

2019
SUSTAINABILITY
REPORT





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ABOUT THE REPORT

102-49, 102-50, 102-54

We uphold our commitment to sustainability by publishing our second sustainability report covering the period of January 1 to December 31, 2019. This report highlights our economic, environmental, and social performance. It is also a testament to our commitment to the United Nations Sustainable Development Goals (SDGs), the Ten Principles of the United Nations Global Compact, the Greenhouse Gas Protocol (GHG Protocol), the International Maritime Organization (IMO) Marine Environmental Protection Committee (MEPC) Strategy on the reduction of GHG emissions from ships. This report adheres to the sustainability reporting guidelines of the Securities and Exchange Commission Philippines, Memorandum Circular No. 4, Series of 2019.

This report has been prepared in accordance with the GRI Standards: Core Option. It has completed the GRI Materiality Disclosures Service, which confirms that the GRI content index (see pages 41 to 42) is clearly presented and the references for Disclosures 102-40 to 102-49 align with appropriate sections in the body of the report. The scope of this report highlights our company's sustainability framework, materiality and approach, our economic contribution through the movement of goods and services, our sustainable supply chain system, our human resource management approach, and our 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.

GOOD CORPORATE CITIZENSHIP

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

ACCOUNTABILITY

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

RESPECT FOR PEOPLE

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

QUALITY AND EXCELLENCE

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

HONESTY AND INTEGRITY

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

TEAMWORK AND COLLABORATION

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

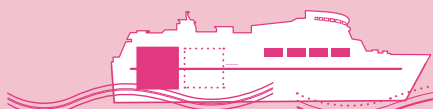
INNOVATION

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

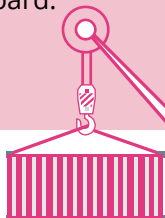
ABOUT US

2GO Group, Inc. (2GO) operates the country's largest integrated supply chain enterprise, enabling logistics and transport possible for our various clients—individual passengers and customers, small and medium enterprises, and large corporations. This is made possible by the synergies we create in our operating businesses:

SHIPPING



2GO Shipping is the largest sea transport enabler and the only long-haul passenger sea carrier in the country. The Freight segment provides fast and reliable, point-to-point containerized and rolling cargo solutions that leverages on the speed, trip frequency and reliability of our ROPAX vessels. Meanwhile, the Travel segment provides a hotel and a unique travel experience to our passengers aboard.



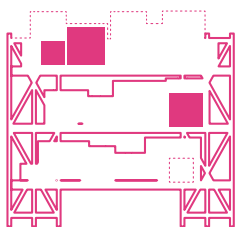
LOGISTICS



2GO Logistics provides order fulfillment solutions to various verticals through our warehousing, inventory management, cross-dock and transport capabilities.

Special Containers and Value Added Services (SCVASI) handles cargo and projects that require specialized solutions such as cold chain, isotainer, flexibags, break bulk and oversized equipment, leveraging the expertise we built as the country's leading cold chain solutions provider.

2GO Express delivers first and last mile multi-modal forwarding solutions to corporate and retail clients nationwide. Our network of outlets and hubs facilitate the flow of goods handled by our e-commerce, courier, and general cargo services.

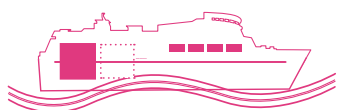


DISTRIBUTION

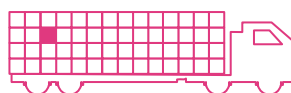
ScanAsia provides go-to-market solutions that enable our international and domestic clients to monitor, manage and replenish inventory from distribution centers to retailer shelves, ensuring stock availability in almost 3,000 doors nationwide.

By connecting markets nationwide, we create socio-economic impact in the urban and rural communities where we operate. As we expand our businesses, we seize opportunities in improving our productivity and efficiency that allow us to create positive impact while mitigating our impact on the environment.

OUR ASSETS



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



951
truck chassis



1 freighter



229
company-owned
trucks



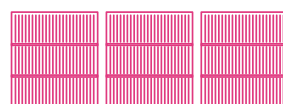
103,158
metric tons of cargo capacity



68,731
pallet positions



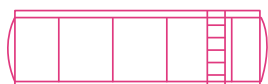
13,972
container vans



223,676 m²
container yard space



506
reefer vans



86
ISO tanks



83
tractors

OUR NETWORK

46

warehouses

142,714 m²

warehouse space

14

hubs

1,726 m²

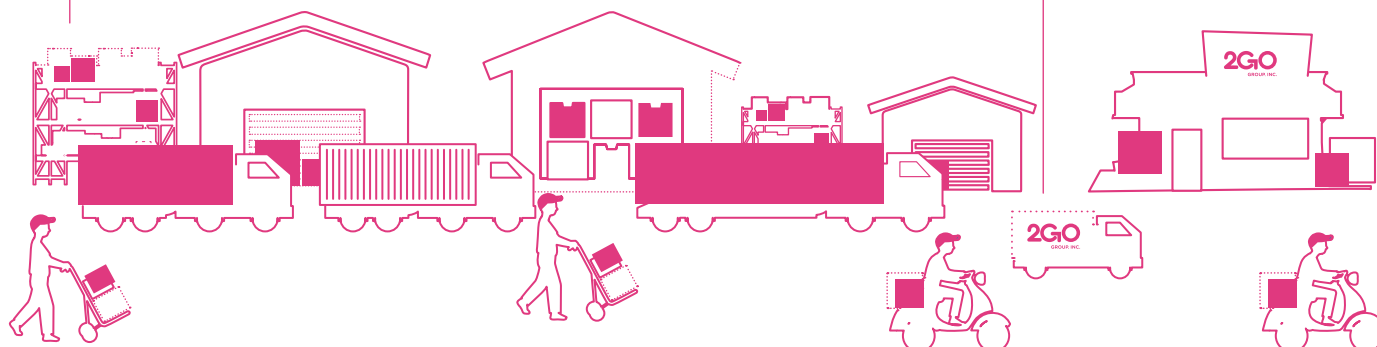
hub space

20

ports of call

2,794

outlets





FREDERIC C. DYBUNCIO
President and CEO

SINCE WE EMBARKED ON OUR JOURNEY OF INTEGRATING SUSTAINABILITY INTO OUR BUSINESSES, WE HAVE DUTIFULLY EXAMINED THE ISSUES THAT MATTER MOST TO OUR STAKEHOLDERS.

MESSAGE FROM OUR PRESIDENT

To Our Valued Stakeholders:

As the Philippines remains one of the fastest growing economies in Asia, the 2GO Group aims to support its ongoing growth by providing our various industry partners with specialized supply chain solutions. We do this by leveraging our business units' integrated capabilities. Our goal is to connect regions, businesses and customers responsibly, creating positive business impact while promoting social development and protecting the environment.

