

CONSTANTLY

TRANSFORM

 ALLIANCE GLOBAL

2019 ANNUAL REPORT



Enhancing shareholder value through innovative strategies that serve to transform lives



2019 ANNUAL REPORT

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ABOUT THE COVER

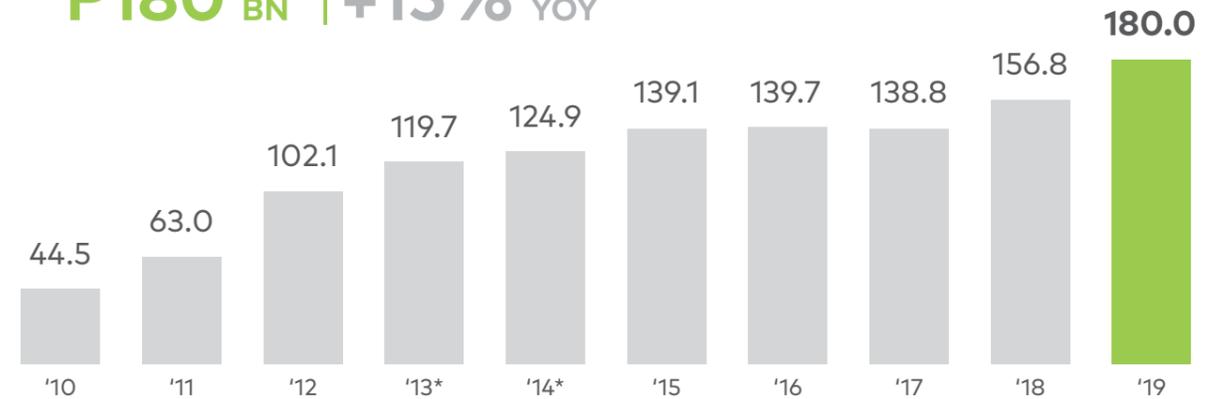
We constantly transform ourselves to transform the world we live in. For the Alliance Global Group, success is measured not by profit alone. It is also in the number of opportunities our developments create.

Masked in the word transform are our biggest highlights—from thriving developments to *premiumized* liquor, modernized restaurants, upscale tourism resorts, and valuable infrastructure—that prove how we have become a transformative conglomerate committed to sparking change, uplifting lives, and elevating lifestyles.

FINANCIAL HIGHLIGHTS

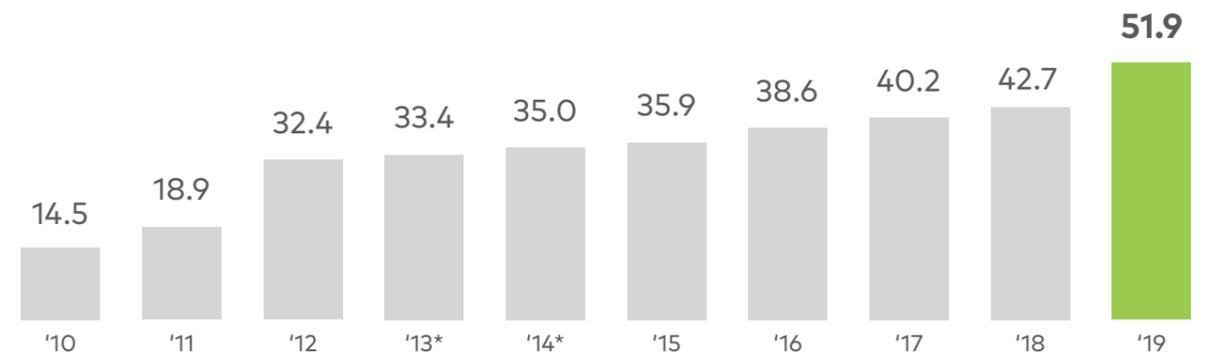
REVENUES

P180 BN | +15% YOY



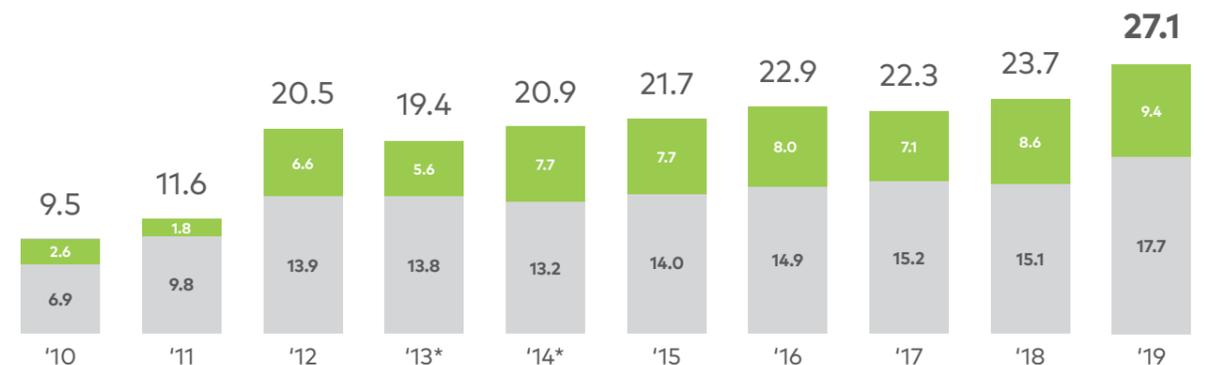
EBITDA

P51.9 BN | +21% YOY



NET INCOME

P27.1 BN | +15% YOY



*figures are exclusive of non-recurring gains/losses

* Values are in billion pesos

CHAIRMAN'S MESSAGE

Constantly Transforming the Way We Do Business

DR. ANDREW L. TAN - Chairman

The need to adapt to the demands of an ever-changing business landscape has never been more pronounced than in recent time. In an age where innovation is the norm, future-proofing our business is an invaluable task.

Adapting to change is not new to Alliance Global Group, Inc. (AGI), as we have always been constantly transforming the way we do business through the years as we keep pace with advances in technology while innovating our operations and making them future-ready. And as our stakeholders continuously look for more, we must harness our dynamism to give ourselves better footing to meet any hurdle we face.

The year 2019 was equally challenging and fruitful for AGI and I am proud to report that we were able to sustain our growth during the year and exceed even the most demanding of expectations. In fact, our creditable performance in 2019 was what truly prepared us for the unprecedented challenges the following year would bring.

In 2019, our subsidiaries continued to be at the forefront of their respective industries. Their strong performance allowed us to finish the year with unparalleled consolidated revenues of P180-billion and net income of P27.1-billion. Attributable profit grew sharply by 17% to P17.7-billion from P15.1-billion the year before.

Our sustained expansion program, our project innovations across all our business segments, and our prudent financial management all contributed to this strong finish for the group.

Megaworld Corporation, which celebrated its 30th year of operations in 2019, has maintained its standing as the country's leading developer of integrated urban townships and the largest office developer and

landlord. It ended the year with a record attributable profit of P17.9-billion, up by 18 % from 2018's P15.2-billion, as consolidated revenues went up sharply from P57.4-billion the previous year to P67.3-billion in 2019.

Guided by a new vision statement that says, "We uplift lives, impact society, and help shape the nation," Megaworld launched 15 new residential projects and completed four office developments during the year. Most of these new projects are in the provinces, such as Bacolod, Cavite, Rizal and Pampanga, and are in line with our ongoing thrust to aggressively expand Megaworld's property development into key cities outside of the National Capital Region.

We are also deep into amplifying Megaworld's digital transformation initiatives by developing residential projects that feature smart homes, smart locks, and the Internet of Things which allows houses and appliances to be connected and operated remotely.

In terms of office space, Megaworld registered record numbers in leased areas and revenue gains for the year. Office rental income grew 20% in 2019, contributing P10.5-billion to the group's consolidated revenues for the year.

In line with our efforts to support the development of business districts in key provincial cities, Megaworld will be developing new office spaces inside the 140-hectare Maple Grove township in General Trias, Cavite. Megaworld will also be building two office towers inside The Upper East township in Bacolod City, the company's very first office development in Bacolod.

We will also be launching the 19-storey International Corporate Plaza, a new office tower inside the Iloilo Business Park, Iloilo's newest central business district. This will come at the heels of the new transport hubs



CHAIRMAN'S MESSAGE

"As we move forward in a uniquely challenging environment, we will continue to transform the way we do business."

which we recently launched and which will serve the requirements of the region's first Premium P2P service inside the township.

Our property development subsidiary also aggressively expanded its commercial retail portfolio with the opening of 11 commercial properties across its townships nationwide, covering around 54,000 square meters in gross floor area. These new projects bring the Megaworld Lifestyle Malls footprint by yearend to around 800,000 square meters nationwide. We also plan to develop five new lifestyle malls in key provincial cities in the next few years.

Travellers International's Resorts World Manila continues to be the country's most expansive integrated leisure and entertainment resort. In 2019, it registered P945-million in attributable profit and P27.6-billion in gross gaming revenues, 38% higher than that of the previous year despite the highly competitive environment.

Tourism has always been an important industry for the Philippines as it continues to drive economic growth while supporting millions of jobs for Filipinos. For our part, we have constantly aligned ourselves with the developments in the country's hospitality sector through Megaworld and Travellers which, on a combined basis, offer almost 6,200 rooms to our guests.

In 2019, Megaworld opened three new hotels – the 93-room Hotel Lucky Chinatown in Binondo, the 442-room Belmont Hotel in Boracay, and the 547-room Savoy Hotel in Mactan, Cebu. By the end of 2019, Megaworld has already opened five homegrown brands: Richmond Hotels, Belmont Hotels, Savoy Hotels, Twin Lakes Hotel, and Hotel Lucky Chinatown. The company plans to open more homegrown hotel brands in Parañaque, Bacolod, Iloilo, Boracay, and Laguna in the next five years. More than that, Travellers International also threw 2019

a grand welcome as it started the year with the opening of the Sheraton Manila Hotel. The 5-star hotel, with its 12 two-story lofts, 3 dining outlets, business center, luxury spa, outdoor pool, and health club, caters to the most discerning business and leisure travelers.

I am proud to report that Emperador, Inc. continues to be the country's premier liquor company and the world's largest brandy producer, with liquor products sold in over 100 countries. Emperador registered consolidated revenues of P51.6-billion while attributable core profit reached P7-billion. The company was able to sustain its growth in international operations on the back of its premiumization and the globalization of its whisky and brandy product portfolio. Whyte and Mackay's luxury single malt whisky The Dalmore continued to lead our premium Scotch whisky business followed by Fettercairn, Tamnavulin, Jura, and Shackleton.

Our brandy portfolio is one of the best in the globe, led by the world's leading brandy by volume, Emperador, with other world-renowned liquor products like the Spanish brandies Fundador and Tres Cepas, and the popular Mexican brandy Presidente.

The highlight of the year for our spirits business, however, was the recognition of Fundador Supremo 18 of the ultra-premium "Sherry Cask Collection" by Bodegas Fundador as the world's best brandy by a panel of 400 experts at the International Wine & Spirit Competition (IWSC). Fundador Supremo 18 competed against 100 top-tier brandies from all over the world to win the IWSC Worldwide Best Brandy Award for 2019.

Golden Arches Development Corporation (GADC) or McDonald's Philippines, a strategic partnership

between AGI and the George Yang Group, continued to put up new McDonald's NXTGEN stores in 2019 and expand its roster of stores.

GADC closed the year with 58 new stores, bringing the local store network to 669 McDonald's stores nationwide. The company also added 123 new McDonald's NXTGEN stores in 2019, ending the year with a total of 142 next-generation branches.

McDonald's Philippines' continued store expansion, product and service innovations, menu updates, and marketing campaigns fueled the company's revenue growth which increased 13% to P32-billion in 2019 while net income stood at P1.9-billion.

In 2019, Infracorp Development Inc., the infrastructure arm of AGI and our newest subsidiary, continued to lay the groundwork for the P3.5-billion Makati-Fort Bonifacio Skytrain monorail project. We have ironed out the right-of-way matters and accomplished the bidding processes. Once completed, the Skytrain is expected to help ease traffic congestion in the metro's busiest business districts and benefit up to a hundred thousand commuters every day.

The early months of 2020 saw the COVID-19 pandemic impacting global business at an unprecedented pace. I am proud to note, however, that while most companies have struggled fiercely to remain operational through the health crisis, AGI has managed to survive on the back of the strength and resilience that we have patiently built through years of prudent financial and operational management.

These fresh challenges have also given all of us the perfect opportunity to unite for the common good, moving us to be more caring for one another and encouraging us to work closer together while creating more opportunities for everyone.

We at AGI did our share to help those in need. We have donated a total of P1.1-billion for various projects in support of the efforts of the government and other organizations to protect Filipinos from the further spread of the virus.

We gave out a P100-million donation to Project Ugnayan, which was used to distribute food vouchers to thousands of urban poor families in Metro Manila. We also donated P250-million worth of disinfectant alcohol which was distributed to various hospitals, local government units (LGUs), government agencies, and organizations throughout the country. This was on

top of a P66-million contribution to various LGUs and non-government organizations for programs related to COVID-19.

Megaworld donated P60-million to the Philippine Red Cross for the purchase of four brand new COVID-19 test laboratories that can conduct around 10,000 tests per day. Moreover, Megaworld and the Megaworld Foundation donated P3-million worth of food and groceries for healthcare and security frontliners, and construction workers, as well as provided free transport for medical workers. Megaworld Lifestyle Malls waived its rental charges to support its retail partners.

In turn, Resorts World Manila and its various partners donated P125-million worth of Personal Protective Equipment (PPEs) for medical frontliners and grocery bags for poor communities in Metro Manila.

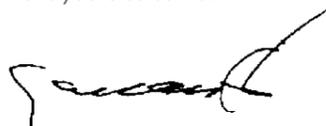
McDonald's Philippines' Kindness Kitchen distributed over 100,000 meals to healthcare frontliners, government workers, and urban poor families.

Our companies are here to provide assistance however we can as we continuously look for other ways to further extend help and support.

As we move forward in a uniquely challenging environment, we will continue to transform the way we do business to keep up with global developments and the ever-changing demands of clients, and to prepare for risks and crises that may come without warning.

But as we make incremental shifts in our operations to create added value for our customers, we will continue to further strengthen our core businesses by unlocking the potential of our employees, harnessing what technology can offer, and becoming more efficient in maximizing our businesses' diverse potential.

In the coming years, we will continue to build on our achievements with the firm belief that we can rely on the continued support and commitment of our stakeholders, our officers, and our employees to ensure the strength and stability of AGI and its subsidiaries so we can weather any kind of storm that we will face in the years to come.



DR. ANDREW L. TAN
Chairman

CEO'S MESSAGE

Positive Disruption Through Digital Transformation

KEVIN ANDREW L. TAN - Chief Executive Officer

As the world grapples with an unprecedented period of adversity and uncertainty, companies all over the world are forced to re-evaluate their operations and adjust to the so-called new normal to keep their businesses afloat.

Since all indications point to a protracted battle with the pandemic, companies must therefore continuously navigate through current financial and operational challenges while addressing the needs of their employees, customers, and suppliers.

We all thought that 2019 was a challenging one to begin with, but the following year proved even more so. What has greatly worked in our favor, however, is AGI's early and timely foray into digital transformation as it allowed our diverse businesses to leverage on technology when they needed to in order to continue operating and serving our customers.

When we embarked on our five-year Innovation and Digital Transformation Program in 2018 with the goal of future-proofing our businesses in real estate, liquor, gaming and hospitality, quick service restaurants, and infrastructure, we didn't realize that we would be direly needing the benefits and the learning that we will get from the program just over a year after it was launched.

The groundbreaking program has already helped our subsidiaries adapt not only to the needs of operating during a health crisis, it also helped them adjust to technological changes and new market-driven demands that affect their diverse

businesses. These changes include innovations on smart home technology, e-commerce, logistics, transportation, property technology, and customer service management.

As a result of our early technological adoption, a lot of our head office functions have already been digitalized, which gave us the ability to carry out many of our functions remotely and efficiently.

For instance, during the height of the pandemic when most of the country was on lockdown, our property subsidiary Megaworld was able to allow 60% of its employees to work from home. On top of this, Megaworld also introduced new ways to connect and transact contactless with clients online.

Megaworld also rolled out a mobile app that allows their community members to receive announcements and memos, which proved useful during the lockdown period. The app also allows Megaworld clients to pay their bills and utilities, and conduct online transactions.

The same is true with Megaworld Lifestyle Malls, in which focus has been in ensuring that their various products and services are efficiently brought closer to people's homes.

McDonald's Philippines' McDelivery system, in turn, also proved quite useful during the lockdown period as this became the customers' go-to platform for quick meals and drinks while all the other restaurants were closed.



CEO'S MESSAGE

"In the coming years, we plan to further strengthen our business segments and ensure that they maintain their commitment to consumer-driven operations."



Cashless transactions have always been an option in McDonald's stores. However, one important adjustment that McDonald's had to make was to allow cashless transactions even for deliveries, allowing both the riders and the customers to maintain social distancing. They have also started to implement the McDonald's PH Chatbot and FB Messenger and Viber for better communication.

These are only some of the ways that our digital transformation initiatives have helped us address the unique needs of the ongoing health crisis. Our ultimate goal in our digital transformation program, however, goes beyond the concerns of the current pandemic as it looks to continuously create maximum customer satisfaction by using technology to do things faster and more efficiently and better address the ever-changing needs of our market.

Another initiative that we have kicked to higher gear in 2019 is sustainability. For many companies, sustainability is just a buzzword that allows them to keep up with global trends. For AGI, and for

me personally, sustainability is a commitment--to do good for the business, for the people, for the country, and for the world.

Sustainability, we believe, is an essential part of a successful business and we aim to make it a core element of AGI's corporate strategy. In this regard, we will always strive to operate within an ethical, transparent, and responsible framework.

