

Annex A: Reporting Template

(For additional guidance on how to answer the Topics, organizations may refer to Annex B: Topic Guide)

Contextual Information

Company Details	
Name of Organization	2GO Group Inc.
Location of Headquarters	8th Floor, Tower 1, Double Dragon Plaza, Macapagal Boulevard corner EDSA Extension, Pasay City 1302, Philippines
Location of Operations	2GO Group Inc. including its subsidiaries is operating nationwide across the Philippines
Report Boundary: Legal entities (e.g. subsidiaries) included in this report*	2GO Group, Inc. and its subsidiaries, namely: 2GO Express, Inc. 2GO Logistics, Inc. Scanasia Overseas Inc.
Business Model, including Primary Activities, Brands, Products, and Services	<p>2GO GROUP, INC. is the largest end-to-end transportation, logistics, and distribution provider in the country. Currently, it has five business units, namely 2GO Sea Solutions, 2GO Special Containers, and Value Added Services (SCVASI), 2GO Express, 2GO Forwarding, and 2GO Logistics.</p> <p>2GO is a subsidiary of SM Investments Corporation, one of the country's largest conglomerates. 2GO enables the movement of goods and people throughout the Philippines. It offers multimodal transportation, warehousing and inventory management, distribution, special containers, and project logistics as well as e-commerce logistics, including last-mile deliveries, and express courier deliveries. Additionally, the company provides sea travel, and a wide range of peripheral logistics such as freight forwarding, import and export processing, and customs brokerage.</p> <p>Backed by more than 140 years of expertise in transportation and logistics, 2GO has made a mark in providing the best travel experiences, efficient movement of products and cargoes, and for catalyzing business growth in the country.</p> <p>SERVICES</p> <p>2GO SEA SOLUTIONS is the largest, most modern ROPAX operator in the Philippines, with now 10 ROPAX vessels, 1 freighter vessel, and 17 ports of call. It offers speed, schedule reliability, and voyage frequency. 2GO optimizes capacity and</p>

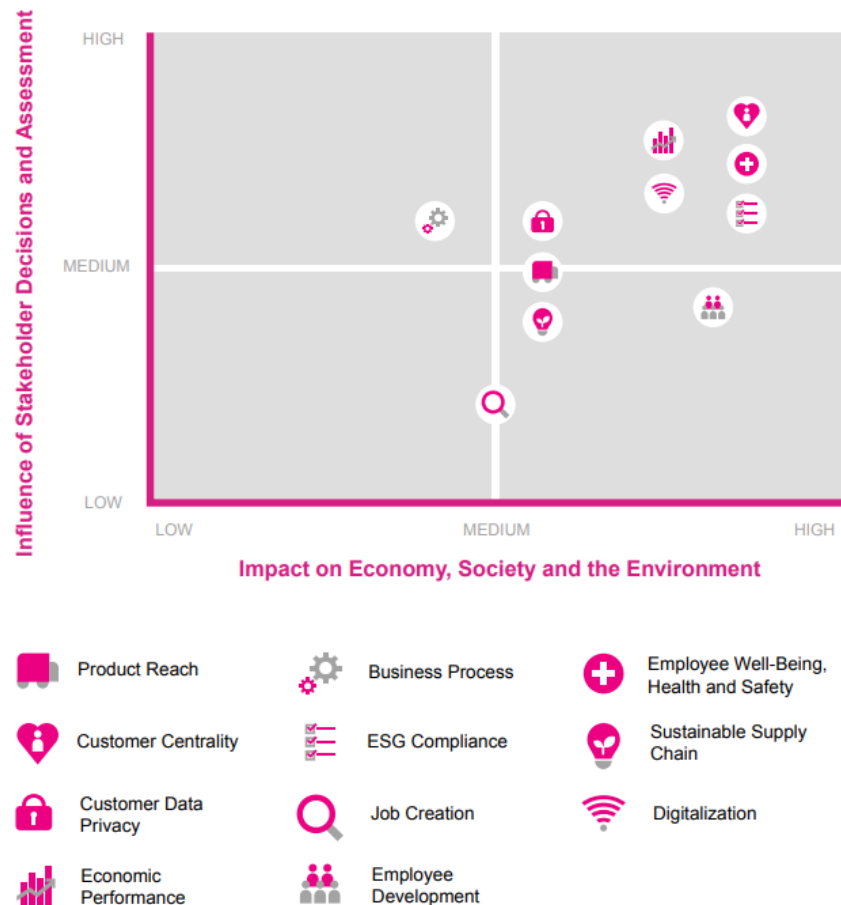
	<p>operational processes to be able to respond to the opportunities presented by the consumer-driven Philippine economy. It also offers an enhanced and unique onboard experience for sea travel.</p> <p>2GO SPECIAL CONTAINERS AND VALUE-ADDED SERVICES (SCVASI) is the largest operator of cold-chain containers and ISO tanks in the country. It leverages on Sea Solutions' strength of schedule, reliability and speed. SCVASI's project logistics business, 2GO Projects, continues to see opportunities in moving and lifting oversized cargo for clients across varying sectors such as, but not limited to, power, telecommunications, mining, and property.</p> <p>2GO EXPRESS capitalizes on its broad network and caters to different delivery formats to meet the requirements of our customers in a timely manner, while also enabling the surge of B2C and C2C growth. It serves the pick-up and delivery of documents, parcels and last-mile e-commerce with a courier base fleet of more than 2,000, operating in hubs in 33 key locations and partnering with 63 delivery agents nationwide. 2GO Express is also the largest local partner of FedEx, with pickup of international outbound and delivery for international inbound served. FedEx services are sold in 2GO Express locations nationwide. With investments in technology for further efficiency, 2GO Express is looking forward to expanding its operations to serve the growing B2C and C2C markets.</p> <p>2GO FORWARDING is a partner in the movement of goods through air, sea and land, including international forwarding. It is specialized in handling for FMCG, automotive, pharmaceuticals, including perishable medicines, industrial and fragile items, and other B2B transfers. It capitalizes on the integrated mode of transfers within the 2GO network and its partners nationwide.</p> <p>2GO LOGISTICS supports inbound and outbound logistics. It manages warehouse and transport activities that enable all logistic needs, from production to delivery. 2GO has a nationwide fleet of over 1,400 transportation vehicles under management, and a total of 54 warehouse and hub facilities that are strategically located around the archipelago. 2GO also uses a globally recognized Warehouse Management System (WMS) that fully integrates and streamlines the supply-chain infrastructure. The WMS automated warehouse processes enable complex piece picking operations with a high degree of accuracy. At 2GO, we introduce technology as well as specialized operational skill sets to cater to the verticals and</p>
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	<p>services we want to support. We are confident and optimistic of the growth that our lean and agile operating structure will capture in a sector full of abundant opportunities.</p> <p>2GO DISTRIBUTION, also known as ScanAsia Overseas, is the leader in the distribution of pharmaceutical and retail products in the drugstore. We disperse a breadth of categories from infant formula, adult milk, personal care, home care, dairy, pet food, confectionaries to over 3,000 doors nationwide. ScanAsia plans to further improve its operational efficiencies and aims to continuously improve the product availability and visibility of all ScanAsia brands to delight its principals, customers, and consumers. ScanAsia Overseas officially closed its operations on December 2023.</p>
Reporting Period	January 1, 2023 to December 31, 2023
Highest Ranking Person responsible for this report	Mercy Grace Dionisio

**If you are a holding company, you could have an option whether to report on the holding company only or include the subsidiaries. However, please consider the principle of materiality when defining your report boundary.*

Materiality Process

The last materiality assessment of the organization was conducted in 2020 wherein an in-depth assessment was conducted by engaging identified stakeholders of 2GO Group Inc. Material topics that are important to our stakeholders and critical areas we need to focus on, for us to deliver excellent service to our clients, were identified. As of today, the previously identified topics are deemed to be still relevant to 2GO's business operations.