Since we embarked on our journey of integrating sustainability into our businesses, we have dutifully examined the issues that matter most to our stakeholders. More recently, we have additionally prioritized the material issues that are most relevant to the transformation of 2GO.

First, we focus on our people and create long-term employment opportunities by cultivating an engaged and capable workforce that can thrive in an evolving landscape.

Guided by our Strategic Workforce Approach, we make sure that every investment we put into our employees leads to their development and welfare, while simultaneously steering the company towards positive results. To this end, we focused on clearly defining the roles that are critical to driving the company's strategy and aligning these to our employees' individual career paths. This has helped us define the right size of each team and identify opportunities to optimize productivity. Through this approach, we are able to capitalize on our employees' strengths and foster a culture of excellence, teamwork and innovation in order to deliver our strategy.

Second, we support our country's economic growth by delivering responsibly for our customers.

We recognize that delivering quality end-to-end service requires streamlining and continuous improvement. To achieve this we have assessed our operations, its risks and opportunities, and rationalized our businesses accordingly. We consolidated assets in several areas of our businesses, while implementing enhancements in our operations. For example, we put in place a warehouse management system in our facilities to ensure performance is at par with international standards. This allowed us to utilize our capital efficiently as we maintain the highest standards in serving our customers, protecting their rights and ensuring their safety.

OUR GOAL IS TO CONNECT REGIONS, BUSINESSES AND CUSTOMERS RESPONSIBLY, CREATING POSITIVE BUSINESS IMPACT WHILE PROMOTING SOCIAL DEVELOPMENT AND PROTECTING THE ENVIRONMENT.

Third, we monitor the impact of our operations on their embedded environmental and sustainability goals.

We prudently monitor our fuel use, energy consumption and waste management in both our land and sea operations. While we have been enforcing strict environmental compliance in all our businesses, we also identify opportunities to mitigate our negative impact on the environment.

In addressing our material impacts, we anchor all our businesses on strong governance. We are committed to upholding responsible business practices that are aligned with global standards of good governance. This year, we were recognized as one of the top performers in the ASEAN Corporate Governance Scorecard Initiative.

As we deepen our understanding of our materiality and where our impacts occur across our value chain, we have identified the United Nations Sustainable Development Goals (SDGs) where we can have the most significant impact:

- Goal 8: Decent Work and Economic Growth
- Goal 9: Industry, Innovation and Infrastructure
- Goal 12: Responsible Consumption and Production
- Goal 13: Climate Action

Our principles-based approach to the SDGs follows the Ten Principles of the United Nations Global Compact, which serve as our guideposts in defining policies, executing our programs, and monitoring our sustainability performance.

Our outlook for the Philippine economy remains strong for the long term and we aim to support its continued growth as the country works toward achieving the SDGs by 2030. We are optimistic that we can deliver positive value to our stakeholders through our sustainable supply chain system.



Frederic C. DyBuncio
President and CEO

A 2GO semi-truck is shown driving on a multi-lane highway. The truck is white with a large red trailer that has the "2GO" logo in white. The background is a warm, golden sunset sky over a blurred landscape, suggesting motion. The text "IN SUPPORT OF THE SUSTAINABLE DEVELOPMENT GOALS" is overlaid in white, bold, sans-serif font.

IN SUPPORT OF THE **SUSTAINABLE** **DEVELOPMENT GOALS**

FROM OUR INITIAL ALIGNMENT WITH THE UNITED NATIONS
SUSTAINABLE DEVELOPMENT GOALS (UN SDGs),
WE IDENTIFIED THE GOALS THAT ARE MOST RELEVANT
IN OUR BUSINESS MODELS AND VALUE CHAIN.

OUR FOCUS	WHY IT MATTERS	OUR PERFORMANCE
9 INDUSTRY, INNOVATION AND INFRASTRUCTURE 	<p>We provide transport infrastructure for basic goods, such as consumer goods, food, pharmaceuticals, lifestyle products, automotive and consumer electronics. Through our supply chain systems, we provide the backbone for commerce to thrive in cities, provinces and islands.</p>	<p>Sustainable Supply Chain System (p. 10)</p> <p>Connecting Economies Efficiently (p. 16)</p>
8 DECENT WORK AND ECONOMIC GROWTH 	<p>We help drive economic growth in urban and rural communities by facilitating the movement of goods and services.</p> <p>At the same time, we provide economic opportunities in the localities where we are present, generating jobs throughout our supply chain.</p>	<p>Connecting Economies Efficiently (p. 16)</p> <p>Growing Capabilities and Communities (p. 20)</p> <p>Anchoring on Good Governance (p. 34)</p>
12 RESPONSIBLE CONSUMPTION AND PRODUCTION 	<p>We use natural resources on a day-to-day basis to deliver our products and services. Becoming resource efficient and environmentally responsible in our areas of operations enables us to minimize our material footprint while we maintain the highest standards in serving our customers.</p>	<p>Moving Resources Responsibly (p. 30)</p> <p>Anchoring on Good Governance (p. 34)</p>
13 CLIMATE ACTION 	<p>As we cater to the growing demands of the market, adopting strategies to reduce our greenhouse gas emissions is a critical component to managing our carbon footprint.</p> <p>Improving the adaptive capacity of our workforce and communities is equally important, as our land and sea operations remain vulnerable to the threats of climate change.</p>	<p>Moving Resources Responsibly (p. 30)</p> <p>Anchoring on Good Governance (p. 34)</p>

As we do our share in achieving the SDGs, we take on a principles-based approach following the Ten Principles of the UN Global Compact. We support:

Human Rights and Labor



PRINCIPLES 1, 2, AND 3

The responsibility to protect the dignity of every person and uphold labor and human rights

PRINCIPLES 4 AND 5

The elimination of all forms of forced and compulsory labor and abolition of child labor

PRINCIPLE 6

The recognition of the role of women in achieving economic growth and poverty reduction

Environment



PRINCIPLE 7

The adoption of instruments that help quantify, manage and report the carbon footprints of our businesses

PRINCIPLE 8

Access to clean, renewable energy sources and services

PRINCIPLE 9

Climate-friendly solutions and opportunities for business

Anti-Corruption



PRINCIPLE 10

Corporate governance

SUSTAINABLE SUPPLY CHAIN SYSTEM

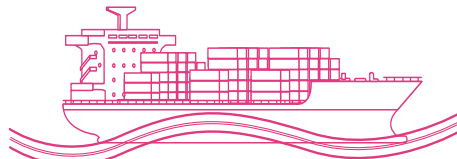
The 2GO Sustainable Supply Chain System encompasses our sustainable approach to operations that is hinged on three key pillars: Technology, Process and People. By making targeted investment in these three pillars, we are able to maximize the value generated by our investments, improve our operational efficiencies, and increase the productivity of our workforce. This enables us to seize market opportunities and optimize the value we create for our stakeholders, while mitigating our environmental impacts.

