

GAINING GROUNDS



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ABOUT THIS REPORT

Laguna AAWater Corporation (Laguna Water) releases its 3rd Sustainability Report: Gaining Grounds (In pursuit of sustainable water and used water management). This report has been prepared in accordance to GRI Standards: Core Option, covering the company's performance from January 2015 to December 2018. A digital copy of the Sustainability Report is available at www.lagunawater.com.ph.

Content

This report details aspects of Laguna Water's performance that satisfies the interests of its stakeholders including: economic/financial performance, conservation initiatives, social responsibilities, communities served, technological and process innovations, and local employment,

This issue is centered at presenting Laguna Water's continuous progress as well as course of actions in expanding its water and sewage/septage management services to the Province of Laguna. All content is structured to convey information that will allow our stakeholders to understand our Organization's position in terms of our preset objectives.

Scope and Boundaries

This report covers all environmental, social, and governance performance of Laguna Water for the period of 2015 to 2018.

Laguna Water advocates transparency in reporting and assures that all data is validated before publication. Data owners have reviewed all information found in this report to assure its accuracy. Financial data, on the other hand, have been verified by our external auditors.

All information in this report are exclusively from Laguna Water. All facts and figures extracted from external sources are properly cited.

Feedback

For any inquiry or feedback on this report, please contact:

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JOINT MESSAGE

FROM THE PRESIDENT & GENERAL MANAGER

We are pleased to present to you the 3rd Sustainability Report of Laguna Water. This issue covers the years 2015 to 2018 when significant milestones were reached and celebrated by the company. This year's theme, Gaining Grounds (In pursuit of sustainable water and used water management) will talk about how the company's services have expanded its reach and how it became a full service concessionaire capable of providing both water and used water services.

Our aspirations in the 2013-2014 Sustainability Report have come into reality. We dreamt of expanding the concession area to cover the whole province of Laguna, connecting unserved areas to our water network, and offering sanitation services, not only inside the Laguna Technopark. All these have come into play.

Expanding While Ensuring Reliable Water Supply

Laguna Water has been sourcing its water supply from various deepwells across the concession area, not until 2016 when the 100MLD Laguna Wellfield facility was energized. The Laguna Wellfield is composed of four reservoirs and is one of the largest groundwater facilities in the Philippines. This serves as a centralized water source in lieu of the various deepwells which makes the operation more reliable and efficient. Replacement of dilapidated pipelines were also implemented to recover water losses. A total of 110.91 km of aged pipes were replaced to bring down the non-revenue water to 16.7%. The establishment of this robust water supply system has supported the objective of the company to provide reliable water supply to more customers.

To date, more than 120,000 households are connected to the water network of Laguna Water and ten cities and municipalities (Biñan, Santa Rosa, Cabuyao, Calamba, Alaminos, Pila, San Pablo, Victoria, Santa Cruz, and Pagsanjan) or one third (1/3) of Laguna are now being serviced by the company.

Protecting the Environment and Promoting Health

To become a full service concessionaire, the company has officially launched its sanitation program titled Tamang Sanitasyon Equals Kalusugan, Kalinisan, at Kaunlaran ng Bayan (TSEK ng Bayan) in 2017. This is a three-pronged approach that aims to provide sanitation services to all social classes. This includes sewage management, desludging or septic tank cleaning services, and communal toilet or portable toilet solution.

Laguna Water has started its desludging services in September 2018. Septage collected from its customers are being treated at the company-managed Sewage and Septage Treatment Plant in LTI (LTI SSTP) that has a capacity to treat 11 million liters of sewage per day and an additional 70 cubic meters of septage per day.

The company also banks on Information Education Communication (IEC) Campaigns being conducted in various communities to make the people aware of the importance of proper sanitation to environment and health, particularly the need for used water management. The IEC campaigns also help increase the availment rate of the company's desludging service.

Empowering More Communities

As Laguna's partner in achieving sustainable development, Laguna Water has empowered more communities through the continuation of programs such as Tubig Para sa Barangay (Water for the Poor), Lingap Program (Water and Sanitation for Public Institutions), Kabuhayan Para sa Barangay (Livelihood Program), IEC Campaigns on Used Water, Pamilyang TSEK (Sanitation for Marginalized Communities), among many others.

These aspirations have been realized because of the collective effort of the dynamic, responsible and competent workforce of Laguna Water and the full support of our stakeholders. Hence, the company continues to cultivate and keep its human capital engaged. While for our stakeholders, we pledge to do our share in fulfilling our common aspirations to improve people's lives and safeguard the environment.

As partners, let's continue to achieve more milestones, turn visions into realities, and gain grounds to support our goal of having a progressive and sustainable society.

Shoeb Hazel B. Caong
Laguna Water
General Manager and COO

Virgilio C. Rivera Jr.
Laguna Water
President

Transforming Communities with Life's Basic Necessities

*Laguna Water creates ripples of positive change
to the various communities it serves.*

ABOUT LAGUNA WATER



In June 2018, the Provincial Government of Laguna and Laguna Water signed the fourth amendment to the latter's concession agreement. Leading the signing were Laguna Governor Ramil L. Hernandez (left) and Laguna Water President Virgilio C. Rivera, Jr.

Laguna Water is the trusted water, used water, and environmental services provider created through a joint venture between the Provincial Government of Laguna and Manila Water Philippine Ventures (MWPV), a wholly-owned subsidiary of the Ayala-led water industry leader, Manila Water Company, in 2009. Currently, the company operates in the cities of Biñan, Santa Rosa, and Cabuyao and the municipality of Pagsanjan. It also has presence in Calamba, Alaminos, San Pablo, Victoria, Pila, and Santa Cruz.

The significant changes that Laguna Water brought in Biñan, Santa Rosa, and Cabuyao has led to the expansion of its territorial scope to the entire Province of Laguna. Further, the company gained the trust and confidence of the Provincial Government of Laguna to provide used water and environmental services, including but not limited to sewage and septage management.

In 2018, the company has officially started its desludging service, which is one of the key used water management approach under the Tamang Sanitasyon Equals Kalusugan, Kalinisan, at Kaunlaran ng Bayan (TSEK ng Bayan) program.

VISION

Our vision is to provide the province of Laguna with water and used water services which will empower people, protect the environment, and enhance sustainable development.

MISSION

Our mission is to create an exceptional customer experience in the provision of sustainable solutions vital to health and life.

CORE VALUES

INTEGRITY AND PRIMACY OF THE PERSON

We are a company of professionals whose unique roles and individual contributions toward corporate goals provide us with concrete opportunities to develop character and purpose in our lives.



DIGNITY OF WORK

Our company rouses a sense of pride and satisfaction in the fruits of our talents and efforts, which we place at Laguna Water's service, as part of a dynamic and well-knit team.



PRIDE IN EXCELLENCE

We strive for excellence because turning out the highest quality products and services is the most fitting tribute to our customers and to our society, company, colleagues and ourselves.



CONCERN FOR OTHERS

We believe that contributing to social development through the communities we serve and the natural environment that we help protect is the very essence of our corporate existence. Showing a genuine concern for the welfare of others is indispensable in the way we do our business.



COMMITMENT TO NATIONAL DEVELOPMENT

We strongly support all efforts towards the development of the economy and our nation, because we realize that the problems which affect our nation and society impact our company's own long-term viability.



TEAM NORMS

Creating a conducive work environment, these team norms were developed to guide and remind each and every talent on how a Laguna Water employee should act, in and outside of the office. These team norms help Laguna Water talents fulfill their responsibility as brand ambassadors.

TEAM NORMS

<div style="background-color: #00a09a; color: white; padding: 10px; border-radius: 10px;"> <p style="font-size: 0.8em; margin: 0;">FOCUS ON SOLUTIONS AND DRIVE INNOVATION</p> </div>	<div style="background-color: #70c040; color: white; padding: 10px; border-radius: 10px;"> <p style="font-size: 0.8em; margin: 0;">TAKE FULL RESPONSIBILITY AND ACCOUNTABILITY FOR YOUR ACTIONS</p> </div>	<div style="background-color: #e04060; color: white; padding: 10px; border-radius: 10px;"> <p style="font-size: 0.8em; margin: 0;">MOTIVATE, INSPIRE, AND BUILD RAPPORT</p> </div>	<div style="background-color: #0070c0; color: white; padding: 10px; border-radius: 10px;"> <p style="font-size: 0.8em; margin: 0;">LISTEN AND COMMUNICATE</p> </div>
<div style="background-color: #e04060; color: white; padding: 10px; border-radius: 10px;"> <p style="font-size: 0.8em; margin: 0;">INITIATE AND EMBRACE CHANGE</p> </div>	<div style="background-color: #f0c040; color: white; padding: 10px; border-radius: 10px;"> <p style="font-size: 0.8em; margin: 0;">MANAGE CONFLICTS CONSTRUCTIVELY</p> </div>	<div style="background-color: #f08040; color: white; padding: 10px; border-radius: 10px;"> <p style="font-size: 0.8em; margin: 0;">CELEBRATE SMALL AND BIG WINS</p> </div>	<p style="font-size: 0.7em; margin: 0; color: #0070c0;">LAGUNA WATER A MANILA WATER PHILIPPINE VENTURES COMPANY</p>

BOARD OF DIRECTORS

Laguna Water's Board of Directors is composed of nine members - six are assigned by Manila Water Philippine Ventures and three from the Provincial Government of Laguna. The Chairman of the Board is from the Provincial Government of Laguna while the President is from Manila Water Philippine Ventures. Board meetings are conducted every quarter or when urgent matter arises that needs approval.