2GO Stakeholders	Mode of Engagement	What Matters Most to our Stakeholders	2GO Commitment
Customers & Clients	<ul style="list-style-type: none"> • Various Customer Touchpoints • Online Surveys 	<ul style="list-style-type: none"> • Product/ Service Reach, Accessibility and Visibility • Customer Welfare • Customer Data Privacy 	Continuous system enhancement
People	<ul style="list-style-type: none"> • In person discussions • Annual Performance Review • Online Surveys • Townhall meetings • Coaching and Training 	<ul style="list-style-type: none"> • Employee Development, Career Growth • Occupational Health and Safety 	<p>Internal and external training opportunities</p> <p>Adequate health and work benefits</p>
Investors	<ul style="list-style-type: none"> • Annual Stockholders Meeting • Investor Meetings 	<ul style="list-style-type: none"> • Economic Performance • Compliance and Governance • Adapting to COVID-19 	Transparent and timely disclosures
Suppliers and Service Providers	<ul style="list-style-type: none"> • Vendor accreditation • Regular correspondence • Online Survey 	<ul style="list-style-type: none"> • Occupational Health and Safety • Customer Welfare • Product Reach, Accessibility & Viability 	<p>Safety trainings</p> <p>Vendor selection process</p>
Socio-Civic Partners	<ul style="list-style-type: none"> • CSR joint projects • Online survey 	<ul style="list-style-type: none"> • Sustainable Operations • Community Involvement 	Partnership for social development programs
Media Partners and Analysts	<ul style="list-style-type: none"> • Media Briefings • Corporate Events 	<ul style="list-style-type: none"> • Economic Performance • Employee Development • Occupational Health and Safety • Compliance and Governance 	Transparent and timely disclosures
Regulators	<ul style="list-style-type: none"> • Conferences and external events • Regular Correspondence 	<ul style="list-style-type: none"> • Compliance and Governance • Sustainable 	Transparent and timely disclosures

ECONOMIC

Economic Performance

Direct Economic Value Generated and Distributed

Disclosure	Amount <i>in Millions</i>	Units
Direct economic value generated (revenue)	15,993.75	PhP
Direct economic value distributed:		
a. Payment to suppliers and other operating costs	11,667.59	PhP
b. Employee wages and benefits	1,400.67	PhP
c. Payments to providers of capital	388.66	Php
d. Payments to government	409.72	PhP
e. Investments to community (e.g. donations, CSR)	0.26	PhP

What is the impact and where does it occur? What is the organization's involvement in the impact?

2GO Group Inc. is the largest integrated transportation and logistics provider in the Philippines. 2GO promotes economic activity in the country. Our nationwide presence all over the country shapes our financial performance and contribution to the local areas where we operate, through the various opportunities we provide to our stakeholders.

Our businesses provide jobs to more than 6,000 Filipinos nationwide. Different employment opportunities are created from our business operations through our service partners, third-party service providers, contractors and suppliers.

In 2023, Php 13.7 billion, from 2GO's revenue, was distributed back to society and our key stakeholders. Of this, 84% is distributed to suppliers and contractors in the form of payments, 10% to our employees through wages and benefits, 2.8% to Investors for returns on their investments, 0.002% to communities through donations and other CSR initiatives, and almost 3% to the Government in the form of taxes.

We ensure that our business operations comply with necessary regulations set by the government such as tax payment, and that our financial gains are distributed to all our other stakeholders. In addition to that, our investors are given their due returns on their investments in our company.

What are the Risk/s and opportunities Identified?

As the whole country strives to return to the pre-pandemic level, restrictions have been fully lifted and economic activities have returned to normal. This resulted in increased demand for transportation and logistics services to move not only goods but also people in various parts of the country. This is deemed to be both a risk and an opportunity for the company.

Which stakeholders are affected?

The following are affected by 2GO's economic performance

- Investors
- Shareholders
- Employees
- Clients/
- Customers
- Suppliers
- Communities

Management Approach on Impact, Risk/s and Opportunities

2GO offers multimodal transportation, warehousing and inventory management, special containers, project logistics, and e-commerce logistics, including last-mile deliveries, and express courier deliveries. The company also provides sea travel and various peripheral logistics such as freight forwarding, import and export processing, and customs brokerage.

2GO, being the country's leading transportation and logistics solutions provider, is committed to fostering economic growth in the country and facilitating seamless connections between different regions, nationwide. True to our commitment, 2GO strives to strengthen its position as a key player in the travel and logistics industry in the country by going full speed ahead of our expansion and bolstering our operations.

At 2GO, we continue to expand all our business segments, including e-commerce, last-mile deliveries, and cold chain services via its massive fleet of refrigerated trucks. We consistently invest in supply chain preparedness by establishing a foothold in our hubs and maintaining a capable workforce.

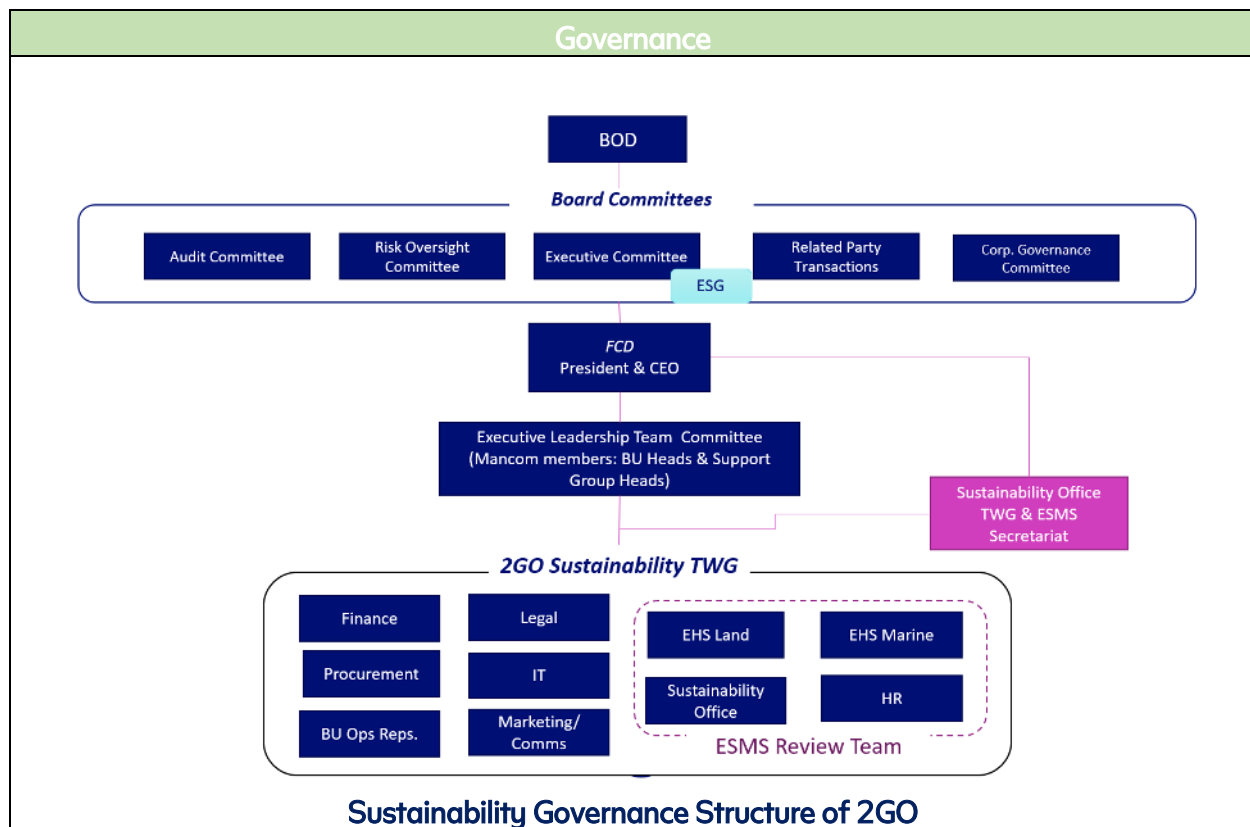
In 2023, 2GO continued to fortify its network of strategic hubs across key cities in Luzon, Visayas, and Mindanao. 2GO also provides LCL shipside services, a tailored service representing an expedited Less than Container-Load (LCL) offering. This pioneering solution is operational in its Manila, Cebu, Iloilo, Zamboanga, and Cagayan de Oro hubs. LCL services continue to be offered in 2GO's network of 17 gateways around the country, which serve top consumer companies, manufacturers, distributors, industrials, and agricultural businesses.

2GO aimed to raise standards in transporting the freshest goods possible. In the early part of 2023, 2GO introduced the first multi-temperature reefer vans in the Philippines. Boosting the safe and secure transport of goods, the multi-temperature reefer vans have multiple temperature settings, which allows them to store and transport both frozen and chilled food items at the same time. It has a length of 20 feet and is used for LCL reefer service.

To further ensure faster movement of goods, upgrade our inter-island logistics service, and provide travel options among passengers, in the last quarter of 2023, 2GO bought two more roll-on/roll-off vessels, strengthening our capacity to carry both passengers and cargo.

In an aim to provide a one-stop destination for customers, 2GO retail stores extended its services to package pick-up, cargo logistics, and forwarding services aside from the wide array of services it offers such as from ticket purchases for 2GO Travel and travel-related services to efficient document and parcel deliveries through 2GO Express and FedEx.

Climate-related risks and opportunities¹



At the board level, the executive committee has the oversight on Environmental Social and Governance (ESG) or Sustainability matters which includes climate-related topic discussions. 2GO also has a Sustainability Technical Working Group (TWG) whose members are support group heads and representatives from business operations that are essential in driving sustainability on their respective functions. The 2GO sustainability office serves as the secretariat for the 2GO Sustainability TWG.

