



# CONTENTS

## 2018 SUSTAINABILITY REPORT

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### The Report 102-48, 102-49, 102-54

2GO Group seals its commitment to sustainability by publishing its maiden Sustainability Report covering the period of January-December 2018. This report highlights the economic, environmental and social performance of the company. It is also a testament of the company's commitment to the United Nations Sustainable Development Goals (SDGs), the principles of the United Nations Global Compact (UNGC), the Greenhouse Gas Protocol (GHG Protocol) and the International Maritime Organization (IMO) Marine Environment Protection Committee (MEPC) Strategy on the reduction of GHG emissions from ships.

This report has been prepared in accordance with the GRI Standards: Core option. It has completed the GRI Materiality Disclosures Service which confirms that disclosures 102-40 to 102-49 of the GRI 102: General Disclosures 2016, were correctly located in both the GRI Content Index and in the pages of this report. The scope of this report highlights the company's sustainability framework, materiality and approach, its economic contribution through the movement of goods and services, its sustainable logistics system, its human resource management approach and its corporate social responsibility impact.



# VISION

To be the preferred end-to-end supply chain, go-to-market and sea travel company in the Philippines.



# MISSION

To create value for our customers by helping to grow their businesses through integrated and scalable supply chain and retail solutions.

To provide fun-filled, comfortable and safe sea travel throughout the Philippines.

To offer rewarding work and opportunities for our employees.

To deliver competitive returns to our partners and shareholders.

To be a responsible corporate citizen who looks after the environment while winning in business.

# CORE VALUES

## CUSTOMER FIRST

We develop deep and strong relationships that make a positive difference in our customers' and stakeholders' lives.

## QUALITY AND EXCELLENCE

We provide the highest standards for products and delightful service that together deliver premium value to our customers.

## GOOD CORPORATE CITIZENSHIP

We are good citizens in our communities and we look after the environment.

## HONESTY AND INTEGRITY

We uphold the highest standards of honesty and integrity in all our actions.

## ACCOUNTABILITY

We hold ourselves accountable in all our dealings and transactions. We do this by delivering on our commitments.

## TEAMWORK AND COLLABORATION

We enjoy working together in order to meet the needs of our customers and to help the company win.

## RESPECT FOR PEOPLE

We care for our people, encourage their development and reward their performance.

## INNOVATION

We constantly adapt to the changing needs of our customers and continuously innovate the way we work.

# ABOUT 2GO

Tracing its lineage to two of the oldest companies in Philippine inter-island shipping, the 2GO Group relies on over 150 years of shipping and logistics experience to operate the largest integrated supply chain enterprise in the country. To effectively manage its nationwide presence, 2GO organizes its business into three primary segments: shipping, logistics and distribution.

From the moment our customers initiate transactions to move products into, out of and across the country, 2GO Logistics is there for them. 2GO can handle import and export, freight forwarding, customs release, domestic freight and general cargo requirements as well as provide multi-temperature warehousing. With 2GO Express, 2GO is able to service courier needs and e-commerce and other door-to-door requirements.

For its clients, 2GO offers the services of ScanAsia, a recognized importer and go-to-market distributor of various products in the Philippine market, representing over 40 renowned international brands. ScanAsia has an extensive distribution network that caters to all key cities nationwide, serving more than three thousand retail outlets and institutions.

Under 2GO Shipping, 2GO is able to provide containerized cargo services for dry and perishable goods. With 23 ports of call, 2GO Shipping corners 95% of passenger traffic from Metro Manila.

Taken together, these businesses make 2GO the leading end-to-end and scalable logistics solutions provider in the country. With the anticipated growth of the Philippine economy, 2GO is challenged to balance its expansion plans with its commitment to mitigate any negative effects its business may have on the environment. This report describes 2GO's journey in addressing the sustainable development concerns on these fronts.

## ECONOMIC VALUE TABLE

Figures in PHP millions

2GO and Subsidiaries	2017	2018
Economic Value Generated	21,551.5	21,990.1
Economic Value Distributed	15,034.3	16,362.6
Payments to Suppliers	12,713.9	14,352.9
Employee Wages and Benefits	1,682.1	1,578.1
Payments to Providers of Capital	390.1	321.8
Payments to Government	248.1	108.2
Community Investments	0.1	1.6
Economic Value Retained	6,517.2	5,627.6

Ownership  
**100%**  
Shipping  
Logistics  
Distribution

**26**  
trailer trucks

**53**  
warehouses

**321,850**  
TEUs served  
and delivered

**8**  
freighters

**80,154**  
pallet  
positions

**13.2M**  
2GO Express  
transactions  
processed  
in 2018

**1,351**  
motorcycle  
couriers

**11**  
fast craft  
vessels

**144,558**  
sqm. total  
warehouse  
space

**88**  
tractors

**5.4M**  
e-commerce  
transactions

**PHP22.0bn**  
total revenue in 2018

Contribution to 2GO's income

**42%**  
Shipping

**30%**  
Logistics

**28%**  
Distribution

**194**  
company-owned  
trucks

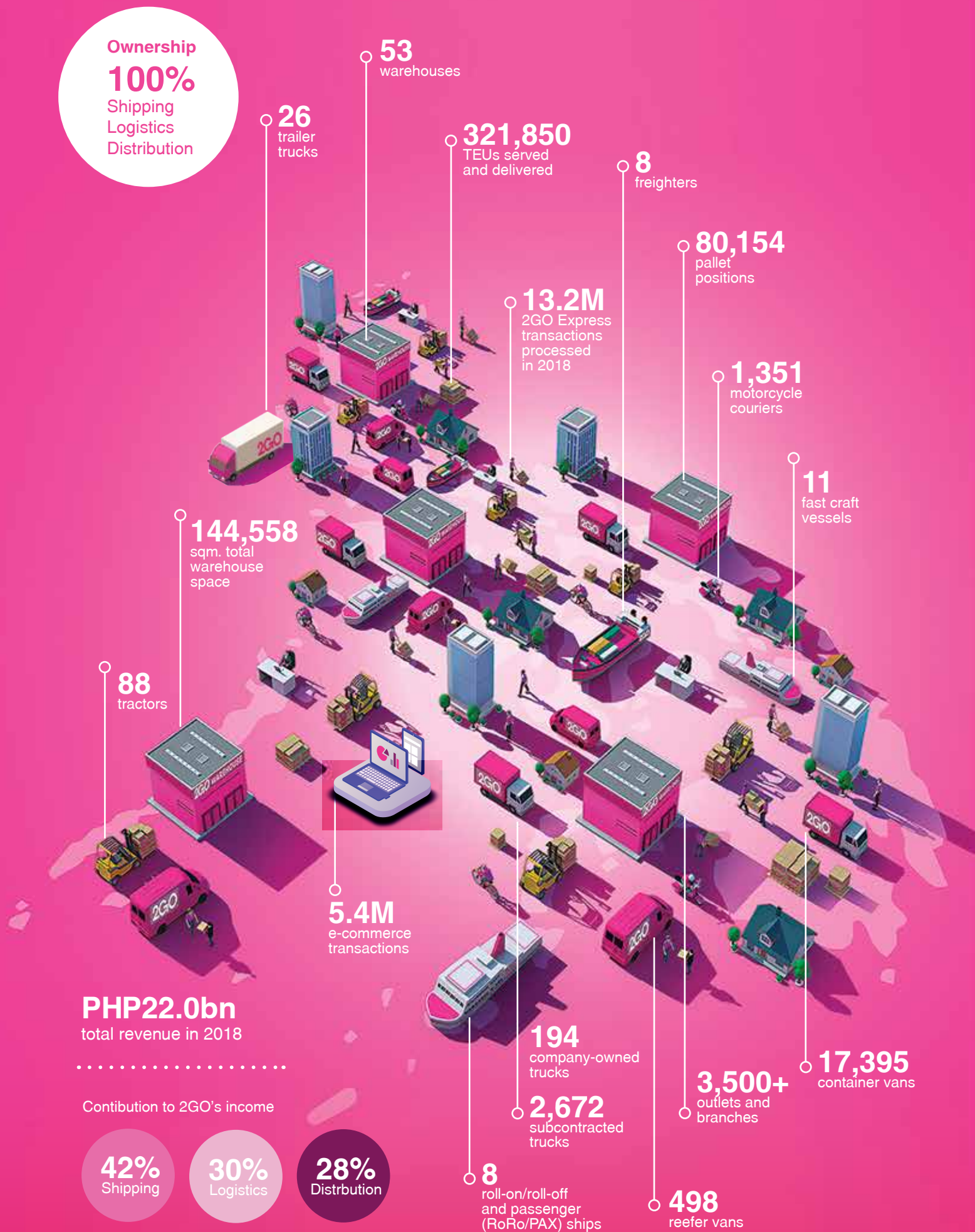
**2,672**  
subcontracted  
trucks

**8**  
roll-on/roll-off  
and passenger  
(RoRo/PAX) ships

**3,500+**  
outlets and  
branches

**17,395**  
container vans

**498**  
reefer vans








## MESSAGE OF THE PRESIDENT

# PASSION TO DRIVE CHANGE

While we recognize that implementing global sustainability standards in our operations is an on-going process, we have taken the initial steps to create a comprehensive roadmap.

