



**ALL-IN FOR A
FIRST-WORLD
PHILIPPINES**

ALL-IN FIRST-WORLD PHILIPPINES

Our title for this year’s report, “All-In for a First-World Philippines,” denotes our commitment to our vision. By saying “all-in,” we commit to executing our plans and programs at a standard that can stand out across the world. Through our sustainability efforts, we ensure that our work exemplifies a First-World Philippines—from our transport-oriented developments to our precast systems and technologies and even down to our mass shelter developments for our clients.

Depicted on the cover is Megawide’s commitment to world-class developments—all interconnected by one thread. We constantly improve and innovate on our developments according to our standards, and we continue this track because we believe that the Philippines has the capacity for excellence. Through our engineering and infrastructure solutions, we aim to exhibit excellence our countrymen can be proud of.

5 Financial Highlights

8 2019 Milestones

18 Our Blueprint for Sustainable Growth

24 Chairman & President’s Report

36 Business Review

44 Environmental Initiatives

56 Social Initiatives

76 Corporate Governance

88 Annex

146 GRI Content Index

102-1, 102-3, 102-46, 102-50, 102-51, 102-52, 102-53, 102-54

ABOUT THE REPORT

Reporting Framework

GRI Standards, SEC Sustainability Reporting Guidelines for Publicly Listed Companies

Reporting Period

January to December 2019

Date of Most Recent Report

May 2018

Reporting Cycle

Annual

“All-In for a First-World Philippines” is Megawide’s first combined Annual and Sustainability Report (ASR), covering our economic, social, environmental, and governance performance for the year 2019. It is the second sustainability report released by our Company, and includes data on the activities of the head office, business units, and foundation.

The ASR 2019 is based both on the Philippines Securities and Exchange Commission’s (SEC) Sustainability Reporting Guidelines for Publicly Listed Companies and the GRI Standards. This report has been prepared in accordance with the GRI Standards: Core option.

Our 2019 ASR report, *All-In for a First-World Philippines*, upholds our commitment to first-world standards that can be achieved in the Philippines. We utilize the latest technologies, apply first-class design, and develop our local talent, as we strive for excellence.

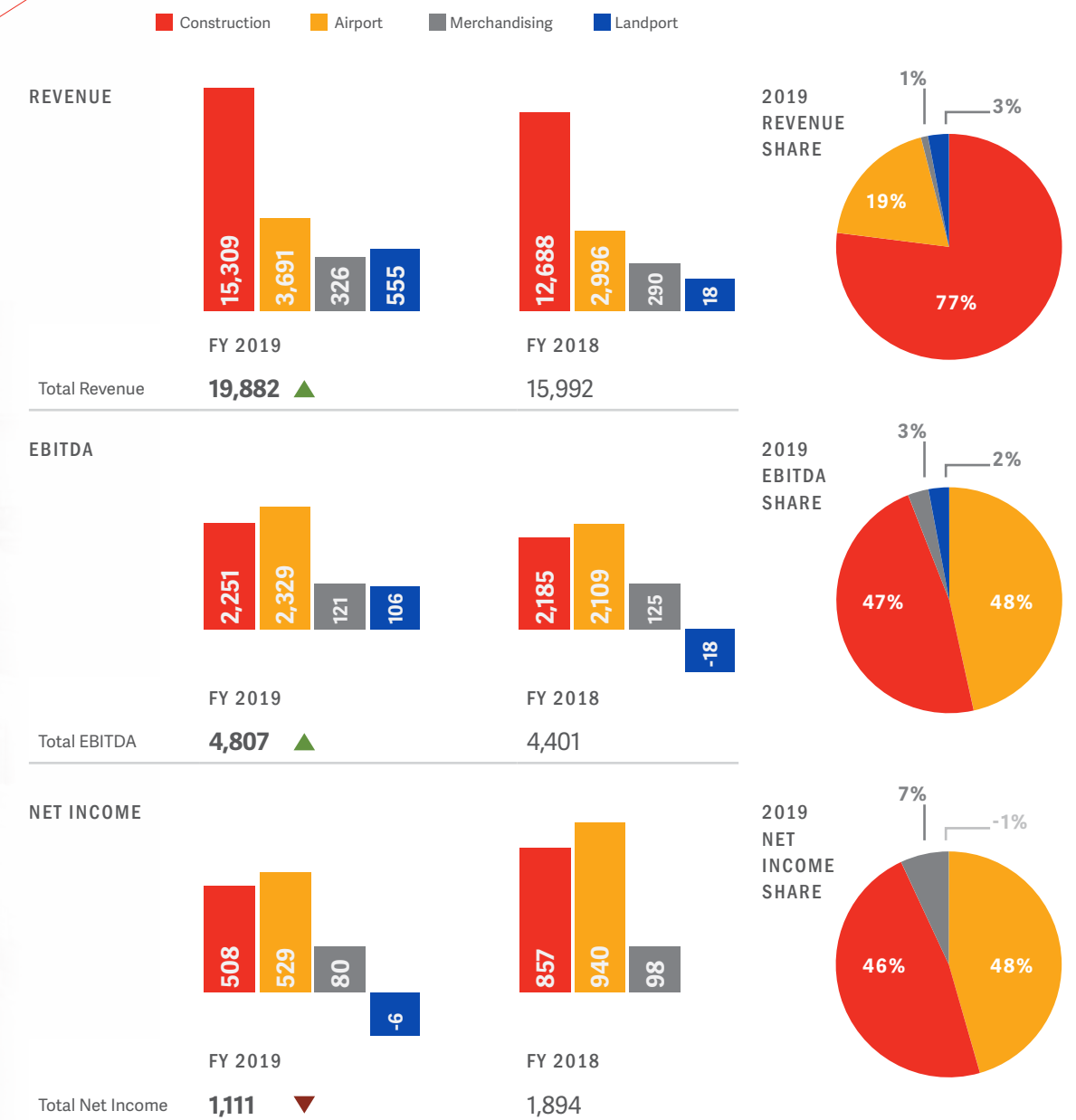
For all sustainability concerns and queries, please contact us through our Megawide Foundation office at foundation@megawide.com.ph.

For inquiries from our customers, investors, analysts, and the financial community, please contact our Investor Relations Team at ir@megawide.com.ph. For media and other stakeholders, please contact our Corporate Affairs Team at corpaffairs@megawide.com.ph.

Megawide Construction Corporation
20 N. Domingo St., Brgy. Valencia, Quezon City
1112 Philippines
(+632) 8655-1111
www.megawide.com.ph

FINANCIAL HIGHLIGHTS

YEAR-ON-YEAR PERFORMANCE in PhP M



* Data revisions from Annual Report 2018 due to computational changes and the inclusion of Landport/Terminal Operations in the equation.

MARGIN
PERFORMANCE

	FY 2019	2018	2017
Gross Profit Margin	23%	26%*	24%
Construction	13%	15%	16%
Airport Operations	58%	69%	82%
Airport Merchandising	73%	76%	72%
Terminal Operations	44%	-	-
EBITDA Margin	24%	28%	23%
Construction	15%	17%	16%
Airport Operations	63%	70%	71%
Airport Merchandising	37%	43%	43%
Terminal Operations	19%	-	-
Net Income Margin	6%	12%	12%
Construction	3%	7%	7%
Airport Operations	14%	31%	49%
Airport Merchandising	24%	34%	29%
Terminal Operations	-1%	Lease commencement	

*Revised data from 2018 Annual Report due to reclassification made for Airport expenses (administrative expenses to direct costs).

FINANCIAL
POSITION

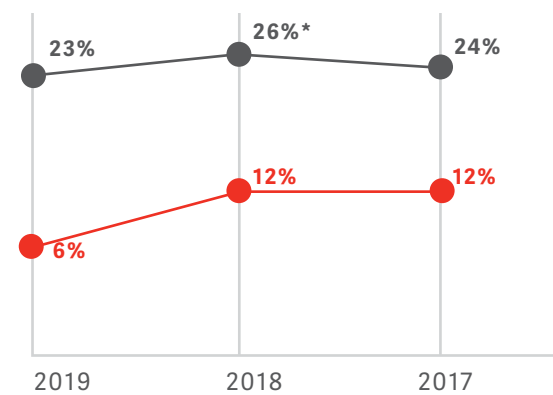
in PhP M	31-DEC-19	31-DEC-18	Movement	% Change
Cash & Financial Assets	6,519	5,761	758	13%
Other Current Assets	28,947	19,029	9,918	52%
Total Current Assets	35,466	24,790	10,675	43%
Concession Assets	29,437	28,289	1,147	4%
Total Non-Current Assets	45,299	41,115	4,183	10%
Total Assets	80,764	65,906	14,859	23%
Current Liabilities	28,000	16,565	11,435	69%
Non-Current Liabilities	34,766	31,336	3,429	11%
Total Liabilities	62,766	47,902	14,864	31%
Equity	17,999	18,004	-6	0%

201-1
ECONOMIC VALUE GENERATED,
DISTRIBUTED, RETAINED

Disclosure	Amount* in PhP
Direct economic value generated	20,782,682,035
Direct economic value distributed	19,952,647,258
Operating costs	3,087,871,952
Employee wages and benefits	1,991,316,155
Payments to suppliers, other operating costs	11,632,627,173
Dividends given to stockholders and interest payment to loan providers	2,589,927,800
Taxes given to government	600,366,375
Investments to community (e.g. donations, CSR)	50,537,803
Economic value retained (Economic value generated minus economic value distributed)	830,034,777

* Covers all entities

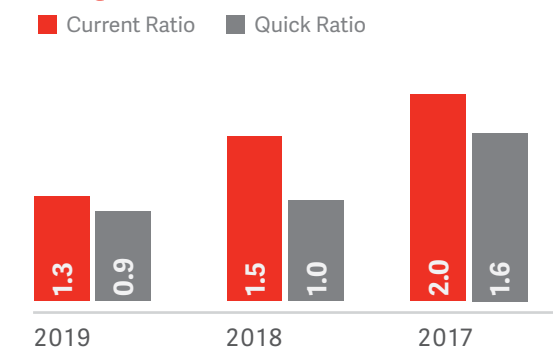
MARGINS



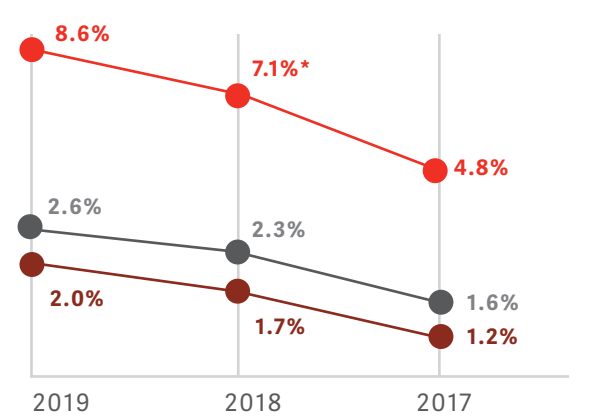
* Change from earlier reported 27% in the 2018 Annual Report due to reclassification made for Airport expenses (Administrative expenses to direct costs)

● Net profit margin ● Gross profit margin

LIQUIDITY



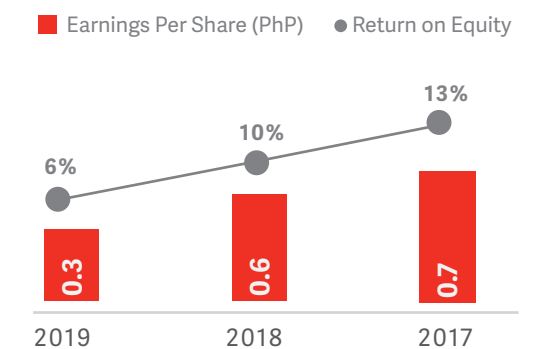
LEVERAGE



* Revised data from 2018 Annual Report due to changes in EBITDA

● Net Debt to EBITDA ● Gross Debt to Equity ● Net Debt to Equity Ratio

PROFITABILITY



2019 MILESTONES

To achieve our vision of a First-World Philippines, we employ the best technologies and practices to make processes and work efficient and at par with international standards.

We faced challenges year-in and year-out and 2019 was no different, but we remained strong and resilient by strengthening our portfolio and investing in our people to deliver, even exceed, expectations.



Megawide invests in the latest technologies and adopts innovative practices to accelerate the development of the construction industry in the country, achieving fast turnaround (economic), addressing the industry shortage of skilled manpower (social), while also reducing noise, dust pollution, and waste produced in construction (environment).

We diversified our construction service solutions to achieve operational excellence and deliver exceptional results.

IN ENGINEERING PROCUREMENT CONSTRUCTION

Expansion of business units



Precast Technology

We employ advanced precast technology to achieve higher levels of standardization, faster construction time, lower long-term costs, enhanced design, and high-quality finish, and more environment-friendly processes.



Batching Plant

We run our own concrete batching plants where we can design and customize mixes, from high strength to "green concrete" that are resilient against chloride attack and sulfate. We have our own recycling facilities to ensure zero waste and proper disposal of harmful elements.



Formworks

Our formworks technology employs state-of-the-art climbing platforms and forming technology, as well as mature safety concepts for cost-efficiency, higher productivity rate, and safer procedures.



Construction Equipment, Logistics, and Services (C.E.L.S.)

Our own extensive roster of advanced construction equipment, such as material handling equipment; earth-moving and other specialized transport vehicles; and concrete delivery equipment allows us to achieve maximum efficiency and minimum downtime.

Developments in the Clark Freeport Zone



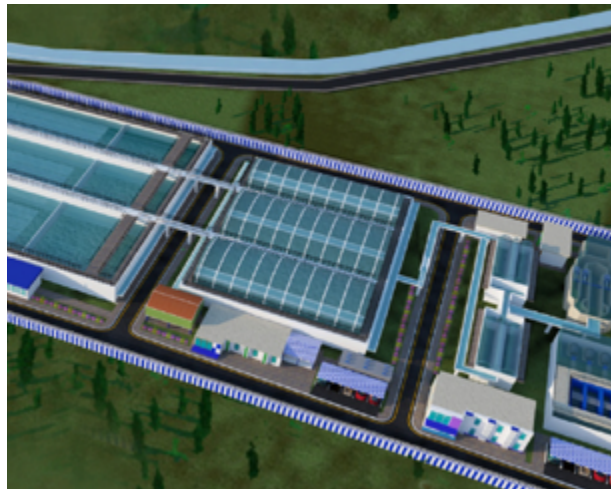
To date, we continue the construction of the new Clark International Airport's terminal building.

Developments in Cebu



We are also expanding our geographic footprint in Cebu, with a number of EPC projects in Cebu City and Lapu-Lapu City, including Mandani Bay Quay by HTLand Inc., and Taft East Gate by the Gaisano Group's Taft Properties, among others.

Diversifying into new segments



We provide added value by diversifying into specialized projects in new segments:

Sewage Treatment Plant (STP) for Maynilad

Megawide has partnered with Maynilad for the Las Piñas Water Reclamation Facility, the utility's largest wastewater treatment plant capable of holding and treating 88 million liters per day. A groundbreaking event was held on March 2019.

Cold Storage

Our first cold storage project is currently undergoing certification under LEED v4. The Arendelle Cold Storage Facility of ISOC Holdings, Inc. in Taguig allows for temperature-controlled storage to maintain product quality and freshness. Our second project, ISOC's Eisberg Cold Logistics Facility in Caloocan, is also ongoing.

Record order book status

2019 marks Megawide's second consecutive year of achieving Record Order Book Status. We have secured 30 projects, composed of:



50% residential projects



47% commercial and industrial projects



3% infrastructure projects

Affordable housing developments



Using our precast technology, we aim to build cost-efficient, structurally sound, social housing developments across the country. We are currently constructing 8990's affordable housing line Urban Deca in Manila and Ortigas. We have also partnered with Phirst Park Homes for their own horizontal community in Cavite.

Safe man-hours



Our Taytay Precast Plant celebrated its three million safe man-hours without lost time incident on October 21, 2019. The celebration's theme—"Every day is a safety day. Safety has no holiday"—highlights Megawide's core values of, excellence, teamwork, and community.

IN TRANSPORTATION DEVELOPMENT

We continue to advance our transport developments to provide our countrymen with safe, secure, and excellent travel amenities, be it by land or by air.

Parañaque Integrated Terminal Exchange (PITX)



Our landport's value proposition attracted substantial foot traffic in our PITX, reaching a peak of 80,000 passengers in 2019. A majority of commercial outlets were also opened in 2019 for the convenience of passengers. We continue to improve our services by developing our PITX app, route expansion, and the planned development of Lot 2.



Automated boarding pass scanners minimize contact during the boarding process.

Mactan-Cebu International Airport (MCIA)



MCIA experienced a 10% passenger and 6% air traffic increase for 2019. MCIA's Terminal 1 completed its renovations to include an Airport Village.



The Terminal 2 Drop-off Area and Link Bridge

203-2

ENVIRONMENTAL SOCIAL GOVERNANCE MILESTONES

Our business units, in coordination with our Megawide Foundation, drive initiatives and programs that reflect our values and CSR policy.

Environmental wins

For our **first annual MegaVolunteer Month**, we conducted 10 initiatives, mobilizing 541 volunteers, and have achieved the following:

 **5,626 trees**
planted in La Mesa
Watershed and
Marikina Watershed

 **1.4 tons**
of trash picked up
from the coast

 **1,183**
beneficiaries
from host
communities
served

- We launched the **Waste Segregation & Plastic Recycling Campaign** across EPC project sites to collect plastic wastes, and to spread awareness on proper waste segregation.

Social wins

- We rolled out our **CSR policy and CSR Framework** exemplifying First-World CSR through a series of workshops conducted in all SBUs. These workshops allowed the strategic business units (SBUs) to be involved in the CSR direction of the company through (1) information dissemination, (2) training of CSR champions to embrace the concept of CSR, and (3) helping CSR champions strategize and plan their local CSR initiatives.
- Megawide Foundation partnered with World Surgical Foundation Philippines to **conduct surgical missions, servicing 400 patients** across communities near our business units.
- In our first year as a member of FairBuilding Network, we were able to donate **more than Php 6 million in construction materials to NGOs**.
- Megawide Foundation and PITX launched the SerBus **"Libreng Sakay"** initiative, in partnership with the JCI Senate Philippines and the Department of Transportation, to provide a free shuttle service to PITX commuters from Lawton Avenue, Baclaran, and Monumento. As of yearend, SerBus had provided free rides to more than 638,000 commuters, including those affected by the LRT-2 fire.
- We believe in quality education for a better future. For 2019, our education initiatives yielded:
 - 80 engineering and architecture scholars through our Megawide Engineering Excellence Scholarship Program this year alone (bringing up the total to 97 students from six schools since the program's establishment in 2015)**
 - 10 Megawide scholar-graduates**
 - 30 beneficiaries from host communities of the Megawide SKILLS-Builder program**
 - 7 scholar-alumni hired and now working in Megawide, including 2 civil engineering scholar-graduates who transitioned into the Megawide Cadetship Program**

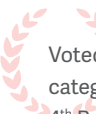
Governance wins

- We released our **New Manual on Corporate Governance**
- We adopted the ASEAN Corporate Governance Scorecard (ACGS), with the Institute of Corporate Directors as assessor.

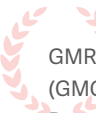


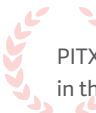
AWARDS WON IN 2019

We aim to build world-class infrastructure that our countrymen can be proud of. Our strides for excellence have been recognized by various award-giving bodies:

 Voted 1st place in the Best Investor Relations category, 2nd Best Mid Cap company, and 4th Best ESG in Finance Asia's 2019 Best Companies Poll

 Chairman and CEO Edgar Saavedra awarded as Entrepreneur of the Year (one of two) in the 2019 Asia Pacific Entrepreneurship Awards, which was themed "Promoting Inclusive Economic Development Through Sustainable Entrepreneurship"

 GMR Megawide Cebu Airport Corporation (GMCAC) was recognized as a Valuable Partner by the Department of Social Welfare and Development (DSWD) at the 45th Area Vocational Regional Center Founding Anniversary in Cebu

 PITX won the Terminal and Stations Category in the Maynilad Golden Kubeta Awards



In 2019, MCIA Terminal 2 received various global design awards, apart from being recognized by stakeholders, including:



Winner for the Completed – Transport Category in the 2019 World Architecture Festival Awards



Awarded the Honor Award for Interiors in the 2019 American Institute of Architects (Hong Kong Chapter)



Awarded the Medal of the Year 2019 at the Hong Kong Institute of Architects. MCIA is one of the developments outside of Hong Kong to win an award.



Finalist for the 2019 Surface Travel Awards, Stations, and Terminals Category of The Surface Travel Awards (winners had yet to be announced as of publishing date)



One of the winners in the Airport and Transportation Centers Category in the 2019 International Architecture Awards at the 2019 Chicago Athenaeum Museum of Architecture and Design



The Cabin Bar at Terminal 2 won Airport Bar of the Year in the Airport Food and Beverage (FAB) Awards



The Mother's Lounge was awarded the Breastfeeding-Friendly Public Place Award by the Philippine Pediatric Society (PPS) during the 7th Breastfeeding Congress and the 1st Asia-Pacific Breastfeeding Conference



Ranked among the Best Airports in Asia on Sleepingairports.net

 We also recognize our partners who help us make an impact through our developments.

 GMCAC Partner Awards, a feature event during our fifth anniversary celebration, honored partners who made a significant impact on our first five years of operations.



Megawide Service Awards (EPC and BU) honors employees for performance excellence and loyalty to the Company.

ENGINEERING EXCELLENCE FOR A **FIRST-WORLD PHILIPPINES**

Megawide faces change and advancement with open arms.

We adopt best practices and technologies that would allow us to achieve our vision of a country capable of competing with developed countries.

How does Megawide envision a first-world Philippines to be?

For Megawide, First-World means:

ABOUT THE COMPANY

102-1

Megawide Construction Corporation ("MCC," "Megawide," "our Company") leads in achieving first-world standards for the Philippines. We employ excellent engineering and construction methods, applying world-class design to build contemporary infrastructures. Our drive to produce world-class developments is our contribution to the country's inclusive growth and the creation of sustainable cities for our communities.

Incorporated in 1997, Megawide started as a general construction business and later expanded through the Public-Private Partnership (PPP) program of the government. Now a major player in the construction industry, Megawide has built a portfolio in Engineering, Procurement, and Construction (EPC), Airport infrastructure, and Progressive Property Development.

Our company has accomplished low- to high-rise condominiums, office buildings, hotels, and casinos for a variety of clients such as Megaworld Corporation, Double Dragon Properties Corp., 8990 Holdings Inc., Rockwell Land Inc., Shang Properties Inc., and Araneta Properties Inc. to name a few.

assessing AND reviewing OUR BUSINESS

We review the challenges and achievements we have made for the year to effect improvements across our business. We acknowledge our responsibility and ensure accountability as we report on our corporate performance through our annual and sustainability reports.

thriving IN CONSTANT PROGRESS

We welcome innovative thinking and incorporate advanced technologies to make our operations efficient and our developments resilient.

GOING above AND beyond

We do not settle for mediocrity in our work; we constantly strive to achieve excellence because that is what our country deserves.

PURSuing world-class QUALITY

We always aim for our developments to surpass expected norms to showcase local talent and bring pride to our countrymen.

BUILDING WITH PURPOSE

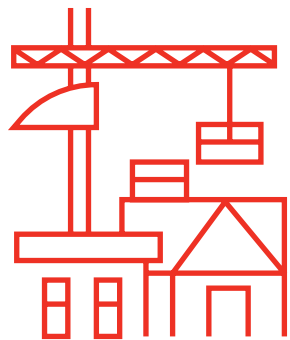
Our motivation is to uplift the country, transforming the landscape and making an impact on how Filipinos live and work, and bringing harmony to everyday living.

FIRST-WORLD

PHILIPPINES

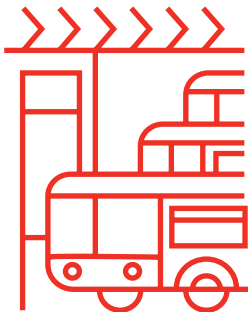
BRAND PORTFOLIO

102-2, 102-3, 102-4, 102-6, 102-7



Engineering Procurement Construction

- Residential
- Industrial
- Office and Commercial
- Hotels and Casinos
- Mixed-use developments
- Social infrastructure (socialized housing, affordable housing)
- Public School Buildings
- Emergency Quarantine Facilities



Progressive Property Development

Paranaque Integrated Terminal Exchange (PITX), a 35-year agreement under the government's PPP program, awarded in 2015



Airport Infrastructure

Mactan Cebu International Airport (MCIA) Terminal 1 and 2, a 25-year concession agreement under the government's PPP program, awarded in 2014

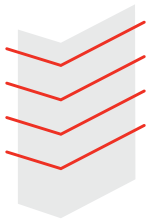
Activities	Construction work, renovation and repairs, and other improvements and developments of real estate, plants, roads, bridges, piers, railroads, water-works, and other structures	Operations and maintenance of a multi-modal transport terminal, and the commercial leasing properties within the landport facility.	Construction, renovations and rehabilitation, operations and maintenance including of commercial assets and allied businesses within the airport facility.
Location	Megawide Head Office, 20 N. Domingo Street, Barangay Valencia, Quezon City	1 Kennedy Road, Brgy. Tambo, Parañaque City	Lapu-Lapu Airport Road, Lapu-Lapu City, Cebu

We adopted advanced, cutting-edge technologies to cut our costs and make our operations seamless and efficient. These technologies also allowed us to produce at a faster rate while emitting less noise and pollution.



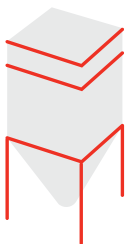
Precast

1 Precast Plant in Taytay, Rizal



Formworks

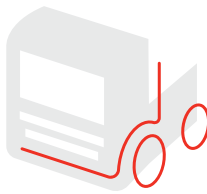
Proprietary German formworks systems (for speed, quality, reliability, safety, and durability)



Concrete Batching Plant

1 fully-automated Concrete Batching plant in Taguig City

4 mobile facilities deployed to work sites



Construction Equipment, Logistics, and Services (C.E.L.S.)

World-class construction machineries

We relaunched our mission, vision, and values to reflect our strategic approach in achieving our objective of a First-World Philippines.

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.

102-16 Values

Excellence

We consistently try to do well in whatever task we take on, great or small, because we owe it to ourselves to try and become better in what we do.

Innovation

We do not fear change but embrace it, taking the chance to reinvent ourselves and our industry. We keep ourselves open to new ideas and fresh perspectives and look for better ways to deliver our output.

Teamwork

We are all on the same team, driven by the same purpose. We help fuel each other's ideas, support each other's efforts, and trust each other instead of competing against one another.

Integrity

We treat our colleagues and partners with honesty and respect as we strive to be good people guided by our own conscience and *malasakit*.

Malasakit

We are moved to action by the people and ideals that we care deeply about, such as our families, colleagues, and our desire for a better life for ourselves and our fellow Filipinos.

Community

Our actions affect the communities that we work with, and so we partner with them to ensure that we can leave lasting positive social impact through our projects.

102-12, 102-13

Membership of Associations & External Initiatives

- Philippine Constructors Association (PCA)



Strategic Partners

- Philippine Government through the Public-Private Partnership (PPP) Program
- National Housing Authority
- GMR Infrastructure (Singapore) Pte. Limited (GISPL)
- GMR Infrastructure Limited (GIL)
- Integrated Design Associates (IDA)
- Ascott Singapore
- UEM India Private LTD.
- Link Energie Industries Co.



Licenses & Certifications

- Quadruple A (AAAA) Platinum contractor licensed by the Philippine Contractors Accreditation Board (PCAB)
- ISO 14001:2004 Environmental Management System (EMS)
- ISO 9001: 2008 Quality Management System (QMS)
- OHSAS 18001:2007 Occupational Health & Safety Management System

OUR BLUEPRINT FOR SUSTAINABLE GROWTH

Our blueprint for sustainable growth

Sustainability is a key factor in helping us achieve our objectives. Our new mission, vision, and values provided us with a more decisive guidance to meet our goals. Anchored on this clear direction, we implemented our CSR policy that reflects our more proactive approach to achieving inclusive growth for the country.

OUR SUSTAINABILITY 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	Social Responsibility		Good Governance		
We employ first-world innovations to minimize our impact on the environment	We find first-world solutions to uplift underprivileged Filipinos		We demonstrate first-world concern toward our suppliers and employees		
WHAT WE IMPROVE		WHAT WE IMPROVE			
Sustainable cities & communities Environmental conservation Responsible production	Community development Accessible & affordable education Accessible & affordable healthcare	Business ethics Employee well-being Healthy & safe work environment			

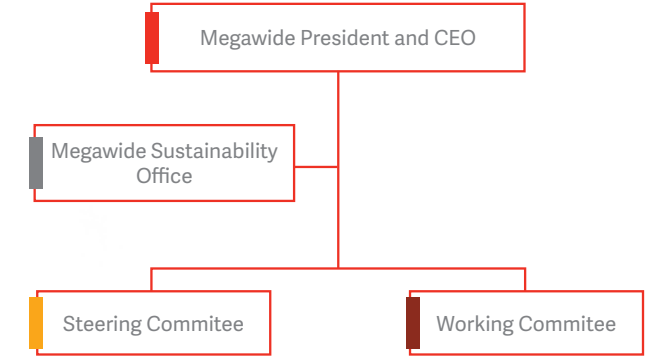
MEGAWIDE CSR POLICY STATEMENT

Our CSR Policy statement encapsulates the Company's sustainability values, pillars, and focus areas. In line with our vision to engineer a First-World Philippines, we are committed to do our utmost to exemplify First-World corporate social responsibility. We shall build a corporate culture of excellence, innovation, integrity, and teamwork wherein each employee has a stake and an important role in helping Megawide

- achieve the status of an outstanding steward of the environment,
- give back to our host communities, and
- demonstrate malasakit toward our employees, partners, suppliers, and clients.

MEGAWIDE SUSTAINABILITY STRUCTURE

We follow a set hierarchy in creating and implementing sustainability initiatives across our business units.



High Level Responsibility
Lead the Company's sustainability initiative
Provide management directive and needed support
Determine sustainability initiatives and strategies to be implemented
Support the Steering Committee and Working Committee in providing technical expertise
Provide technical and financial support in implementing programs
Review and assess the targets and initiatives for the respective business units
Support the Working Committee in identifying BU/department level strategies
Implement programs in their respective business units and departments
Coordinate and work closely with the Steering Committee

Our Sustainability Office is entrusted with the design and implementation of sustainability strategies and reporting to the stakeholders.

Sustainability Office composition:

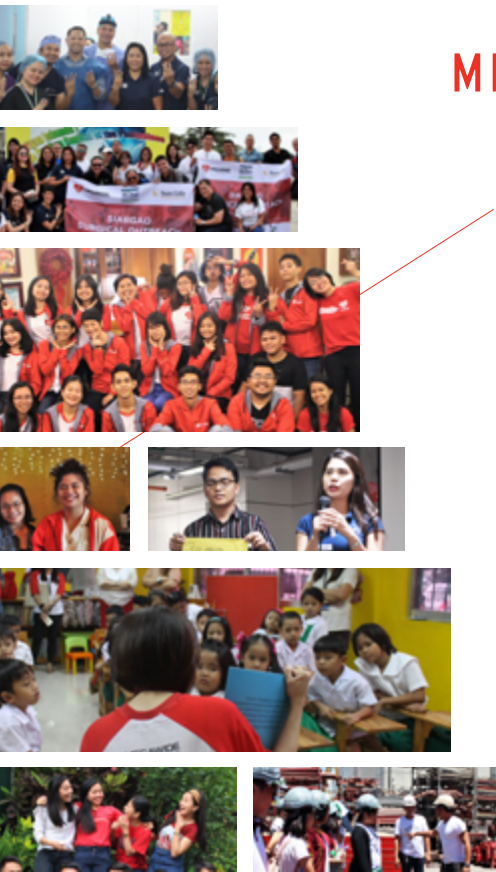
- a) Megawide Foundation: Chief Operating Officer
- b) Megawide Construction Corporation: VP, Total Quality Management
- c) Megawide Construction Corporation: AVP, Investor Relations
- d) Megawide Foundation: CSR & Sustainability Manager
- e) Megawide Foundation: Program Officer

The **CSR Roadmap** provides a clear direction on how each and every individual at Megawide is engaged in the sustainability journey.

Management	SEC Reporting	CSR Policies	Corporate Governance	CSR Awards	
Business Units	CSR Programs and Champions	Sustainability Report	CSR Budget	CSR Working Committee	Employee Engagement
	CSR Reporting	Awareness Trainings	Community Stakeholder Engagement		CSR Strategic Plans
Foundation	Engineering Scholarships	Vocational Training	Eco-Brick Projects	Plastic Neutral Initiatives	

Being the highest governing body in Megawide, the Board is given oversight powers of all the operations in the business and ensures that sustainability is upheld in all aspects. The Management maintains compliance with all internal and external policies and requirements that are key to the smooth flow of all business transactions. These compliances and transactions are supported by the BUs. As the direct contributors to the sustainability of Megawide, the BUs are engaged in various activities in mechanizing operations to be more efficient and responsible. Dubbed CSR Champions, the BU's members act as the drivers of sustainability in their respective communities.

At the base of the roadmap is the Foundation. Megawide realizes that the business has direct and indirect impacts on stakeholders. With the Foundation as the company's Corporate Social Responsibility arm, Megawide is able to build strong relationships with host communities through programs and projects that keep the business intact.



MEGAWIDE FOUNDATION



103-1

We aspire to engineer hope by carrying out our social initiatives through the Megawide Foundation. Established in 2012, the Foundation serves underprivileged Filipinos in communities near our business units.

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

Vision
To be the innovator in providing underserved Filipino communities with access to first-world solutions.

103-2, 203-2

PROGRAM PILLARS AND CONTRIBUTION TO SDGs

We leverage on our core competency in engineering and construction in giving back to our host communities. Our program pillars contribute to the following SDGs:



High-Quality Technical Education

- Megawide Engineering Excellence Scholarship Program
- Megawide – SKILLS Builder Program
- Megawide Centers of Excellence



Licences

- PCNC
- DSWD
- BIR



Community Building

- “SerBus” Libreng Sakay
- Surgical missions
- Medical missions
- Fairbuilding Network
- MegaVolunteer Month
- Disaster Response



Memberships and Affiliations

- Philippine Business for Social Progress (PBSP)
- League of Corporate Foundations



Strategic Partnerships

- SKILLS
- PHILDEV
- Green Antz
- FairBuilding Network
- World Surgical Foundation Philippines
- Habitat for Humanity

STAKEHOLDERS, OUR SUSTAINABILITY PARTNERS

102-40, 102-42, 102-43, 102-44

We recognize the need to maintain a dynamic and engaging environment to maintain our healthy relationship with our stakeholders. The quality of our stakeholder relations directly affects our strategy execution which, in turn, will have a direct impact in their lives.

Genuine collaboration through various engagement channels enable us to communicate and practice transparency and accountability to our key stakeholder groups, particularly those most likely to influence our business decisions and those who will be most vulnerable to their implementation.

We reviewed our engagement channels and identified the pressing concerns each of our stakeholder groups identified for 2019. This stakeholder concerns review was a key input in assessing the material topics covered in this year’s report.

