ul>
<b>Safeguarding Creditors' Rights</b>	The Company manages its cash flow to meet its obligations.	All obligations are settled promptly as part of Company's commitment to its business partners.

## ENTERPRISE RISK MANAGEMENT

Megawide has established an Enterprise Risk Management (ERM) Program, which the Company will implement in 2019. The program is based on ISO 31000:2018 and manages imminent and emerging risks in Megawide's internal and external operating environments. The ERM Program is aligned with the Company's Manual of Corporate Governance, which mandates the Board of Directors, through the Risk Oversight Committee, to ensure the presence of organizational and procedural controls supported by an effective risk management reporting system. The ERM Program will be embedded into Megawide's culture, adhering to the principles of good and effective corporate governance and in pursuit of engineering a First-World Philippines.



## UPHOLDING ETHICAL BUSINESS PRACTICES

Megawide's strength as a company is rooted in ethical business principles that seek to uphold fair play, fight discrimination, protect customer data and privacy, and curb all forms of corrupt and unscrupulous practices. The Company's commitment to the highest ethical standards of honesty, integrity, and accountability in the conduct of its business is embodied in Megawide's Code of Business Conduct and Ethics and other related company policies and employee manuals.

The Company complies with and supports anti-trust laws and statutes that prohibit restraints of trade, unfair practices, or abuse of economic power. No incidents arising from these areas took place over the past reporting year.

To ensure the equitable treatment of all staff, the Company's Code also seeks to foster a non-discriminatory environment in which everyone is treated with respect. The Company is committed to fair employment, including equal treatment in hiring, promotion, training, compensation, termination and corrective action. As a result, there were no incidents of discrimination reported in 2018.

In addition, the Company strictly adheres to the Data Privacy Act of 2012 for the protection of its personal information and sensitive personal data, including those coming from its customers. In line with the Data Privacy Act of 2012, the Company has registered with the National Privacy Commission, appointed a Data Protection Officer, and adopted a Data Privacy Manual. In 2018, the Company did not record any incidents or receive any complaints on customer privacy breaches.

In line with the Company's campaign to fight bribery and corruption, seven employees—on seven separate occasions—were administratively charged in 2018 for accepting money and gifts from the Company's subcontractors. After thoroughly following due process, thorough investigations, disciplinary hearings, and the issuance of notices, Megawide found compelling reasons to terminate the employment of all seven employees.

*For detailed disclosure on Corporate Governance, refer to 2018 Annual Report.*





02  
**02**

# **SUSTAINABILITY OVERVIEW**

# Challenge Taken

**Sustainability is a challenge and an opportunity for Megawide. The challenge lies in how to achieve strong shareholder returns while also protecting the environment and improving the material well-being of its immediate publics. The opportunity lies in how the Company will seize the challenge to become a profitable agent of environmental and social change.**

Today, Megawide is meeting this challenge head-on by employing new business strategies that are simultaneously beneficial to society, the planet, and the interests of shareholders. In tandem with the Company's stakeholders, Megawide is also exploring opportunities for growth and innovation that come with adopting a sustainable business mindset.

## STAKEHOLDER ENGAGEMENT

Over the past 20 years, Megawide has taken stock of how its operations and continued growth have directly affected the well-being of various groups, particularly its employees, customers, and the people living in the communities where it operates.

Megawide views the stakeholder engagement process as its entry point to directly address business risks while creating mutually beneficial opportunities between Megawide and the people that are affected by its operations. To strengthen this reciprocal relationship and realize the Company's commitment to its key publics, the Company continuously engages its various stakeholders through tailor-fit channels.

The following table summarizes key stakeholders' concerns gathered through the engagements in 2018 and the Company's responses.

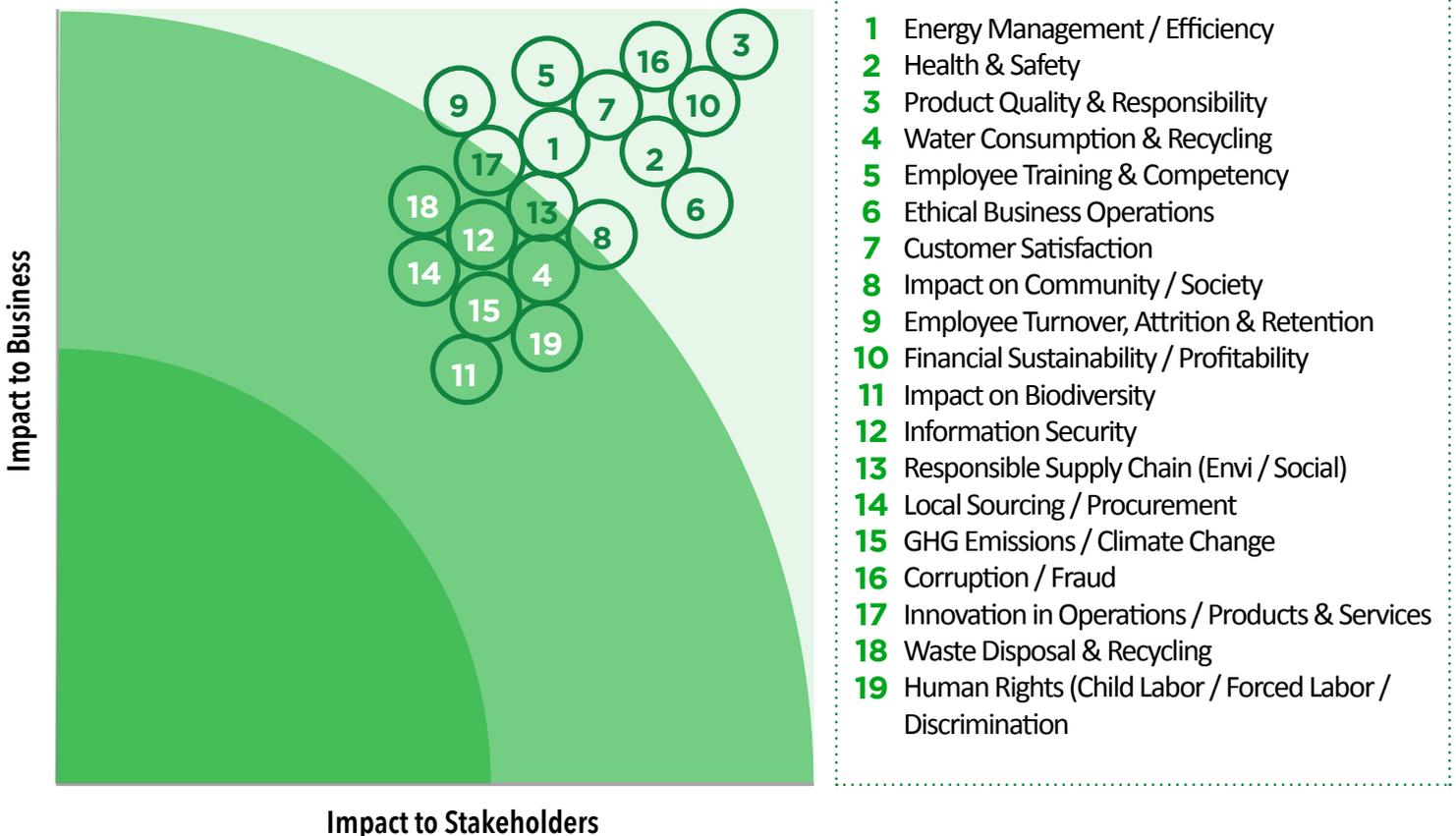
<b>STAKEHOLDER GROUP</b>	<b>ENGAGEMENT METHOD</b>	<b>KEY CONCERNS</b>	<b>COMPANY RESPONSE</b>
<b>Employees</b>	<ol style="list-style-type: none"> <li>1. Quarterly Mornings with the <i>Bossings</i></li> <li>2. Coffee meetings</li> <li>3. Mega Ideas</li> <li>4. Functional team meetings</li> </ol>	<ol style="list-style-type: none"> <li>1. Employee health and wellness</li> <li>2. Additional emergency assistance</li> <li>3. Internal corruption</li> <li>4. Lack of workspace in head office</li> </ol>	<ol style="list-style-type: none"> <li>1. Employee gym at head office &amp; GMCAC</li> <li>2. Health Talks and free blood sugar &amp; cholesterol testing for employees</li> <li>3. SAPAK Whistleblower Program</li> <li>4. New office building for the hold company in 2019</li> </ol>
<b>Customers</b>	<ol style="list-style-type: none"> <li>1. Bids</li> <li>2. Negotiations</li> <li>3. Sales, post-sales, and project updates meetings</li> <li>4. Voice Of Customer</li> </ol>	<ol style="list-style-type: none"> <li>1. Compliance with requirements</li> <li>2. Corruption</li> <li>3. Terms and conditions of contract</li> </ol>	<ol style="list-style-type: none"> <li>1. Teams assigned to specific bids or projects</li> <li>2. Due diligence of requirements</li> <li>3. Timeline alignment</li> <li>4. Monitoring of Company certifications and licenses</li> <li>5. Formation and regular meetings of BSC's and PSC's</li> </ol>
<b>Contractors</b>	<ol style="list-style-type: none"> <li>1. Accreditation process</li> <li>2. Regular project meetings</li> </ol>	<ol style="list-style-type: none"> <li>1. Transparency in accreditation and procurement processes</li> <li>2. Lack of manpower</li> <li>3. Project requirements</li> </ol>	<ol style="list-style-type: none"> <li>1. D&amp;B (third-party accreditation)</li> <li>2. Project Quality Improvement Plans</li> </ol>
<b>Communities</b>	<ol style="list-style-type: none"> <li>1. Barangay meetings</li> <li>2. Community consultations</li> <li>3. Face-to-face engagement</li> </ol>	<ol style="list-style-type: none"> <li>1. Environmental impact of operations - dust and noise</li> <li>2. Labor and employment</li> </ol>	<ol style="list-style-type: none"> <li>1. Adherence to safety standards (netting to prevent dust and debris)</li> <li>2. Adherence to HSE policies (including noise pollution)</li> <li>3. Adherence to national directives (70% of employment sourced locally)</li> </ol>
<b>Local Barangays</b>	Face-to-face engagement, monthly and as needed	<ol style="list-style-type: none"> <li>1. Labor</li> <li>2. Permits</li> </ol>	Acquisition of proper permits
<b>NGOs &amp; Charities</b>	<ol style="list-style-type: none"> <li>1. Partnerships</li> <li>2. Conferences &amp; Trainings</li> <li>3. Sponsorships &amp; Donations</li> <li>4. Employee Volunteering</li> </ol>	<ol style="list-style-type: none"> <li>1. Sustainable Development Goals</li> <li>2. Improved access to education</li> <li>3. Improved quality of education</li> <li>4. Livelihood</li> <li>5. Environmental issues</li> <li>6. Natural Disasters</li> <li>7. Healthcare for the poor</li> </ol>	<ol style="list-style-type: none"> <li>1. Alignment to UN SDGs</li> <li>2. Scholarship Programs</li> <li>3. Lab &amp; Equipment Donations</li> <li>4. Shared Value Programs</li> <li>5. Tree-planting/Sustainability Initiatives</li> <li>6. Disaster Response</li> <li>7. Surgical Missions</li> </ol>
<b>Regulatory bodies</b>	<ol style="list-style-type: none"> <li>1. Applications</li> <li>2. Weekly coordination</li> </ol>	<ol style="list-style-type: none"> <li>1. Permits and compliance, processing time</li> <li>2. Operations</li> <li>3. Corruption</li> </ol>	<ol style="list-style-type: none"> <li>1. Acquisition of all permits and licenses to operate</li> <li>2. Compliance to all the legal and regulatory requirements</li> <li>3. SAPAK Whistleblower Program</li> </ol>
<b>Investors</b>	<ol style="list-style-type: none"> <li>1. Annual Stockholders' meetings</li> <li>2. Periodic Analyst Briefings</li> <li>3. Investor Conferences</li> </ol>	<ol style="list-style-type: none"> <li>1. Financial performance</li> <li>2. Long-term growth prospects</li> <li>3. Ethical operations</li> </ol>	<ol style="list-style-type: none"> <li>1. Timely and updated disclosures</li> <li>2. Adherence to strict corporate governance</li> <li>3. Monthly meetings of the Board's Governance Finance Committees</li> </ol>

## MATERIALITY

Framed against the GRI Standards, Megawide began the Company’s sustainability process by determining the topics that are most significant to its business, operations, and stakeholders.