  
**Frederic DyBuncio**  
President/CEO

## To Our Valued Stakeholders:

There has been a growing need for transportation systems to provide the efficient movement of goods and people in the Philippines in recent years. We expect this need to continue to grow, driven by both local and regional factors.

The Philippines' central location in the Indo-Pacific region means increased trade relations and need for logistics and warehousing. Both import and export volumes and value are expected to increase over time, driven by demand in the manufacturing, retail and agriculture sectors in particular.

Locally, road freight forwarding grows steadily as economic expansion occurs across the various provinces of the Philippines. Door-to-door delivery services and a nascent e-commerce sector also drive demand and present opportunities for growth.

At 2GO, we are the largest local logistics company with a full range of end-to-end assets and customer solutions. Our unique position and strong partners mean we will continue to help lead the development of the sector and find opportunities to serve new customers across the country.

As we do so, we intend to stay true to our strong foundations and to the plan put in place last year to capitalize on our strengths. As a part of this, we integrate sustainability in our operations and expansion plans as we hold ourselves accountable to conduct our business ethically and create shared value for all our stakeholders.

To this end, we focus on our end-to-end operational resilience and how we will meet the evolving needs of our stakeholders in our changing market. We need to ensure that it is economically viable while also focused on promoting social development and mitigating any negative effects our business have to the environment.

While we recognize that implementing global sustainability standards in our operations is an on-going process, we have taken the initial steps to create a comprehensive roadmap. There are three key aspects to this.

**First, as group, we identified the material issues relevant to our business.** These include customer rights and services, security and safety, product delivery and accessibility, employee development and welfare, community relations and development, compliance, environmentally friendly value chain and economic impacts. We have engaged our stakeholders through surveys and informal dialogues to have a thorough appreciation of what concerns them the most.

**Second, we examined our opportunities through the lens of risk management and business continuity.** We are dutifully scrutinizing our processes and systems to better deliver quality end-to-end service for our customers and business partners and benchmark ourselves against global standards. In this area, we see both the hard and soft components that serve as enablers of business performance: assets, technology and an engaged and capable workforce.

**Third, we are embedding sustainability targets into our integrated management system and appraisals.** This will allow us to monitor and measure our performance against our commitments within the company and gradually cascade the same commitments downstream to our third party providers.

While we recognize that global sustainability standards continue to evolve, we aligned our efforts to the United Nations Sustainable Development Goals (SDGs) and the principles of the United Nations Global Compact (UNGC). Moreover, as a testament of our commitment, I am pleased to share with you our maiden Sustainability Report which is in accordance with the GRI Standards. It serves as a baseline from which we shall monitor our performance and impact moving forward.

With a bullish forecast on global logistics market, the Philippines is poised to benefit from the optimistic prospects. As one of the largest logistics companies in the country, we are determined to do our part in protecting the value of our current market share and creating opportunities to strengthen our competitiveness in the global market. We achieve this while protecting the environment and promoting socio-economic development wherever we operate.

## IN SUPPORT OF THE

## Sustainable Development Goals



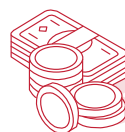
Target 1.1: By 2030, eradicate extreme poverty for all people everywhere, currently measured as people living on less than US\$1.25 a day

**PHP108mn**

taxes paid in 2018

Target 1.2: By 2030, reduce at least by half the proportion of men, women, and children of all ages living in poverty in all its dimensions according to national definitions

**15%**  
higher average  
entry level wage  
than mandated  
minimum wage



Target 4.3: By 2030, ensure equal access for all women and men to affordable and quality technical, vocational and tertiary education, including university

**1.3M**  
student visitors  
of the Traveling  
Science Centrum  
to date

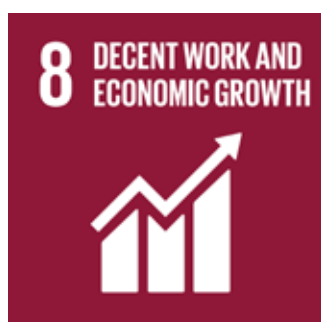


Target 5.1: End all forms of discrimination against all women and girls everywhere

**37%** of 2GO's workforce  
are women

Target 5.5: Ensure women's full and effective participation and equal opportunities for leadership at all levels of decision-making in political, economic and public life

**41%**  
leadership roles  
held by women



Target 8.1: Sustain per capita economic growth in accordance with national circumstances and, in particular, at least 7% gross domestic product growth per annum in the least developed countries

**5,344**

indirect jobs supported  
through 2GO's third  
party logistics





Target 12.6: Encourage companies, especially large and transnational companies, to adopt sustainable practices and to integrate sustainability information into their reporting cycle

Publication of 2GO's 2018 Sustainability Report in accordance with the GRI Standards



Target 15.2: By 2020, promote the implementation of sustainable management of all types of forests, halt deforestation, restore degraded forests and substantially increase afforestation and reforestation globally

More than  
**950**  
tree saplings  
planted



Target 16.6: Develop effective, accountable and transparent institutions at all levels

Promoting  
good corporate  
governance



Target 17.14: Enhance policy coherence for sustainable development

Participant at the  
GRI Sustainability Summit

# SUSTAINABILITY IS THE WAY2GO

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At 2GO, we integrate sustainability in the way we do business.

## **Product**

We help build businesses and facilitate economic activity through our integrated end-to-end supply chain solutions.

## **Performance**

We deliver sustained economic value for all our stakeholders and meet the ever-evolving needs of our customers.

## **Partnership**

We help improve access to goods and services by providing business solutions to partners and upholding inclusive supply chain practices.

## **People**

We value the contribution of our people and look after their welfare by promoting employee wellness, supporting proper working conditions and upholding occupational health and safety.

We optimize our core competency to provide humanitarian assistance in times of calamities and help our host communities develop resilience through social development initiatives in education, health and safety and climate action.