However, sustainability is both an investment and a sacrifice. It takes not only considerable time and effort to change an entire organization's mindset, it also requires a rethinking of operational processes and procedural habits. But we believe that the long-term benefits of sustainability in all aspects of our operations will do us good in more ways than one.

In this regard, we will be re-tooling the entire organization and ensuring that all our business segments undergo a process of transformation so that the whole AGI ecosystem can become more

sustainable and better attuned to the needs of the society.

One clear-cut goal of our sustainability efforts is for our operations to be as carbon-neutral as possible in the next 10 years. We hope to be able to achieve this milestone with the help of all our officers, employees, and stakeholders.

Indeed, the year 2019 was a fruitful and meaningful one for AGI and I am looking forward to more exciting years ahead as soon as we get through the current challenges and embark on new initiatives that promise better returns for the whole organization.

In the coming years, we plan to further strengthen our business segments and ensure that they maintain their commitment to consumer-driven operations. Our goal for 2020 and beyond is for our products and services to continue touching the everyday lives of every single Filipino. And we can only do this if we

make sure that our operations remain market-driven and responsive to what the Filipinos want and need.

We will also aspire to be more agile as a company and be able to respond quickly to changes and challenges in the local and global business landscape. In this regard, we need to be mindful of the shifts in trends, in preferences, and even in the ways we do business and be able to respond accordingly.

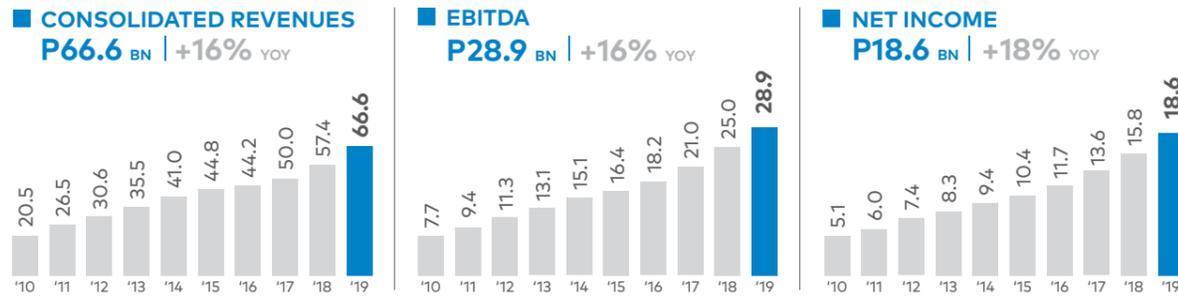
We are currently living in trying times which can test any company's resilience, agility, and strength. We are confident, however, that AGI will weather the challenges that come its way and come out an even better and stronger conglomerate.

KEVIN ANDREW L. TAN
Chief Executive Officer

OUR SUBSIDIARIES



MEGAWORLD CORPORATION is the leading integrated township developer and office landlord in the Philippines. Revolving around the Live-Work-Play-Learn concept, its developments create communities that transform the Filipino lifestyle into a more vibrant and dynamic one.



TRAVELLERS INTERNATIONAL HOTEL GROUP, INC. pioneered integrated tourism in the Philippines. It transforms leisure by developing and operating Resorts World Manila, the country's first integrated resort that offers gaming thrills and world-class entertainment, complemented by luxurious hotel, retail, and dining facilities.



EMPERADOR INC. is the Philippines' biggest liquor company and the world's largest brandy manufacturer. With its aggressive innovation and premiumization thrust, it transforms industry standards by bringing world-renowned products to the Philippines and introducing the world-class Filipino taste to the rest of the globe.



GOLDEN ARCHES DEVELOPMENT CORPORATION is the master franchise holder of McDonald's in the Philippines. Making waves in the quick service restaurant industry, it embarks on massive modernization and innovation initiatives to transform its customers' dining experience.



INFRACORP DEVELOPMENT, INC. is AGI's strategic expansion into the infrastructure industry. It is laying the groundwork for mass transport solutions that support the Group's real estate and tourism developments while contributing to the envisioned golden age of infrastructure for the Philippines.

**Figures are in billion pesos and exclude non-recurring items.



AT A GLANCE

Alliance Global, Inc. continues to soar as its companies posted significant gains and rolled out their respective expansion and digitalization plans—and with this comes its rising transformative impact on society.



 ALLIANCE GLOBAL	 MEGAWORLD	 EMPERADOR INC.	 McDonald's	TRAVELLERS INTERNATIONAL	INFRACORP <small>AN ALLIANCE GLOBAL COMPANY</small>
<p>85,000 direct and indirect employees groupwide</p>	<p>26 Townships and integrated lifestyle communities</p>	<p>55 Countries of EDI distribution footprint</p>	<p>669 Number of stores</p>	<p>37,627 Average daily visitors</p>	<p>100,000 Makati-Fort Bonifacio Sky Train Project expected commuters per day</p>
<p>6,189 Hotel room keys</p>	<p>720 Residential developments</p>	<p>99% Philippine domestic brandy market Share</p>	<p>142 NXTGEN stores</p>	<p>2,552 Hotel room keys</p>	
<p>6 International hotel brands</p>	<p>67 Office towers</p>	<p>102 Countries in global distribution system</p>	<p>245 Dessert centers</p>	<p>80% Hotel occupancy rate</p>	
<p>11 Home-grown hotel brands</p>	<p>20 Lifestyle malls</p>	<p>6 Vineyard estates in Spain</p>	<p>325 Stores with drive-thru</p>	<p>109 Retail outlets</p>	
	<p>4,300 Hectares of developable landbank</p>	<p>5 Distilleries in Scotland</p>	<p>386 Mcdelivery hubs</p>	<p>16,200 Maximum seating capacity of MICE venues</p>	

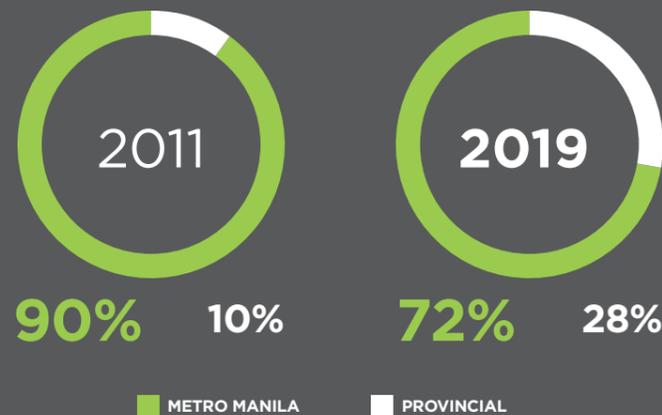
RESIDENTIAL

TRANSFORMING LIVING



In its 30 years of operations, Megaworld has transformed the property development landscape in many different and innovative ways, building a total of 720 residential developments and maintaining its position as the country's leading developer of integrated urban townships.

RESIDENTIAL PROJECT LAUNCHES



METRO MANILA

PROVINCIAL



We uplift lives, impact society, and help shape the nation



From top to bottom: South Beach Place in Parañaque, and Westside City as seen from Manila Bay

In 2019, the company continued its innovative approach to property development, transforming living by continuing to initiate new projects that redefine the metropolitan way of life and, at the same time, laying the groundwork for digital transformation in property technology that will disrupt the industry even further.

Armed with a new vision statement: "We uplift lives, impact society, and help shape the nation," Megaworld set out to prove that it is still the leader in township development 30 years down the line, with the support of its subsidiaries Global-Estate Resorts, Inc. (Global-Estate), Empire East Land Holdings, Inc. (Empire East), and Suntrust Properties, Inc.

While the residential real estate market continued to thrive in 2019, Megaworld has been busy with its own bullish performance, with total project launches valued at P85-billion.

Megaworld started the year with the launch of two new residential developments in its 31-hectare Westside City township in the bustling

RESIDENTIAL



Entertainment City in Parañaque City. The two new residential developments are the South Beach Place and the Sunny Coast Residential Resort, which will have around 1,400 residential units worth around P20.4-billion in total.

The company also launched The Albany Yorkshire Villa, which aims to expand the company's luxury residential footprint inside the 34.5-hectare McKinley West township. The Albany caters to a niche market composed of affluent urban dwellers who prefer to live in a private and exclusive community. It offers 64 spacious suites including the exclusive four-bedroom penthouse suites that offer three levels of space with a total of 349 square meters.

Outside of Metro Manila, Megaworld launched Two Regis, a 14-storey residential tower located inside The Upper East, a 34-hectare integrated township in Bacolod City. This new tower was launched six months after it successfully broke ground for One Regis, its first residential tower in the township.



■ From top to bottom: The Albany facade, and The Albany Yorkshire units

Expected to be completed in 2023, Two Regis is seen to generate for the company around P1.6-billion in sales. It is part of Megaworld's ongoing thrust to aggressively expand its property development into key cities outside of Metro Manila and the National Capital Region.



■ From top to bottom: Two Regis in Bacolod, and Arden Botanical Village in Cavite

As its Chief Strategy Officer Kevin L. Tan reveals, "In the coming years, we will increase our land ownership and land holding to more than 6,000 hectares as we continue to focus on our goal to expand to key growth areas in the provinces, help boost tourism, provide jobs, and further spur economic opportunities outside of Metro Manila."

Acknowledging the importance of township development as the correct and sustainable strategy particularly in a health crisis, Megaworld will continue to pursue residential development initiatives in the years to come.

Moreover, the company plans to amplify its digital transformation initiatives by developing residential

projects that feature, among other things, smart homes, smart locks, and the Internet of Things where houses and appliances are connected and can be operated remotely.

This is the direction that Megaworld intends to take, although slowly and surely, as it enters its fourth decade of transforming living while uplifting lives, impacting society, and shaping the nation.

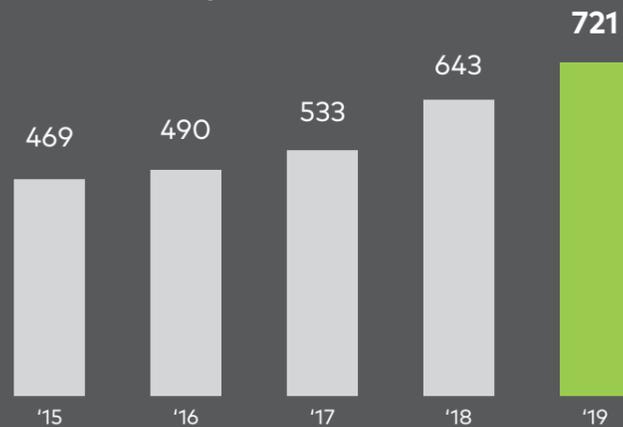


MALLS

TRANSFORMING LIFESTYLES

For Filipinos, malls are more than just mere shopping places; they are venues where families and friends gather, shop, dine, and simply enjoy being together. It's where happiness abounds—and through Megaworld malls, this happiness becomes a lifestyle.

LIFESTYLE MALLS GROSS FLOOR AREA (in thousand square meters)



Constantly striven to elevate the Filipino retail lifestyle

Cognizant of the nation's penchant for malling, Megaworld has constantly striven to elevate the Filipino retail lifestyle by developing malls designed to provide a complete and premium overall township experience. As such, the Megaworld Lifestyle Malls have become a crucial element in all of the company's master-planned mega-communities.

In 2019, Megaworld aggressively expanded its commercial retail portfolio with the opening of 11 commercial properties across its townships nationwide.

During the year, the company opened new retail spaces in Iloilo Business Park in Mandurriao, Iloilo City; Alabang West along Daang Hari in Las Piñas City; McKinley Hill and Uptown Bonifacio, both in Taguig City; Arcovia City in Pasig City; Boracay Newcoast in Boracay Island, Aklan; and Davao Park District in Lanang, Davao City.

These new commercial properties cover around 54,000 square meters in gross floor area, bringing the Megaworld Lifestyle Malls footprint to around 800,000 square meters nationwide, spread across 20 malls as of end-2019.

Also in 2019, Megaworld announced that it will be building five lifestyle malls in key provincial cities over the near term.



From top to bottom: Alabang West Parade in Las Piñas; AsiaTown food hub in McKinleyWest

The first of these is a three-level lifestyle mall inside Megaworld's 34-hectare The Upper East township in Bacolod City. Covering a gross floor area of 24,200 square meters, the Upper East Mall is set to become Bacolod's new architectural landmark as it showcases a blend of neo-classical and art deco architecture, reminiscent of New York City's Upper East Side cityscape.

MALLS



MEGAWORLD Lifestyle Malls

■ From top to bottom: A look at The Capital Town Mall in Pampanga; and the newly revitalized Megaworld Lifestyle Malls logo

The focal point of the new mall's design is the 48-meter-high iconic clock tower that lights up at night, making it a major landmark along the six-lane main avenue of the township. The P1.2-billion Upper East Mall is envisioned to become Bacolod's main architectural landmark and its first "green" mall, that is expected to be completed by 2021.

Megaworld will also be building The Capital Mall, the company's first full-scale mall development in Central Luzon, located inside the 35.6-hectare Capital Town in San Fernando, Pampanga.

The Capital Mall is envisioned to be a three-level mall with a gross floor area of around 33,000 square meters. The mall's unique architecture mimics a sugar mill, reminiscent of the original structure that stood on the same spot as the township. The company has earmarked P1.8-billion for the mall which is expected to be completed in 2022.

An addition to these projects will be a two-level mall along the beachside cliff of The Mactan Newtown township in Cebu. The P1.5-billion Mactan Newtown Beach Walk will have a total gross floor area of 30,000 square meters, at the center of which is a 1.4-hectare man-made lagoon.



Megaworld will use solar roof panels for this mall and will utilize an open layout scheme for passive cooling and natural lighting in most of the development's common areas. Around 40% of the entire development will be dedicated to green and open spaces. The mall is expected to be completed in 2021.

The other lifestyle malls that Megaworld plans to open in key provincial cities in the next two years are the Maple Grove Mall in General Trias, Cavite and the Northhill Town Center in Northhill Gateway, Bacolod City. The Maple Grove Mall is a greenhouse-inspired structure surrounded with gardens and trees which complement the general "green" vibe of the Maple Grove township. The Northhill Town Center, on the other hand, will showcase the "hacienda-style" town center which Negros has always been known for.

The highlight of 2019, however, is the launch of Megaworld Lifestyle Malls' new logo, which is intended to future-proof the brand while catering to a new generation of mall-goers. The new logo brings together the simple and straightforward design of Megaworld's own corporate logo mixed with playful and joyful design elements that capture the company's vision of making happiness a lifestyle.

The updated logo aims to capture and reinforce the company's identity as a developer of lifestyle destinations that are thematic, uniquely designed, and diverse in terms of the retail mix. It is also an apt symbol of the rapid growth of Megaworld Lifestyle Malls not only in Metro Manila but in strategic locations across the Philippines.

■ Mactan Newtown Beach Mall in Cebu

The flagship malls under the Megaworld Lifestyle Malls brand include the Eastwood Mall in Quezon City; Uptown Mall, Venice Grand Canal, and Forbes Town in Taguig City; Newport Mall at Resorts World Manila in Pasay City; Lucky Chinatown in Binondo, Manila; Southwoods Mall in Biñan, Laguna; and, Festive Walk Mall in Iloilo City.

"For the next three years, the Megaworld Lifestyle Malls brand will be seen in key growth areas around the country as we continue to tap opportunities for our retail partners to further expand and grow their brands with us," says Kevin L. Tan, Megaworld Chief Strategy Officer.

While the onset of the pandemic in 2020 has seen a seismic shift in people's mall habits, Megaworld Lifestyle Malls has fully embraced the new reality as it took crucial steps to provide guests with a safer and happier shopping experience anchored on more stringent and innovative safety measures.

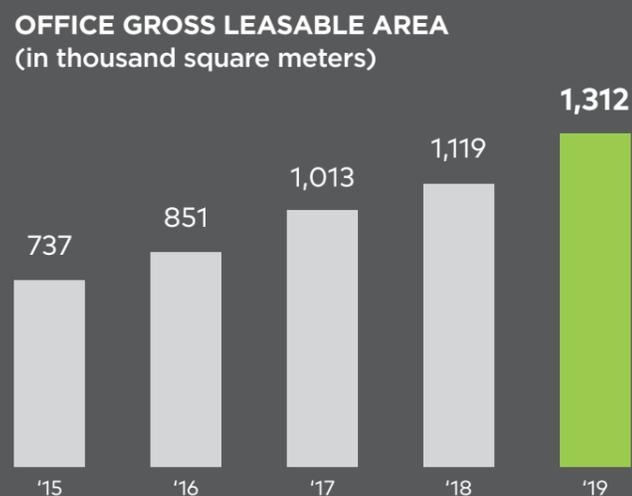
With state-of-the-art disinfecting chambers, sanitizing UV Cabinets and automated sanitizers, social distancing ambassadors and sanitation squads, and strict pre-work requirements for store staff and employees, Megaworld Lifestyle Malls has gone beyond government regulations to provide their valued guests with the safest shopping experience possible.

OFFICES

TRANSFORMING THE WORKSPACE



Megaworld has always been known as the leader in providing world-class office spaces in the country. In 2019, the company maintained this reputation as Megaworld Premier Offices reported record income from office rentals, reflecting a 21% year-on-year improvement and contributing P10.5-billion to the group's consolidated revenues for the year.



The Upper East Avenue in Bacolod

Introducing premium office spaces in the country

The completion of One Fintech and Two Fintech Towers inside the Iloilo Business Park poises the Company to become the single biggest developer of office spaces in Iloilo City. Offering a total of 35,000 square meters of leasable space, the towers attract multinational companies looking for Philippine Economic Zone Authority (PEZA)-registered offices. These occupants appreciate Megaworld's pioneering township concept because it gives the convenience and comfort necessary for the retention of their employees.

The pioneering live-work-play concept also continues to drive growth for and give distinction to the company—and a prime example would be the rising One Paseo Tower. Nestled in Arcovia City township in Pasig, the 17-storey high-rise offers 23,000 square meters of leasable spaces and an environment where young professionals can find the perfect balance for work, rest, and play.