The TWG was formed with an objective of integrating sustainability in 2GO's ways of working, promote synergy and incorporate sustainability in 2GO's culture and values. Moreover, the TWG will help drive 2GO's sustainability agenda and roadmap. The TWG also plays an essential part on the implementation of Environmental and Social Management System that is currently being drafted. Furthermore, the TWG members will also help with other ESG related organizational accountabilities.

¹ Adopted from the Recommendations of the Task Force on Climate-Related Financial Disclosures. The TCFD Recommendations apply to non-financial companies and financial-sector organizations, including banks, insurance companies, asset managers and asset owners.

Strategy
<p>In 2023, 2GO, through its parent company - SMIC, embarked on a partnership with WWF (World Wide Fund) for the development of climate scenario analysis and science-based targets for 2GO.</p> <p>Scenario analysis, a key recommendation of the TCFD - Taskforce on Climate Financial Disclosures, allows a company to understand and quantify the risks and uncertainties it may face under different hypothetical futures.</p> <p>Through the said study, the physical and transition risks to 2GO's operations (both for marine and land operations) at different climate scenarios were identified as well as different possible opportunities. The four-scenario envelopes used in the report were Business As Usual (RCP8.5), Nationally Determined Contributions (NDC) Scenario, 2-Degree Scenario (2DS), Net-Zero Emissions (NZE) Scenario. Currently, 2GO is awaiting for groupwide direction from its parent company on what scenarios to be considered in developing mitigation and adaptation plan on the identified risks which can be integrated to 2GO's business continuity plan.</p>

Risk Management
<p>Transition Risk</p> <p>Transition risks of 2GO to transition into the NZE, 2DS, NDC, and RCP8.5 scenarios were assessed, looking into the categories recommended by TCFD: policy and legal, technology, market, and reputation. There is an expected low risk for all categories in the transition to the RCP8.5 scenario as this does not require any shifts in the business operations of 2GO. As for the NDC scenario, there is initially low risk in the near-term across all categories, and a corresponding medium risk in the medium-term as more tangible and rigid national regulations are expected to be developed and fully or partially implemented by 2035 for more climate resilient operations. This results in a more difficult transition for logistics companies in the medium term to meet Net-Zero goals by 2050.</p> <p>Policy and legal transition risks that may be expected by 2GO are high for the near- and medium-term for the NZE scenario as they have to ensure that they meet mandatory requirements set by the transport/logistics sector to achieve Net-Zero goals by 2050. There is slightly less risk of transition into a 2DS scenario when it comes to the near-term, however mandated carbon price and operating costs are expected to be of high risk as early as 2025.</p> <p>Technology transition risks that may be expected by 2GO are high in the medium-term for both NZE and 2DS, however retirement/replacement of old equipment, climate-proofing of operational assets, and associated costs are expected as early as 2025 for the NZE scenario.</p>

Market transition risks that may be expected by 2GO are high in the near-term for both NZE and 2DS when it comes to the preference of insurance providers and investors for companies with robust climate risk assessment and business continuity strategies. Preference of insurance providers are also influenced by the climate adaptation measures of 2GO to protect both freight and passengers given that 2GO also has its 2GO Travel subsidiary. There is however a medium risk for this category for consumer preference as the limited literature on this may signify how consumer preference is a less significant risk on logistics companies compared to the preference of insurance providers and investors when it comes to climate resilience initiatives and a transition to a low-carbon economy.

Reputation transition risks that may be expected by 2GO are high for the near- and medium-term for the NZE scenario as sectors shall be required to begin transitions as early as 2025 in this scenario, and ensure that 2035 transitions prepare them to achieve Net-Zero by 2050. There is medium-risk in the near term for the 2DS scenario as there is lower expectation from companies this early on for a slightly less ambitious scenario.

Physical Risk

Both event-driven and longer-term shifts in climate patterns are resulting in physical risks from climate change. These risks are relevant to companies due to their financial implications such as direct damage on assets, and indirect impacts from disruptions in their supply chain. Physical risks include extreme weather events and increasing temperature which in turn affect financial performance, operations, and employee safety.

While global temperatures are projected to increase across RCP8.5, NDC, and 2DS scenarios, increased temperature and extreme heat have relatively limited impacts on the transport sector in comparison to sea level rise, storm surges, floods, droughts, and wind gusts. Essentially, high risk impact for 2GO is expected to come from extreme events, such as storm surges, floods, wind gust speed, rather than incremental changes of temperature and precipitation.

Rising sea levels, wind gust speed, and coastal salinity are physical risks that significantly affect the transport and logistics sector, with the level of risk projected to worsen in the latter half of the century in a RCP8.5 scenario (Christodoulou & Demirel, 2018). Inundation from flooding and sea level rise is also expected for both airports and seaports between 2030 and 2080, while sea level rise, although gradual, lurks as the largest future impact for the logistics sector (Jacques et al, 2022). Wind speed data and projections are lacking and have an observed inconsistency, however higher wind gust speeds are expected between 2050 and 2100 according to the 2018 JRC report, which indicated that this greatly affects landing and take off in airports, and increased energy use for navigation of vessels at sea (Christodoulou & Demirel, 2018).

Although there are relatively limited impacts of increased temperature and extreme heat on the transport sector compared to extreme climate-related events, the prolonged duration of extreme heat impacts 2Go's operations through risks associated with the health, safety, and productivity of employees. Temperature rise puts employee safety at risk as this impairs their ability to safely drive and navigate vehicles due to threatened attention and cognitive performance caused by heat stress and dehydration. This translates into impacts for 2Go as a logistics company as these result in reduced productivity attributed to an increased number of accidents, decreased road safety, and elongated breaks between shifts. (Annaheim, S. et al, 2020). Consumers are also indirectly affected

by physical risks of climate change on 2Go due to compromised service and delivery of goods, which is one of the identified acute physical risks of the logistics sector.

Opportunities

Efforts to mitigate and adapt to climate change also produce opportunities for companies, and varied depending on the region, market, and industry in which it operates. Climate-related opportunities for the transport and logistics sector were assessed for each climate scenario based on an internal opportunities ranking criteria. These were categorized according to the TCFD framework, and were identified as either attainable or unattainable in each scenario.

Among the four scenarios, the RCP8.5 scenario was the least beneficial in opportunities across all categories, although support for more climate-resilient services may remain among stakeholders, and may possibly even grow in demand as environmental situations progress for worse. Climate change-resilient supply chains remain largely fragmented within the RCP8.5 scenario, resulting in vulnerable delivery of products and services. This may be closely related to the lack of a collaborative and holistic adaptation strategy from sectoral players and inadequate national directive in providing resilient infrastructure and transitional support. Relative to this, the NDC scenario stands to gain more opportunities particularly for greater investment in green-gray infrastructure, more automated and digital solutions, asset sharing, more inclusive engagement from stakeholder within value chains, remote work and efficient work traveling. The NDC scenario also shows more promise in the adoption of increased solar energy.

Furthermore, products and services stand to benefit through improved efficiency in land and sea freight transport modes, increased revenue from a higher consumer demand for sustainable service, and increased support from stakeholders for climate-ready logistics solutions all of which could aid in distinguishing 2Go's reputation as trailblazer of green transportation and logistics. The improved availability and accessibility to climate finance mechanisms in the NDC scenario could also potentially pave the way to compounding opportunities overall making this scenario more resilient and inclusive for other stakeholders such as the scientific community and key public and private decision-makers.

The NZE and 2DS scenarios share the bulk of the opportunities in resource efficiency, energy source, improved products and services, better reception from the market, and resiliency. The two were differentiated by the expectation that, in the NZE scenario, there would be reduced financial strain on taxpayers and employment sectors to cover for infrastructural and environmental damage related to climate change. Finally, more minute details such as company-internal employee policies differed between scenarios in terms of the degree of integrating a climate-resilient lens.

Each scenario poses a unique enabling or disabling environment for 2Go's decarbonization initiatives. This scenario analysis provides 2Go a holistic overview on how their operations would potentially transform under each categorical initiative. On one hand, in the more intensive scenarios of 2DS and NZE, 2Go would have to undergo more dramatic changes in data gathering to comply with stricter GHG emissions reporting and more ambitious near-term policies which would produce their corresponding opportunities. On the other hand, the RCP8.5 and NDC scenarios pose much less transitional risks, however these conversely affect 2Go's opportunities. Climate mitigation and adaptation efforts most likely subsist in silos, effectively diminishing 2Go's resilience against climate

change-induced damages which would result in higher operational or recovery costs, incomplete GHG emissions information, and slower delivery of goods and services.

These considerations would ultimately tie in with the decision-making of 2Go's Sustainability Governance Board and effectively inform key processes aligned with their 2021 metrics and targets such as their emissions intensity compliance (to national legislation), efficient management of resources, and engagement with external stakeholders to support sustainable supply chain solutions.