INBOUND CUSTOMS CLEARANCE AND BROKERAGE



1,397 shipping roundtrips

DOMESTIC SEA TRANSPORTATION



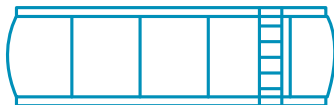
DOMESTIC LAND TRANSPORTATION



6,925 subcontracted truckers

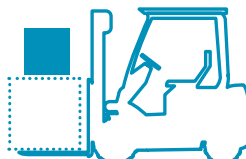
1 SOURCE

COLD CHAIN SOLUTION (STORAGE AND TRANSPORT)

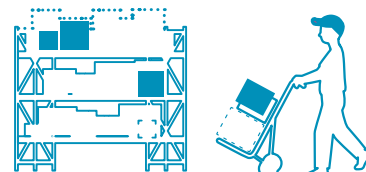


3,093 food service establishments served

CROSS-DOCK



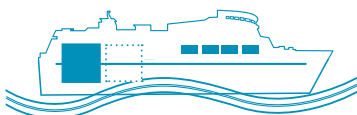
FORWARD STOCK LOCATION



2,078 pharmacies served

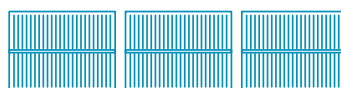
2,094 retail outlets served

DOMESTIC SHIPPING (ROPAX, FREIGHTERS)



65,087
Twenty-foot equivalent units (TEUs) served and delivered

Full Container Load (Dry)

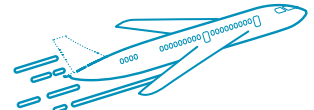


Less than Container Load (Dry)



6.9M+
E-commerce transactions

DOMESTIC AIR FREIGHT



236,884 MT
CO₂e Scope 1 Emissions

3,619 MT
CO₂e Scope 2 Emissions

340,183 cubic meters of goods transported from warehouses to end-users

Technology

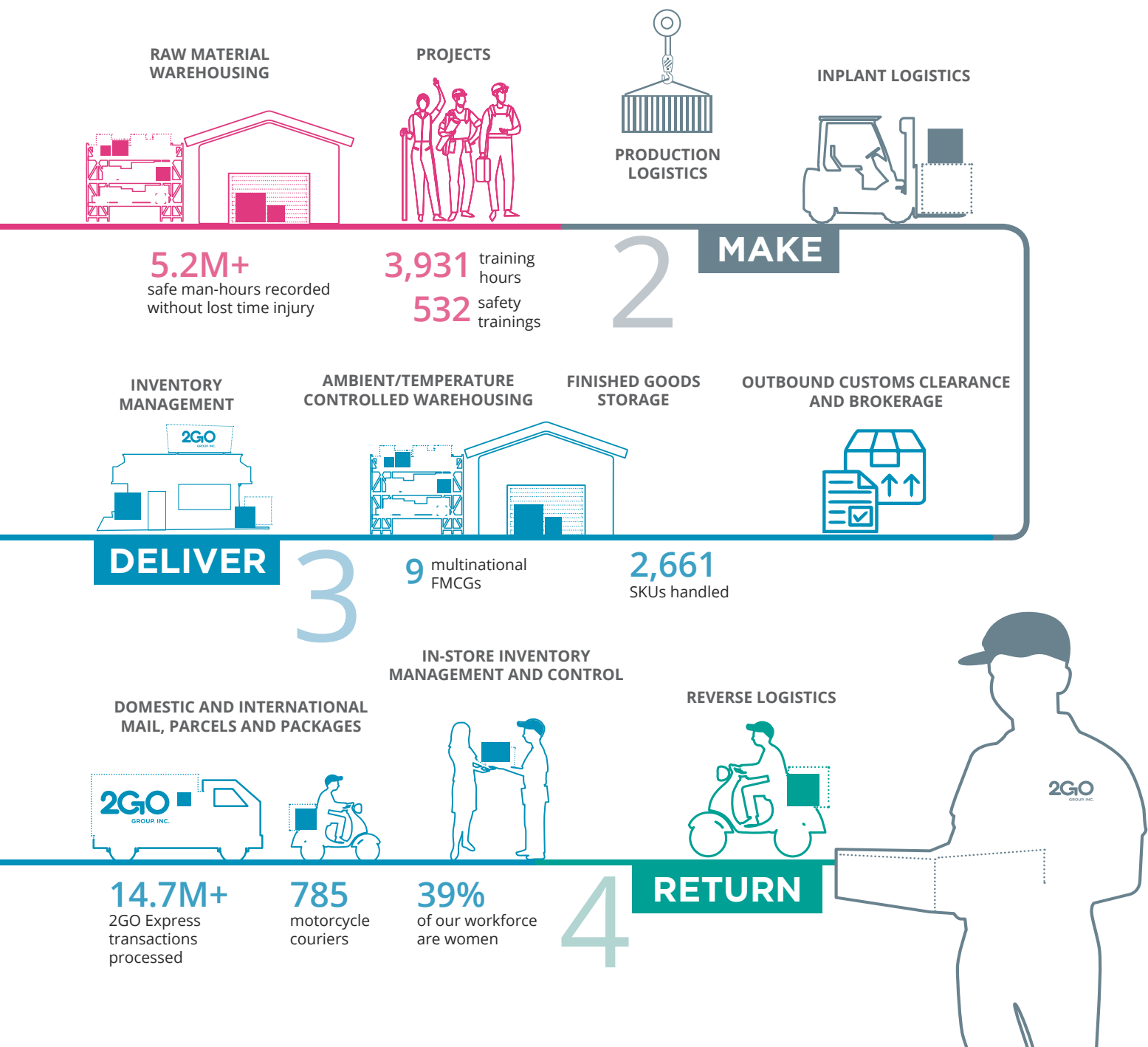
We continue to invest in modern enabling technology to fully take advantage of the synergies between business units, allowing us to efficiently use our resources while we support local economic activity.

Process

We work to right size our operations and streamline the various processes that make up our supply chain infrastructure in order to facilitate the efficient movement of goods and services.

People

We develop the capabilities of our workforce and enhance the operational skill sets that enable them to deliver specialized solutions for our clients.



OUR SUSTAINABILITY APPROACH

Facilitating Economic Activity and Creating Shared Value



Our sustainability framework describes our approach to delivering positive stakeholder value. We maintain a customer-focused approach in providing an integrated end-to-end supply chain solution that is grounded on our care for our customers, our employees, our partners and the environment.

Our Reporting Process

102-46

Steps Taken	1. Capacity Building	2. Materiality Assessment	3. Data Gathering	4. 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 Materiality Process

We conducted our first materiality assessment in 2018, where we were able to identify aspects of our business that had the greatest impact on our company objectives and our stakeholders' interests. This year, we continued to assess the relevance of each topic for our business and our stakeholders. We identified key stakeholder groups, and engaged them through formal and informal dialogues, as well as online surveys.