## **Planet**

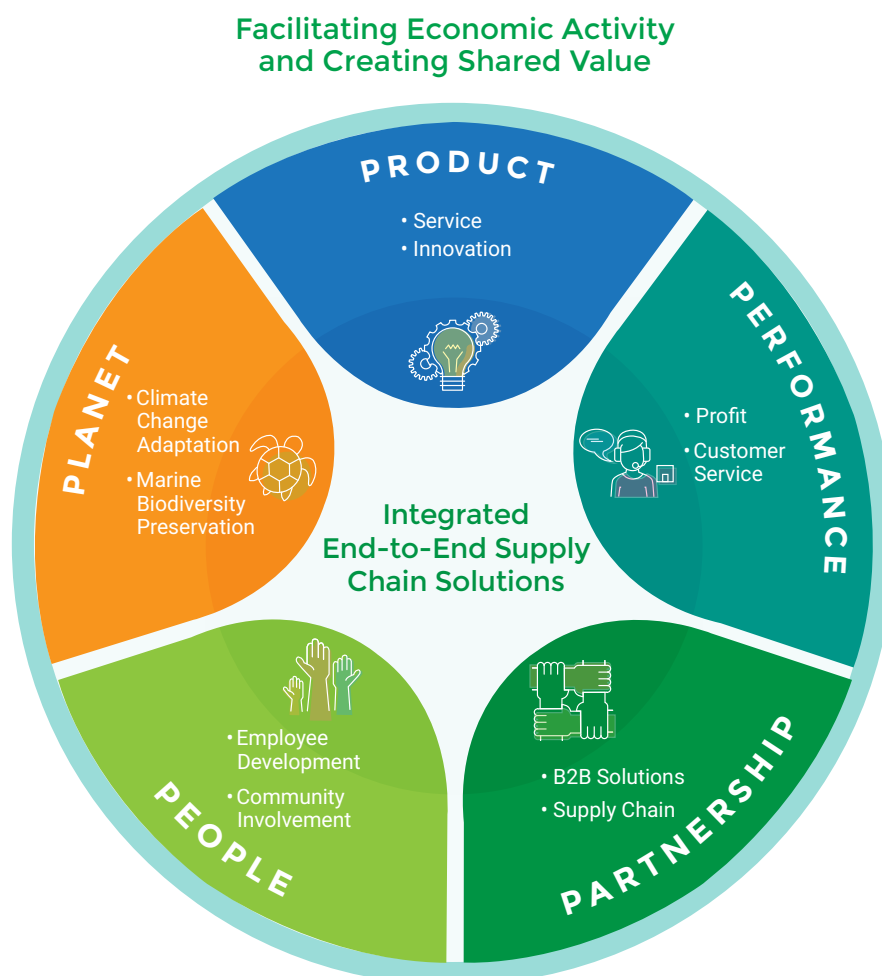
We employ technologies and implement programs to manage the effects of climate change and to mitigate our long-term impact on the environment.





## Sustainability Framework

The 2GO sustainability framework serves as the backbone of our services - improving economic value generated for the industry, economic value distributed to key stakeholders and economic value retained for the company. We achieve this while creating shared value to our stakeholders and mitigating our environmental impact.



## Our Reporting Process









102-46

Steps Taken	Capacity Building	Materiality Assessment	Data Gathering	Management Review
	GRI Standards training and workshops	Review of operations and management approaches, identification of key impacts across the value chain and performance indicators	Collection of stories and data based on identified material topics	Validation and acceptance of material topics and reported information
GRI Reporting Principles Applied	Stakeholder Inclusiveness and Sustainability Context	Materiality, Sustainability Context, Stakeholder Inclusiveness and Completeness	Stakeholder Inclusiveness and Completeness	Stakeholder Inclusiveness and Completeness



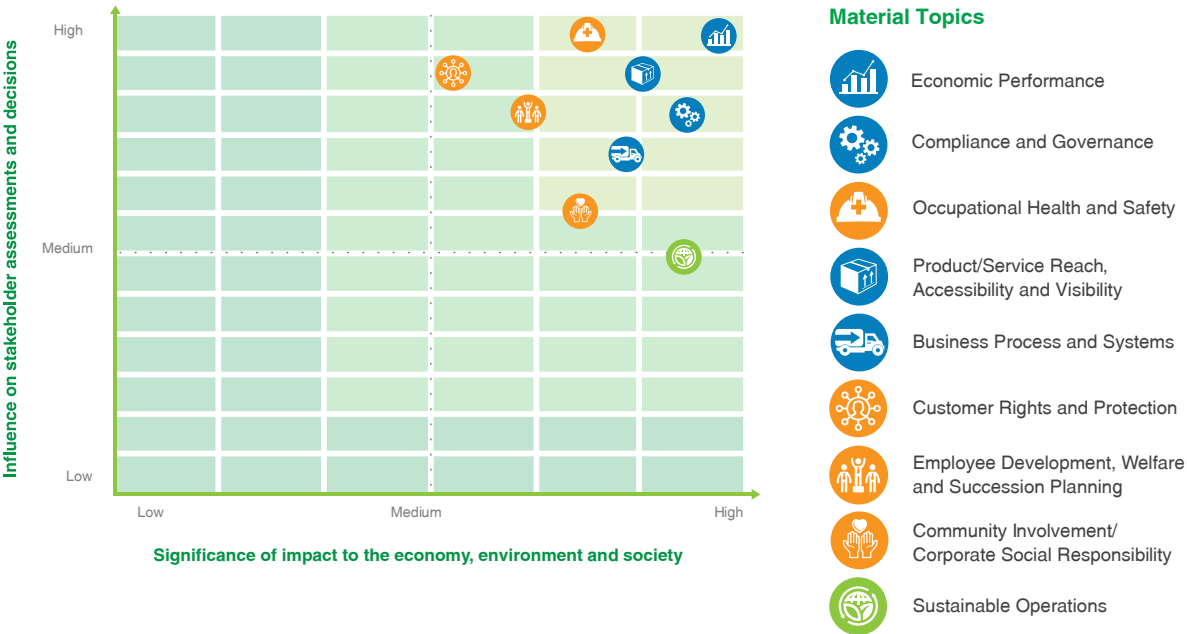
## Our Commitment to the Principles of the United Nations Global Compact

As a company we support:

 United Nations Global Compact						
Principle 1, 2 & 3	Principle 4 & 5	Principle 6	Principle 7	Principle 8	Principle 9	Principle 10
						
The responsibility to protect the dignity of every person and uphold labor rights and human rights	The elimination of all forms of forced and compulsory labor and child labor	The recognition of the role of women in achieving economic growth and poverty reduction	The adoption of instruments that help quantify, manage and report the carbon footprints of its businesses	Access to clean, renewable energy sources and services	Climate-friendly solutions and opportunities for business	Corporate governance






## Materiality

In preparing our maiden report, we identified the aspects of our business that have the greatest impact on our corporate objectives and our stakeholders' interests. As part of the full business review, we engaged our senior management in multiple dialogues to assess the most critical components vital in achieving the company's sustainability. To formally gather feedback from various stakeholder groups, we developed an automated stakeholder survey to supplement our stakeholders dialogues. This equipped us with a deeper understanding of the issues that have the greatest impact on each specific stakeholder group.










## Material Topics, Boundaries, Definition and Relevance

102-46, 102-47

Alignment to 2GO Framework	Topics	Boundaries	Definition and Relevance
<b>Product</b> 	Product/Service Reach, Accessibility and Visibility	Within 2GO and with customers	How the Company makes its products and services accessible and affordable to its customers
	Customer Rights and Protection	Within 2GO and with customers	How the Company protects the rights of its customers by making sure that they have adequate measures in place for their safe and secure passage, protects the privacy of their data and takes concrete steps to comply with their standards and agreements
<b>Performance</b> 	Economic Performance	Within 2GO	How the Company delivers value to its shareholders, facilitates movement of people, creates opportunities in the areas we operate it, contributes to the economic growth of the country and serves as a backbone of Philippine commerce
	Business Process and Systems	Within 2GO	How the Company uses technology for seamless and efficient service and pursues continuous improvement strategies
<b>Partnership</b> 	Compliance and Governance	Within 2GO and with regulators	How the Company ensure compliance to all applicable government regulations
<b>People</b> 	Employee Development, Welfare and Succession Planning	Within 2GO	How the Company recruits, develops and retains talent; recognizes the achievement and contribution of its employees; promotes their well-being and provides long-term professional development
	Occupational Health and Safety	Within 2GO	How the Company promotes the health and well-being of its employees and provides a safe working environment with adequate benefits and insurance safety nets
	Community Involvement/ Corporate Social Responsibility	Within 2GO and with host communities	How the Company contributes to community development and provides opportunities for its employees to give back to the communities in the areas they work in
<b>Planet</b> 	Sustainable Operations	Within 2GO	How the Company efficiently utilizes resources to minimize the withdrawal from natural sources and designs its infrastructure and business models to mitigate irreversible harm to the environment