One Fintech and One Paseo are completed in 2019, while Two Fintech is slated for delivery in 2020.

OFFICES



The Iloilo Business Park, Iloilo's newest central business district, will also be home to Megaworld's new office tower--the 19-storey International Corporate Plaza, which will have 301 prime office units for sale to businesses, start-up companies, and established enterprises.

The International Corporate Plaza is expected to be the most modern and state-of-the-art office tower in Western Visayas. It will have prime office spaces with sizes ranging from 26 square meters to 65 square meters. The tower will also house managed facilities that will include two boardrooms, three meeting rooms, co-working and breakout areas, an executive lounge, and a sky garden.

Complementing this new development in Western Visayas are the new Transport Hubs that Megaworld launched during the year. The hubs will serve as the main access point for the region's first Premium P2P service in Iloilo Business Park and is designed to enhance mobility in and around the area.



■ From top to bottom: International Corporate Plaza; Iloilo Business Park Transport Hubs; and a street art in Iloilo Business Park Township



More offices for the expected post-pandemic economic rebound.

The P350-million Iloilo Business Park Transport Hubs will have two terminals, one for departures and another for arrivals. These will be strategically located on the township's Megaworld Boulevard, just in front of the Festive Walk Mall.

Megaworld also launched its very first office development in Bacolod—inside its 34-hectare The Upper East township in Bacolod City. This will offer around 8,600 square meters of office spaces specifically designed for information technology and business process outsourcing (IT-BPO) companies which are among the most in-demand in the world today.

The year 2019 has been a particularly busy but exciting one for Megaworld in terms of office space development. By the end of the year, the company's office stock stood at 1.3 million square meters, catering to more than 130 multinational companies as tenants, and with 67 completed office towers located in over 10 key cities nationwide.

Megaworld will continue to pursue more office projects en route to a target of at least 1.5 million square meters of gross leasable area by end-2020 as it prepares for the country's expected post-pandemic economic rebound.

Moreover, to underscore the importance of safety and wellness during and after the pandemic, the company has launched its "Healthy Buildings" campaign, which aims to highlight the characteristics of healthy buildings that have become synonymous with Megaworld office developments. This campaign is of particular significance in a time when employees have started going back to the workplace as the local economy starts slowly opening up.



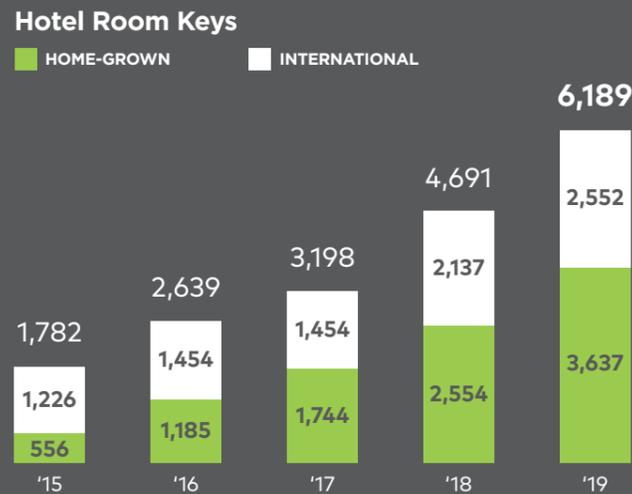
■ From top to bottom: Two McWest in Taguig City; International Finance Center in Uptown Bonifacio



HOTELS

TRANSFORMING LOCAL TOURISM

The year 2019 was a banner year for Philippine tourism as international visitors totaled 8.26 million. This is also the period when the Group's hospitality business saw unprecedented growth of 51% in hotel revenues to P7.5 billion.



Taking pride in our homegrown brands

While the tourism sector continues to be an important industry for the country, driving economic growth while contributing substantial employment, AGI's tourism-oriented ventures remain some of the company's most promising businesses.

In 2019, AGI subsidiaries Megaworld and Travellers continued to prop up the conglomerate's hospitality business with new projects that helped AGI maintain its leadership position in the industry. Their combined hotel room capacity has reached a total of 6,189 keys as of end-2019.

Megaworld was able to open three new hotels during the year--the Hotel Lucky Chinatown in Binondo, the Belmont Hotel in Boracay, and the Savoy Hotel in Mactan, Cebu.

The 93-room Hotel Lucky Chinatown is strategically located near Manila's historic and cultural sites,



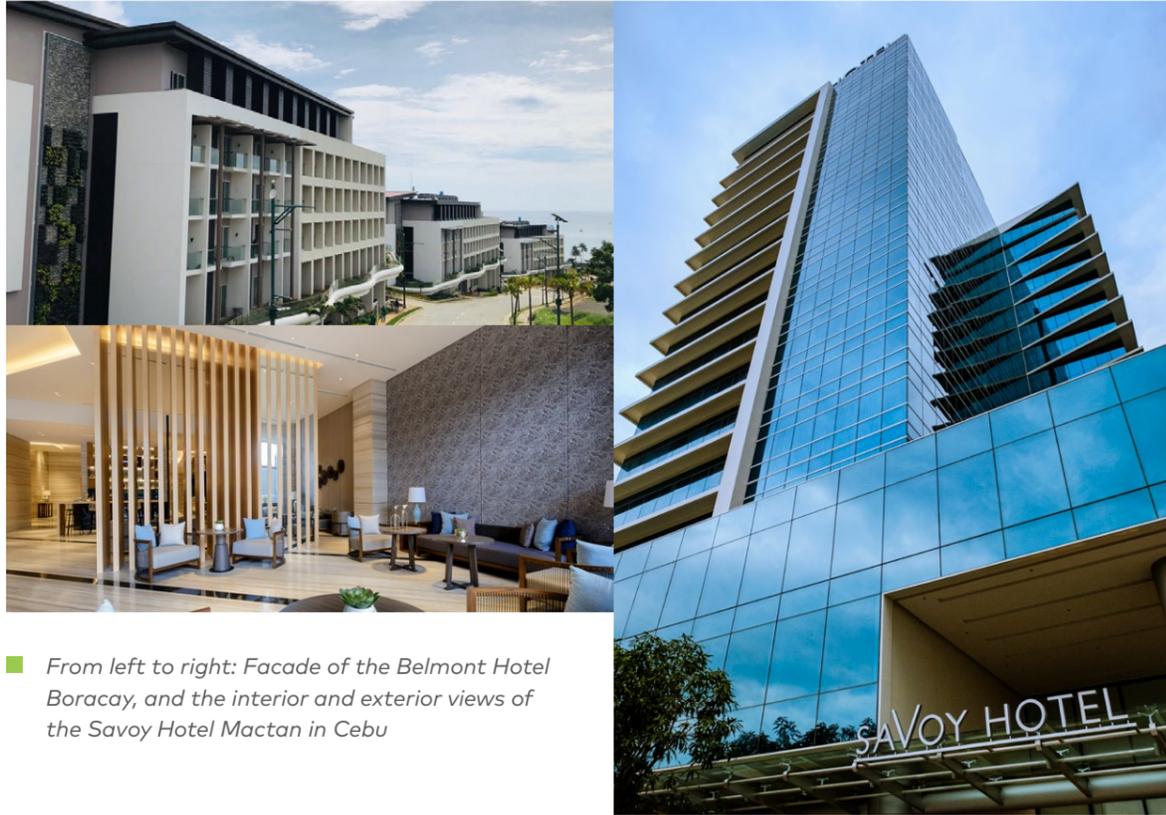
■ Closer look at the Hotel Lucky Chinatown in Binondo

such as the legendary walled city of Intramuros, the iconic Manila City Hall, and the historic National Museum. It is directly connected to Megaworld's Lucky Chinatown Mall via footbridge.

The main idea behind Hotel Lucky Chinatown is to blend modernity with Binondo's heritage. The hotel features a fine blend of modern contemporary designs and the cultural experience that is distinctly Chinatown.

The P750-million hotel is located on Reina Regente Street and has its own all-day dining restaurant, the Café de Chinatown. It also features its own Zabana Bar, Spa, Sauna, Jacuzzi, and Fitness

HOTELS



■ From left to right: Facade of the Belmont Hotel Boracay, and the interior and exterior views of the Savoy Hotel Mactan in Cebu

Center. The hotel has a spacious, high-ceiling Grand Ballroom that can accommodate up to 350 guests in a banquet setting. The ballroom can also be divided into three smaller ballrooms. It also has a Boardroom and three meeting rooms for smaller groups. At the hotel's Atrium is an indoor Zen garden with its own sunroof.

Megaworld also opened the P2.1-billion Belmont Hotel Boracay, its second hotel development inside the 150-hectare Boracay Newcoast and the second under the Belmont Brand. The three-tower hotel is located within the sloping area of the estate just beside Savoy Hotel, overlooking the eastern beach of Boracay Island.

The hotel features 442 rooms with choices of Deluxe Twin or Queen, Premiere Deluxe, and Executive

Suites, with sizes ranging from 27 square meters to 52 square meters. It also offers special rooms for Persons with Disability (PWDs).

The 18-storey Savoy Hotel Mactan, in turn, is Megaworld's first hotel development inside its 30-hectare The Mactan Newtown in Lapu-Lapu City. The hotel has 547 rooms and is designed to cater mostly to business travelers and family vacationers because of its close accessibility to the beach and resorts around Mactan and to the new Mactan-Cebu International Airport.

The Savoy Hotel Mactan is the third hotel under the Savoy Hotel brand, a homegrown hotel chain established by Megaworld. The other Savoy hotels are in Newport City in Pasay City and in Boracay Newcoast.



■ Facade of the newly opened Sheraton Manila Hotel as seen from the Ninoy Aquino International Airport

Megaworld has already opened five homegrown brands: Richmonde Hotels, Belmont Hotels, Savoy Hotels, Twin Lakes Hotel, and Hotel Lucky Chinatown. These hotels bring the total room capacity of Megaworld hotels to 3,637 keys by end-2019. Megaworld plans to open new homegrown hotel brands in Parañaque, Bacolod, Iloilo, Boracay, and Laguna in the next five years.

For its part, Travellers International Hotel Group, Inc. opened the Sheraton Manila Hotel in January of 2019. Located in Travellers' world-class integrated complex Resorts World Manila, Sheraton Manila has 390 rooms, 12 two-storey lofts, three dining outlets, and co-working spaces.

With the completion of the Grand Wing during the year, the hotel room count of the AGI Group inside the Resorts World Manila complex increased to 3,390 keys, the most number of hotel rooms in a single development. Moreover, the opening of Hotel Okura Manila within the Grand Wing in 2020 will further beef up the complex's room count by 188 rooms.

"Tourism is truly important for us," Travellers President Kingson Sian revealed. "If you look around

Resorts World Manila, you will see a lot of new attractions that both foreign and local tourists can enjoy. And this is something we are indeed proud of because these comply with world-class standards."

While the year 2019 was a truly exciting time for AGI's tourism-related business, the industry here and abroad has struggled to cope with the current health crisis that's considered one of the world's greatest challenges in recent time.

With the unprecedented disruption in the industry that the pandemic caused, AGI aims to continuously transform its tourism businesses to adapt to fast-moving changes in market demand and preferences.

AGI ensures that it is ready to resume full operations as soon as the global pandemic is overcome and economies start fully opening up to tourists from all over the world. In all these, AGI commits to helping the country in reviving the industry to once again flourish in a post-pandemic world.

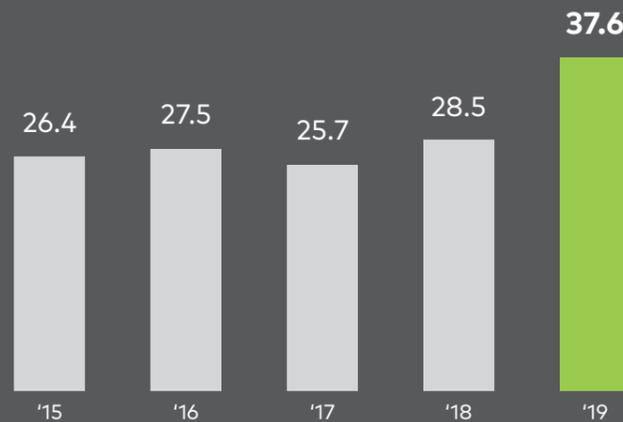
LEISURE AND ENTERTAINMENT

TRANSFORMING
LEISURE



Resorts World Manila (RWM), owned and operated by Travellers International, continues to be the country's most expansive integrated leisure and entertainment resort.

RWM COMPLEX VISITATION (in thousands)



10 years of world-class thrills

In 2019, Travellers registered P941-million in net profit and P34-billion in gross revenues. Gross gaming revenues, in turn, came in at P28-billion, 38% higher than that of the previous year, on the back of the sustained growth of RWM's VIP and non-VIP segments. Meanwhile, non-gaming revenues reached an all-time high of P7-billion driven by higher occupancy rates and foot traffic.

In its Phase 3 development, called the Grand Wing, the launch of the Sheraton Manila Hotel in the first quarter of 2019 added 390 rooms to its total hotel room capacity in the RWM complex. Gaming capacity, likewise, increased to 355 tables and 2,134 gaming machines with the opening of its second floor gaming area in the third quarter of 2019.



A look at the majestic Grand Wing of Resorts World Manila

The opening of Hotel Okura Manila in the second half of 2020 will further increase RWM's total room count by 188 all-suite rooms. Upon completion, the Grand Wing will have three levels of gaming, additional retail spaces, and three international branded hotels.

LEISURE AND ENTERTAINMENT



10 years of exhilarating entertainment

"For the past two years, our efforts have been focused on rebuilding and expanding. As we expand the gaming space, we attract not only locals but also foreign players to come, allowing us to develop new junket relationships," says Travellers International President Kingson Sian.

Resorts World Manila has always played host to world-class entertainment featuring local talents and visiting foreign artists through concerts, variety shows, and musicals.

"One of our goals is to showcase the best of Filipino talent, whether in architecture, interior design, and performing arts. Resorts World Manila is a platform to showcase all of these," Sian shares. "By showing the beauty of our country and our people, we hope to be able to promote the Philippines while giving the chance for people to experience them."

For its 10th anniversary in 2019, RWM hosted the final run of the hit musical "Ang Huling El Bimbo" at the Newport Performing Arts Theater. Produced by RWM and the Full House Theater Company, "Ang Huling El Bimbo" featured the music of the Eraserheads, one of the most iconic Filipino bands in the 90s. It is an original story about the powerful bond among friends and how it shaped their lives and decided their fate. The hit musical showcased 30 songs from the band, all of which have become part of the collective Filipino psyche since the 90s.

RWM's next musical is "Bongga Ka Day," based on the music of the legendary Filipino pop band Hotdog, one of the prime movers of Original

Pilipino Music, or OPM, in the 70s. "Bongga Ka Day" chronicles the life, loves, and dreams of Annie Batungbakal, a saleslady who fought her way to the life she has always dreamed of.

In its effort to drive growth and loyalty, Resorts World Manila increased its marketing campaigns through digital engagement via its mobile application, email and SMS.

SPIRITS

TRANSFORMING THE PREMIUM



Emperador Inc. is the country's premier liquor company and the world's largest brandy producer. Since 2006, Emperador has been the world's top-selling brandy in terms of quantity sold. In 2019, after 40 years in operation, Emperador was able to sustain its dominance in the local market while continuing to be a major player in the global spirits industry.

PREMIUMIZATION STRATEGY

<p>LUXURY</p> <p>THE DALMORE</p>	<p>SUPER PREMIUM</p>	<p>PREMIUM</p> <p>FUNDADOR</p>
<p>STANDARD</p> <p>JOHN BARR</p>	<p>MILLENNIALS/RTD</p>	<p>MAINSTREAM</p>

Our goal has always been to bring brandy back to the global market.

As international operations continued to benefit from the premiumization and globalization of its whisky and brandy product portfolio, Emperador ended 2019 with consolidated revenues of P51.6 billion, an increase of 10% from its revenue level the previous year. Core net income for the year amounted to P7.0 billion.

"Our goal has always been to bring brandy back to the global market and make it popular again," shares Emperador President Winston Co. "It has always been our goal to position Emperador as a symbol of pride for the 10 million Filipinos working and living abroad."

Back in 2014, Emperador acquired the Whyte & Mackay Group (WMG), the fifth largest maker of Scotch whisky. WMG owns some of the most iconic brands in the industry, including British luxury brand Dalmore Single Highland Malt, Jura Premium Single Malt, and Whyte & Mackay Blended Scotch whisky.

WMG holds one of the world's largest aged whisky inventories, with a production capacity of 50 million liters of alcohol every year, with five distilleries and one bottling plant in Scotland.



From top to bottom: Emperador Light and Fundador Light

SPIRITS



The Whyte & Mackay brand continued to grow in every region of the world with flagship single malt whisky product Dalmore enjoying strong sales in Africa, Asia, Canada, France, Germany, Greater Europe, and the USA. The rest of its malt whisky portfolio—including Jura, Fettercairn, Tamnavulin and Shackleton—is likewise gaining strong patronage in the global market.

The newly developed Whyte & Mackay Light continues to expand its market share in the low alcohol-by-volume (ABV) category a year after its launch in 2018. Whyte & Mackay Light was created using spirit that is distilled from malt and grain which have been aged in ex-Sherry and Bourbon casks and bottled at 21.5% ABV, substantially lower than the 40% ABV of Scotch whisky. With its low ABV, Whyte & Mackay Light is perfect for mixed drinks or as a long drink over ice.

The year was an extremely exciting one for Bodegas Fundador, Emperador's Spanish brandy company. Its flagship product, Fundador, Spain's largest and oldest brandy and the Philippines' leading premium imported brandy, sustained its growth momentum in 2019. Leading the charge in premiumizing the local liquor industry, Fundador remains one of the fastest-growing imported spirits in the country today.