Metrics and Targets

To assess and manage relevant climate-related risks and opportunities, 2GO Group regularly monitor, measures and report our energy consumption from fuel and electricity as well as water consumption. Our greenhouse gas emissions are also calculated and reported annually through our sustainability report.

Procurement Practices

Proportion of spending on local suppliers

Disclosure	Quantity	Units
Percentage of procurement budget used for significant locations of operations that is spent on local suppliers	96	%

What is the impact and where does it occur? What is the organization's involvement in the impact?	Which stakeholders are affected?	Management Approach
<p>To ensure a continuous supply of quality goods and services from reputable and reliable vendors/suppliers, 2GO implements a stringent supplier accreditation process. We ensure that the vendors/suppliers we partner with complies with pertinent government rules and regulations such as those related to the environment, labor, health & safety, etc.,</p> <p>During the accreditation process of suppliers/vendors, we ensure that they conform with 2GO's Code of Business Ethics, Environmental</p>	<ul style="list-style-type: none"> Suppliers Contractors Creditors Other entities engage in business with the company 	<p>As part of our management approach when it comes to procurement practices, we make sure that our contract agreements are followed diligently by all involved parties. Contracts are standardized to ascertain that the content encompasses all types of transactions with a particular supplier. The suppliers/contractors are given ample time to review the document before signing. In cases of revisions, a separate document reviewed by our legal division is attached, detailing all agreed revisions as a complementing agreement to the standard contract.</p>

<p>Policy, and OSH Policy. This is to ensure that 2GO together with its partners, are aligned with the environmental and social related values.</p> <p>By sourcing local suppliers/vendors, 2GO promotes inclusive business, thereby promoting revenues and jobs to local communities.</p>		
What are the Risk/s and Opportunities Identified?		Management Approach
<p>The procurement-related risks identified include fraud, cost, quality, and delivery risk.</p> <p>Procurement practices impact our business operations as they can affect cost efficiencies, quality, and availability of supplies that may affect our ability to provide service to clients and customers.</p>		<p>The accreditation process assesses and reduces the risks of poor-quality products and services or late or non-delivery which may result in disruption in business operations. It also enables the company to partner with suppliers/contractors who shares the same values and goals as 2GO.</p> <p>Moreover, supplier accreditation also helps maintain the integrity of the procurement process thus promoting transparency in the organization</p>
What are the Opportunities Identified?		Management Approach
<p>2GO Group sees an opportunity to tap local Small and medium-sized enterprise (SME) industries. Partnering with SMEs helps the organization to reduce its operational costs across its supply chain, without sacrificing the quality of products and services delivered to our business units.</p>		<p>Local SMEs are currently subjected to the same accreditation policy and procedures and are approved if they meet the set standards.</p> <p>Currently, 2GO does not have a policy to preferentially accommodate local SMEs where it is applicable, however, this is something that can be considered.</p>

Moreover, through partnering with SMEs, 2GO, in turn, helps promote and boost local economic growth.		
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Anti-corruption

Training on Anti-corruption Policies and Procedures

Disclosure	Quantity	Units
Percentage of employees to whom the organization's anti-corruption policies and procedures have been communicated to	100	%
Percentage of business partners to whom the organization's anti-corruption policies and procedures have been communicated to	100	%
Percentage of directors and management that have received anti-corruption training	100	%
Percentage of employees that have received anti-corruption training	100	%

Incidents of Corruption

Disclosure	Quantity	Units
Number of incidents in which directors were removed or disciplined for corruption	0	#
Number of incidents in which employees were dismissed or disciplined for corruption	0	#
Number of incidents when contracts with business partners were terminated due to incidents of corruption	6	#

What is the impact & Risks and where does it occur? What is the organization's involvement in the impact?	Which stakeholders are affected?	Management Approach
We avert any form of corruption across our business operations and value chain. Corruption is against our core values, business ethics moral principles. We take any form of corruption seriously as it may significantly affect our ability to generate and equitably distribute economic value to all of our stakeholders. We understand that any issue related to corruption can adversely affect our reputation	<ul style="list-style-type: none"> • Employees • Suppliers • Creditors • Investors • Regulators 	2GO is committed to promoting fairness, accountability, and transparency to all of its stakeholders. The Board sets the tone and makes a stand against corrupt practices by adopting anti-corruption policies and programs. Some of the Company's Anti-Corruption programs are embodied in the Code of Business Conduct, Conflict of Interest Policy, and Related Party Transactions Policy, among others. The same is disseminated to all employees across the Company

<p>among our stakeholders including the public and our customers, which may lead to decreased sales and in turn will lead to a decrease in revenue. And for this reason, the company facilitates training on Anti-corruption policies and procedures as we deal with different stakeholders.</p> <p>However, despite the company's efforts to avert corruption, in 2023, there were 6 contractors, all of which were truckers, that were terminated due to incidents of corruption. They were terminated due to bribery and/or pilferage.</p>		<p>through trainings to embed them in the Company's culture. New employees are oriented regarding policies and procedures related to Business Conduct and Ethics and similar policies. These policies and programs are made available on the Company Website and Employee Portal for easy reference.</p> <p>2GO has also established a Whistleblowing Policy, also referred to as Policy on Accountability, Integrity, and Vigilance (PAIV). This policy allows employees and other stakeholders to freely communicate their concerns about illegal or unethical practices, which may be raised freely within the organization.</p>
<p>What are the Opportunities Identified?</p>		<p>The company does not tolerate any form of corruption, thus, there is a corresponding sanction to those to be proven guilty of any form of corruption. Prior to the imposition of sanctions, there is a corresponding investigation done on the suspect and the corresponding case.</p>
<p><i>Positive financial returns, improve product and service quality and reinforce goodwill among stakeholders give us ample reason to fight corruption.</i></p>		

ENVIRONMENT

Resource Management

Energy consumption within the organization:

Disclosure	Quantity	Units
Energy consumption (renewable sources)	0	GJ
Energy consumption (gasoline)	27.17	GJ
Energy consumption (bunker fuel IFO 180)	1,956,667.16	GJ
Energy consumption (diesel)	392,100.45	GJ
Energy consumption (electricity)	6,432,386.73	kWh

Reduction of energy consumption

Disclosure	Quantity	Units
Energy reduction (gasoline)	25.74	GJ
Energy reduction (LPG)	N/A	GJ
Energy reduction (diesel)	(95,084.38)	GJ
Energy reduction (electricity)*	(525,887.49)	kWh
Energy reduction (bunker fuel)	84,985.53	GJ

What is the impact and where does it occur? What is the organization's involvement in the impact?	Which stakeholders are affected?	Management Approach
<p>At 2GO, we recognize that energy management is essential to our business operations. As a logistics and transport company, we belong in an energy-intensive industry, wherein both fuel and electricity are used in all our operations, groupwide. 2GO aspires to deliver a high level of service to our clients at a minimal environmental impact, hence we give high importance to the responsible use of energy resources across the group.</p> <p>Responsible energy management brings a positive impact not just to the environment but to the organization, as it not only leads to</p>	<p>Communities</p> <p>Regulators</p> <p>Investors</p>	<p>In 2023, the energy consumption of 2GO from the use of fuel increased by 0.43% while the electricity consumption groupwide increased by 9%.</p> <p>The majority (96%) of the fuel consumed by the Group comes from Marine operations, coming from the use of fuel in day-to-day operations of the ships. In 2023, the shipping/bunker fuel consumption of 2GO vessels decreased by 4% though the marine operation's use of automotive diesel oil increased by 39%. The increase in automotive diesel oil of marine operations is due to the electrification of all kitchen equipment on the vessels. The vessel uses generators to electrify its equipment inside including the kitchen equipment. On the other</p>

reduction in carbon emissions, but it also lowers the operating cost from fuel and electricity use which results to significant savings in operational expenditures.		<p>hand, the decrease in the use of shipping fuel may be attributed to the fuel-saving initiatives implemented by 2GO's shipping management division such as the application of a fuel oil flowmeter, enhanced vessel handling, monitoring of engine tuning and regular maintenance, application of anti-fouling and silicone paint on the hull and propeller of the vessels, and trim optimization.</p> <p>As for electricity consumption, this is due to the increase in the number of 2GO's sites from 45 in 2022 to 28 sites in 2023.</p> <p>2GO has resource conservation procedure, including guidelines on the prudent use of energy resources in the workplace. It is being implemented across the group to promote responsible energy use.</p>
What are the Risk/s Identified?		Management Approach
<p>The same with other companies, 2GO is affected by regulatory risk. Some of 2GO's business operations are affected by new law and government regulations related to energy conservation.</p> <p>Another risk identified is the fluctuating price of fuel in the market as well as the energy/electricity we purchase.</p>		<p>The consumption of energy, may it be thru fuel or electricity, affects the environment thru the carbon and GHG emitted from the use of fuel and generation of electricity from non-renewable source. Therefore, we conduct several measures to reduce our energy consumption within the Group</p> <p>The acquisition of more fuel-efficient ships of 2GO Sea Solution and investment on technologies such as delivery optimization tool like Fareye for 2GO Express and transport management digitalization for 2GO Land Transport, not only helped the company eliminate the inefficient transportation of goods but also helped the company offset the effects of higher fuel cost in 2023.</p>
What are the Opportunity/ies Identified?		
The requirements to comply with RA 11285 or the Energy Efficiency and Conservation Act, gives an opportunity for our business units to integrate energy management plan and other		

energy conservation initiatives to their respective business operations. This will not only cut energy inefficiencies but also may promote cost savings by reducing the overhead cost of the company.		As we seek to lessen our environmental impacts by setting energy reduction initiatives, we are currently in the process of revising our current resource conservation procedure and drafting of energy management program, integrating energy management system and following the provisions indicated on RA 11285 – Energy Efficiency and Conservation Act, in compliance with the requirement of the Department of Energy (DOE).
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Water consumption within the organization