Stakeholder Group	Engagement Method	Key Concerns	Company Response
Employees	1. Quarterly mornings with the Bossings 2. Coffee meetings 3. Mega Ideas 4. Functional team meetings 5. Kumustahan with the employees 6. Employee Hour 7. Champion Team Award (Values Award) 8. Diamond Deed Award (Values Award) 9. “MegaTalk” (online kumustahan)	1. Employee health and wellness 2. Additional emergency assistance 3. Internal corruption 4. Lack of workspace in head office	1. Employee gym at head office and GMCAC 2. Health Talks and free blood sugar and cholesterol testing for employees 3. SAPAK Whistleblower Program 4. New office building for the holding company in 2019
Customers	1. Bids 2. Negotiations 3. Sales, post-sales, and project updates meeting 4. Voice of Customer	1. Compliance with requirements 2. Corruption 3. Terms of conditions of contract	1. Teams assigned to specific bids or projects 2. Due diligence of requirements 3. Timeline alignment 4. Monitoring of Company certifications and licenses 5. Formation and regular meetings of BSCs and PSCs
Contractors	1. Accreditation process 2. Regular project meetings	1. Transparency in accreditation and procurement processes 2. Lack of manpower 3. Project requirements	1. D&B (third-party accreditation) 2. Project Quality Improvement Plans
Communities	1. Barangay meetings 2. Community consultations 3. Face-to-face engagement	1. Environmental impact of operations - dust and noise 2. Labor and employment	1. Adherence to safety standards (netting to prevent dust and debris) 2. Adherence to HSE policies (including noise pollution) 3. Adherence to national directives (70% of employment sourced locally)
Local Barangays	1. Face-to-face engagement, monthly and as needed	1. Labor 2. Permits	1. Acquisition of proper permits

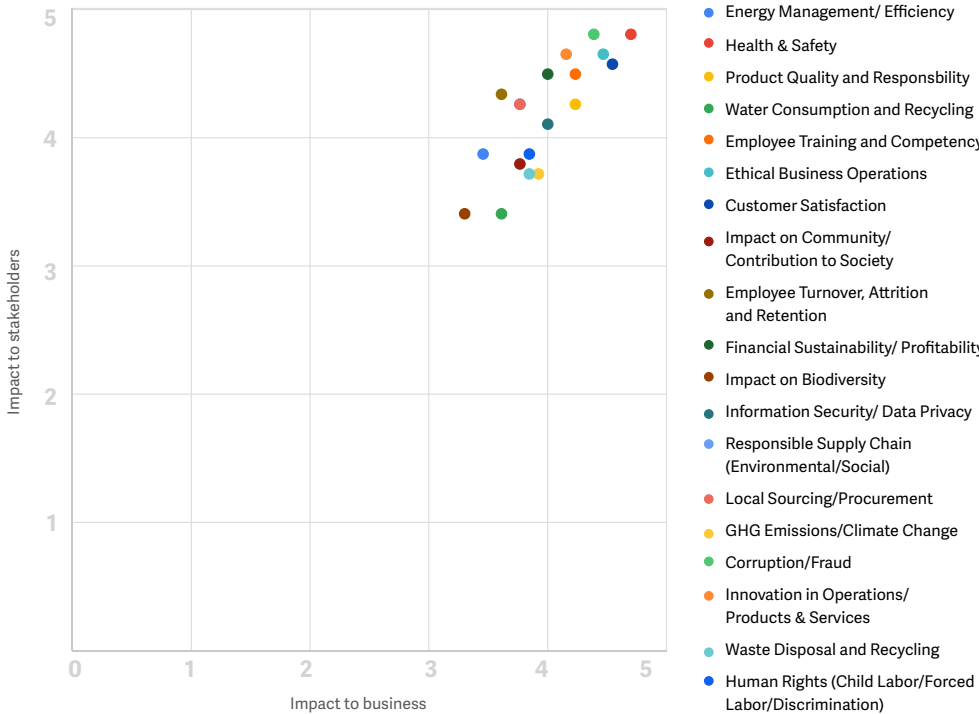
NGOs and Charities	1. Partnerships 2. Conferences and Trainings 3. Sponsorships and Donations 4. Employee Volunteering	1. Sustainable Development Goals 2. Improved access to education 3. Improved quality of education 4. Livelihood 5. Environmental issues 6. Natural disasters 7. Healthcare for the poor	1. Alignment to UN SDGs 2. Scholarship programs 3. Lab and equipment donations 4. Shared Value Programs 5. Tree-planting/ Sustainability initiatives 6. Disaster response 7. Surgical missions
Regulatory Bodies	1. Applications 2. Weekly coordination	1. Permits and compliance, processing time 2. Operations 3. Corruption	1. Acquisition of all permits and licenses to operate 2. Compliance to all the legal and regulatory requirements 3. SAPAK Whistleblower Program
Investors	1. Annual Stockholders' meetings 2. Periodic Analyst Briefings 3. Investor Conferences	1. Financial performance Long-term growth prospects Ethical operations	1. Timely and updates disclosures 2. Adherence to strict corporate governance 3. Monthly meetings of the Board's Governance Finance Committees

102-46, 102-47
OUR MATERIAL TOPICS

Megawide continues to be guided by the SEC Guidelines on Sustainability Reporting, as well as the GRI Standards and reporting principles. Through our stakeholder engagement channels, we were able to identify the topics that affect and influence our key stakeholders' relationship with Megawide.

To identify the material topics to be covered in the report, Megawide sent out an online internal stakeholder survey to Investor Relations and Human Resources departments and Project Managers. An external stakeholder survey was also undertaken to gather critical inputs from outside the organization, particularly from customers, investors, communities, and partners.

In line with the process laid out in the GRI Standards, Megawide conducted a materiality assessment, with Management representing the concerns of all stakeholders based on their specialties. The identified topics were assessed based on the degree of impact on the business and stakeholders. Topics deemed as having medium to high levels of criticality are covered in this report.



The following shows the material topics aligned with the relevant GRI Standards and the United Nations' Sustainable Development Goals.

Criticality	Material Topic	Relevant GRI Standard	Contribution to SDGs
HIGH	Health and Safety	GRI 403: Occupational Health and Safety	 
	Corruption/Fraud	GRI 205: Anti-corruption	
	Ethical Business Operations	GRI 205: Anti-corruption GRI 307: Environmental Compliance GRI 419: Socioeconomic Compliance	
	Customer Satisfaction	GRI 416: Customer Health and Safety	
	Employee Training and Competency	GRI 404: Training and Education	
	Innovation in Operations/ Products & Services	GRI 102-2: Activities, brands, products, and services	
MEDIUM	Product Quality and Responsibility	GRI 102-2: Activities, brands, products, and services GRI 307: Environmental Compliance GRI 308: Supplier Environmental Assessment GRI 414: Supplier Social Assessment GRI 416: Customer Health and Safety GRI 419: Socioeconomic Compliance	 
	Financial Sustainability/ Profitability	GRI 201: Economic Performance	 
	Information Security/Data Privacy	GRI 418: Customer Privacy	
	Local Sourcing/ Procurement	GRI 102-9: Supply chain GRI 204: Procurement Practices	
	Human Rights (Child Labor /Forced Labor/ Discrimination)	GRI 408: Child Labor GRI 409: Forced or Compulsory Labor GRI 411: Rights of Indigenous Peoples GRI 412: Human Rights Assessment	
	Employee Turnover, Attrition, and Retention	GRI 401: Employment GRI 402: Labor/Management Relations	 
	Energy Management/ Efficiency	GRI 302: Energy GRI 305: Emissions	
	Impact on Community/ Contribution to Society	GRI 203: Indirect Economic Impacts GRI 413: Local Communities	
	GHG Emissions/Climate Change	GRI 305: Emissions	
	Waste Disposal and Recycling	GRI 306: Effluents and Waste	 
	Water Consumption	GRI 303: Water and Effluents GRI 306: Effluents and Waste	
	Impact on Biodiversity	GRI 304: Biodiversity	  

Relevant information on these material aspects will be provided through the Report. It is also worth noting that these topics are also aligned with Megawide's CSR Framework, which provides added confidence in our reporting process and allows us to continue building on our efforts, year on year.

CHALLENGE ACCEPTED!

102-14

CHAIRMAN AND
PRESIDENT'S REPORT



From the time we started building the Company from the ground up, we have always been all-in. There was no question of our commitment to this vision, even when we started expanding our portfolio and improving our services, and especially now that we are ensuring the economic, environmental, and social sustainability of our organization. We have faced and overcome all the challenges of the business together, and although we are now facing the next seemingly insurmountable wave of obstacles—raising industry standards, revolutionizing methods in a traditional environment, and elevating Filipino skilled labor—we will continue to push forward with our vision.

Megawide has welcomed every opportunity to learn and adopt new technologies and best practices that would help advance our vision of a First-World Philippines. With the proper mindset, relevant programs, and right people, we can and will build on the Filipino's capability for greatness.

Setbacks and solutions

At the onset of 2019, we already anticipated a challenging year. Overall, our construction order book reached record-highs for the past couple of years, yet, admittedly, the day-to-day grind of maximizing productivity amid the shortage of skilled labor supply resulted in delayed revenue recognition in some of our projects. In addition, we also needed to operationalize and monetize the newly opened airport and landport assets through the efficient management of operations and marketability of commercial spaces, which we gradually worked out during the course of the year. For these reasons, we believe we have not yet fully maximized our business potential.

We experienced a recovery in construction and a marked increase in passenger and air traffic at Mactan-Cebu International Airport (MCIA) for the reporting year. We also received initial contribution from the Parañaque Integrated Terminal Exchange (PITX). However, we are cognizant that servicing our financial obligations will take its toll on profitability. In addition, we expected an increase in non-cash charges of MCIA, associated with the full-year depreciation and amortization of the newly constructed Terminal 2.

**With the proper
mindset, relevant
programs,
and right people,
we can and
will build on
the Filipino's
capability for
greatness.**

Nonetheless, Megawide has shown our resiliency to consistently grow against the odds, posting higher revenue over the last five years from PhP15.4 billion in 2015 to PhP19.9 billion last year. Our earnings before interest, taxes, depreciation and amortization (EBITDA) likewise rose from PhP3.0 billion to PhP4.8 billion during the same period. Our net income in 2019 of PhP1.1 billion remained healthy, albeit tempered by financial obligations and the impact of our increased investments in new facilities and equipment—investments that will generate more than substantial returns in the long run. Rest assured that we are strategically evaluating our expansion plans to manage our liabilities more effectively and ease the strain on the Company's profitability moving forward.

Turning point

As a direct response to the challenges of 2019, we relaunched our vision, mission, and values to focus on Megawide's strengths and differentiation from other construction companies—our engineering expertise, pursuit of excellence, and collective drive to deliver a First-World Philippines. In particular, we also aligned our overall sustainability framework with the GRI Standards and the Sustainable Development Goals (SDGs) of the United Nations, which tracks our financial and operating performances along with environmental stewardship, social responsibility, and good governance initiatives. This report provides an account of our SDG progress in 2019 and will be updated regularly as we continue along our sustainability journey.

As we expand into new growth areas, such as horizontal infrastructure, we are also building our capacity to meet the demands of the New Normal. Megawide—together with consortium partners—submitted the best bid for the Malolos-Clark Railway Project Phase 2, Package 1, which is expected to be officially awarded within this year. This new segment, along with our record order book of PhP52 billion, the socialized housing backlog of six million units, and opportunities under the New Normal, provide the business case to expand our precast capacity. In 2019, this potential became very apparent as revenue from precast sales to external customers more than doubled from the previous year.

Aside from construction, we are also efficiently operationalizing our recently developed transport-oriented infrastructure that will provide us with healthy, steady, and recurring revenue streams in the future.

Our Terminal 2 at MCIA completed its first operational year in July 2019. On top of the additional commercial area in Terminal 2, we also largely completed the renovation of Terminal 1 and opened the Airport Village, which together expanded the airport's gross leasable footprint. As of end 2019, these spaces have been fully leased out to cater to the diverse tastes of our local and international passengers.

At the PITX, which celebrated its first anniversary in November 2019, we brought in well-loved local and international brands. We also made our passengers' travel experience more hassle-free through an online application that allowed users to view schedules and book their trips in advance. PITX's ideal location, unique value proposition, and growing passenger traffic enticed more businesses to come, which resulted in 80% of PITX's commercial spaces and 100% office towers leased out to various tenants by yearend.

Our vision has never been shortsighted and we continue to invest not just in hard infrastructure but also in our most precious asset—our human resources. As part of our SDGs, we are constantly innovating and upskilling our workforce and supporting engineering scholars from the grassroots and within our surrounding communities, among other capacity-building programs, to build a critical mass of future skilled labor supply.

*we can uplift
the Filipino spirit*

Faith in the Filipino

For some, Megawide might be pursuing an "overly ambitious" dream of a First-World Philippines but we have always believed in the potential of our countrymen. We intend to break the conventional mindset that the Philippine standard is different and inferior from countries that are deemed to be "developed."

Naturally, we redefined our sustainability framework to make it more aligned with our mission to be at the forefront of engineering a First-World Philippines.

Through this, we taught our employees and partner communities to hope—that we can innovate and offer solutions that benefit society and the environment. Sustainability, for us, starts with a can-do attitude as we aim to inspire and provide avenues that would elevate the country and Filipino people's lives.

Our strategic business units have been at the forefront of this campaign. Through Megawide Foundation, we conducted several sustainability programs, which were each participated in successfully by no less than 500 employee volunteers. These included scholarship grants and training programs that allow students, out-of-school youths, and unemployed adults to find employment, either in Megawide or one of our industry partners. We also provided underserved communities with free surgical as well as regular medical and dental care to promote good health and well-being. Beyond our physical surroundings, we also conducted tree-planting activities and coastal cleanups to safeguard our natural environment.

Rising to the challenge

Over the last twelve months, we have shown our resilience to rebound from previous setbacks. However, as we were barely recovering, the global outbreak of coronavirus (COVID-19) and the subsequent community quarantines put economic activities to a halt and even closed businesses down. We believe, though, that while the New Normal emerging from the COVID-19 pandemic presents several challenges, it also unlocks exciting opportunities which we can capitalize on.

Now, the race is on to adapt to change and our agile organization enabled us to quickly respond. Beyond practicing disinfection and sanitation across all our offices, in accordance with the standard guidelines, our investments in technology allowed us to effectively shift to a work-from-home setup, digitize most of our procedures, and modify routines and processes that fit the current setup.

In construction, our precast technology will be the benchmark as we see growing demand due to social distancing protocols in project sites. On a larger scale, we aim to leverage on this technology to minimize human contact, achieve speed to market, and promote environment-friendly and durable products. This pandemic may have been unforeseen, but it is a scenario where we can challenge ourselves further to exhibit operational excellence.

At MCIA, we are currently building a COVID lab at the airport to increase Cebu's testing capacity and facilitate the influx of our OFWs and seafarers. Inside the terminals, we have also introduced contactless interphase for check-in, purchases,

*and go all-in for a
first-world Philippines*

and inquiries. Similarly, at PITX, we will soon launch automated ticketing booths and encourage the use of our online app to avoid contact and potential risk of transmission among passengers and employees. These measures are on top of the government-mandated procedures we have in place across all our facilities.

As a young company, we pride ourselves in being agile, adapting easily to new and unfamiliar situations. Faced with an unprecedented global pandemic, we came up with a strategy to minimize potential pitfalls and to aid our faster recovery. At the same time, we have remained prudent—optimizing our existing resources, re-designing our organization through innovation, and capitalizing on the opportunities to remain agile yet potent as we navigate this New Normal.

The last twelve months or so may have been demanding and 2020 is shaping to be even more taxing. Yet our vision remains firm and our faith in our Company and the Filipino spirit is unwavering. We are ready to face what the future holds as we go All-In for a First-World Philippines.



Edgar Saavedra
Chairman, President, and CEO

MEMBERS OF THE BOARD



Edgar B. Saavedra
Chairman of the Board

Age 45; Filipino citizen; co-founder of the Company; first elected Director of Megawide on July 28, 2004; Chairman of the Board since September 18, 2017; Chairman of the Executive Committee; Member of the Risk Oversight Committee; Chief Executive Officer; and President.

Mr. Saavedra's engineering experience spans over twenty (20) years. He received his Bachelor's degree in Engineering from De La Salle University. After obtaining his license as a Civil Engineer, he pursued special studies in Foundation Formworks in Germany, through the Philippine Institute of Civil Engineers.

Mr. Saavedra is the Chairman of the Board, Chief Executive Officer, and President of the Company. He is also Chairman of the Board of MWM Terminals, Inc. ("MWMTI") and Megawide Terminals, Inc. ("MTI"). Moreover, he is a Director and the President of Citicore Holdings Investment Inc. ("Citicore") and Megawide Land, Inc. ("MLI"). Finally, he is a Director of GMR Megawide Cebu Airport Corporation ("GMCAC"), MySpace Properties, Inc. ("MySpace"), Citicore Power Inc. ("CPI"), Citicore Infrastructure Holdings, Inc. ("CIHI"), Altria East Land Inc., and Megacore Holdings, Inc.

Mr. Saavedra is not a Director in other reporting companies.



Manuel Louie B. Ferrer
Director

Age 45; Filipino citizen; first elected Director of Megawide on September 18, 2017; Vice Chairman of the Executive Committee; and Member of the Governance, Nominations, and Compensation Committee.

Mr. Ferrer obtained his degree in Industrial Design from De La Salle University in 1996.

Mr. Ferrer has been Megawide's Chief Corporate Affairs and Branding Officer (previously called Chief Marketing Officer) since 2011. He serves as a Director and the President of GMCAC, MWMTI, and MTI. He is also a Director of Citicore, MySpace, and CPI. Furthermore, Mr. Ferrer is the Chairman of the Board of Trustees and President of Megawide Corporate Foundation, Inc.

Mr. Ferrer is not a Director in other reporting companies.



Oliver Y. Tan
Director

Age 42; Filipino citizen; first elected Director of Megawide on September 16, 2016; Vice Chairman of the Finance Committee; and Member of the Executive Committee and the Audit and Compliance Committee.

Mr. Tan holds a degree in Business Administration from the Philippine School of Business Administration.

Mr. Tan serves as a Director and the Vice-President of Citicore, and a Director and Treasurer of MySpace, MTI, and MLI. Additionally, he is a Director of CPI, CIHI, Citicore, Citicore-Megawide Consortium Inc., and Megawatt Clean Energy Inc. Finally, he is a Director and the Corporate Secretary of Future State Myspace Property, Inc. and IRMO Inc.

Mr. Tan is not a Director in other reporting companies.



Hilario G. Davide, Jr.
Independent Director

Age 84; Filipino citizen; first elected Independent Director of Megawide on September 18, 2017; Chairman of the Governance, Nominations and Compensation Committee; and Member of the Finance Committee, Risk Oversight Committee, and Audit and Compliance Committee.

Mr. Davide obtained his Bachelor of Laws from the University of the Philippines ("UP").

Mr. Davide was the former permanent Representative of the Republic of the Philippines to the United Nations in New York from February 2007 to April 2010. He also served as Chief Justice of the Supreme Court of the Philippines from November 1998 to December 2005. Mr. Davide was also the Commissioner of the 1986 Constitutional Commission. He is currently an Independent Director and Vice Chairman of the Manila Bulletin Publishing Corporation and an Independent Director of the Philippine Trust Company. Lastly, Mr. Davide is a Trustee of the University of San Carlos in Cebu City.



Leonilo G. Coronel
Lead Independent Director

Age 75; Filipino citizen; first elected Independent Director of Megawide on July 19, 2010; Lead Independent Director; Chairman of the Finance Committee; Vice Chairman of the Audit and Compliance Committee; and Member of the Governance, Nominations and Compensation Committee and Risk Oversight Committee.

Mr. Coronel obtained his Bachelor of Arts degree, Major in Economics from the Ateneo de Manila University.

Mr. Coronel is the Managing Director of BAP Credit Bureau Inc., an Advisor of the Philippine Clearing House Corporation, the Treasurer of PDS Holdings, and a Consultant of the Bankers Association of the Philippines. He also serves as an Executive Director of RBB Micro Finance Foundation, and an Independent Director of DBP-Daiwa Securities and SMBC Philippines, Inc.

Mr. Coronel acted as the Project Director of the Small and Medium Enterprises Credit Program of the Philippine Business for Social Progress, a Consultant of the Land Bank of the Philippines, a Director of Software Ventures International Corporation, a Director at the Philippine Dealing System, Philippine Depository & Trust Corp., and Philippine Clearing House Corporation, and a Trustee/Treasurer and Member of the Capital Market Development Council Institute.

Mr. Coronel is a Non-Executive Director of Philippine National Bank since May 2013.



Celso P. Vivas
Independent Director

Age 73; Filipino citizen; first elected Independent Director of Megawide on July 02, 2018; Chairman of the Audit and Compliance Committee; Vice Chairman of the Risk Oversight Committee; and Member of the Governance, Nominations and Compensation Committee and Finance Committee.

Mr. Vivas is an Independent Director of Keppel Philippines Holdings, Inc. since June 2005 and is currently its Lead Independent Director and the Chairman of its Audit and Risk Management Committee. He is an Independent Director and Chairman of the Audit and Risk Management Committee of Keppel Philippines Marine, Inc. He is also an Independent Director and member of the Audit Committee of Keppel Philippines Properties, Inc. Lastly, he is an Independent Director of Republic Glass Holdings Corporation, Chairman of its Governance, Nomination, and Remuneration Committee, and member of its Audit and Risk Management Committee.

He was a Risk Consulting Partner and Assurance Business Advisory Partner of SGV & Co. until his retirement in 2001. Mr. Vivas obtained his Bachelor's Degree in Business Administration (Cum Laude) from the University of the East. He also obtained a Master's Degree in Business Management from the Asian Institute of Management (as an SGV & Co. scholar). He is also a graduate of a Company Directors' Course from the Australian Institute of Company Directors (as an Institute of Corporate Directors' ["ICD"] scholar). Mr. Vivas is a Certified Public Accountant and has over fifty (50) years of experience in the areas of audit, finance, enterprise risk management, and corporate governance.



Alfredo E. Pascual
Independent Director

Age 71; Filipino citizen; first elected Independent Director of Megawide on October 09, 2018; Chairman of the Risk Oversight Committee; Vice Chairman of the Governance, Nominations and Compensation Committee; and Member of the Audit and Compliance Committee and Finance Committee.

Mr. Pascual is the Lead Independent Director of SM Investments Corporation and an Independent Director of Concepcion Industrial Corporation and Asiabest Group International Inc. In 2018 and 2019, Mr. Pascual was the President and Chief Executive Officer of the ICD. He is now a Trustee of the ICD as well as of the Shareholders Association of the Philippines ("SharePHIL"). From 2011 to 2017, he led UP's system as President and Board Co-Chair. Before UP, Mr. Pascual worked at the Asian Development Bank ("ADB") for nineteen (19) years in such positions as Director for Private Sector Operations, Director for Infrastructure Finance, and Advisor for Public-Private Partnership (Infrastructure Development). At ADB, he had postings in the Philippines, India, and Indonesia, and represented ADB on the board of its investee companies in China, India, and Philippines. Earlier on, Mr. Pascual held executive positions in investment houses, such as, First Metro Investment Corporation, and was a finance professor at the Asian Institute of Management. He obtained his Master of Business Administration degree and Bachelor of Science in Chemistry (Cum Laude) degree from UP.

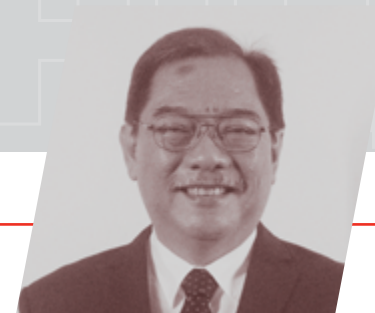
KEY OFFICERS CORPORATE OFFICE



Edgar B. Saavedra
Chief Executive Officer



Manuel Louie B. Ferrer
Chief Branding and Corporate
Affairs Officer and Corporate
Information Officer



Ramon H. Diaz¹
Group Financial Officer



Christopher Nadayag
Treasurer and Deputy Chief
Financial Officer



Raymund Jay S. Gomez
Chief Legal, Compliance,
and Data Privacy Officer



Jaime Raphael C. Feliciano
Chief Business Development Officer



Maria Belinda B. Morales²
Chief Human Resources Officer



Anthony Vergel Velasco
Chief Audit Executive



Mohit Malhi
Chief Commercial Officer



Joan Cosico
Investor Relations Head



Johannes G. Ruof
Executive Vice President – EPC
Airports and Infrastructure



Kamaneson Ganeson
Vice President –
Total Quality Management



Rogelio Ramos, Jr.
Branding Head



Anthony Leonard G. Topacio
Corporate Secretary, Corporate
Information Officer, Assistant Compliance
Officer, and Assistant Vice President –
Legal Counsel



Jennifer Lee
Assistant Corporate Secretary
and Assistant Corporate
Information Officer



Charlotte Y. King
Assistant Corporate Secretary



Crisostomo Bas, Jr.
Assistant Vice President –
Security



Rolando S. Bondoy
Assistant Vice President –
Investor Relations



Mia Grace Paula S. Cortez
Assistant Vice President –
Comptrollership



Jez G. Dela Cruz
Assistant Vice President- Corporate
Finance and Financial Planning



Robert Jason L. Torres
Assistant Vice President –
Corporate Affairs



Emerson C. Jonson
Assistant Vice President – Infrastructure

Eric Gregor G. Tan
Assistant Vice President – Business Development

Sheila Lynn Nawata
Chief Operating Officer – Foundation

KEY OFFICERS

CONSTRUCTION AND BUSINESS UNITS



Frederick T. Tan
Deputy Head – EPC Group



Romeo P. Furigay
Assistant Vice President –
Operations



Jessica I. Gandia
Assistant Vice President –
Bids and Contracts



Reynaldo P. Rodrin
Assistant Vice President –
Operations



Jules Norman B. Ronquillo
Assistant Vice President –
Operations



Markus Hennig
Executive Vice President –
Business Units Group



Jouie V. Lee Oliver
Vice President – CELS



Rexford D. Ilagan
Assistant Vice President
– Batching Plant

Sean Edward Farrell
Vice President – Commercial and
Contracts

Renato Jesus T. Go
Vice President – Human Resources

Bram Van Olffen
Vice President – Engineering

Ronald M. Asuncion³
Assistant Vice President – Operations

James Campbell
Vice President – BU Cebu Operations

Neil Sharpe⁴
Vice President – Formworks

Jose Voltaire M. Dela Rosa
HR Head – Business Units

Jeralbine R. Nuguid⁵
Assistant Vice President – Precast

Alejandro A. Manalo
Deputy Chief Financial Officer – GMCAC

Bena Kristie U. Balandra
Deputy Procurement Head – MGCJV Clark

Grant Lee Fellowes
Project Director – MGCJV Clark

KEY OFFICERS
SUBSIDIARIES

Megawide Land, Inc.

Edgar B. Saavedra
Chairman and President

Oliver Y. Tan
Treasurer and Director

Raymund Jay S. Gomez
Corporate Secretary and Director

Jaime Raphael C. Feliciano
Director

Manuel Louie B. Ferrer
Director

MWM Terminals, Inc.

Edgar B. Saavedra
Chairman

Manuel Louie B. Ferrer
President and Director

Jaime Raphael C. Feliciano
Director

Manuel Z. Gonzalez
Corporate Secretary

Christopher A. Nadayag
Treasurer

GMR Megawide Cebu Airport Corporation

Srinivas Bommidala
Chairman

Manuel Louie B. Ferrer
President

Edgar B. Saavedra
Director

Oliver Y. Tan
Chief Financial Officer, Treasurer,
and Director

Vivek Singhal
Director

Andrew Acquaah-Harrison
Chief Executive Advisor

Jennifer Lee
Assistant Corporate Secretary

Megawide Corporate Foundation, Inc.

Manuel Louie B. Ferrer
Chairman and President

Edgar B. Saavedra
Vice President and Trustee

Teresa Chua Saavedra
Trustee

Celso P. Vivas
Trustee

Paulette Deduque-Liu
Independent Trustee

Sheila Lynn Nawata
Chief Operating Officer

Marie Arcie Anne Sercado
Corporate Secretary

¹ Mr. Diaz replaced Augusto Cesar Garcia.
² Ms. Morales replaced Leonard Berbia.
³ Mr. Sharpe replaced Adrian Kuczmik.
⁴ Mr. Asuncion replaced Albert Saringo.
⁵ Mr. Nuguid replaced Einstein Chiu.



2019 BUSINESS REVIEW

MAXIMIZING OUR POTENTIAL

2019 was a challenging time for us financially as we contended with the expected increase in non-cash charges and finance costs. To sustain economically viable operations, we pursued a more aggressive strategy by acquiring and subsequently diversifying our engineering and infrastructure solutions, combined with further expansion into other aligned businesses to complement our existing portfolio. This strategy highlights our drive toward achieving our vision of growth for the country by playing on Megawide's strengths—forward-looking value engineering.

Megawide explores value engineering by researching and utilizing advanced and comprehensive cutting-edge building systems for cost-efficient, high-quality structural, commercial, and infrastructure development. We formed our own Research & Development team to continuously adapt and respond to new inventions, standards, and quality assurance to ensure that world-class standards are met, and at times, even exceeded.

102-3

We categorize our strategic business units (SBUs) as follows:

Megawide Construction Corporation (MCC) manages and implements the latest developments in advanced construction technologies in our construction projects. To date, we have two main offices:

📍 **Megawide Head Office** located at 20 N. Domingo Street, Barangay Valencia, Quezon City

📍 **Corporate HoldCo** office located at 10F Santolan Town Plaza, Santolan Road, San Juan City. Our Megawide Foundation is also housed at this office.



The new Megawide HoldCo office in San Juan

2019 MILESTONES



Our EPC business segment experienced strong rebound in 2019, generating revenues **of PhP 15 billion** contributing to **77%** of the Company's total revenues.



We have a healthy order book status composed of **30 projects** of which 83% are in the first trimester of project completion and expected to contribute significantly to our revenue streams in the succeeding periods.



We are also upgrading our business units, units through the expansion of our precast capacity to **19,700 cu.m./month** from **9,900 cu.m./month capacity**



We are also building both stationary and mobile batching plants to make them available in strategic areas, as well as introducing **hollowcore technology**. Likewise, we are employing more advanced and largely mechanized systems for our formworks, and utilizing specialized transport equipment for our C.E.L.S. transport fleet.



These expansion projects allow us to: **Tap into a bigger external market; increase our economies of scale; optimize operations, and create better value for all our stakeholders.**

Our **Engineering, Procurement, and Construction (EPC)**, handled by Megawide Construction Corporation, includes the architectural and structural works focusing on the construction of housing developments (residential and low-cost mass housing), mixed-use establishments, office and commercial buildings, and hotels and casinos, among others.

At present, our EPC business segment has more than 30 ongoing projects. Among these are the following, which will be featured in this report:

- The Corner House, San Juan City
- One Fintech Tower, Parañaque City
- Eight Sunset Boulevard, Parañaque City
- Empire East Skymall, Cainta, Rizal
- Gentry Manor, Parañaque City
- Golden Bay Tower Aspire, Pasay City
- International Finance Tower, Taguig City
- Mandani Bay Quay, Mandaue City, Cebu
- The Hive, Taytay, Rizal
- Urban Deca Ortigas, Pasig City
- Worldwide Plaza, Taguig City

To deliver high-quality services to our partners, we invest on the latest construction technology that allow us to reduce construction timetables and accelerate project turnover. We also invest in systems that allow us to ensure safe, efficient, and timely delivery of construction services across the entire value chain. We then integrate our EPC processes with these construction support technologies, which we classified into business units to provide excellent value to our customers:



Our own state-of-the-art **Precast Plant** capable of producing standardized, high-quality precast wall variations, precast toilets, columns, beams, and stairs. Our plant in Taytay, Rizal is the largest in the country and one of the most advanced facilities of its kind in Southeast Asia.



Our mobile and stationary **batching plants** feature chilled water control system, which helps maintain high-quality concrete.



Our **formwork systems** are known for automated and advanced physical climbing and forming technology.



Our **Construction Equipment, Logistics, and Services (C.E.L.S.)** roster is composed of innovative construction methodologies, durable material handling equipment, specialized transport vehicles, and efficient concrete delivery system.

For 2019, we ventured into more segments where we offer our engineering expertise. Our new projects include:

- Las Piñas Water Reclamation facility in partnership with Maynilad
- Eisberg Cold Logistics Facility
- Construction of a new building terminal for Clark International Airport
- Construction of a COVID-19 testing facility in MCIA (2020)



Schools in Region III built for the Department of Education's PPP for School Infrastructure Project – Phase 1



203-1

Our projects with the government under the Public-Private Partnership (PPP) program also allowed us to further realize our objective of exemplifying world-class standards to our countrymen. We have delved into transport developments such as airport operations and landport (terminal) operations. In collaboration with the Department of Education, we were also able to build 10,000 classrooms across Regions I, II, III, and IV-A.

Under our Megawide Engineering Excellence Scholarship (MEES) program, spearheaded by Megawide Foundation, we continue to support underprivileged but deserving college engineering and architecture students from our partner universities. Our HR-initiated Megawide Cadetship program (dubbed Megawide ExCEL or the Excellence in Construction Execution Leadership Program), meanwhile, helps new graduates, including our scholar-graduates, to gain practical experience and hone their skills, enabling them to better transition into employment. Cadets are expected to develop into future leaders who meet the highest level of technical, management, and leadership skills in construction.



We were able to build 10,000 classrooms across Regions I, II, III, and IV-A.

2019 MILESTONES



PITX is slowly gaining traction and accelerating the commercial aspect of the facility.



For the reporting year, **100%** of our office space has been leased out.



Our retail segment has 80% of the space leased out, with 60% already operational as of end 2019.



Average daily trips increased from 3,430 to 5,075

From January to December 2019, average passenger foot traffic also increased, leading to improved sales per passenger due to frequency in utilizing PITX's services.



PITX gained recognition in the **Maynilad Golden Kubeta Award**, winning the Terminal and Stations Category on the strength of functionality, aesthetics, amenities, and overall comfort.

Our **Parañaque Integrated Transport Exchange (PITX)** involves the operation of a multi-modal transport terminal and commercial leasing properties—office and retail areas—under our 35-year concession agreement from the government's PPP program in 2015. MWM Terminals, Inc. (MWM) developed and is currently managing the PITX and the tenants within the establishment.

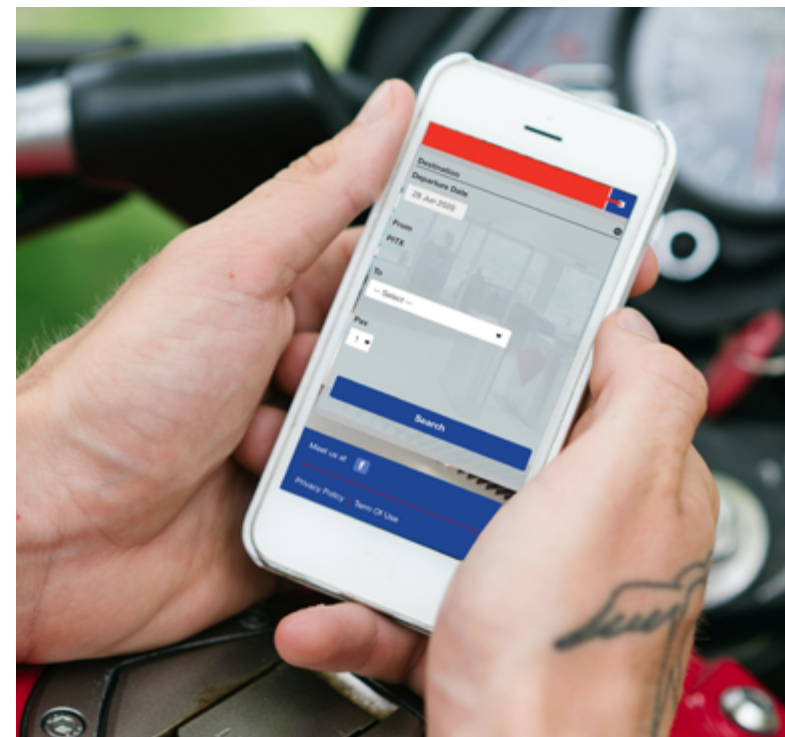
PITX is the country's first landport which houses bay areas for different public utility vehicles as well as concessionaires and amenities that provide comfort to passengers. PITX also leases out space for the Maritime Industry Authority (MARINA) for their satellite office, and for the LTO on Wheels project.