## Stakeholder Engagement

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

Stakeholder Group	Relevance	Channels of Engagement	Relevant Topics	Our Commitment
<b>Employees</b> 	Proponent of 2GO's vision, mission and objectives	<ul style="list-style-type: none"> <li>• Face-to-face discussions</li> <li>• Annual Performance Appraisal</li> </ul>	<ul style="list-style-type: none"> <li>• Employee Development, Welfare and Succession Planning</li> <li>• Occupational Health and Safety</li> </ul>	<ul style="list-style-type: none"> <li>• Internal and external training opportunities</li> <li>• Adequate health and work benefits</li> </ul>
<b>Investors</b> 	Providers of resources essential to 2GO's goal to deliver results, enhanced economic returns and shared value	<ul style="list-style-type: none"> <li>• Annual Stockholders' Meeting</li> <li>• Investor presentations</li> </ul>	<ul style="list-style-type: none"> <li>• Economic Performance</li> <li>• Compliance and Governance</li> </ul>	<ul style="list-style-type: none"> <li>• Transparent and timely disclosures</li> </ul>
<b>Business partners or suppliers</b> 	Suppliers and service providers vital to 2GO	<ul style="list-style-type: none"> <li>• Vendor accreditation</li> <li>• Regular correspondences through email, phone, etc.</li> </ul>	<ul style="list-style-type: none"> <li>• Business Process and Systems</li> <li>• Compliance and Governance</li> </ul>	<ul style="list-style-type: none"> <li>• Vendor selection process</li> </ul>
<b>Customers or clients</b> 	Patrons of 2GO's products and services	<ul style="list-style-type: none"> <li>• Customer touchpoints</li> </ul>	<ul style="list-style-type: none"> <li>• Product/Service Reach, Accessibility and Visibility</li> <li>• Customer Rights Protection</li> </ul>	<ul style="list-style-type: none"> <li>• Continuous system enhancement or upgrade</li> </ul>
<b>Regulators</b> 	Partners in economic growth, safety and security	<ul style="list-style-type: none"> <li>• Conferences and external events</li> <li>• Regular correspondence</li> </ul>	<ul style="list-style-type: none"> <li>• Compliance and Governance</li> <li>• Sustainable Operations</li> </ul>	<ul style="list-style-type: none"> <li>• Transparent and timely disclosures</li> </ul>
<b>Community partners or beneficiaries</b> 	Partners in community development and local economic growth	<ul style="list-style-type: none"> <li>• Community dialogues and informal meetings</li> <li>• Partnerships for CSR projects</li> </ul>	<ul style="list-style-type: none"> <li>• Community Involvement/CSR</li> <li>• Sustainable Operations</li> </ul>	<ul style="list-style-type: none"> <li>• Partnerships for social development programs</li> </ul>
<b>Media</b> 	Partners in accurate reporting, upholding transparency and integrity	<ul style="list-style-type: none"> <li>• Media briefings</li> <li>• Corporate events</li> </ul>	<ul style="list-style-type: none"> <li>• Economic Performance</li> <li>• Compliance and Governance</li> </ul>	<ul style="list-style-type: none"> <li>• Transparent and timely disclosures</li> </ul>





# 2GO

- DOCUMENTS & BOXES
- CASH & BULK ITEMS
- PASSENGER REMITTANCE

## 2GO BEYOND BORDERS

**We promote economic activity.**

At 2GO, we facilitate the movement of goods and services and support commercial opportunities for large businesses and budding entrepreneurs alike.

We forge connections that enable economic growth and social progress across the nation.

**1** NO POVERTY



**8** DECENT WORK AND ECONOMIC GROWTH



## Moving People

With each voyage we take, we strive to earn the trust of our customers. We leverage our decades of experience and the client relationships we have nurtured to continually refine our service into the superior sea journeys that are expected of us.

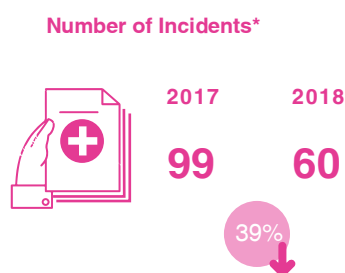
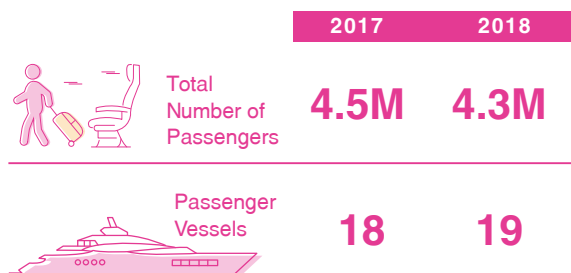


### Excellence, Accessibility and Reliability

From the moment our customers buy their tickets, we are there for them. We use more than 3,500 convenient branches and outlets nationwide and connect strategically located ports to serve 95% of the passenger market in and out of Manila. We validate our schedules hourly and update the information in our outlets and online. Our fleet of passenger vessels are periodically refurbished to exceed operating standards set by maritime authorities and provide pleasant on-board experiences. Behind the scenes, our customer service staff, ship crew and ground team work together to ensure that everything is in order so we can keep to published departure and arrival times as much as possible.

### Safety through Staff Training and Ship Protocols

Safety is one of our highest priorities. We consistently monitor the mileage of our vessels to make sure that they undergo mandatory maintenance at set points in their service life. On-board safety gear and equipment are checked frequently. Safety drills are conducted by the crew when in port. We mandate minimum training hours for our crew on both their specific functions as well as general safety and ship operating protocols. We also cross-train our people to work with and independent of the emergency response team as a part of our emphasis on safety and functional redundancy.



\*Data is limited to 2GO Shipping



## The Lives of Seafarers

We often take the ability to buy a product we want from a store for granted. But behind the scenes is the story of thousands of seafarers who work around the clock so their cargo-bearing ships can get to their destinations on time.

Theirs is a hard life. They live on board a boat working long hours on monotonous routines. They are exposed to the dangers of harsh weather and possible travel through piracy-prone waters. Above

all, these men and women are separated from their families for long stretches of time. Because of their selflessness, they facilitate the transport of 90% of the world's food, fuel, raw material and manufactured goods that are delivered by sea.

We want to take a moment to recognize the many who have chosen the seafarer's life and say "Thank you" for your sacrifice and for doing what you do that makes our lives possible.



## Safety Awareness Saves the Day

Bobby Bangcaya started as a radio operator with the 2GO Group in 2010. A Bacolod City native, he was serving as the Radio Officer and Document Controller aboard the M/V San Rafael Uno when he singlehandedly averted a potential fire incident.

Bobby was passing the officers cabins of the docked ship one evening when he noticed smoke coming out in one of the rooms. With no response coming from his repeated knocking, he immediately activated the fire alarm to alert the emergency response team on board then used the public

address system to announce the existence of a possible fire. Returning to the cabin, he resumed banging on the door until a sleepy occupant finally came out. Only then did the occupant realize that he had turned on his water heater and failed to turn it off before going to bed.

Bobby's quick thinking saved the day. While incidents like these can happen any time, we intend to build a strong culture of safety-consciousness to keep everyone safe as we journey forward.







# 2GO SOLUTIONS SUSTAINABLE LOGISTICS SYSTEM

**We create sustained growth while doing our share to protect the environment and to uplift the lives of the communities we serve.**

As we facilitate the movement of goods and people, we promote economic activity in various parts of the country.

Throughout our logistics process flow, we are conscientious in mitigating our environmental impacts. The 2GO Sustainable Logistics System encompasses our sustainable approach to operations.