Disclosure	Quantity	Units
Water withdrawal	140,990.92	Cubic meters
Water consumption	0	Cubic meters
Water recycled and reused	0	Cubic meters

What is the impact and where does it occur? What is the organization's involvement in the impact?	Which stakeholders are affected?	Management Approach
<p>Water is primarily used for cleaning and sanitation purposes only of 2GO offices, hubs, and warehouses. The 2GO Group does not belong to a water-intensive industry.</p> <p>However, the 2GO Group recognize that our consumption of water may also impact the water supply of the communities where 2GO facilities operate, for this reason, the company values the importance of water conservation.</p> <p>Conserving water is essential for safeguarding ecosystems, ensuring water security, promoting economic prosperity, and building</p>	<p>Communities</p> <p>Regulators</p> <p>Investors</p>	<p>The company promotes responsible water consumption in all its facilities. Water usage are regularly being monitored and different measures are implemented to conserve water.</p> <p>Water Conservation is included in 2GO's Resource Conservation Procedures that were cascaded to all 2GO sites as part of the organization's Environmental Compliance Action Program (ECAP).</p>

resilient communities in the face of global challenges like climate change and population growth. It requires collective efforts from individuals, communities, governments and businesses like us, to adopt water-saving practices and policies to ensure a sustainable future for generations to come.		
What are the Risk/s Identified?		
2GO recognize the risk to water shortage due to increased competing demand from other sectors and domestic use. Extreme heat, El Niño and climate change also plays a role. Some of 2GO facilities are exposed to this risk as we operated nationwide across the country, as few of which are located in water stressed areas.		
What are the Opportunity/ies Identified?		
There is an opportunity to further reduce water consumption by improving water usage monitoring. Other measures may also be applied in some facilities such as rainwater harvesting and use of recycled water subject for feasibility.		

Materials used by the organization

Disclosure	Quantity	Units
Materials used by weight or volume		
• renewable	N/a	kg/liters
• non-renewable	n/a	kg/liters
Percentage of recycled input materials used to manufacture the organization's primary products and services	n/a	%

What is the impact and where does it occur? What is the organization's involvement in the impact?	Which stakeholders are affected?	Management Approach
Not material as 2GO does not manufacture any products	Not Material	Not material
What are the Risk/s Identified?		
Not Material		
What are the Opportunity/ies Identified?		
Not Material		

Ecosystems and biodiversity (whether in upland/watershed or coastal/marine)

Disclosure	Quantity	Units
Operational sites owned, leased, managed in, or adjacent to, protected areas and areas of high biodiversity value outside protected areas	Not Material	n/a
Habitats protected or restored	Not Material	ha
IUCN ² Red List species and national conservation list species with habitats in areas affected by operations	Not Material	n/a

What is the impact and where does it occur? What is the organization's involvement in the impact?	Which stakeholders are affected?	Management Approach
This is considered not material for 2GO since we do not have operations within or adjacent to biodiversity-rich areas.	Not material	Not material
What are the Risk/s Identified?		
Not material		
What are the Opportunity/ies Identified?		
Not Material		

² International Union for Conservation of Nature

Environmental impact management

Air Emissions

GHG

Disclosure	Quantity	Units
Direct (Scope 1) GHG Emissions	200,094	Tonnes CO ₂ e
Energy indirect (Scope 2) GHG Emissions	4,608	Tonnes CO ₂ e
Emissions of ozone-depleting substances (ODS)	105	Tonnes

Air pollutants

Disclosure	Quantity	Units
NO _x	2,536.24	MT
SO _x	90.07	MT
Persistent organic pollutants (POPs)	Not applicable	MT
Volatile organic compounds (VOCs)	Not applicable	MT
Hazardous air pollutants (HAPs)	Not applicable	MT
Particulate matter (PM)	172.54	MT

What is the impact and where does it occur? What is the organization's involvement in the impact?	Which stakeholders are affected?	Management Approach
<p>As a logistics and transport company, 2GO emissions are primarily generated from our fleet of vehicles, mechanical handling equipment, and vessels. Some 2GO facilities also have generator sets on site that are only used during a power outage or maintenance check. The Group recognizes that our involvement in this topic is through our day-to-day operations and transactions.</p>	<p><i>Communities</i></p> <p><i>Regulators</i></p> <p><i>Investors</i></p>	<p>To reduce the 2GO group's GHG emissions, 2GO promotes efficient use of electricity and fuel. This not only reduces emissions from operations but also reduces the operational expenses of the company.</p> <p>At 2GO, we have been implementing different measures and strategies to minimize our environmental footprint by pursuing efficient operations while maintaining highest standards of service to customers. Some of the initiatives that have been implemented are the use of electric forklifts for warehouses that caters to food products. It uses to maintain the air quality on the warehouse. Approximately, 50% of the total forklifts used in 2GO's operations are electric.</p> <p>2GO has also invested in technologies such as transport management and</p>
What are the Risk/s Identified?		
<p>Tracking GHG emissions helps the company better understand its contribution to climate change. This affects the company's assessment of its climate-related risks.</p>		

What are the Opportunity/ies Identified?		<p>delivery optimization systems (Fareye), as well as automatic sorting machine. Through this optimization tool and equipment, it does not only reduce unwanted miles but also helps in reducing emissions.</p>
<p>There is an opportunity to use alternative and renewable sources of energy as well as to create an energy efficiency program to further lower the electricity consumption of the facilities, thereby lowering their GHG emissions.</p>		<p>All 2GO owned-trucks are Euro4 compliant while the truck drivers are trained with eco-efficient driving techniques to lower fuel consumption and carbon emissions.</p> <p>2GO also has a fleet modernization plan which includes the acquisition vessels that uses low sulfur fuel in compliance with IMO's MARPOL 73/78 by 2025.</p> <p>As for shifting to renewable energy, in one of the warehouse of 2GO located in Asinan, Paranaque, solar panel is currently being installed to power our operation using renewable energy.</p> <p>In the pipeline for the next year, as part of our action plan to reduce our emissions is to convert some of our warehouse, to renewable thru the Green Energy Option Program of Dept. of Energy. Furthermore, while waiting for the government's roadmap on Electric Vehicle Industry in compliance with the EVIDA law, 2GO will conduct a feasibility study on the use of e-vehicle for logistics, targeting to pilot EV in 2GO operations by 2025.</p>

Solid and Hazardous Wastes

Solid Waste

Disclosure	Quantity	Units
Total solid waste generated	1,341,890	kg
Recyclable/Reusable	1,256,910	kg
Composted	27,690	kg

Incinerated	Not applicable	kg
Residuals/Landfilled	5,330	kg

Hazardous Waste

Disclosure	Quantity	Units
Total weight of hazardous waste generated	51,960	kg
Total weight of hazardous waste transported	51,960	kg

What is the impact & risk and where does it occur? What is the organization's involvement in the impact?	Which stakeholders are affected?	Management Approach
<p>2GO Group does its utmost effort to comply with all laws related to waste management.</p> <p>There is a solid waste management program in place in compliance with Solid Waste Management Act (RA) No. 9003, Hazardous Wastes Management Act (RA) No. 6969 and related LGU ordinances.</p> <p>Our Group's involvement in the impact of solid and hazardous waste disposal is through our day-to-day operations. These impacts are primarily managed through both internal initiatives and compliance with the regulatory requirements aforementioned.</p> <p>As for hazardous wastes, these are mostly composed of effluents from vessels such as used oil, sludge, and bilge water.</p> <p>On the land operations, hazardous wastes are used oil and used batteries from owned vehicles of 2GO.</p>	<p>Employees</p> <p>Communities</p> <p>Regulators</p>	<p>To properly manage our wastes generated from day-to-day operations, a waste management procedure was institutionalized and cascaded to all sites of 2GO as part of the company's Environmental Compliance Action Program (ECAP).</p> <p>A Pollution Control Officer (PCO) was designated in all 2GO sites ensuring compliance with the ECAP including waste management procedure.</p> <p>All wastes generated by the sites are collected, transported and disposed by a 3rd party DENR accredited haulers.</p>
		<p>Management Approach</p> <p>Proper waste management and the use of reusable materials has been one of the focus of the 2GO's Business Units for many years, as they to innovate</p>

These are regularly collected ashore through a third-party treater and hauler accredited by Dept. of Environment and Natural Resources.		and come up with more sustainable packaging, in support of resource efficiency and waste minimization. A sample of this, is the use of collapsible crates and reuse of corrugated carton to protect goods to be delivered.
What are the Opportunity/ies Identified?		
Implementation of proper waste managements on sites can be further improved. This will not only ensure that operation is operating cleanly and safely but can also encourage cost efficiency.		For compliance with Extended Producers Act, 2GO had partnered with a waste diverter to collect plastics, both rigids and flexibles, on behalf of 2GO. A total of 1MT of flexible and 2MT of rigids were collected from post-consumers. The collected flexible plastics were treated using co-processing technology in partnership with Cemex while the rigid plastics were recycled to sacks.
The Group can also seek collaborative projects on waste management that may include community engagement and partnership with local recyclers in compliance with the Extended Producers Responsibility (EPR) Act.		