PITX opened in 2018 and was also faced with challenges in 2019. Our office lessees faced regulatory issues due to delays acquiring regulatory licenses and permits. To address this issue, our Public Affairs Team came to our lessees' aid and assisted them in acquiring the permits and licenses allowing them to start operations in 2019.

The landport also began to offer additional routes, with the new point-to-point bus service route from PITX to Baguio, along with the availability of long-haul buses headed to Bicol and Visayas. To date, PITX offers the following long-haul buses with the following destinations:

- Daet, Camarines Norte
- Naga City, Camarines Sur
- Bulan, Sorsogon
- Legazpi City, Albay
- Lucena City, Quezon

MWM Terminals, Inc. continues to improve the terminal's facilities and routes, including the improvement of the PITX app, which will allow passengers to book, reserve, and track the trips through real-time monitoring. A Lot 2 expansion is also planned for development in the coming years to fully maximize the benefits to commuters and our countrymen.





Our **Airport infrastructure and operations** business segment focuses on the development, renovation, and operations of the Mactan-Cebu International Airport (MCIA) through Megawide and Indian infrastructure developer GMR Group under GMR Megawide Cebu Airport Corporation (GMCAC). GMCAC reinforced MCIA's role in Cebu City's economic growth by constructing a new international terminal (Terminal 2) as well as renovating and upgrading the existing Terminal 1 into a modern gateway showcasing world-class design and amenities.



Under construction: the Arrivals floor of MCIA Terminal 2



80% of the concessionaires are already using biodegradable alternatives

We began our efforts to go plastic-free in our business, making us the first airport in the country to do so. Through our Going Green campaign, we banned the use of non-biodegradable single-use plastics and polystyrene containers in our restaurants and shops in the hub. As of end 2019, 80% of the concessionaires are already using biodegradable alternatives such as plant starch utensils, paper cups and straws, wood stirrers, paper bags, and carton boxes for takeaway food.



Passengers preparing to board at one of the gates at PITX

We are renovating our terminals to include self-connecting baggage acceptance by all airlines. In addition, we are finalizing the design and concept of a mixed-use development, hotel, and a strip mall, and the construction of a garden restaurant in our Terminal 2, along with more in-dining experiences for both terminals. Our proposed construction of Terminal 3 and a second instrument runway is currently on the negotiation process but is advancing positively. The project supports the government's Build, Build, Build program that aims to jumpstart the economy through various infrastructure projects. Another of our ongoing projects is the Clark International Airport, set to be completed in 2020. **203-1**

2019 MILESTONES



We continue renovating MCIA's facilities to better serve our patrons.



In 2019, we made numerous upgrades to Terminal 1, expanding passenger-handling capacity and refurbishing interior and exterior design following Terminal 2's design.



We will further enhance their experience through our Airport Village, which houses **additional commercial and leisure facilities**. The expanded space among Terminal 1, Terminal 2, and Airport Village allow for more establishments to open shop, to provide our customers the best stopover experience.



Our efforts resulted in an increase in passenger volume of **4.3M (11%) international passengers and 8.4M (9%) domestic passengers** from 2018's 3.8M and 7.7M respectively.



We offer more destinations for our patrons by increasing our destination sites to **30 domestic and 24 international locations**, from 23 and 7 destinations, respectively, in 2014.

102-9, 103-1, 103-2, 103-3
SUPPORTING LOCAL

As Megawide grows, we collaborate with our partners—suppliers, contractors and vendors—in working on our vision of building a First-World Philippines. The advantages of purchasing from local suppliers are easier communication lines, faster delivery lead-time, and strong vendor relationships which allow Megawide to get to know partners and conduct actual site visits at the vendors’ facilities for validation of supplier accreditation and actual procurement requirements. These relationships are particularly beneficial due to the resulting prioritization for supply needs. Financially, purchasing from local suppliers gives an advantage due to the provision of payment terms; transactions with them also help in boosting the local economy.

All of the raw materials of MWM Terminals and most of those of the BUs, particularly Precast and Batching Plant, are sourced locally. Because of the easier communication with suppliers, technical datasheets for product/ material needs, and scope breakdown for service needs are easily provided.

Percentage of procurement budget spent on local suppliers (204-1)				
MCC				
HoldCo	EPC	BU	MWM (Landport)	GMCAC (Airport)
N/A	99%	68%	100%	94%

In GMCAC's airport operations, 60% of the procurement spending was allotted for construction and/or renovation, 10% for terminal operations, 12% for meeting the requirements by the Technical and Engineering Services, and 18% is spread to other stakeholders. Hence, procurement from local suppliers is key to the operations to deliver products and services on-time at a high quality.

Some local suppliers import their supplies from abroad. This may cause longer lead times and higher costs for GMCAC. In this case, its Procurement Department directly sources out materials from foreign authorized distributors or direct manufacturers if, based on the bidding, they are found to offer lower prices than in local suppliers. To ensure that suppliers can provide our requirements, forecasts are conducted and discussed with the suppliers to determine if they can commit to supplying these requirements. The entities do their part by providing a monthly forecast of delivery so the suppliers can account for the Company's needs in their production planning.



As Megawide grows, we collaborate with our partners—suppliers, contractors and vendors—in working on our vision of building a First-World Philippines.



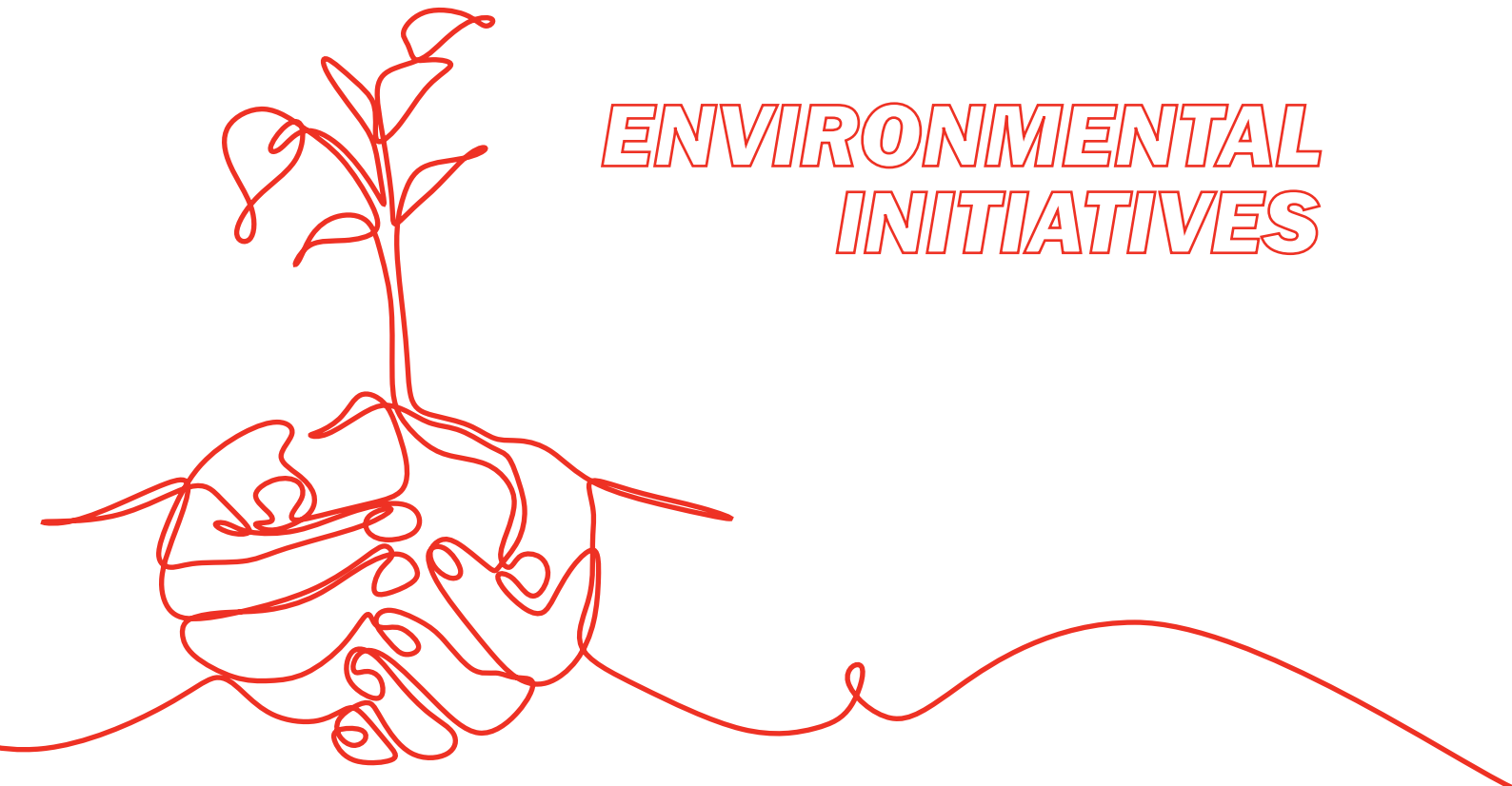
The BUs experienced raw material stock-outs in 2019, due to stricter local government policies for the protection of the environment and local communities. However, because of the established partnership with local suppliers, they were able to prioritize the BUs’ delivery needs. Also, Megawide transacts with several suppliers to prevent dependence and manage risks (i.e., price volatility, raw material shortage). We were able to replenish our stocks from other suppliers not affected by the stricter policies.

Although there is no pertinent internal policy in the sourcing of materials and services, the Procurement Department of GMCAC will continue to develop and support local vendors’ capability. The department will also provide forecasting visibility on future spending and key projects of GMCAC. This will enable the local suppliers to anticipate and develop their capacity and capabilities to fulfill our Company's future needs.

102-9, 103-2
SUPPLY CHAIN MANAGEMENT

Our Procurement Department assesses the capability of suppliers to provide quality and original products by requiring them to submit documentary requirements. Quality and originality of materials are seen in the suppliers’ Certificate of Distributorship that gives assurance to Megawide that they are the exclusive distributor of the item. Plant visits and background checks are conducted to validate the suppliers’ compliance with relevant standards, financial capability, and ability to deliver requirements in a timely manner.

The suppliers’ Policy and Commitment are based on contract agreements. Megawide’s contracts require compliance with all applicable laws, rules, and regulations. To reinforce this, Megawide requires all contractors, suppliers, and service providers to submit documentary requirements to show that they are legally in good standing. The various BUs also consider environmental performance, risks of bribery and corruption, forced labor, child labor, and human rights concerns when accrediting suppliers.



We commit ourselves to achieving operational excellence and efficiency in all our business activities. We invest in cutting-edge technology building systems to create value for our stakeholders and at the same time, minimize our impact on the environment. We commit ourselves to carrying out socially responsible corporate initiatives aligned with our Quality, Environment, Safety, and Health (QESH) policy in our operations and our relationship with our partners.

301-1
MATERIALS USED BY THE ORGANIZATION

EPC		Business Units			
Material	Quantity	Precast	C.E.L.S.	Formworks	Batching Plant
Gravel, vibro sand, cement	31,207 bags	Diesel: 80,000 liters	Engine Oil: 21,877 liters	Steel Strap: 80 rolls	Admixture: 1,275,835 liters
Gravel G-1	178.46 cu.m.	Admixture: 670,000 liters	Hydraulic Oil: 22,385 liters	Lumber: 2,665 pcs	Cement: 750,000 bags
Tile spacer	41 packs	Non-shrinking Grout: 595 bags	Grease: 2,508 pails	Paint Topcoat: 1,060 gallons	White Sand: 215,867 mt
Construction film	151 rolls	Paste: 1,630 pails	Diesel: 1,890,000 liters	Paint Thinner: 696 gallons	Gravel: 217,000 mt
Sheet piles	1,930 pcs	Resin: 117 sets		Phenolic Board: 4,027 pcs	
Fuel and oil	43 pcs	Lumber: 308,781 pcs			
Gravel	296 pcs	Phenolic Plywood: 17,975 pcs			
White sand	2,423 bags	Ordinary Plywood: 150 pcs			
Lumber	310 pcs	Deformed Bar: 27,071,089 pcs/kgs			
Backer rod	29,175 pcs	PVC Pipe: 67,657 pcs			
Deformed rebars	21,554,397 kgs	Gravel: 58,900 mt			
Battery	4 pcs	Percentage of recycled input materials used to manufacture the organization's primary products and services: 0%			
Panel board	3 assemblies				

103-1, 103-2, 103-3

We source our raw materials from trusted external suppliers in the construction industry. Primarily, we procure steel, cement, and aggregates centrally purchased by the head office, which are used across all project sites based on each project's requirements. We recognize the risk of price volatility in raw materials; hence we immediately purchase them upon awarding of the contract. Suppliers are selected based on their quality, pricing, and efficient delivery of raw materials.

The availability of the construction materials the BUs listed can affect the project's timeframe in relation to the timeframe agreed upon in the contract. Principal raw materials like cement and steel are both readily available in the market through different trusted suppliers. For other materials, we transact with a diverse set of suppliers to avoid depending on one or a limited number of suppliers. We address price fluctuations, shortage of raw materials, and delivery delays by establishing partnership agreements with suppliers to prioritize our needed supplies. Our BUs also see the need to develop stronger risk management policies, prioritize supplier relationships, and invest in the right supply chain talents.

Prior to purchasing concrete, samples of it are first tested by specialized laboratories to verify its compliance with applicable codes and standards. This is standard procedure for Megawide as it ensures uniform quality of work as we prioritize customer satisfaction, environmental protection, and prevention of injury or ill health. Megawide follows local and international standards such as Philippine National Standards (PNS), American Society for Testing and Materials (ASTM), American National Standards Institute (ANSI), American Concrete Institute (ACI), Construction Specifications Institute (CSI), American Association of State Highway and Transportation Officials (AASHTO), and ISO standard on Quality, Environmental, Safety, and Health.

Our BUs prepare for their annual raw material needs through proper forecasting and planning. They categorize their material requirements into groups and conduct bidding for bulk orders to lock-in the price and minimize costs for their annual requirements. They continuously improve their forecasting tools and alternative sourcing strategies so suppliers can guarantee the supply's availability to avoid delays that can lead to disruptions in operations. This also ensures that we get the right amount of supplies without overbuying.

306-2
SOLID WASTE MANAGEMENT

At Megawide, excellence also means reducing our impact on the environment. We see the potential of reducing generated waste in our operations to lessen our negative environmental impact. To do so, we invest and improve on the efficiency of materials recovery facilities (MRFs) in all our project sites to ensure proper waste disposal and management.

	Generated	Recyclable/Reusable	Incinerated	Residuals/Landfilled
MCC				
GMCAC				

MWM Terminals Inc. - Due to increasing occupants in 2019, there is no formal record for food wastes.

 1 icon = 3 million kilograms

Complete data can be found in the Annex

306-2, 306-4
HAZARDOUS WASTE

Generated			Transported	
Precast	30,270kg Recyclable Styro	1,200L Used oil/Form oil	2.2kg Sharps	HoldCo 8pieces Light bulbs, used batteries
C.E.L.S.	8,400L Used oil/Form oil	HoldCo	8pieces Light bulbs, used batteries	GMCAC 100 Busted lamps
GMCAC	9,126kg Busted lamps, used cooking oil*	*Used cooking oil was sold via the ABS-CBN's Bantay Langis program.		

EPC has no recorded hazardous waste, as the documentation is being handled by a subcontractor and was not available as of publishing date. For future reporting, Megawide is committed to improving documentation for generation and transport of hazardous waste. Scrap materials (e.g. recyclable styro and sharps), once they reach the required amount for collection, will be hauled by a DENR-accredited third-party hauler.

Part of our waste management is our practice of monitoring our waste disposal daily. This allows us to monitor the Company's overall waste generation and allows us to determine the waste we can reuse or sell. Waste is then segregated into hazardous waste, biodegradable, non-biodegradable, scrap metal, and debris, with proper labels upon storage in our materials recovery facilities.

Megawide contracts accredited haulers to pick up the segregated waste from the various offices and project sites on scheduled date/s depending on management. This is in compliance with the regulatory bodies, Department of Environment and Natural Resources (DENR), Laguna Lake Development Authority (LLDA), and Department of Labor and Employment (DOLE), where Megawide is required to submit proof of compliance, and other necessary documents.

103-2, 103-3

HoldCo
Waste management in our HoldCo facility involves proper segregation and a monthly monitoring of solid and hazardous waste we produce. The Facilities Management office established house rules for proper disposal and treatment of waste. Reusing and limiting paper printing activities as well as providing segregation bins are some of what we practice in our HoldCo facility.

All solid wastes generated in HoldCo are generated by staff and business processes which are disposed through the building's MRF as part of the agreement terms with the Building Administration. Around the facility, bins are available to promote segregation in the common office and meeting rooms. Additionally, Facilities Management will constitute house rules for the property.

For hazardous wastes, the HoldCo transfers them to the Head Office (HO) for proper disposal by the accredited third-party handler.

MCC
We make sure to implement strict waste management policies in our business units as they largely contribute to our waste production. Each business unit has a materials recovery facility that handles waste segregation and stores non-hazardous waste. EPC Management engages with accredited haulers to pick up wastes from the project sites.

To minimize our generated waste, our MCC Head Office strictly banned single-use plastics as part of its Zero Plastic program. Additionally, we encourage our employees to collect food waste in the canteen and use it for their personal interests such as composting or as food



To minimize our waste generated, our MCC Head Office strictly banned single-use plastics as part of its Zero Plastic program.

for their pets. This allows us to further separate biodegradable waste from our materials waste.

We implement strict waste management policies in our business units and construction sites. We uphold our MCC procedures for waste management to avoid improper management of solid and hazardous waste that can potentially cease operations in the construction sites or cause delays in waste collection. Our BUs strictly implement the “no proper segregation, no collection” policy that allows workers to identify residuals from recyclables. Used oil and plastics are managed based on RA 9003. Reusable plastic materials such as water bottles are also segregated and collected through a third-party collector. All housekeeping practices per area are also continuously improved through management's cooperation.



103-2

WASTE MANAGEMENT

The Precast Plant is the largest contributor of wastes in the Megawide Industrial Complex in Taytay. For its waste management, a temporary materials recovery facility has been set up for the facility's proper waste segregation. Accredited haulers from the MCC Head Office have been engaged for the proper disposal of wastes. Precast waste such as phenolic, styro plastic, metals, and rebar are transported by a third-party hauler for recycling. Styro wastes are collected by CEMEX, the third-party collector, every week. Before collection, they are crushed into smaller pieces.

In our Batching Plant, solid waste is disposed of by the same haulers who deliver raw materials to the batching plant site. This minimizes associated cost in their proper disposal and at the same time, cultivates a favorable relationship with our suppliers. Concrete waste produced by the plant is strictly monitored and managed to minimize potential loss. There are several measures taken by the plant to reuse concrete waste, in the order as follows: diversion to other project sites, development of concrete blocks, or discharging at either the concrete reclaimer or settling pond.

103-2, 103-3

MWM (Landport)
As MWM's foot traffic continues to grow, so has the generated waste of PITX. Its increase in passengers and tenants, particularly food concessionaires, caused an increase in food waste for the establishment. We manage the increasing food waste through daily inspections and monitoring of food tenants to ensure that proper waste management is practiced. We also ensure compliance to environmental laws by monitoring sewage pit levels and quality of water discharge.

An accredited solid waste hauler is being contracted to haul out all non-hazardous wastes generated within the terminal and as well as wastes from the aircraft. Segregation at source has been practiced, minimizing landfill disposal. Hazardous wastes are being stored and treated following the DENR-Environmental Management Bureau (EMB) guidelines.

GMCAC (Airport)
In compliance with the Environmental Compliance Certificate provided by the DENR-EMB which allows GMCAC in its business as an airport operator, the Company strictly follows the government regulations on solid waste management and handling, storage, and disposal of hazardous wastes. Part of its initiative is to extend this responsibility to stakeholders and concessionaires through the provision of a Management Information Notice (MIN) so that they can work hand-in-hand with the Company to comply with these rules.

Strict implementation of waste segregation and banning of single-use plastics is observed by all employees and concessionaires within the terminal. Communication and awareness seminars are also conducted to routinize best waste management practices in the terminal.



For 2019, we were able to earn a total sales of PHP267,090.⁹⁸ from our total collected waste.

We designated a central waste storage area where our accredited solid waste hauler will haul out all non-hazardous waste generated within the terminal and the waste collected from the aircrafts. Hauling of waste is done twice a day, morning and evening. We partnered with ABS-CBN's Bantay Langis program for the treatment and disposal of waste like used cooking oil. GMCAC's waste can also be an income source through the Trash to Cash program. In 2019, the program was able to amass a total of PhP267,090.98, with GMCAC contributing PhP80,130.29 or 30% of the sales generated from the program.

103-1, 103-3
ENERGY CONSUMPTION

We optimize our energy usage and perform energy-saving practices to ensure that we experience minimal to no outage as much as possible. In case of any power interruptions, we prepare our energy reserves to immediately supply energy for our operational needs.

Our energy management includes monitoring our consumption to inform our initiatives. HoldCo is currently working on improving their data-gathering to better understand their energy use and benchmark for efficiency. Meanwhile, our BUs set targets for energy use depending on project requirements. These targets are reviewed by management to maintain continuity for efficient operations and mitigate any abnormalities or outliers.

⚡ Total energy consumption in kWh		
MCC	5,236,401	
MWM	6,595,788	
GMCAC	28,557,742	

🔧 LPG	🛢 Diesel		🌱 Renewable sources
MCC(BU)	38,174 L/cu.m.	MCC 2,849,974 L	GMCAC 108 L
MWM	4,856 L/cu.m.	MWM 22,337 L	GMCAC 5,819 kWh

Complete data for Energy Consumption and Intensity can be found in the Annex

103-1, 103-2
HoldCo
HoldCo's energy consumption for 2019 will serve as the benchmark in improving energy usage and implementing energy efficiency programs, as we have only recently transferred into the new location during the beginning of 2019. Our office operations are supported by the Santolan Town Plaza building administration services, backed-up with two generator sets. Prior to our agreement with the building administration, all electricity requirement was predetermined and carefully agreed upon by defining office demand, equipment needed, and back-up power source. Moving forward, we aim to develop a better power system management to maximize efficient electricity consumption in office operations.

The office building's administration is equipped with three generators that have a fuel reserve that can operate four days straight at full load, without any

power interruption. We are working on the implementation of a 52-week preventive maintenance schedule, alongside the building administration's preventive maintenance schedule to ensure zero downtime in operations.

MCC
Our MCC Head Office in N. Domingo has 10 floors dedicated to Megawide's operations. The Head Office utilizes electricity backed by generator sets tested monthly for at least 30 minutes, as part of our preventive maintenance measures and to ensure energy supply despite power interruptions.

Energy consumption in BUs is directly attributed to the production output of equipment using electricity and diesel. EPC project sites are completely powered by generator sets with diesel usually used for secondary or emergency purposes. As construction activities

increase, demand for diesel consumption also increases. Should power interruptions occur, the Precast Plant will be the most affected among the BUs.

For 2019, the BUs were able to achieve an energy intensity of 20 kWh per square meter for the entire MCC industrial complex and 31 kWh per square meter for our Precast Plant. In case of power interruption in the Industrial Complex, C.E.L.S., Formworks, and Batching Plant source their back up power from Precast's generator. However, if the generator powers all three BUs simultaneously, running time will be shortened to 24-hour intervals.

Uninterrupted energy supply is crucial in our BUs to achieve project requirements and targets each month. These targets are reviewed regularly by the management to maintain continuity for efficient operations and mitigate any abnormalities or outliers.



103-1, 103-2
MWM (Landport)
MWM experienced an increase in energy consumption for 2019 due to several construction projects along with the increase of tenants in the terminal and office buildings. We also experienced around 10 power interruptions for the year, causing us to consume 22,337 liters of diesel for our generator sets.

In order to mitigate the increase in energy consumption, we implemented several energy-saving practices such as turning off escalators and elevators at midnight and utilizing only 50% of our LED lighting during the daytime. To mitigate the power interruptions we experienced, we immediately utilized our generator sets to provide electricity for the whole facility. This prevents the downtime of our Heating, Ventilation, and Air Conditioning (HVAC) system composed of the chiller, condenser pump, chilled water pump, and cooling tower, which are our primary equipment in maintaining the comfort of our passengers, tenants, and employees.

GMCAC (Airport)
Because of the negative environmental impact continuous usage of fossil fuel has on the environment, along with the high cost of power supply Cebu City's local power utility charges, GMCAC Management has a directive to find alternative, cleaner, and cost-effective energy sources.

Since 2018, MCIA Terminal 1 has been getting power from the open market, with Terminal 2 following suit. MCIA also set up a 1.64 MW grid-tied rooftop solar farm producing 6,560 kWh daily. For 2019, the solar farm reduced GMCAC's total energy consumption by 1,616,410 kWh. Moreover, utilizing solar energy has helped GMCAC reduce greenhouse gas emissions by 1,301,580 kg annually.

Seeing the cost savings our solar farm provides to our operations, we are considering its expansion using other parts of the MCIA airfield that are ideal in capturing sufficient heat during daytime.

103-2, 302-4
ENERGY SAVING INITIATIVES



We implement various energy conservation practices across our businesses, depending on what best fits each one. For our HoldCo, EPC, and BUs, we practice several energy saving initiatives such as **turning off all appliances and equipment, lights, and AC equipment when not in use and during breaktime, holidays, and out-of-office hours.**



Due to 10 power interruptions MWM experienced throughout the year, we plan to implement an energy conservation program utilizing energy-saving technology. This includes the **installation of an entry vestibule and air curtains** to reduce air infiltration into the facility brought about by the high foot traffic in the landport. This would lead to reduced dependence on the HVAC system, allowing us to conserve energy. We are also considering the use of renewable energy sources such as solar power, to lessen MWM's dependence on third-party electricity providers.



FOR GMCAC, we are moving towards cost-efficient alternative energy sources, with the Management currently working on granting permission to expand to some areas of the airfield for a **5MW solar farm**. We aim to increase our renewable energy source to 1 GW from the existing 1.64 MW. We are also looking into utilizing new materials such as glue-lam timber and ultraviolet ray-repellant glass roofing for the benefit of passengers.

103-1, 103-3
AIR QUALITY MANAGEMENT

Equipment used in the BUs and project sites is the main source of emissions in our operations. We use diesel and LPG to power generator sets, fire burners, and LPG vapors.

We ensure that what we emit is within ambient air quality standards. Self-monitoring reports (SMR) are submitted quarterly which includes accounts on Scope 1 and 2 emissions and other air pollutants as assurance that Megawide maintains compliance with the set standards.

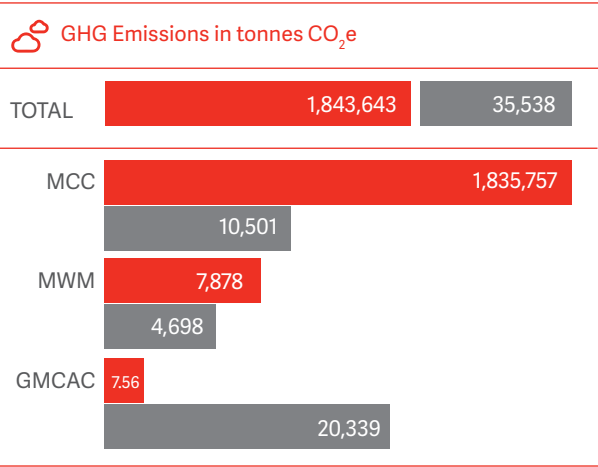
Our , EPC, and MWM business segments do not have an emission testing device monitoring our emissions yet for the reporting year. Moving forward, emissions testing will be conducted for the business segments and will be part of the self-monitoring report we submit to DENR.

305-7
AIR POLLUTANTS

Business Units	
Disclosure	Quantity, Unit
NOx	
Batching Plant	153 tonnes CO ₂ e
Precast	1,007 mg/Ncm
SOx	
Batching Plant	951 tonnes CO ₂ e
Particulate Matter (PM)	8 tonnes CO ₂ e

GMCAC	
Disclosure	Quantity, Unit
NOx	mg/Ncm
T1 Generator Set 537 kVa	589
T2 Generator Set 1 1420 kW	1,468
T2 Generator Set 2 1420 kW	1,552
T2 Generator Set 3 1420 kW	1,539
CO	
T1 Generator Set 537 kVa	54
T2 Generator Set 1 1420 kW	41
T2 Generator Set 2 1420 kW	96
T2 Generator Se 3 1420 kW	164

305-1, 305-2
GHG EMISSIONS



■ Direct (Scope 1) GHG Emissions* ■ Energy Indirect (Scope 2) GHG Emissions
*Emissions from diesel and LPG consumption
Air emissions are computed based on the emission factors commissioned by the United States Environmental Protection Agency (US EPA).
For the complete data set, visit the Annex section



Hollowcore Precast elements at the stockyard inside the Megawide Industrial Complex in Taytay, Rizal

103-2, 103-3

MCC

The equipment largely contributes to the emissions produced by the BUs. Regular monitoring, management meetings and Pollution Control Officer (PCO) reports of BUs will be submitted to DENR regularly to ensure compliance with DENR emission standards. The BUs, with the aid of our health, safety, and environmental (HSE) manager, submit quarterly monitoring reports to DENR as part of our yearly Environmental Compliance Certificate (ECC) renewal.

Equipment such as the diesel fire burner in plant 1, LPG vapor in plant 2, generator sets for the powerhouse in precast, and transit mixers in the batching plant are monitored regularly. Our Precast Plant conducts quarterly stack emission testing, where emissions are tested and regulated according to DENR standards. Our batching plant passed DENR standards for SOx and NOx standards for 2019.

GMCAC (Airport)

The increase in the number of flights will have a corresponding increase in emissions and noise pollution, which can affect the communities near MCIA. With the approved Environmental Management Plan, GMCAC conducted Ambient Air Quality and Noise Quality Monitoring in identified areas surrounding the airport complex to ensure compliance with the Philippine Clean Air Act (RA 8749). We conduct Ambient Air Quality monitoring in six areas on an annual basis, and Noise Quality Monitoring in five areas surrounding the airport.

Ambient Air Quality sampling locations

- Construction
- Carbo Bay Area (MCIA Gate)
- Bangkal Brgy. Hall
- STEC – Science & Technology Education Center
- Pusok National High school
- Terminal 1 and 2 Ramp area

Noise Quality monitoring

- STEC – Science & Technology Education Center
- St. Augustine International School
- MCIAA General Aviation Building
- Carmelite EMD Foundation School

To further reduce pollution, we also conduct an emission test for hydrocarbons on all our motorized ground support equipment (GSEs).

Beyond pollution management, there is also a need to educate nearby communities. GMCAC is planning to conduct an information and education campaign on emissions and their effects, as well as how GMCAC maintains emissions standards.



103-1
WATER CONSUMPTION

We implement water reduction initiatives and water discharge treatment to manage our water consumption and ensure that water we return to the environment is void of harmful pollutants.

303-1

Water consumption/withdrawal within the organization in cubic meters	
MCC	151,139
MWM	99,680
GMCAC	500,571

For the complete data set, visit the Annex section

 How we recycled water in 2019



At our Batching Plant, 50% of recycled water was used in the total water requirement for specific structures and 20% for major designs, while strictly maintaining the client's concrete specifications.

303-3

Water recycled and reused	
MCC (BU)	2,638 cu.m.

103-1, 103-2, 103-3

HoldCo

Water usage in the HoldCo and MCC Head Office is primarily for domestic use such as supplying water for comfort rooms, dishwashing, and staff cleaning. Continuous water access is supplied to these offices, providing our employees and staff with unobstructed water operations in maintaining a hygienic and safe work environment. Water consumption is managed through the installation of automatic sensors in faucets.

HoldCo, as a responsible tenant, follows the water management requirements set by the building administrator. HoldCo's Facilities Management is proactive in monitoring daily operations, and works in tandem with the building administrator in pursuing initiatives related to water supply and water quality. To that end, a Water Testing Certificate was filed by both parties. The year 2019 will be the baseline in formulating a water conservation program that best suits the property and will leave room for future improvements.

MCC

Similar to HoldCo and MCC Head Office facilities, water is used for site requirements and domestic usage in the construction sites. Domestic usage includes providing potable water supply and cleaning of barracks, canteen, comfort rooms, and the office.

For the BUs, water consumption is mainly influenced by monthly production targets. Hence, an increase or decrease in water consumption can be attributed to the water requirement during production.

Being reliant on water for their operations, the BUs are conscientious in mitigating any risk of water shortage. Project sites are equipped with container drums as standby water sources, should there be a disconnection from the third-party provider, which is our primary water source. Regular repairs in the water system of the Industrial Complex are conducted to take care of leaks. Other third-party suppliers are also contracted as a third option for water supply. We are looking at both immediate and long-term solutions to potential water shortages that can affect operations.

We implemented various initiatives across MCC office and business units to reduce our water consumption. Currently, the Precast Plant's BIBKO machine recycles graywater from the concrete pouring process. Similarly, our Batching Plant uses 50% of recycled water in the total water requirement for specific structures, and 20% for major designs, while strictly maintaining the client's concrete specifications.

For our Head Office, we plan to install a filter on faucets to lower demand for need of purchasing water bottles for each floor. For our BUs, the installation of a rainwater harvesting facility is also under discussion. Having such a facility will allow us to recycle water and lessen the use of fresh water particularly in cleaning our equipment.



100% of wastewater is recycled in our Batching Plant.

MWM (Landport)

In the case of MWM Terminals, its water consumption is limited to domestic and commercial activities such as cleaning, landscape maintenance, and restroom use. It is managed responsibly through a water conservation strategy which includes turning off the water faucets at the bus bay areas.

In 2019, MWM did not experience any water interruptions. This can be attributed to the availability of three cistern tanks used for potable water (with a capacity of 68,000 gallons) and non-potable water (with a capacity of 44,000 gallons). Additionally, we also isolate the tanks from the main water supply system during the tanks' annual cleaning to ensure continued water use.

We aim to introduce more water efficiency programs in our MWM terminals. Upon learning that the five-second water flow is not optimal for handwashing, we are conducting further research on how to optimize water usage in bathrooms. We are also looking into adjusting the water pressure for potable and non-potable water systems in the facility, introducing rainwater harvesting (with a capacity of 100,000 gallons) in the non-potable room for domestic usage, and spreading water conservation practices to our office tenants and passengers

GMCAC (Airport)

GMCAC has implemented several initiatives to reduce water consumption and lower utility costs. Metering is currently being used to monitor water usage and inform decision-making. GMCAC is also considering upscaling the initiative of using MCIA's graywater for landscaping and cooling tower water replenishment. Finally, GMCAC plans on combining the water source of Terminals 1 and 2, to leverage on the fairly priced water source of the latter terminal.

