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2019 Sustainability Report_Globalport 900, Inc.

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Thank you and keep safe.



GLOBALPORT 900, INC.

2019 Sustainability Report

ABOUT THIS REPORT

This 2019 Sustainability Report (the “Report”) of **Globalport 900, Inc.** (the “Corporation”) outlines the activities being conducted by the Corporation and assess the impact thereof on the environment, economy, and society. In the same vein, this Report enables the Corporation to have an in-depth analysis of its strengths, weaknesses, and possible areas for improvement in terms of sustainability.

This Report covers the year ending 31 December 2019 and was prepared in accordance with the Sustainability Reporting Guidelines for Publicly Listed Companies prescribed under Securities and Exchange Commission Memorandum Circular No. 4 Series of 2019.

I. CONTEXTUAL INFORMATION

Globalport 900, Inc. was incorporated on 01 May 1933 under the name “Metropolitan Insurance Company”. Its primary purpose was to engage in the insurance business. The Corporation became listed with the Philippine Stock Exchange on 09 June 1948.

Over the past years, the Corporation’s charter has undergone some changes. In 1999, the Corporation changed its name to “MIC Holdings Corporation” whose primary purpose is to operate as a holding company. In 2011, the Corporation further amended its name to “Globalport 900, Inc.” and decided to focus on the business of investing managing, operating, maintaining, and developing port facilities in the country.

COMPANY DETAILS	
Name of Organization	Globalport 900, Inc.
Location of Headquarters	Unit 2701 One Corporate Center, Julia Vargas Avenue corner Meralco Avenue, Ortigas Center, Pasig City
Location of Operations	Unit 2701 One Corporate Center, Julia Vargas Avenue corner Meralco Avenue, Ortigas Center, Pasig City
Report Boundary	This Report covers the Corporation and does not include its subsidiary and indirect subsidiaries
Industry Classification	Port development, management and operations
Reporting Period	Year ending 31 December 2019
Highest Ranking Person Responsible for this Report	Edwin Joseph G. Galvez Chairman of the Board of Directors during the Reporting Period

II. MATERIALITY PROCESS

The Corporation has identified the material sustainability topics presented in this Report through the following: a) extensive knowledge and background of the Corporation's officers and directors as regards the market and risk management; b) continuous dialogue and consultation with the stakeholders; and c) guidance from various standard-setters on materiality.

Through the expertise of the Corporation's officers and directors, the Corporation was able to identify key issues to address in furtherance of the Corporation's sustainability in the aspects of economy, environment, and society issues. Similarly, the Corporation's line of communication with its stakeholders remains open which allowed the former to obtain insights from the latter on material topics. Lastly, the Corporation has sought guidance from relevant academic research and regulatory developments.

The foregoing serves as an affirmation of the Corporation's core values of Integrity, Excellence, Respect, and Honesty.

III. MATERIAL TOPIC: ECONOMIC

A. Economic Value Generated and Distributed

DISCLOSURE	AMOUNT	UNIT
Direct Economic Value Generated (Revenue)	451.00	PhP
Direct Economic Value Distribution	11,992,924.00	PhP
a. Operating costs	10,520,141.00	PhP
b. Employee wages and benefits	0.00	PhP
c. Payments to suppliers, other operating costs	1,470,283.00	PhP
d. Dividends given to stockholders	0.00	PhP
e. Taxes, duties, and fees paid to government	2,500.00	PhP
f. Investments to community (donation)	0.00	PhP

The Corporation, who is primarily engaged in the port management and operation business, remains committed to its goal of becoming a recognized global leader in port and infrastructure development. The Corporation endeavors to build a portfolio of sustainable investments in port and infrastructure development driven by the technical excellence and industry experience of its people, creating shareholder value through strategic innovation, mindful of its social, economic and environmental responsibilities, as it remains to be dedicated to integrity, excellence, respect and honesty in all its dealings. As such, the Corporation is in constant lookout for possible Public-Private Partnership, Joint Venture, and/or other similar contracts with the government and other private entities.

The Corporation generates and distributes direct economic value through its administrative operations. The Corporation conducts its activities through maximization of available resources. It contributes to the expansion the economy through its

consumption of products and services available in the market. Suppliers and service providers are treated fairly through open communication for their concerns and engaging them through forums or activities.

The Corporation is likewise transparent with its dealings with the government and its stakeholders. The stakeholders are constantly apprised of any developments in the Corporation through transparent and timely reporting practices. The Corporation also publishes reports and disclosures as required under the applicable laws, designed to keep the general investing public abreast with the recent developments of the Corporation. Further, the Corporation conforms with local and national tax laws and regulations through the timely and accurate payment of all applicable taxes.

B. Procurement Practices

PROPORTION OF SPENDING ON LOCAL SUPPLIERS		
Disclosure	Quantity	Unit
Percentage of procurement budget spent on local suppliers	100	%

The Corporation procures all of its supplies and equipment from local sources. The Corporation believes that procurement from local entities is more advantageous to the Corporation due to the following reasons: a) accessibility of suppliers; b) availability of supplies; c) easier communication with the suppliers; and d) shorter delivery time. In addition, sourcing supplies from local entities serves as an avenue for the Corporation’s support to local businesses.

C. Business Ethics

TRAINING ON ANTI-CORRUPTION POLICIES AND PROCEDURES	
Disclosure	Quantity
Percentage of employees to whom the organization’s anti-corruption policies and procedures have been communicated to	0
Percentage of business partners to whom the organization’s anti-corruption policies and procedures have been communicated to	0
Percentage of directors and management that have received anti-corruption training	0
Percentage of employees that have received anti-corruption training	0

Echoing its core values of Integrity and Honesty, the Corporation has been consistent in being transparent with the government and its stakeholders.