These material topics were determined through sessions that analyzed the Company’s various impacts on the economy, society, and the environment. This assessment helped the Company to prioritize issues that matter most to its business and publics, as well as ensure that its sustainability strategy is focused on the right areas. A topic becomes material for Megawide if it impacts business growth and the Company’s brand and reputation, or it is important to the Company’s key stakeholder groups listed in page 25. Based on these sessions, the Company’s material topics are as follows:

## MATERIAL TOPICS



**As a labor-intensive company, the health and safety of its employees are central to the operations of Megawide.**

This became even more clear in the Company’s first materiality process, which revealed Health and Safety as the top material topic of the Company. Notably, Product Quality and Responsibility, Customer Satisfaction, and Ethical Business Operations placed as high as Profitability among the Company’s key concerns. This indicates a highly customer-focused and results-oriented business approach, where product quality and customer satisfaction are prioritized in tandem with financial success. It is also reflective of Megawide’s continued focus on tailoring project specifications to fit specific or unique customer needs, thereby ensuring that client demands and perceptions become the primary driver of the Company’s growth.

The next cluster of material topics—Energy Efficiency, Innovation in Products, Services and Operations, Employee Growth, and Employee Retention—is reflective of the Company’s high regard for its employees and its longstanding focus on operational excellence that is driven by a non-traditional approach to construction. This result has been clearly influenced by the fact that Megawide’s core business activities, such as precasting and batching, are done by the Company itself at its Industrial Complex in Taytay, Rizal and its Batching Plant in Taguig, Metro Manila. Since these essential construction processes are done in-house, there is a clear need to focus on energy efficiency and product and service innovation to drive the Company’s growth and sustainability agenda.



The last cluster of material topics, from impact on communities to GHG Emissions, reveal an evolving and dynamic materiality landscape for Megawide’s sustainability journey. Some of these topics, such as Impact on community/Contribution to society; Information security/Data privacy; Waste disposal and recycling; Water consumption and recycling; and Human rights are not new to Megawide. While not core concerns, these topics are already being managed significantly through the Company’s corporate governance measures, the Megawide Foundation, and various departments and business units that are responsible for water efficiency and proper waste management.



The low-rank of various sustainability topics, such as Responsible supply chain; Local sourcing/procurement; Impact on biodiversity; and GHG emissions/climate change reveal how the company is still in the early stages of its sustainability journey. Nevertheless, the recognition that these topics should be material to the Company’s core agenda in the coming years is already a significant and bold first step toward improving Megawide’s performance on the sustainability front in the coming years.

# MOVING FORWARD...

As we continue our journey towards engineering a First-World Philippines, we reaffirm our commitment to become a sustainability champion and corporate social responsibility leader in the Philippine construction industry.

As a testament to this commitment, Megawide will implement a CSR and Sustainability Framework which provides a blueprint for our approach toward environmental stewardship, good governance, and social responsibility.

We are well aware that our industry cannot thrive in an environment where the very pillars of ethical business are faltering. More and more investors and consumers, moreover, are viewing sustainability and corporate responsibility as core value issues that determine a company's overall worth.

We are convinced that our investments in sustainability today are bound to yield notable results, not only for our business but for society at large. Already, we are seeing how sustainability underpins our growth, helps us increase efficiencies, inspires us to further improve the quality of our products and services, and reduces a host of business risks.

We are proud of the accomplishments that our business units have achieved this early in our journey, but we continue to recognize that we must do more, collaborate better, and innovate further in order to create greater shared values for more Filipinos.

In the coming years, we will continue to dream bigger as we aim to pioneer new solutions for sustainable construction and sustainable mass transport while continuing to shape our business in the most responsible way possible.

## MEGAWIDE CSR POLICY STATEMENT

In line with its vision to **engineer a First-World Philippines**, Megawide Construction Corporation commits to do its utmost to **exemplify First-World corporate social responsibility**. Megawide shall build a corporate culture of excellence, innovation, integrity, and teamwork wherein each employee will have a role to play in helping Megawide:

**1** Achieve the status of an outstanding steward of the environment;



**2** Give back to its host communities; and



**3** Demonstrate *malasakit* towards its employees, partners, suppliers, and clients.



# Megawide CSR Framework

## What We Do

We will be at the forefront of building a First-World Philippines through engineering excellence and innovation.

## How We Do It



EXCELLENCE



INNOVATION



TEAMWORK



COMMUNITY



INTEGRITY



MALASAKIT

**ENVIRONMENTAL  
STEWARDSHIP**

We employ First-World innovations to minimize our impact on the environment

**SOCIAL  
RESPONSIBILITY**

We find First-World solutions to uplift underprivileged Filipinos

**GOOD  
GOVERNANCE**

We demonstrate First-World concern toward our suppliers and employees

## What We Improve

Sustainable cities & communities  
Environmental conservation  
Responsible production

Community development  
Accessible & Affordable Education  
Accessible & Affordable Healthcare

Business ethics  
Employee wellbeing  
Healthy & safe work environment

WIDE  
DUCTION



ISOC  
HOLDINGS, INC.

ORCA  
COLD CHAIN SOLUTIONS



CONSTECH  
Management Group Inc.

EREMONY

LE COLD STORAGE FACILITY  
9 OCTOBER 2018



05



# MEGAWIDE CONSTRUCTION CORPORATION



**Inspired by the dream of becoming the Philippines' leading engineering and construction conglomerate, Megawide began operating in 1997 with small construction projects that had a strong foundation of values and excellence as its core value proposition.**

This values-driven mindset drove the Company to constantly explore new and better ways of constructing buildings and infrastructure. As the Company embarked on more and ambitious projects over the next two decades, Megawide continued to upgrade its technology and building materials.

Today, Megawide is known as one of the pioneers in construction for introducing innovative technologies such as Precast, Formworks, and Glulam to the Philippine

construction industry. As a testament to the Company's commitment to its values of *malasakit* and community, Megawide is also taking steps towards a more sustainable future by beginning to embed sustainability principles into its core business practices.

## **INNOVATING FOR LONG-TERM VALUES**

Megawide understands that the construction industry in the Philippines has an immense responsibility to contribute to national efforts towards carbon reduction, energy efficiency, water conservation, and waste management, among other key sustainability areas.

Megawide believes that there is no better time than now to push for green building and other innovative technologies that boost precision, save on time, limit wastages, conserve resources, minimize operational downtime, and ultimately deliver better value over the long term.



# Values-Driven Engineering

Megawide's Engineering, Procurement and Construction (EPC) business segment is the bedrock upon which the Megawide group of companies is built.

Toward these ends, the Company has introduced various innovations in construction over the past years.

## PRECAST PLANT

Megawide operates a precast plant in Taytay, Rizal. The facility is recognized as the first, largest, and most advanced precast plant in the Philippines and the second largest precast complex of its kind in Southeast Asia.

Led and managed by a team of Filipino and foreign experts, the plant uses proprietary Asian and European technologies in all its factories. The automated and controlled environment of the plant in Taytay ensures the high standardization of products. In addition, the wide array of precast options that can be produced by the plant guarantees faster construction periods and lower long-term costs even as these deliver exceptional design options and high-quality finish.

The Taytay Plant has increased its consumption of recycled water by 31% in 2018 from the 2017 consumption. It has also disposed 20.66 tons of shredded industrial waste through co-processing in the facility of Solid Cement Corporation (Cemex).

## CONCRETE BATCHING PLANT

Megawide runs its main batching plant in Taguig City and has four mobile facilities that can operate onsite for large-scale projects that require a dedicated concrete facility.

Megawide's batching plant uses German-made transit mixers and a chilled water system – another first in the Philippines. It is also capable of producing 12,000 PSI high-strength concrete, flowing concrete, waterproof concrete, fiber reinforced concrete, lightweight concrete, and precast concrete.

The plant also makes use of supplementary cementitious materials in its thrust to minimize the use of portland cement and reduce adverse impacts to the environment. One example of this is fly ash, recognized as an environmentally friendly material because it is a by-product of combustion of coal and has significantly lower embodied energy compared to cement, which is considered to be among the most energy-intensive construction materials. Another is slag cement, also a by-product of an iron blast furnace, which significantly reduces the environmental footprint (greenhouse gas emissions) of concrete compared to cement. For the year 2018, fly ash accounted for up to 16% of the plant's total cementitious materials consumed, while slag accounted for 7%.

The minimal concrete waste produced by the plant during the past year, amounting to only 0.004% of the total

production for the year, were strictly monitored and managed in order to minimize potential loss. There are several measures taken by the plant to reuse concrete waste: diversion to other project sites, development of concrete blocks, or discharging at either the concrete reclaimer or settling pond. In 2018, 90.96% of the total volume of concrete waste generated by the plant during the year was reused in one way or another, with only 9.04% sent for complete disposal through accredited third party service providers.

The Taguig Batching Plant controls its water consumption by allocating a designated percentage of recycled water instead of fresh water, using up to 50% recycled water for specific structures and up to 20% for major designs, while stringently maintaining the client’s concrete specifications. Meanwhile, production of lean concrete, used mainly for non-critical structures, utilizes 100% recycled water while still preserving its required strength.

Notably, the plant has a maximum 1% margin of inaccuracy, higher than the current European standard of 3%.

## FORMWORK SYSTEMS AND FACILITY

Megawide’s formwork systems provide unmatched stability and integrity to construction projects in the country. Using proprietary German formwork systems, Megawide is able to guarantee safety, speed, quality, reliability and durability in any of its construction projects.

Using the same formwork systems that built the Burj Khalifa, the world’s tallest building, Megawide currently has the most advanced formworks equipment in the Philippines. The Company is able to offer design-based value engineering, onsite support during any stage of construction, and professional maintenance services of formwork assets and scaffolding systems.



## VALUE ENGINEERING: TOWARDS GREATER SHARED ECONOMIC VALUES

In recent years, Megawide has made the transition from Construction to Infrastructure Development. This move to participate in projects that have a greater impact on the economy is a testament to Megawide’s goal to advance Value Engineering—the kind of engineering that finds greater shared values that not only benefit the Company and its shareholders but also the greater Filipino public.

As its first major steps towards Value Engineering, Megawide has expanded and diversified its project portfolio through three major program areas:

- Megawide entered in 2017 into a shared-value creating project—one that would bring in profits for the Company while also directly addressing the water sewage treatment challenges in Metro Manila. This project is the construction of a water treatment facility through Maynilad’s Las Piñas Water Reclamation Facility.
- In 2017, the MEGAWIDE GMR consortium won the tender to undertake the design and construction of the Clark International Airport’s expansion. This milestone under the EPC segment is fully aligned with Megawide’s vision to support the national government’s ongoing infrastructure development program to boost overall economic development.
- To further bridge socioeconomic gaps, Megawide has now set its sights on horizontal infrastructure and residential development projects, particularly in the affordable and socialized housing segments. The Company aims to help ease the huge housing backlog in the Philippines, which is at 4 million units as of the end of 2018. Using its precast technology, the Company believes that it can construct houses faster to help meet the country’s massive growth in demand.