103-1
WASTEWATER QUALITY
MANAGEMENT

We ensure that our wastewater goes through various treatment processes to comply with the DENR effluent standards and avoid polluting the receiving bodies of water. All our operations are built with sewage treatment plants (STPs) to treat water discharge before disposal. Our compliance initiatives are intended to prevent incurring penalties and sanctions due to effluents mismanagement. More importantly, we are able to avoid pollution and potential health risks for nearby community residents.

306-1
EFFLUENTS

Total water discharged in cubic meters	
503,817 cu.m.	
MCC	53,796
MWM	52,841*
GMCAC	400,457

Destination of discharge:
MCC (EPC), MWM: Public/local drainage
MCC (BUs): Taytay Creek
GMCAC: Mactan Channel

*calculated based on 144.77 cu.m. discharge per day
For the complete data set, visit the Annex section

103-2, 103-3
MCC

For our office at Santolan Town Plaza, all water discharges go to the building administrator’s STP. For our BUs, we equipped the Megawide Industrial Complex in Taytay, Rizal with wastewater recycling technology that allows our plant to utilize 100% recycled water in the production process. The STP is designed to treat a maximum of 300 cu.m. of used water per day.

In our batching plant, wastewater generated from the concrete reclaimers and settling pond is reused in several methods such as reincorporation to the fresh concrete mixture in acceptable volumes, cleaning of various equipment, and occasional dust suppression. Additionally, 50% of the recycled water was used for specific structures and 20% of recycled water was used for major designs.

No major effluents were generated in the project sites during the reporting period.

MWM (Landport)

MWM has its own STP, which treats approximately 145 cu. m. of wastewater a day prior to discharge. As a means of improving the quality of water discharge, MWM also



conducts regular siphoning activities at the STP. Regular monitoring of effluents volume and quality is conducted by an accredited contractor to ensure that the treated wastewater will have no significant impact on nearby water bodies.

GMCAC (Airport)

GMCAC conducts a monthly water quality monitoring, water body monitoring and wastewater effluent monitoring to ensure the quality of our water and our treatment of wastewater before disposal. MCIA manages the treatment and subsequent disposal of domestic wastewater under the supervision of GMCAC, which conducts monthly monitoring to ensure that effluent standards are followed.

103-1, 103-2, 307-1
ENVIRONMENTAL STEWARDSHIP
AND CLIMATE ACTION

We aim to minimize our impact on the environment by regularly monitoring our environmental performance in the aspects of energy efficiency, water consumption, emissions, and waste management. We employ the latest technologies to achieve operational efficiency, thereby reducing the materials we use and the amount of time it takes to complete a project, which, in turn, reduces our consumption.

Compliance with local and international standards

Megawide abides by various environmental laws and standards that affect operations. These include:

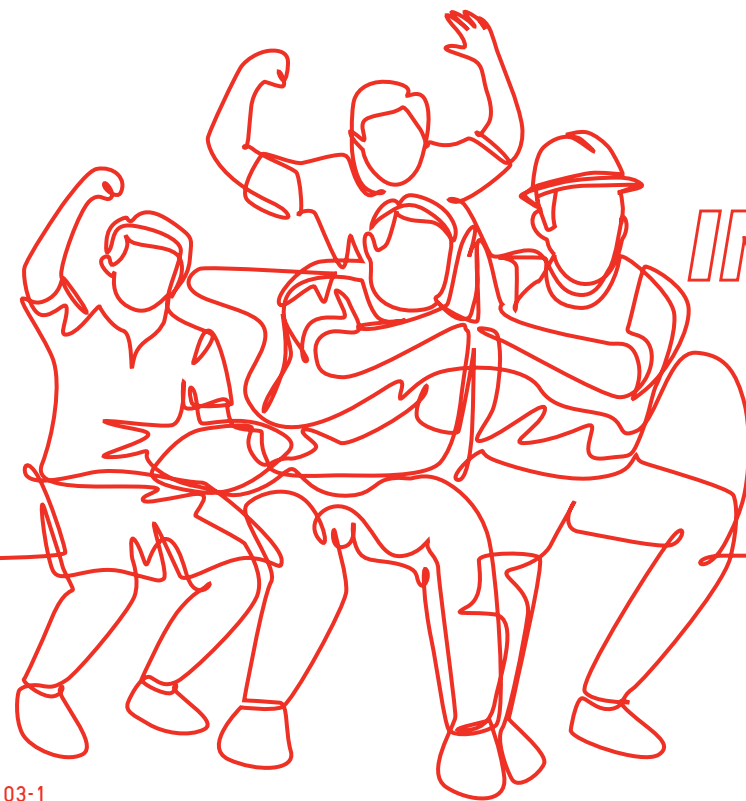
- Toxic Substances and Hazardous and Nuclear Waste Control Act of 1990
- Philippine Clean Water Act (RA 9275)
- Ecological Solid Waste Management Act of 2000, and
- Submission of Environmental Impact Statement (EIS) and acquire Environmental Compliance Certificate (ECC)
- Philippine National Standards (PNS)
- American Society for Testing and Materials (ASTM)
- American National Standards Institute (ANSI)
- American Concrete Institute (ACI)
- Construction Specifications Institute (CSI)
- American Association of State Highway and Transportation Officials (AASHTO), and
- ISO standard on Quality, Environmental, Safety, and Health

We aim to obtain ISO and LEED certifications for our properties and future developments as our commitment to providing our clients with world-class infrastructures that advocate environmental responsibility.

In 2019, Megawide adopted a Regulatory Requirements Compliance Procedure that provides our Company and our affiliates, suppliers, and partners with an efficient process to easily comply with environmental regulations and attain the necessary permits, clearances, licenses, registrations, and certifications needed for operations.



For the reporting year, Megawide 100% complied with all environmental laws and regulations. Our permits and licenses are up-to-date.



SOCIAL INITIATIVES

103-1 EMBODYING THE MEGAWIDE VALUES

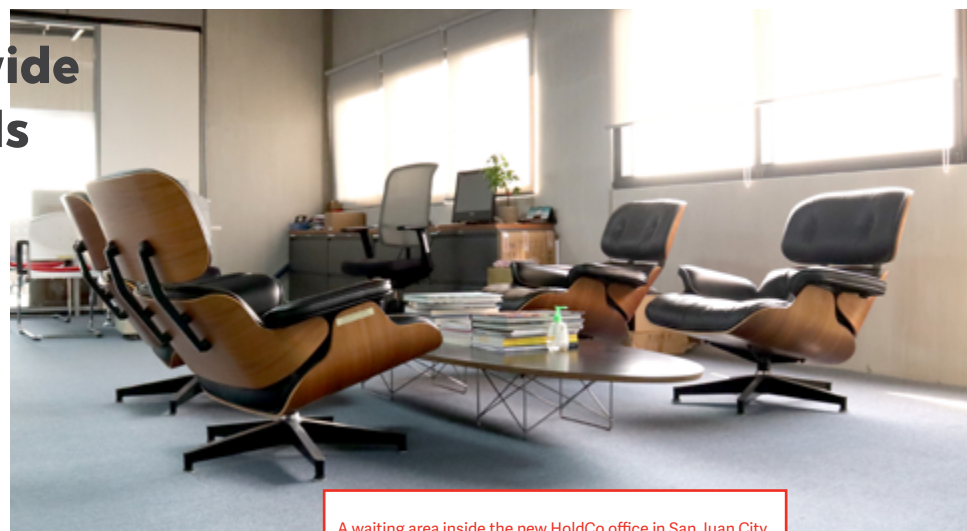
The idea of a First-World Philippines not only stems from the advancements we can make in technology and infrastructures—it begins with the people. We create a culture where we encourage our people to always strive for excellence and at the same time, have a heart for the community. We aim to make an impact on society by demonstrating through our programs that a First-World Philippines can be achieved. Together with our Megawide Foundation, we aim to create a future of growth not only for our Company but also for our stakeholders, who are our partners in our business.

FOR OUR PEOPLE

Our employees are our greatest asset. They ensure stable operations across our strategic business units, at the same time exhibiting Megawide values to help us accomplish the Company's vision. We instill in them the value of excellence in work by providing them programs that would allow them to cultivate and demonstrate this mindset.

Megawide expands office

Megawide decided to locate to an additional office as the Megawide workforce continues to grow in numbers. In June 2019, our Holdings Company (HoldCo.) expanded its operations to a new office location in Santolan Town Plaza. This move allows us to effectively manage our business and segregate our work from operations and the holding company.



A waiting area inside the new HoldCo office in San Juan City

Megawide celebrates Mega Onederland

The number of projects we were able to acquire and finish for 2019 would have not been possible if not for the efforts of our employees. On December 2019, we held a Christmas party titled "Mega Onederland" celebrating the wins of the Company and the people behind our operations. The party was attended by 4,000 of our workers, with performances from local talents and presentations from our own employees. Awards were also given on that day, recognizing those who displayed exemplary performance and those who have been with Megawide for more than 10 years.



Sponge Cola performing at the Mega Onederland Christmas party

STRENGTH IN NUMBERS



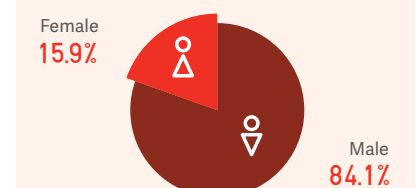
102-7, 102-8 EMPLOYEE DATA

Disclosure	MCC			MWM	GMCAC
	HoldCo	EPC	BU		
Total number of employees ¹	104	1,147	2,757	48	283
Female	56	277	217	21	120
Male	48	870	2,540	27	163

The complete employee breakdown may be found in the Annex section

¹ Employees are individuals who are in an employment relationship with the organization, according to national law or its application (GRI Standards 2016 Glossary)

Gender ratio





103-2

CURRENT WORKFORCE CHALLENGES

The construction industry is normally composed of time-based projects. Because of this, high turnover rates can be expected. Apart from this challenge, Megawide is also experiencing an absence of approved manpower planning, along with the limited availability of applicants knowledgeable in the technology we utilize in our operations.

Megawide needs a highly skilled workforce to work our systems. To reduce our attrition rate, we strengthened our retention programs by implementing Employee Retention and Withdrawal Behaviors (EWB) initiatives and training to learn and mitigate attrition. Based on the information we gather, we implement succession planning programs particularly for turnovers at the managerial level, to ensure that we maintain and improve our operations, even with new leaders at the helm.

As we continue attaining new projects, mergers, and acquisitions, there is even greater demand not only for skilled workers but workers who meet Megawide's standards. To address these challenges, we instigated a holistic approach to building and sustaining a competent employee base.

CREATING A COMPETENT EMPLOYEE BASE

Having excess workers in a project can lead to a high turnover rate because of the unequal ratio between work and the number of workers. Our Human Resources department, together with the Planning and Operations group, began to implement manpower forecasting wherein manpower needs are planned based on project pipelines and phases. This allows us to tap into our manpower from a project nearing completion to work on Megawide's incoming project. With our Employee Movements process, we can monitor and assess the employees' strengths before transferring them to a project where their skillsets can be used.

We find the best talents fit for our Company by tapping into our employees' networks. We implement a recruitment referral program, Megawide's internal program where employees can refer persons best fit for the available positions. Employee referrals are prioritized, and their applications immediately reviewed by the department they are applying to.

Continued employment for employees who reached retirement age is also available. Technical positions are offered to these employees following consultancy arrangements. These arrangements are subject to the recommendation of their respective Department Heads.

Apart from creating an employee base where we can source workers for our different projects, there is still a need to build a talent pool knowledgeable on Megawide's values and work standards. To do so, Megawide, together with Megawide Foundation, aim to tap host communities, particularly students, to provide them access to affordable education, and later, an employment opportunity with Megawide.



We aim to tap host communities, particularly students, to provide them access to affordable education, and later an employment opportunity with Megawide.

413-1

MEGAWIDE+MEGAWIDE FOUNDATION BUILDING WORLD-CLASS TALENTS

We address the labor shortage by teaching essential skills to future Filipino builders.



Our CSR policy reflects our more proactive approach to achieving inclusive growth. Under our CSR program pillar *High Quality Technical Education*, we provided various educational and training opportunities to communities. Apart from the technical knowhow in engineering and construction, we also integrated the Megawide values for students to learn Megawide's drive toward helping fellow Filipinos achieve excellence.

Our *Megawide Engineering Excellence Scholarship (MEES)* program provided scholarships, mentoring, and psycho-social support for qualified indigent students taking up Civil, Mechanical, Geodetic, and Electrical Engineering and Architecture degrees at Megawide partner state colleges and universities. All school fees, book expenses, and monthly allowance are provided for by the Foundation.

In partnership with School of Knowledge for Industrial Labor, Leadership, and Service (SKILLS), we aim to build a better future for our out-of-school youth and out-of-work adults in our partner communities through the Megawide – SKILLS Builder program. The program provided them with technical-vocational skills related to building construction and technology such as Advanced Carpentry, Formworks, Masonry, and Tile Setting courses.

The right equipment and facilities are needed help improve the quality of education a student acquires. Through the *Megawide Centers of Excellence*, we provided students in our partner schools with a construction materials testing laboratory to help them in their education.



We create a dependable team capable of showcasing a world-class Philippines.

Megawide Foundation assists MEES scholar-graduates to qualify for the HR-run Megawide Cadetship program (ExCEL), which provides them with the technical knowledge, skills, and values that fit the Megawide culture of excellence. This two-year program allows scholars to finish training in six months, after which they work on a project from planning to its construction.

Through the Megawide Cadetship program, we aim to further reduce our turnover rate per project completion. BBy building a program that allows graduates to learn and master Megawide’s cutting-edge construction methods and technology, we create a dependable team capable of showcasing a world-class Philippines.

Megawide Engineering Excellence Scholarship program	Megawide – SKILLS Builder program	Megawide Cadetship program	Megawide Centers of Excellence
In 2019, the program benefited 80 engineering and architecture scholars from PUP, TUP, PLM, UP Diliman, and Cebu Technological University. The program has produced 10 scholar-graduates since 2015, 7 of which graduated in 2019.	30 trainees from Megawide host communities participated in the program, with 20 participants passing TESDA NCII certification, 12 of which are currently employed at Megawide	First 2 civil engineering scholar-graduates transitioned into the program, bringing our total to 7 scholar-alumni now working with Megawide	Donated 1 Construction Materials Testing Laboratory to the PLM College of Engineering Sponsored the Megawide Civil Engineering Professional Chair for PUP Manila



413-1

ONWARDS, A BETTER FUTURE WITH MEGAWIDE-SKILLS BUILDER PROGRAM

We provide opportunities for the underprivileged to learn in-demand technical skills.

Megawide believes in the Filipinos’ capacity for growth, regardless of age or economic status. As part of our commitment to creating a First-World Philippines, Megawide, together with Megawide Foundation and the School of Knowledge for Industrial Labor, Leadership, and Service (SKILLS), launched the Megawide-SKILLS Builder program. This program provides specialized training courses for the underprivileged to help them secure a better livelihood.

For the reporting year, 30 underprivileged youth and adults in Cebu were awarded scholarships on carpentry, formworks, masonry, and tilesetting using Megawide’s advanced construction and engineering technology. The grantees improved their competencies, with 20 grantees obtaining TESDA NCII certifications in all four trades before the year ended. These certifications, along with the diverse set of

skills they were able to acquire during the program, gives them better employment opportunities in Megawide or in other construction companies. Currently, 12 graduates of the program work for Megawide.

The Megawide-SKILLS Builder program also prioritizes character-building apart from providing the participants with technical knowhow. The program included modules on values formation to shape the grantees’ character and raise the profile of skilled workers in the Philippines. Through this program, we aim not only to provide livelihood to our fellow countrymen, but to instill in them the spirit of professionalism and excellence in their work. This is what how we aim for Filipinos to be recognized—by their outstanding talents and work ethics.

102-41, 402-1

Labor-Management Relations		
MCC		
Non-unionized	14 %	
HoldCo and EPC	BU*	
MCC	Non-unionized	
GMCAC	Non-unionized	

*In BU-Batching Plant | There were 4 consultations conducted with employees concerning employee-related policies.

Minimum notice period regarding operational changes: at HoldCo: 2-3 days

401-2, 401-3
EMPLOYEE BENEFITS

Universal benefits at MCC (including MWM, GMCAC)	
SSS	
PhilHealth	
Pag-IBIG	
Parental leaves (including Solo Parent leave)	
Vacation leaves	
Sick leaves	

103-1, 103-2
MAINTAINING AMICABLE WORK RELATIONSHIPS

Megawide maintains a harmonious relationship between the management and employees. As of 2019, there have not been any instances of work stoppages due to labor disputes.

EPC utilizes various Employee Listening Strategies to manage employee concerns; similarly, the BUs plan to improve the communication and connections with employees through regular *kumustahan* sessions via social media platforms and other online engagement activities, or by utilizing a suggestion box for employees to anonymously send in their concerns and suggestions.

Maintaining workplace harmony involves the identification and resolution of employee issues. For Precast, the main issues identified for 2019 were overtime pay and non-approval of leaves. Such concerns were discussed privately, during one-on-one conversations between the employee and a company representative, until both sides reached an amicable agreement.

While employees in HoldCo, MWM, and GMCAC are provided channels to address their concerns, no unions were formed, and all concerns were resolved with due process by the department responsible.

GROWING WITH MEGAWIDE

Megawide provides employees with the environment to pursue their growth as an employee and as an individual. Our potential, project, and current employees are provided with an attractive compensation package, learning and development programs, as well as opportunities to do their part in uplifting communities and caring for the environment.

Onboarding new employees

Currently, Megawide is working on institutionalizing a streamlined recruitment and onboarding program to properly orient new hires on their roles and responsibilities. We also orient them on Megawide’s mission, vision, and corporate values, how the Company works, and our best practices.

Through our scholarship and cadetship programs, we are also able to tap into a pool of skilled talent who already share our values and are trained according to our standards of excellence. A number of new hires received high-quality technical education through our Megawide-SKILLS Builder Program. Others are scholar-graduates from Megawide Foundation’s MEES Program, which supported their engineering or architectural studies, and endorsed their inclusion as cadets in the HR-led Megawide ExCEL program. It is expected that these cadets will be future leaders of the Company.

401-1

Disclosure	MCC			MWM	GMCAC
	HoldCo	EPC	BU		
New hires	35	No data provided	2,757	16	No data provided
Turnover	23	373	199	21	15
Attrition rate*	Not measured yet**	27 %	24%	2%	5%

Hiring and Turnover data may be found in the Annex section

*Attrition rate = (no. of new hires – no. of turnover)/(average of total no. of employees of previous year and total no. of employees of current year) This formula for attrition rate was used for all but EPC, BUs, and GMCAC.

**In June 2019, the Head Office expanded its operations into a new office in Santolan Town Plaza. Hence, data relating to employees serve as a baseline for the next reporting years.

Parental Leave		Employees who availed of parental leave in 2019 returned to work as scheduled and are still presently employed at Megawide.
Return to work rate	100%	
Retention rate	100%	

401-2, 405-2
EMPLOYEE WAGES

Disclosure	MCC			MWM	GMCAC
	HoldCo	EPC	BU		
Ratio of lowest paid employee against minimum wage	1:1	1:1	1:1	1:1	5:3

Ratio of basic salary of women to men	Top Management	Senior Management Middle Management	Supervisors	Rank and File
0.26	0.42	1.11	0.99	2.39

Salary ratio, per BU, may be viewed in the Annex section

For the reporting year, HR also instituted new polices at the Batching Plant such as a Re-Hiring Program, Training Request, Productivity-Based Incentive, and Diamond Deed Award. All new policies were cascaded prior to implementation so that the employees have a better understanding of their significance.

Our manpower forecasting and planning ensure that manpower requirements across our projects are adequately met. We monitor the transfer of employees from one project nearing completion to the next through our manpower dashboards.

For our employees’ training needs, we maintain a Performance Management System to determine each employee’s individual training and development needs. Included in this management system is the development of a Performance Development Plan containing reports on performance gaps and competency profiling to help us create a Training Needs Analysis. We conduct a Training Needs Analysis for each department to determine the necessary skills and competencies that would enhance each department’s skills and work performance. We then create training modules for the skills determined from the evaluation.

For our BUs, we implement a Human Capital Management System, Performance Management System, and succession planning to address our manpower needs. Skills assessment is conducted to ensure that the employee’s skillset is either a perfect match for the project, or they acquire the needed training prior to deployment. Our BUs are conscientious in monitoring performance and providing the project-based employees with sufficient guidance to develop their professional relationship with Megawide.



Some of the trainings conducted in 2019 are:

- Root Cause Analysis
- 7 Habits of Highly Effective People
- First Aid and Basic Life Support Training
- 47th Certified Management Accountant Program,
- SMART Writing, and Effective Presentation Skills Training
- PSI Basic Leadership Seminar
- MS Project Computer-Aided Project Management, and
- Autodesk Revit Architecture.

404-2

We developed technical training programs that would allow our employees to further enhance their skills and learn how to operate Megawide’s cutting-edge systems. Due to the nature of our industry, we also conducted a Crisis Management Plan Seminar which covers the types of incidents, alert levels/color codings, and appropriate response to emergencies. Additionally, a medical response orientation was facilitated by the Company nurses and emergency medical technicians with the attendance of the entire security guard force.

Empowering holistic growth

Apart from skills development programs, we also provide programs and benefits that improve our employee’s well-being. We instill a sense of camaraderie through company-wide celebrations for holidays like Mother’s Day, Father’s Day, and Christmas. Besides the above-average salary, we also provide family-centric benefits and welfare, and health and wellness programs.

103-1, 103-2

Continuous learning and development

We made significant strides in our learning and development programs to provide solutions to risks like shortage in manpower or low quality of hires that may lead to project delays, occupational injuries, or illnesses. We optimized our employee development programs as we shifted our manual processing of training reports and evaluations to online processing to further improve our HR systems, allowing us to process employee performance reviews and training easier. We also continue to strengthen our Learning and Development Group by hiring a Head who would focus on providing learning and development programs to all our employees, regardless of rank. To assure employees of their continued personal growth and development with the Company, we evaluate their performance then provide them with several learning tools and programs that best enhances their skills.

We also created initiatives that allowed us to recognize fellow employees. We stationed Gratitude Boards in offices for employees to express their appreciation for fellow employees. Our BUs also recognize exemplary employees of the month through the Champion Team Member Award. We also recognize employees who exemplify Megawide’s values through our Diamond Deed Award.

404-1

Disclosure	MCC			MWM	GMCAC
	HoldCo	EPC	BU		
Total training hours provided to employees*	1,104	17,258	16,128	29	9,366
Female	560	5,724	4,916	12	3,956
Male	544	11,534	11,212	17	5,410
Average training hours provided to employees**	11	8	6	1	33
Female	10	8	23	1	33
Male	11	8	4	1	33

*in hours
**in hours/employee



Megawide Service Awards

On November 21, 2019, Megawide Construction Corporation held the 2019 Service Awards at Elements Eton Centris. The Awards celebrates employees who have been with the company for five, 10, and 15 years, honoring them with a loyalty award.

103-1, 103-2

Collaboration is key

In line with our core value of teamwork, we encourage collaboration at Megawide. We aim to increase our employee’s involvement with the Company’s development by improving our communication and connection with them. We regularly communicate with them through the kumustahan sessions, utilizing social media platforms to discuss employee needs and concerns. Batching Plant’s online engagement activity MegaTalk ensures employees are regularly updated on the Company’s plans. It aims to let employees know that Megawide empathizes (Me-Karamay), explores digital means (Me-KaTech), and stands (Me-Kaagapay) with its employees to maintain the familial bonds. For employees in our Precast Plant, we utilize a suggestion box for them to anonymously send in their concerns and suggestions. We gather the insights we get from these modes of communication and align to review current operations and how it can be further improved. UMAGAHAN sessions are then conducted to provide updates on the Company’s performance, plans, and directions. These sessions are done on a quarterly basis to see the status and effectivity of the improvements implemented for the quarter.

405-1

DIVERSITY AND EQUAL OPPORTUNITY

Disclosure	MCC			MWM	GMCAC
	HoldCo	EPC	BU		
% of female workers in the workforce	46	24	8	44	42
% of male workers in the workforce	54	76	92	56	58
Number of employees from indigenous communities and/or vulnerable sector*	0	0	2**	0	7

*Vulnerable sector includes, elderly, persons with disabilities, vulnerable women, refugees, migrants, internally displaced persons, people living with HIV and other diseases, solo parents, and the poor or the base of the pyramid (BOP; Class D and E).
**Employee of BU-Formworks

At Megawide, we encourage diversity in our workforce. We support gender diversity as well as members of vulnerable groups such as solo parents, persons with disabilities, and senior citizens. We provide fair and equal treatment for all since this encourages diversity in skillsets, improves company culture, and creates a culture of innovation.

Megawide provides on-the-job training opportunities for students and out-of-school youth. To be considered as a trainee at Megawide, the applicant must submit a signed document of parental consent to our Company HR. Once all the HR and Legal requirements are fulfilled, and an experiential learning schedule agreed upon, the new trainee is assigned to work with the department/s best suited to his or her skills set and career aspirations.

Part of our commitment to our diversified workforce is to provide them with facilities catering to their specific needs. For instance, our HoldCo office has various facilities such as breastfeeding rooms, ramps, and areas for religious activities.

Total number of training hours provided to employees

43,885 hours

404-3

Performance reviews

All SBUs/BUs of Megawide provided performance reviews to employees in 2019.

GMCAC is noteworthy in conducting performance reviews for 100% of its workforce from rank-and-file to top management.

Comprehensive data o training and performance reviews may be viewed in the Annex section.



Megawide complies with the following laws and regulations:

- The Anti-Age Discrimination in Employment Act (Republic Act No. 10911)
- The Magna Carta of Women (Republic Act No. 9710)
- The Solo Parents’ Welfare Act (Republic Act No. 8972)
- The Magna Carta for Persons with Disability (Republic Act No. 7277, as amended)

We aim to break the norm of an otherwise male-dominated industry by continuing to develop an environment where our female employees can thrive.

MEGAWIDE'S FEMALE SKILLED WORKERS

We believe and regard highly skilled employees, regardless of their gender. In a male-dominated industry, Megawide breaks the norm by allowing women in the workplace to display their capability in engineering and construction. We encourage them to pursue greater responsibilities with us, as we continue exhibiting engineering excellence in our country.

Our Airport Operations arm GMCAC leads in the number of female leaders in the Company. Currently, it has six female Heads of Departments out of the 15 in senior leadership. We also engage the women in our other business units to continue pursuing growth in our Company. To empower women in the workplace, we provide leadership training programs to encourage more of them to apply for leadership positions. This allows us to maintain a good balance of females and males in our management team for proper representation across the workforce.

Megawide aims to break the norm of an otherwise male-dominated industry by continuing to develop an environment where our female employees can thrive. This diversity allows the Company to make balanced decisions that would benefit the whole workforce.

103-2, 103-3, 403-2

OCCUPATIONAL HEALTH & SAFETY

Disclosure	MCC			MWM	GMCAC
	HoldCo	EPC	BU		
Safe Man-Hours		9,822,743*	8,573,636	98,255	619,623
No. of work-related injuries		10	84	0	1
No. of work-related fatalities	N/A	0	0	0	0
No. of work-related ill-health		0	39	0	0
No. of safety drills		21	3	1	2

**Safe man-hours in project sites and in the Head Office are cumulative for the period of January to December 2019. Comprehensive OHS data may be viewed in the Annex section*



We are committed to providing a healthy and safe workplace, in compliance with all applicable laws, rules, and regulations.

We are committed to providing a healthy and safe workplace, in compliance with all applicable laws, rules, and regulations. We are guided by the Philippine Occupational Safety and Health (OSH) Standards, which is being implemented and monitored by the Department of Labor and Employment (DOLE). In addition, being certified with OHSAS 18001 Standard, we adhere to the Occupational Safety and Health Management System's procedures, policies, forms, and methodologies.

OSH protocols

Given the nature of our work, there is even greater need to impose stringent health and safety policies. Megawide ensures strict Implementation of Safety and Health Program for all lines of business and business units. Protocols include conducting Job Hazard and Risk Assessments as well as regular safety inspections and audits. Megawide uses a Hazard Identification Risk Assessment and Control (HIRAC) as basis for the controls and actions to take in improving the OHS System. We also created a Crisis Management Plan that covers man-made, biological, natural, and technical emergencies and how to mitigate them. A Job Hazard and Risk Assessment Procedure is also in place to standardize the practice of identifying the hazards in the workplace and gauging the risk of potential accidents.

Before working on site, employees are required to attend an Environmental, Health and Safety Orientation to ensure that workers are equipped with the basic safety knowledge so that they can perform their jobs safely. The site is also required to have an approved method statement and Job Hazard and Risk Assessment prior to starting the project. The controls are regularly monitored to ensure compliance. Safety inspections and audits are also regularly conducted at the project sites where all observations are coordinated to the persons-in-charge for immediate corrective action.

For hazardous materials, we require suppliers to have a material safety data sheet (MSDS) before storing the chemical stock in the warehouse. All project sites undergo a monthly audit to ensure that the supplier is compliant with regulatory and statutory requirements. Additionally, we also place signages on the chemical warehouse to avoid confusion on the site. The project's Facility Management Department also gives prior notice if there is a scheduled general cleaning at the site to avoid occupational injuries or ill-health.

At the project sites, toolbox meetings and health talks are regularly conducted before the start of shifts for regular reminders of health and safety protocols. A dedicated project nurse is also available onsite for easy monitoring of the workers' health condition and to provide immediate care in case of emergencies. Other health and safety trainings and safety drills provided are Basic Fire Safety Training, Fire Drill and Earthquake Drill, Chemical Safety Training, LOTO (Lockout/ Tagout) and Electrical Training, First Aid and Basic Life Support Training by Red Cross, DOLE Orientation on RA11058 (An Act Strengthening Compliance with Occupational Safety and Health Standards), Dengue Awareness Seminar, and HIV/ AIDS Awareness to ensure employee awareness on health and safety topics and of necessary procedures in case of emergencies.

Given the current worldwide situation, our landport and airport operations provide additional services such as testing centers to test passengers against the COVID-19 virus.



103-1, 203-2, 413-1,

FOR OUR COMMUNITY



We conduct our business in a manner that would positively impact the Filipino community. Aside from creating remarkable infrastructures that our countrymen can be proud of, we also ensure that our operations leave minimal to zero negative impact on surrounding communities near our operations. Together with Megawide Foundation, we conduct programs that would help uplift the lives of Filipinos across the country

OPERATIONS-RELATED COMMUNITY INITIATIVES



Responsible consumption and production

Our project sites participated in Plastic for Chair-ity, a campaign to reduce waste and recycle plastic, which ran from October 15 to December, 15 2019. The eight participating sites collected 1.6 tons of single-use plastic waste, which was donated to our partner Plastic Flamingo for upcycling into eco-planks as a low-cost, disaster relief housing material. Additionally, upcycled armchairs will be donated to the Emilio Jacinto Elementary School in Tondo, the school chosen by the Urban Deco Tondo project site, which collected the most plastic waste.



Community Impacts Mitigation

We maintain a harmonious relationship with the host community by ensuring that all permits are in order and by prioritizing open communication with the stakeholders who will be most affected by our activities.

For its part, GMCAC conducts an Information and Education Campaign (IEC) discussing emissions and how the airport adheres to the Philippine Clean Air Act (RA 8749). In addition, GMCAC is currently conducting semi-annual noise quality monitoring in five areas surrounding the airport.

Similarly, EPC utilizes technology that reduces noise pollution and dust generation at the Industrial Complex and our project sites. We follow best practices in waste management to minimize and properly dispose of our waste. We also employ traffic management to ensure that we avoid traffic congestion in the vicinity of our sites.



Disaster Risk Reduction

We also provide quick disaster response to our partner communities. We respond to the needs of our disaster-stricken partner communities by providing relief goods or our construction expertise to rebuild their communities. Some of our facilities, like the PITX terminal, also serve as evacuation centers for affected families. Our Crisis Management Plan and Manual prepares us for any crisis and guides how we respond to the needs of the situation.

For 2019, we responded to calls for disaster relief operations our communities needed. We donated to Laging Handa PH, a mobile disaster response command center for the Presidential Communications office to use for disaster preparedness. We also donated a high-capacity potable water filtration system to 400 families in Brgy. Bato, Makilala, Cotabato who were hit by the Mindanao earthquake. Finally, we donated 15 tons of rice to 2,750 families who were affected by Typhoon Tisoy in Biri Island, Samar.

uplift communities, and empower individuals

203-2, 413-1

IGNITING THE SPIRIT OF MALASAKIT

Megawide Foundation implements programs that reflect the Megawide values and sustainability framework. We help provide access to technical education, lead disaster response efforts, and support community building. We will continue developing first-world solutions to uplift partner communities and empower individuals to become better stewards of the environment.

High quality technical education

We provided scholarships and training to underserved students, out-of-school youth, and out-of-work adults. On completing the courses, they are also given the opportunity to work with us at Megawide.

A good environment is also essential to learning. Our GMCAC plant participated in DepEd's Brigada Eskwela, painting over 200 chairs and donating five sets of cleaning materials to Pajo Elementary School.

Community building

Medical missions

220 employee-volunteers and community partners participated in medical and dental missions, dengue awareness drives, free polio vaccinations, blood drives, and health hygiene talks to our partner communities, serving 7 barangays with 1,153 beneficiaries

FairBuilding Network

We donated PhP 6M to FairBuilding Network NGOs, benefiting

- 395 orphans
- 260 street children
- 20 persons with disabilities
- 150 elderly
- 500 out-of-school youth

Surgical missions

We partnered with World Surgical Foundation Philippines (WSFP) in providing free surgery services to indigent patients in Lapu-Lapu City, Surigao City, and Siargao. The program was able to conduct the following number of surgeries:

- 284 minor surgeries
- 105 major surgeries
- 38 surgical pathologies
- PhP35 M value of donated services

SerBus Libreng Sakay

We provided 6 free shuttles for Metro Manila commuters. The program has served a total of 638,888 commuters.



MEGAWIDE GOES ALL-IN FOR MEGAVOLUNTEER MONTH

In November 2019, we launched MegaVolunteer Month to create a lasting, stronger, and more positive impact on our host communities. Anchored on our sustainability framework and our core values, particularly teamwork and malasakit, we gathered 541 volunteers who participated in 10 CSR activities, rendering a total of 4,399 volunteer hours.

203-2

For this first MegaVolunteer Month, our employee-volunteers participated in community and environmental initiatives such as medical missions, health talks, tree planting, and coastal cleanup. The volunteerism drive created a lasting, positive impression, with 100% of our employee-volunteers expressing their willingness to volunteer again for future MegaVolunteer initiatives. We were also able to identify CSR champions in each business unit with the commitment to lead such initiatives.

MegaVolunteer Month is a demonstration of our CSR Policy and sustainability framework, which was cascaded to Megawide employees via the “Mega CSR Roadshow” from June to August 2019. Through sustainability awareness training sessions and workshops for our strategic business units, employees were familiarized with their roles in the sustainability process. MegaVolunteer Month, which will be conducted annually from hereon, shows that our employee-volunteers have not only accepted their roles but are now whole-heartedly dedicating their time and efforts to sustainable community development.



Recognizing partners to sustainability

Our sustainability strategy is also anchored on creating strategic partnerships with associations who share the same goals as we have. Our partner organizations made our sustainability efforts possible, providing us the means for us to implement our initiatives to reach more underserved communities.