Effluents

Disclosure	Quantity	Units
Total volume of water discharges	11,537.92	Cubic meters
Percent of wastewater recycled	0	%

What is the impact and where does it occur? What is the organization's involvement in the impact?	Which stakeholders are affected?	Management Approach
Wastewater is generated both from our land and marine facilities during day-to-day operations, the majority coming from the restrooms and cleaning purposes.	Employees Regulators Communities	All 2GO land sites are equipped with septic tank which treats the wastewater coming from the restrooms of our facilities.

What are the Risk/s & Opportunities Identified?		For marine operations, all vessels are equipped with wastewater treatment. All wastewater from the use of comfort room in the vessels pass through these treatment facilities.
<p>We recognize that discharging of untreated wastewater has a considerable adverse impact on the environment and communities.</p> <p>Furthermore, regulators can impose a penalty for non-compliance to effluent standards.</p> <p>Hence it is important to regularly monitor wastewater discharges.</p>		

Environmental compliance

Non-compliance with Environmental Laws and Regulations

Disclosure	Quantity	Units
Total amount of monetary fines for non-compliance with environmental laws and/or regulations	145,000	PhP
No. of non-monetary sanctions for non-compliance with environmental laws and/or regulations	0	#
No. of cases resolved through dispute resolution mechanism	6	#

What is the impact & risk and where does it occur? What is the organization's involvement in the impact?	Which stakeholders are affected?	Management Approach

<p>We recognize that environmental compliance is crucial to ensure that our environment, surrounding communities, and even our employees are not exposed to unnecessary hazards from our business operations. Compliance with environmental laws and regulations is critical to keep our business operational.</p> <p>Non-compliance with any environmental law or regulation could have financial implications from the imposition of penalties, stoppage of operations, or reputational risks.</p> <p>In 2023, there were six notice of violation (NOVs) issued to 2GO by DENR, most of which are permit compliance related due to the latest ECC application of the sites. All of the issued NOVs were already settled and closed.</p>	<p>Regulators</p> <p>Communities</p> <p>Employees</p> <p>Investors</p>	<p>The Group remains committed in improving our environmental management and compliance.</p> <p>To ensure the environmental compliance of 2GO, Environmental Compliance Action Program (ECAP) was institutionalized. All sites were also required to designate, appoint and accredit a Pollution Control Officers (PCO) across our facilities who will oversee the environmental compliance. Correspondingly, Environmental Managing Heads were also assigned to each 2GO facility in compliance with the requirement of DENR.</p> <p>Both the PCO and Managing Heads had undergone DENR-accredited trainings to provide them with knowledge on environmental compliance and its application and implementation on our sites.</p>
<p>What are the Opportunity/ies Identified?</p>		<p>At the Corporate level, the PCOs and Managing Heads are guided by the Corporate PCO and Corporate Head of the Environmental, Health, and Safety Department who provide procedures and guidelines that align with pertinent laws.</p>
<p>Under the ECAP program, sites are conducting self-assessment in terms of their environmental compliance. In-house audit can be integrated to the program to mitigate the risk of non-compliance. Furthermore, regular session on Environmental Compliance for all employees may also be done not only for awareness purposes but also for all to recognize that protecting the environment and ensuring compliance is everyone's responsibility.</p>		<p>A stringent monitoring of necessary permits is currently in place to ensure that our operations are in compliance with national and local regulations and that we avoid possible sanctions for failure to comply.</p>

SOCIAL

Employee Management

Employee Hiring and Benefits

Employee data

Disclosure	Quantity	Units
Total number of employees ³	1,786	
a. Number of female employees	768	#
b. Number of male employees	1,018	#
Attrition rate ⁴	7%	rate
Ratio of lowest paid employee against minimum wage	1:1	ratio

Employee benefits

List of Benefits	Y/N	% of female employees who availed for the year	% of male employees who availed for the year
SSS	Y	14%	20%
PhilHealth	Y	18%	21%
Pag-ibig	Y	13%	19%
Parental leaves	Y	3%	1%
Vacation leaves	Y	34%	45%
Sick leaves	Y	31%	38%
Medical benefits (aside from PhilHealth)	Y	18%	18%
Housing assistance (aside from Pag-ibig)	N	n/a	n/a
Retirement fund (aside from SSS)	Y	n/a	n/a
Further education support	N	n/a	n/a
Company stock options	N	n/a	n/a
Telecommuting	N	n/a	n/a
Flexible-working Hours	N	n/a	n/a
(Others)			

Diversity and Equal Opportunity

Disclosure	Quantity	Units
% of female workers in the workforce	43%	%
% of male workers in the workforce	57%	%
Number of employees from indigenous communities and/or vulnerable sector*		#

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

³ Employees are individuals who are in an employment relationship with the organization, according to national law or its application ([GRI Standards 2016 Glossary](#))

⁴ Attrition are = (no. of new hires – no. of turnover)/(average of total no. of employees of previous year and total no. of employees of current year)

What is the impact and where does it occur? What is the organization's involvement in the impact?	Management Approach
<p>Recognizing that employees are the backbone of the company supporting long-term growth and success, 2GO gives high importance to human capital management.</p> <p>Committed to providing equal employment opportunities across diverse sets of people, regardless of gender, ethnicity, age, and vulnerability, we eliminate any form of bias and discrimination during the hiring process, instead, to ensure that the right people are hired for the right job, we focus on determining the applicants' skills and capabilities.</p> <p>2GO management ensures to follow the standards and policies set by the Department of Labor and Employment (DOLE) for hiring, salary, and wages. Moreover, our employees are also given benefits to improve their quality of life. Some company-initiated benefits are provided on top of government-mandated benefits such as SSS, PhilHealth, and Pag-ibig.</p>	<p>To ensure that we have the right number of people with the right skills in the right place at the right time, 2GO developed a Strategic Workforce Approach to help build a resilient organization, and prepare the employees to adapt and be ready to the future of work. This approach to deliver our short and long-term objectives.</p> <p>As we aim to be one of the top employers of choice in the country, we seek to become the most inclusive workplace we can be by focusing on employee engagement and attracting top talents nationwide. The company also welcomes applications from all backgrounds and opposes discrimination of all forms.</p> <p>All 2GO employees received the legally required compensation and benefits. On top of the government-mandated benefits we also provide the following benefits to our full-time employees:</p> <ul style="list-style-type: none"> • 14th-month pay • Calamity assistance • Company bereavement assistance • Group health plan • Group life Insurance • Calamity leave, Bereavement leave • Retirement benefits • Discounts on rolling cargo • Christmas giveaways • Relocation Allowance
What are the Risk/s Identified?	
<p>Previously, 2GO has experienced some challenges in employee retention. Since the pandemic, the talent market had evolved as more applicants and even some employees opt to choose hybrid work arrangements. This is identified as one of the reasons why some employees choose to leave the company.</p>	
What are the Opportunity/ies Identified?	
<p>We see an opportunity to further enhance our leadership and talent programs as well as the talent review process.</p> <p>For the benefits, it was also deemed that enhancement on employee health plan can be done. Likewise, an improvement in the implementation of benefits such as health and life insurance may be applied from day-1 of employees, however this is subject for further assessment.</p>	<p>The HR department have also rewards and recognition programs given to exemplary employees. Moreover, the company offers career advancement opportunities to help employees pursue their professional goals. The company fosters organizational strength by offering opportunities for employees to develop their skills and grow together with the company.</p>

Employee Training and Development

Disclosure	Quantity	Units
Total training hours provided to employees		
a. Female employees	2,619	hours
b. Male employees	3,630	hours
Average training hours provided to employees		
a. Female employees	3.41	hours/employee
b. Male employees	3.57	hours/employee