Compliance and Governance



Economic Performance



Occupational Health and Safety



Customer Welfare



Community Involvement/Corporate Social Responsibility



Sustainable Operations



Product/Service Reach, Accessibility and Visibility



Business Process and Systems



Customer Data Privacy



















Employee Development, Welfare and Succession Planning



Economic Opportunities








Our Material Topics

102-46, 102-47

2GO's Sustainability Framework	Material Topics	Definition and Relevance	Boundaries
 Product	 Product/Service Reach, Accessibility and Visibility	How we make our products and services accessible and affordable to our customers	Within 2GO and its customers
	 Customer Welfare	How we protect the safety and well-being of our customers by adhering to regulatory standards, and ensuring product labeling and traceability of the products we distribute	Within 2GO and its customers
	 Customer Data Privacy	How we protect the data privacy of our customers and take steps to comply with government and customer standards	Within 2GO and its customers
 Performance	 Economic Performance	How we deliver value to our shareholders, facilitate the movement of goods and people, and contribute to the economic growth of the country as the backbone of Philippine commerce	Within 2GO
	 Business Process and Systems	How we use technology to provide a seamless and efficient service and how we pursue continuous improvement strategies	Within 2GO
 Partnership	 Compliance and Governance	How we ensure compliance to all applicable government regulations	Within 2GO and with regulators
 People	 Economic Opportunities	How we create economic opportunities in the localities where we are present through job creation	Within 2GO and host communities
	 Employee Development, Welfare and Succession Planning	How we recruit, develop through coaching and training, and retain talent; recognize the contribution of our employees; promote their well-being and provide long-term professional development	Within 2GO
	 Occupational Health and Safety	How we provide a safe working environment for our employees and third-party service providers	Within 2GO and with suppliers
	 Community Involvement/ Corporate Social Responsibility	How we contribute to community development and provide opportunities for our employees to give back to our communities	Within 2GO and with host communities
 Planet		How we efficiently utilize our resources to minimize our environmental impact	Within 2GO
	 Sustainable Operations	How we adhere to regulatory standards regarding waste disposal	Within 2GO and with regulators
		How we assist our business clients by providing reverse logistics for their product returns	Within 2GO and with regulators

What Matters to Our Stakeholders

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

Our Stakeholders	How We Engage Them	What Matters to Them	Our Commitment	Our Performance
 Employees	Face-to-face discussions Coaching and training Annual performance appraisal Online survey	Employee Development, Welfare and Succession Planning Occupational Health and Safety	Internal and external training opportunities Adequate health and work benefits	Growing Capabilities and Communities (p. 20)
 Customers or Clients	Regular business reviews Various customer touchpoints Online survey	Product/Service Reach, Accessibility and Visibility Customer Welfare Customer Data Privacy	Continuous system enhancement and process improvement	Sustainable Supply Chain System (p. 10) Connecting Economies Efficiently (p. 16)
 Investors	Annual stockholders' meeting Investor meetings and presentations	Economic Performance Compliance and Governance	Transparent and timely disclosures	Connecting Economies Efficiently (p. 16) Anchoring on Good Governance (p. 34)
 Suppliers or Service Providers	Vendor accreditation Regular correspondence through email, phone Online survey	Occupational Health and Safety Customer Welfare Product/Service Reach, Accessibility and Visibility	Safety trainings Vendor selection process	Connecting Economies Efficiently (p. 16) Growing Capabilities and Communities (p. 20)
 Socio-Civic Partner	Community dialogues and informal meetings CSR projects Online survey	Community Involvement/CSR Sustainable Operations	Partnership for social development programs	Growing Capabilities and Communities (p. 20) Moving Resources Responsibly (p. 30)
 Media, Analyst	Media briefings Corporate events Online survey	Economic Performance Compliance and Governance	Transparent and timely disclosures	Connecting Economies Efficiently (p. 16) Anchoring on Good Governance (p. 34)
 Regulators	Conferences and external events Regular Correspondence	Compliance and Governance Sustainable Operations	Transparent and timely disclosures	Moving Resources Responsibly (p. 30) Anchoring on Good Governance (p. 34)

A large red shipping container with the 2GO logo. The container is made of corrugated metal and has a black diagonal brace structure. The 2GO logo is printed in white on the side of the container. The background is a solid red color.

2GO

BUSINESS

Connecting Economies Efficiently

#READY2GO FOR SUSTAINED GROWTH

At 2GO, we envision a seamlessly connected Philippine economy, where products and services can reach cities, provinces and islands through an efficient supply chain system.

As we help facilitate economic activity and drive the different parts of the Philippine archipelago towards continued growth, we are also headed for realizing sustained returns that contribute to positive socio-economic impact in the communities we serve.

8 DECENT WORK AND ECONOMIC GROWTH



9 INDUSTRY, INNOVATION AND INFRASTRUCTURE

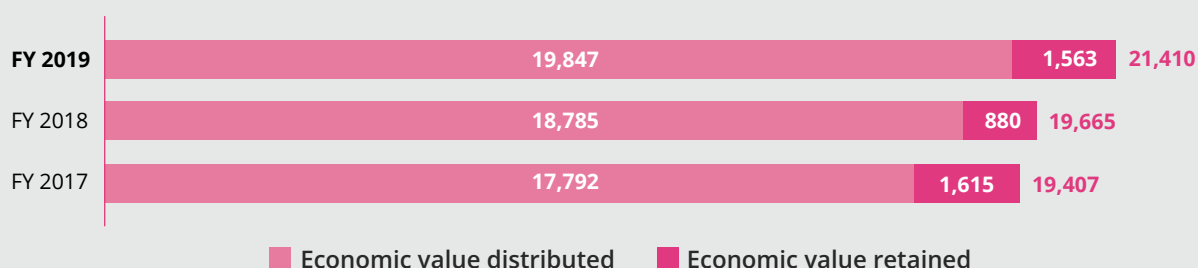


Creating Stakeholder Value Through Our Business Performance

Our 2019 revenues grew by 8.9%, contributing to a total economic value generated of PHP21.4 billion. As we move goods and deliver value to our customers, we create a direct impact to our stakeholders by distributing economic value through payments to our suppliers, benefits and wages to our employees, taxes and license fees to the government, and community initiatives. In 2019, we distributed PHP19.8 billion to various stakeholders, a 5.7% increase from the previous year.