While the Corporation has not formally implemented its anti-corruption measures due to operations limited to administrative functions, it commits to implement these policies and programs once the Corporation’s business operates at full-blown. Further, it shall conduct a continuous risk assessment to identify significant risks related to corruption.

As of 31 December 2019, there are no incidents of any corruption-related activities in the Corporation. As a manifestation of its continued commitment against any corruption-related activities, the Corporation shall ensure that its officers and business partners, both in the present and future, shall observe the same and comply with all applicable laws and regulations.

IV. MATERIAL TOPIC: ENVIRONMENTAL ISSUE

The Corporation acknowledges that being engaged in the business of port terminal management and operation has environmental impacts and consequences. However, the Corporation endeavors to minimize any and all environmental risk, such as water and air pollution, through the use of methodologies and processes which would alleviate environmental pollution. The Corporation shall likewise adhere to maximization of resources to reduce waste. Further, the Corporation has been compliant with all environmental laws and regulations and has recorded no fine or penalty for any violation of an environmental law or regulation.

In preparation for the Corporation’s resumption of its full-blown operations, the Corporation shall adopt energy saving measures. It shall also implement policies adhering to greener alternatives. Further, the Corporation shall ensure that its officers and employees shall comply with all relevant and applicable environmental laws and regulations.

A. Environmental Compliance

DISCLOSURE	QUANTITY	UNITS
Total amount of monetary fines for non-compliance with environmental laws and/or regulations	0	PhP
No. of non-monetary sanctions for non-compliance with environmental laws and/or regulations	0	PhP
No. of cases resolved through dispute resolution mechanism	0	PhP

The Corporation diligently updates its necessary environmental permits. The Corporation recorded no fines or non-monetary sanctions for non-compliance with environmental laws and regulations.

Notwithstanding the minimum impact of the Corporation’s operations in the environment, the Corporation still ensure that it operates with proper implementation of environmental laws. The Corporation looks at industry best practices to further reduce its carbon footprint.

V. MATERIAL TOPIC: SOCIAL ISSUES

A. Employee Management

Since the Corporation is not yet in full-blown commercial operations, it retains no employees in its own payroll. The Corporation has resorted to outsourcing its administrative, reportorial, and compliance requirements. Nevertheless, the Corporation ensures that the third parties to whom it outsourced its activities to are all compliant with all labor laws and regulations and said third parties implement healthy and safe working conditions.

The Corporation intends to hire the required manpower to support its operations as the business improves. The Corporation shall adopt measures to ensure equal treatment and opportunity to all prospective employees, regardless of age, sex, religion, and nationality.

The Corporation shall remain committed to maintain a work environment that is free from harassment and discrimination. Any unwelcome verbal, written, electronic or physical conduct that either denigrates or show hostility or aversion towards a person on the basis of race, sex, marital status, religion, age, disability, opinion or beliefs will not be tolerated.

B. Data Security

Data Security	
Disclosure	Quantity
Number of data breaches	0

At the height of advancing technology, the Corporation has shifted to paperless transactions by utilizing various software applications and electronic communication. Effectively, this shift resulted to lower administrative costs. However, the Corporation acknowledges that utilizing technology may make it prone to data breaches, leaks, and data theft. As such, the Corporation undertakes to implement security measures to ensure the integrity and confidentiality of all its information and data.

The Corporation likewise strictly implement the Data Privacy Act of 2012 and ensure that its business parties and contracts shall also strictly adhere thereto. The Corporation ensures that it is transparent in collecting and processing the data it obtains from third parties and protect the integrity and confidentiality thereof.

The Company intends to improve its data security systems by giving attention and effective treatment to every internet and external threats, integrating IT risks into its risk management structure, conducting regular and independent internal audit, assessing IT capabilities of third parties, and development of develop cyber incident response plan.

VI. UNITED NATIONS SUSTAINABLE DEVELOPMENT GOALS



In September 2015, the United Nations General Assembly adopted the 2030 Agenda for Sustainable Development which is a universal call to action, to end poverty, protect the planet, and ensure that all people enjoy peace and prosperity.

In response to the United Nations' Sustainability Development Goals, the Corporation commits to be socially responsible in all its dealings with its stakeholders and the communities it operates. The Corporation ensures that its interactions serve the environment and stakeholders in a positive and progressive manner that is fully supportive of our comprehensive and balanced development.

The Corporation has analyzed the potential negative impact of the 17 Sustainable Development Goals and has provided the management approach thereto:

Business Contributions	Contribution to the Sustainable Development Goals	Potential Negative Impact	Management Approach
Stimulating the economy	1: No Poverty	Business operations entail consumption of resources	Sourcing supplies and equipment from local entities
Resorting to greener alternatives	6: Clean Water and Sanitation	Costs of upgrades to greener technology	Maximization of use of resources
	7: Affordable and Clean Energy		

Business Contributions	Contribution to the Sustainable Development Goals	Potential Negative Impact	Management Approach
	12: Responsible Consumption and Production		
Safe and healthy working environment	5: Gender Equality	Longer and more costly hiring process	Proper allocation of resources; Cultivation of safe, healthy, and indiscriminatory work culture
	8: Decent Work and Economic Growth		
	19: Reduced Inequalities		
Data security and privacy	9: Industry, Innovation, and Infrastructure	Additional costs for cybersecurity	Proper allocation of resources