What is the impact and where does it occur? What is the organization's involvement in the impact?	Management Approach
2GO offers and supports different training and career development programs to our employees. Continuous learning and development help our employees grow professionally and personally. 2GO acknowledge that improving competencies of employees is important as it enables them to become more productive in the workplace.	By providing employees with training, advancement opportunities and aiding them to address various skills gaps not only help our employees but also strengthen 2GO as a company. Thus, we provide necessary technical and non-technical trainings to improve the technical skills, soft skills, and leadership skills of our employees.
What are the Risk/s & Opportunities Identified?	Management Approach
<p>2GO recognizes the importance of company training, as it not only promotes the employee's development but it also increases employee's engagement. The company recognizes that the productivity and quality of work of employees may be compromised when employees' training needs are not met. It can make employees feel disempowered leading them to seek opportunities elsewhere, correspondingly, it may result to higher attrition.</p> <p>Furthermore, the quality and type of training provided to employees affects the productivity and competitiveness of the company.</p> <p>We also recognize opportunities on innovative learning channels such as setting up of e-learning portals that employees can access anywhere at any time.</p>	To help our employees meet their full potential, 2GO supports continuous learning not only of our employees but also of our business partners. As we aim to develop our people and partners into specialist in their respective areas of work, we help them undergo customized development program for skills enhancement and improved well-being.

Labor-Management Relations

Disclosure	Quantity	Units
% of employees covered with Collective Bargaining Agreements	0	%
Number of consultations conducted with employees concerning employee-related policies	1,200	#

What is the impact and where does it occur? What is the organization's involvement in the impact?	Management Approach
<p>2GO promotes cooperative partnership between 2GO Management and employees as we recognize that strong relationship with employees is essential to sustain growth of the company.</p> <p>2GO Group does not have a labor union thus the company does not have collective bargaining agreements. However, 2GO has a Labor Management Council (LMC) where employees and management participate together in solving problems affecting employee welfare.</p>	<p>The management believes that a mutually-beneficial atmosphere fosters a proactive partnership and cooperation between Management and employees and because of this, the company commits to foster productive communication and partnership with our employees.</p>
What are the Risk/s Identified?	
<p>Risk identified is the sustainability or continuity of programs/projects initiated by LMC. LMC is a group of volunteered employees. Some Projects becomes at risk when the LMC member who handles the project leaves the company or preferred to no longer be active.</p>	
What are the Opportunity/ies Identified?	
<p>The LMC members can be the CSR arm of the company who can implement significant activities and create sustainable impact in the community and the environment.</p>	

Workplace Conditions, Labor Standards, and Human Rights

Occupational Health and Safety

Disclosure	Quantity	Units
Safe Man-Hours	3,622,461	Man-hours
No. of work-related injuries	0	#
No. of work-related fatalities	0	#
No. of work related ill-health	0	#
No. of safety drills	15	#

What is the impact and where does it occur? What is the organization's involvement in the impact?	Management Approach
<p>We recognize that it is crucial to prevent work-related accidents, promote employee wellness and maintain compliance with regulatory requirements and industry standards, thus we give high importance to workplace health and safety. 2GO remains committed to providing our employees with a safe and healthy working environment. We aim to protect not only our employees but also our visitors, facilities, and surrounding communities from any risks and hazards that may arise from our operations.</p>	<p>The 2GO Group has institutionalized a safety program called Safety Regulation and Information Guidelines (SRIG) for land-based facilities to ensure safety protocols are in place in all 2GO facilities aligned with the Occupational Health and Safety Standards set by the Department of Labor and Employment (DOLE). On the other hand, all our vessel operations have Safety Management System compliant with the International Safety Management (ISM) Code and MARINA.</p>
<p>What are the Risk/s and Opportunity/ies Identified?</p> <p>2GO perseveres to ensure that our employees have a healthy, safe, and secured working environment. Non-compliance to health and safety standards and regulations could cost the company penalties from regulators, suspension of operations, attrition, and damage to reputation. Moreover, we understand that if this will not be managed well, there will be considerable risk to life and property.</p> <p>Recognizing that safety is everyone's responsibility and it is a journey for our organization, we acknowledge that as our business grows there is a need for continual improvement on safety procedures and implementation of safety practices. Information dissemination campaigns on safety can also be further enhanced as well as safety training and drills on site.</p>	<p>Furthermore, all 2GO facilities have designated safety officers, first-aiders, and security officers trained for emergency preparedness and response ensuring that our employees will be well-assisted in case of emergency.</p> <p>Identifying the potential risk to the health and safety of our employees and facilities is essential to our business. We take steps to mitigate, address and effectively manage these risks to continue providing a safe and secure environment to our employees and communities where we operate.</p>

Labor Laws and Human Rights

Disclosure	Quantity	Units
No. of legal actions or employee grievances involving forced or child labor	0	#

Do you have policies that explicitly disallows violations of labor laws and human rights (e.g. harassment, bullying) in the workplace?

Topic	Y/N	If Yes, cite reference in the company policy
Forced labor	N	2GO adopts and complies with the standards and regulations set by DOLE. Moreover, 2GO Group ensures that the suppliers/vendors we engaged with comply with the same.
Child labor	Y	No Child Labor Policy
Human Rights	Y	<ul style="list-style-type: none"> • Code of Conduct • Anti-Sexual Harassment Policy • Drug Free Workplace Policy • Policy on Hepatitis B, HIV/AIDS, Tuberculosis • Policy on Workplace Mental Health • Whistleblowing Policy • Grievance Machinery • Data Privacy Policy • Environmental Policy • OSH Policy • Bereavement Leave Policy • Calamity Leave Policy

What is the impact and risks where does it occur? What is the organization's involvement in the impact?	Management Approach
<p>2GO upholds labor laws and human rights aligned with the mandate of the government, as reflected in the code of Code of Conduct. Implementation of Labor Laws and Human Rights policies in the workplace ensures that 2GO employees do not experience any unlawful activities and that employees can exercise their right to decent work.</p> <p>Recognizing that any violations related to Labor and Human rights will impact the company's productivity, employee retention, and employee engagement. Likewise, said violation could result in regulatory implications that could tarnish the reputation and brand of the company.</p>	<p>Aligned with the parent company's commitment as a UN Global Compact signatory, 2GO supports Human Rights and Labor Rights. The company implements the aforementioned Human Rights policies to eliminate discrimination in our workplace and ensure that our employees are safe and protected.</p> <p>2GO Group also developed a whistleblowing policy and grievance machinery wherein concerns and issues, made in good faith, may be raised freely and within the organization. Through these mechanisms any suspected or actual violations of the Code of Business Conduct or any applicable laws or regulation may be reported, including those related to</p>
What are the Opportunity/ies Identified?	

There is an opportunity to improve the process of receiving grievances, to make it more accessible to everyone anonymously without the fear of retaliation.	Human Rights and Labor, may be reported. The management investigates the merit of the complaints and subjects them to due process.
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Supply Chain Management

Do you have a supplier accreditation policy? If yes, please attach the policy or link to the policy: Yes. All governance related policies may be viewed on the company's website via <https://www.2go.com.ph/corporate-governance-policies/>

Do you consider the following sustainability topics when accrediting suppliers?

Topic	Y/N	If Yes, cite reference in the supplier policy
Environmental performance	Y	Manual on Corporate Governance
Forced labor	Y	Code of Business Conduct
Child labor	Y	No Child Labor Policy
Human rights	Y	Conflict of Interest Policy
Bribery and corruption	Y	Insider Trading Policy Related Party Transactions Policy Policy on Accountability, Integrity and Vigilance Policy for Vendor Selections and Purchase of Goods and Services Environmental Policy OSH Policy

What is the impact and risk where does it occur? What is the organization's involvement in the impact?	Management Approach
80% of our economic value generated in 2023 flows to our suppliers and contractors. Acknowledging that the success of our suppliers and their best practices in delivering their output determines our success, our suppliers' and contractors' impacts on the economy, environment, and society are, to some extent, our impact as well. We ensure that we are aligned in terms of values, ethics, and morals.	2GO Group has an accreditation process and procurement policies in place to ensure fairness, accountability, and transparency for the best interest of all stakeholders. This considers both financial and environmental impacts and promotes sustainable shared growth with all our suppliers including both large and small & medium enterprises.
Consequently, we hold our supplier assessment in very high regard, we ensure that our suppliers and contractors conform with our policies and code of business conduct.	We ensure that our vendors, suppliers, and other third-party contractors adhere to our supplier code of ethics which includes prohibitions against child labor, forced labor, and slavery.