As of 2018, the EPC business segment is the largest revenue contributor to the Megawide group, accounting for 79% of the group’s total revenue.

## QUADRUPLE A LICENSE

As a testament to all of the Company’s engineering excellence, the EPC segment secured a Quadruple A contractor’s license, the highest certification given by the Philippine Contractors Accreditation Board (PCAB) to construction companies in the country. The Quad A seal enables companies to qualify for foreign bids and is based on financial capacity, building experience, superior engineering knowledge, and the technical expertise of its managers and staff.

# Some of our EPC Projects

## Urban Deca Tondo

Residential project of 13 mid-rise condominiums and a full-service mall covering 410,447 sq m.

## Worldwide Plaza

A commercial building of 24 floors, built to LEED specifications.

## Double Dragon Plaza

Commercial plaza with construction area of 230,131 sq m built using low-carbon emitting material in construction that will consume less energy compared to average commercial buildings.

## Hampton Gardens

Residential project covering the area of 17,025 sq m located in Pasig.

## Jollibee Delta Phase 2

Warehouse covering the area of 46,341 sq m in Laguna.

## The Curve

A 32-floor, state-of-the-art building using the latest construction methods of Megawide that contribute in greening the industry. It also aims to attain Leadership in Energy and Environmental Design (LEED) certification from the US Green Building Council.

## St. Moritz

Ultra high-end township of two clusters of nine-storey buildings located in BGC with construction of 35,384 sq m.

## SAFEGUARDING AND PROTECTING THE WELFARE OF OUR PEOPLE

Megawide's sustained growth as a strong company is a result of its commitment to the growth and development of its people. As the muscle behind the Company's construction arm, Megawide's employees are indispensable partners in achieving the Company's sustainability goals in tandem with its business targets. As such, the Company is committed to providing the best possible training and human resource platforms to enrich its people with the latest technological knowledge and skills. The Company also provides above-average benefits to retain outstanding talents and attract competent new hires.

Megawide is keenly aware that meaningful employee engagement is a primary driver of job satisfaction and low attrition rates. As such, the Company constantly aims to promote a safe and caring workplace in which everyone is valued and engaged.

### EMPLOYEE BREAKDOWN

#### EPC

##### By contract type and gender

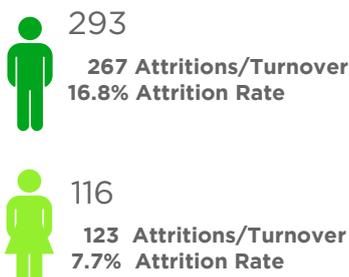


##### By position and gender



### NEW HIRES AND EMPLOYEE TURNOVER

#### By gender



### BUSINESS UNITS

#### By contract type and gender

##### FORMWORKS



##### CELS



##### BATCHING PLANT



##### PRECAST



#### By position and gender

##### FORMWORKS PRECAST CELS



#### By position and age group



### NEW HIRES AND EMPLOYEE TURNOVER

#### By gender

##### FORMWORKS PRECAST CELS BATCHING PLANT



## NEW HIRES AND EMPLOYEE TURNOVER

By age group

FORMWORKS	Below 30 yrs old	30 to 50 yrs old	Over 50 yrs old
New Hires	9	4	0
Attritions/Turnover	16	8	1
Attrition Rate	0.1%	0%	0%

PRECAST	Below 30 yrs old	30 to 50 yrs old	Over 50 yrs old
New Hires	128	22	5
Attritions/Turnover	28	16	4
Attrition Rate	3.7%	2.1%	0.5%

CELS	Below 30 yrs old	30 to 50 yrs old	Over 50 yrs old
New Hires	1	-	-
Attritions/Turnover	-	-	-
Attrition Rate	-	-	-

## BENEFITS

### Paid Time Off

#### Regular employees

- Vacation Leaves
- Sick Leaves
- Service Incentive Leaves

#### Project-based Employees

- Service Incentive Leave

#### Across all employees

- Bereavement leave
- Maternity Leave
- Paternity Leave
- Solo Parent Leave
- Special Leave for Women

#### Risk Protection (FWD Life Insurance)

- Group Life Insurance
- Family Assistance Benefit
- Accidental Death, Dismemberment & Disability
- Total Permanent Disability
- Critical Illness
- Spousal Coverage

#### Others

- Car Plan
- Transportation Allowance
- Christmas GC
- Health Screening
- Service Phone

### Blood Sugar Test



215  
50

### Cholesterol Screening



116  
75

■ HEAD OFFICE ■ PRECAST

### Total employees who took parental leave



57

100% Return to work rate



18

100% Return to work rate

### Number still employed one year after their return from parental leave



55

92% Retention rate



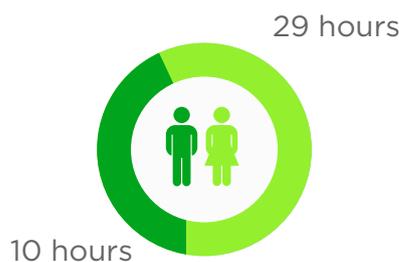
14

78% Retention rate

## AVERAGE TRAINING HOURS

### By gender

#### Formworks



#### CELS

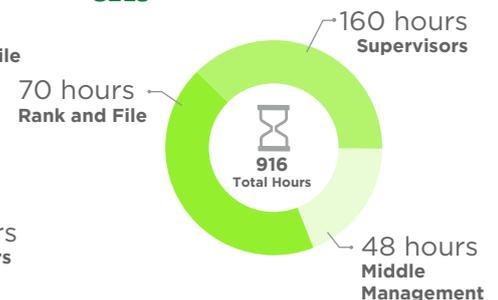


### By position

#### Formworks



#### CELS



## WORKER HEALTH AND SAFETY

### Training programs conducted

#### BATCHING PLANT

TOPIC	NO. OF ATTENDEES	TOPIC	NO. OF ATTENDEES
Live our Values Everyday (LOVE) Training	 92	Performance Management Workshop	 17
Service Excellence Results to Values Execution (SERVE) Training	 76	Loader Operator Training	 25
Interpersonal Communication Skills Training	 40	Tire Training	 57
5S and Clean-up Day	 89	Pollution Control Training	 7
Work Attitude and Values Enhancement and Team Building Training	 25	Defensive Driving Training - Actual Driving	 39
SAP Training	 11	Defensive Driving Training - Lecture Only	 7
Accounting for Non-Accountant Training	 27	Workshop on Documentation	 10
Competency Profiling Workshop	 13		

#### PRECAST

TOPIC	NO. OF ATTENDEES	TOPIC	NO. OF ATTENDEES
Basic Fire Safety Training	 20	Automated External Defibrillator (AED) Training and Delivery	 15
Fire Safety Seminar and Fire Drill	 >700	Basic Gun Safety Training	 30
Occupational First Aid Training	 20	Confined Space Entry Training	 19

#### INJURIES & ACCIDENTS

EPC	HEAD OFFICE	URBAN DECA TONDO	DOUBLE DRAGON	JOLLIBEE DELTA	ST. MORITZ	COLD STORAGE TAGUIG	COLD STORAGE CALOOCAN	HAMPTON GARDENS	10 WEST	THE CURVE
Employees in health & safety committee	5	20	30	9	56	17	4	19		
Total Manhours	2,280	4,257,153	1,809,764	883,010	1,905,158	811,130	10,780	22,360	156,775	129,381
Lost time accidents	0	0	0	1	0	0	0	0	0	0
Occupational injuries/illnesses	0	0	195	27	80	29	0	0	2	0
Incidence Rate	0	3.2%	21.5%	6.1%	2%	0	0	0	12.7%	0
Severity Rate	0	0	0	1,585.62	0	0	0	0	0	0
Lost days	0	0	0	6,000	0	0	0	0	0	0
Fatalities	0	0	0	1	0	0	0	0	0	0
Work-related fatalities	0	0	0	0	0	0	0	0	0	0

## BUSINESS UNITS

	BATCHING PLANT	FORMWORKS	CELS	PRECAST
Employees in health & safety committee	2	9	21	18
Total Manhours	480,168	889,915	5,477,291	1,508,888
Lost time accidents	0	25	1	1
Number of occupational injuries/illnesses	0	5.5	9	176
Incidence Rate	0	0	1.6%	0.6%
Severity Rate	0	0	5.4%	3,976
Lost days	0	0	30	6,000
Fatalities	0	0	0	1
Work-related fatalities	0	0	0	1

## TOWARDS BUILDING GREEN

### ENVIRONMENTAL PERFORMANCE

With the major challenges posed by climate change alongside the depletion of finite natural resources, there is now a growing awareness in the country of the need to shift to more sustainable modes of construction.

The construction industry's ability to 'build green', however, is not without its accompanying challenges and barriers, particularly for developing countries like the Philippines which find the cost premium of green developments prohibitive.

Megawide believes that finding a balance between environmental conservation and the corporate bottom line is necessary to properly promote green construction

practices. This means sustainability strategies must translate into sound financial sense in order for green projects to flourish.

To strike this balance between environmental demands and financial constraints, Megawide has started to promote the LEED Certification for Green Building Design among its construction partners.

### MEGAWIDE'S LEED DEVELOPMENTS

Four of Megawide's ongoing construction projects are designed to achieve LEED certification. These include Worldwide Plaza Taguig, which is already LEED Gold Certified. The other developments now working for LEED Silver Certification are Double Dragon Tower, The Curve, and Cold Storage Taguig.

To work towards LEED Certification, all of these developments follow a strict Construction Waste Management Plan to reduce landfill waste by a minimum of 50% and a target level of 75%. This is achieved by salvaging and reusing materials, co-mingled material recycling, and source separated material recycling.

Megawide also strictly implements an Erosion and Sedimentation Control Plan to reduce land pollution brought about by construction activities. This is achieved by controlling soil erosion, waterway sedimentation, and airborne dust generation.

Moreover, the Company pursues a strict Indoor Air Quality Plan for these sites to create an indoor work environment which has zero or negative impact on the well-being of its occupants and the surrounding atmosphere.

After the construction phase, all these developments will also follow parameters related to CO2 emissions, energy efficiency, and water conservation, among other key environmental concerns.