BOARD OF DIRECTORS	
Dulce G. Hilario-Rebanal	Chairman
Ferdinand M. Dela Cruz	Vice-Chairman
Virgilio C. Rivera, Jr.	President
Ma. Cecilia T. Cruzabra	Director
Liwayway T. Sevala	Director
Abelardo P. Basilio	Director
Esmeralda R. Quines	Director
Vincent L. Soriano	Director
Rodel T. Paderayon	Director

The General Manager and the Treasurer, as Officers, are appointed by the Board of Directors.

OFFICERS	
Virgilio C. Rivera, Jr.	President
Shoeb Hazel B. Caong	General Manager and COO
Rolando D. Sumallo, Jr.	Treasurer
Atty. Gerardo M. Lobo II	Corporate Secretary
Atty. Ia Laurienne Ramiro-Castro	Assistant Corporate Secretary

The Executive Committee is composed of three members of the Board of Directors, two from Manila Water Philippine Ventures and one from the Provincial Government of Laguna. The Committee acts on matters beyond the powers vested to the General Manager and delegated by the Board of Directors.

EXECUTIVE COMMITTEE	
Virgilio C. Rivera, Jr.	
Vincent L. Soriano	
Ma. Cecilia T. Cruzabra	

In 2018, the Audit Committee of Laguna Water was formed through a Board Resolution. The committee is composed of three members - two from Manila Water Philippine Ventures and one from the Provincial Government of Laguna. The Chairman shall be one of the Board of Directors.

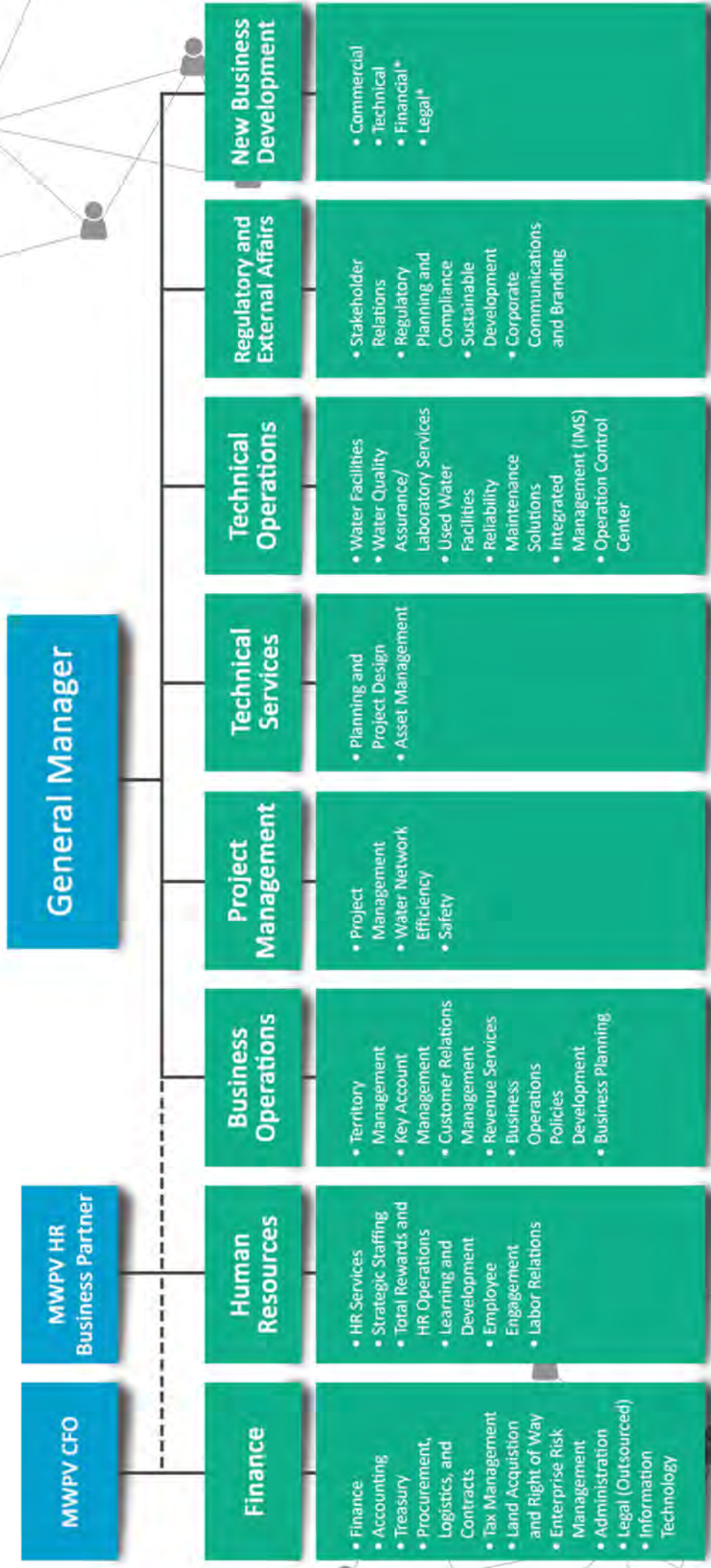
The Committee's Mandate is to monitor the following:

- ***Integrity of the financial statements and the financial reporting process;***
- ***Effectiveness of the system of internal control;***
- ***Performance and leadership of the internal audit function;***
- ***Independence and the integrity of the audit process as a whole; and***
- ***Compliance with applicable legal and regulatory requirements***

The Committee maintains a free and open communication with Laguna Water's external auditors, the internal auditors and the management of Laguna Water.

AUDIT COMMITTEE	
Ma. Cecilia T. Cruzabra	Chairman
Atty. Lizelle Zamora-Dimacuha	Member
Maria Ariate Lim	Member

ORGANIZATIONAL CHART



LEADERSHIP TEAM

Francisco Loresco
New Business
Development Head

Sol Teresita Dimayuga
Regulatory and External
Affairs Head

Felipe Fradejas Jr.
Project Management Head

Rolando Sumallo Jr.
Finance Head





Shoebe Hazel Caong
General Manager and COO

Camille Orbeso
Business Operations Head

Valentino Alano
Technical Operations Head

Rodel Del Rosario
Technical Services Head

AWARDS AND RECOGNITION

One of the fastest growing companies in Laguna, Laguna Water has gained various accolades both locally and internationally for its programs and activities that continuously transform communities and contribute to the achievement of sustainable development. Having recognized for creating positive impact to society, the company is bound to create more ripples of change through various initiatives related to water, used water, and environmental services.

2015

Case Study Category Winner

Alternative PPP Model: The Laguna Water Story
Public-Private Partnerships (PPP) Short Stories Competition
World Bank Group

Gold Anvil Award

Tubig Para sa Barangay Program: Access to Clean and Sustainable Water Supply Made Easy
Public Relations Program Directed at Specific Stakeholders: External Communities
Public Relations Society of the Philippines

2016

Gold Anvil Award

Making Waves: The Laguna Water Story
 Public Relations Tools: Multimedia/Digital Audio-visual Presentation
Public Relations Society of the Philippines

Silver Anvil Award

Fountain for the Youth: Improving Access to Clean Water in Primary Schools in Laguna
Public Relations Program Directed at Specific Stakeholders: External Consumers

Top Business Taxpayers for 2015

City Government of Biñan

2017

Silver Anvil Award

Reaching More Communities in Laguna: The Inauguration of the Laguna Wellfield
Public Relations (PR) Tools- Special Events Category
Public Relations Society of the Philippines

Silver Anvil Award

Your Partner Towards Transformation: The Laguna Water Story Video
PR Tools – Multimedia and Digital Category

Top Business Taxpayers for 2016

City Government of Biñan

Green Award

City Government of Sta. Rosa

Runner-up

Laguna Water's Portable Toilet Solution: Sustainable Sanitation for the Base of the Pyramid Ideas for Action
World Bank Group and the Zicklin Center for Business Ethics Research at the Wharton School of the University of Pennsylvania

2018

Silver Anvil Award

Tamang Sanitasyon Equals Kalusugan, Kalinisan, at Kaunlaran ng Bayan (TSEK ng Bayan)
Public Relations Program Directed at Specific Stakeholders: External Consumers
Public Relations Society of the Philippines

Top Business Taxpayers for 2017

City Government of Biñan

Green Award

City Government Award

Safety Excellence Award

Safety Programs and Initiatives and for having No Lost Time Accident (NLTA) for the period January 01, 2012 to March 31, 2018
Workplace Advocates on Safety in the Philippines Inc (WASPI)

Award of Merit

No Lost Time Accident (NLTA) for the period January 01, 2012 to June 31, 2018
Safety Organization of the Philippines, Inc.(SOPI)

Championing Sustainable Development

Laguna Water provides services and implements programs that are geared towards the achievement of sustainable development.

UNITED NATIONS SUSTAINABLE DEVELOPMENT GOALS

The Ayala Group embraces the United Nations Sustainable Development Goals (SDG) as the backbone of its Sustainability Framework. Laguna Water's main contribution is on SDG No. 6-Ensure availability and sustainable management of water and sanitation for all.

Access to affordable potable water and proper sanitation reduces the incidence of waterborne diseases which ensures that the people are healthy and productive. Through reliable water supply, businesses are also guaranteed of continued productivity, resulting to provision of more jobs and economic growth. Proper sanitation also leads to the protection of the environment through proper used water management.

Reaching the goals becomes easier through creating shared value for and with its stakeholders: Local Government Units, National Government Agencies, Non-Governmental Organizations, private sectors and the community who supports the advocacy of Laguna Water, ensuring Clean Water and Sanitation for all.

The Company identified five focus areas in which environmental, social and economic goals are aligned. These guides the company on how it conducts business.