Six of its brandy products also earned the nod of global award-giving bodies—Fundador Doble Madera, Fundador Triple Madera, Fundador Exclusivo, Fundador Supremo 12YO Pedro Ximenez, Fundador Supremo 15YO Amontillado, and Fundador Supremo 18YO Oloroso.

In August, the International Wine and Spirits Competition (IWSC) named Fundador Supremo 18YO Oloroso the "Best Brandy in the World" under the category Brandy de Jerez, which refers to brandy matured in the Jerez area of Andalusia, Spain, using the solera system. Fundador Supremo 18YO Oloroso is the Brandy Prestige of the Ultra-Premium "Sherry Cask Collection" by Bodegas Fundador.

The IWSC was founded in 1969 and is made up of 400 of the most esteemed panelists and discerning connoisseurs in the world of brandy tasting. According to the IWSC panelists, Fundador Supremo 18YO has hints of bitter cherry and notes of dark chocolate. It also has an aroma of fresh coffee grounds, rounded out by a balanced expression of smooth, sweet cereal notes and spices.

A year after it launched three new variants of The BaR, Emperador focused on drumming up interest for these new products in 2019. For one thing, Emperador capitalized on the color of The BaR Pink Gin variant and used it in a Valentine's Day campaign dubbed "Pink-In Love." The citrusy-lime colored Green Gin and Premium Dry Gin were also pushed during the summer months through the "Colors of Summer" marketing campaign. The BaR gained ground in the local scene, particularly within the young, social-media-loving demographic.

Emperador's Zabana Rum variants have garnered multiple awards, including two gold medals from the prestigious Monde Selection. In fact, Zabana White Rum, one of the line's variants, has won four awards since it was launched in 2018.

Zabana takes pride in being organically local as it is crafted from the finest sugarcane grown by Filipino farmers and aged in barrels. The country's rich volcanic soil has been noted to provide the exact essential nutrients to grow the best sugarcane, while the tropical climate provides the right temperature and humidity to age rum.

In line with its continuous expansion initiatives, Emperador extended its international distribution to 102 countries in 2019. The company has also been able to sustain its extensive global presence in travel retail with distribution outlets in over 300 international airports in 100 countries.



For the coming years and beyond, Emperador will continue with its premiumization initiatives for its product lines in the Philippines. "We feel that we are the only local company right now in the spirits industry that can actually fulfill the premiumization demand of the growing Filipino consumer market," notes Emperador Director Kevin Tan. "We feel that we are very much well-equipped to undergo this initiative because we are the most diversified distilled spirits company in the country."

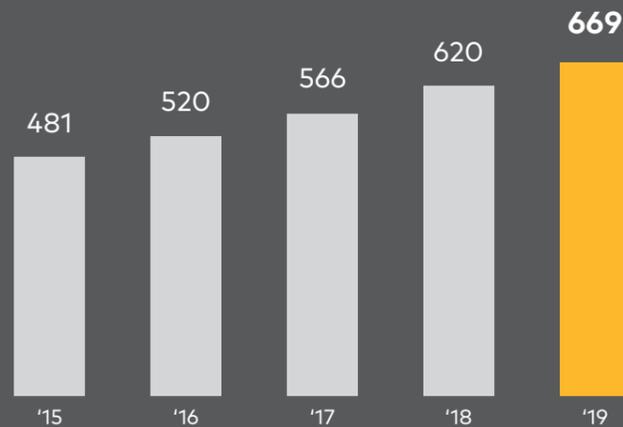


QUICK SERVICE RESTAURANT

TRANSFORMING CUSTOMER EXPERIENCE

2019 was another record year for Golden Arches Development Corporation (GADC) as it continued its growth in the quick service restaurant industry in the country. This was evident in its enhanced consolidated revenues that grew 13% as it stood over P32.0-billion from P28.3-billion in 2018.

NUMBER OF STORES



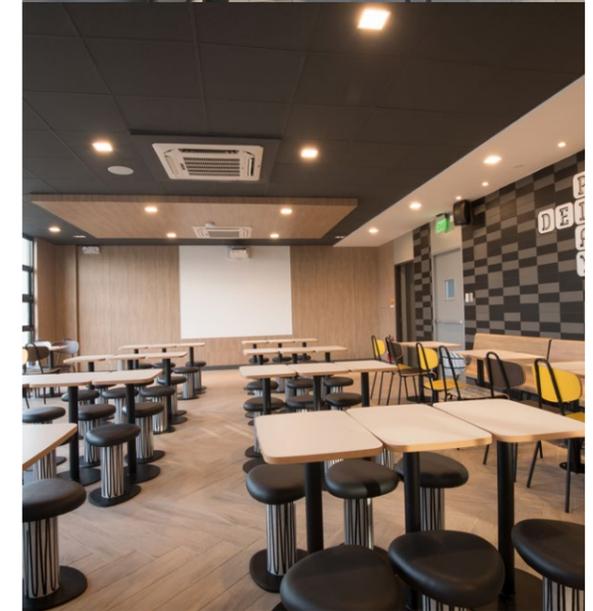
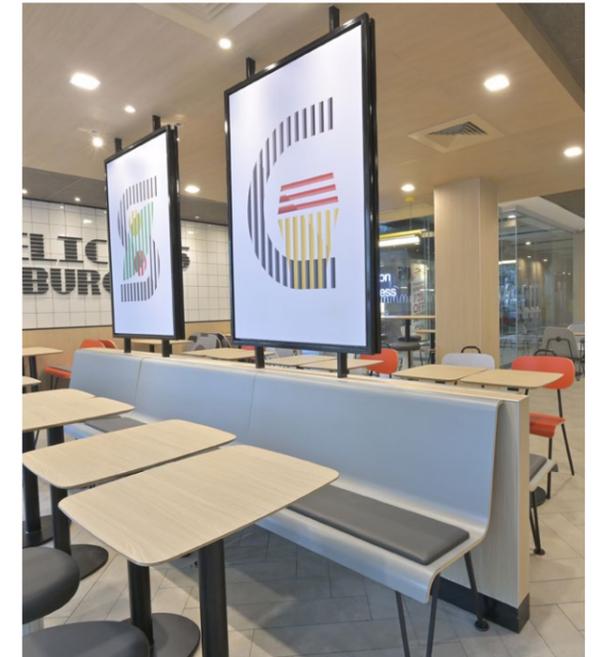
It was indeed another record-breaking year for Golden Arches

Expansion initiatives kicked into high gear over recent years for GADC, a long-term partnership between AGI and the George Yang Group that holds the exclusive franchise to operate restaurants in the Philippines under the 'McDonald's' brand. True to this trajectory of growth, GADC ended 2019 with 58 new McDonald's stores, bringing its local store network to 669 nationwide.

NXTGEN

Beyond "business as usual", McDonald's made a bold move in elevating the customer experience by investing in NXTGEN digital technologies.

In October 2018, McDonald's Philippines introduced its new store format, NXTGEN, in the country with the goal of providing customers a more convenient and enjoyable digital experience in a modern restaurant environment. NXTGEN leverages on digital technology that offers customer-centric solutions such as order kiosks, modernized menu boards, cashless payments, and a seamless ordering process through its multi-point service.



A look at the modernized interiors of a NXTGEN store. As of end-2019, GADC has built and renovated a total of 142 NXTGEN stores across the country.

QUICK SERVICE RESTAURANT



The elevated customer convenience that NXTGEN stores deliver was strengthened through a partnership with PayMaya. PayMaya's dynamic Quick Response (QR) payment feature was incorporated into McDonald's order kiosks to give customers even greater ease in payment. This new payment solution was first deployed in McDonald's recently renovated branch on 32nd Street in Bonifacio Global City and is set to roll out in more stores. Aside from the PayMaya QR, the order kiosks in NXTGEN stores also accept Visa, Mastercard, and other credit, debit, and prepaid card payments.

The positive reception of customers towards the NXTGEN store format, as well as the clamor for its roll-out to more stores in other parts of the country enthused GADC to continue offering the same experience to more Filipinos. GADC ended 2019 with a total of 142 NXTGEN stores nationwide, tapping new territories in Batangas, Bataan, Laguna, Palawan, Camarines Sur, and Davao.

"We believe that we will be able to grow our foothold in the country by being the leader in customer experience in the QSR industry," shares Kenneth Yang, President and Chief Executive Officer of McDonald's Philippines. "We recognize that, as a crucial element of our brand transformation: embracing a customer-first mindset and adopting innovations to ensure McDonald's remains relevant to the increasingly dynamic generation of Filipino consumers," he adds.

While NXTGEN stores remained the driving force behind GADC's efforts to elevate customer experience, the company also continued to introduce significant enhancements in its other products and services in 2019.

■ Modern ambiance completed by the advanced ordering system. These self ordering kiosks, aside from their added convenience and intuitive design, also accept cashless payments.



McDelivery

With the increase in digital usage and the growing demand of customers for convenient solutions available to them right at their fingertips, and even from the comfort of their own homes or offices – McDelivery continues to grow aggressively. McDelivery, was another significant growth driver for GADC seen with the opening of 50 new McDelivery hubs in 2019 to cover more areas and serve more customers across the country.

Further, the McDelivery app was re-launched in the first quarter of 2019 to offer new features and a more intuitive user interface to customers. To date, majority of McDelivery orders have migrated to digital channels from the traditional voice.

Partnerships with food aggregators (including) GrabFood and Foodpanda provided McDonald's with more online storefronts. This gave access to millions of users of the respective platforms, and to an extended pool of delivery partners. McDonald's ended 2019 having over 350 stores as partner hubs of these food aggregators, increasing its contribution share to the total delivery business.



In November 2019, McDonald's Philippines launched a project that aimed to give back to the heroes who ensure that delivery orders reach the customers on time. Dubbed "McDeliverback," the initiative saw McDonald's representatives going around Metro Manila to "McDeliverback" and surprise its own riders and those of its delivery partners with snacks as a simple token of thanks.

QUICK SERVICE RESTAURANT



PRODUCTS

Filipino customers are now more adventurous when it comes to trying new food flavors and formats. Cognizant of this continual broadening of the Filipino palate, McDonald's ensures continuous developments on menu innovation as it leverages on its presence in about 120 markets globally, giving access to new and exciting products.

In the summer of 2019, McDonald's Philippines introduced the new Milk Tea McFloat in Classic and Wintermelon flavors. Milk Tea McFloat was described as a sweet, milky, and icy drink, topped with creamy vanilla soft-serve ice cream. This menu offering hinged on the popularity of Milk Tea drinks all over Asia but was given an innovatively fresh twist. McDonald's also expanded its popular McCafé Iced Coffee Selections by offering new variants, now available in Sweet Black and Milky.

First launched in February 2019, McDonald's brought back its popular "Flavors of Japan" for a limited time only in the third quarter of the year. Dubbed as the "Autumn Edition," in time for this season in Japan: the offering included the crowd favorite Twister Fries, the Ebi Burger, the Teriyaki Samurai Burger, and the new Fuji Apple McFreeze.

Just in time for the holiday season, McDonald's introduced new desserts to its menu. Offerings in the "Dreamy Delights" included new desserts included the Rich Chocolate Pie, Coffee McFlurry with Oreo, Brown Sugar Sundae with Pearls, and the new Milk Tea McFloat with Brown Sugar Pearls.



AWARDS

Testament to its excellent performance in recent years, McDonald's Philippines won the highly coveted Advertiser of the Year award at the Boomerang Awards 2019, the second consecutive year that the company took the plum. The awards program saw over 200 entries vying for the sole Gold Boomerang Award of the night, which went to McDonald's Philippines for "Doodelivery". The campaign was an innovative way to promote the McDelivery service wherein customers doodled their McDonald's favorites in social media to have those products delivered at their doorstep. Overall, "Doodelivery" won six awards in three categories.

The annual Boomerang Awards gives recognition to brands that prove their effectiveness in digital marketing. It is hosted by the country's digital authority, The Internet and Mobile Marketing Association of the Philippines (IMMAP).

McDonald's Philippines also bagged awards in several other award shows during the year. At the 2019 Asia-Pacific Tambuli Awards, McDonald's won Gold for Advocacy for its "Hope for Marawi" campaign. The company then won big at the 2019 PANATA Awards as it swept 15 Wins (5 Golds, 4 Silvers, 3 Bronzes and 3 People's Choice Awards) for several campaigns including "Hope for Marawi," "Frymoji," "Doodelivery," "#WalangPasok Deals," and "ShaGab Loves McDo". Internationally,



McDonald's bagged a total of 5 awards (3 Silver awards in the Ambient, Low Budget, and Restaurants categories, 2 Bronze awards in the Creative Use of Technology and Digital/Mobile categories) at the New York Festival's 2019 AME Awards for World's Best Advertising and Marketing Effectiveness for its "McDelivery Pin" campaign.

MASS TRANSPORT

TRANSFORMING MOBILITY



Just two years after its inception, Infracorp Development Inc., the infrastructure arm of AGI, is already gearing up for the implementation of the P3.5-billion Makati-Fort Bonifacio Sky Train Project (the Sky Train Project).

100,000

Makati-Fort Bonifacio Sky Train Project expected commuters per day



Views of the Sky Train Project Project from Uptown Bonifacio in Bonifacio Global City (BGC)

Elevating the country's infrastructure

Infracorp was granted original proponent status by the Department of Transportation for the people mover project in May of 2018, seven months after the company submitted its unsolicited project proposal to the government.

In 2019, Infracorp continued to lay the groundwork for the project as it looked to an eventual groundbreaking as soon as the company gets the green light from the National Economic Development Authority (NEDA). During the year, the company coordinated in advance with relevant agencies and parties on the acquisition of right-of-way and for the securing of required permits.

The Sky Train Project is a two-kilometer railway that will link the Metro Rail Transit's Guadalupe Station to Uptown Bonifacio, Megaworld's mixed-use estate in Taguig City. Expected to be completed in two years from the start of construction, the people mover is expected to ferry 60,000 to 100,000 commuters per day.

According to Infracorp President Kevin Tan, the planned elevated people mover will reduce the travel time from the Fort to MRT Guadalupe to only five minutes and will greatly help commuters working in BGC.

"If successful, the Sky Train Project can serve as a template for similar projects in the future," Tan notes, while sharing that Infracorp had been looking into other transportation-related projects. The company's future plans include another possible monorail system that will run from Megaworld's Eastwood City in Libis to Santolan Road, Quezon City.

Infracorp, through AGI, is also part of a consortium of seven conglomerates that proposed to rehabilitate the Ninoy Aquino International Airport. The consortium was granted original proponent status for the airport rehabilitation project in 2018, and the proposal was approved by the NEDA board towards the end of the year.

However, as a result of the deleterious effects of the recent coronavirus pandemic on airline travel, the consortium petitioned for some changes in the terms of the proposed concession for NAIA in order to consider the long-term uncertainties and to ensure bankability. Unfortunately, a common ground could not be found and, consequently, the consortium had to withdraw its proposal. Infracorp, along with the rest of the consortium, remains committed to support government's pursuit to implement its strategic infrastructure projects.

In the meantime, Infracorp continues to look into other possible projects that will allow the company to help elevate the country's infrastructure with a focus on transforming metropolitan mobility towards the larger goal of national development.

SUSTAINABILITY



PURSUING SUSTAINABILITY EXCELLENCE

Sustainability is at the heart of the corporate mission of Alliance Global Group Inc. (AGI), in the face of the long-term economic, social, and environmental impacts of the conglomerate’s various businesses. Through its operations, programs and initiatives, the company actively and responsibly pursues excellence in sustainability across all its businesses.

In its close to three decades of operations, AGI has become a formidable player in the real estate, alcoholic beverages, quick service restaurant, and gaming and casino sectors, helping create over half a million direct and indirect jobs for Filipinos. Going forward, it aims to make each of its business segments become an even more responsible and sustainable contributor to national life, always mindful of the environmental and social impacts of its operations and activities.

AGI has two major sustainability goals going forward. The first is to generate over 5 million direct and indirect jobs in the next 10 years, through sustainable townships anchored on a more comprehensive local development and wealth distribution plan, supported by an efficient infrastructure system. The second is for AGI to become carbon-neutral by the year 2030, by continuing to develop more water- and energy-efficient homes, facilities and buildings, and eventually become completely reliant on renewable sources of energy within the decade.

The company has thus committed itself to sustainability to empower its future and the future of its developments. Its collective strength as a conglomerate gives AGI the ability to make these positive changes happen. Even as its journey towards a sustainable future has just started, the CEOs of all AGI companies have been mandated to effect change by making enlightened decisions and situating sustainability at the core of all business strategies.

In its recent SustainAGIility Summit, AGI CEO Kevin Tan summed up the task of sustainability for the entire group:

“Our companies continue to make significant contributions to nation building, with most of our products and services remaining at the heart of Filipinos’ everyday lives. As we have grown as a company over the years, rapid changes have also come to the world where we operate and live in. Serious economic, social, and environmental challenges have cut across countries, cities, and even small communities around the world. Millions of people are still living in poverty, suffering from inequality and remaining vulnerable to the ill-effects of pollution and climate change.

“Our collective efforts will surely go a long way, making a difference and inspiring more people to adapt a more sustainable way of life. We have proven, time and time again, we can achieve great things by supporting and helping one another. Let’s all work as one Alliance Global in creating a more peaceful, inclusive, and sustainable world for our children and the future generations.”

OUR 2 MAJOR SUSTAINABILITY GOALS



To generate over 5 million direct and indirect jobs in the next 10 years



To become carbon-neutral by the year 2030

SUSTAINABILITY

TOTAL ESG PERFORMANCE



In 2019, AGI identified the sustainability topics most material to the company with the support of a third-party consultant. The exercise led to the establishment of baseline data on the impact of the group's main business units in terms of topics identified following the ESG (environmental, social, and governance) framework.