- Philippine Business for Social Progress (PBSP): our partner for tree-planting & watershed adoption
- Plastic Flamingo: our partner for responsible hauling and recycling of the plastic waste collected from our Megawide project sites for our “Plastic for Chair-ity” campaign
- Earth Day Network: our partner for the Coastal Clean-up activity at the Las Piñas-Parañaque Critical Habitat and Eco-Tourism Area (LPPCHEA)
- Habitat for Humanity Philippines: our partner for our house painting activity in Navotas, Manila
- FairBuilding Network: a free online network connecting NGOs with construction and infrastructure needs to suppliers, architects, and engineers willing to help
- World Surgical Foundation Philippines (WSFP): an organization committed to providing surgical health care to the poor and underserved
- Philippine Local Government Units (LGUs): our partners for the medical missions conducted in Taytay, Rizal; Taguig & Pasig, Metro Manila; Cebu City, Mandaue, & Lapu-Lapu City, Cebu.

103-1, 103-2, 103-3, 418-1

FOR OUR CUSTOMERS

Megawide aims to provide the best amenities possible that would highly satisfy our stakeholders. Apart from reducing construction time yet retaining high-quality infrastructures, we also apply the latest technologies and customer-centric amenities to ensure the safety, security, and satisfaction of our end-customers.

GMCAC/MCIA satisfaction rating:

☆☆☆☆☆

4.23

(with 5 as the highest possible score)

As the two client-facing businesses, MWM and GMCAC implement ways to garner customer feedback to further improve services. Mactan-Cebu International Airport Authority (MCIA) continues to measure its quality and passenger satisfaction through the Airport Service Quality (ASQ) survey which considers 33 service parameters. Complaints are managed with due process, expecting to respond or acknowledge within 2 days and to close within five days as per the Minimum Performance Specifications and Standards (MPSS). Apart from receiving favorable reviews, GMCAC had no reports of health and safety concerns from the passengers in 2019.

MWM deems customer satisfaction as a top priority. MWM has a 24-hour feedback center where all concerns are catered to, addressed, and documented. In addition to this, training programs are provided to its employees who are at the forefront of delivering services to the passengers. For 2019, the facility has established a baseline to measure the satisfaction of the passengers in the use of facilities and other amenities. Passenger satisfaction surveys will be rolled out in 2020



Customer privacy and data security
Megawide invests in strong IT management systems not only for our business lines but to also provide our customers data security for their peace of mind.

In compliance with the Data Privacy Act of 2012 (RA 10173) and other relevant policies issued by the National Privacy Commission, Megawide has appointed a Data Privacy Officer tasked with (1) educating the employees on the importance of complying data privacy policies, (2) training the staff involved in data processing, and (3) conducting regular security audits.

We remain consistent with our principles of transparency, legitimate purpose, and proportionality toward our organizational goals. We ensure full protection of data by abiding with the following policies: the Information Security Policy, Cybersecurity and Incident Management, Email Usage Policy, Removable Storage Device Policy, File Server Usage Policy, Access Control Policy, and Physical and Environmental Security Policy. Megawide also adopted several privacy and data protection procedures such as the MCC Data Privacy Manual, Hard Disk Drive Low-Level Formatting, and

Firewall Configuration Management and Monitoring.

Our IT department maintains a backup file for all personal data under our custody. The presence of any inconsistencies or alterations resulting from incidents or breaches is always identified through comparing with the backup of the affected files.

For 2019, there were no identified cases of data breaches due to the individual security permissions on each department folder. Megawide has a security vault that serves as the backup tape storage.

We continuously work on improving our systems. Among the improvements for data security systems are: (1) attention and treatment to every internet and external threats; (2) encryption for mobile devices; (3) device controls; (4) multi-factor authentication; and (5) protection of data and perimeter. We will inform and educate all our employees on these improvements, along with the existing IT Information Security policies to ensure their full awareness of the potential risks and dangers of a data breach and the ways it can be addressed.

103-2, 203-2

Delivering quality product and services

We take pride in our mastery in utilizing cutting-edge technology in our operations. Through this technology, we were able to establish a portfolio like no other in the Philippines. With aesthetics and function at par with world-class infrastructures, we have made a name for ourselves in the construction industry. We will continue to build such infrastructures that best represent the country's capacity of becoming a first-world Philippines.

We realize our role in minimizing our environmental impact by incorporating sustainable practices in our operations and environment-friendly materials in our infrastructures. Apart from regularly monitoring our emissions and waste production in operations, we also aim to obtain ISO and LEED certifications for our properties and future developments. We comply and obtain permits to ensure a safe and healthy work environment to assure our prospective clients that we are compliant with the regulatory requirements.

Our passengers' convenience and comfort matter to us. For our landport and airport operations, we provide concessionaires or leisure spots where they can shop or dine in. We also utilize technology in making our passengers' lives easier. For our landport and airport operations, we provide apps they can download on their phone that provide them information on the routes, flights, and amenities PITX and MCIA offer. We continuously upgrade our facilities to cater to the needs of Filipinos, providing them a seamless, comfortable stopover in PITX and MCIA.



PITX washrooms won in the 2019 Maynilad Golden Kubeta Awards, which aims to educate the public on the importance of clean toilets in personal health and proper wastewater management. PITX was also the first Philippine terminal to introduce gender neutral bathrooms.

Value added services

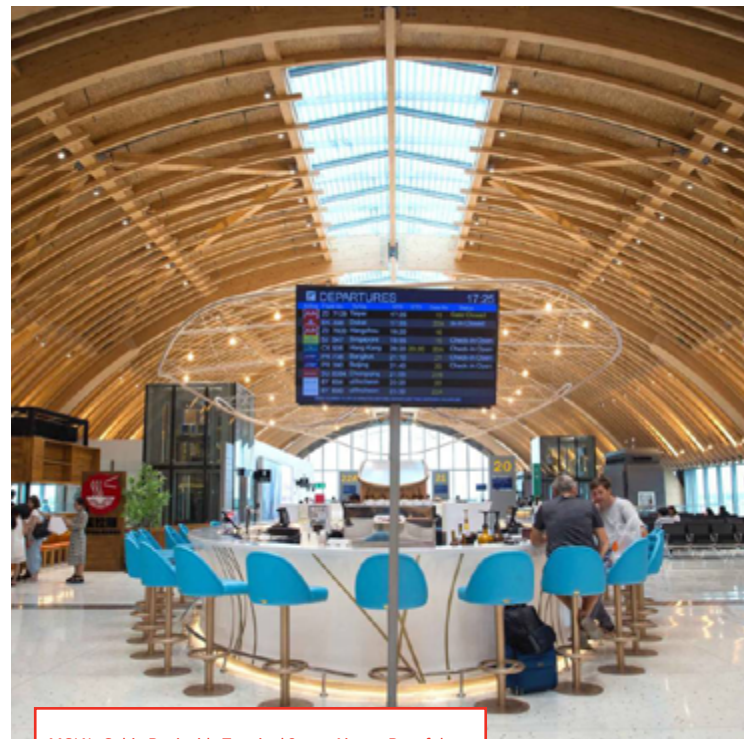
Knowing the number of people that utilize our transport establishments, we make it a point to always up our game in delivering services that would provide our customers with a pleasant experience. Some of the activities we conducted for 2019 are as follows:

Libreng patubig for passengers on Holy Week
Free bottled water was provided to passengers in our PITX terminal during Holy Week.

Gender neutral bathrooms
We created gender neutral bathrooms for our transport operations to promote inclusivity.

Mother's lounge
Created for mothers who need to cater to their children's needs such as breastfeeding.

Multi-faith prayer room
We created a multi-faith prayer room where passengers with different religious beliefs can spend quiet time in contemplation or prayer.



MCIA's Cabin Bar inside Terminal 2 won Airport Bar of the Year in the Airport Food and Beverage Awards held in the U.S. It is the first full bar operating in a Philippine airport.

203-1, 203-2

Response to Global Pandemic

Donations for the protection of medical frontliners and their patients:

470 gallons of alcohol
10,100 pieces of face masks

3,700 pieces of face shields
3,500 pieces of protective suits

Food aid via rice donations

11.25 tons of rice were donated to over 2,300 families in Parañaque, San Juan, and Taytay through Megawide's Corporate Affairs team

Beneficiaries of the medical supplies were as follows:

Philippine Lung Center, Philippine General Hospital, Jose Rodriguez Memorial Hospital, Research Institute for Tropical Medicine, Taytay Emergency Hospital, San Juan Medical Center, San Juan de Dios Educational Foundation Inc. Hospital, Santa Ana Hospital, Ospital ng Maynila, Brgy. 14 Health Center-South Caloocan, Mandaue District Hospital, PNP Camp Crame General Hospital, Malacañang, Barangay Valencia, Quezon City

Donations of disinfection tents to government institutions:

1 disinfection tent to Quezon City LGU

1 disinfection tent to the Department of Transportation (DOTr) emergency operations at Port Area, Manila



Market ni Misis

In partnership with Mesa ni Misis, Megawide was able to transport fresh produce to 10 barangays in Taguig, Las Piñas, and Quezon City. The initiative helped more than 2,500 families have access to affordable and healthy food during the community quarantine.

Through the Market ni Misis initiative, we also helped local farmers from Northern Luzon by transporting nine tons of vegetables and rice worth approximately PhP1 million.

PITX facility as transport hub for OFWs

PITX served as a transport hub for OFWs seeking to return home to their respective cities and provinces after weeks in quarantine and officially testing negative for COVID-19.

Construction of MCIA COVID-19 testing lab

GMCAC is building a COVID-19 testing laboratory at the Mactan-Cebu International Airport (MCIA). The facility, which will be equipped with state-of-the-art facilities, will have the capability to process at least 900 reverse transcription-polymerase chain reaction (RT-PCR) tests per day, with the results made available after only 24 hours.

Building of Emergency Quarantine Facilities

Megawide fielded employee-volunteers and subcontractors to build emergency quarantine facilities (EQF) that help decongest major hospitals in Metro Manila dealing with COVID-19 cases. Megawide volunteers, including engineers, electricians, plumbers, and carpenters, assisted in constructing the said facilities designed by architect William Ti of WTA Architecture and Design Studio, at the National Kidney and Transplant Institute and Fe Del Mundo Medical Center, among others.



**MCIA COVID-19
TESTING LAB**

**WHEN THE PHILIPPINES
STOOD STILL,
WE DID NOT STOP
ENGINEERING.**

Megawide donations



Face masks, face shields,
protective suits and alcohol for
COVID-19 hospitals and
host communities



Disinfection tents for
DOTR Port Area
operations and
Quezon City LGU



Rice for
Parañaque,
San Juan and
Taytay LGUs

COVID-19 brought our country to a standstill.
And for a time, it seemed like we would stay
this way too.

But it's not in Megawide's nature to just sit
and wait. Instead, we engineer.

We engineered a place to test passengers
and Cebuanos at the airport.

We engineered a way for stranded Filipinos
and foreigners to go home.

We engineered routes for food and basic
necessities to reach communities.

We engineered the means to keep frontliners
safe and protected.

Megawide never just sits and waits.

Because engineering never stops.
And we never stop engineering.

CORPORATEGOVERNANCE

Over the years, Megawide (or the “Company”) has embedded the core principles of good corporate governance, such as honesty, integrity, fairness, accountability, and transparency, in business practices and culture. The Company’s annual corporate governance initiatives are focused on creating long-term value for its stakeholders by strengthening the Board of Directors’ (the “Board”) governance responsibilities, as well as enhancing the Company’s policies on transparency, internal control, risk management, and social responsibility, always, with the end view of achieving Megawide’s mission and vision of building a first-world Philippines through engineering excellence and innovation.

In 2019, Megawide was in full compliance with its New Manual on Corporate Governance, Code of Business Conduct and Ethics, and other policies. Moreover, Megawide fulfilled all the regulatory requirements and disclosure policies of the Securities and Exchange Commission (“SEC”) and the Philippine Stock Exchange (“PSE”).

Key Policies and Programs

As testaments to the foregoing, Megawide has constituted and adopted the following corporate governance policies:

- 1. New Manual on Corporate Governance
The Company’s New Manual on Corporate Governance adheres to the prescribed Code of Corporate Governance for Publicly-Listed Companies issued by SEC. It institutionalizes the principles of good corporate governance and enables the Company to bring more value to its stakeholders.
- 2. Code of Business Conduct and Ethics
The Code of Business Conduct and Ethics is a statement of the Company’s ethical beliefs, values, morals, and commitments which all members of the Company must embody in their business and professional activities.
- 3. Code of Conduct and Ethical Standards for Suppliers
The Code of Conduct and Ethical Standards for Suppliers guides third parties on the standards, virtues, and values they must uphold and practice in all their dealings with the Company.
- 4. Related Party Transactions Policy
The Related Party Transactions (“RPT”) Policy guarantees the fairness and transparency of RPTs by providing guidelines and limitations for such transactions.
In 2019, Megawide introduced amendments to its existing RPT Policy in compliance with SEC Memorandum Circular No. 10 series of 2019.
- 5. Insider Trading Policy
The Insider Trading Policy informs members of the Company on the prohibition against insider trading and ensures the protection of stakeholders against the same.

- 6. Conflict of Interest Policy Supplemental Guidelines and Conflict of Interest Disclosure Form
The Conflict of Interest Policy Supplemental Guidelines reinforces and enhances the Company’s rules on conflict of interest found in its Code of Business Conduct and Ethics. Additionally, the Conflict of Interest Disclosure Form enables the Company to identify and immediately resolve conflicts of interest.
- 7. Anti-Fraud Policy
The Anti-Fraud Policy establishes the guidelines, procedures, and controls that will facilitate the prevention, detection, reporting, investigation, and punishment of all fraudulent activities committed by members of the Company.
- 8. Board Self-Evaluation Policy
The Board Self-Evaluation Policy allows the members of the Board to review their contributions to the Company and assess their annual performance.

On June 11, 2019, the Board completed its self-evaluation for the year with the assistance of the Corporate Secretary of the Company. The results were discussed to the Board in order to address the areas which require improvements.
- 9. Annual Corporate Governance Training
The Company conducted its annual corporate governance training on November 13, 2019, which was attended by its Directors and key officers. The topics discussed were the “Rules on Material Related Party Transactions for Publicly-Listed Companies” and “Culture of Innovation and Technology.”

Vision, Mission, and Values

The Board reviewed its existing mission, vision, and values, and found that the same still perfectly describes the Company's objectives and goals, particularly in serving the best interest of all its stakeholders.

Regulatory Requirements

The Company will be submitting, on or before July 30, 2020, its Integrated-Annual Corporate Governance Report for 2019, as required by SEC, highlighting the Company's compliance with the corporate governance requirements of regulatory agencies.

Rights of Shareholders

The rights of the Company's shareholders, as provided below, are honoured by Megawide and are recognized in its Articles of Incorporation, By-Laws, New Manual on Corporate Governance, and Code of Business Conduct and Ethics. The policy statements found in the foregoing are proof of Megawide's commitment towards upholding these rights. These are further shown in the Company's dividend policy, the holding of regular annual stockholders'/shareholders' meetings ("ASM"), the timely disclosures made to SEC and PSE, and the corporate governance communications of Megawide. Furthermore, the Board is dedicated in promoting the rights of the Company's shareholders, remove impediments to the exercise of the same, and provide an adequate avenue for the redress of their breach.

1. **Voting Right**
Shareholders shall have the right to elect, remove, and replace the Directors, and vote on certain corporate acts in accordance with the Revised Corporation Code of the Philippines. Cumulative voting shall be used in the election of Directors. A Director shall not be removed without cause if it will deny minority shareholders representation in the Board.

Shareholders shall also have the right to vote on all matters that require their consent or approval and shall cast their votes on any resolution through the use of ballots.

2. **Pre-emptive Right**
Shareholders shall have pre-emptive right, unless the same is denied in the Articles of Incorporation or in any amendment thereto, or as may be required by SEC, or in documents signed by such shareholders. They shall have the right to subscribe to the capital stock of the Company. The Company's Articles of Incorporation shall lay down the specific rights and powers of shareholders with respect to the particular shares they hold, all of which shall be protected by law so long as they shall not be in conflict with the Revised Corporation Code of the Philippines.
3. **Power of Inspection**
Subject to reasonable restrictions under the Revised Corporation Code of the Philippines, shareholders shall be allowed to inspect corporate books and records, including minutes of Board meetings and stock registries, and shall be furnished with annual reports, including financial statements, without cost; or restrictions.
4. **Right to Information**
Shareholders shall be provided, upon request, periodic reports which disclose personal and professional information about the Directors and officers, and other matters such as their holding of Company shares, dealings with the Company, relationships among Directors and officers, and the aggregate compensation of Directors and officers.



Minority shareholders shall further be granted the right to propose the holding of a meeting, and the right to propose items in the agenda of the meeting, provided that the same are for legitimate business purposes.

Moreover, minority shareholders shall have access to any and all information relating to matters for which the management is accountable for and those relating to matters for which the management shall include such information and, if not included, then minority shareholders shall be allowed to propose that such matters be included in the agenda of stockholders' meeting, being within the definition of "legitimate business purposes".

5. **Right to Dividends**
Shareholders shall have the right to receive dividends subject to the discretion of the Board. The Company shall be compelled to declare dividends when its retained earnings shall be in excess of one hundred percent (100%) of its paid-in capital stock, except:
 - a. when justified by definite corporate expansion projects or programs approved by the Board;
 - b. when the Company is prohibited under any loan agreement with any financial institution or creditor, whether local or foreign, from declaring dividends without its consent, and such consent has not yet been secured; or
 - c. when it can be clearly shown that such retention is necessary under special circumstances obtaining in the Company, such as when there is a need for special reserve for probable contingencies.
6. **Appraisal Right**
Shareholders shall have appraisal right or the right to dissent and demand payment of the fair value of their shares in the manner provided for under Section 80 of the Revised Corporation Code of the Philippines, under any of the following circumstances:
 - a. in case any amendment to the Articles of Incorporation has the effect of changing or restricting the rights of any stockholders or class of shares, or of authorizing preferences in any respect superior to those of outstanding shares of any class, or of extending or shortening the term of corporate existence;
 - b. in case of sale, lease, exchange, transfer, mortgage, pledge or other disposition of all, or substantially all, of the corporate property and

assets as provided in the Revised Corporation Code of the Philippines;

c. in case of merger or consolidation; and

d. in case of investment of corporate funds for any purpose other than the primary purpose of the Company.

7. **Right to Attend and Participate at the ASM**
The Company encourages active shareholder participation by sending the notice of the ASM and special shareholders' meeting with sufficient and relevant information at least twenty eight (28) days before such meeting.

Required information in the notice include, among others, the date, location, meeting agenda and its rationale and explanation, including details of issues to be deliberated on, and approved or ratified at the meeting.

- a. For the convenience of shareholders, the 2019 ASM was held at Ballroom B, Marco Polo Hotel, Meralco Avenue and Sapphire Street, Ortigas Centre, Pasig City, on July 2, 2019.
- b. The information statement explained the voting and vote tabulation procedure.
- c. Shareholders casted their vote on all resolutions through the use of ballots.
- d. Representatives of the external auditor, Punongbayan & Araullo, were present to count and/or validate the votes during the ASM. They were also available to answer questions from the shareholders.
- e. The notice for the 2019 ASM was released one hundred twenty (120) days before the meeting, in compliance with the Company's New Manual on Corporate Governance.
- f. Minutes of the 2019 ASM, which includes the votes taken for all resolutions, is available for download at the Company's website. The minutes also presents the attendance of the Board during the ASM.
- g. During the ASM, the floor was open to give stockholders the opportunity to raise questions or any concerns.
- h. Shareholders are encouraged to participate in general meetings. The meetings of shareholders are held in venues which are accessible through various

transportation methods to allow shareholders to easily attend. If shareholders are unable to attend in person, proxy forms are provided for the shareholders to cast their vote.

i. The Company provides non-controlling or minority shareholders the right to nominate candidates to the Board. Information on the nomination of candidates are included in the information statement distributed to the shareholders.

Equitable Treatment Of Shareholders (103-2)

All shareholders, regardless of the amount of their shareholdings, shall be treated equally or without discrimination. To ensure that Directors, officers, and majority shareholders do not take advantage of their positions, and information gathered in relation thereto, it is a matter of policy and practice of the Company to fully disclose all RPTs in its financial statements and annual governance reports. The Audit and Compliance Committee of the Board is responsible for the review of all material RPTs of the Company to ensure that these are not undertaken on more favourable economic terms (e.g. price, commissions, interest rates, fees, tenor, collateral requirements) to such related parties than similar transactions with non-related parties under the same circumstances, that no corporate or business resources of the Company are misappropriated or misapplied, and that any potential reputational risk issues that may arise as a result of or in connection with the RPTs are identified.

Further, as stated above, the Company has also adopted an Insider Trading Policy that strictly prohibits the conduct of insider trading, which is inimical to the shareholders of the Company.

Role of Stakeholders (103-1)

The Company's business model and culture are strongly rooted on sustainable growth through healthy relationships with its stakeholders. As the role of stakeholders is vital to the success of Megawide, the Company's Code of Business Conduct and Ethics embodies its commitment to the principles of equity and fair dealing with its stakeholders. Additionally, the following are some of the established policies of the Company in relation to its duties to its stakeholders:

1. Policies Relating to Health, Safety, and Welfare of Employees
The Company commits to provide and maintain a safe, secure, and healthy work environment. Employees are instructed to report accidents and unsafe conditions and practices to the Quality, Environment, Safety, and Health Department. The Company has also engaged insurance companies to provide health care benefits to its employees. The Company's manual on Safety Procedures

is properly disseminated in its head office and project sites for proper use and application. Moreover, all employees are required to undergo an annual medical check-up.

2. Reward/Compensation Policy
Employees receive incentives based on their performance, which is evaluated every June and December of each year.
3. Training and Development Programs for its Employees
Depending on their position, work assignment, and employee development plan, the Human Resources Department of the Company has established or has engaged third parties to conduct training programs and specialized courses for the professional and personal growth of its employees. Reported fraudulent activities that would affect Megawide's financial statements are coordinated by the Chief Audit Executive with the Chief Finance Officer and Compliance Officer and referred to the appropriate Board Committees.
4. Policies and Activities with Regard to Suppliers/ Contractors as well as Efforts to Address Customer Welfare and Safeguard Creditors' Right

POLICY (103-2)		ACTIVITIES (103-3)
Customers' Welfare	The Company implements strict quality assurance and quality controls.	The Company conducts routine site visits to perform audits on the accomplishments and quality of the output of each project site.
Vendor Accreditation Policy	The Company has a supplier accreditation policy in place.	The Company has engaged CRIF D&B to conduct its vendor accreditation, thereby streamlining and standardizing such process. Subsequently, the vendors shall also be subject to the Company's qualification requirements.
Community Interaction	Megawide Foundtion, Inc. ("the Foundation") executes the CSR Policy and sustainability inititatives of the Company.	Initiatives include, but are not limited to: - full scholarship grants to students from the Technological University of the Philippines, Pamantasan ng Lungsod ng Maynila, and University of the Philippines – Diliman; - donation of an engineering laboratory to the Pamantasan ng Lungsod ng Maynila; and adoption of a five (5)-hectare lot in the Marikina Watershed Area. A full discussion on this matter is provided in the Sustainability portion of this Consolidated Report.
Anti-Corruption Programs and Procedures	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 can be reported through the Anti-Fraud Policy or the Whistleblowing Policy (discussed further below)
Safeguarding Creditors' Rights	The Company manages its cash flow to meet its obligations.	All obligations are settled promptly as part of the Company's commitment to its business partners.

EPC
Concerned Parties who suspect the occurrence of any fraudulent activity within the Company must immediately report the same using the policies and procedures of the Company. These include reporting the matter to the Internal Audit Department, Legal Department, Human Resources Department, and/or through the Whistleblowing Policy, and Sumbong Anomalya Para sa Kompanya (SAPAK) campaign of the Company.

BUs
There was no formal training on anti-corruption policies conducted in 2019. However, these were cascaded by HoldCo through email blasts and were discussed to the employees through the Mornings with the Bossings activity. While for their business partners, anti-corruption policies are stated on the Master Contract Agreements. A memo was sent through email to remind the partners regarding these policies.

MWM
Although no training on anti-corruption policies was held in MWM, the Conflict of Interest Policy and Code of Business Conduct and Ethics are communicated to all newly hired employees. The directors, officers, supervisors, managers, and employees of MWM are also required to fill out the Conflict of Interest Disclosure Form before joining MWM and as needed, in case of conflicts with MWM.

GMCAC
GMCAC implements several activities in preventing corruption incidents in the business. During employee onboarding, the Code of Conduct is discussed, and employees are asked to sign the same, to confirm that they have understood the Code of Conduct. Banwag Committee Meetings, coaching, mentoring, and department meetings also help in cascading and reminding employees of anti-corruption policies. For business partners, GMCAC includes Anti-Corruption related policies in purchase orders and contracts. As additional controls, GMCAC conducts audits by internal and external auditors on its processes, policies, and reports.

Anti-Corruption Programs and Procedures

In 2019, only four (4) incidents of corruption in Megawide were reported, as compared to the seven (7) incidents of corruption reported in 2018. Three (3) of the said employees were administratively charged for corruption, involving the receipt of money from Megawide's subcontractors while the fourth (4th) employee failed to disclose his financial interest in a contractor engaged by Megawide. In line with the due process requirements of the law, these employees underwent disciplinary administrative proceedings. After much deliberation of the incidents and careful consideration of the surrounding circumstances, Megawide has decided to terminate the employment of the three (3) involved employees and penalized the fourth (4th) employee with a thirty (30)-day suspension, given that the penalty of dismissal may be too harsh and may result to the unnecessary exposure of Megawide.

Meanwhile, the Company also conducted a seminar to communicate its anti-corruption policies to its partner vendors; six hundred twenty-seven (627) vendors attended the two (2) sessions in November 2018 and February 2019. The seminar was facilitated by the Supply Chain Management Team, where they discussed the vendor pre-qualification program through Dun & Bradstreet (D&B), and Megawide's Anti-Fraud Policy and Whistleblowing Policy.

As the Company takes corruption issues seriously, Megawide blacklisted twenty-eight (28) vendors with identified cases of corruption. Due to confidentiality, Megawide will not be disclosing these vendors.

5. Corporate Sustainability and Responsibility ("CSR")
The Foundation is the community outreach and engagement arm of Megawide. The Foundation abides by two (2) program pillars: high quality technical education and eco-friendly community building. These areas allow the Foundation to develop projects and programs which takes advantage of the Company's strong expertise in engineering and construction. The said pillars also address the universally adopted United Nations Sustainable Development Goals ("SDGs"), in: Quality Education (SDG 4), Decent Work & Economic Growth

Training in anti-corruption 205-2	MCC			MWM	GMCAC
	HoldCo	EPC	BU		
Percentage of employees to whom the organization’s anti-corruption policies and procedures have been communicated to	100	100	100	100	100
Percentage of business partners to whom the organization’s anti-corruption policies and procedures have been communicated to	100	100	100	100	100
Percentage of directors and management that have received anti-corruption training	100	100	100	100	6*
Percentage of employees that have received anti-corruption training	100	100	100	0	100

*Figure reflects six (6) members of the management who have received anti-corruption training.

Incidents of Corruption 205-3	
Number of incidents in which directors were removed or disciplined for corruption	0
Number of incidents in which employees were dismissed or disciplined for corruption	4
Number of incidents when contracts with business partners were terminated due to incidents of corruption	0

Disclosure and Transparency

The Company practices complete disclosure and transparency in its corporate affairs. One of the main governance objectives of the Company, as found in its New Manual on Corporate Governance, is to continuously enhance policies and procedures on disclosure and transparency, which should always be in accordance with the best practices and regulatory expectations, if not better.

1. Ownership Structure (102-5)
- Holding five percent (5%) shareholding or more (as of December 31, 2019):

CLASS OF SHARES	SHAREHOLDER	NO. OF COMMON SHARES	%	BENE-FICIAL OWNER
Common	Citicore Holdings Investment, Inc. (Filipino)	712,925,501	34.55%	Edgar B. Saavedra
Common	Megacore Hold-ings, Inc. (Filipino)	617,709,197	29.93%	Edgar B. Saavedra
Common	PCD Nominee Corporation (Filipino)	1,108,569,744	50.43%	Publicly-Held Shares
Common	PCD Nominee Corporation (Non-Filipino)	221,946,360	12.78%	Publicly-Held Shares

NAME OF SENIOR MANAGE-MENT	NUMBER OF DIRECT SHARES	NO, INDIRECT SHARES/ THROUGH (NAME OF RECORD OWNER)	% OF CAPITAL STOCK
N/A	N/A	N/A	N/A

(SDG 8), Sustainable Cities and Communities (SDG 11), and Responsible Consumption and Production (SDG 12).

The Foundation has received a license from the Social Welfare and Development Agency and has been accredited by the Philippine Council for NGO Certification. Moreover, it has been granted a First Level Standard (Level 1) by the Department of Social Welfare and Development and has been given a Tax Donee Institution status by the Bureau of Internal Revenue.

The Company’s CSR initiatives are discussed throughout this report.

6. Procedures to Protect an Employee or Person who Reveals Illegal/Unethical Behaviour from Retaliation
- The Code of Business Conduct and Ethics, Whistleblowing Policy (discussed below), Anti-Fraud Policy, and other pertinent rules and regulations of Megawide guarantees the protection and anonymity of any individual who reports the illegal or unethical behaviour of Directors, officers, or employees to the Company. Reports of violations, or suspected violations, made shall be kept confidential, consistent with the need to conduct an adequate investigation.

2. External Auditor’s Fees (for the year ended December 31,2019)

PARTICULARS (103-3)	NATURE	AUDIT FEES (PHP)
Punongbayan & Araullo	Audit of Financial Statements	2,875,000.00
Punongbayan & Araullo	Summary of Application of Proceeds on Preferred Shares	600,000.00
Punongbayan & Araullo	Business Process Review	900,000.00
Punongbayan & Araullo	Root cause identification and remediation steps	1,870,000.00
Punongbayan & Araullo	Quarterly review of financial statements	300,000.00
Punongbayan & Araullo	Tax opinion on development projects	580,000.00
SyCip Gorres Velayo & Co.	Audit of financial statements of GMR Megawide Cebu Airport Corporation	1,300,000.00
Total		8,425,000.00

3. Medium of Communication
- The Company addresses the various information requirements of the investment community through the following:

- a. Company Website
- All disclosures, stock information, and information on the corporate governance activities and initiatives of the Company are available in its corporate website, www.megawide.com.ph. Additionally, other information on the Company may also be accessed through the PSE Edge website or http://edge.pse.com.ph/companyInformation/form.do?cmpy_id=627.

- b. Analysts’ Briefing
- Megawide aims to conduct analysts’ briefing, regarding the Company’s financial and operating results, on a quarterly basis, in order to provide the investment community regular, fair, and accurate updates on significant developments within the Company.

For 2019, the Company organized four (4) analysts’ briefings where the Company’s performance and future undertakings were discussed.

- c. Investor Conferences, Non-deal Roadshows, One-on-One Meetings and Conference Calls
- To enhance transparency and accuracy of disclosure to stakeholders, and provide access to management, the Investor Relations Team, together with the Deputy/Chief Financial Officer, Chairman, President, and other members of management, consistently meet with investment fund managers and institutional investors to discuss in detail the Company’s core businesses and strategic plans

through one-on-one meetings, group meetings, conference calls, investor conferences, and non-deal roadshows. (103-3)

In 2019, the Company attended at least twelve (12) investor conferences, both local and abroad, and participated in a number of non-deal roadshows sponsored by local and foreign brokerage firms. This is in addition to the regular one-on-one meetings and conference calls that the Investor Relations Team and the management of the Company attends to on a weekly basis.

- d. Press Releases
- Megawide discloses to PSE any and all material information, significant news, and important updates in connection with the Company’s business operations, on a timely manner, pursuant to PSE Disclosure Rules.

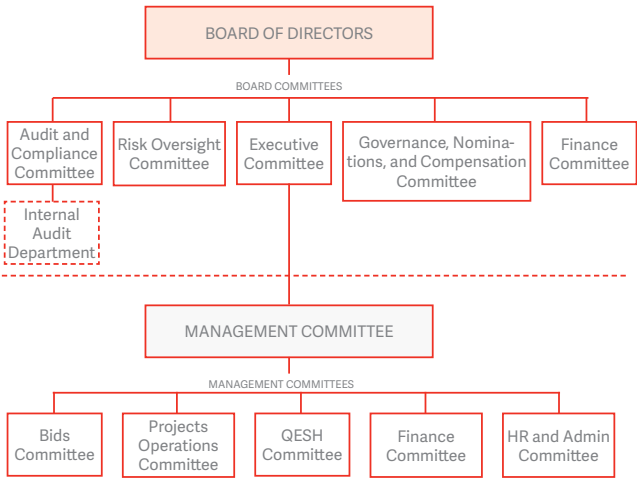
In 2019, the Company published seven (7) press releases in the PSE Edge website, related to its financial and operating results, new product launches, and other significant business developments within the Company. These are in addition to the other information and collateral data shared through the Company’s various social media platforms.

- e. Site Visits
- Megawide accommodates requests of the investment community to visit the Precast Facility in Taytay, the Mactan Cebu International Airport (“MCI A”), the Parañaque Integrated Terminal Exchange (“PITx”), and the other project sites of the Company. The Investor Relations Team handles and coordinates such requests.

- In 2019, the Company entertained a minimum of ten (10) visits to the MCIA and at least five (5) visits to the PITx, hosting at least fifty (50) investors, analysts, and fund managers alike, to showcase the Company’s diverse business portfolio and unique value proposition.
4. Whistleblowing Policy
An important aspect of accountability and transparency is a mechanism that enables employees and other stakeholders of the Company to disclose illegal or unethical activities and be able to voice other concerns in a responsible and effective manner.
- As such, the Company has rolled out its Whistleblowing Policy, internally and externally, to encourage and allow individuals to inform the Company of any impropriety committed within or against the Company. It serves as a guide on how to, without fear of reprisal, internally disclose information which is believed to show serious malpractice or wrongdoing within the organization. The provisions contained in the Whistleblowing Policy were created to support the New Manual on Corporate Governance, Code of Business Conduct and Ethics, Code of Conduct and Ethical Standards for Suppliers, Employee Code of Discipline, and other relevant policies of the Company for the promotion of a culture of fairness and transparency through the adoption of the highest standards of professionalism, honesty, integrity and ethical behaviour.
5. Audited Financial Statements
The Audited Financial Statements as of and for the year 2019 was released on June 3, 2020.
6. RPTs
The following RPTs were presented in the Company’s Audited Financial Statements for the year 2019 and in its Annual Report (SEC Form 17-A):

Governance Structure 102-18

MEGAWIDE CONSTRUCTION CORPORATION



Edgar B. Saavedra, the Chairman of the Board, Chief Executive Officer, and President of the Company, and the other executives are the key decision makers. Moreover, Megawide is continuously hiring experts to further strengthen and professionalize its organizational and management structure. Megawide has also bolstered its management positions in order to spread out responsibilities, and provides various training programs for its employees to maintain competitiveness and efficiency.

RESPONSIBILITIES OF THE BOARD

The Board is primarily responsible for the management and governance of the Company, including the establishment of policies, strategies, and procedures for the accomplishment of its corporate objectives, mission, and vision, in a manner consistent with the best interests of its stakeholders. In line with this, the Board regularly reviews its roles, duties, protocols, and systems, as well as those of its Board Committees, in order to assess their value and relevance to the Company’s and the stakeholders’ changing needs.

The specific duties, functions, procedures, and qualifications of the Board were set out and formalized in the Company’s Charter of the Board of Directors, which was approved by the Board on June 11, 2019.