## HEAD OFFICE



Fuel Consumption (generator sets)

**667 liters**



Electricity Consumption  
**1,037,200 kWh**



Water Consumption  
**84,265 m<sup>3</sup>**



Waste generated

Generic waste **6,669 kg**

Recyclable waste **1,728 kg**

## DOUBLE DRAGON



Fuel Consumption (vehicles)

**520 liters**



Electricity Consumption  
**64,480 kWh**



Waste Generated

Domestic Waste/Debris **211 kg**

## JOLLIBEE DELTA



Fuel Consumption (vehicles)

**4,673 liters**



Electricity Consumption  
**474,400 kWh**



Water Consumption  
**14,182 m<sup>3</sup>**



Waste Generated

Domestic Waste/Debris **225,000 kg**

Metal scrap **48,026 kg**

Phenolic scrap **36 kg**

## URBAN DECA TONDO



Fuel Consumption (vehicles - gas)

**11,800 liters**



Fuel Consumption (vehicles - diesel)

**990 liters**



Electricity consumption  
**1,414,080 kWh**



Water Consumption  
**37,164 m<sup>3</sup>**



Waste Generated

Domestic waste/debris **500,462 kg**

Phenolic/metal scrap **6,005,546 kg**

## WORLDWIDE



Fuel Consumption (generator sets)

**50,835 liters**



Fuel consumption (vehicles)

**23,110 liters**



Electricity Consumption  
**157,657 kWh**



Water Consumption (Aug - Dec)

**4,840 m<sup>3</sup>**



Waste Generated (Sept - Dec)

Garbage/debris **14,354 kg**

Recyclable waste **20,770 kg**

## ST. MORITZ



Fuel Consumption (generator sets)

**88,444 liters**



Electricity Consumption  
**101,152 kWh**



Water Consumption  
**9,200 m<sup>3</sup>**



Waste Generated

Domestic waste/debris **840 truckload**

## COLD STORAGE TAGUIG



Electricity Consumption

**168,480 kWh**



Water Consumption

**4,414 m<sup>3</sup>**



Waste Generated (Sept - Dec)

Garbage/debris/  
construction waste **339,120 kg**

Wood scrap **22,540 kg**

Metal scrap **33,240 kg**

## COLD STORAGE CALOOCAN



Fuel Consumption (generator sets)

**5,600 liters**



Fuel Consumption (vehicles)

**135 liters**

## BATCHING PLANT



Fuel Consumption  
**660,119 liters**



Electricity Consumption  
**272,600 kWh**



Waste Generated

Returned concrete	<b>631.85 m<sup>3</sup></b>
Rejected concrete	<b>75.23 m<sup>3</sup></b>
Concrete samples	<b>24,001 units</b>
Used oil	<b>4,080 liters</b>
Used bulbs/lamps	<b>54 units</b>
Scrap tires	<b>183 units</b>



Water Consumption  
**5,518,176 m<sup>3</sup>**



Water Recycled (2.8%)  
**156,166 m<sup>3</sup>**

## CONSTRUCTION, EQUIPMENT & LOGISTICS SERVICES (CELS)



Fuel Consumption  
**191,597 liters**



Electricity Consumption  
**2,001,600 kWh**



Water Consumption  
**41,339 m<sup>3</sup>**



Waste Generated

Biological waste	<b>203,400 kg</b>
Recycled waste (various scrap)	<b>99,220 kg</b>
Hazardous waste (used oil)	<b>22,080 kg</b>

## FORMWORKS



Fuel consumption  
**59,962 liters**



Water consumption  
**9,949 m<sup>3</sup>**



Electricity consumption  
**380,280 kWh**

## PRECAST



Fuel Consumption  
**19,269 liters**



Electricity Consumption  
**168,240 kWh**



Water Consumption  
**159 m<sup>3</sup>**



Greenhouse Gas Emissions (tonnes CO<sub>2</sub>e)

Direct Emission	
Generator set	<b>0.1</b>
Diesel-fired burner	<b>6.5</b>
LPG-fired vapor generator	<b>3.7</b>
Vehicles (trucks)	<b>25.8</b>
Vehicles (services)	<b>2.4</b>
Machine/equipment	<b>13</b>
Indirect Emission	
Electricity	<b>7,172.4</b>



Waste Generated

Domestic waste	<b>18,887 kg</b>
Concrete waste	<b>1,217 kg</b>
Hazardous waste	<b>1,435 kg</b>
Wood scrap	<b>18,746 kg</b>
Metal scrap	<b>59,560 kg</b>
Styrofoam	<b>1,427 kg</b>



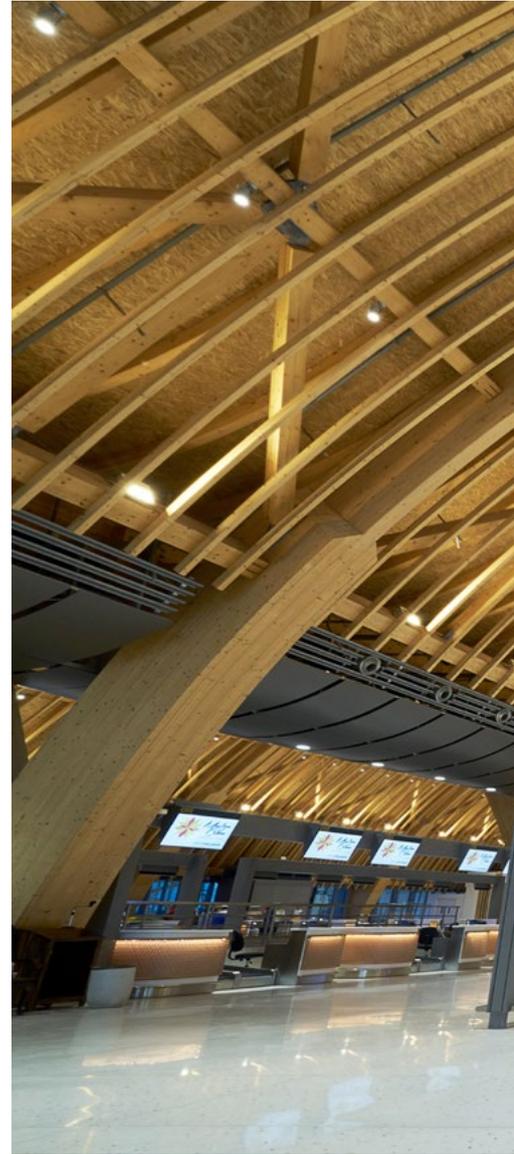


03  
**03**

# **GMR MEGAWIDE CEBU AIRPORT CORPORATION**

# Boosting Growth in the Visayas

The Mactan-Cebu International Airport (MCIA) is the second busiest airport in the Philippines and has been dubbed the World's Friendliest Resort-Themed Airport. The airport is managed by the joint venture company, GMR MEGAWIDE Cebu Airport Corporation (GMCAC), comprised of Filipino engineering and infrastructure company, Megawide Construction Corp., and Indian infrastructure developer GMR. MCIA is one of Megawide's large-scale infrastructure projects under the government's Public-Private Partnership (PPP) program.



## MCIA HISTORY

First built as an emergency airport in 1956, the military facility opened to the public in the 1960s to replace Cebu's commercial airport in Lahug. Over the next decades, the government progressively expanded the airport to meet growing passenger traffic.

On April 23, 2014, the Department of Transportation (DOTr) awarded the engineering, procurement, construction, operations, and maintenance of all landside facilities of the MCIA to GMR MEGAWIDE Cebu Airport Corporation (GMCAC) under a 25-year Build-Operate-Transfer concession. GMCAC won the project with a bid premium of ₱16.4 billion, the highest bid premium offered to the government. As part of the contract, GMCAC also shouldered the cost of construction of Terminal 2 and its associated capacity augmentation.

**MCIA Terminal 2 was designed in collaboration with world-class Filipino artists that include Cebuano designer, Kenneth Cobonpue, and the design and architectural firm Budji + Royal.**



## INCREASING PASSENGER HANDLING CAPACITY

GMCAC used Glued-laminated (glulam) timber from Austria to create the full roof structure of Terminal 2 (T2). Glulam is an engineered wood product that is treated for strength and fireproofing. It has high stability and resists strong seismic loads. It is stronger than steel on a weight-per-weight basis and allows for fast, precise, and stable construction. Finally, glulam is a renewable construction material grown in sustainably managed forests.

By using glulam, installation of the roof structure was reduced to four months instead of seven months. Approximately, 4,500 m<sup>3</sup> of glulam timber were used in MCIA T2, making it the only airport building in Asia that uses the material for a full roof structure.

During the handover of operations in November 2014, the airport was handling 6.9 million passengers per annum (mppa) even though the existing terminal (T1) was built to handle only 4.5 mppa. It was apparent to GMCAC that there was an urgent need to address the congestion and other operational difficulties being experienced by the airport.

Therefore, GMCAC invested in the improvement of T1 within the first two years of operation rather than after the commissioning of T2 as originally stated in the concession agreement. This increased capacity of T1 to 8.9 mppa. The renovation of T1 is now ongoing and will be complete by 2020.

The new international terminal (Terminal 2) was officially commissioned on July 1, 2018, increasing further the annual capacity of MCIA to 12.5 mppa, which can be increased as the need arises. The new international terminal spans approximately 63,000 sq m.



## TRANSFORMING MCIA

Since opening in 2018, the newly inaugurated MCIA T2 has lived up to its promise of creating transformative travel experiences through innovation and efficiency using Filipino hospitality.

With Megawide's homegrown brand of world-class engineering excellence and the GMR Group's sterling track record of transforming old airports into award-winning global gateways, MCIA is now poised to become one of the best airports in the region.

**The airport has been hailed as the most beautiful and most organized airport in the country and has seen passenger traffic grow at a compounded annual growth rate of 11% in the first four years since 2014.**

## REACHING NEW ECONOMIC HEIGHTS

Air travel and connectivity are both indicators and drivers of prosperity and growth. As such, GMCAC's primary vision for MCIA is to transform it into one of the most significant catalysts of economic growth in Cebu and the Visayas.

### AIRLINE AND DESTINATION MARKETING

MCIA is an ideal gateway to the Philippines because of its central location and the Company intends to maximize this potential. The farthest domestic destinations are less than an hour's flying time from MCIA while destinations in Visayas and Mindanao are within reach in 30 minutes. This makes it a better alternative to Manila as a transfer hub to destinations in the southern Philippines.

The growth of MCIA and the continuous arrival of more passengers are the result of an aggressive marketing campaign to promote Cebu and its adjacent provinces. The Company works closely with partner airlines as well as travel and tourism stakeholders such as the Department of Transportation (DOTr), Mactan-Cebu International Airport Authority (MCIAA), travel and tour operators, and hotel and resort operators, to promote Cebu to existing and untapped markets.

GMCAC also holds regular roadshows and familiarization tours to market Cebu internationally. South Korea, China, and Japan continue to be strong markets for Cebu. Meanwhile, the Company aims to further promote Cebu to untapped markets such as Australia, North America, Europe, and other ASEAN countries and continuously working to increase the frequencies of existing flights.

## DIRECT AND INDIRECT ECONOMIC IMPACTS

In 2018, nearly two thirds of GMCAC’s net profit went to suppliers and contractors, many of whom are local businesses. Nearly a fifth of GMCAC’s net income for the year were paid to employee salaries and to the government as taxes. Notably, the Company’s employees enjoy entry level wages that are considerably higher than the government’s minimum wage levels for these positions.

A significant portion of the Company’s retained earnings will be rechanneled to further transform the airport into a world-class facility. GMCAC’s investments in transforming the airport will provide huge indirect benefits to trade and tourism in Cebu and the nearby islands. Aside from addressing growing passenger demand and bringing in more tourists into Cebu, the airport is simultaneously stimulating commercial activity and widening pathways toward greater countryside development.



## DIRECT ECONOMIC VALUE GENERATED AND DISTRIBUTED

ECONOMIC IMPACT IN PHP MILLION	2018	% OF TOTAL
Direct economic value generated	3,027.47	100%
Direct economic value distributed		
Salaries paid to employees	227.30	8%
Taxes paid to government	231.64	8%
Amount paid to suppliers/contractors	1,681.72	56%
Dividends paid to stockholders	-	
Charitable contributions	1.00	0%
Direct economic value retained	885.82	29%

## MARKET PRESENCE

	WAGE LEVEL	AMOUNT IN PHP/MONTH
Standard entry level wage (male)	13,700.00	₱
Standard entry level wage (female)	13,700.00	₱
Local minimum wage	10,068.17	₱



## OPERATIONAL EFFICIENCIES

At the handover of operations in November 2014, GMCAC started rehabilitating MCIA. In June 2015, GMCAC vowed to reduce congestion, increase annual capacity from 4.5 million passengers per year to 12.5 million, and create one of the best airports in the Philippines.

Five years since the Company took over the operations, renovation, and maintenance of the airport, GMCAC has already revitalized the facility, significantly transforming MCIA into one of the best airports in Asia with a uniquely Filipino aesthetic and vibe.