**9** INDUSTRY, INNOVATION  
AND INFRASTRUCTURE



**13** CLIMATE  
ACTION



**14** LIFE  
BELOW WATER



**12** RESPONSIBLE  
CONSUMPTION  
AND PRODUCTION

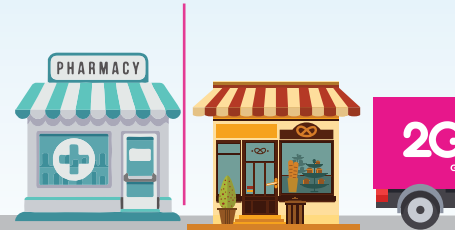




# SUSTAINABLE LOGISTICS SYSTEM

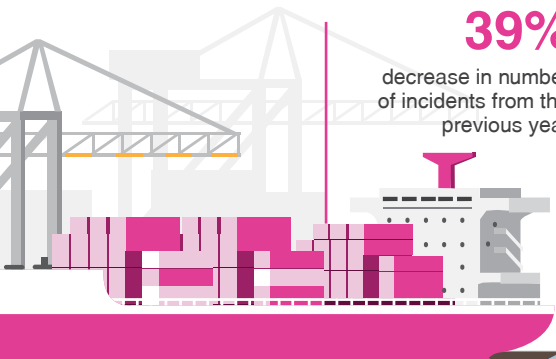
**1,919**  
pharmacies  
served in 2018

**3,550**  
food service  
establishments  
served in 2018



**4.3M**  
passengers  
shipped in 2018

**39%**  
decrease in number  
of incidents from the  
previous year



INTERNATIONAL SHIPPING  
AND FORWARDING

**3,540**  
employees in 2018



INPLANT LOGISTICS

**1.4M**  
kWh of electricity  
consumed in 2018\*



WAREHOUSING

**5,243**  
liters of fuel  
consumed in 2018\*



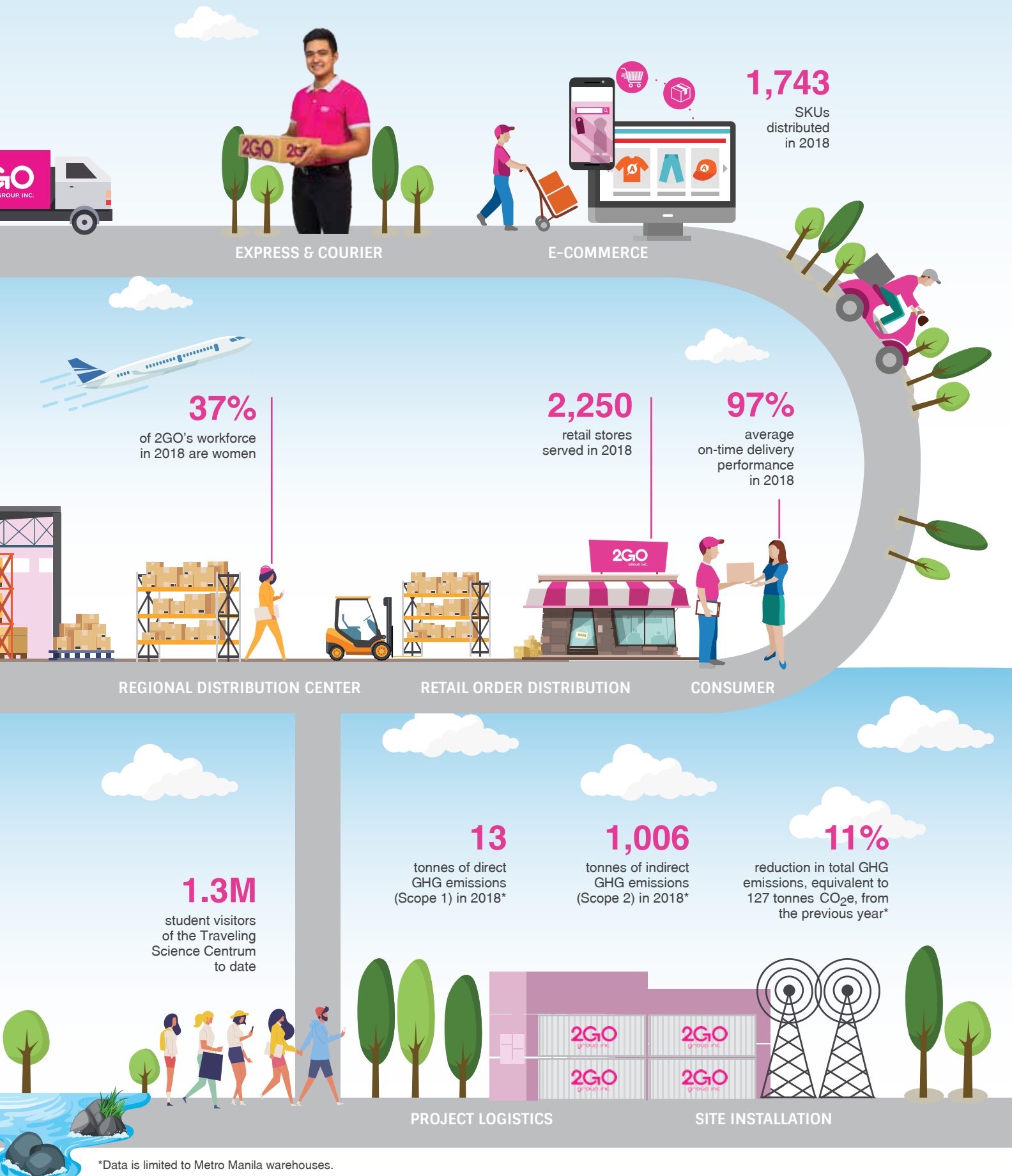
**950+**  
tree saplings  
planted to date

**10,041**  
m<sup>3</sup> of water  
consumed in 2018\*





We make capital investments in assets and capabilities to support economic activity through the movement of goods and services nationwide. We optimize our technology and implement seamless business processes to reinforce our capabilities and capitalize on e-commerce growth worldwide. We are working on providing accurate real time information as part of our excellent customer service standards. Lastly, we take into account the societal value we generate for our employees, third party providers and the communities we serve.



\*Data is limited to Metro Manila warehouses.

# READY 2GO TEAM SPIRIT

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**We care for our people, encourage their development and reward their performance.**

At 2GO, we recognize the critical role our people make in delivering the success of our mission.

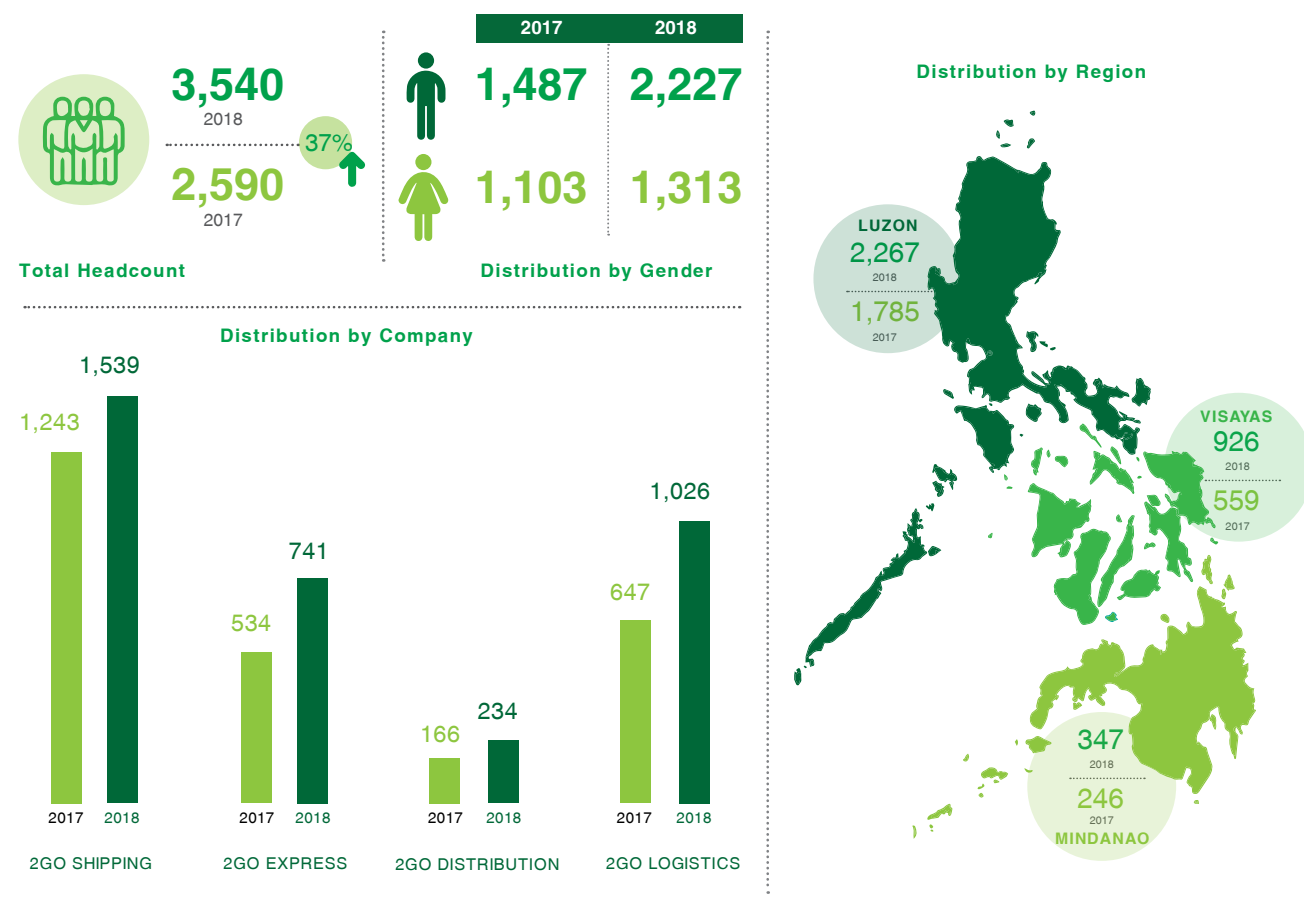
We are committed to the development and welfare of our team members, providing them with a safe and empowering work environment and equipping them with the necessary skills to reach their full potential for career advancement and personal fulfillment.