SUSTAINABILITY FRAMEWORK



MATERIAL TOPICS

Laguna Water's Material Topics were identified based on its high influence on the Stakeholders' Assessment and Decision-Making and high significance of its Environmental, Social and Economic Impact. Key employees and the Management Team of Laguna Water had Focus Group Discussions to finalize these Material Aspects. Some Material Aspects are not in GRI Standards but are deemed important in the sustainable operations of the company.

DEVELOPING EMPLOYEES	SAFEGUARDING HEALTH AND SAFETY	PROTECTING THE ENVIRONMENT	CONTRIBUTING TO LOCAL AND NATIONAL ECONOMIES	HELPING BUILD COMMUNITIES
<ul style="list-style-type: none"> ▪ Employment ▪ Training and Education ▪ Diversity and Equal Opportunity ▪ Employee Engagement 	<ul style="list-style-type: none"> ▪ Water Potability ▪ Occupational Health and Safety 	<ul style="list-style-type: none"> ▪ Water ▪ Water Source ▪ Non-revenue Water ▪ Compliance ▪ Stakeholder Engagement on Addressing Environmental Concerns ▪ Environmental Education 	<ul style="list-style-type: none"> ▪ Market Presence ▪ Procurement Processes ▪ Local Job Creation ▪ Economic Performance 	<ul style="list-style-type: none"> ▪ Service Coverage ▪ Service Reliability ▪ Customer Service ▪ Stakeholder Relations ▪ Business Continuity ▪ Local Communities ▪ Corporate Social Responsibility 

BUILDING PARTNERSHIPS



In-photo (L-R): Laguna Water President Virgilio Rivera, Jr.; DENR Region IV-A Director Maria Paz Luna; Manila Water Chairman Fernando Zobel de Ayala; Laguna Governor Ramil Hernandez; LLDA General Manager Jaime Medina; and Manila Water President and CEO Ferdinand Dela Cruz.

Developing good and strong relationship results in increased trust. Laguna Water is investing efforts in building stakeholder relationships that can bring confidence in project management, minimize uncertainties, and fast-track problem solving and decision-making. The company believes that stakeholders are important influential sources of risks and potential opportunities.

Laguna Water has established strong partnership with the Provincial Government of Laguna and the local government units (LGUs – municipalities/cities) which allows the company to stay on its course in fulfilling community development, environmental protection and sustainable practices. The company also engages, at all levels concerning operational matters, with regulatory bodies to keep abreast of legislations and regulatory practices.


The company also maintains active participation to programs and activities advocating environmental protection and conservation. Laguna Water is affiliated with organizations like Cabuyao River Protection Advocates (CARPA), Save Silang-Santa Rosa River Foundation (S3R2) and the Santa Rosa Watershed Management Council (SWMC), which is composed of the different LGUs, Laguna Lake Development Authority (LLDA) and business locators in the area that aim to protect and rehabilitate the watershed and rivers in the cities of Biñan, Santa Rosa, and Cabuyao.

Laguna Water is investing efforts in building stakeholder relationships that can bring confidence in project management, minimize uncertainties, and fast-track problem solving and decision-making.

STAKEHOLDER GROUP/ MODES OF ENGAGEMENT	AREAS OF CONCERN	RESPONSE
EMPLOYEES		
<ul style="list-style-type: none"> Regular Company meetings General Assemblies Department meetings E-mail/Text blasts Performance reviews 	<ul style="list-style-type: none"> Skills enhancement Status of operation Work-life balance, socialization Career growth 	<ul style="list-style-type: none"> Training, seminars Kapihan with GM P2P Magpulong tayo
COMMUNITY/CUSTOMERS		
<ul style="list-style-type: none"> Customer helpdesk Community Orientation/ Public Consultation Flyers/bill inserts Customer Service hotline Text blasts House-to-house visits "Barker" roving 	<ul style="list-style-type: none"> Billing concerns Service improvements New application/reconnection Restoration/pipe laying Service interruption 	<ul style="list-style-type: none"> Resolving concerns through Laguna Water helpdesk Proactively sending of text messages to customers to warn of service interruption etc. Facebook announcements Board up to warn the public of on-going construction, pipelaying
REGULATORY BODIES		
<ul style="list-style-type: none"> Face-to-face visits Courtesy Calls Meetings Business Permits 	<ul style="list-style-type: none"> Securing/renewal of permits 	<ul style="list-style-type: none"> Compliance Timely submission of reports
GOVERNMENT AGENCIES		
<ul style="list-style-type: none"> Town hall meetings Invitation to various events Correspondence Regular visit to the Provincial Capitol Office/Municipal Hall Board meetings 	<ul style="list-style-type: none"> Policies Governance matters Building relationship Right of way, traffic etc. Resolving concerns raised by the community Alignment of development plans 	<ul style="list-style-type: none"> Compliance Timely submission of reports Regular project updates Involvement to LW Community Development Programs Sponsorships to select LGU events
NON-GOVERNMENT ORGANIZATIONS/CIVIL SOCIETY ORGANIZATIONS		
<ul style="list-style-type: none"> Face-to-face meetings Correspondence Email blasts 	<ul style="list-style-type: none"> Conduct of environmental protection activities Community development 	<ul style="list-style-type: none"> Tree planting, conduct of environmental awareness programs, river/water way clean ups, etc. Monitoring and evaluation of projects Giving updates on LW projects Creation of environmental protection programs/projects
SUPPLY CHAIN		
<ul style="list-style-type: none"> Face-to-face meetings Accreditation 	<ul style="list-style-type: none"> Procurement policies Pipelaying projects New water connection projects 	<ul style="list-style-type: none"> Bidding
FINANCE COMMUNITY		
<ul style="list-style-type: none"> One-on-one meetings Fora Shareholder's meeting Presentation 	<ul style="list-style-type: none"> Expansion initiatives Financial operating performance 	<ul style="list-style-type: none"> Timely disclosure to the investing community

Investing in Human Capital Development

Laguna Water believes that its most important asset is its growing number of talents, whose passion and dedication result to service excellence.



FINANCE

NEW BUSINESS
DEVELOPMENT

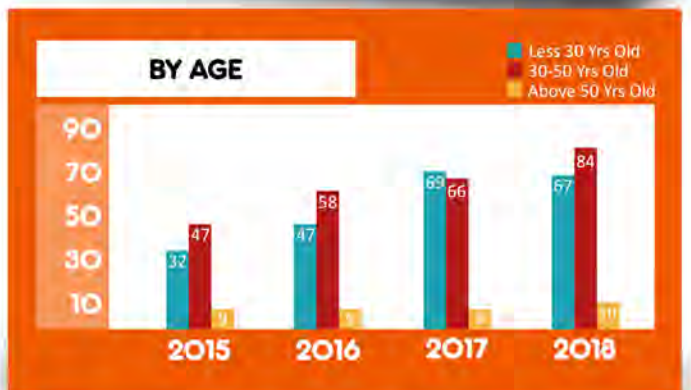
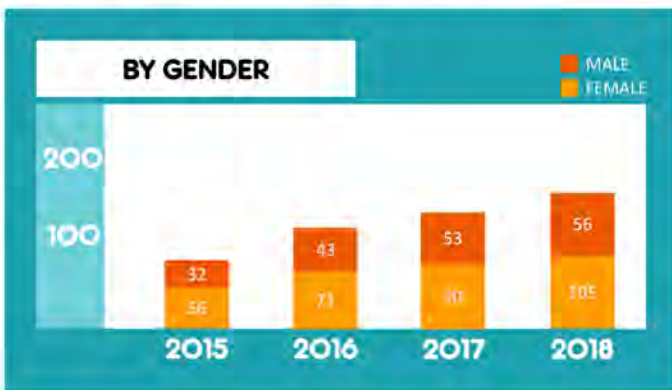
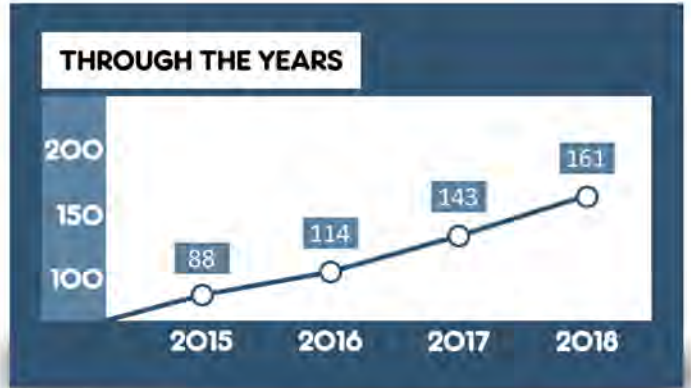
INVESTING IN HUMAN CAPITAL DEVELOPMENT

Employees are valuable assets of an organization. The success of Laguna Water in various forms is equivalent to the efforts and support given by the people around the company. Personnel skills are continuously reinforced with trainings on people empowerment and integrity. In appreciation of good performance, Laguna Water sees to it that everyone from all levels are recognized and adequately rewarded.

