

**PRESS RELEASE**  
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**Sustainability programs increasing impact on Megawide business**  
*Engineering innovation bridges business and social responsibility  
as the Company strengthens its sustainability commitment*

Publicly-listed infrastructure developer Megawide Construction Corporation is on track in implementing stronger economic, environmental, social and governance (EESG) initiatives, focusing on a stakeholder-focused approach anchored on a sound governance platform.

Megawide draws its revenues from construction and transport-related infrastructure, industries where EESG still has room to grow and where Megawide has introduced significant innovations that have led to measurable cost and operational efficiency, lessened negative environmental impacts, and growth inclusivity.

**Pioneering EESG in Construction and Infrastructure**

“Infrastructure has a measurable and highly significant impact on economy, the environment, and communities so we must be conscientious in the way we do our business. That’s where we marry EESG with our engineering innovation,” said Edgar Saavedra, Megawide Chairman and CEO.

Megawide started its EESG reporting in 2018 with its maiden, stand-alone Sustainability Report (SR) – the first in the local construction industry. This was combined with its traditional Annual Financial Report in 2019, becoming Megawide’s first Annual and Sustainability Report (ASR).

However, COVID-19 reshaped many conventions for companies, and though Megawide’s EESG reporting experienced a reset in 2020, it nonetheless sustained its initiatives amid these new challenges. With these initiatives finally regaining momentum, Megawide reaffirms its commitment to sustainability in accordance with the United Nation's Sustainable Development Goals.

**2021 Accomplishments**

**Environment**

There is mounting pressure in the construction industry to manage its impacts and Megawide continues to do so through innovative technologies. The state-of-the-art precast and construction solutions complex it operates in Taytay, Rizal is home to products and technology that lessen the company’s negative environmental impact.

The precast methodology helps lessen noise and dust pollution typical in a traditional construction site. Further, Megawide is pursuing research and development of a ready-mix concrete technology expected to reduce water and electricity consumption, without sacrificing strength and quality, to further reduce carbon emissions.

As of end-2021, the Company recorded carbon emissions classified as Scope 1 (direct emissions from owned or controlled sources) and Scope 2 (indirect emissions from the generation of purchased energy) of 2.86 and 34.8 metric tons, respectively, which it aims to improve on moving forward through innovation.

"Megawide wishes to make our position on the environment unmistakable, despite the notion that our business is considered a contributor to carbon emissions," shared Louie Ferrer, Megawide Vice-Chairman and Foundation President.

### **Economic**

In 2021, Megawide distributed P14.6 billion out of the P15.6 billion revenues it generated. 70% was classified as operating costs, bulk of which fall under subcontracted labor (in the form of salaries and wages), with rent, utilities, marketing and advertising expenses comprising the balance.

Around 13% of these went directly to employees in the form of salaries, wages, and other benefits while 10% were paid to suppliers and other trade partners. Dividends to shareholders and taxes paid to the government each comprised 3% of the total.

Economic value retained by the Company was equivalent to 7% of the total economic value generated. Total investments for corporate social responsibility (CSR) initiatives in 2021 also breached the pre-pandemic level in 2019, after hitting its highest level in 2020 attributed to the Company's response to the COVID-19 pandemic, especially for its employees and primary stakeholders.

### **Social**

Under the guidance of the Company's social responsibility arm, Megawide Foundation, the Megawide Engineering Excellence Scholarship (MEES) Program supports education as the great equalizer. As of end 2021, the MEES sponsored 97 scholars, under a remote learning set-up, which yielded six graduates at the culmination of the school year.

Internally, the Company continued to abide by all the applicable labor laws, rules, and regulations governing Megawide. In terms of employee development, the Company conducted a total of 31,458 training hours among more than 3,000 employees across the Megawide Group – or an average of 10.4 hours of training per employee.

Ferrer said the Company also put emphasis on its external stakeholders, such as customers, trade partners, and surrounding communities. "The impact on our stakeholders and partner communities were also taken into consideration through customer service excellence and satisfaction surveys in public facilities; equitable accreditation and bidding processes; disaster relief operations; medical missions, and various livelihood-based programs initiated by the Company during the year," he said.

### **Governance**

At the heart of a successful EESG campaign is a sound corporate governance blueprint and Megawide pledged a "stronger" ESG platform in its 2021 Annual and Sustainability Report.

The document spotlighted various achievements in the year, such as Megawide's outstanding score of 102.22 at the ASEAN Corporate Governance Scorecard, along with a couple of Green Arrows from the Securities and Exchange Commission, as a seal of approval for an effective and sound governance program.

"As we forge ahead towards the goal of shared prosperity and inclusive growth, we will renew our commitment to strengthen our multi-stakeholder management framework, where we aim to develop mutually-beneficial relationships and promote shared prosperity, as we build a progressive, First-World Philippines," Saavedra ended.

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#### ABOUT MEGAWIDE

Megawide is a partner of the Philippine government in a number of groundbreaking PPP projects, including the Department of Education's PPP for School Infrastructure Project Phases 1 and 2; Mactan-Cebu International Airport; Paranaque Integrated Terminal Exchange; the construction of Clark International Airport New Passenger Terminal Building; and rail projects Malolos-Clark Railway Project Package 1 and Metro Manila Subway Contract Package 104. It established Megawide Foundation in 2012 which aims to help marginalized communities thrive by providing first-world opportunities.