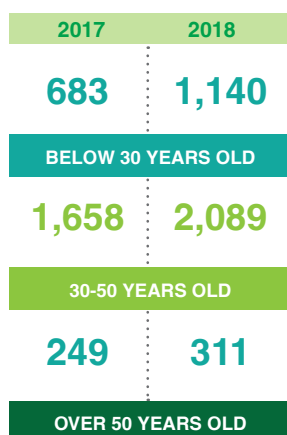




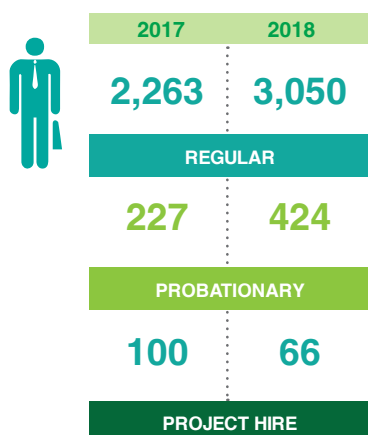
## Employee Profile



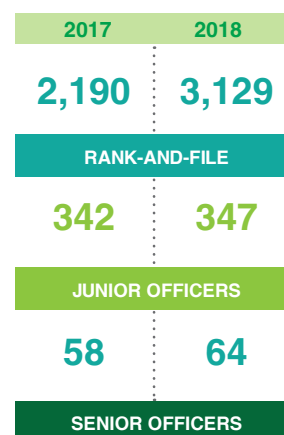
### Distribution by Age Group



### Distribution by Employment Status



### Distribution by Rank



## Collective Bargaining

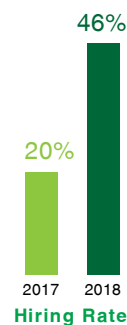
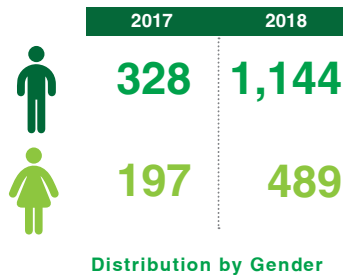
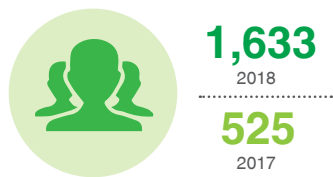
102-41

3%

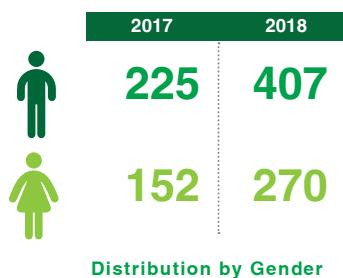
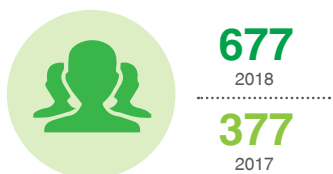
of total employees  
are covered by a  
collective bargaining  
agreement



## New Hires



## Employee Separations



## Strategic Workforce Approach

Throughout our businesses, we have a systematic approach in creating a prepared environment that fosters excellence, teamwork and value creation. Our strategic workforce plan consists of five key components: right size, right skills, right place, right structure and right cost.



Our people serves as one of the pillars of our sustainability. We look to their creativity in coming up with innovative solutions for continuous improvement. By investing in their development and well-being, we help equip our team members to be their best and substantially contribute to the company's growth objectives.



2GO TOGETHER

# COMMUNITY INVOLVEMENT

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**We create shared value for the communities we serve.**

We believe that business growth promotes social progress. We help communities develop the social capital they need to be self-reliant.

We focus on providing access to skills training and education for gainful employment, health and safety, disaster response, climate action programs and employee engagement activities.

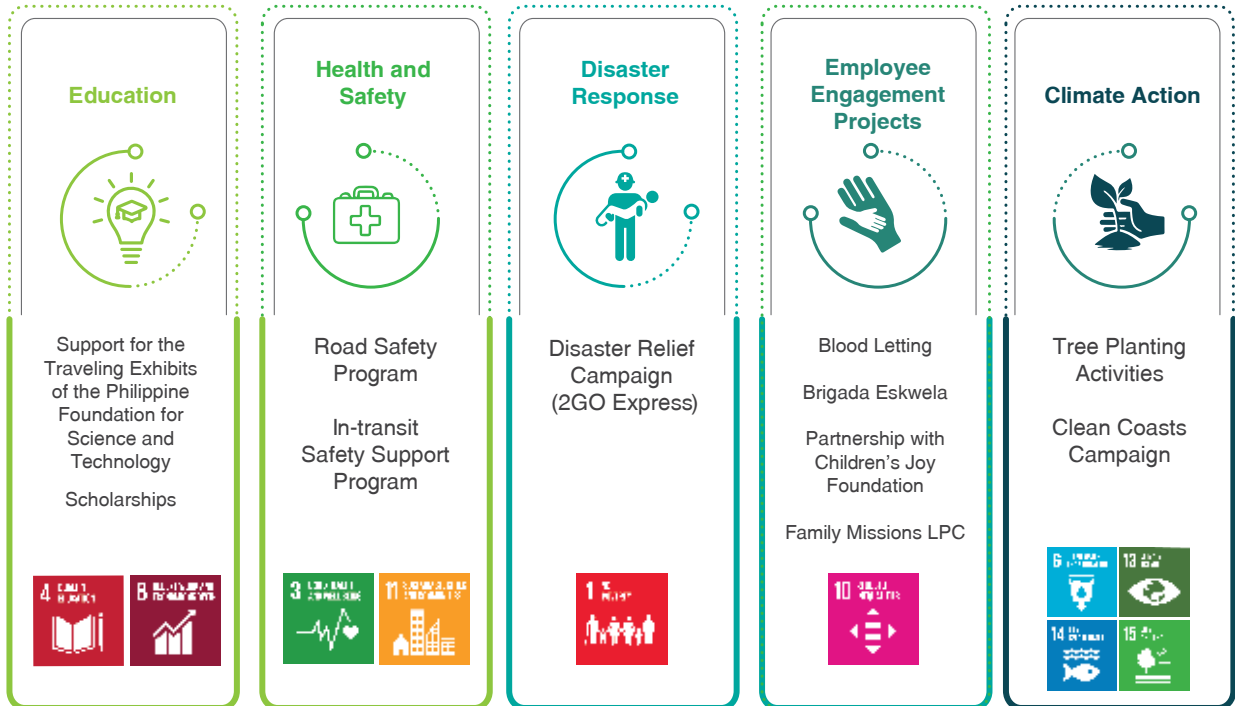








## 2GO Social Development Focus Areas



 **950+**  
saplings planted

 **100+**  
volunteers



### 2GO Rescue In Aid of a Fishing Boat

On January 21, 2018, MV San Agustin Uno (SAU) bound for Cebu aided five fishermen who had been drifting at sea for almost two days due to a broken propeller. Initiatives such as these are aligned to 2GO's Social Development Focus Area on Health and Safety, focusing on road and in-transit safety and first aid/life support.