LAGUNA WATER TALENTS BY THE NUMBERS

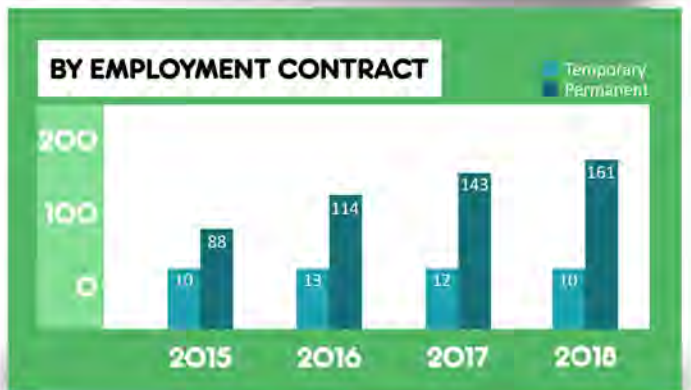
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TOTAL NUMBER OF TALENTS AS OF DECEMBER 2018



BY REGION

Region	2015	2016	2017	2018
NCR	8	7	7	17
Luzon	80	107	136	144
Visayas	0	0	0	0
Mindanao	0	0	0	0



SHARPENING PROFESSIONAL SKILLS



Laguna Water talents underwent the Kepner-Tregoe Project Management program to equip them with skills and knowledge in ensuring the success of a project.

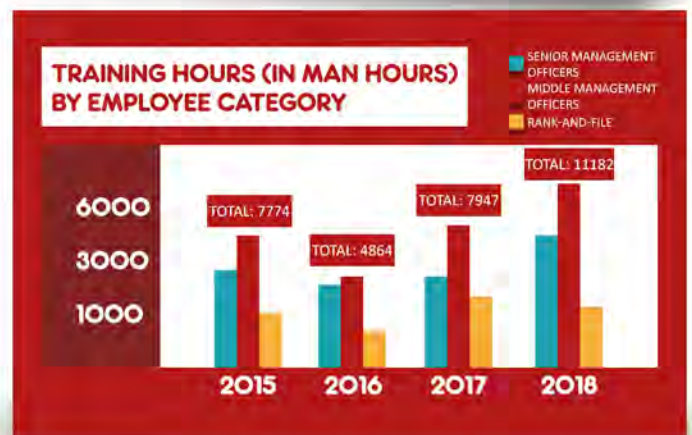
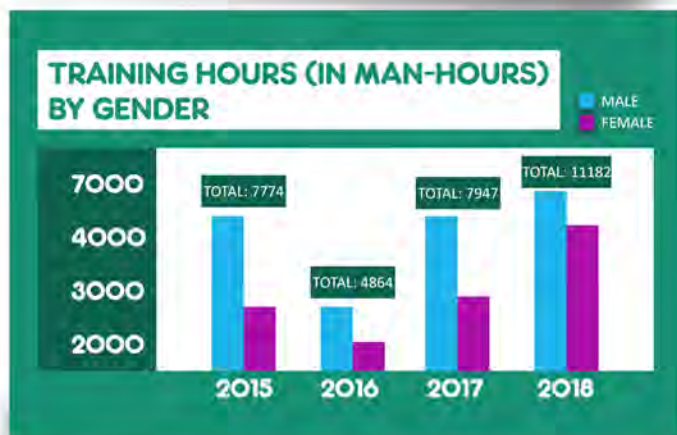
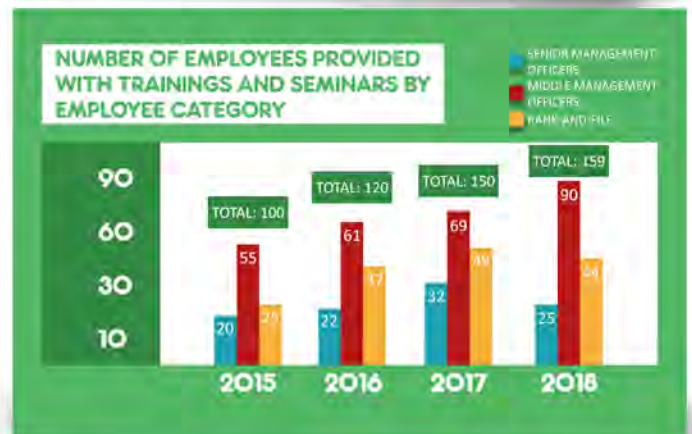
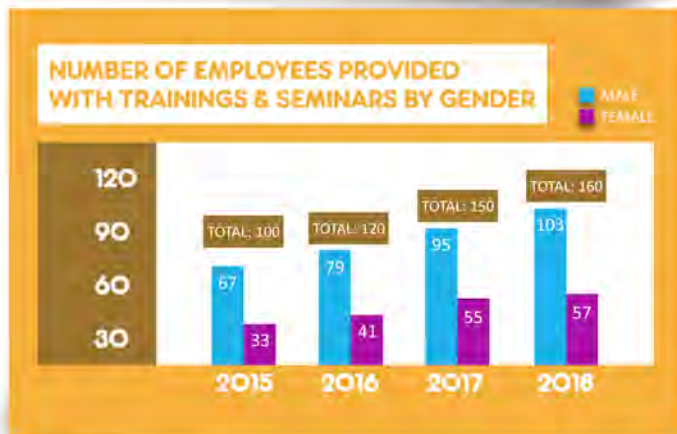
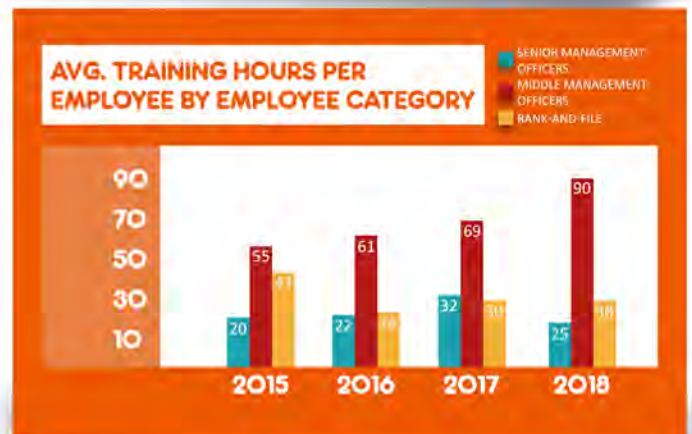
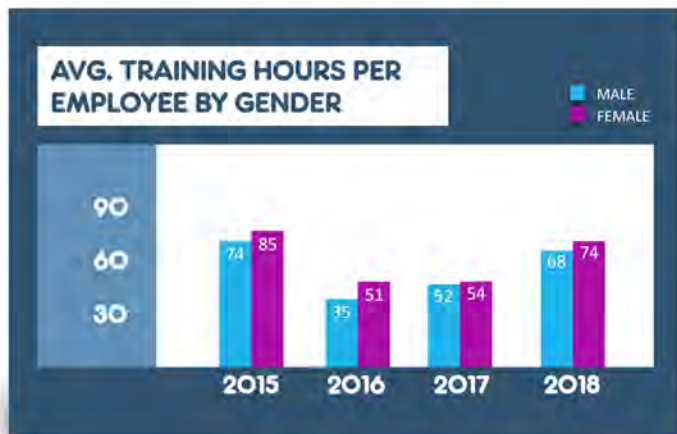
Training presents possibilities to expand individual growth. In Laguna Water, employees are given equal opportunities to enroll and participate in various training sessions that can help to improve knowledge and capabilities. Training and development provide both the company and the individual employees with benefits that make the cost and time a worthwhile investment.

The company also provides the employees with proper education through the Manila Water University – Cadetship Training Program (CTP), Territory Management (TM) School, and Business Zone Leadership School (BZLS). The CTP is a 6-month program that provides qualified cadets opportunities for specialized training and work experiences. It is designed to drive excellence in technical, business and management skills. The TM School caters to existing employees who are interested to take on the TM role to equip them with proper orientation on Laguna Water's business and field operations. For Senior Territory Managers who are capable of managing a larger area composed of more than 20,000 accounts, the BZLS was introduced.

These training and development programs equip the participants with the right skills and comprehensive concepts to help execute the projects successfully; and effectively handle and manage change.

<p>2016 (40 training hours)</p>	<ul style="list-style-type: none"> • Competency Development (i.e. Reverse Osmosis, Microbiologist) • ISO/IEC 17025:2005 'The Standard for Analytical Competence • BOSH for Nurse • Basic Training Course for Pollution Control Officers (PCO) – DENR
<p>2017 (55 training hours)</p>	<ul style="list-style-type: none"> • NRW Reduction Programs and Initiative • Reverse Osmosis • Asset Conditioning Program • Certified Human Resource Professional Program
<p>2018 (70 training hours)</p>	<ul style="list-style-type: none"> • Kepner Tregoe Project Management • Driving Change program

TALENT DEVELOPMENT BY NUMBERS



PROVIDING WELFARE BENEFITS

The company complies with all the labor laws aimed in protecting not only its employees but also service providers whose work output affect the operations of Laguna Water. Employees are given competitive salaries, financial assistances, government-mandated benefits, and other allowances that will cater to their needs. In addition, each employee is enrolled to insurance policies and medical health cards that can help them in their medical needs. Moreover, aside from financial benefits, Laguna Water employees are also entitled to leave benefits that allow them to take time off from work for various reasons.

Keeping Employees Engaged and Motivated

Laguna Water also maintains the work-life balance and the strong relationship among the employees through various activities that build and strengthen rapport of both office-based and field-assigned employees. These activities will provide better collaboration and communication at work; teach the values of self-discipline, leadership and teamwork; and motivate to achieve more personally and professionally as an individual and as a company. Some of these activities include sports, team buildings, and health and wellness programs.



Annually, Laguna Water conducts a team building activity titled Balikatan to further strengthen its team and cultivate a culture of teamwork and collaboration among its growing number of talents.

The company also strengthened the communication channel among its employee and management team through Magpulong tayo with HR Head, Kapihan with GM and Kamustahan with JTC (Group HR Director). These programs aim to address concern and receive feedback from employees' point of view towards the management.