AGI's main business units are Emperor Inc.; the real estate group comprising of Megaworld Corporation, Empire East Land Holdings Inc., Global-Estate Resorts Inc. (GERI), and Suntrust Properties Inc.; Golden Arches Development Corp. (GADC or McDonald's Philippines), and Travellers International Hotel Group Inc.

The identification of the topics also considered the UN Sustainability Development Goals (UN SDGs), seven of which were found to be most material to the entire group—SDG 2, Zero Hunger; SDG 3, Good Health and Well-Being; SDG 7, Affordable and Clean Energy; SDG 8, Decent Work and Economic Growth; SDG 12, Responsible Consumption and Production; SDG 13, Climate Action; and SDG 16, Peace, Justice and Strong Institutions.

The matrix on page __ shows which AGI companies had contributed to the achievement of the UN SDGs, including the seven aforementioned.

Environmental Performance

AGI's success hinges on its responsibility to ensure the sustainability of the resources it uses for its various businesses. Thus, the identified topics under environmental performance are water use, carbon footprint, and waste generation and recycling.

Water Use. Water is an essential resource of all its business units, and AGI endeavors to use it efficiently. In 2019, its absolute water use was about 12.4 million cu. meters, of which 7.5 million were supplied from utilities and 4.85 million directly abstracted. A total of 6.76% of water consumed was reused.

	Water Use (in cu meters)	% of Absolute water use
Absolute	12,394,121	100
Supplied from Utilities	7,542,575	60.87
Directly Abstracted	4,851,547	39.13

Water consumption by business unit saw Emperor at 5,472,306 cu. meters; Megaworld Group at 3,935,238; Travellers at 1,785,727; and GADC at 1,200,850. AGI has received permits for water extraction or has permit applications in progress for all sites.

CARBON FOOTPRINT	
585,212 tCO2e	
SCOPE 1 EMISSIONS	276,198 tCO2e
SCOPE 2 EMISSIONS	265,846 tCO2e
SCOPE 3 EMISSIONS	43,167 tCO2e

Carbon Footprint. AGI accounted for a total volume of 585,212 tCO2e, divided between Scope 1 emissions at 276,198 tCO2e; Scope 2 (location-based), 265,846 tCO2e; and Scope 3, 43,167 tCO2e.

Scope 1, or direct, greenhouse gas (GHG) emissions refer to emissions from company-owned vehicles and company facilities. Scope 2 emissions are from electricity purchased and used by the company. Scope 3 emissions come from activities of the company occurring in sources it does not own or control.

AGI's Scope 1 emissions in 2019 came from both stationary and mobile emissions; Scope 2 came from electricity consumed in-location; and Scope 3 came from waste generated during operations and from business travel.

Absolute GHG emissions by business unit saw the Megaworld Group at 286,006 tCO2e; Travellers, 123,172; Emperor, 104,753; and Golden Arches, 71,281.

Empire East is focused on developing transit-oriented and transportation-connected projects as part of its commitment to reduce its carbon footprint. It ensures that every construction project is compliant to environmental standards set by various government agencies.

Meanwhile, Megaworld is compliant with applicable local and national laws related to land development and their green space requirements. The company also conducts Environmental Impact Assessments for all its projects in compliance with Presidential Decree 1586, or the Philippine Environmental Impact Statement System, and other environmental protection laws.

As AGI continues to measure its GHG emissions in the years to come, it expects to see the fruits of the energy-efficiency programs it has put in place.

ABSOLUTE WASTE GENERATED	
83,840 tonnes	
23% recycled	
NON-HAZARDOUS WASTE	78,074 tonnes
HAZARDOUS WASTE	5,766 tonnes

Waste Generation and Recycling. AGI's absolute non-hazardous and hazardous waste generated in 2019 was 83,840 tonnes, broken down into 78,074 tonnes for non-hazardous waste and 5,766 tonnes hazardous waste. Twenty-three percent (23%) of all waste was recycled. Major types of waste that contributed to the total mass were solid waste, metal, plastic and paper.

By business unit, GADC generated 46,192 tonnes of waste; Emperor 22,588; Megaworld Group, 14,085; and Travellers, 975.

AGI will be implementing further waste reduction strategies and extending recycling to additional material categories to lower the amount of waste sent to landfill and even achieve zero waste in the future.

SUSTAINABILITY

TOTAL ESG PERFORMANCE



Social Engagement

With a growing business portfolio, AGI's infrastructure projects, hotel and tourism destinations, production facilities, and quick service restaurants across the country have magnified their social impact across the country. In relation to its employees, the topics identified include workforce diversity, training and development, and compensation and rewards.

Workforce Diversity. In 2019, AGI employed a total of 53,910 workers, with 52% male and 48% female representation. The largest age group of all staff in the company is composed of those below 30 years old.

EMPLOYEE DISTRIBUTION BY GENDER			
Business Unit	Male	Female	Total
GADC	18,903	19,025	37,928
Megaworld Group	3,065	3,504	6,569
Travellers	3,314	2,642	5,956
Emperador	2,632	825	3,457

Employee Training and Development. AGI recognizes that training and education are essential to the development of employee skills and support career development. In 2019, AGI dedicated 687,448 hours on training employees, for a total expenditure of about P53.66-million.

EMPLOYEE TRAINING		
Business Unit	Number of Hours	Expenditure (P)
Emperador	169,393	18,077,311
Megaworld Group	42,903	14,630,055
GADC	55,031	13,078,312
Travellers	420,121	7,871,149

Compensation and Rewards. AGI schedules performance reviews bi-annually to support career development, promotion, and merit enhancement. It provides government-mandated and voluntary benefits to its employees such as leaves, salary loans, saving benefits, several loans options, medical benefits, and flexible working hours, among others.

PARTICIPATION IN EMPLOYEE DEVELOPMENT BY GENDER		
Business Unit	Male	Female
Emperador	100%	100%
Megaworld Group	100%	100%
GADC	100%	100%
Travellers	99%	99%

Governance

AGI's governance practices across its business units cover its employees, customers, suppliers, and other stakeholders. The topics identified in this area include stakeholder management, data privacy and security, handling of electronic waste, environmental and contamination management, food safety and quality (for GADC), business ethics, and responsible labelling (for Emperador).

Stakeholder Management. AGI companies strive to serve the interests of their stakeholders at all times.

■ **Customers.** At Emperador, customer complaints and grievances are handled by both the commercial services team and the quality assurance department. It also carries out periodic customer satisfaction surveys to continuously improve product and service quality. Its customer satisfaction policy references ISO9001, FSSC22000, and BRC and IFS.

Megaworld's client relations group follows a manual and policies to develop and maintain customer satisfaction. It is committed to resolving issues raised by customers through its credit and collections department and its customer relations department. In 2019, it addressed all of the 70 substantiated complaints raised by customers.

■ **Vendors and Suppliers.** Emperador has a supplier code of conduct and suppliers must have the relevant business permits. It also has a security policy for the health, quality, and environmental and social considerations of its production facilities. Its procurement policy references ISO9001, FSSC22000, BRC and IFS, and PRO-003.

Megaworld has a vendor code of conduct, and their suppliers must have the relevant permits to do business with them. It also has supply chain procurement policies and supplier code of conduct in place.

At GADC, contractual agreements with suppliers, vendors, and other external parties have an anti-corruption and anti-bribery provisions.

Data Privacy and Security. AGI takes reasonable steps to securely destroy or permanently de-identify or anonymize personal information if it is no longer needed. Disposal is done in a manner that the personal data becomes unreadable (for paper records) or irretrievable (for digital records). No data security breach involving AGI was recorded in 2019.

Emperador collects client and customer data in accordance with its privacy policy and applicable data privacy regulations. It maintains secondary data for all its companies as part of disaster recovery measures.

GADC has data on approximately 300,000 customers and has provided static information to the National Privacy Commission as part of its compliance to Data Privacy Act of 2012. In 2019, there were no reported data breaches.

The Megaworld Group has collected and stored data of 161,578 clients to date and takes reasonable measures to securely destroy or permanently de-identify personal information if no longer needed. Personal data on paper is rendered unreadable and data on digital records, irretrievable. There were no data breaches reported in 2019.

Travellers collected and stored data of 2,232,142 Resorts World Manila members, 54,269 hotel guests, and 6,000 employees. It disposes data safely after they are utilized. There were no data security breaches reported in 2019.

SUSTAINABILITY

TOTAL ESG PERFORMANCE



Electronic Waste. AGI has disposal criteria with regard to external processors of electronic waste in accordance with its Non-Disclosure Agreement (NDA) and the Philippine Data Privacy Act of 2012. AGI discards its electronic waste in a responsible manner. Records and files are copied to a backup server, whether on-premise or offsite. Hard drive data are wiped out using hard disk utility to erase the data, thus preventing data recovery.

Emperador and GADC have standard degaussing processes for the disposal of non-functional electronic equipment. Emperador securely destroys or permanently de-identifies personal information upon expiration or withdrawal of consent of the data owner. On the other hand, GADC has an accredited third-party supplier that handles the degaussing process that takes place outside their premises. GADC does not keep any record of all electronic waste.

At the Megaworld Group, hard drive data are wiped out using hard disk utility to prevent data recovery. The group also has disposal criteria in the non-disclosure agreements with external processors of electronic waste not processed on-site in compliance with the Data Privacy Act. All contracted external processors are accredited by the Department of Environment and Natural Resources.

Similarly, at Travellers, the replacement, disposal and destruction of outdated and defective equipment and parts are witnessed by representatives from PAGCOR (Philippine Amusement and Gaming Corporation), BOC (Bureau of Customs), and PEZA (Philippine Economic Zone Authority). Processors accredited by the DENR (Department of Environment and Natural Resources) are also contracted to dispose of electronic waste not processed on-site.

Environmental and Contamination Management. GADC has an environmental manual to assure compliance with existing environmental laws. It also practices responsible sourcing of raw materials, specifically soft seed oil (replacing palm oil), coffee beans, and fiber packaging. Its contamination management policy requires the use of only NSF- or ANSI-approved equipment and smallware to prevent contamination from heavy metals and other harmful materials. Where no such certification is available, food contact and handling materials are tested for food-grade status by third-party laboratories.

Megaworld and Travellers likewise have environmental management and contamination management policies in compliance with Presidential Decree 1586, Philippine Environmental Impact Statement System; Republic Act 6969, Toxic Substances and Hazardous and Nuclear Waste Control Act of 1990; Republic Act 8749, Clean Air Act of 1999; Republic Act 9003, Ecological Solid

Waste Management Act of 2000; Republic Act 2975, Clean Water Act of 2004; and relevant DENR and local government environmental guidelines.

Food Safety and Quality. At GADC, food safety is paramount. All its stores have sanitary permits issued by the concerned local government units and the Department of Health. They also comply with all local ordinances as regards food safety: Republic Act 10611, Food Safety Act of 2013; and the 1993 Philippine National Standards for Drinking Water (PNSDW). Additionally, the nutrient content in GADC's food meets 89% and 100% of the recommended energy and nutrient intakes (RENI) requirement of adults and children, respectively.

Business Ethics. AGI is committed to the highest standards of business ethics, echoed in the specific policies and practices of its business units. It ensures that all transactions are executed fairly within codes of conduct. It expects each employee to observe the highest standards of business ethics.

■ **Whistleblowing Policy and Grievance Mechanism.** Megaworld has an Ethics Committee that receives reports of wrongdoing by the company's directors, senior management, and employees. This committee investigates the concerned parties, all the while ensuring confidentiality of information and protection of the whistleblowers.

At Emperador, reports of wrongdoing may be made by any stakeholder directly to the Chairman or President to ensure confidentiality of information and identity of the whistleblower.

A grievance mechanism is in place at GADC, where violations or complaints may be coursed through the employee's immediate supervisor, the restaurant's general manager, department head, compliance officer, any representative of the HR and legal departments, or any member of the Management Committee or Executive Committee.

Travellers also has a whistleblower program in place.

■ **Anti-Money Laundering and Anti-Corruption Policies.** Emperador, Megaworld, GADC, and Travellers have anti-money laundering policies in place in accordance with Republic Act 9160, Anti-Money Laundering Act of 2001.

In 2019, Megaworld did not record any monetary loss as a result of legal proceedings associated with money laundering.

Emperador is currently drafting a group-level anti-corruption policy even as offshore units have such policies in place. On the other hand, its Philippine units comply with Republic Act 3019, Anti-Graft and Corrupt Practices Act. It prohibits its employees from receiving gifts from parties that may create conflict situations.

GADC's anti-corruption policy is embedded in its Standards of Business Conduct and incorporates the U.S. Foreign Corrupt Practices Act in its employment contracts.

Likewise, Megaworld has an anti-corruption policy.

Responsible Labelling. Emperador practices responsible labelling, ensuring that its products are marketed only for their intended use. All of its advertising impressions are targeted at individuals at or above the legal drinking age. In 2019, there were no incidents of non-compliance with industry or regulatory labelling and marketing codes. There were also no monetary losses as a result of legal proceedings associated with marketing and labelling processes.

SUSTAINABILITY

PROGRAMS AND INITIATIVES



As a group, AGI makes its presence felt in different communities it serves through various corporate social responsibility (CSR) programs and initiatives implemented locally, leaving meaningful economic, social, and environmental footprints in the communities where it operates.

Through the economic activities of its business units, it principally promotes job creation and reverse migration, providing locals with opportunities to build careers and take on jobs in their own hometowns. AGI believes it helps keep Filipino families intact by providing local employment opportunities.

Moreover, in 2019, the group's environmental, social and community initiatives generated grants and donations amounting to P71.06-million and volunteer work totaling 10,086 hours.

In the first half of 2020, AGI contributed P1.1-billion in donations and projects to the country's COVID-19 response. This includes P500-million worth of meals from McDonald's Philippines Kindness Kitchen distributed to medical front liners, government workers, and urban poor families; P250-million worth of disinfectant alcohol, P125-million worth of PPEs, food, and transportation for front liners and needy communities; P100-million cash donation to Project Ugnayan, the private sector response coordinated by the non-profit Philippine Disaster Relief Foundation; and P66-million in donations to various local government units and non-government organizations for programs related to COVID-19.

COVID-19 RESPONSE	
P1.1-BILLION in donations and projects	
P500-million worth of	 meals
P250-million worth of	 disinfectant alcohol
P125-million worth of	 PPEs, food, and transportation
P100-million cash donation	 Project Ugnayan
P66-million	 donations to various local government units and non-government organizations

Megaworld Group

This business segment comprises Megaworld Corporation as the parent company, Empire East Land Holdings Inc., Global Estates Resorts Inc., and Suntrust Properties, Inc. As the segment creates flourishing developments, it also looks ahead into the future, helping fulfill the economic and social potential of more areas in the country.

Renewable Energy. A solar farm will be piloted in the Iloilo Business Park, as part of a bigger rollout in various townships across the country to diversify the group's energy mix. This will be complemented by the adoption of sustainable features in buildings, specifically solar panel and sun roofing, passive cooling systems, rainwater harvesting, slow-start escalators, and drain water recycling systems. These new features will be immediately implemented at mall developments at Upper East in Bacolod City and Maple 2 in General Trias, Cavite.

The group has been building LEED-certified office towers in the last decade, including 8 Campus Place in McKinley Hill, the country's first-ever LEED Gold-Certified BPO building, in Taguig City. GERI's Boracay New Coast resort development utilizes solar power and LED lamp posts. Suntrust's Eco-town in Tanza, Cavite is served by a fleet of e-jeepneys as means of transportation around the development.



6.76%

of water consumed was reused



585,212 tCO₂e

total volume of carbon footprint



23%

of all generated waste was recycled



53,910

workers directly employed



687,448

hours of training for employees



10,086

hours of volunteer work



9

number of LEED-certified office towers

SUSTAINABILITY

PROGRAMS AND INITIATIVES



Plastic Reduction. Megaworld lifestyle malls recently received a certification from the HOPE Foundation, recognizing the malls' efforts and milestones to minimize its water bottle footprint using market-based technologies approved by the Basel Convention.

Job Generation. Over the last three decades, Megaworld has helped create more than 500,000 direct and indirect jobs for Filipinos through its wide range of property developments—26 townships, 720 residential towers, 20 malls, 1.3-million square meters of leasable office space, and over 3,600 hotel rooms. In the next 10 years, it expects to create 3 million more jobs across these developments.

Equal Opportunity. At Megaworld, women make up almost half of the leadership. At GERI, the entire leadership is female, while at Empire East and Suntrust, more than half of the entire workforce is female.

Educational Opportunities. Megaworld Foundation has supported financially challenged families with close to 10,000 scholarship grants across 48 schools all over the country. Some 700 scholars have graduated, with about 92% now employed in various AGI companies.

Among the foundation's programs is Eskwela ng Bayan, a school-on-wheels program that brings basic education to impoverished communities near Megaworld projects. Volunteers from among Megaworld employees teach spelling, mathematics, English, financial literacy, and values formation to children from these communities. Top students from this program receive scholarship grants from the foundation.

The foundation also works with many other organizations to further support young Filipinos in their education, including Yellow Boat of Hope Foundation Inc., which transports students from



far-flung areas in Cebu, Romblon and Sorsogon by boat to get to their schools daily; Sisters of Mary School, which provides students access to food, clothing, shelter medical care, quality secondary education and technical-vocational training; Adamson University, which awards scholarships and eliminates college entrance fees for deserving students; and Holy Spirit Academy of Irosin and the Federation of Filipino Chinese Chamber of Commerce and Industry, which have been building and reconstructing classrooms, especially after the recent institution of the K-12 curriculum.

It has also partnered with the ERDA Foundation, Sinagtala Home for Boys, Philippine Institute for the Deaf, World Vision, Childhope Asia, Operation Smile, and Virlanie Foundation to provide underprivileged children with material and financial support in order to live healthy lives in safe, and secure environments.

Megaworld employees also regularly volunteer in Brigada Eskwela, the yearly clean-up and rehabilitation of school buildings and classrooms spearheaded by the Department of Education (DepEd).