## Science for kids

It is a challenge to bring products and services across our archipelago. This is no less true for getting educational platforms to far flung provincial areas in front of children who have limited access to such opportunities. In particular, we wanted to make science come alive for indigenous children, physically challenged children and young students who were victims of war and violence in geographically isolated and depressed areas.

In 1997, we partnered with the Philippine Foundation for Science and Technology as the official carrier to different parts of the country of the Traveling Science Centrum, a mobile collection of exhibits meant to open young minds to the fun that science can bring. There were exhibits on the science behind telecommunication, transportation, electricity, even health technologies. Over the past 22 years, more than 1.3 million students have visited these exhibits and we hope that many more will see them in the years to come.

22



years as the official  
carrier of the Traveling  
Science Centrum

37

cities and  
municipalities  
visited in



1.3M

student visitors  
to date

26

provinces





# 2GO CORPORATE GOVERNANCE

2GO and its subsidiaries, in their pursuit of attaining corporate objectives and goals, commit themselves to the principles and global standards of good corporate governance. The Company resolves to foster best practices in the areas of systems, integrity and transparency.

The Company is committed to strike a balance between economic growth, social development and environmental stewardship in the conduct of its business. To this end, 2GO implements programs that promote environmental preservation as well as social and economic development in the communities where its businesses operate.

16 PEACE, JUSTICE  
AND STRONG  
INSTITUTIONS



17 PARTNERSHIPS  
FOR THE GOALS







## The Board of Directors

The 2GO Board of Directors is responsible for the long-term sustainability of the Company, and ensures that it balances its corporate objectives with the best interest of its shareholders and other stakeholders. The 2GO Board is composed of nine (9) highly respectable professionals, four (4) of whom, including the Vice Chairman, are non-executive independent directors. The Board ensures that it has an appropriate mix of competence and expertise and that its members remain qualified for their positions individually and collectively, which enables it to fulfill its roles and responsibilities and respond to the needs of the organization based on the evolving business environment and strategic direction. In line with this, the Company adheres to a board diversity policy that ensures that there is always a diverse composition of directors on the Board which assists in advancing the 2GO's strategic objectives. Per the said policy, 2GO commits to have a diverse collection of directors, in terms of age, ethnicity, culture, skill, competence, knowledge, gender, among other qualifications. To monitor progress in achieving the Board's diversity goals, the relevant board committee utilizes a Board Matrix, which provides for the mix of attributes, skills, competencies, experience and affiliations, the Board currently possesses and needs to complement its existing composition.

Board of Directors		
Dennis A. Uy	Chairman of the Board	Non-Executive Director
Francis C. Chua	Vice Chairman (Independent Director)	Non-Executive Director
Frederic C. DyBuncio	President/CEO	Executive Director
Ma. Concepcion F. de Claro	Director	Non-Executive Director
Elmer B. Serrano	Director	Executive Director
Chryss Alfonsus V. Damuy	Director	Non-Executive Director
Joseph C. Tan	Lead Independent Director	Non-Executive Director
Raul Ch. Rabe	Independent Director	Non-Executive Director
Laurito E. Serrano	Independent Director	Non-Executive Director

## Board Independence

Per the Company's Manual on Corporate Governance, 2GO shall have at least three (3) independent directors at all times. In line with corporate governance best practice, the Company's independent directors are free from management responsibilities, substantial shareholdings and material relations, all of which are perceived to impede independent judgment. Likewise, the roles of the Chairman of the Board and the Chief Executive Officer are held by separate individuals to promote a balanced Board and increase accountability and controls.

## Board Performance

In accordance with the Manual on Corporate Governance, the Board meets at least six (6) times annually. Board meetings are scheduled a year in advance to encourage higher participation. Special board meetings may be called by the Chairman, the President or Corporate Secretary at the request of any two (2) directors. A director's absence or non-participation for whatever reason in more than 50% of all meetings, both regular and special, in a year may be a ground for temporary disqualification in the succeeding election. Furthermore, non-executive directors meet at least once a year, without any executive directors or representatives of Management present. Board papers and other materials used during Board meetings are distributed to the relevant parties at least one (1) week before the actual meeting. Through the Corporate Governance Committee, the Board conducts an annual performance evaluation of the Board, the Board Committees, individual directors, the Chairman of the Board, and the President/CEO. The evaluation criteria is based on the duties and responsibilities of the respective evaluatees as provided for in the Company's By-Laws and Manual on Corporate Governance.

Directors are also asked to identify areas for improvement, such as the quality and timeliness of information provided to them, the frequency and conduct of regular, special or committee meetings, their accessibility to Management, the Corporate Secretary and Board Advisors as well as training/continuing education programs or any other forms of assistance that they may need in the performance of their duties. The Board then reviews the results of the evaluation and agree on action plans to address the issues raised. The forms used for the evaluation may be viewed via the Company's website.



## Board Committees

To further enhance its corporate governance programs, as well as to address specific tasks and responsibilities, the Board adopted seven (7) board committees, namely the Executive Committee, the Audit Committee, the Risk Oversight Committee, the Related Party Transaction Committee, the Corporate Governance Committee, the IT Steering Committee, and the Compensation and Remuneration Committee. Each committee has a Charter which defines its composition, roles and responsibilities based on the provisions found in the Manual on Corporate Governance. The Charters include administrative provisions on the conduct of meetings and proceedings, reportorial responsibilities and provide the standards for evaluation of the respective committee performance. The Board Committee Charters are reviewed annually and were developed to ensure that each Committee is equipped with what is necessary to attain its objectives.

## Governance Related Policies and Programs

To ensure the continued development of its corporate governance practices, 2GO regularly reviews its Manual on Corporate Governance, Code of Business Conduct, and other governance related policies and programs.

### Manual on Corporate Governance

The Manual on Corporate Governance institutionalizes the principles and best practices of good corporate governance in the organization and remains a testament to the belief that good corporate governance is a critical component of sound strategic business management. In addition to the provisions relating to the Board of Directors and Management, the Manual also contains the Company's policies on disclosure and transparency, and mandates the conduct of communication, and training programs on corporate governance. It also outlines the rights of all stakeholders, and the protection of the interests of minority stockholders. There have been no deviations from the Manual since it was adopted.

### Code of Business Conduct

The Code of Business Conduct serves as the pillar for the Company's culture of excellence and integrity. Directors, officers and employees are required to adhere to the Code in the performance

of their duties and responsibilities. The Code highlights the importance of integrity in all the dealings with investors, creditors, customers, contractors, suppliers, regulators, co-employees, and the Company's other various stakeholders. It also highlights the Company's duties to its employees, shareholders and the importance of corporate social responsibility. Further to this, the Code prohibits directors, officers and employees from soliciting or accepting gifts, hospitality, and/or entertainment in any form from any business partner. The term gift covers anything of value, such as but not limited to cash or cash equivalent.

### Conflict of Interest Policy

The Company's Conflict of Interest Policy defines a conflict of interest as a situation wherein a director, officer or employee has or appears to have a direct or indirect personal interest in any transaction, which may deter or influence him/her from acting in the best interests of 2GO. Any director, officer or employee involved in an actual or potential conflict of interest is required to immediately disclose said conflict to the Company.

### Insider Trading Policy

Directors, officers and employees are prohibited from trading in the Company's shares, five (5) trading days before and two (2) trading days after the disclosure of any material, stock price-sensitive information. 2GO issues reminders of the "trading ban", before the release of financial reports or the disclosure of other material information to ensure compliance with the policy. All directors, officers and employees are required to report their dealings in company shares within three (3) business days of the transaction. Reports should indicate the date of the trade/s and number of shares traded, at least, and should be submitted to the Company's Compliance Officer.

### Related Party Transactions Policy

The Company discloses in detail the nature, extent and all other material information on transactions with related parties in the Company's financial statements and quarterly and annual reports to regulators. Management regularly presents the details of transactions entered into by 2GO with related parties at the meetings of the Related Party Transactions Committee. This is to ensure that the Company conducts all related-party transactions at an arms' length basis.