Total Economic Value Generated¹

Figures in PHP millions

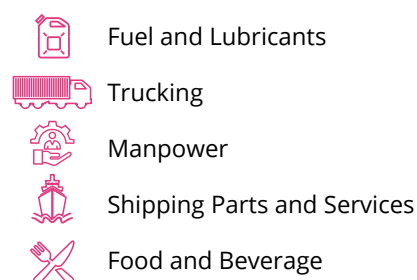


Economic Value Distributed

Figures in PHP millions



Top suppliers by spending



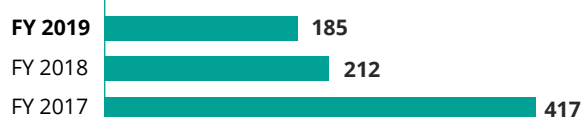
Employee Wages and Benefits



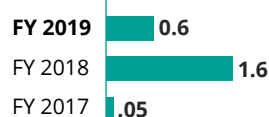
Payments to Providers of Capital



Payments to Government



Community Investments



Driving Efficiencies Through System Improvements

Technology is a key pillar in building 2GO's sustainable supply chain system. Our digitization strategy includes building a flexible architecture that adopts the "Best of Breed" scalable solutions that can be used across its business units. In 2019, 2GO commenced its multi-year development plan to invest in enabling technologies that enhance operations, increase collaboration and integration to lower overall costs and improve customer experience. These enhancements include the following:

- 2GO started with deployment of globally recognized Warehouse Management System (WMS) to streamline its warehousing operations. This new system will improve inventory identification and improve productivity of its workforce. It will enable complex piece picking operations with a high degree of accuracy. Our investment in modernizing our WMS puts us at par with international 3PL standards and equips our people with the technological tools and skillsets that would support our long-term strategy.
- For our Freight operations, 2GO rolled out an internationally recognized shipping application which will support its terminal operations, improve equipment utilization, facilitate vessel planning and scheduling. The new system will provide timely and accurate updates on container and shipment status improving visibility and management. On board its ships, 2GO deployed a new point of sale (POS) system to improve on-board inventory control, order processing, and sales monitoring,
- For all our business units, the company digitized the claims management system. This facilitates incident capture and analysis to support problem solving and issue resolution.



PEOPLE

Growing Capabilities and Communities

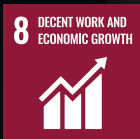
#READY2GO TEAM SPIRIT

At the core of our business is our people—our employees, our partners and our communities. Without them, there is no 2GO. We are committed to protect their welfare and promote their development.

For our employees, we help them reach their career aspirations in the company by developing their capabilities to lead the future of supply chain and providing long-term growth opportunities.

For our partner suppliers and service providers, we safeguard their well-being through our policies and programs anchored on ensuring their occupational health and safety.

For our communities, we strive to help build their social capital through our social development focus in the areas of education, health, disaster response, employee engagement and climate action.





Our Strategic Workforce Approach

Our commitment to nurturing our relationship with our employees is defined in our Strategic Workforce Approach. We provide our talents with a conducive work environment where they can grow and excel in their paths and collaborate with like-minded individuals from diverse backgrounds and expertise.

At the same time, our approach to our workforce helps us optimize our most important resource as we create value for our customers and communities.



RIGHT SIZE

This year, we focused on clearly defining the different roles in the organization, identifying roles that are critical to the achievement of the company's strategic goals and establishing productivity metrics for each role. These helped us define the right size of each team and identify opportunities to improve productivity.



RIGHT SKILLS

As we right size our teams, we also identify the needed capabilities of our people to meet not only the current business targets but future goals as well. This gives our employees the opportunity to grow their career and be exposed to learning opportunities through on-the-job training, feedback sessions, coaching and mentoring programs, as well as online and classroom trainings.

TOTAL HEADCOUNT



By Age Group



EMPLOYEE SEPARATIONS

Total separations in 2019: **1,167**

Turnover rate: **36.4%**

By Age Group



By region

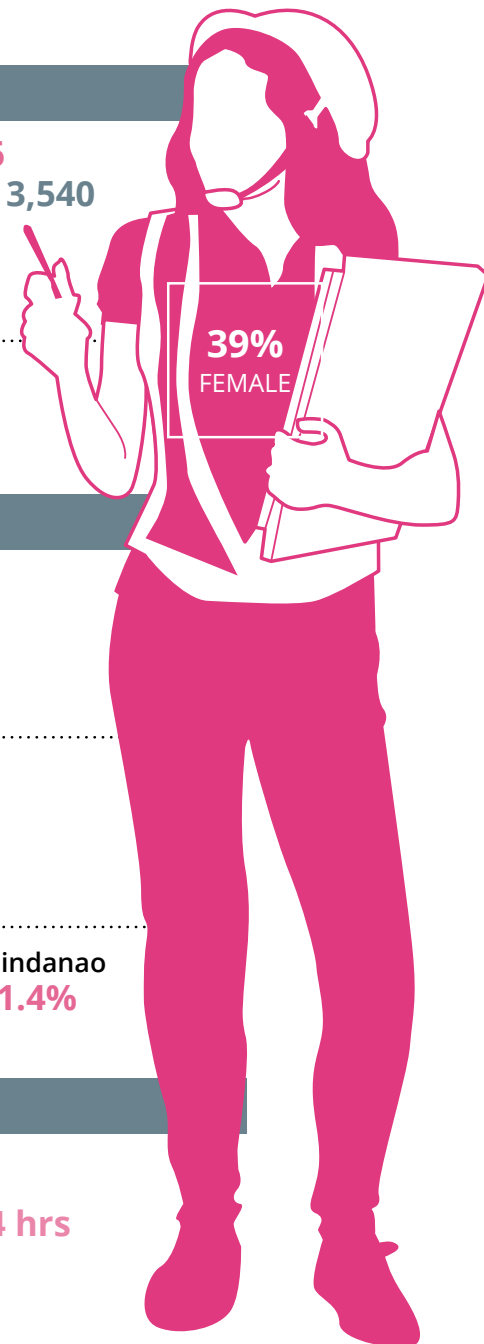


TRAINING AND DEVELOPMENT

Total training hours¹: **3,931 hrs**

Average training hours per employee: **1.4 hrs**

Eligible employees appraised: **85.2%**



EMPLOYEES BY LOCATION

NCR	Luzon	Visayas	Mindanao
58.6%	7%	23.2%	11.2%



RIGHT PLACE

We also ensure that our capable teams are available in the right locations to meet the evolving demands of our markets and respond to our customers efficiently and effectively.

NEW HIRES

Total new hires in 2019: **485**

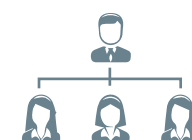
Hiring rate: **16.9%**

By Age Group

Below 30	30-50	Over 50
35.3%	57.3%	7.4%

By Region

NCR	Luzon	Visayas	Mindanao
64.5%	4.3%	18.8%	12.4%

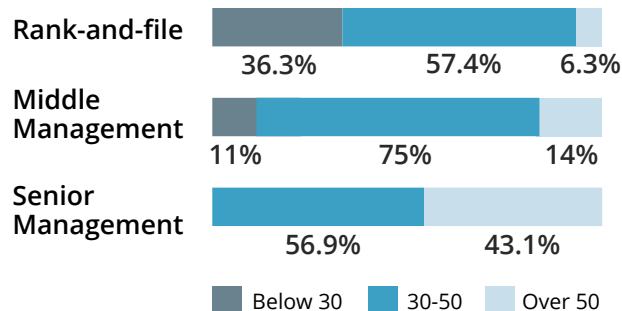


RIGHT STRUCTURE

We are working towards a structure with the right composition of workforce; from strategic to operational, from staff to management and eliminating redundancies. With this, we can ensure that our teams are dynamic and agile.