BOARD COMMITTEES

The Company has constituted four (4) Board Committees that assists the Board in its oversight duties over the Company’s business and operations, namely:

1. Executive Committee
The Executive Committee shall exercise all the fiduciary powers of the Board to act upon any matter which should not be postponed until the previously scheduled Board meetings, as well as oversee, without limitations and to the extent allowed by the By-Laws, the management of the Company’s businesses and other affairs, particularly during the intervening periods when the Board (a) has no scheduled meetings, or (b) is unavailable or unable to meet.
2. Audit and Compliance Committee
The role of the Audit and Compliance Committee is to assist the Board in its oversight responsibilities over the areas of (a) audit and financial reporting, and (b) RPTs.
- With regard to audit and financial reporting, the Audit and Compliance Committee’s functions include, among others:
- monitor and evaluate the adequacy and effectiveness of the Company’s internal control system, its financial reporting, and information technology security;
 - oversee the activities of the Company’s external and internal auditors and ensure that the internal and external auditors act independently from each other. Moreover, the committee shall review the reports

- submitted by the auditors and evaluate management’s responsiveness to their findings and recommendations;
- supervise the internal audit function and review the annual internal audit plan;
 - review the quarterly, semi-annual, and annual financial statements before their submission to the Board; and
 - coordinate and facilitate the Company’s compliance with laws, rules, and regulations.

Meanwhile, for RPTs, the committee shall ensure that management shall formulate and implement policies and procedures that would guarantee the integrity and transparency of RPTs.

3. Finance Committee
The Finance Committee shall assist the Board in its oversight responsibilities over management’s regular finance functions and the Company’s asset management, and bidding activities. Particularly, the Finance Committee shall monitor the utilization of the Company’s funds and assets ensuring that the Company is able to derive maximum economic value from their use.
4. Governance, Nominations and Compensation Committee
The Governance, Nominations and Compensation Committee is tasked to ensure that the Company adheres to good corporate governance principles and practices and shall regularly assess the Company’s compliance with the New Manual on Corporate Governance and other relevant regulatory requirements.

The said committee is also responsible for developing a criterion that will facilitate the selection of potential nominees to the Board, including the guidelines for assessing their independence. Additionally, the committee shall also supervise the establishment of a compensation program that will align the remuneration of key officers and Board members with the long-term interests of the Company.

5. Risk Oversight Committee
The Risk Oversight Committee is tasked to guide the Company’s enterprise risk management (“ERM”) practices, particularly in managing the credit, market, liquidity, operational, legal, and other risks faced by the Company. The committee shall also ensure that:

- the President and/or Chief Executive Officer, is assisted by a Chief Risk Officer, or in his absence, the Chief Financial Officer;
- the ERM system adopted by the Company has the following basic elements: (i) overall risk appetite of the Company as approved by the Board; (ii) a risk profile or risk language; (iii) a Risk Management Executive Committee; and (iv) a risk management process;
- there is an annual evaluation of the results of risk assessment exercises and other information on risk exposure and risk management activities; and
- there is close monitoring and effective management of identified priority risks.

ATTENDANCE TO BOARD AND COMMITTEE MEETINGS FOR JULY 2019 TO MAY 2020

BOARD MEETING					
POSITION	NAME	DATE OF ELECTION	NO. OF MEETINGS HELD	NO. OF MEETINGS ATTENDED	%
Chairman	Edgar B. Saavedra	July 02, 2019	6	6	100%
Member	Manuel Louie B. Ferrer	July 02, 2019	6	6	100%
Member	Oliver Y. Tan	July 02, 2019	6	4	66.67%
Member (Independent)	Hilario G. Davide, Jr.	July 02, 2019	6	6	100%
Member(Independent)	Leonilo G. Coronel	July 02, 2019	6	6	100%
Member (Independent)	Celso P. Vivas	July 02, 2019	6	6	100%
Member (Independent)	Alfredo E. Pascual	July 02, 2019	6	6	100%

ALL-IN FOR A FIRST-WORLD PHILIPPINES

EXECUTIVE COMMITTEE

POSITION	NAME	DATE OF ELECTION	NO. OF MEETINGS HELD	NO. OF MEETINGS ATTENDED	%
Chairman	Edgar B. Saavedra	July 02, 2019	3	3	100%
Vice Chairman	Manuel Louie B. Ferrer	July 02, 2019	3	3	100%
Member	Oliver Y. Tan	July 02, 2019	3	2	66.67%

AUDIT AND COMPLIANCE COMMITTEE

POSITION	NAME	DATE OF ELECTION	NO. OF MEETINGS HELD	NO. OF MEETINGS ATTENDED	%
Chairman	Celso P. Vivas	July 02, 2019	9	9	100%
Vice Chairman	Leonilo G. Coronel	July 02, 2019	9	9	100%
Member	Oliver Y. Tan	July 02, 2019	9	4	44.44%
Member	Hilario G. Davide, Jr.	July 02, 2019	9	8	88.89%
Member	Alfredo E. Pascual	July 02, 2019	9	9	100%

FINANCE COMMITTEE

POSITION	NAME	DATE OF ELECTION	NO. OF MEETINGS HELD	NO. OF MEETINGS ATTENDED	%
Chairman	Leonilo G. Coronel	July 02, 2019	9	9	100%
Vice Chairman	Oliver Y. Tan	July 02, 2019	9	6	66.67%
Member	Hilario G. Davide, Jr.	July 02, 2019	9	9	100%
Member	Celso P. Vivas	July 02, 2019	9	8	88.89%
Member	Alfredo E. Pascual	July 02, 2019	9	9	100%

GOVERNANCE, NOMINATIONS, AND COMPENSATION COMMITTEE

POSITION	NAME	DATE OF ELECTION	NO. OF MEETINGS HELD	NO. OF MEETINGS ATTENDED	%
Chairman	Hilario G. Davide, Jr.	July 02, 2019	5	5	100%
Vice Chairman	Alfredo E. Pascual	July 02, 2019	5	5	100%
Member	Manuel Louie B. Ferrer	July 02, 2019	5	5	100%
Member	Leonilo G. Coronel	July 02, 2019	5	5	100%
Member	Celso P. Vivas	July 02, 2019	5	5	100%

RISK OVERSIGHT COMMITTEE

POSITION	NAME	DATE OF ELECTION	NO. OF MEETINGS HELD	NO. OF MEETINGS ATTENDED	%
Chairman	Alfredo E. Pascual	July 02, 2019	4	4	100%
Vice Chairman	Celso P. Vivas	July 02, 2019	4	4	100%
Member	Edgar B. Saavedra	July 02, 2019	4	2	50%
Member	Hilario G. Davide, Jr.	July 02, 2019	4	4	100%
Member	Leonilo G. Coronel	July 02, 2019	4	4	100%

REMUNERATION OF THE BOARD

The compensation of the Board will always be in accordance with the By-Laws of the Company and/or as approved by the shareholders during the ASM. The Board will, from time to time, approve reasonable per diem that a Director may receive for attendance in the Board and committee meetings.

On October 10, 2018, the Board resolved to increase the Director’s per diem per Board meeting to Forty Four Thousand Pesos (PhP 44,000.00) for Executive Directors, Sixty Two Thousand Pesos (PhP 62,000.00) for Non-Executive Directors, and Fifty Eight Thousand Pesos (PhP 58,000.00) for Independent Directors. The total per diem paid to Directors for the year ending December 31, 2019 was Six Million Five Hundred Three Thousand Pesos (PhP 6,503,000.00)

Meanwhile, there are no material terms of any other arrangements or contracts where any Director of the Company was compensated or is to be compensated, directly or indirectly, in 2019 or in the coming year, for any service provided as a Director.

ANNEX A - ENVIRONMENT

I. Solid Waste [306-2]

EPC Projects	The Corner House		One Fintech Tower		Eight Sunset Boulevard		Gentry Manor	
Disclosure	Quantity	Units	Quantity		Units		Quantity	Units
Recyclable	0	kg	7,494		kg		2,483	kg
Residuals/ Landfilled	2,500	kg	16		cubic meter		102	cubic meter

EPC Projects	Golden Bay Tower Aspire		International Finance Tower		Mandani Bay Quay		Urban Deca Ortigas	
Disclosure	Quantity	Units	Quantity	Units	Quantity	Units	Quantity	Units
Recyclable	1,652,790	kg	12,000	kg	203,360	kg	2,483	kg
							1,086	cubic meter
Residuals/ Landfilled	0	kg	298	cubic meter	0	kg	0	kg

EPC Projects	Worldwide Plaza		The Hive		Empire East Skymall		Head Office	
Disclosure	Quantity	Units	Quantity	Units	Quantity	Units	Quantity	Units
Recyclable	83,860	kg	28,684	kg	Note: No disposal of waste from June 2019 to December 2019 as the project site is still on going to their construction.		1,793	kg
Residuals/ Landfilled	0	kg	440	cubic meter			1,898	kg

Business Units (BU)	Precast			C.E.L.S.		
Disclosure	Name of Waste	Quantity	Units	Name of Waste	Quantity	Units
Recyclable	Recyclable Rebar	968,512	kg	Recyclable Rebar	8,220	kg
	Recyclable Phenolic	255,870	kg			
	Others	1,214	cubic meter			
Incinerated	Polystyrene	33,280	kg			
Residuals/ Landfilled	Concrete debris	1,081,2060	kg	Residual Waste	29,820	kg
	Residual Waste	82,410	kg			
	Others	204	cubic meter			

Business Units (BU)	Formworks			Batching Plant		
Disclosure	Name of Waste	Quantity	Units	Name of Waste	Quantity	Units
Residuals/ Landfilled	Residual Waste	28,140	kg	Dry Concrete	4,964	tons

	HoldCo			MWM			GMCAC		
Disclosure	Name of Waste	Quantity	Units	Name of Waste	Quantity	Units	Name of Waste	Quantity	Units
Recyclable/ Reusable		0	kg	No record yet for generated solid waste in 2019.			Recyclables	66,744	kg
Residuals/ Landfilled	Used Paper	10	kg				Residual Waste	1,059,497	kg
	Sanitary Paper	30	kg						

II. Energy consumption within the organization [302-1] and Energy intensity [302-3]

Fuel Type	HoldCo		Energy Intensity	
	Quantity	Units	Quantity	Units
Electricity	195,050	kWh	99	kWh/sqm

EPC Projects	The Corner House		One Fintech Tower*	Eight Sunset Boulevard*	Empire East Skymall	
Disclosure	Quantity	Units	Quantity	Units	Quantity	Units
Diesel	16,090	L	100,880	L	19,140	L
a. Vehicle	2,840	L	5,280	L		L
b. Generator Set	13,250	L	95,600	L		L
Electricity	11,477	kWh	N/A	kWh	N/A	kWh
Energy Intensity (for electricity consumption)	328	kWh/employee	N/A		N/A	

*One Fintech Tower and Eight Sunset Boulevard share in the use of energy utilities.

EPC Projects	Gentry Manor		Golden Bay Tower Aspire		International Finance Tower		Mandani Bay Quay	
Disclosure	Quantity	Units	Quantity	Units	Quantity	Units	Quantity	Units
Diesel	128,071	L	155,363	L	24,670	L	472,059	L
a. Vehicle	0	L	0	L	21,825	L	0	L
b. Generator Set	128,071	L	155,363	L	2,845	L	472,059	L
Electricity	N/A	kWh	N/A	kWh	7,586	kWh	221,260	kWh
Energy Intensity (for electricity consumption)	N/A		N/A		117	kWh/employee	1,526	kWh/employee

EPC Projects	Urban Deca Ortigas		Worldwide Plaza		The Hive		Head Office	
Disclosure	Quantity	Units	Quantity	Units	Quantity	Units	Quantity	Units
Diesel	1,063,305	L	71,644	L	1,000	L	574	L
a. Vehicle	1,037,255	L	27,109	L	0	L	0	L
b. Generator Set	26,050	L	44,535	L	1,000	L	574	L
Electricity	660,648	kWh	77,276	kWh	137,643	kWh	1,109,621	kWh
Energy Intensity (for electricity consumption)	2,860	kWh/ employee	1,073	kWh/ employee	3,059	kWh/ employee	3,662	kWh/ employee
Energy Intensity for all EPC		12,625 kWh/sqm						

Fuel Type	BU		Energy Intensity	
	Quantity	Units	Quantity	Units
LPG	38,174	L	9,544 *	L/hr
Diesel	797,178	L	895	L/unit of genset
a. Vehicle	727,915	L		L/hr
b. Generator Set	69,263	L	895 **	L/hr
Electricity	2,815,540	kWh	20	kWh/sqm

* Divided by four hours (average duration of equipment use)
** Divided by seven hours (average duration of equipment use)
Data for BU diesel used by vehicles cannot be provided as of this time.

MWM Terminals	Consumption		Energy Intensity	
Disclosure	Quantity	Units	Quantity	Units
LPG	4,856	Cubic meters	Cannot be provided due to increasing tenants in 2019	
Diesel	22,337	L	3,191	L per unit of genset
Electricity	6,595,788	kWh	34	kWh/sqm

GMCAC	Consumption		Energy Intensity	
Disclosure	Quantity	Units	Quantity	Units
Renewable	5,819	kWh	4	kWh/hr
Diesel	108	L	15	L/unit of genset
Electricity	28,647,541	kWh	291	kWh/sqm

III. GHG Emissions

Scope 1 Emissions (305-1)

Activity	Scope 1 Emission	Units
EPC		
Head Office	2	Tonnes CO ₂ e
The Corner House	43	Tonnes CO ₂ e
One Fintech Tower	349	Tonnes CO ₂ e
Eight Sunset Boulevard		Tonnes CO ₂ e
Empire East Skymall	51	Tonnes CO ₂ e
Gentry Manor	343	Tonnes CO ₂ e
Golden Bay Tower Aspire	416	Tonnes CO ₂ e
International Finance Tower	66	Tonnes CO ₂ e
Mandani Bay Quay	1,265	Tonnes CO ₂ e
Urban Deca Ortigas	2,850	Tonnes CO ₂ e
Worldwide Plaza	192	Tonnes CO ₂ e
The Hive	3	Tonnes CO ₂ e

Activity	Scope 1 Emission	Units
BU-Batching Plant		
Mobile Combustion CO ₂ for Diesel Fuel	1,148,144	Tonnes CO ₂ e
Mobile Combustion CH ₄ for On-Road Diesel and Alternative Fuel Vehicles	612,344	Tonnes CO ₂ e
Mobile Combustion N ₂ O for On-Road Diesel and Alternative Fuel Vehicles	55,950	Tonnes CO ₂ e
CO Emission for Diesel Generator Set	65	Tonnes CO ₂ e
CO ₂ Emission for Diesel Generator Set	13,666	Tonnes CO ₂ e
CH ₄ Emission for Diesel Generator Set	8	Tonnes CO ₂ e

Scope 2 GHG Emissions (305-2)

Activity	Scope 2 Emission	Units
EPC		
Head Office	790	Tonnes CO ₂ e
The Corner House	8	Tonnes CO ₂ e
One Fintech Tower	0	Tonnes CO ₂ e
Eight Sunset Boulevard		Tonnes CO ₂ e
Empire East Skymall	0	Tonnes CO ₂ e
Gentry Manor	0	Tonnes CO ₂ e
Golden Bay Tower Aspire	0	Tonnes CO ₂ e
International Finance Tower	5	Tonnes CO ₂ e
Mandani Bay Quay	158	Tonnes CO ₂ e
Urban Deca Ortigas	471	Tonnes CO2e
Worldwide Plaza	55	Tonnes CO2e
The Hive	98	Tonnes CO2e
Subtotal	1,585	Tonnes CO2e

Activity	Scope 2 Emission	Units
BU-Batching Plant		
Electricity Consumption CO ₂ Output Emission	8,776	Tonnes CO ₂ e
Electricity Consumption CH ₄ Output Emission	1	Tonnes CO ₂ e
Electricity Consumption N ₂ O Output Emission	0	Tonnes CO ₂ e

Activity	Scope 2 Emission	Units
HoldCo		
Electricity	139	Tonnes CO ₂ e
MWM Terminals		
Electricity	4,698	Tonnes CO ₂ e
GMCAC		
Electricity	20,339	Tonnes CO ₂ e

IV. Air Pollutants

NOx, SOx, and other significant emissions (305-7)

Business Units	
Disclosure	Quantity, Unit
NOx	
Batching Plant	153 tonnes CO ₂ e
Precast	1,007 mg/Ncm
SOx	
Batching Plant	951 tonnes CO ₂ e
Particulate Matter (PM) (in Batching Plant)	8 tonnes CO ₂ e

GMCAC	
Disclosure	Quantity, Unit
NOx	mg/Ncm
T1 Generator Set 537 kVa	589
T2 Generator Set 1 1420 kW	1,468
T2 Generator Set 2 1420 kW	1,552
T2 Generator Set 3 1420 kW	1,539
SOx	
T1 Generator Set 537 kVa	54
T2 Generator Set 1 1420 kW	41
T2 Generator Set 2 1420 kW	96
T2 Generator Se 3 1420 kW	164

V. Water

Water Withdrawal (303-1)

EPC Projects	The Corner House		One Fintech Tower*	Eight Sunset Boulevard*		Empire East Skymall	
Disclosure	Quantity	Units	Quantity		Units	Quantity	Units
Third-party water	1,515	Cubic meters	5,425		Cubic meters	0	Cubic meters

*One Fintech Tower and Eight Sunset Boulevard share in the use of water utilities.

EPC Projects	Gentry Manor		Golden Bay Tower Aspire		International Finance Tower		Mandani Bay Quay	
Disclosure	Quantity	Units	Quantity	Units	Quantity	Units	Quantity	Units
Third-party water	1,732	Cubic meters	3,617	Cubic meters	22,549	Cubic meters	3,158	Cubic meters

EPC Projects	Urban Deca Ortigas		Worldwide Plaza		The Hive		Head Office	
Disclosure	Quantity	Units	Quantity	Units	Quantity	Units	Quantity	Units
Third-party water	25,976	Cubic meters	10,730	Cubic meters	2,739	Cubic meters	8,440	Cubic meters

Classification	BU		GMCAC	
	Quantity	Units	Quantity	Units
Third-party water	65,127	Cubic meters	500,571	Cubic meters

Water Consumption (303-1)

	Water Consumption	
EPC	Quantity	Units
Head Office	8,440	Cubic meters
The Corner House	1,515	Cubic meters
One Fintech Tower	5,425	Cubic meters
Eight Sunset Boulevard		
Empire East Skymall	N/A	Cubic meters
Gentry Manor	1,732	Cubic meters
Golden Bay Tower Aspire	3,617	Cubic meters
International Finance Tower	22,549	Cubic meters
Mandani Bay Quay	3,158	Cubic meters
Urban Deca Ortigas	25,976	Cubic meters
Worldwide Plaza	10,730	Cubic meters
The Hive	2,739	Cubic meters
Total	85,881	Cubic meters

Facilities	Quantity	Units
HoldCo	131	Cubic meters
BU	65,127	Cubic meters
MWM	99,680	Cubic meters
GMCAC	500,571	Cubic meters

VI. Effluents

Water discharge

EPC		Unit	
Projects	Discharge Location	Quantity	Cubic meters
The Corner House	Project Site and Staging	1,515	Cubic meters
Gentry Manor	Third-Party Water	1,732	Cubic meters
International Finance Tower	Sewage treatment plant	30	Cubic meters
Subtotal		3,277	Cubic meters

Facilities			
Facility/Location	Quantity	Unit	Wastewater Recycled (%)
BUs	50,519	Cubic meters	0
BU - Batching Plant	No discharge due to recycling	Cubic meters	100
BU – Precast	29,312	Cubic meters	9
BU – Formworks	9,117	Cubic meters	0
BU – C.E.L.S.	12,090	Cubic meters	0
MWM Terminals	52,841*	Cubic meters	0
GMCAC	400,457	Cubic meters	0

TOTAL Water Discharge	503,817
-----------------------	---------

*Approximate value based on the record of 144.77 cu.m./day

ANNEX B - SOCIAL

I. Employee Breakdown (102-8, 405-1)

HoldCo					
Categories	Male	Female	Total	%	Grand Total
A. Employment Contract					
Permanent*	48	52	100	96	104
Temporary**	0	4	4	4	
B. Position					
Top Management	18	2	20	19	104
Senior Management^	11	19	30	29	
Middle Management^					
Supervisors	11	14	25	24	
Rank and File	8	21	29	28	
C. Age Group					
>50 years	6	0	6	6	104
30-50 years	31	24	55	53	
<30 years	11	32	43	41	

*Regular and Probationary **Fixed Term ^Managers

EPC (Head Office)					
Categories	Male	Female	Total	%	Grand Total
A. Employment Contract					
Permanent	141	111	252	83.2	303
Temporary	28	22	50	16.5	
Project-Based	1	0	1	0.3	
B. Position					
Top Management	9	2	11	4	303
Senior Management	0	0	0	0	
Middle Management	22	15	37	12	
Supervisors	41	27	68	22	
Rank and File	98	89	187	62	
C. Age Group					
>50 years	14	2	16	5	303
30-50 years	73	50	123	41	
<30 years	83	81	164	54	

EPC (The Corner House)					
Categories	Male	Female	Total	%	Grand Total
A. Employment Contract					
Permanent	2	0	2	6	35
Temporary	0	0	0	0	
Project-Based	27	6	33	94	
B. Position					
Top Management	0	0	0	0	35
Senior Management	0	0	0	0	
Middle Management	2	0	2	5.7	
Supervisors	2	1	3	8.6	
Rank and File	25	5	30	85.7	
C. Age Group					
>50 years	0	0	0	0	35
30-50 years	20	1	21	60	
<30 years	9	5	14	40	

EPC (Eight Sunset District)					
No formal employee count for 2019. Said count is accounted beginning from January 2020					

EPC (Empire East Skymall)					
Categories	Male	Female	Total	%	Grand Total
A. Employment Contract					
Permanent	0	0	0	0	53
Temporary	0	0	0	0	
Project-Based	39	14	53	100	
B. Position					
Top Management	0	0	0	0	53
Senior Management	0	0	0	0	
Middle Management	1	0	1	1.9	
Supervisors	3	1	4	7.5	
Rank and File	35	13	48	90.6	
C. Age Group					
>50 years	2	0	2	4	53
30-50 years	13	1	14	26	
<30 years	24	13	37	70	

EPC (Gentry Manor)					
Categories	Male	Female	Total	%	Grand Total
A. Employment Contract					
Permanent	3	3	6	6	93
Temporary	0	0	0	0	
Project-Based	70	17	87	94	
B. Position					
Top Management	0	0	0	0	93
Senior Management	0	0	0	0	
Middle Management	1	1	2	2	
Supervisors	12	2	14	15	
Rank and File	60	17	77	83	
C. Age Group					
>50 years	1	0	1	1	93
30-50 years	40	4	44	47	
<30 years	32	16	48	52	

EPC (Golden Bay Tower Aspire)					
Categories	Male	Female	Total	%	Grand Total
A. Employment Contract					
Permanent	0	1	1	3	30
Temporary	0	0	0	0	
Project-Based	24	5	29	97	
B. Position					
Top Management	0	0	0	0	30
Senior Management	0	0	0	0	
Middle Management	1	0	1	3.3	
Supervisors	3	1	4	13.3	
Rank and File	20	5	25	83.3	
C. Age Group					
>50 years	1	0	1	3	30
30-50 years	13	1	14	47	
<30 years	10	5	15	50	

EPC (International Finance Center)					
Categories	Male	Female	Total	%	Grand Total
A. Employment Contract					
Permanent	2	2	4	6	65
Temporary	0	0	0	0	
Project-Based	52	9	61	94	
B. Position					
Top Management	0	0	0	0	65
Senior Management	0	0	0	0	
Middle Management	2	1	3	5	
Supervisors	5	3	8	12	
Rank and File	47	7	54	83	
C. Age Group					
>50 years	0	0	0	0	65
30-50 years	30	2	32	49	
<30 years	24	9	33	51	

EPC (Mandani Bay Quay)					
Categories	Male	Female	Total	%	Grand Total
A. Employment Contract					
Permanent	3	1	4	3	145
Temporary	2	0	2	1	
Project-Based	115	24	139	96	
B. Position					
Top Management	0	0	0	0	145
Senior Management	1	0	1	1	
Middle Management	4	1	5	3	
Supervisors	18	7	25	17	
Rank and File	97	17	114	79	
C. Age Group					
>50 years	9	0	9	6.2	145
30-50 years	57	6	63	43.4	
<30 years	54	19	73	50.3	

EPC (One Fintech Tower)					
Categories	Male	Female	Total	%	Grand Total
A. Employment Contract					
Permanent	1	0	1	1	75
Temporary	0	0	0	0	
Project-Based	58	16	74	99	
B. Position					
Top Management	0	0	0	0	75
Senior Management	1	0	1	1	
Middle Management	1	0	1	1	
Supervisors	4	3	7	9	
Rank and File	53	13	66	88	
C. Age Group					
>50 years	3	0	3	4	75
30-50 years	27	6	33	44	
<30 years	29	10	39	52	

EPC (The Hive)					
Categories	Male	Female	Total	%	Grand Total
A. Employment Contract					
Permanent	0	2	2	4	45
Temporary	0	0	0	0	
Project-Based	37	6	43	96	
B. Position					
Top Management	0	0	0	0	45
Senior Management	0	0	0	0	
Middle Management	0	1	1	2	
Supervisors	3	1	4	9	
Rank and File	34	6	40	89	
C. Age Group					
>50 years	0	1	1	2	45
30-50 years	22	2	24	53	
<30 years	15	5	20	44	

EPC (Urban Deca Ortigas)					
Categories	Male	Female	Total	%	Grand Total
A. Employment Contract					
Permanent	12	3	15	6	231
Temporary	0	0	0	0	
Project-Based	192	24	216	94	
B. Position					
Top Management	0	0	0	0	231
Senior Management	1	0	1	0.4	
Middle Management	2	0	2	1	
Supervisors	18	3	21	9	
Rank and File	183	24	207	89.6	
C. Age Group					
>50 years	11	0	11	4	231
30-50 years	106	4	110	48	
<30 years	87	23	110	48	

EPC (Worldwide Plaza)					
Categories	Male	Female	Total	%	Grand Total
A. Employment Contract					
Permanent	6	0	6	8	72
Temporary	0	0	0	0	
Project-Based	55	11	66	92	
B. Position					
Top Management	0	0	0	0	72
Senior Management	0	0	0	0	
Middle Management	2	0	2	3	
Supervisors	6	1	7	10	
Rank and File	53	10	63	87	
C. Age Group					
>50 years	2	0	2	2	72
30-50 years	38	2	40	56	
<30 years	21	9	30	42	

BU-Precast					
Categories	Male	Female	Total	%	Grand Total
A. Employment Contract					
Permanent	617	63	680	43	1,584
Temporary	870	34	904	57	
B. Position					
Top Management	2	0	2	0.1	1,584
Senior Management	5	3	8	0.5	
Middle Management	4	1	5	0.3	
Supervisors	21	9	30	1.9	
Rank and File	1,455	84	1,539	97.2	
C. Age Group					
>50 years	54	0	54	34	1,584
30-50 years	771	23	794	50	
<30 years	662	74	736	46	

BU-Batching Plant					
Categories	Male	Female	Total	%	Grand Total
A. Employment Contract					
Permanent	132	38	170	71	240
Temporary	53	17	70	29	
B. Position					
Top Management	1	0	1	1	240
Senior Management	0	0	0	0	
Middle Management	4	1	5	2	
Supervisors	4	9	13	5	
Rank and File	176	45	221	92	
C. Age Group					
>50 years	13	0	13	5	240
30-50 years	115	16	131	54	
<30 years	57	39	96	40	

BU-C.E.L.S.					
Categories	Male	Female	Total	%	Grand Total
A. Employment Contract					
Permanent	607	25	632	82	771
Temporary	127	12	139	18	
B. Position					
Top Management	1	0	1	0.13	771
Senior Management	0	0	0	0	
Middle Management	6	1	7	0.91	
Supervisors	21	7	28	3.63	
Rank and File	706	29	735	95.33	
C. Age Group					
>50 years	56	0	56	7	771
30-50 years	486	8	494	64	
<30 years	192	29	221	29	

BU-Formworks					
Categories	Male	Female	Total	%	Grand Total
A. Employment Contract					
Permanent	130	19	149	92	162
Temporary	4	9	13	8	
B. Position					
Top Management	1	0	1	1	162
Senior Management	1	0	1	1	
Middle Management	5	2	7	4	
Supervisors	7	3	10	6	
Rank and File	120	23	143	88	
C. Age Group					
>50 years	9	0	9	6	162
30-50 years	77	4	81	50	
<30 years	48	24	72	44	

MWM Terminals					
Categories	Male	Female	Total	%	Grand Total
A. Employment Contract					
Permanent	21	15	36	75	48
Temporary	6	6	12	25	
B. Position					
Top Management	0	0	0	0	48
Senior Management	0	0	0	0	
Middle Management	3	2	5	10	
Supervisors	4	4	8	17	
Rank and File	20	15	35	73	
C. Age Group					
>50 years	0	0	0	0	48
30-50 years	11	9	20	42	
<30 years	16	12	28	58	

GMCAC					
Categories	Male	Female	Total	%	Grand Total
A. Employment Contract					
Permanent	162	117	279	99	283
Temporary	1	3	4	1	
B. Position					
Top Management	5	0	5	2	283
Senior Management	9	6	15	5	
Middle Management	28	6	34	12	
Supervisors	33	26	59	21	
Rank and File	88	82	170	60	
C. Age Group					
>50 years	37	8	45	16	283
30-50 years	103	56	159	56	
<30 years	23	56	79	28	

II. New Hires and Turnover [401-1]

a. HoldCo

Facility	New Hires	Turnover	Attrition Rate
HoldCo	35	23	Not measured yet

b. EPC

Facility	New Hires	Turnover	Attrition Rate
Head Office and Featured Projects	No data provided	373	27%*

c. Business Units

Facility	New Hires	Turnover	Attrition Rate
Batching Plant	No data provided	31	13%*
C.E.L.S.	139	50	12%
Formworks	28	14	9%
Precast	762	104	56%
BUs	929	199	24%

d.MWM Terminals

Facility	New Hires	Turnover	Attrition Rate
MWM	16	21	2%

e. GMCAC

Facility	New Hires	Turnover	Attrition Rate
GMCAC	No data provided	15	5%*

*Attrition rate = turnover/average of 2018 and 2019 headcount

III. Employee Benefits [401-2, 401-3]

Additional benefits provided to employees								
	HoldCo	EPC	MCC				MWM	GMCAC
			BU-Precast	BU-Batching plant	BU-Formworks	BU-C.E.L.S.		
Medical benefits (aside from PhilHealth)	Y	Y		Y	Y	Y	Y	Y
Housing assistance (aside from Pag-IBIG)				Y				Y
Retirement fund (aside from SSS)				Y				Y
Further education support								Y
Telecommuting				Y				
Flexible working hours				Y				
Other benefits (unspecified)							Y	

a. HoldCo

HoldCo				
List of Benefits	Y/N	% of female employees who availed for the Year	% of male employees who availed for the Year	
SSS	Y	9	4	
PhilHealth	Y	9	4	
Pag-IBIG	Y	9	6	
Parental leaves	Y	4	4	
Vacation leaves	Y	36	37	
Sick leaves	Y	36	37	
Medical benefits (aside from PhilHealth)	Y	36	37	

Parental Leave		
	Male	Female
Total number of employees that were entitled to parental leave	33%	15%
Total number of employees that took parental leave	2	2
Total number of employees that returned to work in the reporting period after parental leave ended	2	2
Total number of employees that returned to work after parental leave ended that were still employed 12 months after their return to work	2	2
Return to work rate	100%	100%
Retention rate	100%	100%

Ratio of basic salary of women to men	Top Management	Senior/Middle Management	Supervisors	Rank and File
0.26	0.42	1.11	0.99	2.39

b. EPC

EPC			
List of Benefits	Y/N	% of female employees who availed for the Year	% of male employees who availed for the Year
SSS (Sickness	Y	1	1
SSS (Maternity)	Y	5	0
PhilHealth	Y	2	1
Pag-IBIG	Y	19	8
Parental leaves	Y	5	8
Vacation leaves	Y	92	89
Sick leaves	Y	70	61
Medical benefits (aside from PhilHealth)	Y	45	55

Parental Leave		
	Male	Female
Total number of employees that were entitled to parental leave	319	522
Total number of employees that took parental leave	60	28
Total number of employees that returned to work in the reporting period after parental leave ended	60	25
Total number of employees that returned to work after parental leave ended that were still employed 12 months after their return to work	-	-
Return to work rate	100%	89%
Retention rate		

Solo Parent		
	Male	Female
Total number of employees that were entitled to parental leave	1	8
Total number of employees that took parental leave	1	8
Total number of employees that returned to work in the reporting period after parental leave ended	1	8
Total number of employees that returned to work after parental leave ended that were still employed 12 months after their return to work	-	-
Return to work rate	100%	100%
Retention rate	Data not provided	Data not provided

Ratio of basic salary of women to men	Top Management	Senior Management	Middle Management	Supervisors	Rank and File
11,737.50 : 10,068.16	No access	153,010.00 : 107,256.00	47,400.00 : 39,632.40	24,000.00 : 26,400.00	11,737.5 : 10,068.17

c. Business Units

List of Benefits	% of female employees who availed for the Year	% of male employees who availed for the Year
SSS	11	18
PhilHealth	2	22
Pag-IBIG	12	30
Parental leaves	4	1
Vacation leaves	42	29
Sick leaves	38	52
Medical benefits (aside from PhilHealth)	26	12

BU-Precast Plant			
List of Benefits	Y/N	% of female employees who availed for the Year	% of male employees who availed for the Year
SSS	Y	4	20
PhilHealth	Y	4	30
Pag-IBIG	Y	0	25
Parental leaves	Y	3	1
Vacation leaves	Y	25	19
Sick leaves	Y	30	32

BU-C.E.L.S.			
List of Benefits	Y/N	% of female employees who availed for the Year	% of male employees who availed for the Year
SSS	Y	1	22
PhilHealth	Y	1	88
Pag-IBIG	Y	10	242
Parental leaves	Y	0	0
Vacation leaves	Y	15	242
Sick leaves	Y	16	617
Medical benefits (aside from PhilHealth)	Y	1	122

BU-Formworks			
List of Benefits	Y/N	% of female employees who availed for the Year	% of male employees who availed for the Year
SSS	Y	10	100
PhilHealth	Y	2	23
Pag-IBIG	Y	4	88
Parental leaves	Y	2	6
Vacation leaves	Y	18	81
Sick leaves	Y	13	59
Medical benefits (aside from PhilHealth)	Y	Data of utilization c/o HoldCo	

Parental Leave	Male	Female
Total number of employees that were entitled to parental leave	93	4
Total number of employees that took parental leave	6	1
Total number of employees that returned to work in the reporting period after parental leave ended	6	1
Total number of employees that returned to work after parental leave ended that were still employed 12 months after their return to work	6	1
Return to work rate	100%	100%
Retention rate	100%	100%

Ratio of basic salary of women to men	Top Management	Senior Management	Middle Management	Supervisors	Rank and File
-	-	0:1	1:1	1:1	1:1

BU-Batching Plant			
List of Benefits	Y/N	% of female employees who availed for the Year	% of male employees who availed for the Year
SSS	Y	25	19
PhilHealth	Y	4	5
Pag-IBIG	Y	22	31
Parental leaves	Y	5	3
Vacation leaves	Y	62	65
Sick leaves	Y	44	86
Medical benefits (aside from PhilHealth)	Y	100	100
Housing assistance (aside from Pag-IBIG)	Y	0	0
Retirement fund (aside from SSS)	Y	0	0
Telecommuting	Y	2	0
Flexible working hours	Y	0	1

MWM Terminals, Inc.			
List of Benefits	Y/N	% of female employees who availed for the Year	% of male employees who availed for the Year
SSS	Y	10	22
PhilHealth	Y	No records available for 2019	
Pag-IBIG	Y	0	0
Parental leaves	Y	0	7
Vacation leaves	Y	52	59
Sick leaves	Y	30	41
Medical benefits (aside from PhilHealth)	Y	No records available for 2019	
(Others)	Y	86	81

Parental Leave	Male	Female
Total number of employees that were entitled to parental leave	10	8
Total number of employees that took parental leave	0	1
Total number of employees that returned to work in the reporting period after parental leave ended	0	1
Total number of employees that returned to work after parental leave ended that were still employed 12 months after their return to work	0	1
Return to work rate	0%	100%
Retention rate	0%	100%

Ratio of basic salary of women to men	Top Management	Senior Management	Middle Management	Supervisors	Rank and File
-	0	0	74,900:64,084	33,179.4:34,914.38	20,340.19 : 20,691.14

GMCAC			
List of Benefits	Y/N	% of female employees who availed for the Year	% of male employees who availed for the Year
SSS*	Y	100	100
PhilHealth*	Y	100	100
Pag-IBIG*	Y	100	100
Parental leaves	Y	0	4
Vacation leaves	Y	100	100
Sick leaves	Y	85	65
Medical benefits (aside from PhilHealth)	Y	Cannot be disclosed due to Data Privacy Law	
Housing assistance (aside from Pag-IBIG)	Y	0	5
Retirement fund (aside from SSS)	Y	0	1
Further education support	Y	0	0

IV. Training [404-1]

a. HoldCo

Position	Male			Female		
	Total Training Hours	Total Employees Trained	Average Hours of Training	Total Training Hours	Total Employees Trained	Average Hours of Training
Top Management	32	2	1.8	16	No data supplied	N/A
Senior Management	240	15	16	272	17	16
Middle Management	272	17	16	272	17	16
Supervisors	0	0	0	0	0	0
Rank and File	0	0	0	0	0	0
TOTAL	544	34	11	560	34	10

Type of programs implemented or assistance provided to upgrade employee skills	7 Habits of Highly Effective People
--	-------------------------------------

b. EPC

Position	Male			Female		
	Total Training Hours	Total Employees Trained	Average Hours of Training	Total Training Hours	Total Employees Trained	Average Hours of Training
Top Management	0	0	0	0	0	0
Senior Management	8	1	8	16	1	16
Middle Management	1,052	82	13	620	53	12
Supervisors	1,538	153	10	624	82	8
Rank and File	8,936	1,127	8	4,464	577	8
TOTAL	11,534	1,365	8	5,724	713	8

Type of programs implemented or assistance provided to upgrade employee skills	Scope
NEW EMPLOYEE ORIENTATION	To inform and guide employees about their employment and work performance in the organization by providing you with basic company information
LOVE @ MCC	This program aims to align the employees to the Vision, Mission and Values of MCC
SERVE	To provide employees with essential customer service skills and competencies in dealing with their respective internal and external customers.
INTERPERSONAL COMMUNICATION	This program aims to provide participants with important concepts of communication that may be useful in dealing with different customers with different styles of communication.
ROOT CAUSE ANALYSIS	The emphasis in this program is on the Process of Root Cause Analysis as opposed to the various data collection tools. The Process is Repeatable regardless of the situation, whereas the use of data analysis tools will vary depending upon the
STAND & DELIVER	This comprehensive one-day training program will aid participants in planning, creating, and delivering a professional speech or presentation to a live audience.
WRITE IT RIGHT & E-MAIL ETIQUETTE	This training-workshop concentrates on the special skills needed by technical personnel to ensure their writing has a positive impact. Furthermore, this aids participants to make their professional writing more direct, informative, and concise for intended audiences.
S4S (SOFT SKILLS FOR SUCCESS)	The 'S4S' Program is designed to inculcate the 4 mindsets and attitudes to the Rank & File employees namely: Business Acumen, Results-driven Mindset, Customer Centricity and Innovative & Change-ready Mindset as keys to an accelerated integration into the corporate setting and therefore result to personal effectiveness and contribute to achieving business objectives.
SMART WRITING & REPORTING WHAT MATTERS TO THE BUSINESS	This training teaches participants the language of business communication and writes their tasks and deliverables using S.M.A.R.T. statements. This training will also help them learn how to arrange their materials into a coherent and meaningful presentation and will help improve your public speaking skills and knowledge.
ADVANCED POWERPOINT SKILLS	This 1-day practical training includes critiquing and improving previously presented PowerPoint materials and crafting practices, discussing Do's and Don'ts, and calibrating with standard First-World PowerPoint presentation materials.
ADVANCED EXCEL SKILLS	This 1-day technical training includes hands-on data application and exploration of formulas, improvement of previous Excel practices, and sample Excel problems.