## Policy on Accountability, Integrity and Vigilance (Whistleblowing)

The Company's whistleblowing policy, referred to as the Policy on Accountability, Integrity and Vigilance (PAIV), was adopted to create an environment where concerns and issues, made in good faith, may be raised freely within the organization. Under the policy, any stakeholder may accomplish an incident report on suspected or actual violations of the Code of Business Conduct or any other applicable law or regulation. Upon receipt of an incident report, Management conducts an investigation on its merit, subject to due process and applicable penalties and sanctions thereafter. Furthermore, the policy invokes a "No Retaliation" section for those that have reported in good faith.

## Environmentally Friendly Value Chain

The Company ensures the environmental friendliness of its operations, and contributes to the overall sustainability of the physical environment where the Company operates. The Company is committed to the protection of the environment and complies with all applicable environmental laws and regulations. The Company also assesses and addresses the foreseeable environmental, health and safety-related risks associated with the delivery of the Company's, goods and services and strives to avoid or when unavoidable, mitigate them. The Company continually seeks to improve its corporate environmental performance through its supply chain by adopting technologies, developmental practices and other related programs that encourage an environmentally friendly value chain.

## Customer Welfare

The Company provides its customers with quality care and service in the provision of goods and services under terms and conditions that are fair and satisfactory. All customers are given fair and proper treatment and are provided with complete, correct and actual information.

## Supplier/Contractor Selection

The Company also ensures that the goods and services it provides meets all agreed upon and/or legally required standards for consumer health and safety, including those pertaining to health warnings and safety information. Furthermore, the Company strives to meet the needs of its vulnerable and/or disadvantaged customers. The Company observes propriety and acts with fairness and transparency in dealing with business partners (i.e., contractors, suppliers, creditors and other entities that engage in business with the Company). The Company adheres to its principles of healthy competition, equal opportunity and fair treatment of business partners. The Company has a bidding committee to screen, review and approve major contracts with contractors and suppliers to ensure that it is conducted on an arm's length basis.

## Fostering a Culture of Good Governance

Corporate governance is an integral part of the Company's sustainability program, and is likewise at the core of 2GO's business operations. The Company remains steadfast in its support of the governance related initiatives of regulators and advocacy groups, and continues to foster its corporate governance culture to reflect global best practices. For more on 2GO's governance related policies and program, kindly refer to the Company's website at [www.2go.com.ph](http://www.2go.com.ph).

# GRI Content Index



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.

GRI Standard	Disclosure	Page number(s), direct answer and/or URLs	Reason for Omission
<b>GRI 101: Foundation 2016</b>			
<b>General Disclosures</b>			
<b>GRI 102: General Disclosures 2016</b>	<b>Organizational Profile</b>		
	102-1	Name of the organization	2
	102-2	Activities, brands, products, and services	2
	102-3	Location of headquarters	Inside back cover
	102-4	Location of operations	2
	102-5	Ownership and legal form	2
	102-6	Markets served	3, 16-17
	102-7	Scale of the organization	3, 20-21
	102-8	Information on employees and other workers	24-25
	102-9	Supply chain	3
	102-10	Significant changes to the organization and its supply chain	None to report
	102-11	Precautionary Principle or approach	34
	102-12	External initiatives	6-7
	102-13	Membership of associations	Inside back cover
	<b>Strategy</b>		
	102-14	Statement from senior decision-maker	4-5
	<b>Ethics and Integrity</b>		
	102-16	Values, principles, standards, and norms of behavior	1
	<b>Governance</b>		
	102-18	Governance structure	32-33
	<b>Stakeholder Engagement</b>		
	102-40	List of stakeholder groups	13
	102-41	Collective bargaining agreements	24
	102-42	Identifying and selecting stakeholders	13
	102-43	Approach to stakeholder engagement	13
	102-44	Key topics and concerns raised	13
	<b>Reporting Practice</b>		
	102-45	Entities included in the consolidated financial statements	Parent and subsidiaries
	102-46	Defining report content and topic Boundaries	10,12
	102-47	List of material topics	12
	102-48	Restatements of information	Inside front cover
	102-49	Changes in reporting	Inside front cover
	102-50	Reporting period	Inside front cover
	102-51	Date of most recent report	This is 2GO's maiden report
	102-52	Reporting cycle	Annual
	102-53	Contact point for questions regarding the report	Inside back cover
	102-54	Claims of reporting in accordance with the GRI Standards	Inside front cover
	102-55	GRI Content Index	35-36
	102-56	External assurance	Not applicable

GRI Standard		Disclosure	Page number(s) and/or direct answer	Reason for Omission
<b>MATERIAL TOPICS</b>				
<b>Economic Performance</b>				
<b>GRI 103:</b>	103-1	Explanation of the material topic and its Boundary	11-12	
<b>Management</b>	103-2	The management approach and its components	9, 11-12, 16	
<b>Approach 2016</b>	103-3	Evaluation of the management approach	11-12	
<b>GRI 201:</b>	201-1	Direct economic value generated and distributed	16	
<b>Economic Performance 2016</b>				
<b>Indirect Economic Impacts</b>				
<b>GRI 103:</b>	103-1	Explanation of the material topic and its Boundary	11-12	
<b>Management</b>	103-2	The management approach and its components	9, 11-12, 16	
<b>Approach 2016</b>	103-3	Evaluation of the management approach	11-12	
<b>GRI 202:</b>	203-2	Significant indirect economic impacts	16, 20-21	
<b>Indirect Economic Impacts 2016</b>				
<b>Energy</b>				
<b>GRI 103:</b>	103-1	Explanation of the material topic and its Boundary	11-12	
<b>Management</b>	103-2	The management approach and its components	9, 11-12, 19	
<b>Approach 2016</b>	103-3	Evaluation of the management approach	11-12	
<b>GRI 302:</b>	302-1	Energy consumption within the organization	20-21	
<b>Energy 2016</b>				
<b>Water</b>				
<b>GRI 103:</b>	103-1	Explanation of the material topic and its Boundary	11-12	
<b>Management</b>	103-2	The management approach and its components	9, 11-12, 19	
<b>Approach 2016</b>	103-3	Evaluation of the management approach	11-12	
<b>GRI 303:</b>	303-1	Water withdrawal by source	20-21	
<b>Water 2016</b>				
<b>Emissions</b>				
<b>GRI 103:</b>	103-1	Explanation of the material topic and its Boundary	11-12	
<b>Management</b>	103-2	The management approach and its components	9, 11-12, 19	
<b>Approach 2016</b>	103-3	Evaluation of the management approach	11-12	
<b>GRI 305:</b>	305-1	Direct (Scope 1) GHG emissions	20-21	
<b>Emissions</b>	305-2	Energy indirect (Scope 2) GHG emissions	20-21	
<b>2016</b>				
<b>Employment</b>				
<b>GRI 103:</b>	103-1	Explanation of the material topic and its Boundary	11-12	
<b>Management</b>	103-2	The management approach and its components	9, 11-12, 22	
<b>Approach 2016</b>	103-3	Evaluation of the management approach	11-12	
<b>GRI 401:</b>	401-1	New employee hires and employee turnover	25	
<b>Employment 2016</b>				
<b>Local Communities</b>				
<b>GRI 103:</b>	103-1	Explanation of the material topic and its Boundary	11-12	
<b>Management</b>	103-2	The management approach and its components	9, 11-12, 26, 28	
<b>Approach 2016</b>	103-3	Evaluation of the management approach	11-12	
<b>GRI 413:</b>	413-1	Operations with local community engagement, impact assessments, and development programs	28-29	
<b>Local Communities 2016</b>				



## MEMBERSHIP IN ASSOCIATIONS

Cold Chain Association of the Philippines  
Philippine Chamber of Commerce and Industry  
Philippine Institute for Supply Management  
Philippine Inter-Island Shipping Association  
Philippine International Seafreight Forwarders Association  
Samahan sa Pilipinas ng mga Industriyang Kimika

## CORPORATE INFORMATION

### Company Headquarters

8<sup>th</sup> Floor Tower 1 Double Dragon Plaza  
Macapagal Boulevard corner EDSA Extension  
Pasay City 1302, Philippines  
[www.2go.com.ph](http://www.2go.com.ph)

### Stockholder Inquiries

2GO Group, Inc.'s common stock is listed and traded in the Philippine Stock Exchange (PSE) under the symbol "2GO". For inquiries regarding dividend payments, account status, address changes, stock certificates and other pertinent matters, please contact the company's transfer agent.

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