Shelter. Megaworld has partnered with Gawad Kalinga to provide 56 urban poor families with decent housing in Mandaluyong City. Aside from building the houses, Megaworld employee-volunteers help to continuously enhance the community.



500,000

direct and indirect jobs



10,000

scholarship grants across 48 schools all over the country



56

urban poor families provided with decent housing in partnership with Gawad Kalinga

SUSTAINABILITY

PROGRAMS AND INITIATIVES

Emperador

Emperador anchors its programs and initiatives on its strong sense of responsibility to the preservation and sustainability of the environment, emphasizing the third of its corporate values of *sipag, tiyaga at responsibilidad* (diligence, forbearance, and responsibility).

Renewable Energy. The company promotes the use of renewable energy, particularly biomass and solar power, in its distilleries. The Batangas distilleries are self-sufficient in energy with the adoption of anaerobic digestion. This process converts the distilleries' byproducts into biogas, which in turn is used by the facilities as renewable energy. In addition, organic waste from the production process is converted into fertilizers. In Spain, Bodegas Fundador has increased its biomass consumption by 50%.

In Mexico's winery, there is an ongoing shift to solar panels, expected to generate 53.4 kWh to power the internal and external lighting of the production and perimeter areas and reduce electricity consumption by 30%.



Water Use. Emperador strives to efficiently use water, the primary ingredient of its products. Covering 1,500 hectares, its vineyards in Toledo, Spain have deployed controlled deficit irrigation, a water management strategy that concentrates the application of limited seasonal water supplies on critical crop growth stages, on a massive scale. Moreover, the rainwater recovery system deployed in Spain and Mexico has reduced water consumption by 19% during the harvest season and 38% for the rest of the year.

In the Pedro Domecq facility in Mexico, a recently installed spray sprinkler system has cut the monthly consumption of water used for the hydration of barrels used in the ageing of brandy by 45%.



Recycling. To further promote responsible plastic use, all of Emperador products are packaged mostly in 100% recyclable materials like glass, fiber boxes, and paper labels.

Conservation. Emperador has adopted the Langganan River in Balayan, Batangas to protect the body of water from upstream waste. The company has also planted trees in the area to improve the ecological health of the river system and the safety of the community.



50%

Increase in biomass consumption in Bodegas Fundador



38%

The rainwater recovery system deployed in Spain and Mexico has reduced water consumption by 19% during the harvest season and 38% for the rest of the year



45%

In the Pedro Domecq facility in Mexico, a recently installed spray sprinkler system has cut the monthly consumption of water used for the hydration of barrels used in the ageing of brandy by 45%



100% recyclable

All Emperador products are packaged mostly in 100% recyclable materials

SUSTAINABILITY

PROGRAMS AND INITIATIVES



Golden Arches Development Corp.

Golden Arches Development Corp. is driven by its global strategy of Global Scale for Good: creating delicious, feel-good moments for everyone—feeling good about its food, the company, and its impact on the world.

This strategy has five pillars—commitment to families, youth employability, beef sustainability, packaging and recycling, and climate action.

■ Commitment to Families: Kid's Nutrition

McDonald's has a responsibility to the millions of families that visit its stores each day, and continually strive to be parents' ally through its commitment to Kid's nutrition, Reading and Ronald McDonald House Charities (RMHC).

- **Youth Employability:** Youth unemployment is a critical global issue. McDonald's is in a unique position to help address this problem in communities around the world. This is aligned with the UN Sustainable Development Goals (SDGs) to substantially reduce the proportion of youth not in employment, education or training.

- **Beef Sustainability:** Beef has biggest impact across most environmental factors. Burgers are iconic to the brand and with that, McDonald's has the responsibility to collaborate with the industry; and together, McDonald's is leading a movement towards beef sustainability where farmers, animals and the planet thrive.

- **Packaging and Recycling:** The goal is to take care of customer packaging, enable recycling across its restaurants and communities, and raise awareness about recycling among consumers.

- **Climate Action: Science-Based GHG Reduction Target** Climate Change is the defining societal issue for future generations, with serious effects to its food system, customers and restaurants. McDonald's cannot be a leader in beef sustainability – its largest carbon footprint driver, without a robust climate strategy. The goal is to be the first restaurant in the industry to announce Science-based targets and to lead the industry in making changes and commitments.



ALL OUT FOR GOOD

Locally, this global strategy is reflected in the McDonald's Philippines' "All Out for Good Program" which is anchored on its brand promise and company culture of going ALL OUT for its customers, employees and the growth of the business, which includes using its scale for good.

McDonald's go ALL OUT FOR THE COMMUNITY by championing children's well-being with a focus on education through Ronald McDonald House Charities (RMHC).

For 25 years, RMHC has helped over 12.4 million Filipino children through programs that support the basic need of Filipino children: education.

In December 2019, McDonald's held its 10th Stripes Run, an annual race whose proceeds benefit the RMHC's Read-to-Learn (RTL) program.

Undertaken with DepEd, RTL is a beginning reading program for Grade 1 and 2 public school students. To date, the RTL program has reached over 12 million students from close to 11,000 public schools, trained over 28,000 educators, and distributed more than 367,000 books across the country.



RMHC also opened three new Ronald McDonald Bahay Bulilit Learning Centers in 2019 in Imus, Cavite; Lapu-Lapu City, Cebu; and Davao City, to provide children with a safe and conducive place as they jumpstart their learning journey.

Through the Ronald McDonald Bigay Tulong Program, McDonald's has assisted the Department of Social Welfare and Development (DSWD) and non-profit organizations to provide disaster relief to affected communities.



12.4M

Filipino children's education supported



28,000

educators trained



367,000+

books distributed across the country

SUSTAINABILITY

PROGRAMS AND INITIATIVES

McDonald's go ALL OUT FOR PEOPLE by providing employment and opportunities for growth and development.

As McDonald's Philippines continues to expand, it strengthened its employer brand efforts as an employer of choice among Filipinos. It has close to 65,000 directly hired employees. Every new restaurant provides 80 to 100 new jobs in the community.

Committed to become a partner of communities and provide many opportunities to Filipinos, McDonald's has forged partnerships with organizations and the government to implement its alternative workforce programs.

In September 2019, McDonald's signed a memorandum of agreement with the City of Manila to provide employment opportunities to at least 60 senior citizens and 40 differently abled individuals across its 45 stores in the city. In the fourth quarter of the year, McDonald's also partnered with the local governments of Pasig and Pasay, providing at least 70 senior citizens and differently abled individuals with work in its stores in these cities.

McDonald's continues to work with the government to support young learners through DepEd's Work Immersion Program (WIP). Under this program, senior high school students taking vocational track courses undergo work exposure and training in McDonald's offices or stores. Since 2016, over 4,200 students from both public and private high schools have undergone WIP at McDonald's.

Another program supported by McDonald's is the Special Program for Employment of Students (SPES) of the Department of Labor and Employment (DOLE), which aims to help poor but deserving out-of-school youth to pursue their college education by providing income or augment their income through employment. SPES beneficiaries are employed as McDonald's crew members and undergo the same training regular McDonald's crew members receive. About 14% of



15,000 beneficiaries of the program have been given the opportunity to work and become regular employees of McDonald's since 2011.

McDonald's go ALL OUT FOR PRODUCT by adhering to the global McDonald's food charter by committing to:

- Remove artificial ingredients and flavors in core menu items;
- Make nutritional information readily available for customers for informed decisions;
- Deliver only the Gold Standard Quality – a McDonald's philosophy which starts with responsible food sourcing of externally certified palm oil, coffee, and fiber-based paper packaging.

McDonald's go ALL OUT FOR THE PLANET by finding environment-friendly solutions in building and operating restaurants.

In the past recent years, McDonald's made gains by minimizing plastic use in its restaurants starting with paper bags, straws, lids and cutlery. Re-usable cutleries and packaging are now utilized in stores such as Boracay, Cebu, Palawan, Makati, and Quezon City. Energy-efficient and renewable solutions like solar lampposts, solar roof tops and eco-bricks are now used in select stores in Quezon City, Manila, Taguig and Cavite.

Travellers International Hotel Group

AGI's hotel and leisure group anchors its sustainability programs on its belief statement, "Making the Most Out of Life." Travellers aims to thrill the world responsibly, leveraging its business to help improve lives while protecting the environment and contributing to the economy.

Renewable Energy. As an operator of hotels and resorts, Travellers is conscious of the amount of resources it consumes in the operation and upkeep of its facilities.

It has implemented "district cooling," allowing buildings in a complex to share cooling and air-conditioning capacity, so far cutting power consumption by 29MW and saving P49-million. Its cooling systems use advanced nano technology to more efficiently transport chilled water, saving not only power but also chemicals used to clean the pipes, resulting in P21-million in savings.

Sensors in its new hotel rooms minimize air-conditioning when there is no one in the room, generating P8.8-million in electricity savings so far. In addition, excess heat and steam generated by the hotels' laundry systems are captured and then used to provide hot water to hotel rooms.

Travellers is now looking at placing solar panels at all its rooftops, expecting to generate about 29MW of power annually and P16-million in electricity savings.



29MW

of power saved through district cooling



P8.8 million

in electricity savings by sensors that minimize air-conditioning when no one is in the hotel rooms



6 million

plastic bottles reused and recycled in partnership with Coca-cola

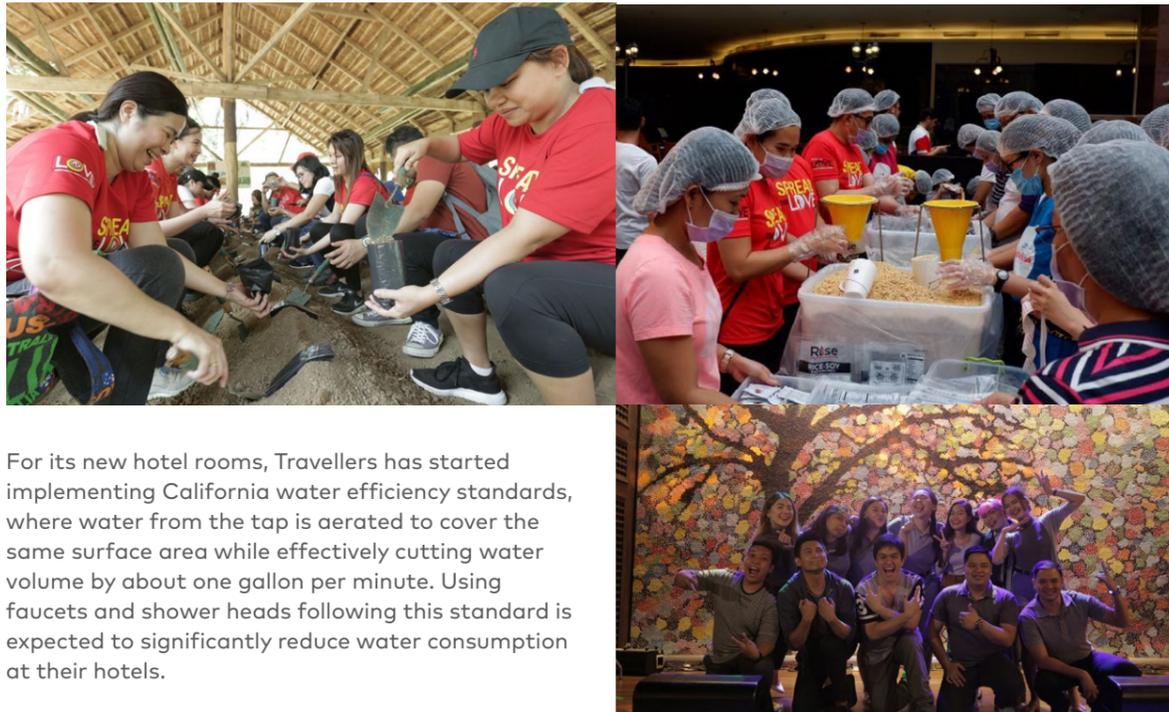


Recycling and Waste Reduction. Travellers' Hilton, Marriot and Sheraton hotels have started to use glass bottles for water placed in guest rooms, bottling the water on site. It has also replaced plastic straws with straws made out of paper and corn starch.

It has partnered with Coca-Cola to reuse and recycle about 6 million plastic bottles every year from bottled soda served at Resorts World Manila. Other partnerships include one with ABS-CBN Lingkod Kapamilya for materials recovery, specifically for computers and other electronic equipment; ABS-CBN Bantay Langis, for the conversion of used cooking oil into fertilizers and brick binders; and with Holcim, for the upcycling of plastic waste into brick binders.

SUSTAINABILITY

PROGRAMS AND INITIATIVES



For its new hotel rooms, Travellers has started implementing California water efficiency standards, where water from the tap is aerated to cover the same surface area while effectively cutting water volume by about one gallon per minute. Using faucets and shower heads following this standard is expected to significantly reduce water consumption at their hotels.

Conservation. Travellers has adopted six sectors of the La Mesa Watershed, planting about 3,600 trees in the watershed. Its hotels also observe sustainable sourcing of food, by preferring to source seafood from single-line fishing and adopting farms to create farm-to-table food supply chain.

Job Generation. The company has about 9,800 direct and indirect employees, close to half of whom are female. Of this number, 40% occupy senior positions. It also employs close to 40,000 in construction- and support-related activities. It has created a foundation that supports students in the performing arts and production. The foundation, called "Original Pilipino Performing Arts Foundation," has 50 scholars to date.



3,600

trees planted in the La Mesa Watershed



9,800

direct and indirect employees



40%

female employees occupy senior positions



50

scholars from Original Pilipino Performing Arts Foundation

RESPONDING TO THE UN SUSTAINABLE DEVELOPMENT GOALS

Through its six major business units, Alliance Global responds to the UN Sustainable Development Goals in various ways in its mission to create a more peaceful, inclusive, sustainable world for today's children and the future generations.

The following matrix shows which companies have so far responded to the SDGs found to be material to the operations of AGI.

SDG	Megaworld Corporation*	Emperador Inc.	Golden Arches Development Corp.	Travellers International Hotel Group
1 NO POVERTY	●			●
2 ZERO HUNGER	●			●
3 GOOD HEALTH AND WELL-BEING	●	●		●
4 QUALITY EDUCATION	●		●	●
5 GENDER EQUALITY	●			●
6 CLEAN WATER AND SANITATION	●		●	●
7 AFFORDABLE AND CLEAN ENERGY	●	●	●	●
8 DECENT WORK AND ECONOMIC GROWTH	●		●	●
9 INDUSTRY, INNOVATION AND INFRASTRUCTURE			●	
10 REDUCED INEQUALITIES	●			●
11 SUSTAINABLE CITIES AND COMMUNITIES	●			●
12 RESPONSIBLE CONSUMPTION AND PRODUCTION		●	●	●
13 CLIMATE ACTION	●	●		●
14 LIFE BELOW WATER	●	●		●
15 LIFE ON LAND	●			●
16 PEACE, JUSTICE AND STRONG INSTITUTIONS	●			
17 PARTNERSHIPS FOR THE GOALS	●			

*Megaworld Corporation includes its subsidiaries Empire East Land Holdings Inc., Global Estates Resorts Inc., and Suntrust Properties, Inc.

AWARDS

209

Group Wide Awards Won in 2019



THE ASSET ESG CORPORATE AWARDS

GOLD AWARD WINNER

For Corporate Governance, Social Responsibility, Environmental Responsibility, and Investor Relations

FIABCI PHILIPPINES PROPERTY AND REAL ESTATE EXCELLENCE AWARDS

Conferment of the "Diplomate" status for Dr. Andrew L. Tan

ROTARY CLUB OF MANILA

Sustainable Tourism Award given to Dr. Andrew L. Tan

SANTOS KNIGHT FRANK ASIA-PACIFIC CONFERENCE

Global Achievement Award given to Dr. Andrew L. Tan

71ST GEORGE WASHINGTON CHARITY BALL

Entrepreneur of the Year award given to Mr. Kevin L. Tan

ASIA LEADERS AWARDS 2019

Entrepreneur of the Year awarded to Mr. Kevin L. Tan



MEGAWORLD

LOCAL AWARDS

54TH ANVIL AWARDS

GOLD ANVIL

- Venice Grand Canal Grand Christmas Parade: Embracing Diversity, Coming Together for Christmas - Public Relations Tools, Exhibits, and Special Events
- MEG Foundation's A Gift to Give - PR Programs Directed at Specific Stakeholders

SILVER ANVIL

- Megaworld Foundation's "One with the Aetas" PR Programs Directed at Specific Stakeholders - Host Communities and Indigenous People
- Lucky Chinatown Adventures: Reviving Binondo's Cultural and Tourism Prowess - PR Programs, Exhibits and Special Events
- Grand Lechon Festival at The Mactan Newtown - PR Programs, Exhibits and Special Events
- Feast of Over Five Hundred Mooncakes at Lucky Chinatown - PR Programs, Exhibits and Special Events
- A Festive Walk at the Most Beautiful Mall in Western Visayas - PR Programs, Exhibits and Special Events
- Aqua Y Carnevale: Transforming the Venice Grand Canal into the Country's 1st Theatrical Water Stage - PR Programs, Exhibits and Special Events

PROPERTY AND REAL ESTATE EXCELLENCE AWARDS BY FIABCI PHILIPPINES

GOLD

- Arco de Emperador at Arcovia City - Specialized Project Category
- Boracay Newcoast - Sustainable Development Category
- Festive Walk Mall - Retail Category
- Southwoods Mall - Retail Category
- Savoy Hotel Manila - Hotel Category - NCR
- The Hamptons Caliraya - Resort Category
- Twin Lakes Hotel - Hotel Category - Luzon
- World Commerce Place - Office Category