Annual Company Events	Wellness Program	Employee Volunteerism	Themed Programs
- Balikatan	- Wellness Day - Health and Wellness Seminars	- Linis Eskwela - Pasibol - Daloy ng Saya	- Hearts' Week - Spooktastic Day - Christmas Party - Financial Wellness Seminar - Happy Monday

Recognizing Employee Contributions

Laguna Water's success depends on the efforts and performances of its employees. The company continues to recognize the hard work and support given by its people.

Annually, Laguna Water selects the recipients of the Huwarang Manggagawa (Model Employee) award for the exemplary performing rank and file employees and President's Pride due to Performance (P3) award for those in the supervisory positions. Awardees are given plaque of recognition and monetary rewards.

In addition, the company also recognizes talents with quarterly awards such as the Talent of the Quarter, Team of the Quarter, Bright Idea of the Quarter, Best Territory Manager, Best Business Zone Manager, Best in Collection Efficiency and Best in Revenue.

To encourage its personnel to achieve their full potential, Laguna Water grants merit increases to employees who meet or exceed targets. Salary adjustments are based on individual accomplishments to be able to fairly reward those who have delivered on their commitments. Through the Corporate Incentive Program (CIP), target setting is done during the start of the year to determine individual commitments with the end in view of hitting the over-all corporate target. At the end of each year, accomplishments are assessed to determine the corresponding performance-based merit adjustments.



In 2018, a total of 17 Laguna Water talents were recognized for their outstanding performance in the past year which contributed to the company's growth.

PROMOTING OCCUPATIONAL HEALTH AND SAFETY

Health and safety are key factors in promoting wellness of both the employees and employers. Laguna Water is committed to integrate health and safety principles into its everyday operation. It also ensures compliance with relevant legislations that will benefit the employees, contractors, suppliers, and stakeholders. The company also manages and monitors the risks through effective risk assessment processes.



Laguna Water is compliant with the requirements of DOLE Occupational Safety and Health Standards, Rule 1050 Notification and Keeping of Records of Accidents and/or Occupational Illnesses. From January 2012 to December 2018, the company has achieved ZERO work-related injury/fatalities. Laguna Water attained an accumulated Safe Manhours of 1,470,350 from January 1, 2012 to December 31, 2018.



Laguna Water Safety Manager Kathleen Catipon conducting a safety orientation to the participants of the company's *Lakbayan* activity.

Safety Programs

Started in 2016, Laguna Water intensified and improved the safety awareness of the company through employee engagement and promotional activities. Employees are proactively engaged in improving safety compliance and enhancing contractor safety management.

Among the safety programs include: safety orientation, facility inspection, safety devices monitoring, Work Environment Measurement (WEM), Basic Occupational Safety and Health Training (BOSH), Construction Occupational Safety and Health Training (COSH), First Aid and Basic Life Support Training, Safety Driving Seminar, Road Safety, and Chemical Safety.

Empowering Communities

Laguna Water is committed to bring positive difference to society by making clean water and adequate sanitation available and accessible to all.

HELPING BUILD COMMUNITIES

Laguna Water contributes to the continuous growth and development of the Province of Laguna through the provision of water, used water, environmental services. The company sees its vital role in making a positive change in the Province, hence, it is committed to fulfill its mission of making clean water and adequate sanitation services available and accessible to all Lagunenses.

Since 2009, the company has been providing the cities of Biñan, Sta. Rosa, and Cabuyao with sustainable, clean and potable water. With the 4th Amendment of the Concession Agreement in 2015, the customer base of Laguna water has been expanded to cover the entire province.



As the service area expanded, more pipelines were laid to reach more communities. As of 2018, Laguna water has laid 1,040 km of pipes which serve a total of 128,160 water service connections. Consequently, 59% of the total population of the cities of Biñan, Santa Rosa and Cabuyao and 0.57% of the rest of the cities and municipalities are now being served by Laguna Water. By 2019, through a Joint Venture Agreement with Pagsanjan Water District, the company shall provide water and wastewater services to an additional 6,700 water service connections in the municipality of Pagsanjan.

While Laguna Water actively expands its service area, it remains true to its thrust of providing quality services to its customers. By providing quality services means ensuring that water supply is clean, safe and potable and customers are highly satisfied.



Laguna Water ensures that water supply is compliant with 2017 Philippine National Standards for Drinking Water (PNSDW). Its Department of Health (DOH)-accredited laboratory, which is capable of testing physical and chemical parameters, regularly monitors the water quality of all water sources and other sampling points identified. The laboratory is also set to be one of the DENR Recognized Environmental Laboratories in the country.

POPULATION SERVED



BILLED VOLUME



SERVICE CONNECTION (RESIDENTIAL)



SERVICE CONNECTION (COMMERCIAL)



LAGUNA WELL FIELD



In 2016, Laguna Water started the operations of Laguna Well Field, one of the largest ground water facilities in the Philippines.

Situated at Laguna Technopark Annex, Laguna Well Field is a centralized water system with a total area of 10,000 square meters. The 1.6-billion-worth facility has four water reservoirs; each can hold five million liters of water at a time.

Currently, more than 35,000 households from Biñan have already been connected to the Laguna Well Field. Once fully energized, more than 135,000 families in the cities of Biñan, Sta. Rosa, and Cabuyao will benefit from this ground water facility.

DELIVERING QUALITY CUSTOMER EXPERIENCE



To make it easier for Laguna Water customers to easily access the company's services, various communication media such as office for walk-in customers, customer hotline, SMS, email and company website (www.lagunawater.com.ph) are made available to them.

Last December 2016, the Laguna Water Facebook page was launched. It is primarily used for information dissemination of activities, projects, and other services. Facebook has become a medium for inquiries, requests and complaints for customers who prefer to use the internet rather than calls or walk-ins.

A satellite office in Canlalay, Biñan was opened last June 2018 to deliver quality customer experience and convenience to customers from Biñan City.

In 2018, the total customer concerns received was 73,988 wherein 20% or 14,542 of which were categorized as valid complaints. Due to the collaborative effort between customer service, territory management teams and technical operations team, 99.59% of the total complaints were resolved within standard and no complaints regarding breaches of customer privacy were reported.

TOP 3 CONCERNS

2015		2016		2017		2018	
CODE	COUNT	CODE	COUNT	CODE	COUNT	CODE	COUNT
B7 - Undelivered bill	1343	Other Complaints	3190	Undelivered Bill	2306	Vertical Leak	2011
Excessive Billing	1534	Undelivered Bill	3105	Excessive Billing	2220	Excessive Billing	1781
W1 - No water	1085	Excessive Billing	2652	Vertical Leak	1434	No Water	1129

DEVELOPING COMMUNITIES

The shared vision of advancing social welfare, sustaining economic growth, and assuring environmental protection are the driving forces to the successful engagement between Laguna Water and the communities it serves. This mutual progress is brought by Laguna Water's strong partnership with eligible organizations and LGUs granting resources, mentoring people, and conducting learning opportunities that enhances capacity building and community development. Laguna Water delivers not only water-related services but also conducts sustainability programs which provide opportunities and optimism to the people. Among the beneficiaries of these programs are selected low-income communities, public schools and other public establishments.

Tubig Para sa Barangay



284 families were given access to the safe and clean water supply of Laguna Water through the Tubig Para sa Barangay program of Manila Water Foundation in Cabuyao, Laguna.

The Tubig Para Sa Barangay (TPSB) or Water for the Low-income Communities is a sustainability program of Laguna Water which aims to provide affordable water and deliver 24/7 potable water supply for marginalized communities. In partnership with Manila Water Foundation, TPSB was developed to suit the physical, social, and economic conditions of poor households through flexible financing options. The program subsidizes water connection of marginalized communities that have limited or no access to potable water. TPSB provides clean and affordable water to poor communities and reduces the incidence of water-borne diseases.

To date, there are 553 household beneficiaries of the TPSB Project. It is expected that more poor communities will benefit from this project as the Company expands to areas that are still unserved or underserved in the province.

YEAR	NO. OF BENEFICIARIES	LOCATION
2015	150	Southville Langkiwa, Biñan City
2016	119	Florinda and Dela Paz, Biñan City
2017	152	Brgy. Gulod and Baclaran, Cabuyao City
2018	132	Brgy. Gulod and Baclaran, Cabuyao City

Lingap Program

Despite the development of today's fast-paced environment, there are still public institutions like schools, hospitals and offices that have no access to clean water and basic sanitation. This situation exposes millions of Filipinos to water-contaminated diseases such as diarrhea, typhoid, and cholera. Addressing these issues on unreliable sources of water and poor hygienic conditions, Laguna Water in partnership with the Manila Water Foundation introduced the Lingap Program which is designed to insulate the community from threats of water-borne diseases through provision of access to clean water supply system. The program constructs drinking fountains, and handwashing facilities to selected public institutions such as schools, hospitals, orphanages, markets, city jails, and churches.

Today, 12 schools, 1 public market and 1 city hall benefit from a potable source of water.



Through the Lingap Eskwela program, Laguna Water, in partnership with Manila Water Foundation, donated a handwashing facility and a drinking station to Don Jose National High School.