**In 2018, the Mactan-Cebu International Airport (MCIA) was awarded the Asia-Pacific Medium Airport of the Year in the CAPA 2018 Asia Aviation Awards for Excellence.**

CAPA's Aviation Awards for Excellence is regarded as the pre-eminent awards for strategic excellence in aviation. It rewards airlines and airports that are not only successful but have also provided industry leadership in adjusting to a new environment.



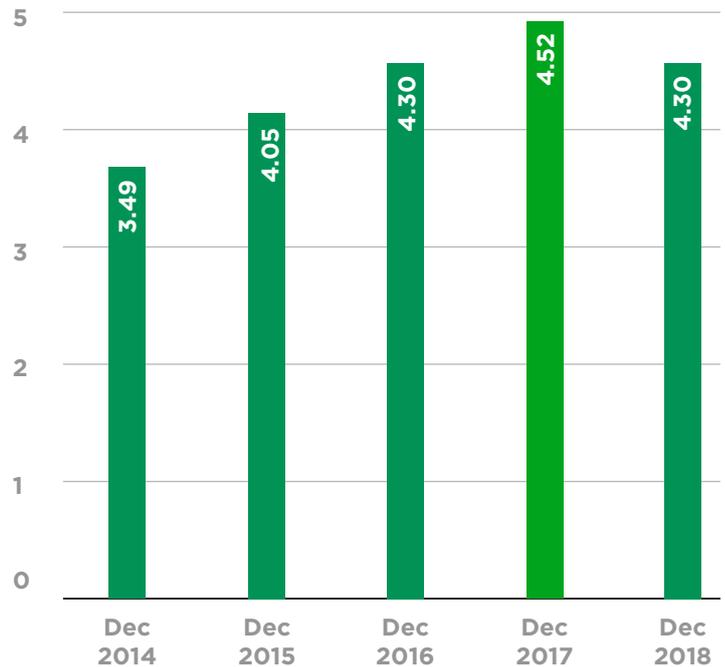
## QUALITY AND CUSTOMER SATISFACTION

The concession agreement between MCIAA (Mactan-Cebu International Airport Authority) and GMCAC require the concessionaire to submit quarterly performance reports and meet Minimum Performance Specifications and Standards (MPSS). The MPSS includes Objective Performance Parameters, which are based on objective data from measurements and empirical observations, and Subjective Performance Parameters, which measure overall satisfaction with facilities from customer perception.

To meet these requirements, GMCAC is implementing an Airport Quality Service Program for both objective and subjective parameters. This quality program conducts regular data collection and reporting activities, and audits and process monitoring programs. It also demands heightened interdepartmental collaboration to surpass targets and move beyond compliance.

In addition, the airport is now working toward an Integrated Management System certification, which GMCAC targets to achieve by 2020.

GMCAC measures customer satisfaction through an in-house Airport Service Quality (ASQ) Survey, measuring 33 service parameters in the airport. These service parameters are rated by passengers using a scoring matrix of 1 (poor) to 5 (excellent). The following results for the ASQ Overall Satisfaction were achieved:



## STRONGER AS ONE

GMCAC is aware that its impacts on society should be managed with the same rigor as its economic and environmental impacts. As such, the Company is building strategic engagement channels and nurturing strong relationships with its various publics, particularly its employees, clients, and its host communities in Mactan, Cebu.

For this reporting period, GMCAC has started to measure its social performance in the areas that are most relevant to its communities. These are customer satisfaction, workforce health and wellbeing, and community investments and corporate social responsibility.

GMCAC seeks to create shared value through its core business activities to unite people who are guided by the Company’s corporate values. As part of its sustainability journey, the Company seeks to attract, develop and retain the best talents who share GMCAC’s sustainability ideals and values.

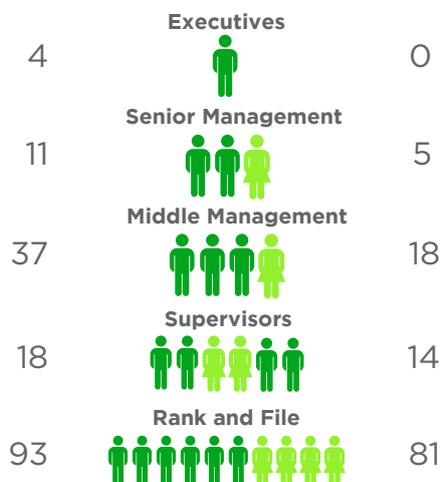
Today, GMCAC employs nearly 300 full-time regular staff and over 100 outsourced personnel. The Company has a relatively young management profile with 47 managers belonging to the under-50 age group. Notably, over 30% of senior managers and 32% of middle managers are female, indicating a diverse managerial profile that promotes equal gender opportunity in the workplace.

### EMPLOYEE BREAKDOWN

By contract type and gender



By position and gender



By position and age group

	Below 30 yrs old	30 to 50 yrs old	Over 50 yrs old
Top Management	0	2	2
Senior Management	0	9	7
Middle Management	1	36	18
Supervisors	6	23	3
Rank and File	69	88	17

### NEW HIRES AND EMPLOYEE TURNOVER

By gender



By age group

	Below 30 yrs old	30 to 50 yrs old	Over 50 yrs old
New Hires	22	37	2
Attritions/Turnover	12	14	1
Attrition Rate	4.5%	5.3%	0.3%

## OCCUPATIONAL HEALTH AND SAFETY

GMCAC puts a high premium on the health and safety of all its workers. There were no significant accidents or incidents that caused injuries among the Company's workforce for this first reporting year. In addition, 13.5% of the Company's total employee count is represented in formal joint management-health and safety committees that help monitor and advise on occupational health and safety programs.

## INJURIES & ACCIDENTS

Employees in health & safety committee	38
Total Manhours	599,293
Lost time accidents	0
Number of occupational injuries/illnesses	0
Incidence Rate	n/a
Severity Rate	0
Lost days	0
Fatalities	0
Work-related fatalities	0

*Note: Occupational injuries/illnesses refer to injuries and illnesses experienced by personnel  
Formulas are thus. Note that each takes in measurements for the quarter:*

*Frequency rate = (number of injuries/illnesses during the quarter)/(total number hours worked during the quarter) \* 200,000*

*Lost day rate = (total lost days in the quarter)/(total number of hours scheduled to be worked by employees)\*200,000*

*Absentee rate = (number of absentee days)/(total number of days scheduled to be worked by employees)\*100*

## Training programs conducted

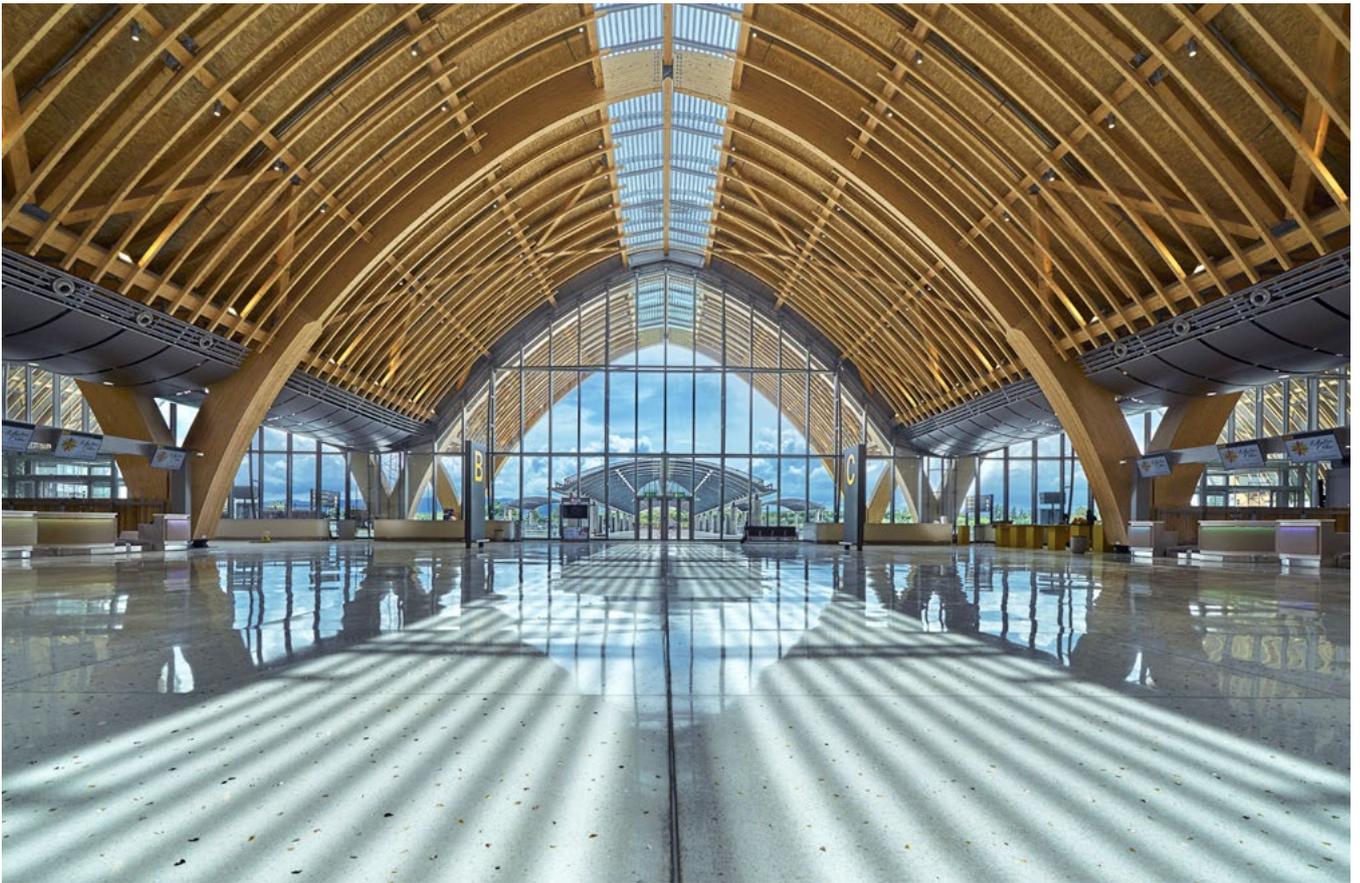
TOPIC	NO. OF ATTENDEES
Contractor Safety Orientation	1,250
Airside Safety Training (SMS)	60
BOSH Based Training Internal	12
Food Safety Training	20
Fire Safety Awareness Training	650
Fire Warden Training	600
Thermal Imaging Training	20
Diabetes Awareness	40
Breast Cancer Awareness	40

## COMMUNITY INVESTMENTS

The CSR programs of GMCAC are guided by its vision of developing sustainable and vibrant communities, particularly within the two communities— Barangay Pusok and Barangay Ibo in Lapu-Lapu City—that are directly affected by the airport.

GMCAC’s CSR program is handled by its Corporate Affairs and Branding Department and focuses on Education, Environment, Livelihood and Overall Community Development of the communities around the facility.