What are the Opportunity/ies Identified?	
The Group can further encourage suppliers to abide by environmental and social laws. As a result, suppliers will be able to better manage their environmental and social compliance as well as their impact	

Relationship with Community

Significant Impacts on Local Communities

Operations with significant (positive or negative) impacts on local communities (exclude CSR projects; this has to be business operations)	Location	Vulnerable groups (if applicable)*	Does the particular operation have impacts on indigenous people (Y/N)?	Collective or individual rights that have been identified that or particular concern for the community	Mitigating measures (if negative) or enhancement measures (if positive)
We provide jobs to the local areas where we operate	Nationwide	No in particular	No negative impact	Opportunities to have decent work	2GO exercises equal opportunity and foster inclusivity by removing any form of biasness during the hiring process.
	-	-			
	-	-			

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

For operations that are affecting IPs, indicate the total number of Free and Prior Informed Consent (FPIC) undergoing consultations and Certification Preconditions (CPs) secured and still operational and provide a copy or link to the certificates if available: _____

Certificates	Quantity	Units
FPIC process is still undergoing		#
CP secured		#

*this is not material given that there are no operations that are within or adjacent to ancestral domains of indigenous people.

What are the Risk/s and Opportunity Identified?	Management Approach
The needed person right for the job may not be inherently from the local area where facility operates.	The company exercises equal opportunity during the hiring process regardless of gender, ethnicity, age, and vulnerability.

Customer Management

Customer Satisfaction

Disclosure	Score	Did a third party conduct the customer satisfaction study (Y/N)?
Customer satisfaction	95%	N

What is the impact and where does it occur? What is the organization's involvement in the impact?	Management Approach
As we move forward towards our vision to be the first choice of logistics in the country, we focus on providing quality customer experience across our business.	Customer management is essential to the success and sustainability of our business. We adhere to our brand core values to put the customer first fostering deep and strong relationships that make a positive difference in our customers and stakeholders. 2GO Group has sets of policies to ensure we adhere to quality commitments to our customers.
What are the Risk/s Identified?	Management Approach
Customer dissatisfaction can cause damage to reputation that may in turn result in loss of customers and may result to financial implications.	Different strategies among business units are employed to ensure that customer satisfaction is met and managed.
What are the Opportunity/ies Identified?	All customers are given fair and proper treatment and are provided with complete, correct, and actual information.
Improving customer experience through enhancing the method of getting customer insights and finding ways to understand the changing customer expectations.	

Health and Safety

Disclosure	Quantity	Units
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No. of substantiated complaints on product or service health and safety*	4	#
No. of complaints addressed	4	#

Marketing and labelling

Disclosure	Quantity	Units
No. of substantiated complaints on marketing and labelling*	0	#
No. of complaints addressed	0	#

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

What is the impact and where does it occur? What is the organization's involvement in the impact?	Management Approach
<p>We stay true to our mission to deliver goods on time, consistently, and in their best condition, and to transport our passengers reliably, comfortably, and safely.</p> <p>In the event of complaints related to the health and safety of consumers or marketing and labeling, 2GO has put a system in place for handling feedback and implementing corrective actions. Our customer service personnel aim to address any customer concerns immediately.</p>	<p>2GO Group has a Customer Interaction Center (CIC) that handles complaints including those related to customer health and safety and marketing and labeling. CIC works together with the corresponding Business Unit to immediately address the complaints.</p>
What are the Risk/s and Opportunities Identified?	Management Approach
<p>Unresolved customer complaints, especially when these reach digital platforms, may influence wider customer perception of our brand and the quality of service we provide. This could lead to a decline in sales and possible loss of market share.</p>	<p>We strive to strictly comply with all government-mandated health and safety protocols in all our facilities may it be on land or sea to ensure that the goods and passengers we transport are safe and secure.</p>

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

Customer privacy

Disclosure	Quantity	Units
No. of substantiated complaints on customer privacy*	0	#
No. of complaints addressed	0	#

No. of customers, users and account holders whose information is used for secondary purposes	0	#
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**Substantiated complaints include complaints from customers that went through the organization's formal communication channels and grievance mechanisms as well as complaints that were lodged to and acted upon by government agencies.*

Data Security

Disclosure	Quantity	Units
No. of data breaches, including leaks, thefts and losses of data	0	#

What is the impact and where does it occur? What is the organization's involvement in the impact?	Management Approach
Security Information and Data Privacy are important to us to ensure business continuity. It is the concern of the company to protect sensitive information, may it be related to the organization, employees, customers, and even suppliers.	We are committed to protecting the personal data of our customers. 2GO has institutionalized Data Privacy Policy across the organization. The policy outlines how we process, handle, protect and use collected data in accordance with the law, RA 10173 or the Data Privacy Act of 2012.
What are the Risk/s & Opportunities Identified?	The company has also designated a Data Protection Officer who oversees the policy implementation.
The National Privacy Commission regulates data privacy through the Data Privacy Act. Any form of violation has corresponding civil and criminal penalties. Any instance of data breaches can disrupt operations, it could place the Company's sensitive or confidential information at risk of being used against it or used to gain an unfair advantage over it. It could also compromise the privacy of employees and customers and could pose threats to their safety and security.	To prevent cybersecurity threats, 2GO invested in the latest IT tools and technologies. Data security is implemented through data encryption, data backup, management of user privileges on corporate devices as well as securing on-premise and cloud servers.

UN SUSTAINABLE DEVELOPMENT GOALS

Product or Service Contribution to UN SDGs

Key products and services and its contribution to sustainable development.

Key Products and Services	Societal Value / Contribution to UN SDGs	Potential Negative Impact of Contribution	Management Approach to Negative Impact
Provision of Employment or Job Creation	<p>UN SDG 8 – Decent Work & Economic Growth</p> <ul style="list-style-type: none"> 6,599 jobs created (for both organic and inorganic employees) Php 15.99 Billion Economic Value Generated Php 13.9 Billion Value Distributed <p>We help drive economic growth in urban and rural communities by facilitating the movement of people, goods and services. At the same time, we provide economic opportunities in the localities where we are present, generating jobs across our supply chain.</p>	Our people is the backbone of our business. We consider our human capital as our core capital hence; employee attrition could pose a negative impact on our company. Without our people, the delivery of services may be hindered.	Several initiatives have been implemented to make 2GO a great place to work and to be employer of choice. Several talent retention initiatives have been implemented as well to ensure that our employees are continually satisfied with the work that they do. The company also provide them trainings for employees to grow professionally and personally.
Support to Local Economy	<p>UN SDG 8 – Decent Work & Economic Growth</p> <p>2GO empower local suppliers, vendors or contractors including SMEs by creating opportunities for them to work together with us in achieving our goal to be the first choice for logistics in the country.</p>	Local suppliers not able to meet 2GO standards and requirements	2GO Group has a stringent supplier accreditation process, and works with partners to make sure that they continuously improve and deliver quality products and services that meet our standards

	<p>2GO have also launched an MSME program called 2GO Getters, building a community of MSMEs, start-up companies and anyone who aspire to build their business empires in need of delivery services.</p> <p>Created to empower small businesses, 2GO Getters is a dynamic initiative dedicated to providing MSMEs with the tools they need to excel in a competitive market, offering a series of growth-focused workshops, online promotional campaigns, and networking opportunities.</p>		
Transport and Distribution partners for different industries	<p>UN DG 9 – Industry Innovation and Infrastructure</p> <p>We provide industry innovation and transport infrastructure for key industry verticals such as consumer goods, food, pharmaceuticals, lifestyle products, automotive and consumer electronics.</p>	Risk in handling goods & other cargos.	<p>We invest more resources in enabling technologies that help us navigate evolving trade and logistics environments.</p> <p>Our multi-year digitalization plan involves the adoption of globally recognized systems in warehouse, freight, and transport management to improve operational efficiency, minimize waste and reduce business costs.</p>

Fleet Modernization	<p>UN SDG 13: Climate Action</p> <p>We recognize the impact that climate change has on our business and our stakeholders. We incorporate climate change in assessing our risks and opportunities and formulate policies and implement programs that develop our resilience and adaptation to the effects of climate change.</p>	GHG emissions from 2GO owned vessels and vehicles	Acquisition of fuel-efficient ships and investment in technologies such as transport management and delivery optimization system.
Operational Eco-efficiency	<p>UN SDG 12 – Responsible Consumption and Production</p> <p>We take measures in lessening our environmental impact by reducing our energy and water consumption and waste generation. In our offices, warehouses and hubs, we utilize energy efficient equipment and regularly monitor our consumption.</p> <p>We also use biodegradable plastics which are more environmentally friendly.</p>	Some measures to reduce energy requires investment such as conversion to LED. Also, diversion of plastic packaging have corresponding cost.	<p>Our wastes are properly managed and segregated so that they may still be reused or recycled after our operations.</p> <p>Resource conservation procedure was developed that guides facilities on how to conserve energy and water.</p>

** None/Not Applicable is not an acceptable answer. For holding companies, the services and products of its subsidiaries may be disclosed.*