YEAR	NO. OF BENEFICIARIES	LOCATION
2015	7 SCHOOLS, 1 PUBLIC MARKET	Dila Elementary School, Santa Rosa City Caingin Elementary School, Santa Rosa City San Francisco Elementary School, Biñan City Saint Francis National High School, Biñan City Loma Elementary School, Biñan City Sto. Tomas Elementary School, Biñan City Canlalay Elementary School, Biñan City Mabuhay Phase 1 Public Market, Cabuyao City
2016	2 SCHOOLS	Sala Elementary School, Cabuyao City Malitlit Elementary School, Santa Rosa City
2017	1 SCHOOL	Pulong Santa Cruz Elementary School, Santa Rosa City
2018	2 SCHOOLS, 1 CITY HALL	Biñan Integrated National High School, Biñan City Don Jose National High School, Santa Rosa City Santa Rosa City Hall

WaterConnect

Waterconnect aims to connect at least 1,500 urban poor households to Laguna Water’s pipeline network to prevent water-borne diseases. In partnership with WaterLinks, Water.org, and Micro-finance institutions, the project promotes information on the importance of potable water and proper sanitation practices in hard-to-reach urban-poor communities through a combination of community organization and technical advice. Water.org also helps in coordinating with finance institutions that can support the people to avail of monetary resources to pay the after the meter costs and water service connection fees.



Changemaker

Aside from water-related programs, Laguna Water also catered social entrepreneurship. Together with The British Council Philippines, Integrated Micro-Electronics, Inc. (IMI), Ayala Land Inc. and Ayala Foundation, the Company introduced the I am a Changemaker Program which aims to help local social enterprises to increase their impact to the community and creates better understanding on social entrepreneurship. Fourteen Social Enterprises were given lessons on social issues, social enterprise models, business skills, innovation, management, and marketing. Aside from the classroom-type discussion, the program also included field visits to successful social enterprise in the Province which increased the participants’ appreciation to their social cause. More than just providing sources of income, these social enterprises created a positive impact to their communities and ensured the sustainability of the environment.

SOCIAL ENTERPRISES

1. Paper Bags and Supot Making (Sta. Cruz)
2. Water Hyacinth Livelihood Development Program (Biñan)
3. Mushroom Cultivation Process (Biñan)
4. Supot na Papel Making (Biñan)
5. Kaagapay Bigasan (Biñan)
6. Sub-con Tailoring Shop (Biñan)
7. Garment Production (Alaminos)
8. APA Farms (Majayjay)
9. Achara Production-KASAMA (Majayjay)
10. Fish Processing (Bay)
11. Candle Making/Cassava Processing (Kalayaan)
12. Bakery and Pastry Product (Sta. Cruz)
13. Pandin Eco-Tourism (San Pablo City)
14. Yakap sa Kaunlaran-San Pablo Parents’ Association (San Pablo City)

Kabuhayan Para Sa Barangay

In addition to the Changemaker program, Laguna Water also conducted the Kabuhayan Para Sa Barangay (KPSB) program which aims to provide an interest-free loan capital to 49 cooperatives with the purpose of improving their financial capacity to sustain and grow their operation and organization. Along with the Manila Water Foundation (MWF), the KPSB provided training and financial capital to selected livelihood cooperatives with non-interest-bearing loan.

Linis Eskwela

Laguna Water's concern for the well-being of the community especially the youth, is represented through its Linis Eskwela program conducted every year in support to DepEd's Brigada Eskwela. Launched in 2016, Linis Eskwela initially prioritized the beneficiaries of Lingap Eskwela to ensure that the handwashing and drinking facilities are in good condition before the start of classes. Experiencing the modern version of Bayanihan (unity), Laguna Water donated paints and cleaning materials to identified 19 public schools. Employees also volunteered in repainting classrooms and other parts of the school building; repairing damaged chairs, desks, and tables; and cleaning school premises. To date, beneficiaries of the Linis Eskwela program catered not only the public schools in Santa Rosa, Biñan and Cabuyao, but also extended to public schools in the Municipalities of Pakil, Luisiana, Victoria and Calauan.



Laguna Water participates in the annual Brigada Eskwela of the Department of Education, through the company's Linis Eskwela program.

Pamilyang TSEK

As part of Laguna Water's vision to empower people, protect the environment, and enhance sustainable development, the Company takes part in providing sanitation service in Santa Rosa, Biñan and Cabuyao. To ensure that sustainable sanitation is accessible and available to all, Laguna Water implemented the Pamilyang TSEK program that offers special rate for low-income families, consuming 10 cubic meters of water and below per month. A survey was conducted by the company to identify and select the families that would fall under the socio-economic Class E. Qualified families are given certificates and special contract indicating their special payment scheme for the sanitation fee.

Daloy ng Saya



Through the Daloy ng Saya program, Laguna Water brings smiles to marginalized communities and public schools in the Province of Laguna.

Every December, Laguna Water gives joy to the community through Daloy ng Saya, a corporate social responsibility initiative of the company which aims to bring smiles to public elementary school students in Laguna through an environmental information, education, and communication (IEC) program; feeding program; and gift-giving activity. Students gained knowledge while having fun playing games about the importance of water and the environment. Together with the employee-volunteers of Laguna Water, Daloy ng Saya brings happiness to hundreds of children in Laguna and will continue this tradition of spreading joy every Christmas season.

Conserving the Environment

Laguna Water continuously seeks ways to lessen the impact of its operations to the environment to ensure protection of natural resources.

WATER AND USE

Water Source

Laguna Water sources its supply from the ground water and Matang Tubig Spring, a spring source located in Barangay Casile in Cabuyao, Laguna.

1



2

Water Distribution

The company has more than 1040 km water network that distribute water to its growing number of customers. In 2016, Laguna Water energized Laguna Well Field, a centralized water distribution facility that has a capacity to supply 100 million liters of water per day.

Desludging Service

Laguna Water also provide desludging service or the cleaning of septic tanks.

8

Discharge

Laguna Water ensures that the treated used water is compliant with the Philippine Government standards before it is discharged to Santa Rosa River.



7

Used Water Treatment

Sewage from LTI locators and septage collected from the communities are being treated at the LTI Sewage and Septage Treatment Plant.

ED WATER TRAIL

2 Water Treatment

Ensuring that water delivered to its customers is safe and clean, Laguna Water installed filtration systems to address concerns on sand, manganese, and iron. Chlorination is also employed to ensure cleanliness of water.

LAGUNA WATER
LAGUNA WATER
PHILIPPINE DISTRIBUTION

3 Water Testing and Analysis

Laguna Water has its own laboratory facility, which is accredited by the Department of Health. Through this, the company ensures compliance of water supply with the Philippine National Standards for Drinking Water.

4

6.1

5

Water Usage

6.2

Sewage Management

Laguna Water manages the sewer network of Laguna Technopark, which is one of the largest industrial zones in the country.

ENSURING ENVIRONMENTAL SUSTAINABILITY

The message for Environment Protection is resoundingly perpetuated in Laguna Water's vision statement.

In 2016, volunteer-driven tree planting activity was launched, called as Pasibol, which means "to sprout". To date, the company has already planted a total of 3,900 trees.

Championing environmental protection through proper used water management, Laguna Water started to implement an information, education, campaign entitled "Tamang Sanitasyon Equals Kalusugan, Kalinisan at Kaunlaran ng Bayan (TSEK ng Bayan)". The program aims to educate Lagunenses about the importance of proper sanitation, with focus on used water management.



As the major operator of water and used water services in the Province of Laguna, the company continues to forge a movement to environmental sustainability through its integration in the business thrust and innovation.

Addressing the Impacts of Used Water

The work of Laguna Water is not limited to the provision of quality water 24/7. Used water or domestic water from sinks, toilets and other liquid wastes from kitchens are treated prior release to receiving water bodies. If left untreated, this poses risks to the ecosystem, community health and ground water supply.

Since 2017, the company has been campaigning the importance and need for proper treatment of used water through the TSEK ng Bayan program. Aside from the education campaign, TSEK ng Bayan also includes used water management services that will address common sanitation problems such as untreated used water and open defecation. The three used water management services under the TSEK ng Bayan program are the following:

Sewage Management

Sewered systems are best offered to industrial parks, central business districts and high-end gated communities as laying of sewer pipes is more feasible. Through sewer networks, the wastewater directly flows to the Sewage Treatment Plant (STP) where it undergoes a cleaning process.

Currently, Laguna Water is managing the sewerage system of Laguna Technopark, Inc. (LTI), where it treats an average of 6.1 million liters of wastewater per day. The domestic wastewater of industrial plants which mostly produce electronic parts, semiconductors, motor components and metal products is conveyed through sewer pipelines to the treatment facility. A biological treatment technology that utilizes aerobic bacteria to degrade the organics in the wastewater is applied in the STP prior being discharged to the Santa Rosa River.

Desludging Service

Pursuant to Laguna's Provincial Sewage and Septage Management Ordinance, Laguna Water officially launched its desludging services in September 2018. Through this service, the company's desludging truck periodically siphons 2/3 of the contents of its customer's septic tank. The collected waste, known as septage, will be treated at the company-managed Sewage and Septage Treatment Plant in LTI.

Laguna Water has laid out a five year desludging schedule to ensure that all of its customers will be able to avail of the said service. Desludging is one program that would mitigate pollution of our rivers and bodies of water, leading to a healthier and more progressive communities.