PROJECT	DESCRIPTION	NUMBER OF BENEFICIARIES
<b>Gasa sa Kahimsog (Gift of Nutrition) Feeding Program</b>	Held from December 2017 to April 2018, this program promoted weight-building and proper nutrition to undernourished children ages 2 to 10 in Barangay Soong, Lapu-Lapu City.	100 children
<b>Brigada Eskwela Program/ Adopt-a-School Program</b>	A core CSR program under the Education Portfolio of GMCAC’s Adopt-a-School campaign. It was held once again in 2018 in partnership with the Department of Education at Pajo Elementary School in Lapu Lapu City with 20 GMCAC volunteers. The half-day activity painted about 200 chairs and tables. GMCAC also donated 5 sets of cleaning materials.	200 students
<b>Christmas Outreach Program</b>	With the help of the People Management Association of the Philippines - Cebu (PMAP Cebu), students at Umapad Elementary School in Mandaue City received: <ul style="list-style-type: none"> <li>• 121 Christmas food baskets</li> <li>• 121 school supply packs</li> </ul> Umapad Elementary School is home to about 500 students from neighboring households including households from Umapad dumpsite.	121 students (primary level)
<b>Scholarship Support to senior high school students of Olango National High School</b>	GMCAC is supporting 10 scholars from Sta. Rosa National High School – Senior High School under the General Academic strand through monthly financial assistance and pledge support for the skills certification of its scholars. GMCAC also hosted an airport tour for the scholars and invited partner concessionaires to give a career talk in the Food and Beverage industry.	10 students
<b>Disaster response to communities razed by fire</b>	Distributed relief packs of dry goods and sleeping mats to the families affected by separate fire incidents in Brgy. Pusok and Brgy. Pajo in Lapu-Lapu City.	300 families (approx 1,200 pax)
<b>Disaster response to a community affected by landslide</b>	GMCAC distributed relief packs to about 200 families of the Sept. 20 Naga Landslide incident in Naga City, Cebu. The relief goods included bottled water, sleeping mats, toiletries and ready-to-eat food items for the landslide victims.	200 families (approx. 800 pax)



## TOWARDS ENVIRONMENTAL EXCELLENCE

GMCAC ensures full compliance to all environmental requirements and regulations and seeks to conserve and protect Mactan's ecosystems even as it grows its business.

GMCAC develops, implements, and maintains health, safety, quality, and environmental management systems with a focus on continual improvement. The Company has environmental management programs in place that constantly monitor and manage air quality, water quality, solid and hazardous waste, and the wildlife that are affected by airport operations. The Company also pursues various environmental initiatives, such as tree planting and coastal clean-up drives, to promote responsible environmental stewardship within the airport and surrounding areas.

**The Mactan-Cebu International Airport also aims to conserve power through its design, which does not require the use of much lighting during daytime. The Company also posts helpful tips on its website to educate its employees on how to best manage and conserve electricity.**

## ENERGY

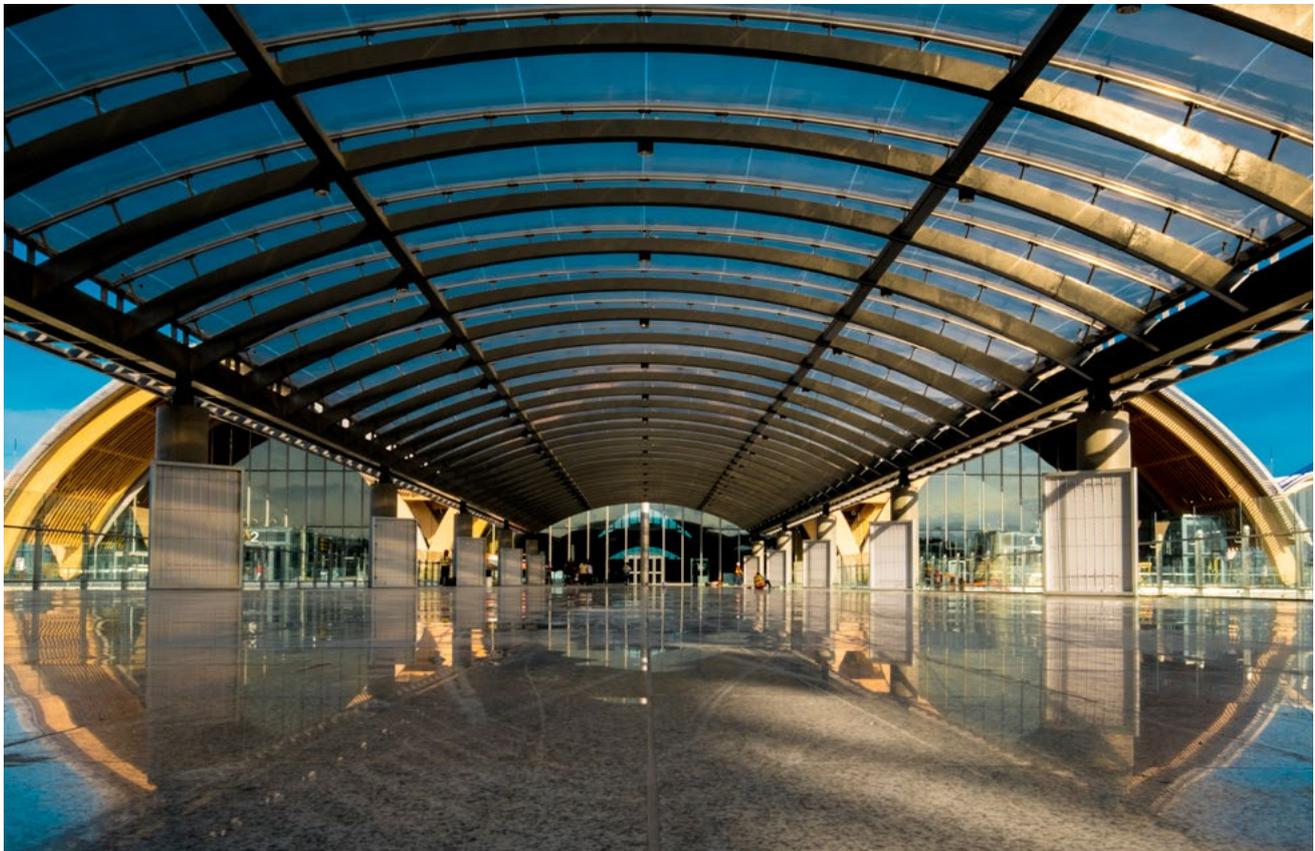
The local power distributor Mactan Electric Company and CitiCore Energy Solutions Inc. provide electricity to the entire airport. GMCAC installed a 1.64 MW grid-tied rooftop solar plant that produces 6,560 kW daily providing about 70% of T1 power requirements at peak hours. The system is also calculated to reduce greenhouse gas emissions by 1,301,580 kg each year. Solar plant savings average ₱1M per month or ₱12M per annum.

### Annual fuel consumption within the organization

ITEM	FUEL TYPE	AMOUNT (LITERS)
GENERATOR SETS (TERMINAL 1)	Diesel	 <b>935</b>
GENERATOR SETS (TERMINAL 2)	Diesel	 <b>3,780</b>

### Annual electricity consumption within the organization

FACILITY	AMOUNT (kWh)
TERMINAL 1	<div style="display: flex; align-items: center;"> <div style="width: 80%; height: 15px; background: linear-gradient(to right, #008000, #ccc);"></div> <span style="margin-left: 10px;">8,877,640.80</span> </div>
TERMINAL 2	<div style="display: flex; align-items: center;"> <div style="width: 85%; height: 15px; background: linear-gradient(to right, #008000, #ccc);"></div> <span style="margin-left: 10px;">9,966,377.28</span> </div>



## WATER

The water used in the terminals is provided by MCWD and Mactan Rock, the local water providers in Lapu Lapu City.

In 2018, water consumption decreased by 6.8% compared to 2017 figures. The Company has ongoing efforts toward water reuse and rainwater harvesting to further conserve water in its operations.



### Water consumption within organization

FACILITY	AMOUNT (m <sup>3</sup> )
Terminal 1	238,587.33
Terminal 2	61,027.25

## EFFLUENTS AND WASTE

Treatment and disposal of domestic wastewater is being handled by MCIAA but GMCAC also conducts monthly monitoring of the effluent. An accredited Solid Waste Hauler is being contracted to haul out all non-hazardous wastes generated within the terminal as well as wastes from aircraft. Hazardous wastes are being stored and treated in accordance to DENR-EMB guidelines.

Moreover, the airport has banned the use of non-biodegradable single use plastic bags and polystyrene containers. Waste segregation at source is also being practiced.

### Total weight of waste by type and disposal method

Metal/ Aluminum	5,515 kg
Plastic	22,139 kg
Paper	37,621 kg
Residual	369,920 kg
Food	767,270 kg

Hauling and Disposal is done by 3rd party accredited service provider.





04  
**04**

# **MWM TERMINALS, INC.**



**The terminal is built and operated by MWM Terminals, Inc. (MWM) under a 35-year build-transfer-operate program with the government’s Department of Transportation (DOTr). MWM is Megawide Corporation’s terminal operations company.**

With an arrival area comprised of 23 bus bays and a departure area having 36 bus bays, PITX is designed to serve an estimated 100,000 passengers daily. This passenger count is expected to significantly rise when PITX begins to serve the planned Asia World Station of the LRT1 Cavite line extension.

PITX has three components: the transport terminal, retail spaces, and office towers. The terminal itself has three levels with assigned arrival and departure floors for buses, jeepneys and taxis. The retail complex has a

total GLA of approximately 12,000 sq m and will house a food court, banks, drug stores, various retail outlets, and parking spaces. There are four office towers, each having 18,000 sq m of leasable space, for a total of 72,000 sq m.

PITX began terminal operations in November 2018. The scope of this section thus covers only four months from August to December 2018 and explains the limited data in some reporting parameters.

**MWM Terminal’s vision for PITX is a safe, comfortable, and highly efficient transport facility that consolidates all the various modes of transport in the south into one cohesive system.**



# Commuting Made Easier

**PITX is the first fully modern intermodal land transport terminal in the Philippines. The facility is located on a 4.6-hectare site in AsiaWorld, Bay City, at the end of the Manila-Cavite Expressway off Macapagal Boulevard. PITX opened on November 5, 2018 and now serves as a transfer hub between provincial and in-city public utility vehicles in southern Metro Manila.**

## CUSTOMER-CENTRIC FACILITY

### CUSTOMER EXPERIENCE

PITX strives to provide the best terminal services in the city by featuring world-class facilities, such as electronic ticketing, QR code-capable turnstiles, and real-time announcement of arrival and departure times. The fully air-conditioned, 75,000-square meter complex also has floor-to-ceiling glass windows and rows of cushioned seats for customer enjoyment and comfort.

The facility is working to make transferring between various modes of transport much easier, from the time commuters arrive at the terminal until they line up at their respective boarding gates. A park-and-ride facility is now open and encourages more people to take public transport. Online ticketing will soon be available for buses.

### NOTABLE FACILITIES FOR PASSENGER CONVENIENCE



Multi-faith prayer room



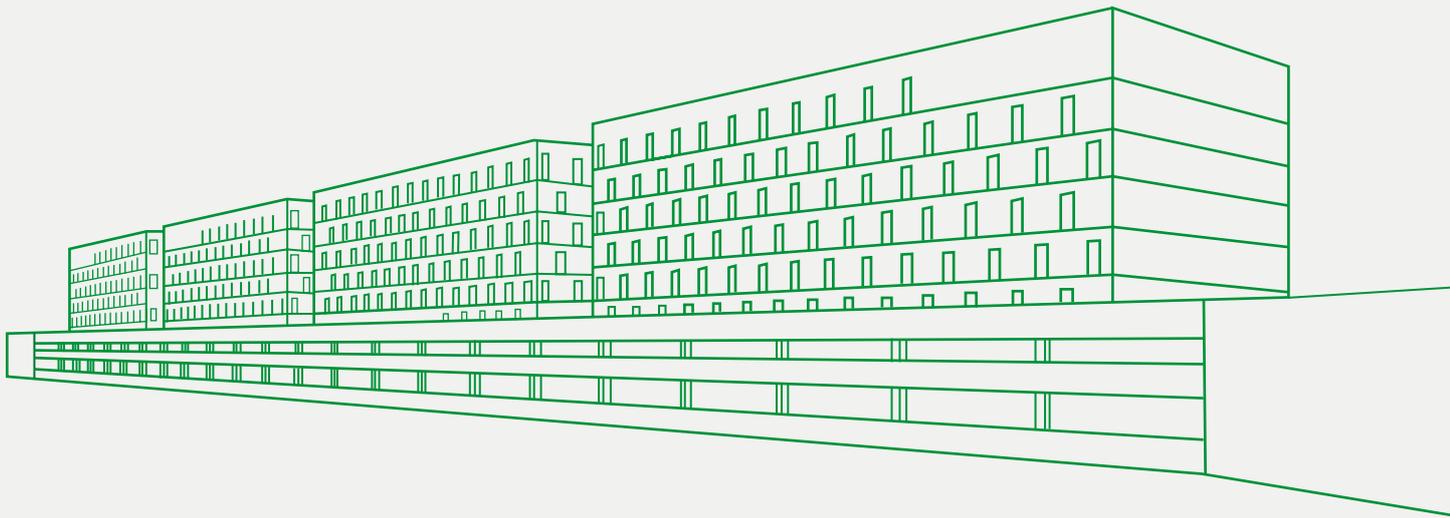
Family room/breastfeeding area



Clinic



Wheel chairs/emergency response team



## SURMOUNTING CHALLENGES

The first months of operations were challenging for PITX, given the many solutions and innovations that it seeks to provide. Nevertheless, MWM rose up to these challenges by addressing customer complaints and concerns speedily and accurately. The biggest customer issue was the lack of connections to and from PITX due to the considerable number of buses that were initially by-passing PITX. As part of its CSR support to MWM Terminals, Megawide Foundation launched the SerBus Free Shuttle service in partnership with the JCI Senate Philippines to provide free rides to commuters during weekday peak hours between PITX and Lawton, Baclaran and Monumento.