EMPLOYEES BY RANK

By Age Group



By Gender



RIGHT COST

We aim to strategically invest in our people. We ensure that our various employee programs, trainings and initiatives are aligned to the company's vision and supports the achievement of company goals and targets.

EMPLOYEES WAGES AND BENEFITS

PHP 1.8 billion paid in 2019

¹Limited to classroom training

65%

of our workforce are
considered Millennials
and Generation Z

35%

are considered
Generation X and Baby
Boomers

A Thriving Multigenerational Team

As we undergo digital transformation in our various businesses, we put the diverse needs of our multigenerational workforce at the center of our transformation strategy. We view this as an opportunity to foster mutual mentoring among our talents as we equip them with the skills necessary to support our specialized solutions. To do this, we are taking the first step of promoting an environment where each generation can thrive in our workplace.

New Generation Leaders Program

This year, we piloted a two-month internship program for graduating college students aimed at providing opportunities for them to experience the 2GO workplace. They immersed in our operations, experienced one-on-one mentorship with our senior leaders, and collaborated with various teams within our businesses.

The program also gave us practical insights on how to better innovate our workplace so that we can provide the relevant growth opportunities for our next generation of employees.



Embracing a Multigenerational Workforce

We also conducted learning sessions on how to manage a multigenerational workforce. We started dialogues on how each generation can build on the strengths of each other, find convergences for collaboration, and ultimately deliver the company's shared goals. Through these, we aim to cultivate a more inclusive workplace for our teams.



2GO Everyday Heroes

**Not all heroes fly.
Some sail.**

When boarding ships, passengers only need to worry about their individual safety, but for our seafarers who work from the bridge and behind the engines, everyone's safety is in their hands. Through our Hero of the Day Program, we value and recognize the laudable acts of our men and women, who always ensure that safety at sea is always a priority.

5.2M+

safe man-hours
recorded without
lost time injury

Security Breach

In October 2019, the personnel aboard one of our vessels encountered a security situation that required utmost professionalism and competence. Their exemplary behavior and bravery in resolving the situation exceeded our expectations and merited recognition under our Hero of the Day Program.

In this particular case, not only did their efforts demonstrate the company's commitment to provide safe passage to our customers, but it also served as a testament to our willingness to cooperate with our maritime regulators in ensuring safer seas.

Man Overboard Rescue

In September 2019, a passenger attempted to take his own life by jumping overboard one of our ships. Fortunately, one of our crew members, H/S Rose Mae Reyes, was attentive enough to notice the passenger and immediately notified the bridge which allowed the activation of the rescue operation protocols. Just a few moments later, the passenger was brought back on board safely. Her quick action saved a life and warranted her inclusion in our list of 2GO heroes on board.

SAFETY **FIRST**

Sharing the safety mindset to our partner truckers



One of 2GO's key enablers is our network of third-party truckers. To deliver our services, we rely on their capacities to supplement ours, making them a crucial part of the value chain we provide to our clients. As such, the company made it a priority to share our safety mindset with our partner truckers through conducting defensive driving seminars that would save time, money, property and most importantly, lives.

The seminar aims to reduce the risk of collision by anticipating dangerous situations, despite adverse conditions or the mistakes of others. This can be achieved by understanding how driver limitations, vehicle characteristics, and environmental conditions can affect operational safety and how risk can be mitigated through adherence to a variety of general rules, as well as the practice of specific driving techniques.

By taking a proactive approach with key stakeholders, our Quality, Safety, Health and Environment officers have driven the point home that safety is always a top-most priority.



532 safety trainings and drills conducted in 2019

Ready2GO and Serve Communities

2GO SOCIAL DEVELOPMENT FOCUS AREAS



EDUCATION

- Support for the Traveling Exhibits of the Philippine Foundation for Science and Technology



HEALTH AND SAFETY

- Road Safety program
- In-transit Safety Support Program



DISASTER RESPONSE

- Disaster Relief



EMPLOYEE ENGAGEMENT PROJECTS

- Blood Donation
- Brigada Eskwela



CLIMATE ACTION

- Tree Planting Activities
- Clean Coasts Campaign



SCIENCE FOR KIDS

23
YEARS

as official carrier of the Philippine Foundation for Science and Technology for their Traveling Science Centrum exhibits to Visayas and Mindanao

48,000+ kids reached in 2019



1.4M

young minds were treated to fun-filled science exhibits to date

BLOOD DONATION



1,200

bags donated by 2GO employees
to date, in partnership with the
Philippine Children's Medical Center

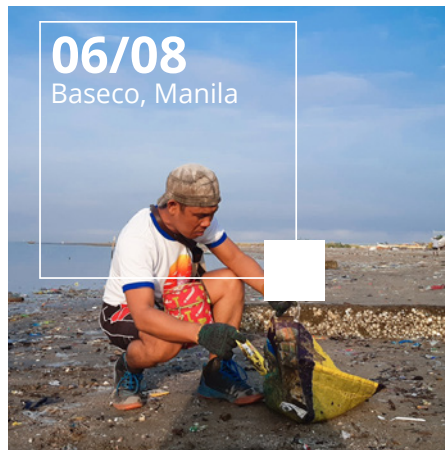


CLEAN COASTS CAMPAIGN

05/25
Davao City



06/08
Baseco, Manila



10/26
Cebu City



TREE PLANTING

100+
tree saplings planted



ENVIRONMENT

Moving Resources Responsibly

#READY2GO GREEN FOR GOOD

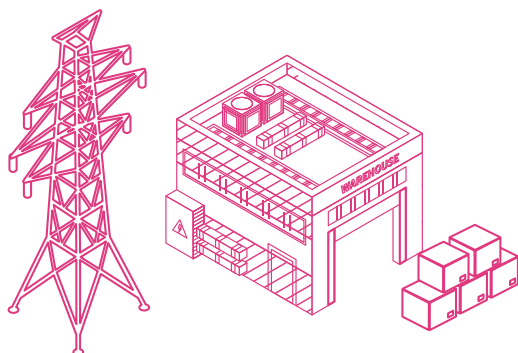
At 2GO, we recognize our environmental responsibility in how we run our business wherever we operate.

Within our supply chain, we implement process improvements to achieve optimum results while being resource efficient. We also uphold a strict level of environmental compliance in our businesses. We adhere to local and international regulations on maintaining air quality, keeping the waters free from pollution, and responsibly managing our waste throughout our operations.