Community-based Toilet Solutions

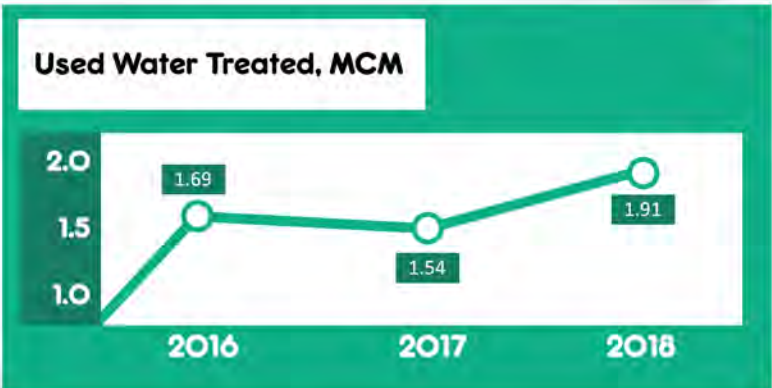
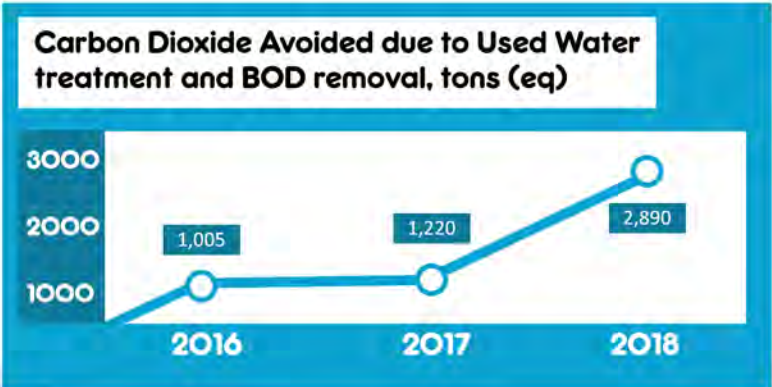
Aiming to provide sanitation for all, Laguna Water is currently conducting studies on the use of a portable toilet technology for toilet-less households in the Province. Further, Laguna Water is also exploring possible partnership with local government units and non-government organizations in providing communal toilets to selected communities in the Province.

Ensuring that the used water collected are treated properly, Laguna Water operates, manages, and maintains a world-class used water treatment plant located in LTI, the LTI Sewage and Septage Treatment Plant (LTI SSTP).

The LTI SSTP has a treatment capacity of 11 million liters of sewage per day. It utilizes both Moving Bed Bio-Reactor (MBBR) and Food Chain Reactor (FCR) technologies as biological treatment processes.

An average of 6.1 MLD of domestic used water from manufacturers of electronic parts, semiconductors, motor components, and other metal products is being treated at the LTI SSTP. In 2018, a fully mechanized septage treatment plant was added to the LTI SSTP to cater an additional 70 cubic meters of septage per day. The septage are the ones collected from the septic tanks of households in Biñan, Santa Rosa and Cabuyao.

Currently, Laguna Water is exploring sanitation solutions for the poor in informal urban communities through a pilot project which was initially funded by Grand Challenges Canada.



2018 Average Effluent Quality

Parameters	DAO 35 Class C Effluent Requirements	Laguna Water Effluent
BOD ₅ , mg/l	≤50	16
COD, mg/l	≤100	51
TSS, mg/l	≤70	10
Oil and Grease, mg/l	≤5	<1
Total Coliform MPN/100ml	≤10,000	1,646.37
pH	6.5 - 9.0	7.53
Color, PCU	≤150	21

**Receiving body: Santa Rosa River*





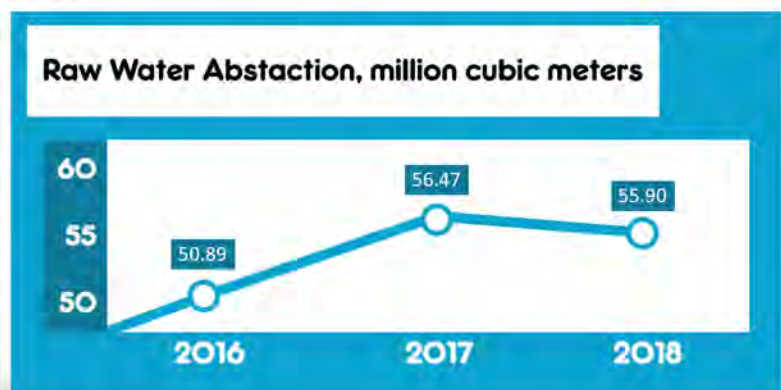

In 2018, Laguna Water launched its desludging service under the Tamang Sanitasyon Equals Kalusugan, Kalinisan, at Kaunlaran ng Bayan (TSEK ng Bayan) program.

Laguna Water's desludging service officially commenced in September 2018. The company has laid out a five-year schedule to ensure that the said used water management service will be made available to all of its customers.

To cater to this new service, Laguna Water has also upgraded its Used Water Treatment Plant in LTI to include a fully-mechanized septage treatment facility. The upgraded treatment plant is the first in the Philippines to utilize the Food Chain Reactor Technology from Organica Water, a leading global used water solutions provider.

Protecting Ground Water Resources

Laguna Water understands that it is important to have sustainable water sources to meet the requirements of its customers. Ninety five percent of raw water is abstracted from the ground water and five percent is sourced from Matang Tubig Spring. The increase in water abstraction over the years resulted from the expansion efforts of the company in and out of the original concession area.



To ensure the sustainability of groundwater, Laguna Water tapped the services of the University of the Philippines-National Hydraulics Research Center to conduct a study on the groundwater reserves in the three cities of Santa Rosa, Biñan and Cabuyao. The study, which is conducted every three years, aims to assess the impact of groundwater extraction and to ensure the sustainable use of water supply for the growing demand and population of the province of Laguna. Based on the 2016 result, the level of groundwater remains to be stable. To validate the study, the company also conducts monthly measurement of groundwater level.

Operational Efficiency

As previously mentioned, Laguna Water prides itself with the continuous improvement in engineering and cost reduction mechanism in its water system. Laguna Water has initiated energy-saving programs, which include the Demand-Driven Supply and Solar-panel Utilization. With these programs, there have been significant reduction in energy consumption in 2018.

The company will also be employing these initiatives in the newly commissioned facilities. Aside from improving energy efficiency, the company's carbon footprint has also improved.

As the demand and expansion are forecasted to continuously increase, Laguna Water is committed to take a proactive stance in energy management. At present, decommissioning of high energy facilities has already taken place, coupled with maximizing the capacity of Laguna Wellfield, a hectare of water reservoir located in LTI Annex. Furthermore, the company has laid energy-efficiency plans in San Pablo and Pagsanjan by decreasing its operational dependency on diesel generator sets which are power intensive and major pollutant-contributor.



Non-Revenue Water Reduction

The significant improvement in Non-Revenue Water Reduction over the years is attributed to the massive rehabilitation of network system in the service areas of Santa Rosa, Biñan and Cabuyao. Since the acquisition of Laguna AAWater Corporation in 2009, Pipe Peplacement Project was instigated by using corrosion-resistant High Density Polyethylène (HDPE) pipes. A sizable 10% of the total pipeline network has been replaced, and 22% are additionally laid (data as of January 2019), Repair of pipe leakages does not only result to reduction in non-revenue water but also ensures quality of water distributed to the customers. At present, Laguna Water has earmarked an estimated Php 85 million budget for NRW projects including massive meter replacement and standardization, and Pressure Regulating Valve (PRV) Installation.



Environmental Compliance

It is essential that the business complies with the environmental standards set forth by the local government and Department of Environment and Natural Resources (DENR). Laguna Water is proactive in identifying compliance risks by subjecting itself to enterprise-wide internal audit.

A pool of accredited Pollution Control Officers is activated in 2018 bearing roles as mandated by DAO 02-2014 or the Revised Guidelines for PCO Accreditation.

Laguna Water management review its environmental compliance status on a quarterly basis.

Promoting Economic Growth and Development

*Laguna Water is one with the Provincial Government
of Laguna in advancing economic growth
and development in the Province.*

CONTRIBUTING TO LOCAL AND NATIONAL ECONOMIES

As one of the pillars of Laguna Water, the company is committed to taking part in the development of the economic status of the province of Laguna and to uplifting the life's value of its concessionaires and its employees.

For the past four years, Laguna Water has been investing in major projects, not only to improve and expand its services, but also to contribute to the rising economy of the province. More than Php 3.4B worth of projects, carefully reviewed and assessed by the company's technical and business development teams, were implemented. These projects created job opportunities to various suppliers and contractors. Eligible service providers were meticulously evaluated and selected by the Manila Water Business and Technology Services Supply Chain based on their capability to implement the project. All products and services were purchased locally.



The successful implementation of the projects led to the continuous revenue growth of the company. Laguna Water has posed significant year-on-year increase in revenue since 2015. This is driven by the increase in billed volume from 36.19 million cubic meters (MCM) to 44.11 MCM, connection fees from new customers, development fees from various projects and other revenue-generating initiatives.

The company has been continuously expanding in commercial and residential areas throughout the province of Laguna. Several commercial and Industrial accounts had been added to the portfolio of Laguna Water and these included De La Salle University Canlubang, Biñan Doctors and Umbria Mall to name a few. Big locators inside the Laguna Technopark marked huge increase in consumption as their business expanded. Moreover, the 4th Amendment to the Concession Agreement which gave the company the authority to expand all throughout the province paved way to connecting more subdivisions and customers. Now, Laguna Water is not only present in Santa Rosa, Biñan and Cabuyao but also in Alaminos, Calamba, San Pablo, Victoria and Pagsanjan.



IMPROVING ACCESS TO ADEQUATE SANITATION

One of the biggest projects of Laguna Water is the upgrade and rehabilitation of the LTI Sewage and Septage Treatment Plant.

The said treatment facility was upgraded in line with the implementation of the company's desludging services or septic tank cleaning. The upgrade included the establishment of a fully-mechanized treatment facility to cater to the septage collected from the communities the company serve.



The implementation of the Environmental Charge (EC) in 2018 also contributed to the increase in the generated revenue. The EC will be spent for activities related to environmental protection which include watershed management, groundwater studies and septage management to name a few.