SILVER

- St. Moritz Private Estates - Residential Mid-Rise Category

BCI ASIA AWARDS 2019

- BCI Asia Top 10 Developers of the Philippines Awards

PHILIPPINES BEST EMPLOYER BRAND AWARDS 2019

- Best Employer Brand Awards 2019

CSR LEADERSHIP AWARDS 2019

- Award for Community Development
- Award for Innovation in CSR Practices

CITY OF MANILA TOP 10 REAL PROPERTY TAXPAYERS

- Manila's Top Real Property Taxpayers

2019 PHILIPPINES PROPERTY AWARDS

- UPTOWN BONIFACIO - Best Township Development
- ARCOVIA CITY - Best Mixed-Use Development
- MCKINLEY WEST - Best Township Masterplan Design
- UPTOWN ARTS RESIDENCE - Best Luxury Condo Interior Design
- FESTIVE WALK MALL - Best Retail Development
- WORLD COMMERCE PLACE - Best BPO Office Development
- NEWCOAST VILLAGE - Special Award: Best Housing Development (Best of the Philippines Award)
- NEWCOAST VILLAGE - Best Housing Development (Resort Destination)
- SOUTHWOODS MALL - Best Commercial Landscape Architectural Design
- CAMBRIDGE VILLAGE - Best Universal Design Development
- CAMBRIDGE VILLAGE - Best High Rise Affordable Condominium Development for Metro Manila
- SAN LORENZO PLACE - HIGHLY COMMENDED, Best Mid-End Condominium Development for Metro Manila
- ARCOVIA CITY - HIGHLY COMMENDED, Best Township Masterplan Design

- TWIN LAKES HOTEL - HIGHLY COMMENDED, Best Hotel Interior Design
- SOUTHWOODS MALL - HIGHLY COMMENDED, Best Retail Development
- THE ROCHESTER - Best High Rise Affordable Condo Development in Metro Manila
- COVENT GARDEN - Best Mid-Range Condo Development in Metro Manila

2019 PHILIPPINE QUILL AWARDS

COMMUNICATION MANAGEMENT, MARKETING, ADVERTISING, AND BRAND COMMUNICATIONS

- Megaworld Lifestyle Malls Pet Pass: Breeding a responsible generation of pet owners towards a rabies-free Philippines
- Promoting Healthier Habits with Eastwood City's Walk, Walk, Walk, Campaign

COMMUNICATION MANAGEMENT, MEDIA RELATIONS

- Eastwood City New Year Countdown to 2019
- Eastwood City Enchanted Forest of Lights
- Festive Walk Mall
- Media Relations
- Uptown Bonifacio Christmas kick-off

COMMUNICATION SKILLS, SPECIAL AND EXPERIENTIAL EVENTS

- Creating Diverse Cultural Celebrations in Binondo at Lucky Chinatown's Asian Fest 2018

- Transforming the Venice Grand Canal into a stage
- Eastwood City's Enchanted Forest of Lights Launch
- ILOMOCA Grand Launch
- Welcome to Iloilo's Most Beautiful Mall The Festive Walk Mall Grand Launch

COMMUNICATION SKILLS, AUDIO / VISUAL

- Eastwood City's Walk Walk Walk Campaign Video
- #YourKindOfLove - Eastwood City's Valentine Campaign
- www.EastwoodNYE2019.com - Your Guide to the PH's Biggest New Year's Eve Party
- 'The Future': An AVP Showcasing the New Chapters of Megaworld's Township Developments
- Hyperlapse for 1 Million Moviegoers: Showcasing the Township Lifestyle through High Quality Cinema Videos

COMMUNICATION MANAGEMENT, INTERNAL COMMUNICATIONS

- Inside World: Engaging a new generation of Megaworld employees via a dynamic e-newsletter

PHILIPPINE LEADERSHIP AWARDS

- Eskwela ng Bayan: A Mega Classroom on Wheels - Innovation in CSR Practices
- One with the Aetas - Community Development

21ST OUTSTANDING FILIPINO RETAILERS AND SHOPPING CENTERS OF THE YEAR AWARDS

- Uptown Bonifacio as "Shopping Center of the Year"

AWARDS



10TH ASIA CEO AWARDS

- Most Innovative Company of the Year, Circle of Excellence Awardee
- CSR Company of the Year, Circle of Excellence Awardee

THE OUTLOOK 2019 BY LAMUDI

- The Mactan Newtown - Best Mixed Use Development of 2019 for Visayas and Mindanao
- The Albany - Best Luxe Condo of the Year of 2019 for Luzon

TOP 10 LAPU-LAPU CITY TAXPAYERS

- Top 10 for the Real Property Tax corporate category

ASIA LEADERS AWARDS 2019

WINNER

- Real Estate Company of the Year

INTERNATIONAL AWARDS

INTERNATIONAL FINANCE AWARDS 2018 (THAILAND)

- Best Real Estate Development Company for the Philippines

EUROPEAN SOCIETY FOR QUALITY RESEARCH (BERLIN, GERMANY)

- Quality Choice Prize Award 2019

2019 ASIA PACIFIC STEVIE AWARDS (SINGAPORE)

GOLD STEVIE

- Award for Excellence in Innovation in Non-Profit Organizations or NGOs - Up to 100 Employees: Megaworld Foundation Scholarship Program: From Building Homes to Building Lives.

SILVER STEVIE

- Award for Innovation in Corporate Websites: Megaworldcorp.com in the Age of Smart Search and Chatbot: Navigating Users from Pageviews to Sales

BRONZE STEVIE

- Award for Innovation in Media Relations: An Ilonggo Love Affair: Reigniting the sense of wonder for Iloilo with the #LovingIloilo campaign
- Award for Innovation in the Use of Video: 'The Future': An AVP Showcasing the New Chapters of Megaworld's Township Developments

19TH INTERNATIONAL ISAG CONVENTION (SWITZERLAND)

- International Star Award for Quality of Business Initiative Directions (BID)

GLOBAL CSR EXCELLENCE AND LEADERSHIP AWARDS (INDIA)

- Best CSR Practices - MEG Foundation: Over Two Decades of Countless Stories
- Support and improvement in Quality of Education - Building Access, Building Hope

TRILATERAL GLOBAL SUMMIT (LONDON, U.K.)

- Award for Excellence - World Humanitarian Drive

INTERNATIONAL CSR EXCELLENCE AWARDS 2019 (LONDON, U.K.)

GOLD AWARD

- Leadership with a Heart - Charitable-giving category

SILVER AWARD

- Eskwela ng Bayan - Community Commitment
- FCC's PUP Speech - Leadership

BRONZE AWARD

- MEG scholar's volunteerism activities Initiatives

COMMUNITAS AWARDS 2019 (TEXAS, U.S.A.)

EXCELLENCE IN COMMUNITY SERVICE

- Walk into your future scholarship fair
- MEG Scholars' volunteerism activities
- Eskwela ng Bayan - Company-sponsored Volunteer Project
- Leadership with a heart - Specific Volunteer Project
- One with the Aetas - Leadership in Organization

EXCELLENCE IN CORPORATE SOCIAL RESPONSIBILITY

- MEG Foundation Coffee Table Book

DOTCOMM AWARDS 2019 (TEXAS, USA)

PLATINUM AWARD

- MEG Foundation Coffee Table Book - Content Marketing, 94. eBook
- MEG Foundation Coffee Table Book - Owned media, 195. Other/Viewbook

GOLD AWARD

- Megaworld Foundation AVP - Video, 150. Nonprofit

2019 INTERNATIONAL BUSINESS AWARDS-INTERNATIONAL STEVIES (VIENNA, AUSTRIA)

GOLD STEVIE

- Megaworld Corporation's Facebook Page: A Creative Fusion of Stakeholders' Engagement and Social Responsibility - Best Facebook Fanpage or Group
- Megaworldcorp.com in the Age of Smart Search and Chatbots: Navigating Users from Pageviews to Sales
- Megaworld Foundation's One with the Aetas - Corporate Social Responsibility Program of the Year - in Asia, Australia and New Zealand

BRONZE STEVIE

- Ilonggo Love Affair: Reigniting Love and Sense of Wonder for Iloilo with the #LovingIloilo Campaign Communications or PR Campaign of the Year - Media Relations
- Megaworld Foundation - Organization of the Year - Non-profit or Government Organization - Small

PEOPLE'S CHOICE AWARD

- Megaworld Foundation - Non-Profit or Government

10TH ASIA'S BEST EMPLOYER BRAND AWARDS (SINGAPORE)

- Dream Companies to Work
- Women at Work Leadership Award for Ms. Lourdes T. Gutierrez-Alfonso
- Outstanding Contribution to the Cause of Education - Megaworld Foundation

10TH ASIA'S BEST CSR PRACTICES (SINGAPORE)

- Innovation in Corporate Social Responsibility - Megaworld Foundation

- Megaworld Foundation - Best Corporate Social Responsibility
- Megaworld Foundation - Community Development

DR. R.L. BHATIA, WORLD CSR DAY (MUMBAI, INDIA)

WINNER

- Eskwela ng Bayan: A Mega Classroom on Wheels - Innovation in CSR Practices
- One with the Aetas - Community Development

2019 WORLD LUXURY HOTEL AWARDS (FINLAND, UK)

- Luxury Architecture Design Hotel - Continent, Savoy Hotel Boracay
- Luxury Modern Hotel - Global, Savoy Hotel Boracay
- Luxury City Hotel - Regional, Belmont Hotel Manila
- Luxury Airport Hotel - Global, Belmont Hotel Manila

ASIA PROPERTY AWARDS 2019 (BANGKOK, THAILAND)

REGIONAL WINNER

- Uptown Bonifacio - Best CBD Development category
- McKinley West - Best Township Masterplan Design category
- Southwoods Mall - Best Commercial Landscape Architectural Design category

COUNTRY WINNER

- Newcoast Village by GERI - Best Housing Development category
- Cambridge Village by Empire East - Best Universal Design Development category
- Uptown Arts Residence - Best High-Rise Condo Interior Design

- Arcovia City - Best Mixed-Use Development category
- Festive Walk Mall - Best Retail Development

THE ASSET ESG AWARDS 2019 (HONG KONG)

GOLD AWARD

- Environmental, Social, and Governance
- iTownships - Best Initiative in Innovation
- Awarded to Megaworld Investor Relations

TITANIUM ESG AWARD

MARCOMM AWARDS 2019: INT'L COMPETITION FOR MARKETING AND COMMUNICATION PROFESSIONALS (TEXAS, USA)

PLATINUM

- Scholars' volunteerism activities - Strategic Communications - Communications/Public Relations/CSR

GOLD

- Megaworld Foundation's official 2018 AVP - Video/Audio-video/Film for Non-Profit
- Megaworld Foundation @20 Coffee Table Book - Print Media - Marketing/Promotion materials - Book
- Megaworld Foundation @20 Coffee Table Book - Print Media - Employee Publication, Other - Coffee Table Book

HONORABLE MENTION

- FCC - Print media - writing

AWARDS



EMPERADOR INC.

INTERNATIONAL WINE SPIRIT COMPETITION

GOLD MEDAL

- Fundador Supremo 18 YO Oloroso: Best Brandy of the Year, 2019
- Harveys Very Old Oloroso Vors: Best Sherry in the World, 2019
- Harveys Very Old Amontillado Vors
- Harveys Very Old Palo Cortado Vors
- Harveys Pedro Ximenez Vors

SILVER MEDAL

- Fundador Doble Madera
- Fundador Triple Madera
- Fundador Exclusivo
- Fundador Supremo 12 YO Pedro Ximenez
- Fundador Supremo 15 YO Amontillado

INTERNATIONAL WINE CHALLENGE

FINOTROPHY WINNER

- Harveys Fino

GOLD MEDAL

- Harveys Very Old Amontillado Vors
- Harveys Pedro Ximenez Vors: with Trophy

SILVER MEDAL

- Harveys Palo Cortado
- Harveys Oloroso
- Harveys Very Old Palo Cortado Vors
- Harveys Very Old Oloroso Vors

BRONZE MEDAL

- Harveys Amontillado
- Harveys Pedro Ximénez

INTERNATIONAL SPIRIT CHALLENGE

DOUBLE GOLD MEDAL

- Fundador Supremo 15 YO Amontillado

GOLD MEDAL

- Fundador Supremo 18 YO Oloroso

SILVER MEDAL

- Fundador Doble Madera
- Fundador Triple Madera
- Fundador Exclusivo
- Fundador Supremo 12 YO Pedro Ximenez

SAN FRANCISCO WINE AND SPIRIT COMPETITION

DOUBLE GOLD MEDAL

- Fundador Supremo 18 YO Oloroso

GOLD MEDAL

- Fundador Supremo 12 YO Pedro Ximenez
- Fundador Supremo 15 YO Amontillado

HONG KONG INTERNATIONAL W&S COMPETITION

SILVER MEDAL

- Fundador Doble Madera
- Fundador Triple Madera
- Fundador Exclusivo
- Fundador Supremo 12 YO Pedro Ximenez
- Fundador Supremo 15 YO Amontillado
- Fundador Supremo 18 YO Oloroso

CHINA WINE & SPIRIT AWARDS

DOUBLE GOLD MEDAL

- Fundador Triple Madera: Brandy of the Year, 2019
- Fundador Doble Madera
- Fundador Supremo 15 YO Amontillado
- Fundador Supremo 18 YO Oloroso

SILVER MEDAL

- Fundador Exclusivo
- Fundador Supremo 12 YO Pedro Ximenez

TRAVELLERS INTERNATIONAL

THE 17TH PHILIPPINE QUILL AWARDS

AWARD OF MERIT FOR COMMUNICATION MANAGEMENT

- LOVE Grants - Employee Management
- 2018 'Run with Me' Fun Run - Corporate Social Responsibility

ASIA PACIFIC ENTREPRENEURSHIP AWARDS

OUTSTANDING AWARD FOR CORPORATE EXCELLENCE

- Resorts World Manila

ASIA-PACIFIC STEVIE AWARDS

GOLD STEVIE

- El Bimbook: Ang Huling El Bimbo Souvenir Programme - Innovation in Other Types of Publications

SILVER STEVIE

- RWM Mobile App
- Luta Biay (Soil Life) Social Media Video - Innovation in Brand Development; Lucky Person of the Year Award Initiative
- ThrillChella - Innovation in HR Management, Planning and Practice
- Sama-Salo - Innovation in HR Management, Planning and Practice

BRONZE STEVIE

- Kaya Natin 'To Music Video - Innovation in the Use of Video

3RD PHILIPPINE SPORTS TOURISM AWARDS

CHARITY EVENT OF THE YEAR

- 2018 'Run with Me' Fun Run



BOOMERANG AWARDS

GOLD BOOMERANG AWARD

- Advertiser of the Year award

ASIA-PACIFIC TAMBULI AWARDS

GOLD AWARD

- Advocacy for "Hope for Marawi"

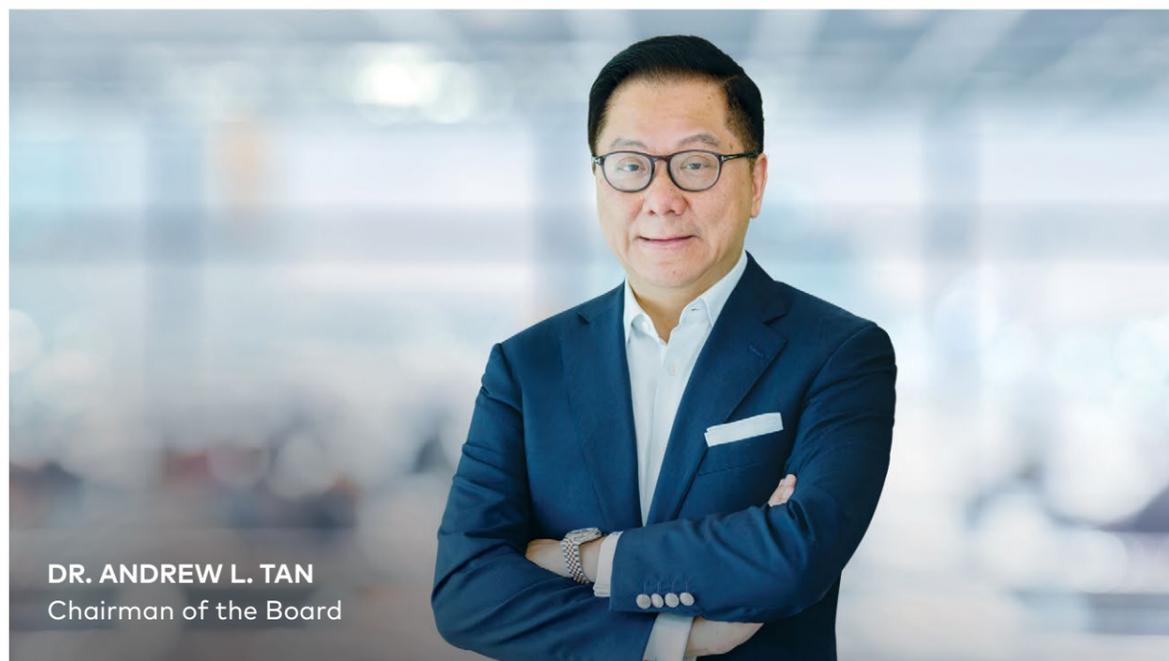
PANAta AWARDS

- Five Golds, four Silvers, three Bronzes, and three People's Choice Awards
- Brand Builder of the Year Award, McDelivery Pin campaign

NEW YORK FESTIVALS AME AWARDS

- World's Best Advertising Marketing Effectiveness

BOARD OF DIRECTORS



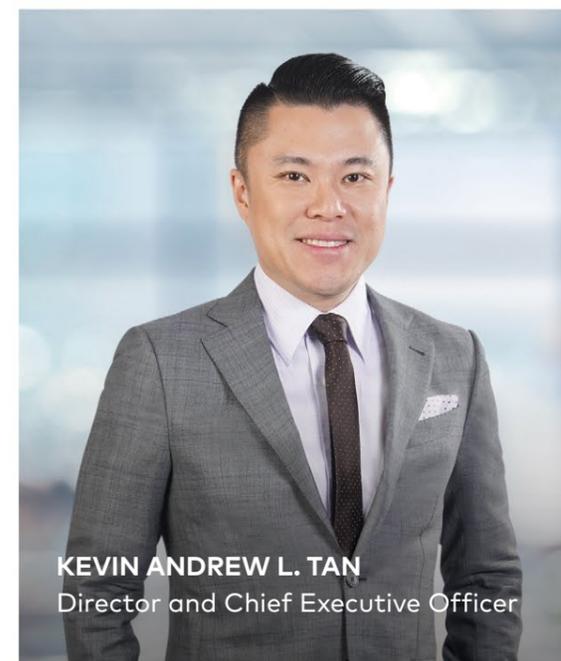
DR. ANDREW L. TAN
Chairman of the Board

Dr. Tan has served as Chairman of the Board since September 2006 and as Vice Chairman of the Board from August 2003 to September 2006. He is also the Chairman of Emperor Inc. Dr. Tan is the Chairman and President of Megaworld Corporation from August 1989 to present. He is also the Chairman of subsidiaries of Megaworld – Global-Estate Resorts, Inc. and Empire East Land Holdings, Inc. He was also elected as Director of Travellers International Hotel Group, Inc. on July 2008. He is concurrently the Chairman of the Board and President of Megaworld Land, Inc., Richmond Hotel Group International Limited, and Yorkshire Holdings, Inc. He is also chairman of Emperor Distillers, Inc., Alliance Global Brands, Inc., Consolidated Distillers of the Far East, Inc., Eastwood Cyber One Corporation, Megaworld Central Properties, Inc., Megaworld Foundation,

Inc., Townsquare Development, Inc., and Adams Properties, Inc. He also serves as Vice Chairman and Treasurer of Golden Arches Development Corporation and Golden Arches Realty Corporation. He sits in the boards of Andresons Global, Inc. and Twin Lakes Corporation.