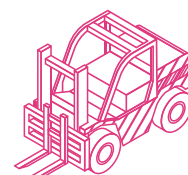
ELECTRICITY



Our specialized solutions require electricity use in the various areas of our operations. We deploy material handling equipment (MHE) according to the needed capacity and ensure that our warehouse layouts are optimized to lower energy use in warehousing operations.

5M kWh¹

Electricity consumption in warehouses and offices



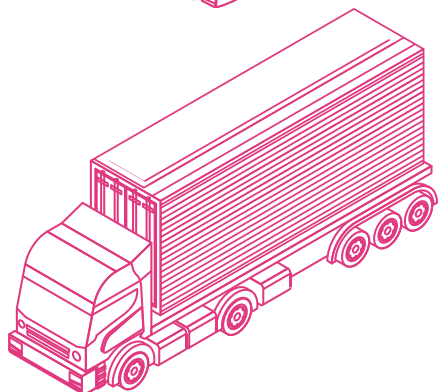
FUEL



We continuously seek opportunities to improve fuel use efficiency in our operations through process improvement and adoption of modern technologies. Our ships also undergo regular dry-docking to maintain the efficiency of the engines.

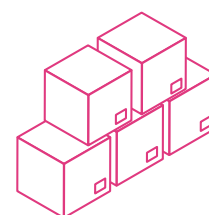
1.9M liters of diesel²

Fuel consumption in warehouses and container yards



80M liters

Fuel consumption in shipping vessels

GREENHOUSE GAS (GHG) EMISSIONS³

Direct Emissions (Scope 1)

236,844 MT CO₂e

Scope 1 emissions arise from the fuel use in our ships, warehouses, and container yards

Indirect Emissions (Scope 2)

3,619 MT CO₂e

Scope 2 emissions arise from the use of purchased electricity in our offices and facilities

¹ Data is limited to 53 sites.

² Data includes use of diesel in standby generator sets, forklifts, owned trucks, reefers and cargo handling equipment.

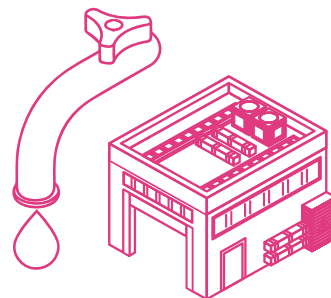
³ Calculated following the operational control approach of the Greenhouse Gas Protocol. Scope 1 emissions were calculated using the Greenhouse Gas Protocol Emission Factors from Cross-Sector Tools 2017, while scope 2 emissions were calculated following the emission factors from the Department of Energy's 2015-2017 National Grid Emission Factors. These include carbon dioxide emissions from the use of fuel and electricity in our operations.

WATER

Our water supply comes from third party utility providers. We primarily use water in our cleaning operations across warehouses, hubs and offices. As an essential resource to maintain the quality of our operations, we observe best practices to conserve water in our day-to-day activities.

36,146 m³

Water consumption in warehouses⁴



WASTE

Preventing pollution at sea is a priority whenever our ships sail. We have procedures in place to properly store, handle and dispose of our waste.

Disposing hazardous waste

The wastes from our ships and facilities are collected by accredited third-party collectors of the Department of Environment and Natural Resources.

180,830 L
Sludge



77,780 L
Used Oil



204,600 L
Bilge Water

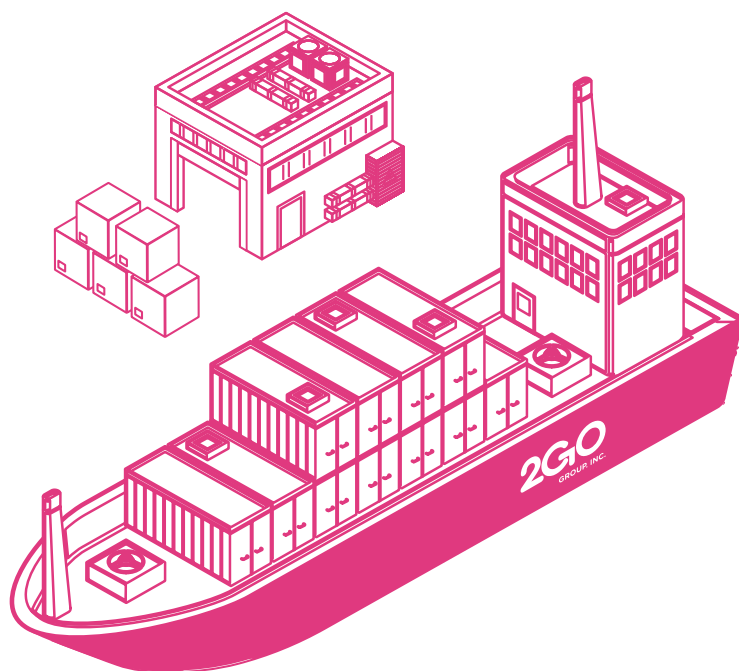


4,685 pcs
Fluorescent Lamps
& Bulbs



Handling food waste

Each vessel is equipped with a food grinder, which we use to dispose of our food waste within 12 nautical miles underway, adhering to the regulations of the International Maritime Organization.



⁴Data is limited to 32 sites.



2GO

NOT FOR HIRE

LTRB 24/7 HOTLINE: 1342

Text/Viber Numbers:
09179501342/09985501342
Case No.
Manila to any point in the PH

WRR Trucking Corporation
Ibaya Tipas, Taguig City

CORPORATE GOVERNANCE

Anchoring on Good Governance

#READY2GO AND DRIVE RESPONSIBLE GROWTH

Our company is committed to the principles and best practices of corporate governance. We ensure that our business is conducted in a manner that exudes the governance principles of fairness, accountability and transparency, and strives to keep pace with globally-recognized best practices in corporate governance.

We remain committed to pursuing economic growth that is anchored on social development and environmental stewardship. Wherever our business operates, we implement programs that promote environmental preservation as well as social and economic development.

THE BOARD OF DIRECTORS

At the forefront of 2GO's corporate governance program is its Board of Directors. The Board 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.

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 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
Laurito E. Serrano	Independent Director	Non-Executive Director
Jesus G. Dureza	Independent Director	Non-Executive Director

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 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.

2GO GROUP RECOGNIZED IN ASEAN CORPORATE GOVERNANCE AWARDS



(From left): Institute of Corporate Directors Chief Executive Officer Alfredo E. Pascual; 2GO Chief Operating Officer Waldo Basilla; and Securities and Exchange Commission Chairman Emilio B. Aquino

A testament to our continuing commitment to raise our company's level of compliance with the ASEAN corporate governance principles, the 2GO Group, Inc. was among the top performing companies in the Philippines out of a total 48 publicly-listed firms recognized under the ASEAN Corporate Governance Scorecard (ACGS).