ITEM	ACTUAL 2018 PERFORMANCE	TARGET BY END-2019
Number of passengers per month	22,400 per day	100,000 per day
Number of routes	42	57
Number of transport companies partnered with	40	50
Number of formal complaints received	37,805	0
Number of complaints resolved	90%	99%
Complaint resolution rate	90%	99%
Overall customer satisfaction rate	368.1 out of 1,227 (1.5 out of 5)	5 out of 5

## FACILITY SECURITY

A number of security and disaster-preparedness measures have been put in place for 2019 to address security issues. These include fire, earthquake, bomb, and terrorist drills, as well as various trainings on human rights, missing children, and extreme customer behavior, among other topics.

SAFETY DRILLS	EXTERNAL PARTNERS
Fire	BFP/PNP/Barangay
Bomb threat	BFP/PNP/Barangay
Earthquake	BFP/PNP/Barangay
Shooter/terrorist	PNP

## STRENGTH IN DIVERSITY

Aside from promoting transport excellence, PITX also seeks to foster social inclusivity and diversity to become a truly world-class facility. The terminal has multi-faith prayer rooms, facilities for senior citizens and PWDs, breastfeeding stations, and clinics that can address various health concerns.

### EMPLOYEE BREAKDOWN

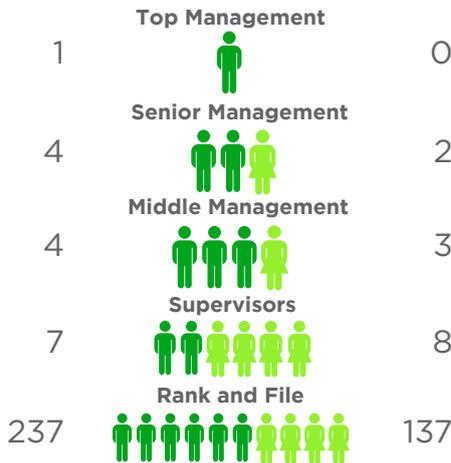
By contract type and gender



By position and age group

	MALE	FEMALE
Above 50 years	4	0
30 - 50 years	103	2
Supervisors	7	8
Rank and File	237	137

By position and gender



### NEW HIRES AND EMPLOYEE TURNOVER

By gender



## WORKER HEALTH AND SAFETY

### INJURIES AND ACCIDENTS

No. of employees in health & safety committee	5
Total Manhours	2,280
Lost time accidents	0
Number of occupational injuries/illnesses	0
Incidence Rate	n/a
Severity Rate	n/a
Lost days	0
Fatalities	0
Work-related fatalities	0



## ENVIRONMENTAL PERFORMANCE

As a pioneering transport facility, PITX seeks to become a model in sustainable mass transit by introducing mitigation measures that reduce or eliminate the negative environmental impacts of public transport.

### ENERGY

At PITX, annual electrical preventive maintenance is programmed for efficient operation. Regular monitoring of all mechanical, electrical and fire detection and alarm system is conducted by assigned personnel. In addition, PITX's equipment are also equipped with devices that prevent overloading.

To ensure energy efficiency, the facility uses LED lighting and adjusts its cooling system based on foot traffic, outdoor temperature, and humidity levels. Moreover, some elevators and escalators are turned off during non-peak hours.

#### Fuel consumption within the organization

ITEM	FUEL TYPE	AMOUNT (LITERS)
GENERATOR SETS	Diesel	 10

#### Electricity consumption within the organization

FACILITY	FLOOR AREA (sq m)	AMOUNT (kWh)
PITX	94,000	518,000 
ENERGY INTENSITY		55.1 kWh / sq m 

## WATER

PITX is very conscious of the need to conserve water. As such, the company has designed all of the facility's water-related equipment to prevent overflowing and leaks. Maintenance teams regularly monitor and conduct preventive checks to ensure efficient operation. In addition, water is recycled for cleaning, flushing toilets, and watering plants.



### Water consumption within organization

#### FACILITY

PITX

#### AMOUNT (m<sup>3</sup>)



12,024

## SOLID WASTE MANAGEMENT

The management of solid waste is critical to the smooth operations of PITX. To ensure that an effective waste management system is in place, the Company has created its own on-site materials recovery facility which enables the segregation and disposal of waste into the following categories: biodegradable, non-biodegradable, recyclable, and hazardous.

### Total weight of waste by type and disposal method

#### Segregation of bio/non-bio/recyclable materials/waste



Solid Waste

10-15 kg





06

# MEGAWIDE FOUNDATION

# Strategic Social Interventions and Innovations

Established in 2012 to provide opportunities to marginalized groups in communities where we operate, Megawide Foundation embodies our commitment to inclusive growth through innovation and values-driven leadership.

Over the past six years, we have been demonstrating this commitment by strategically pursuing programs in areas where our resources are needed most and where our expertise as an engineering and construction conglomerate can leave the most positive impact.

By finding connections between our social commitment and our core business purpose, we are able to effectively translate Megawide’s corporate spirit of excellence and innovation into meaningful social and environmental initiatives that improve the lives of underprivileged Filipinos.



## 2018 HIGHLIGHTS

In line with the Foundation’s new vision and mission, we continued to refine our strategies and programs based on the following parameters and actions:

- 1** Reaching out to underserved communities and underprivileged Filipinos
- 2** Aligning Foundation programs with Megawide’s Core Businesses
- 3** Setting measurable outcomes and impacts in a way that is aligned with the Sustainable Development Goals of the Global Agenda 2030
- 4** Prioritizing areas where Megawide operates



## OUR VISION

To be the innovator in providing underserved Filipino communities with First-World solutions.

## OUR MISSION

We engineer a better future for underprivileged Filipinos by providing access to high quality technical education and eco-friendly community building.

## FOUNDATION PILLARS

Megawide Foundation works in two key focus areas where our business strategies and concerns intersect with the common good. These two areas are aligned with Megawide's fields of expertise and represent our commitment to growing in tandem with the communities that host our businesses.

## HIGH QUALITY TECHNICAL EDUCATION

We believe that inclusive access to education is the most powerful way to reduce economic inequalities. In partnership with our partner institutions, our scholarship and endowment programs enable schools to improve their facilities while providing free high quality technical education to bright students from disadvantaged families.

## ECO-FRIENDLY COMMUNITY BUILDING

We support programs that advocate for responsible production and protect the natural resources we need to sustain our businesses and operations. The Foundation also seeks to undertake community building projects in tandem with like-minded non-profits and social enterprises that use innovative and eco-friendly building products and services.



**In 2018, the Foundation, working on behalf of Megawide Construction Corporation and its various subsidiaries, allocated ₱10.3 million to implement various programs, including the following key initiatives:**

### **MEGAWIDE ENGINEERING EXCELLENCE SCHOLARSHIPS (MEES)**

The MEES Program provides engineering and architecture scholarships to underprivileged but highly deserving students. The program embodies Megawide’s vision of engineering a better future for promising students who, without financial assistance, would not be able to finish a degree and embark on a career in engineering and architecture.

In 2018, the third year of the MEES program, Megawide Foundation added a new partner school—the Pamantasan ng Lungsod ng Maynila—bringing our total number of partner schools to three, along with Polytechnic University of the Philippines (PUP) and Technological University of the Philippines (TUP). The Foundation increased the number of scholarship grants, doubling the total number of scholars from 24 to 48.

We are also happy to report that our first two female civil engineering MEES scholar-graduates passed the Board examination and had their oath-taking in December 2018.



### **MEGAWIDE – SKILLS BUILDER PROGRAM**

This program provides vocational scholarships for livelihood training in carpentry, masonry, and tile-setting. The aim is to provide free and quality technical education to unemployed Filipinos who plan to pursue a career in the construction industry but have no means to jumpstart their goals.

In 2018, in partnership with SKILLS (School of Knowledge in Industrial Labor, Leadership, and Service), Megawide Foundation signed a MOA with Primary Structures Educational Foundation, Inc. (PSEFI) to provide scholarships for out-of-school youths and out-of-work adults in Cebu who live near developments managed or built by Megawide. Our hope is that, after passing their TESDA certification, these new skilled workers will be able to work for Megawide and other construction firms.



## MARIKINA WATERSHED ADOPTION

In 2018, Megawide Foundation continued to support the conservation of the Marikina Watershed by planting 3,125 seedlings in five hectares of the watershed reforestation site. Already in its third year, this program is being implemented in partnership with the Philippine Business for Social Progress (PBSP). It seeks to widen the scale and impact of the Marikina Watershed Initiative Program, a consortium project of the Philippine Disaster Recovery Foundation (PDRF) to help address deforestation that contributed to the flooding of Metro Manila during Typhoon Ondoy.



## MEGAWIDE ECO-BRICK AND ECO-PAVER DEVELOPMENT

In 2018, the Foundation signed a MOA with Green Antz Builders to co-develop eco-bricks and eco-pavers made from recycled Megawide construction waste. Green Antz is a unique social enterprise which upcycles solid waste, such as plastic laminates and PET bottles, into eco-bricks and eco-pavers. Megawide and Green Antz will produce eco-bricks made from Megawide construction waste such as concrete cylinders and concrete debris from our Taytay Precast Plant and Taguig Batching Plant.

## SURGICAL MISSIONS

Megawide Foundation and World Surgical Foundation Philippines (WSFP) signed a MOA in December 2018 to conduct surgical missions in Megawide project areas as well as the poorest regions of the Philippines. The first Megawide-WSFP surgical mission, which will take place in Lapu-Lapu City in 2019, will provide first-world surgical procedures to indigent patients in Mactan, Cebu, with priority being given to pediatric patients. These complex and expensive surgeries are either unavailable locally or too expensive for most people in our partner communities.



## UPLIFTING THE LIVES OF INFORMAL SETTLERS

In December 2018, Megawide Foundation and Megawide Construction Corporation volunteers partnered with Project Pearls — a Filipino non-profit organization that serves underprivileged children of informal settlers in Manila and Bulacan — to conduct feeding programs and Math tutoring for 600 children in Tondo, Manila. The Company also sponsored *Noche Buena* Christmas meals for 100 of the children's families.