Dr. Tan pioneered the live-work-play-learn model in the real estate development through the Megaworld Corporation's integrated township communities, fueling the growth of the business process outsourcing (BPO) industry, food and beverage, and quick service restaurants industries.

Dr. Tan graduated Magna Cum Laude from the University of the East with a degree of Bachelor of Science in Business Administration.



KEVIN ANDREW L. TAN
Director and Chief Executive Officer

Mr. Tan has served as Director since April 20, 2012. He also holds the position as Director of Global-Estate Resorts, Inc. since June 2014. He serves as Director of Emperor Inc. and subsidiaries of Megaworld Corporation, Global-Estate Resorts, Inc. and Empire East Land Holdings, Inc. He is concurrently a Director of Emperor Distillers, Inc., Alliance Global Brands, Inc., Anglo Watsons Glass, Inc., Yorkshire Holdings, Inc., The Bar Beverage, Inc., Emperor Brandy, Inc., and New Town Land Partners, Inc. He has over 11 years of experience in retail leasing, marketing and operations. He currently heads the Commercial Division of Megaworld Corporation, which markets and operates the Megaworld Lifestyle Malls, including Eastwood Mall and The Clubhouse at Corinthian Hills in Quezon City, Venice Grand Canal at McKinley Hill and Burgos Circle at Forbes Town, both in Fort Bonifacio, Newport Mall at Resorts World Manila in Pasay City, Lucky Chinatown Mall in Binondo, Manila, Uptown Mall in Uptown Bonifacio and Southwoods Mall in Laguna.

Mr. Tan holds a Bachelor of Science Business Administration degree, major in Management, from the University of Asia and the Pacific.



KINGSON U. SIAN
Director and President

Mr. Sian has served as Director and President since February 20, 2007. He also holds the position as Director/Executive Director of Megaworld Corporation. He is also the Director and President of Travellers International Hotel Group, Inc. since June 2008 and as Chief Executive Officer since October 2014. Mr. Sian also served as the Director of Emperor Inc. from August 2013 to 2017. He is also the Chairman & President of Asia Finest Hotels & Resorts, Inc., Megaworld Resort Estates, Inc., Prestige Hotels & Resorts, Inc., and Manila Bayshore Property Holdings, Inc. He is Director/President of Adams Properties, Inc., Eastwood Cyber One Corporation, Eastwood Locator's Assistance Center, Inc., and Forbestown Properties Holdings, Inc. He is also a Director of Asia E-Commerce, Inc., Citywalk Building Administration, Inc., Eastwood Corporate Plaza Building Administration, Inc., Eastwood City Estates Association, Inc., Forbes Town Commercial Center Administration, Inc., ICITE Building Administration, Inc., Paseo Center Building Administration, Inc., Techno Plaza One Building Administration, Inc., and World Café, Inc. and also the Senior Vice President & Chief Executive Officer of Megaworld Land, Inc. Mr. Sian graduated from the University of the Philippines with the degree of Bachelor of Science in Business Economics. He obtained his Masteral Degree in Business Administration for Finance and Business Policy from the University of Chicago.

BOARD OF DIRECTORS



KATHERINE L. TAN
Director and Treasurer

Ms. Tan has served as Director and Treasurer since February 2007. She also holds the position as Director and Treasurer of Emperador Inc. since August 2013. She has served as Director of Megaworld Corporation from August 1989 to present where she previously was the Treasurer from August 1989 to June 1995. Ms. Tan is also the Chairman and President of Andresons Global, Inc. and Choice Gourmet Banquet, Inc. She is also Director/President of Consolidated Distillers of the Far East, Inc., Raffles and Company, Inc., and The Andresons Group, Inc. She is the Director/Treasurer of Alliance Global Brands, Inc., Emperador Brandy, Inc., Emperador Distillers, Inc., and Yorkshire Holdings, Inc. She is a Director of Emperador International Limited, Kenrich Corporation, McKester Pik-Nik International Limited, Megaworld Cayman Islands, Inc., Venezia Universal Limited, and The Bar Beverage, Inc. She is the Treasurer of Newtown Land Partners, Inc.

Ms. Tan graduated from St. Scholastica's College with a degree in Nutrition.



WINSTON S. CO
Director

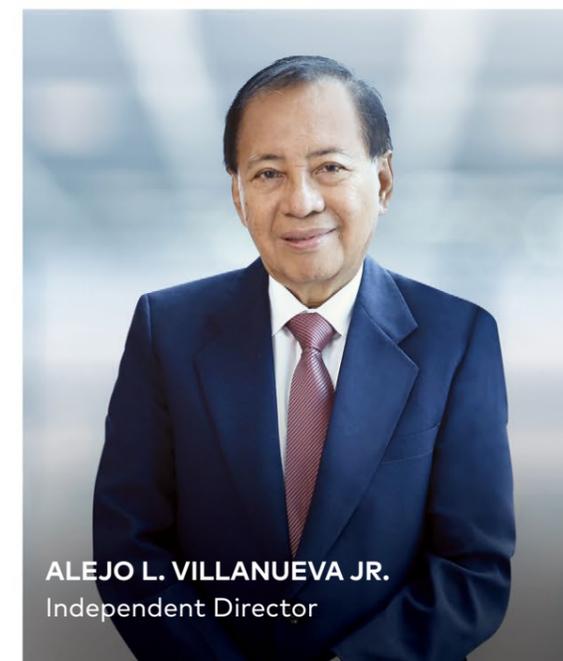
Mr. Co has served as Director since 1998 where he previously was Vice Chairman of the Board from November 1999 to August 2003 and Chairman from June 1998 to October 1999. He also holds the position of President and Chief Executive Officer of Emperador Inc. since August 2013. He is the Chairman and President of New Town Land Partners, Inc., Chairman of Anglo Watsons Glass, Inc. and Director/ President of Emperador Distillers, Inc. He sits in the boards of Alliance Global Brands, Inc., Forbes Town Properties & Holdings, Inc., McKester Pik-Nik International Limited, Raffles & Company, Inc., and The Bar Beverage, Inc. and also Senior Vice President of The Andresons Group, Inc.

Mr. Co is a Magna Cum Laude graduate of Jose Rizal College with a Bachelor of Science in Commerce.



SERGIO R. ORTIZ-LUIS, JR.
Independent Director

Mr. Ortiz-Luis, Jr. has served as Independent Director and Vice Chairman of the Board since September 2007. He is the President of the Philippine Exporter Confederation, Inc. (PHILEXPORT) and Honorary Chairman and Treasurer of the Philippine Chamber of Commerce & Industry. He is also Honorary Chairman of Integrated Concepts & Solutions, Inc. and Vice Chairman of Export Development Council. He is a Director of Waterfront Philippines, Inc. Philippine Estate Corporation, B.A. Securities, Manila Exposition Complex, Inc., Calapan Ventures, Inc. and Jollville Holdings Corporation. He is also an Independent Director of Forum Pacific, Inc.



ALEJO L. VILLANUEVA JR.
Independent Director

Mr. Villanueva has served as Independent Director since August 2001. He also held the position of Independent Director of Emperador Inc. from August 2013 to present, of Empire East Land Holdings, Inc. from June 2007 to present, and of Suntrust Home Developers, Inc. from October 2012 to present. He is the Chairman of Ruru Courier Systems, Inc. and Vice Chairman of Public Relations Counsellors Foundation of the Philippines, Inc. He is Director of First Capital Condominium Corporation, a nonstock non-profit corporation. Mr. Villanueva obtained his bachelor's degree in Philosophy from San Beda College, graduating summa cum laude. He has a master's degree in Philosophy from the University of Hawaii under an East-West Center Fellowship. He also took up special studies in the Humanities at Harvard University. He studied Organizational Behavior at INSEAD in Fontainebleau, France. He taught at the Ateneo Graduate School of Business, the UST Graduate School, and the Asian Institute of Journalism.

ENTERPRISE RISK MANAGEMENT

RISK MANAGEMENT SYSTEM

The Board, thru the Audit Committee, reviews the effectiveness of the risk management system of the Company, including its subsidiaries and affiliates, with emphasis on monitoring of existing and emerging risks as well as risk mitigation measures and on identifying risks before these cause significant trouble for the business. Based on the set guidelines, directors are assigned specific subsidiaries, affiliates or business where they monitor compliance of the risk management system. A review of the risk management system is ongoing as the Company awaits reports from each subsidiary, affiliate and business segment. Criteria used for review are compliance with established guidelines and controls and the appropriateness of risk management and risk mitigation measures taken.



RISK POLICY

COMPANY

Risk Exposure	Risk Management Policy	Objective
Hazards and natural or other catastrophes	Have an emergency response plan/action	Allow the different business segments to continue operations or minimize downtime during natural disaster or calamity
Regulatory developments	Review of new laws and regulations	Ensure the Company is compliant with all laws and regulations
Philippine economic/political conditions	Review of business/political situation	Ensure the Company can immediately adapt to changes in economic/political conditions and can devise strategies to meet these changes
Liquidity	Minimize exposure to financial markets	Actively secure short-to medium-term cash flow

GROUP

Risk Exposure	Risk Management Policy	Objective
Hazards and natural or other catastrophes	Have an emergency response plan/action	Allow the different business segments to continue operations even during natural disaster or calamity
Regulatory developments	Review of new laws and regulations	Ensure the different business segments are compliant with all laws and regulations
Money laundering and cheating at gaming areas	Constant security check and monitoring, check and balance system	Minimize situations when these activities can happen
Supply of raw materials and packaging materials	Maintain diverse group of suppliers, get at least 3 quotations from suppliers	Prevent overdependence on a single supplier, ensure the best price possible
Consumer taste, trends and preferences	Market study and analysis	Be aware of trends and preferences to develop new products or adapt existing strategy
Competition	Market study and analysis; Maintain a diversified earnings base; Constant product innovation	Be aware of trends and preferences to develop new products or adapt existing strategy; Revenue and property diversification
Interests of joint development partners	Use of pre-selling as a project financing tool; Entering into joint development agreements for the acquisition of land.	Minimize cash outlays for projects, control development costs and maintain a net cash position; Maximize cost efficiencies and resources.
Land for future developments	Use of pre-selling as a project financing tool; Entering into joint development agreements for the acquisition of land.	Minimize cash outlays for projects, control development costs and maintain a net cash position; Maximize cost efficiencies and resources.
Philippine economic/political conditions	Review of business/political situation	Ensure the different business segments can immediately adapt to changes in economic/political conditions and can devise strategies to meet these changes

MINORITY SHARE HOLDERS

Risk to Minority Shareholders
The majority shareholder's voting power in the Company may affect the ability of minority shareholders to influence and determine corporate strategy.

CONTROL SYSTEM SET UP

COMPANY

Risk Exposure	Risk Assessment (Monitoring and Measurement Process)	Risk Management and Control (Structures, Procedures, Actions Taken)
Hazards and natural or other catastrophes	Have an emergency response plan/action	Allow the different business segments to continue operations or minimize downtime during natural disaster or calamity
Regulatory developments	Review of new laws and regulations	Ensure the Company is compliant with all laws and regulations
Philippine economic/political conditions	Review of business/political situation	Ensure the Company can immediately adapt to changes in economic/political conditions and can devise strategies to meet these changes
Liquidity	Minimize exposure to financial markets	Actively secure short-to medium-term cash flow

CORPORATE GOVERNANCE

Alliance Global's Manual on Corporate Governance serves as the following for the Company:

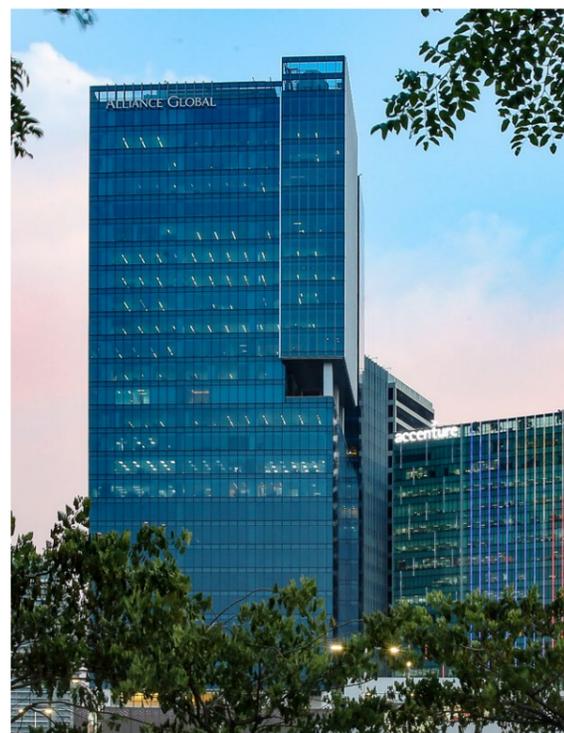


A guide for the Company in fulfilling the long-term economic, moral, legal, and social obligations toward stakeholders.



A system of direction, feedback, and control through regulations, performance standards, and ethical guidelines.

The manual also holds the Board of Directors and senior management accountable for reconciling long-term customer satisfaction with shareholder value. In their commitment to uploading good corporate governance principles, the Board has directed several committees to enact these principles and practice strategic business management in every division:



Corporate Governance Committee

The Company's Corporate Governance Committee is tasked to assist the Board in the performance of its corporate governance responsibilities. It shall oversee the implementation and periodic review of the corporate governance framework, oversee periodic performance evaluation of the Board, recommend continuing relevant education/training programs for directors, assignment of tasks/projects to board committees, succession plan for the board members and senior officers, and remuneration packages for corporate and individual performance, determine the nomination and election process for the Corporation's directors and the general profile of board members, and ensure that the nomination and election policy and procedures are conducted properly. It is composed of at least three (3) members, two of whom are independent directors, including the Chairman.

Audit Committee

The Company's Audit Committee has oversight capability over the Corporation's financial reporting, internal control system, internal and external audit processes, and compliance with applicable laws and regulations. It is responsible for assessing the integrity and independence of external auditors. It monitors and evaluates the adequacy and effectiveness of the Corporation's internal control system including financial reporting control and information technology security, and review the reports submitted by the internal and external auditors.

It is composed of at least three (3) members of the Board who shall preferably have accounting, auditing, and finance backgrounds, majority of whom shall be independent directors and another with audit experience. The chair of the Audit Committee shall be an Independent Director.



Board Risk Oversight Committee

The Company's Board Risk Oversight Committee is responsible for the oversight of the Corporation's Enterprise Risk Management system to ensure its functionality and effectiveness. It shall develop, oversee the implementation, and evaluate a formal enterprise risk management plan, advise the Board on its risk appetite levels and risk tolerance limits, and provide oversight over Management's activities in managing credit, market, liquidity, operational, legal and other risk exposures of the corporation.

It is composed of at least three (3) members of the Board, the majority of whom should be independent directors, including the Chairman. The Chairman should not be the Chairman of the Board or of any other committee.

Related Party Transaction Committee

The Company's Related Party Transaction Committee is tasked with reviewing all material related party transactions of the Corporation. It evaluates on an ongoing basis existing relations between and among business and counterparties, ensures that appropriate disclosure is made, and/or information is provided to regulating and supervising authorities relating to the Corporation's RPT exposures, and policies on conflicts of interest or potential conflicts of interest, ensure that transactions with related parties, including write-off of exposures are subject to a periodic independent review or audit process and oversees the implementation of the system for identifying, monitoring, measuring, controlling, and reporting RPTs, including a periodic review of RPT policies and procedures.

The Committee is composed of at least three directors, two of whom should be independent, including the Chairman.

FINANCIAL STATEMENTS

THE COMPLETE FINANCIAL STATEMENTS MAY BE ACCESSED THROUGH SCANNING THIS QR CODE.

ALTERNATIVELY, THE FILE MAY ALSO BE FOUND THROUGH THIS LINK:

www.allianceglobalinc.com/company-disclosures



CORPORATE INFORMATION

ALLIANCE GLOBAL GROUP, INC.

Date of Incorporation
October 12, 1993

Date of Public Listing
April 19, 1999

PRINCIPAL AUDITORS

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