BISOR (SUPERVISORY SKILLS TRAINING)	The Best Immediate Supervisor of the Organization – BISOR Leadership Training Program is designed to aid the employees at the Supervisory level to gain the required leadership competencies. This program is a consolidation and discussion of key leadership concepts, principles, styles, and practices to equip the SUPERVISORS to become more effective in contributing to the achievement of their organization's business objectives.
PROJECT MANAGEMENT PROFESSIONALS	This training program teaches participants to define the 10 Project Management knowledge areas & explain the relationship of process groups, knowledge areas, project phases, project & product life cycle. Further, this program focuses on the demonstration of a clear understanding of the activities, tools & techniques necessary in each phase of a project; and understand, acknowledge, and appreciate the importance of Risk Management, Procurement, Management, and Human Resources Management.
Rebar Works Training	This covers the activities involved in fabrication and installation.
Core Team Training	To train workers to be multiskilled, to train the MCC process of constructing
Earned Value Management	EVM helps Project Managers to measure project performances and find variances in projects
Masonry Works Training	This includes the laying of bricks or other stone in mortar.
Concreting Works Training	This includes the preparation of the concrete mix, delivery, distribution, and compaction of mix in the formworks.
Formworks Technology Training	The Formworks is creating a temporary mould into which is poured and formed.
Cadetship Program	To train homegrown cadets to be MCC future leaders.
FORCE (Field Operation Review and Competency Enhancement)	To train current leadmen to become MCC future Foreman.

c. Business Units - Batching Plant

Position	Male			Female		
	Total Training Hours	Total Employees Trained	Average Hours of Training	Total Training Hours	Total Employees Trained	Average Hours of Training
TOTAL	1,745	Not provided	9	1,725	Not provided	31

d. Business Units - C.E.L.S.

Position	Male			Female		
	Total Training Hours	Total Employees Trained	Average Hours of Training	Total Training Hours	Total Employees Trained	Average Hours of Training
Top Management	63	1	63	0	0	0
Senior Management	0	0	0	0	0	0
Middle Management	336	8	56	55	1	55
Supervisors	1,457	23	69	667	8	95
Rank and File	2,995	717	4	373	29	13
TOTAL	4,851	749	7	1,095	38	30

Basic Lubrication and Contamination Controls Training	Maintenance Diesel Mechanic
Wire Rope Seminar	Riggers, Maintenance, Warehouse, EQC and Safety
Workshop on Job Description and Competency Development	HR Support Team
Review of Performance Criteria for Skilled Workers	Supervisors and Managers (handling positions with Skilled Workers)
Pre-Planning Workshops	Managers and Supervisors
Ground Improvement Techniques, Exploration, Characterization, and Hazards	GWS Manager and Selected Engineers
Technical Seminar by Chemical Alloy Corporation	Selected Employees related to Lubricant Use
Assess and Building Program of People Acuity	HR Team
Values Formation and Team Building- CARE & SSOP	C.E.L.S. Management
Strategic Planning - Interdependence and Strategic	C.E.L.S. Management

d. Business Units - Formworks

Position	Male			Female		
	Total Training Hours	Total Employees Trained	Average Hours of Training	Total Training Hours	Total Employees Trained	Average Hours of Training
Top Management	24	1	24	0	0	0
Senior Management	48	1	48	0	0	0
Middle Management	24	2	5	48	1	24
Supervisors	72	5	10	24	2	8
Rank and File	680	125	6	504	25	22
TOTAL	848	134	6	576	28	21

Type of programs implemented or assistance provided to upgrade employee skills
TESDA NCII Certification
COSH Training
Training with CPD Credits

e. Business Units - Precast

	Total for Female and Male		
	Total Training Hours	Total Employees Trained	Average Hours of Training
Female employees	1,520	63	16
Male employees	3,768	143	3
Total	5,288	206	3

Type of programs implemented or assistance provided to upgrade employee skills	Scope
7 Habits of Highly Effective People	Conventions for Licensed Employees (Civil Engineers, CPAs,
Training with CPD Credits for CPAs	MS Project – Computer Aided Project Management
Training with Certifications for Concrete Field Testing,	Office Administration Trainings
Advanced Industrial Motor Control	Overhead Crane Assessment and Certification
Autodesk Revit Architecture	Practical Electricity
Best Practices in Maintenance Technical Audit	Preventive Maintenance
BOSH Training	Programmable Logic Control
Compensation and Benefits Conference	PSI Basic Leadership Seminar
Construction Safety and Health Training	Reliability-Centered Maintenance Program
Employee Discipline and Conduct	Risk Management
Japanese Engineering and Construction Methodologies	Root Cause Analysis
Moving into Management: From Managing Tasks to Managing Other	HR Analytics (Series of Workshops)

g. MWM Terminals

Position	Male			Female		
	Total Training Hours	Total Employees Trained	Average Hours of Training	Total Training Hours	Total Employees Trained	Average Hours of Training
Top Management	0	0	0	0	0	0
Senior Management	0	0	0	0	0	0
Middle Management	0	0	0	0	0	0
Supervisors	2	2	1	2	2	1
Rank and File	15	15	1	10	10	1
TOTAL	17	17	1	12	12	1

Type of programs implemented or assistance provided to upgrade employee skills (404-2)	Scope
Crisis Management Plan - Seminar	types of incidents, alert levels/color codings, appropriate response to emergencies

h. GMCAC

Position	Male			Female		
	Total Training Hours	Total Employees Trained	Average Hours of Training	Total Training Hours	Total Employees Trained	Average Hours of Training
Top Management	70	5	14	0	0	0
Senior Management	264	36	33	224	32	45
Middle Management	2,851	293	45	1,573	162	45
Supervisors	785	115	25	1,386	149	37
Rank and File	1,440	153	26	773	124	19
TOTAL	5,410	602	33	3,956	467	33

Type of programs implemented or assistance provided to upgrade employee skills	Scope
6 Critical Practices of Leading A Team	Job Description Workshop
Advanced Training Course for Fire and Safety Officers	Safety Driving of the Aircraft Movement Areas
Aircraft Marshalling & Airside Safety	Standard First Aid Training
AMPAP Trainings	T1 Familiarization and Walkthrough
Aviation Security	Transformational Leadership: Accept & Actively Engage Conflict Resolution
Basic PCO Course	Understanding Employee Taxation from Hiring to Retirement
Basic Safety Management System Training	Understanding Quality, Environment, Health and Safety Management Systems
CQI and IRCA Certified ISO 9001:2015 Lead Auditor Training Course	VMWare Database System Training
ETAP 155PH (5-day ETAP Training)	Wastewater Treatment Operation Technician Course

V. Performance Reviews [404-3]

a. HoldCo

Percentage of total employees who received a regular performance and career development review	Female				
	Top Management	Senior Management	Middle Management	Supervisors	Rank and File
	-	85%	100%	100%	100%
	Male				
	Top Management	Senior Management	Middle Management	Supervisors	Rank and File
-	85%	100%	100%	100%	100%

b. EPC

Percentage of total employees who received a regular performance and career development review	Female				
	Top Management	Senior Management	Middle Management	Supervisors	Rank and File
	100%	100%	97%	83%	69%
	Male				
	Top Management	Senior Management	Middle Management	Supervisors	Rank and File
	67%	100%	79%	84%	68%

c. Business Unit – C.E.L.S.

Percentage of total employees who received a regular performance and career development review	Female				
	Top Management	Senior Management	Middle Management	Supervisors	Rank and File
	-	-	0.13%	1%	3%
	Male				
	Top Management	Senior Management	Middle Management	Supervisors	Rank and File
	-	-	1%	2%	73%

d. Business Unit – Formworks

Percentage of total employees who received a regular performance and career development review	Female				
	Top Management	Senior Management	Middle Management	Supervisors	Rank and File
	0%	0%	7%	11%	82%
	Male				
	Top Management	Senior Management	Middle Management	Supervisors	Rank and File
	1%	1%	4%	5%	90%

e. MWM Terminals

Percentage of total employees who received a regular performance and career development review	Female				
	Top Management	Senior Management	Middle Management	Supervisors	Rank and File
	0%	0%	0%	25%	53%
	Male				
	Top Management	Senior Management	Middle Management	Supervisors	Rank and File
	0%	0%	0%	0%	25%

f. GMCAC

Percentage of total employees who received a regular performance and career development review	Female				
	Top Management	Senior Management	Middle Management	Supervisors	Rank and File
	100%	100%	100%	100%	100%
	Male				
	Top Management	Senior Management	Middle Management	Supervisors	Rank and File
	100%	100%	100%	100%	100%

VI. Occupational Health & Safety [403-2]

Injuries and Accidents

a. EPC

Indicator	Corner House	Eight Sunset District and One Fintech Tower*	Empire East Skymall	Gentry Manor	Golden Bay Tower Aspire
Total Man Hours	77,246	265,700	471,868	221,248	1,452,478
Lost Time Accidents	0	0	0	0	0
Number of occupational injuries/ illnesses	0/0	9	0	0	0
Frequency Rate	0	0	0	0	0
Severity Rate	0	0	0	0	0
Lost Days	0	0	0	0	0
Fatalities	0	0	0	0	0
Work-related Fatalities	0	0	0	0	0
No. of safety drills	1	2	2	2	2

*Safety reports are accumulated for both projects as it is managed by one safety officer.

Indicator	IFC	Mandani Bay	The Hive	Urban Deca	Worldwide Plaza
Total Man Hours	242,081	1,342,960	2,229,251	1,762,182	1,175,969
Lost Time Accidents	0	0	0	0	1
Number of occupational injuries/ illnesses	0/0	0	0	0	1/0
Frequency Rate	0	0	0	0	0
Severity Rate	0	0	0	0	0.85
Lost Days	0	0	0	0	0
Fatalities	0	0	0	0	0
Work-related Fatalities	0	0	0	0	0
No. of safety drills	2	2	2	2	2

Indicator	Head Office
Total Man Hours	581,760
Lost Time Accidents	0
Number of occupational injuries/ illnesses	0/0
Incidence Rate	0
Severity Rate	0
Lost Days	0
Fatalities	0
Work-related Fatalities	0
No. of safety drills	2

b. Business Units

Indicator	Batching Plant	C.E.L.S.	Formworks	Precast
Total Man Hours	791,280	2,326,996	1,388,144*	4,067,216
Lost Time Accidents	0	0	0	0
Number of occupational injuries/ illnesses	0/0	3/2	30/22	51/15
Incidence Rate	0	0	0	0
Severity Rate	0	0	0	0
Lost Days	0	0	0	0
Fatalities	0	0	0	0
Work-related Fatalities	0	0	0	0
No. of safety drills	0	1	1	1

*Since January 2017

c. MWM Terminals

Indicator	MWM
Total Man Hours	98,255
Lost Time Accidents	0
Number of occupational injuries/ illnesses	0
Incidence Rate	0
Severity Rate	0
Lost Days	0
Fatalities	0
Work-related Fatalities	0
No. of safety drills	1

d. GMCAC

Indicator	MWM
Total Man Hours	619,623
Lost Time Accidents	0
Number of occupational injuries/ illnesses	1
Incidence Rate	0
Severity Rate	0
Lost Days	0
Fatalities	0
Work-related Fatalities	0
No. of safety drills	2

VII. Customer Privacy and Data Security (418-1)

Customer Privacy

Facility	MCC			MWM	GMCAC
	HoldCo	EPC	BU		
No. of substantiated complaints on customer privacy*	N/A	N/A	N/A	0	0
No. of complaints addressed				0	0
No. of customers, users and account holders whose information is used for secondary purposes				0	0

*Substantiated complaints include complaints from customers that went through the organization’s formal communication channels and grievance mechanisms as well as complaints that were lodged to and acted upon by government agencies.

Data Security

Facility	MCC			MWM	GMCAC
	HoldCo	EPC	BU		
No. of data breaches, including leaks, thefts, and losses of data	N/A	N/A	N/A	0	0



Report of the Audit and Compliance Committee to the Board of Directors

For the Year Ended 31 December 2019

This report covers the activities of the Audit and Compliance Committee ("ACC") of the Board of Directors (the "Board") of Megawide Construction Corporation ("Megawide") for the year ended 31 December 2019, pursuant to the provisions of Megawide's New Manual on Corporate Governance ("New Manual").

During the course of the year, the ACC met at least once a month and its regular agenda included the following:

- Approval of its previous minutes;
- Reporting or updates from the Chief Audit Executive on the audit activities of the Internal Audit Department ("IAD");
- Reporting or updates on audit and non-audit engagements of Megawide;
- Review of material Related Party Transactions; and
- Review of Quarterly and Annual Reports submitted to the Securities and Exchange Commission ("SEC").

More importantly, as mandated by its Internal Audit Charter, the ACC ensured that the IAD continuously reviewed, monitored, and evaluated the adequacy and effectiveness of the internal control systems of Megawide and its subsidiaries (collectively, the "Megawide Group"), including the Megawide Group's financial reporting and information technology security and controls.

Aside from supervising the IAD, the ACC also performed oversight functions over the Megawide Group's external auditors. The IAD made certain that both auditors were given unrestricted access to all records, properties, and personnel of the Megawide Group to enable them to objectively perform their respective audit functions, in a manner which is free from interference by other parties.

The ACC also performed the following in 2019:

- Reviewed and approved the Internal Audit Charter, as well as the 2019 Risk-Based Internal Audit Plan of the IAD for the Megawide Group;
- Supervised the audit procedures and approaches conducted by the IAD, and made certain that they were performed in accordance with the International Standards for the Professional Practice of Internal Auditing;
- Reviewed and approved all audit services provided by the Megawide Group's external auditor, Punongbayan & Araullo ("P&A"), as well as their audit fees;
- In coordination with the Chief Audit Executive, conducted special sessions with the relevant officers and employees involved in internal control and risk, to evaluate and monitor their responsiveness to the findings and recommendations of the IAD and P&A;
- Evaluated the non-audit work furnished by P&A, including the non-audit fees paid, particularly, on its impact on the total annual audit fees and consultancy expenses of the Megawide Group. As noted by the ACC, the non-audit work performed by P&A did not appear to be in conflict with their duties as external auditor, nor posed a threat to their independence.



- Reviewed and discussed with P&A the scope and methodology of their audit, the results of their examination, and the quality of their financial reports;
- Evaluated the performance, independence, and qualifications of P&A in the conduct of their audit. In this regard, the ACC received a letter from P&A confirming their independence and containing other matters that require disclosure under applicable auditing standards. Based on its review, the ACC recommended the re-appointment of P&A as the external auditor of the Megawide Group for the year 2020.
- On behalf of the ACC and before the audit was finalized, the *Chairman of the ACC*, Mr. Celso P. Vivas, (in lieu of a face-to-face meeting) had a private teleconversation meeting with P&A, through its engagement partner, Ms. Mailene Sigue-Bisnar, and her team. The said meeting was not attended by any of Megawide Group's executives or officers, as required by the rules and regulations of the SEC and the New Manual. Mr. Vivas asked P&A if there are any unresolved critical and/or material audit issues. P&A confirmed that there are no unresolved audit issues.
- After P&A presented Megawide's 2019 Consolidated Audited Financial Statements, the ACC reviewed the same and recommended its approval to the Board. Upon careful deliberation, the Board approved Megawide's 2019 Consolidated Audited Financial Statements on 26 May 2020.

For your information and guidance.

AUDIT AND COMPLIANCE COMMITTEE

By:



MR. CELSO P. VIVAS
Chairman of the ACC

Noted by:



MR. EDGAR B. SAAVEDRA
*Chairman of the Board,
Chief Executive Officer, and President*



**Statement of the Chief Audit Executive
on the Adequacy of the Internal Control System of
Megawide Construction Corporation**
For the Year Ended 31 December 2019

I, Anthony Vergel B. Velasco, as the Chief Audit Executive of Megawide Construction Corporation ("Megawide") and its subsidiaries (collectively the "Megawide Group"), hereby states that:

- With the guidance and supervision of the Audit and Compliance Committee ("ACC") of Megawide's Board of Directors ("Board"), the Internal Audit Department ("IAD") has been focused on enhancing and strengthening the internal control system of the Megawide Group by providing independent assurance and recommendations in a systematic and disciplined approach, which are designed to add value and improvements to the Megawide Group's operations.
- The Megawide Group's internal control system was created to reasonably ensure the accomplishment of its overall primary business objectives, which include: (i) producing reliable financial reports; (ii) having efficient and effective operations and programs; (iii) complying with applicable laws, including its rules, regulations, policies, and procedures; (iv) safeguarding its assets; and (v) protecting the confidentiality, availability, and integrity of information to make certain that related risks are reasonably addressed, avoided or mitigated.
- The activities of the IAD are concentrated towards ensuring that the management of the Megawide Group continuously documents and updates its procedures and systems; and establishes an internal control framework that promotes accountability and deters irregularities within the Megawide Group.
- The management of the Megawide Group and its process owners have consistently adopted the recommendations of the IAD for the improvement of their internal control systems in order to address or mitigate the existing risks and inefficiencies in their respective departments. The IAD regularly monitors and reports to the ACC its findings and the implementation of its recommendations.
- The IAD has complete independence with respect to the entities, business units, and departments in the Megawide Group that it is auditing. Further, Megawide's Board and the Megawide Group's management have not placed any limitations or restrictions on the scope of the IAD's audits. Conversely, Megawide's Board, through the ACC, and its Chief Executive Officer provide the IAD with the general direction and guidance on the scope of its work and the activities to be audited. They may also request the IAD to carry out special reviews or audits.


MR. ANTHONY VERGEL B. VELASCO
Chief Audit Executive
Date: 24 June 2020



Concurred by:



MR. CELSO P. VIVAS
Chairman of the ACC
Date: 24 June 2020



MR. EDGAR B. SAAVEDRA
Chairman of the Board,
Chief Executive Officer, and President
Date: 24 June 2020

**STATEMENT OF MANAGEMENT'S RESPONSIBILITY
FOR FINANCIAL STATEMENTS**

The management of **Megawide Construction Corp. and its subsidiaries** (the Group) is responsible for the preparation and fair presentation of the financial statements for the years ended December 31, 2019, 2018 and 2017, in accordance with the prescribed financial reporting framework indicated therein, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

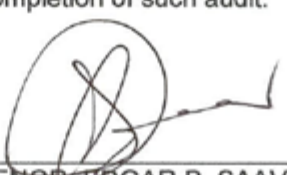
In preparing the financial statements, management is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative to do so.

The Board of Directors is responsible for overseeing the Group's financial reporting process.

The Board of Directors reviews and approves the financial statements, including the schedules attached therein, and submits the same to the stockholders.

Punongbayan and Araullo, the independent auditors appointed by the stockholders, has audited the financial statements of the Group in accordance with Philippine Standards on Auditing, and in their report to the stockholders, have expressed their opinion on the fairness of presentation upon completion of such audit.

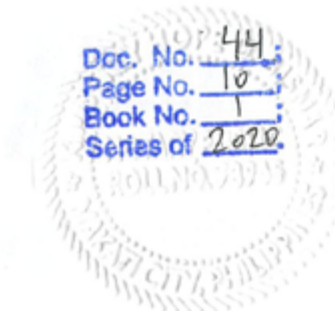

ENGR. EDGAR B. SAAVEDRA
President
195-661-064-000


ENGR. EDGAR B. SAAVEDRA
Chief Executive Officer
195-661-064-000


CHRISTOPHER NADAYAG
Deputy Chief Financial Officer
248-948-533-000

SUBSCRIBED AND SWORN TO before me this
JUN 03 2020 at MAKATI CITY affiants
exhibiting to me their valid Tax Identification Numbers stated above.

Signed this 3 day of June 2020




KIMBERLY HOPE D. BISNAR
Commission No. M-295
Notary Public for Makati City
Until December 31, 2021
6th Floor Don Pablo Building
114 Amorsolo St., Legaspi Village, Makati City
PTR No. 8126579/01.07.2020/Makati City
IBP No. 103862/01.07.2020/Makati City
Admitted to the Bar 06.20.2019
Roll No. 73945

Report of Independent Auditors

Punangbayan & Araullo
20th Floor, Tower 1
The Enterprise Center
6766 Ayala Avenue
1200 Makati City
Philippines
T +63 2 938 2288

The Board of Directors and Stockholders
Megawide Construction Corporation and Subsidiaries
(A Subsidiary of Citicore Holdings Investment, Inc.)
20 N. Domingo Street
Brgy, Valencia
Quezon City

Report on the Audit of the Consolidated Financial Statements

Opinion

We have audited the consolidated financial statements of Megawide Construction Corporation and Subsidiaries (the Group), which comprise the consolidated statements of financial position as at December 31, 2019 and 2018, and the consolidated statements of income, consolidated statements of comprehensive income, consolidated statements of changes in equity and consolidated statements of cash flows for each of the three years in the period ended December 31, 2019, and notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Group as at December 31, 2019 and 2018, and their consolidated financial performance and their consolidated cash flows for each of the three years in the period ended December 31, 2019 in accordance with Philippine Financial Reporting Standards (PFRS).

Basis for Opinion

We conducted our audits in accordance with Philippine Standards on Auditing (PSA). Our responsibilities under those standards are further described in the *Auditors' Responsibilities for the Audit of the Consolidated Financial Statements* section of our report. We are independent of the Group in accordance with the Code of Ethics for Professional Accountants in the Philippines (Code of Ethics) together with the ethical requirements that are relevant to our audits of the consolidated financial statements in the Philippines, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Certified Public Accountants
Punangbayan & Araullo (PSA) is the Philippine member firm of Grant Thornton International Ltd. (GTIL).

Offices in Cebu, Cebu, Davao
BOA/PRC Cert. of Reg. No. 0002
SEC Accreditation No. 0002-FR-5

grantthornton.com/ph

Emphasis of a Matter

We draw attention to Note 31 to the consolidated financial statements, which describes the likely negative impact of the business disruption as a result of the coronavirus outbreak to the Group's financial condition and performance after the end of the reporting period. Our opinion is not modified with respect to this matter.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

(a) Revenue and Cost Recognition on Construction Contracts

Description of the Matter

The Group's revenue from construction contracts amounting to P14,401.9 million represents 72% of its total revenues in 2019. The Group uses the percentage of completion method to determine the appropriate amount of contract revenues to be recognized for the reporting period. It uses the input method (i.e., based on the Group's efforts or inputs to the satisfaction of a performance obligation) in determining the percentage-of-completion based on the PFRS 15, *Revenue from Contracts with Customers*, which was initially adopted by the Group as of January 1, 2018.

In our view, the revenue and cost recognition of construction contracts is significant to our audit due to the materiality of the contract revenues to the total revenues of the Group, the complexity of the application of PFRS 15 in construction contracts, and the application of significant management judgment in determining when to recognize construction revenue and proper recognition of costs in estimating the stage of completion of the construction. An error in the application of the requirements of PFRS 15 and of management judgment and estimate could cause a material misstatement in the consolidated financial statements.

The Group's disclosures on the impact of the adoption of PFRS 15, new accounting policy on revenue recognition of construction contracts, and basis of significant judgment and estimates are included in Notes 2 and 3 to the consolidated financial statements. In addition, the details of construction contract revenues and costs are disclosed in Notes 21 and 22 to the consolidated financial statements, respectively.

Certified Public Accountants
Punangbayan & Araullo (PSA) is the Philippine member firm of Grant Thornton International Ltd. (GTIL).

- 3 -

How the Matter was Addressed in the Audit

Our audit procedures to address the risk of material misstatement relating to revenue and cost recognition on construction contracts, which was considered to be a significant risk, included the following:

- Testing the design and operating effectiveness of the Group's processes and controls over the recognition and measurement of contract revenues and costs;
- Evaluating the appropriateness of the Group's revenue recognition on construction contracts based on the requirements of PFRS 15 which include the following:
 - reviewing and discussing with management significant construction contracts, including contractual terms and conditions to ensure these contracts are appropriately accounted for in accordance with PFRS 15;
 - evaluating whether the methodology by which management determines the percentage of completion (i.e., input method) is appropriate and consistent with the Group's satisfaction of its performance obligation;
 - determining proper accounting for contract costs whether these are considered as incremental costs of obtaining a contract, costs to fulfil the contract or mobilization costs; and,
 - determining whether performance obligation is distinct for proper allocation of transaction price.
- Testing the schedules of contracts completed and on-going projects as of the end of the reporting period such as, but not limited to, verifying the mathematical accuracy of the schedules, agreeing beginning balances on a per project basis, recalculating ending balances based on incurred contract costs for the current period; and agreeing contract prices, on a sample basis, to construction contracts;
- Examining, on a sample basis, contract costs incurred during the period by tracing these costs to supporting documents such as bill of materials, billing invoices and receipts;
- Performing cut-off procedures to determine whether contract revenues and costs are recognized in the correct period by examining billing and supplier invoices near the end of the reporting period;
- Testing completeness of costs recognized by agreeing costs incurred during the period to the trial balance and searching for unrecorded costs by examining subsequent disbursements related to the projects;
- Comparing the percentage of completion used by the Group to the percentage of total costs incurred to date over the total estimated costs on the project and following up variances;
- Recomputing total estimated cost as the product of total contract price and cost ratio derived from the examined contracts and comparing with project cost estimate certified by the Group's engineers;

- 4 -

- Performing analytical review procedures on contract revenues and costs, prior period estimates and consistency with the developments during the current period, stage of completion, and final forecast project results based on our expectations, and following up variances from our expectations; and
- Evaluating the sufficiency and appropriateness of disclosures in the Group's consolidated financial statements in accordance with PFRS 15.

(b) Impairment Assessment of Concession Assets

Description of the Matter

The Group identified that its Concession Agreement in relation to its Mactan Cebu International Airport (MCIA) Project is within the scope of IFRIC 12, *Service Concession Arrangements*, and shall be accounted under the intangible asset model as it receives the right (license) to charge users of the public service. As of December 31, 2019, the carrying values of the concession assets amounted to P29,436.6 million. As disclosed in Note 2 to the consolidated financial statements, the concession asset is recognized initially at cost and subsequently carried at cost less any accumulated amortization and accumulated impairment losses.

Under Philippine Accounting Standards (PAS) 36, *Impairment of Assets*, the Group is required to test for impairment intangible assets with finite useful life when there is an indication that the asset maybe impaired while intangible assets not yet available for use are tested at least annually for impairment.

In our view, this matter is significant to our audit because the amount of concession assets is material to the consolidated financial statements representing 36% of the Group's consolidated total assets. In addition, management's assessment process is highly judgmental and is based on significant assumptions, specifically in determining the recoverable amount of concession assets based on the value-in-use. The assumptions used by management are generally affected by expected future market and economic conditions.

The Group's accounting policies relating to the measurement of concession assets are disclosed in Note 2 while the carrying values of the concession assets are disclosed in Note 13 to the consolidated financial statements.

How the Matter was Addressed in the Audit

Our procedures related to the impairment assessment of Concession Assets included the following:

- Understanding the Group's process in making accounting estimates and determining whether there has been or ought to have been a change from the prior period in the method, judgment and assumptions used by the Group relating to the measurement of the concession assets;
- Involving the work of firm experts in testing the appropriateness of the assumptions and methodology used in determining the value-in-use of concession assets, which include the appropriateness of the pre-tax discount rate and growth rates, and reasonableness of the cash flow projections prepared by management with the assistance of third party consultants;

- 5 -

- Evaluating the qualification and competency of the third party consultants engaged by management to determine whether the results of their work can be relied upon; and
- Assessing the appropriateness and reasonableness of the underlying data and assumptions used by the Group in the sensitivity analysis performed on the calculation to determine whether a reasonably possible change in assumptions could cause the carrying amount of the concession assets to exceed the recoverable amount.

(c) Performing Significant Portion of Audit Remotely

Description of the Matter

As disclosed in Note 31 of the financial statements, a novel strain of coronavirus (COVID-19) started to become widespread in the Philippines in early March 2020 causing the government to declare the country in a state of public health emergency followed by implementation of enhanced community quarantine (ECQ) and social distancing measures and restrictions within the Luzon area with other cities and provinces in the country enacting similar measures thereafter. The ECQ and social distancing measures implemented by the government resulted in performing a significant portion of the engagement remotely.

The change in working conditions is relevant and significant to our audits since it creates an increased risk of misstatement due to less in-person access to the Group's management and personnel, and lack of access to the physical records and original documents. Given the changes in how the audit was performed, the audit required exercising enhanced professional skepticism.

How the Matter was Addressed in the Audit

Our audit procedures to address the risk of performing the audit remotely included the following:

- Considering the nature of the engagement and the engagement team's knowledge of the entity and its environment when determining whether it is possible to perform a significant portion, if not all of the engagement remotely;
- Following the requirements of the PSA including providing proper supervision and review, even when working remotely;
- Obtaining information through electronic means, which includes sending and receiving of confirmation electronically, obtaining calculations in electronic form to check the mathematical accuracy, scanning of hard-copy items for review and using realtime inspection technology such as video and screen-sharing;
- Determining the reliability of audit evidence provided electronically using enhanced professional skepticism;
- Used video conferencing in performing inquiries on areas where such procedure is appropriate in addition to other procedures to ensure more interactive and visible discussion with management and other personnel within the entity;
- Reviewing of workpapers of component auditors remotely through screen sharing and constant communication; and
- Examining critical hard copy documents (e.g., contracts, progress billings, billing invoices, purchases invoices and official receipts) physically in response to the risk in revenues and costs, which is considered to be significant.

- 6 -

Other Information

Management is responsible for the other information. The other information comprises the information included in the Group's Securities and Exchange Commission (SEC) Form 20-IS (Definitive Information Statement), SEC Form 17-A, and Annual Report for the year ended December 31, 2019, but does not include the consolidated financial statements and our auditors' report thereon. The SEC Form 20-IS, SEC Form 17-A and Annual Report for the year ended December 31, 2019 are expected to be made available to us after the date of this auditors' report.

Our opinion on the consolidated financial statements does not cover the other information and we will not express any form of assurance conclusion thereon.

In connection with our audits of the consolidated financial statements, our responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audits, or otherwise appears to be materially misstated.

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

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

In preparing the consolidated financial statements, management is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

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

Auditors' Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with PSA will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

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

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

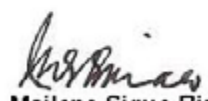
We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

The engagement partner on the audits resulting in this independent auditors' report is Ms. Mailene Sique-Bisnar.