The ASEAN corporate governance initiative comprising the ASEAN Corporate Governance Scorecard and the ranking of corporate governance practices of ASEAN publicly-listed companies (PLCs) is one of the regional initiatives under the ASEAN Capital Markets Forum which aims to raise corporate governance standards and practices of ASEAN PLCs and enhance the visibility and investability of well-governed ASEAN firms internationally.

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 five (5) business days 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, the President/CEO and other key officers. The evaluation criteria is based on the duties and

responsibilities of the respective valuees as provided for in the Company's By-Laws and Manual on Corporate Governance. As provided for in the Company's Manual on Corporate Governance, the performance evaluation is conducted by a third-party external facilitator every third (3rd) year. 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 five (5) board committees, namely the Executive Committee, the Audit Committee, the Risk Oversight Committee, the Related Party Transaction Committee, and the Corporate Governance Committee. The latter of which also performs the functions of the former Nomination Committee and the 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. Likewise, related party transactions that are considered "material" in nature, or exceed the materiality threshold provided for by the Company's *Policy on Material Related Party Transactions* are subject to the process of review and approval as provided by the same policy.

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. 2GO 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). 2GO 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.

Employee Welfare

2GO provides for the health, safety and welfare of its

employees. The Company has established policies and programs that promote a safe and healthy work environment that caters to all cultures and creeds and encourages employee development and growth.

A Culture of Good Governance

2GO's corporate governance culture remains rooted in its sustainability program. As such, the Company continues to develop its governance practices alongside its programs that aim to strengthen economic growth, social development and environmental stewardship. For more on 2GO's governance related policies and program, kindly refer to the Company's website at 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
GRI 101: Foundation 2016			
General Disclosures			
GRI 102: General Disclosures 2016	Organizational Profile		
	102-1	Name of the organization	2GO Group, Inc.
	102-2	Activities, brands, products, and services	2
	102-3	Location of headquarters	Inside back cover
	102-4	Location of operations	Inside back cover
	102-5	Ownership and legal form	Publicly listed corporation
	102-6	Markets served	2
	102-7	Scale of the organization	3
	102-8	Information on employees and other workers	22-23
	102-9	Supply chain	10-11, 18
	102-10	Significant changes to the organization and its supply chain	The company discontinued the operations of its short-haul fast ferry passenger vessels.
	102-11	Precautionary Principle or approach	9, 31
	102-12	External initiatives	8-9
	102-13	Membership of associations	Inside back cover
	Strategy		
	102-14	Statement from senior decision-maker	4-7
	Ethics and Integrity		
	102-16	Values, principles, standards, and norms of behavior	1, 38-40
	Governance		
	102-18	Governance structure	35
	Stakeholder Engagement		
	102-40	List of stakeholder groups	15
	102-41	Collective bargaining agreements	None
	102-42	Identifying and selecting stakeholders	15
	102-43	Approach to stakeholder engagement	15
	102-44	Key topics and concerns raised	15
	Reporting Practice		
	102-45	Entities included in the consolidated financial statements	Parent company and subsidiaries
	102-46	Defining report content and topic boundaries	12, 14
	102-47	List of material topics	14
	102-48	Restatements of information	18
	102-49	Changes in reporting	Inside front cover
	102-50	Reporting period	Inside front cover
	102-51	Date of most recent report	2018 (published in 2019)
	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	41-42
	102-56	External assurance	No external assurance

Material Topics				
GRI Standard	Disclosure		Page number(s), direct answer and/or URLs	Reason for Omission
Economic Performance				
GRI 103: Management Approach 2016	103-1	Explanation of the material topic and its boundary	14	
	103-2	The management approach and its components	17	
	103-3	Evaluation of the management approach	18	
GRI 201: Economic Performance 2016	201-1	Direct economic value generated and distributed	18	
Energy				
GRI 103: Management Approach 2016	103-1	Explanation of the material topic and its boundary	14	
	103-2	The management approach and its components	39	
	103-3	Evaluation of the management approach	31-32	
GRI 302: Energy 2016	302-1	Energy consumption within the organization	32	
Water				
GRI 103: Management Approach 2016	103-1	Explanation of the material topic and its boundary	14	
	103-2	The management approach and its components	39	
	103-3	Evaluation of the management approach	31-33	
GRI 303: Water 2016	303-1	Water withdrawal by source	33	
Emissions				
GRI 103: Management Approach 2016	103-1	Explanation of the material topic and its boundary	14	
	103-2	The management approach and its components	31-32, 39	
	103-3	Evaluation of the management approach	31-32, 39	
GRI 305: Emissions 2016	305-1	Direct (Scope 1) GHG emissions	32	
	305-2	Energy indirect (Scope 2) GHG emissions	32	
Employment				
GRI 103: Management Approach 2016	103-1	Explanation of the material topic and its boundary	14	
	103-2	The management approach and its components	20, 40	
	103-3	Evaluation of the management approach	22-23	
GRI 401: Employment 2016	401-1	New employee hires and employee turnover	22-23	
Training and Education				
GRI 103: Management Approach 2016	103-1	Explanation of the material topic and its boundary	14	
	103-2	The management approach and its components	20, 40	
	103-3	Evaluation of the management approach	22-23	
GRI 404: Training and Education 2016	404-1	Average hours of training per year per employee	22	
	404-3	Percentage of employees receiving regular performance and career development reviews	22	
Local Communities				
GRI 103: Management Approach 2016	103-1	Explanation of the material topic and its boundary	14	
	103-2	The management approach and its components	20, 28-29	
	103-3	Evaluation of the management approach	28-29	
GRI 413: Local Communities 2016	413-1	Operations with local community engagement, impact assessments, and development programs	28-29	

MEMBERSHIP IN ASSOCIATIONS

Cold Chain Association of the Philippines, Inc.
 Philippine Chamber of Commerce and Industry
 Philippine Inter-Island Shipping Association
 Philippine Intermodal Transport & Logistics Association, Inc.
 Philippine Liner Shipping Association
 Philippine Travel Agencies Association

CORPORATE INFORMATION

Company Headquarters

8th Floor Tower 1 DoubleDragon Plaza
 Macapagal Boulevard corner EDSA Extension
 Pasay City 1302, Philippines
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.

BDO Unibank, Inc.

Stock Transfer Unit

15th Floor South Tower, BDO Corporate Center
 7899 Makati Ave., Makati City 0726
 Trunk Line: 8840-7000
 Direct Lines: 8878-4961, 8878-4963 to 4965
 Fax: 8878-4056
 E-mail: bdo-stock-transfer@bdo.com.ph

2GO Investor Relations Office: investor_relations@2go.com.ph

2GO Sustainability Office: sustainability@2go.com.ph



8th Floor Tower 1 DoubleDragon Plaza
Macapagal Boulevard corner EDSA Extension
Pasay City 1302, Philippines
www.2go.com.ph