# GRI Content Index Sheet

For the Materiality Disclosures Service, GRI Services reviewed that the GRI content index is clearly presented and the references for Disclosures 102-40 to 102-49 align with appropriate sections in the body of the report. [The service has been performed on the English version of the report.]

		PAGE NO. / DIRECT ANSWER	OMISSION
<b>GRI 101: Foundation 2016</b>			
<b>General Disclosures</b>			
GRI 102: General Disclosures 2016			
<b>Organizational Profile</b>			
GRI 102-1	Name of the organization	9	
GRI 102-2	Activities, brands, products, and services	11-14	
GRI 102-3	Location of headquarters	1	
GRI 102-4	Location of operations	9	
GRI 102-5	Ownership and legal form	10	
GRI 102-6	Markets served	10	
GRI 102-7	Scale of the organization	35	
GRI 102-8	Information on employees and other workers	35, 49, 60	
GRI 102-9	Supply chain		Not Disclosed
GRI 102-10	Significant changes to the organization and its supply chain		None
GRI 102-11	Precautionary Principle or approach		None
GRI 102-12	External initiatives		Not Applicable [No such initiatives]
GRI 102-13	Membership of associations		Not Disclosed
<b>Strategy</b>			
GRI 102-14	Statement from senior decision-maker	4	
<b>Ethics and integrity</b>			
GRI 102-16	Values, principles, standards, and norms of behavior	17	
<b>Governance</b>			
GRI 102-18	Governance Structure	15	
<b>Stakeholder Engagement</b>			
GRI 102-40	List of stakeholder groups	24	
GRI 102-41	Collective bargaining agreements	35	
GRI 102-42	Identifying and selecting stakeholders	24	
GRI 102-43	Approach to stakeholder engagement	24	
GRI 102-44	Key topics and concerns raised	24	
<b>Reporting Practice</b>			
GRI 102-45	Entities included in the consolidated financial statements	Sustainability Report includes only major projects	
GRI 102-46	Defining report content and topic Boundaries	25	
GRI 102-47	List of material topics	25	
GRI 102-48	Restatements of information	This is the first report	
GRI 102-49	Changes in reporting	This is the first report	

GRI 102-50	Reporting period	2018
GRI 102-51	Date of most recent report	Not Applicable
GRI 102-52	Reporting cycle	Annual
GRI 102-53	Contact point for questions regarding the report	1
GRI 102-54	Claims of reporting in accordance with the GRI Standards	1
GRI 102-55	GRI content index	69-72
GRI 102-56	External Assurance	Not Applicable

	<b>MATERIAL TOPICS</b>		<b>PAGE NO. / DIRECT ANSWER</b>	<b>OMISSION</b>
<b>ECONOMIC</b>				
GRI 103: Management Approach 2016	GRI 103-1	Explanation of the material topic and its Boundaries	9	
	GRI 103-2	The management approach and its components	9	
	GRI 103-3	Evaluation of management approach	9	
GRI 201: Economic Performance 2016	GRI 201-1	Direct economic value generated and distributed	46	
	GRI 201-2	Financial implications and other risks and opportunities due to climate change		Mitigating activities are in place when calamities due to climate change occurs
GRI 103: Management Approach 2016	GRI 103-1	Explanation of the material topic and its Boundaries	46	
	GRI 103-2	The management approach and its components	46	
	GRI 103-3	Evaluation of management approach	46	
GRI 202: Market Presence 2016	GRI 202-1	Ratios of standard entry level wage by gender compared to local minimum wage	46	
GRI 103: Management Approach 2016	GRI 103-1	Explanation of the material topic and its Boundaries	46	
	GRI 103-2	The management approach and its components	46	
	GRI 103-3	Evaluation of management approach	47	
GRI 203: Indirect Economic Impacts 2016	GRI 203-1	Infrastructure investments and services supported	57	
	GRI 203-2	Significant indirect economic impacts	57	
GRI 103: Management Approach 2016	GRI 103-1	Explanation of the material topic and its Boundaries	19	
	GRI 103-2	The management approach and its components	20	
	GRI 103-3	Evaluation of management approach	20	
GRI 205: Anti-corruption 2016	GRI 205-1	Operations assessed for risks related to corruption	None	
	GRI 205-3	Confirmed incidents of corruption and actions taken		All departments were assessed for the risk of corruption

# GRI Content Index Sheet

		MATERIAL TOPICS	PAGE NO. / DIRECT ANSWER	OMISSION
<b>ENVIRONMENT</b>				
GRI 103: Management Approach 2016	GRI 103-1	Explanation of the material topic and its Boundaries	52	
	GRI 103-2	The management approach and its components	38	
	GRI 103-3	Evaluation of management approach	38	
GRI 302: Energy 2016	GRI 302-1	Energy consumption within the organization	39, 40, 53, 61	
	GRI 302-3	Energy Intensity	39, 40, 53, 61	
GRI 103: Management Approach 2016	GRI 103-1	Explanation of the material topic and its Boundaries	39	
	GRI 103-2	The management approach and its components	39	
	GRI 103-3	Evaluation of management approach	39	
GRI 303: Water and Effluents 2018	GRI 303-1	Interactions with water as a shared resource	62	
	GRI 303-2	Management of water discharged-related impacts	62	
	GRI 303-3	Water Withdrawal	39, 40, 53, 62	
	GRI 303-4	Water Discharged	39, 40, 53, 62	
	GRI 303-5	Water Consumption	39, 40, 53, 62	
GRI 103: Management Approach 2016	GRI 103-1	Explanation of the material topic and its Boundaries	38	
	GRI 103-2	The management approach and its components	38	
	GRI 103-3	Evaluation of management approach	38	
GRI 306: Effluents & Waste 2016	GRI 306-2	Waste by type and disposal method	39, 40, 55	
	GRI 306-3	Significant spills	None	
	GRI 306-4	Transport of hazardous waste	39, 40, 55	
<b>Labor Practices &amp; Employee Relations</b>				
GRI 103: Management Approach 2016	GRI 103-1	Explanation of the material topic and its Boundaries	49	
	GRI 103-2	The management approach and its components	49	
	GRI 103-3	Evaluation of management approach	49	
GRI 401: Employment 2016	GRI 401-1	New employees hires and turnover	35, 60	
	GRI 401-3	Parental Leaves	36	
GRI 103: Management Approach 2016	GRI 103-1	Explanation of the material topic and its Boundaries	36	
	GRI 103-2	The management approach and its components	36	
	GRI 103-3	Evaluation of management approach	36	
GRI 402: Labor/ Management Relations 2016	GRI 402-1	Minimum notice periods regarding operational changes	Minimum notice periods regarding operational changes is implemented	

GRI 103: Management Approach 2016	GRI 103-1	Explanation of the material topic and its Boundaries	35
	GRI 103-2	The management approach and its components	35
	GRI 103-3	Evaluation of management approach	35
GRI 403: Occupational Health & Safety 2016	GRI 403-1	Workers representation in formal joint management-worker health and safety committees	37, 50, 61
	GRI 403-2	Types of injury and rates, occupational diseases, lost days, and absenteeism, and number of work-related fatalities	37, 50, 61

MATERIAL TOPICS			PAGE NO. / DIRECT ANSWER	OMISSION
GRI 103: Management Approach 2016	GRI 103-1	Explanation of the material topic and its Boundaries	35	
	GRI 103-2	The management approach and its components	35	
	GRI 103-3	Evaluation of management approach	35	
GRI 404: Training & Education 2016	GRI 404-1	Average hours of training per year per employee	36	
	GRI 404-2	Program s for upgrading employee skills and transition assistance programs	36	
GRI 103: Management Approach 2016	GRI 103-1	Explanation of the material topic and its Boundaries	15	
	GRI 103-2	The management approach and its components	15	
	GRI 103-3	Evaluation of management approach	15	
GRI 405: Diversity & Equal Opportunity 2016	GRI 405-1	Diversity of governance bodies and employees	15	
	GRI 405-2	Ratio of basic salary and remuneration of women to men		The ratio of salary is based on performance and position and not on gender
GRI 103: Management Approach 2016	GRI 103-1	Explanation of the material topic and its Boundaries	16	
	GRI 103-2	The management approach and its components	16	
	GRI 103-3	Evaluation of management approach	16	
GRI 406: Non-discrimination 2016	GRI 406-1	Incidence of discrimination and corrective actions taken		There were no such incidents

### Community Development

GRI 103: Management Approach 2016	GRI 103-1	Explanation of the material topic and its Boundaries	65
	GRI 103-2	The management approach and its components	67-68
	GRI 103-3	Evaluation of management approach	67

# Thank you

to everyone who contributed  
to our 2018 Megawide  
Sustainability Report

## HOLDING COMPANY

### BUSINESS DEVELOPMENT

Carmela Cinco

### CORPORATE AFFAIRS AND BRANDING

Alyana Robleza  
Anna Karenina Salgado  
Daniel Vega  
Ephraim Jose Valdez  
John Kalvin Carreon  
JR Ramos  
Leonard Divina  
Robert Jason Torres

### FACILITIES

Ruel Alma

### FINANCE & ACCOUNTING

Jerome Charles Bautista  
Mia Cortez

### FOUNDATION

Crisyl Ursabia  
John Carlo Navalta  
Kristelle Pascual  
Sheila Lynn Nawata

### HUMAN RESOURCES HOLDING COMPANY

Dana Abigail Esteban  
Jovie Miell Muaña  
Mary Grace Bacosa

### INTERNAL AUDIT

Anthony Velasco

### INVESTOR RELATIONS

Joan Cosico  
Michelle Magdato  
Rolando Bondoy

### LEGAL

Amraphel Espiritu  
Charlotte King  
Raymund Jay Gomez

### RISK MANAGEMENT

Jerome Mario Orfeo

### TOTAL QUALITY MANAGEMENT

Kama Neson Ganeson  
Nelson Cebrero

## EPC

### BIDS

Jessica Gandia

### HUMAN RESOURCES CONSTRUCTION

Jenefer Alba  
Lailanie Robles  
Maeann Forcadilla  
Winston Jimenez

### OPERATIONS

Christopher Reginio  
Dante Cabello  
Hezer Perez  
Jason Sietereales  
Jesus Arimbuyutan  
John Pascual  
Michael Genesis Jaca

## PLANNING

Maylene Soriano

## PROCUREMENT

Aries Capili

Earl Jason Vistro

Jamica Brillante

## QUALITY ENVIRONMENT

## SAFETY HEALTH

Christian Villaflor

Fermin Chavez Jr.

Katherina Grace Malunes

Marycon Salazar

Michael Pereyra

Neil Torres

Rowell Soriano

Warren Gabriel Magtoto

# GMR MEGAWIDE CEBU AIRPORT CORPORATION

Arlene Pinky Mante

Armarie Borden

Avigael Ratcliffe

Cybil Krhystel Inot

Edilyth Maribojoc

Jetro Baac

Joanne Claire Simbajon

John Valentine Binamira

Lee Concuera

Magesh Nambiar

Ravi Bhatnagar

Rhea Taneo

Ulysses Tecson

Ynno Igut

# MWM TERMINALS, INC.

Rogelio Lugue Jr.

# BUSINESS UNITS

Markus Hennig

## BATCHING PLANT TAGUIG

Joanne Marie Bendero

Mary Anne Zacarias

Ma. Camille Lapuz

Rex Ilagan

## CELS

Allan Manzano

Fidel Cuerdo

Leticia Catalan

Sarah Lou Soho

## PRECAST

Christopher Tamayo

Cris Emil Navarro

Daryll Lumberio

Einstein Chiu

Maria Celna Bernardo

Ryan Renzo Lucia

Severino Hao Jr.

## FORMWORKS

Camille Joy Peredo

Kevin Carlo Gamad

Mariel Balidoy



**This report was printed on recycled paper.**