PUNONGBAYAN & ARAULLO


By: **Mailene Sique-Bisnar**
Partner

CPA Reg. No. 0090230
TIN 120-319-120
PTR No. 8116539, January 2, 2020, Makati City
SEC Group A Accreditation
Partner - No. 0396-AR-3 (until Oct. 1, 2021)
Firm - No. 0002-FR-5 (until Mar. 26, 2021)
BIR/A/N 08-002511-20-2018 (until Jan. 25, 2021)
Firm's DOA/PRC Cert. of Reg. No. 0002 (until Jul. 24, 2021)

May 26, 2020

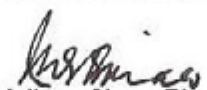
**Report of Independent Auditors
to Accompany Supplementary
Information Required by the
Securities and Exchange Commission
Filed Separately from the
Basic Consolidated Financial Statements**

Punongbayan & Araullo
20th Floor, Tower 1
The Enterprise Center
6766 Ayala Avenue
1200 Makati City
Philippines
T +63 2 988 22 88

The Board of Directors and Stockholders
Megawide Construction Corporation and Subsidiaries
(A Subsidiary of Citicore Holdings Investment, Inc.)
20 N. Domingo Street
Brgy. Valencia
Quezon City

We have audited, in accordance with Philippine Standards on Auditing, the consolidated financial statements of Megawide Construction Corporation and Subsidiaries (the Group) for the year ended December 31, 2019, on which we have rendered our report dated May 26, 2020. Our audit was made for the purpose of forming an opinion on the basic consolidated financial statements taken as a whole. The applicable supplementary information (see List of Supplementary Information) is presented for purposes of additional analysis in compliance with the requirements of the Revised Securities Regulation Code Rule 68 of the Philippine Securities and Exchange Commission, and is not a required part of the basic consolidated financial statements prepared in accordance with Philippine Financial Reporting Standards. Such supplementary information is the responsibility of management. The supplementary information has been subjected to the auditing procedures applied in the audit of the basic consolidated financial statements and, in our opinion, is fairly stated in all material respects in relation to the basic consolidated financial statements taken as a whole.

PUNONGBAYAN & ARAULLO

By: 
Mailene Sigue-Bisnar
Partner

CPA Reg. No. 0090230
TIN 120-319-128
PTR No. 8116539, January 2, 2020, Makati City
SEC Group A Accreditation
Partner - No. 0396 AR-3 (until Oct. 1, 2021)
Firm - No. 0002-FR-5 (until Mar. 26, 2021)
BIR AN 08-002511-20-2018 (until Jan. 25, 2021)
Firm's BOA/PRC Cert. of Reg. No. 0002 (until Jul. 24, 2021)

May 26, 2020

Certified Public Accountants
Punongbayan & Araullo (P&A) is the Philippine member firm of Grant Thornton International Ltd (GTIL).

Office in Cebu, Cebu, Davao
BOA/ PRC Cert of Reg. No. 0002
SEC Accreditation No. 0002-FR-5

grantthornton.com.ph

MEGAWIDE CONSTRUCTION CORPORATION AND SUBSIDIARIES
(A Subsidiary of Citicore Holdings Investment, Inc.)
CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
DECEMBER 31, 2019 AND 2018
(Amounts in Philippine Pesos)

	Notes	2019	2018
ASSETS			
CURRENT ASSETS			
Cash and cash equivalents	5	P 6,518,599,861	P 5,734,720,648
Trade and other receivables - net	6	17,373,476,547	10,212,127,250
Financial assets at fair value through profit or loss	7	-	26,290,139
Construction materials	8	1,287,127,532	865,035,029
Contract assets	9	3,975,734,097	3,060,770,976
Other current assets	12	6,310,724,077	4,891,540,884
Total Current Assets		35,465,662,114	24,790,484,926
NON-CURRENT ASSETS			
Financial assets at fair value through other comprehensive income	10	3,544,472	3,544,472
Equity advances and investments in associates and joint ventures	11	959,506,555	926,832,112
Concession assets	13	29,436,586,470	28,289,313,079
Property, plant and equipment - net	14	7,968,155,611	5,496,096,209
Investment properties - net	15	3,884,575,281	3,457,715,588
Deferred tax assets - net	26	44,298,557	-
Other non-current assets	12	3,001,997,171	2,941,723,207
Total Non-current Assets		45,298,664,117	41,115,224,667
TOTAL ASSETS		P 80,764,326,231	P 65,905,709,593

MEGAWIDE CONSTRUCTION CORPORATION AND SUBSIDIARIES
(A Subsidiary of Gicore Holdings Investment, Inc.)
CONSOLIDATED STATEMENTS OF INCOME
FOR THE YEARS ENDED DECEMBER 31, 2019, 2018 AND 2017
(Amounts in Philippine Pesos)

	Notes	2019	2018
LIABILITIES AND EQUITY			
CURRENT LIABILITIES			
Interest-bearing loans and borrowings	18	P 14,681,061,253	P 6,408,573,493
Trade and other payables	17	8,167,589,445	5,252,402,324
Contract liabilities	19	4,931,269,957	4,670,482,671
Other current liabilities	20	220,061,764	233,817,574
Total Current Liabilities		27,999,982,419	16,565,276,062
NON-CURRENT LIABILITIES			
Interest-bearing loans and borrowings	18	33,071,851,424	30,371,690,492
Post-employment defined benefit obligation - net	24	340,207,630	176,798,596
Deferred tax liabilities - net	25	612,629,956	419,677,416
Other non-current liabilities	20	741,142,106	368,165,977
Total Non-current Liabilities		34,765,831,116	31,336,332,481
Total Liabilities		62,765,813,535	47,901,608,543
EQUITY			
Equity attributable to shareholders of the Parent Company:	27		
Capital Stock		2,439,426,127	2,439,426,127
Additional paid-in capital		8,776,358,765	8,776,358,765
Revaluation reserves	(	63,383,647)	15,204,702
Other reserves	(	22,474,837)	22,474,837
Treasury shares - at cost	(	3,912,617,536)	3,454,826,462
Retained earnings		7,083,442,710	6,752,591,330
Total equity attributable to shareholders of the Parent Company		14,300,751,582	14,506,279,625
Non-controlling interests		3,697,761,114	3,497,821,425
Total Equity		17,998,512,696	18,004,101,050
TOTAL LIABILITIES AND EQUITY		P 80,764,326,231	P 65,905,709,593

See Notes to Consolidated Financial Statements.

	Notes	2019	2018	2017
REVENUES				
Construction operation revenues	21	P 15,309,069,383	P 12,688,462,210	P 16,712,638,393
Airport operations revenues		3,691,112,439	2,995,981,030	2,258,404,890
Airport merchandising revenues		326,221,179	289,894,795	148,099,539
Terminal operations revenue		555,401,827	17,653,392	-
		19,881,804,848	15,991,991,427	19,159,143,022
DIRECT COSTS				
Cost of construction operations	22	13,291,797,615	10,784,175,855	14,084,101,553
Costs of airport operations		1,536,616,861	941,829,853	500,488,526
Costs of airport merchandising operations		88,214,264	70,358,250	40,797,109
Costs of terminal operations		311,649,506	17,653,392	-
		15,228,278,246	11,814,017,350	14,625,387,188
GROSS PROFIT		4,653,526,602	4,177,974,057	4,533,755,834
OTHER OPERATING EXPENSES	23	1,810,238,313	1,279,654,500	1,207,686,899
OPERATING PROFIT		2,843,288,689	2,898,319,557	3,326,068,935
OTHER INCOME (CHARGES)				
Finance costs	25	(2,308,927,779)	(1,333,427,143)	(741,783,412)
Finance income		767,843,479	220,598,157	184,844,896
Others - net		133,833,747	601,527,749	57,727,980
		(1,408,050,553)	(511,301,237)	(499,210,536)
PROFIT BEFORE TAX		1,435,237,536	2,387,018,330	2,826,858,399
TAX EXPENSE	26	324,202,722	492,844,159	579,049,390
NET PROFIT		P 1,111,034,814	P 1,894,174,171	P 2,247,809,009
Net Profit Attributable To:				
Shareholders of the Parent Company		P 859,487,439	P 1,459,434,494	P 1,781,192,211
Non-controlling interests		251,547,375	424,739,677	466,616,798
		P 1,111,034,814	P 1,894,174,171	P 2,247,809,009
Earnings per Share				
Basic and Diluted	30	P 0.28	P 0.56	P 0.70

See Notes to Consolidated Financial Statements.

MEGAWIDE CONSTRUCTION CORPORATION AND SUBSIDIARIES
(A Subsidiary of Gineco Holdings Investment, Inc.)
CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
FOR THE YEARS ENDED DECEMBER 31, 2019, 2018 AND 2017
(Amounts in Philippine Pesos)

	Notes	2019	2018	2017
NET PROFIT		P 1,111,034,814	P 1,894,174,171	P 2,247,809,009
OTHER COMPREHENSIVE INCOME				
Items that will be reclassified subsequently to profit or loss				
Realized gain (loss) on fair value change of available-for-sale financial assets		-	(8,263,159)	70,963,642
Unrealized gain on fair value change of available-for-sale financial assets	10	-	-	8,263,159
		<u>-</u>	<u>(8,263,159)</u>	<u>79,226,801</u>
Item that will not be reclassified subsequently to profit or loss				
Remeasurements of post-employment defined benefit plan	24	(114,672,272)	40,952,085	(21,711,124)
Foreign currency translation adjustment		<u>74,535</u>	<u>-</u>	<u>-</u>
Tax income (expense)	26	<u>34,401,682</u>	<u>(12,288,626)</u>	<u>6,513,340</u>
		<u>(80,196,035)</u>	<u>28,673,459</u>	<u>(15,197,794)</u>
Other Comprehensive Income (Loss) – net of tax		(80,196,035)	20,410,300	64,029,007
TOTAL COMPREHENSIVE INCOME		P 1,030,838,779	P 1,914,584,471	P 2,311,838,016
Total Comprehensive Income Attributable To:				
Shareholders of the Parent Company		P 780,899,090	P 1,488,589,086	P 1,844,366,842
Non-controlling interests		249,939,689	425,995,385	467,471,174
		P 1,030,838,779	P 1,914,584,471	P 2,311,838,016

See Notes to Consolidated Financial Statements.

MEGAWIDE CONSTRUCTION CORPORATION AND SUBSIDIARIES
(A Subsidiary of Gineco Holdings Investment, Inc.)
CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
FOR THE YEARS ENDED DECEMBER 31, 2019, 2018 AND 2017
(Amounts in Philippine Pesos)

Note	Attributable to Shareholders of the Parent Company							Non-controlling Interests		Total
	Common Stock	Preferred Stock	Treasury Shares - at cost	Additional Paid-in Capital	Retainment Reserves	Other Reserves	Retained Earnings	Total		Total
Balance at January 1, 2019	P 2,399,426,127	P 40,000,000	(P 3,454,826,462)	P 8,776,358,765	P 15,204,702	(P 22,474,837)	P 9,752,591,330	P 14,506,279,625	P 3,497,821,425	P 18,004,101,050
Acquisition of treasury shares	-	-	(457,791,074)	-	-	-	-	(457,791,074)	-	(457,791,074)
Cash dividends	-	-	-	-	-	-	(528,636,059)	(528,636,059)	(50,000,000)	(578,636,059)
Total comprehensive income (loss) for the year	-	-	-	-	(78,588,349)	-	859,487,439	780,899,090	249,939,689	1,030,838,779
Balance at December 31, 2019	P 2,399,426,127	P 40,000,000	(P 3,912,617,536)	P 8,776,358,765	(P 63,383,647)	(P 22,474,837)	P 7,083,442,710	P 14,360,731,882	P 3,697,761,114	P 17,998,512,096
Balance at January 1, 2018	P 2,399,426,127	P 40,000,000	(P 2,627,738,885)	P 8,776,358,765	(P 3,949,890)	(P 22,474,837)	P 6,501,996,949	P 15,063,618,229	P 3,971,826,940	P 18,135,444,269
As previously reported	-	-	-	-	-	-	(681,210,811)	(681,210,811)	-	(681,210,811)
Effect of adoption of PFRS 9 and 15	-	-	(2,627,738,885)	8,776,358,765	(3,949,890)	(22,474,837)	5,320,786,136	14,382,407,416	3,971,826,940	17,454,233,456
As revised	2,399,426,127	40,000,000	(2,627,738,885)	-	-	-	-	(827,087,577)	-	(827,087,577)
Acquisition of treasury shares	-	-	(827,087,577)	-	-	-	(537,629,209)	(537,629,209)	-	(537,629,209)
Cash dividends	-	-	-	-	-	-	1,469,434,404	1,488,589,086	425,995,385	1,914,584,471
Total comprehensive income for the year	-	-	-	-	19,154,502	-	6,752,591,330	14,506,279,625	3,497,821,425	18,004,101,050
Balance at December 31, 2018	P 2,399,426,127	P 40,000,000	(P 3,454,826,462)	P 8,776,358,765	P 15,204,702	(P 22,474,837)	P 6,752,591,330	P 14,506,279,625	P 3,497,821,425	P 18,004,101,050
Balance at January 1, 2017	P 2,399,426,127	P 40,000,000	(P 2,627,738,885)	P 8,776,358,765	(P 67,124,521)	(P 22,474,837)	P 5,168,733,613	P 13,607,180,262	P 2,602,344,856	P 16,209,535,128
Cash dividends	-	-	-	-	-	-	(387,928,875)	(387,928,875)	-	(387,928,875)
Change in effective ownership	-	-	-	-	-	-	-	-	2,000,000	2,000,000
Total comprehensive income for the year	-	-	-	-	63,174,631	-	1,781,192,211	1,844,366,842	467,471,174	2,311,838,016
Balance at December 31, 2017	P 2,399,426,127	P 40,000,000	(P 2,627,738,885)	P 8,776,358,765	(P 3,949,890)	(P 22,474,837)	P 6,501,996,949	P 15,063,618,229	P 3,971,826,940	P 18,135,444,269

See Notes to Consolidated Financial Statements.

MEGAWIDE CONSTRUCTION CORPORATION AND SUBSIDIARIES
(A Subsidiary of Citicore Holdings Investment, Inc.)
CONSOLIDATED STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED DECEMBER 31, 2019, 2018 AND 2017
(Amounts in Philippine Pesos)

	Notes	2019	2018	2017
CASH FLOWS FROM OPERATING ACTIVITIES				
Profit before tax		P 1,438,237,536	P 2,387,018,330	P 2,825,858,399
Adjustments for:				
Finance costs	25	2,308,927,779	1,333,427,143	725,364,859
Depreciation and amortization	23	1,757,625,213	1,023,451,211	695,964,736
Finance income	25	(767,843,479)	(220,598,157)	(184,844,896)
Unrealized mark-to-market loss (gain) in interest rate swap	25	104,842,394	(45,218,078)	18,627,939
Equity in net gains of associates and joint venture	25	(32,674,443)	(10,209,371)	(3,606,389)
Gain on disposals of property, plant and equipment	25	(9,603,796)	(2,875,025)	(5,248,792)
Gain on bargain purchase	25	-	(307,355,622)	-
Loss on fair value change of AFS financial assets		-	8,203,815	78,487,134
Operating profit before working capital changes		1,795,511,204	4,155,833,246	4,151,902,990
Increase in trade and other receivables	(	3,727,036,936)	(221,393,350)	(1,466,007,218)
Increase in construction materials	(	422,092,803)	(287,740,960)	(125,987,367)
Decrease in costs in excess of billings on uncompleted contracts		-	1,474,818,478	919,359,170
Increase in contract assets	(	914,963,121)	(3,050,770,976)	-
Increase in other current assets	(	1,868,441,790)	(3,478,911,678)	(80,002,361)
Increase(decrease) in trade and other payables		2,766,510,754	(535,244,430)	(845,214,605)
Decrease in advances from customers		-	-	(751,482,696)
Increase in non-current assets	(	49,938,920)	(229,489,685)	(108,571,599)
Decrease in billings in excess of costs on uncompleted contracts		-	(939,417,541)	(429,140,004)
Increase in contract liabilities		2,440,922	3,978,053,088	-
Increase in other liabilities		359,220,316	223,617,847	34,427,819
Increase in post-employment defined benefit obligation		70,736,626	22,321,536	45,568,102
Cash generated from operations		1,812,946,532	1,111,685,575	1,344,852,231
Cash paid for income taxes	(	98,343,152)	(33,392,637)	(98,908,449)
Net Cash From Operating Activities		1,214,603,380	1,078,292,938	1,245,943,782
CASH FLOWS FROM INVESTING ACTIVITIES				
Acquisitions of property, plant and equipment, and computer software license	12, 14	(3,306,120,788)	(941,566,129)	(609,563,808)
Additions to concession assets	13	(1,885,869,964)	(3,051,212,015)	(5,419,552,784)
Acquisitions of investment properties	15	(470,408,696)	(1,858,851,065)	-
Interest received		308,468,924	135,625,877	134,822,533
Proceeds from sale of property, plant and equipment	14	92,128,142	30,085,388	15,043,442
Proceeds from sale of financial assets at fair value through profit or loss	7	-	3,183,191,442	1,463,570,080
Proceeds from disposal of retail treasury bond	10	-	913,306,185	921,512,866
Assets acquired from subsidiary		-	(344,149,804)	-
Acquisition of investment in joint venture	11	-	(116,648,000)	(204,000,000)
Acquisition of available-for-sale financial asset	10	-	-	(921,510,000)
Net Cash Used in Investing Activities		(5,461,802,382)	(2,070,218,121)	(4,618,877,671)
<i>Balance carried forward</i>		<i>(P 4,247,199,002)</i>	<i>(P 991,925,183)</i>	<i>(P 3,372,933,889)</i>

- 2 -

	Notes	2019	2018	2017
<i>Balance brought forward</i>		<i>(P 4,247,199,002)</i>	<i>(P 991,925,183)</i>	<i>(P 3,372,933,889)</i>
CASH FLOWS FROM FINANCING ACTIVITIES				
Proceeds from interest-bearing loans and borrowings	18	21,006,508,168	11,832,650,285	5,100,563,558
Repayment of interest-bearing loans and borrowings	18	(10,172,979,511)	(4,780,636,563)	(1,933,787,135)
Financing provided to related parties		(2,974,937,786)	(2,999,454,545)	-
Interest paid		(2,026,444,738)	(1,059,041,862)	(752,235,635)
Acquisition of treasury shares	27	(457,791,074)	(827,087,577)	-
Dividends paid	27	(338,698,201)	(537,629,300)	(387,928,875)
Net Cash From Financing Activities		5,035,656,888	1,618,800,437	2,025,711,913
EFFECT OF FOREIGN EXCHANGE RATE CHANGES ON CASH AND CASH EQUIVALENTS		(4,578,643)	(22,884,808)	11,876,022
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS		783,879,213	603,990,446	(1,334,345,954)
CASH ACQUIRED FROM SUBSIDIARY		-	199,791,025	-
CASH AND CASH EQUIVALENTS AT BEGINNING OF THE YEAR		5,734,720,648	4,930,939,177	6,265,285,131
CASH AND CASH EQUIVALENTS AT END OF YEAR		P 6,518,599,861	P 5,734,720,648	P 4,930,939,177

Supplemental Information on Non-cash Investing and Financing Activities:

- On January 1, 2019, the Group recognized additional right-of-use assets and lease liabilities amounting to P34.3 million, in relation to the adoption of PFRS 16, *Leases* (see Notes 2, 14 and 16).
- In 2019, certain computer software license were reclassified from Other Current Assets to Property, Plant and Equipment amounting to P2.3 million in relation to the construction of the new T2 building and structural design (see Notes 12 and 14).
- The Parent Company declared dividends in 2019 amounting to P528.6 million, of which P239.9 million remained unpaid as of year-end and are presented as dividends payable under Trade and Other Payables in the 2019 consolidated statement of financial position (see Note 17).
- In 2019, GMI declared dividends to its non-controlling interests amounting to P50.0 million, of which P25.0 million remained unpaid as of year-end and are presented as non-trade payable under Trade and Other Payables in the 2019 consolidated statement of financial position (see Note 17).

See Notes to Consolidated Financial Statements.

For the complete AFS, please visit:

<https://megawide.com.ph/wp-content/uploads/2020/06/Megawide-2019-Audited-Financial-Statements.pdf>

GRI CONTENT INDEX

102-55



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.

Universal Standards

GRI 101: Foundation 2016

GRI 102: General Disclosures 2016

GRI Standard		Disclosure	Page	Direct Answers/Omissions
ORGANIZATIONAL PROFILE	102-1	Name of the organization	4, 14	
	102-2	Activities, brands, products and services	16	
	102-3	Location of headquarters	4, 16, 34	
	102-4	Location of operations	16	
	102-5	Ownership and legal form	82	
	102-6	Markets served	16	
	102-7	Scale of the organisation	7, 16, 57	
	102-8	Information on employees and other workers	57, 95	
	102-9	Supply chain	42, 43	
	102-10	Significant changes to the organisation and its supply chain		There was no significant change to the organization and its supply chain.
	102-11	Precautionary principle or approach		As part of our vision of building a First-World Philippines, we seek to assess and manage risks and the impact of our business on the environment. Megawide has a Research & Development Team that is tasked with responding to new developments in engineering and construction, including standards and quality assurance. Megawide's Enterprise Risk Management includes how the company prepares for climate-related risks and their related impacts.
	102-12	External initiatives	17	
	102-13	Membership of associations	17	
STRATEGY	102-14	Strategy	24	
ETHICS AND INTEGRITY	102-16	Ethics and integrity	17	

102-55

GRI Standard		Disclosure	Page	Direct Answers/Omissions
GOVERNANCE	102-18	Governance structure	84	
	102-40	List of stakeholder groups	21	
STAKEHOLDER ENGAGEMENT	102-41	Collective bargaining agreements	62	
	102-42	Identifying and selecting stakeholders	21	
	102-43	Approach to stakeholder engagement	21	
	102-44	Key topics and concerns raised	21	
	102-45	Entities included in the consolidated financial statements		This ASR reports on the operations of the following strategic business units (SBUs): 1. MCC A. EPC - Located in Megawide Head Office - Located at 11 Featured Project Sites - The Corner House, San Juan City - One Fintech Tower, Parañaque City - Eight Sunset Boulevard, Parañaque City - Empire East Skymall, Cainta, Rizal - Gentry Manor, Parañaque City - Golden Bay Tower Aspire, Pasay City - International Finance Tower, Taguig City - Mandani Bay Quay, Mandaue City, Cebu - The Hive, Taytay, Rizal - Urban Deca Ortigas, Pasig City - Worldwide Plaza, Taguig City B. HoldCo C. BU 2. MWM Terminals Inc. 3. GMCAC 4. Megawide Foundation (Megawide Foundation data are covered in HoldCo reported under MCC disclosures)
REPORTING PRACTICE	102-46	Defining report content and topic Boundaries	4, 22	
	102-47	List of material topics	22	
	102-48	Restatements of information		This is the first time that Megawide is coming out with a combined Annual and Sustainability Report (ASR).
	102-49	Changes in reporting		This is the first time that Megawide is coming out with a combined Annual and Sustainability Report (ASR).
	102-50	Reporting period	4	
	102-51	Date of most recent report	4	
	102-52	Reporting cycle	4	
	102-53	Contact point for questions regarding the report	4	
	102-54	Claims of reporting in accordance with the GRI Standards	4	
	102-55	GRI content index	146-152	
	102-56	External assurance		This report did not undergo external assurance.

Topic-Specific Standards

GRI 200: Economic Standards Series 2016

GRI Standard		Disclosure	Page	Direct Answers/Omissions
GRI 103: MANAGEMENT APPROACH 2016	103-1	Explanation of the material topic and its boundary	20, 40, 78	
	103-2	The management approach and its components	20, 40, 66	
	103-3	Evaluation of the management approach	40, 66	
GRI 201: ECONOMIC PERFORMANCE 2016	201-1	Direct economic value generated and distributed	7	
GRI 103: MANAGEMENT APPROACH 2016	103-1	Explanation of the material topic and its boundary	36-37, 39, 71	
	103-2	The management approach and its components	36-37, 39, 71	
	103-3	Evaluation of the management approach	36-37, 39	
GRI 203: INDIRECT ECONOMIC IMPACTS (2016)	203-1	Infrastructure investments and services supported	38, 41, 73	
	203-2	Significant indirect economic impacts	12, 20, 68, 69, 72, 73	
GRI 103: MANAGEMENT APPROACH 2016	103-1	Explanation of the material topic and its boundary	40	
	103-2	The management approach and its components	40, 41	
	103-3	Evaluation of the management approach	40	
GRI 204: PROCUREMENT PRACTICES 2016	204-1	Proportion of spending on local suppliers	42	
GRI 103: MANAGEMENT APPROACH 2016	103-1	Explanation of the material topic and its boundary	79	
	103-2	The management approach and its components	79-80	
	103-3	Evaluation of the management approach	80	
GRI 205: ANTI-CORRUPTION 2016	205-2	Communication and training about anti-corruption policies and procedures	82	
	205-3	Confirmed incidents of corruption and actions taken	82	

GRI 300: Environmental Standards Series 2016

GRI 103: MANAGEMENT APPROACH 2016	103-1	Explanation of the material topic and its boundary	45, 48, 49, 50, 52, 53-55	
	103-2	The management approach and its components	45, 46, 47, 48, 49, 51, 53-55	
	103-3	Evaluation of the management approach	45-48, 50, 51, 53, 54, 64, 69	
GRI 301: MATERIALS 2016	301-1	Materials used by weight or volume	44	
GRI 103: MANAGEMENT APPROACH 2016	103-1	Explanation of the material topic and its boundary	46-47	
	103-2	The management approach and its components	46-47	
	103-3	Evaluation of the management approach	46	
GRI 302: ENERGY 2016	302-1	Energy consumption within the organization	48, 89	
	302-3	Energy intensity	89	

GRI Standard		Disclosure	Page	Direct Answers/Omissions
GRI 103: MANAGEMENT APPROACH 2016	103-1	Explanation of the material topic and its boundary	50, 51	
	103-2	The management approach and its components	51	
	103-3	Evaluation of the management approach	51	
GRI 303: WATER 2016	303-1	Water withdrawal by source	93	
	303-3	Water recycled and reused	48, 89	
GRI 304: BIODIVERSITY 2016	304-1	Operational sites owned, leased, managed in, or adjacent to protected areas and areas of high biodiversity value outside protected areas		All Megawide properties have completed construction and are operational as of the reporting year. For construction activities, all locations are identified to have no adjacent ecosystem and biodiversity hence, not significant to said operations.
GRI 103: MANAGEMENT APPROACH 2016	103-1	Explanation of the material topic and its boundary	48	
	103-2	The management approach and its components	48, 49	
	103-3	Evaluation of the management approach	48, 49	
GRI 305: EMISSIONS 2016	305-1	Direct (Scope 1) GHG emissions	50, 91	
	305-2	Energy indirect (Scope 2) GHG emissions	50, 92	
	305-7	Nitrogen oxides (NOx), sulfur oxides (Ox), and other significant air emissions	50, 93	
GRI 103: MANAGEMENT APPROACH 2016	103-1	Explanation of the material topic and its boundary	43	
	103-2	The management approach and its components	44, 45	
	103-3	Evaluation of the management approach	44, 45	
GRI 306: EFFLUENTS AND WASTE 2016	306-1	Water discharge by quality and destination	54	
	306-2	Waste by type and disposal method	45, 46, 88	
	306-4	Transport of hazardous waste	46	
GRI 103: MANAGEMENT APPROACH 2016	103-1	Explanation of the material topic and its boundary	53	
	103-2	The management approach and its components	53	
	103-3	Evaluation of the management approach	53	
GRI 307: ENVIRONMENTAL COMPLIANCE 2016	307-1	Non-compliance with environmental laws and regulations	55	

GRI Standard		Disclosure	Page	Direct Answers/Omissions
GRI 308: SUPPLIER ENVIRONMENTAL ASSESSMENT 2016	308-1	New suppliers that were screened using environmental criteria		In the reporting year, the SBUs have no environmental and social criteria for the accreditation of suppliers. Their respective Procurement departments select suppliers based on the legitimacy of their operations through requirements such as business registration and other governmental licenses and permits. Because of this, EPC and GMCAC consider digging deeper to assure the individual responsibilities of their suppliers to the environment and society. Hence, the procurement policy will be further reviewed to incorporate provisions for environmental criteria
GRI 400: Social Standards Series 2016				
GRI 103: MANAGEMENT APPROACH 2016	103-1	Explanation of the material topic and its boundary	20, 56, 62, 64, 65, 68	
	103-2	The management approach and its components	20, 62, 64, 65, 66, 71, 72	
	103-3	Evaluation of the management approach	66, 71	
GRI 401: EMPLOYMENT 2016	401-1	New employee hires and employee turnover	62, 105	
	401-2	Benefits provided to full-time employees that are not provided to temporary or part-time employees	62, 63, 106	
	401-3	Parental leave	62, 106	
GRI 103: MANAGEMENT APPROACH 2016	103-1	Explanation of the material topic and its boundary	60	
	103-2	The management approach and its components	60	
	103-3	Evaluation of the management approach	60	
GRI 402: LABOR/MANAGEMENT RELATIONS 2016	402-1	Minimum notice periods regarding operational changes	62	
GRI 103: MANAGEMENT APPROACH 2016	103-1	Explanation of the material topic and its boundary	61, 62	
	103-2	The management approach and its components	61, 62	
	103-3	Evaluation of the management approach	63	
GRI 403: OCCUPATIONAL HEALTH AND SAFETY 2016	403-2	Types of injury and rates of injury, occupational diseases, lost days, an absenteeism, and number of work-related fatalities	66, 120	
GRI 404: TRAINING AND EDUCATION 2016	404-1	Average hours of training per year per employee	64, 111	
	404-2	Programs for upgrading employee skills and transition assistance programs	64, 117	
	404-3	Percentage of employees receiving regular performance and career development reviews	65, 118	
GRI 103: MANAGEMENT APPROACH 2016	103-1	Explanation of the material topic and its boundary	62, 101-107	
	103-2	The management approach and its components	61, 101-107	
	103-3	Evaluation of the management approach	63, 108-109	

GRI Standard		Disclosure	Page	Direct Answers/Omissions
GRI 405: DIVERSITY AND EQUAL OPPORTUNITY 2016	405-1	Diversity of governance bodies and employees	65, 95	
	405-2	Ratio of basic salary and remuneration of women to men	63	
GRI 408: CHILD LABOR 2016	408-1	Operations and suppliers at significant risk for incidents of child labor		Megawide has no risk of violating child labor laws. Our HR Department ensures that all officers and employees are of legal age. Megwide's contracts with suppliers and contractors require that parties to the contracts should be compliant with all applicable laws, rules, and regulations, including child labor.
GRI 409: FORCED OR COMPULSORY LABOR 2016	409-1	Operations and suppliers at significant risk for incidents of forced or compulsory labor		Megawide has no significant risks for forced or compulsory labor. We apply the best practices in employment and talent retention and ensure that all officers and employees of Megawide are not forced, harassed, or intimidated into doing or accepting work against their will. Megawide also takes measures to ensure that we face no risk of forced/compulsory labor in our dealings with contractors and suppliers.
GRI 411: RIGHTS OF INDIGENOUS PEOPLES 2016	411-1	Incidents of violations involving rights of indigenous peoples		There were no violations involving the rights of indigenous peoples (IPs) in 2019. Megawide construction activities are located in areas that are not considered ancestral lands, territories, or natural resources of IPs. Moreover, Megawide's inclusive hiring process has made space for nine members of the IP community to be employed in our Company.
GRI 412: HUMAN RIGHTS ASSESSMENT 2016	412-2	Employee training on human rights policies or procedures		For the reporting year, Megawide did not conduct any human rights trainings. However, there were no cases filed against Megawide regarding any non-compliance to labor laws or human rights violations. Megawide's policy is to maintain a non-discriminatory environment, and a harassment-free and violence-free workplace. The various BUs also consider human rights concerns in their accreditation of suppliers.
GRI 103: MANAGEMENT APPROACH 2016	103-1	Explanation of the material topic and its boundary	57, 59, 66	
	103-2	The management approach and its components	57, 59, 66	
	103-3	Evaluation of the management approach	67	
GRI 413: LOCAL COMMUNITIES 2016	413-1	Operations with local community engagement, impact assessments, and development programs	59, 61, 68, 69	

GRI Standard	Disclosure		Page	Direct Answers/Omissions
GRI 414: SUPPLIER SOCIAL ASSESSMENT 2016	414-1	New suppliers that were screened using social criteria		In the reporting year, the SBUs have no environmental and social criteria for the accreditation of suppliers. Their respective Procurement departments select suppliers based on the legitimacy of their operations through requirements such as business registration and other governmental licenses and permits. Because of this, EPC and GMCAC consider digging deeper to assure the individual responsibilities of their suppliers to the environment and society. Hence, the procurement policy will be further reviewed to incorporate provisions for social criteria.
GRI 416: CUSTOMER HEALTH AND SAFETY 2016	416-2	Incidents of non-compliance concerning the health and safety impacts of products and services		In 2019, there were zero substantiated complaints on product or service health and safety. Substantiated complaints include complaints from customers that went through the organization's formal communication channels and grievance mechanisms as well as complaints that were lodged to and acted upon by government agencies.
GRI 417: MARKETING AND LABELING 2016	417-2	Incidents of non-compliance concerning product and service information and labeling		In 2019, there were zero substantiated complaints concerning product and service information and labeling. Megawide did not incur any fines or sanctions for any incidents of non-compliance.
GRI 103: MANAGEMENT APPROACH 2016	103-1	Explanation of the material topic and its boundary	69	
	103-2	The management approach and its components	69, 70	
	103-3	Evaluation of the management approach	69, 70	
GRI 418: CUSTOMER PRIVACY 2016	418-1	Substantiated complaints concerning breaches of customer privacy and loss of customer data	71, 123	
GRI 419: SOCIOECONOMIC COMPLIANCE 2016	419-1	Non-compliance with laws and regulations in the social and economic arena		As of the reporting year, Megawide has no penalties/zero fines for any non-compliance of socio-economic regulations.

MEGAWIDE ANNUAL & SUSTAINABILITY REPORT 2019

The 2019 Megawide Annual and Sustainability Report was made possible through the cooperation between the following teams from HoldCo:

- Corporate Affairs and Branding
- Facilities Management
- Finance
- Human Resources
- Information Technology
- Investor Relations
- Legal
- Megawide Foundation
- Security
- Total Quality Management

We would also like to thank everyone from the different operating units who provided the data and extended their assistance:

- EPC
- Business Units
- GMCAC

Corporate Office
10th Floor, Rockwell Santolan Town Plaza
276 Col. Bonny Serrano Ave.,
San Juan 1500 Metro Manila
Philippines
(+632) 8655 1111 loc 400

Head Office:
20 N. Domingo St., Brgy. Valencia,
Quezon City 1112
Philippines
(+632) 8655 1111

Common Stock
The Company's common stock (MWIDE) is listed and traded in the Philippine Stock Exchange

Shareholder Services and Assistance
Banco de Oro Unibank, Inc. - Trust and Investments Group serves as the Company's stock transfer agent registrar.

For matters concerning dividend payments, account status, lost or damaged stock certificates, or change of address, please write or call:

BDO UNIBANK, INC. - Trust and Investments Group
15th Floor South Tower, BDO Corporate Center,
7899 Makati Avenue, Makati City 0726

Tel. (+632) 88784963; 88784053
Fax (+632) 88784056
Email address: bdo-stock-transfer@bdo.com.ph

For inquiries or concerns from analysts, institutional investors, the financial community, customers, and the general public, please contact:

Investor Relations
(+632) 8655 1111
ir@megawide.com.ph
www.megawide.com.ph

Report Writing, Design, and Layout by **Drink Sustainability Communications**

Data Gathering, Materiality, Stakeholder Engagement by **GCSS**