Our DOH-accredited laboratory is also upgrading its capabilities in order to offer a wide-range of services to more customers. Now, it can conduct radiological testing and analysis. Furthermore, the laboratory is pursuing accreditation from other agencies to gain more credibility in the laboratory testing arena. The company is optimistic that this part of the business will soon contribute a significant percentage to the company's revenue.

GRI 201-1 (in PhP)		Year 2015	Year 2016	Year 2017	Year 2018
ECONOMIC VALUE GENERATED	REVENUE*	828,317,716	988,707,140	1,215,251,530	1,356,641,301
ECONOMIC VALUE DISTRIBUTED	OPERATING COST	471,292,922	578,169,920	728,893,104	800,495,312
	EMPLOYEE WAGES AND BENEFITS	29,774,605	47,228,620	87,981,588	96,775,685
	PAYMENTS TO PROVIDERS OF CAPITAL	51,853,627	42,684,166	85,505,940	104,981,600
	PAYMENTS TO GOVERNMENT	75,752,470	86,592,208	93,961,986	116,479,633
	COMMUNITY INVESTMENTS**	2,042,810	1,662,446	2,269,695	0
ECONOMIC VALUE RETAINED		197,601,282	232,369,780	216,639,217	237,909,071

**Economic value generated is based on GRI Standards*

***Community investments are donations to Manila Water Foundation*

The revenue growth of Laguna Water, particularly in the City of Biñan, has been recognized by the City Government of Biñan as the company has been consistently awarded as one of the Top Tax Payers in the city since 2015.

To mitigate any untoward incident that would affect the operation of the company and to ensure that there will be no disruption in the provision of water and wastewater services to the concession areas, a Business Continuity Team (BCT) was formed in 2015. One of the objectives of the BCT is to mitigate the impact of incidents and calamities such as strong typhoon, fire, flooding and earthquake. These calamities are covered by Insurance in the event that it happens.

Moving Forward

Laguna Water unceasingly gains grounds as it turns its vision of providing sustainable solutions vital to health and life into reality.

MOVING FORWARD

Now that Laguna Water has gained foothold outside the original concession with the addition of Victoria Concession and Pagsanjan Water District Joint Venture, more cities and municipalities should be catered by the Company's water and used water services in the coming years. This is through several modalities that may be employed for the provision of services: (i) partnership with water districts, local government units and private water service providers, (ii) acquisition of assets of current water service providers, and (iii) through acquisition of a Sangguniang Bayan/Panlungsod Resolution from the local government units.

While being aggressive on the expansion throughout the Province, the market in the original concession should not be missed out. With the current service coverage in Santa Rosa, Biñan and Cabuyao Cities at 57% only, there is still a big chunk of customers that can be served by the company by connecting them to the existing network and mainline extension to be laid. Among the three cities, Cabuyao has the smallest service coverage due to the limited water network that is present in the area. This 2019, the company will commence with pipe-laying projects in various locations within the city to extend the existing pipelines and cater more customers. The said projects will also kickoff the centralized water system envisioned for Cabuyao which is targeted to be realized in 2022.



Reliability of water supply remains to be one of the company's key thrusts. This 2019, the Laguna Wellfield will be fully energized, which will bring 100 million liters of water per day to the cities of Biñan and Santa Rosa. This will also enable the decommissioning of various wells scattered around the two cities which would result to operational efficiency and reliability. The said wells will be put on standby so that in the event of emergencies, they can easily be energized to augment water supply.

To support the expansion plans and address water security, the technical team is exploring other sources of water supply in the province. Identification of alternative sources that can be developed is now one of the top priorities.

Lastly, with the Supreme Court Mandamus to Rehabilitate Manila Bay and to support the full implementation of the Sewage and Septage Management Ordinances passed by the Province of Laguna, along with the cities and municipalities serviced by the company, the sanitation program should be given equal importance. The availment rate of the service areas must improve significantly in the coming months. This will be made possible through IEC Campaigns in various communities and joint alliance with the different LGUs on the strict implementation of the passed ordinances. Since not all customer classes can be catered by the desludging service, the company should be able to identify the best approach to proper sanitation in low income communities. As we expand the reach of our water service, used water service is also expected to reach the far-flung areas of the province.

The plans and aspiration in the forgoing statements are the continuation of Laguna Water's pursuit of sustainable water and used water services in the province of Laguna and world class customer experience as a full-service concessionaire.

TESTIMONIALS



Nilda G. Matas
Tubig Para sa Barangay Beneficiary
*Poblete Compound,
Brgy. Baclaran, Cabuyao City*

Before we need to walk to the artesian wells to fetch water. It was really tiring because we need to carry the pails back to our house, which is quite far from the well. Through Laguna Water, getting water now is more convenient and water is now available, any time of the day. Further, I feel more relieved now, knowing that the water that my family is using is safe and clean, as certified by the Department of Health.



Carlos P. Ani
Country Director
Water.org Philippines

Since 2017, Water.org and Laguna Water has been collaborating to reach out to poor households so they can have access to piped water services. I commend Laguna Water as a champion in its commitment to be a leader in high-quality customer experience by placing premium on the integrity and primacy of the person and concern for others. A remarkable milestone of our partnership with Laguna Water is connecting poor households to our partner microfinance institutions and the distinct program that Laguna Water and Manila Water Foundation cater through the Tubig Para Sa Barangay Program (TPSB) which provides financial assistance to poor households thereby ensuring that no one is left behind as access to water is essential to a healthy life. Laguna Water is also commendable as they continue to serve and deliver high quality water not only to the community but also to schools through Lingap Program by providing drinking fountains and hand washing areas. By 2019, a new partnership will be developed between Laguna Water and Water.org to continue the overall thrust of connecting more poor households to piped water services, through a collaborative partnership with Manila Water Philippine Ventures Inc. and Manila Water Foundation under a new program called as Ahon Tubig.



Erlinda C. Creencia, EnP.
City Environment and Natural
Resources Officer
City Government of Santa Rosa

I salute Laguna Water for their commitment to provide the residents of Santa Rosa with, not only, potable supply of water, but also, proper sanitation. The Company has several programs and projects that are aligned with the goals and objectives of the City Government of Santa Rosa being a 1st Class City in the province of Laguna. When Laguna Water launched their flagship program for sanitation, the TSEK ng Bayan (Tamang Sanitasyon Equals Kalusugan, Kalinisan, at Kaunlaran ng Bayan) Program, we at the City Environment and Natural Resources Office feel that this action is in line with perspective of proper sanitation and eventual contribution to the rehabilitation of the Laguna Lake. We are grateful to have Laguna Water as our long-time partner in many environmental advocacies and sustainable projects.



Ana Lisa Almoro-Martir
Stakeholder Relations Manager
Laguna Water

I was working in MWSS before I transferred to Manila Water during the Public-Private Partnership in 1997. I've been assigned to Laguna Water since 2009 and I've seen how it transformed the way of life and brought clean and potable water to the Lagunenses. From Manila Water Enterprise, the vision, mission and core values were smoothly imparted to Laguna Water and the success of the Public-Private Partnership in Metro Manila was mirrored in Laguna. Laguna Water develops and trains its employees to be equipped with knowledge and skills that will help accomplish our goals. I'm very thankful to Laguna Water for the company's love and care for its employees.

GRI Content Index

GRI CONTENT INDEX

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Indicator and Disclosure	Description	Content or Reference
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102-2	Activities, brands, products, and services	6
102-3	Location of headquarters	Back Cover
102-4	Location of operations	6, 28
102-5	Ownership and Legal form	6
102-6	Markets served	6
102-7	Scale of the organization	2-3, 21, 46
102-8	Information on employees and other workers	21-25
102-9	Supply chain	The company partners with: 121 Material Suppliers, 44 Contractors, 1 Consulting firm, and 5 Service providers
102-10	Significant changes to the organization and its supply chain	18
102-11	Precautionary Principle or approach	38-42
102-12	External initiatives	Laguna Water adheres to all Philippine laws, rules and regulations.
102-13	Membership of associations	17
Strategy		
102-14	Statement from senior decision maker	3
Ethics and Integrity		
102-16	Values, principles, standards, and norms of behavior	6-7
Governance		
102-18	Governance structure	8-9
102-23	Chair of the highest governance body	8
102-24	Nominating and selecting the highest governance body	8
102-26	Role of highest governance body in setting purpose, values, and strategy	8

Stakeholder Engagement		
102-40	List of stakeholder groups	18
102-41	Collective bargaining agreements	There is no existing Collective bargaining agreement
102-42	Identifying and selecting stakeholders	18
102-43	Approach to stakeholder engagement	18
102-44	Key topics and concerns raised	18
Reporting practice		
102-45	Entities included in the consolidated financial statements	Laguna Water
102-46	Defining report content and topic boundaries	Specific reporting boundaries are stated in the GRI Index
102-47	List of material topics	16
102-48	Restatements of information	None
102-49	Changes in reporting	No Significant Changes
102-50	Reporting period	4
102-51	Publication date of most recent report	2105
102-52	Reporting cycle	Biennial
102-53	Contact point for questions regarding the report	2
102-54	Claims of reporting in accordance with the GRI Standards	This report has been prepared in accordance with the GRI standards: core option
102-55	GRI content index	51-55
102-56	External assurance	None

ECONOMICS		
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201-3	Defines benefit plan obligations and other retirement plans	24
201-4	Financial assistance received from the government	Laguna Water has not received any financial assistance or subsidy from the government
205-2	Communication & training about anti-corruption policies & procedures	The Code of Conduct is incorporated in the on-boarding process for all new hires.

ENVIRONMENTAL

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302-3	Energy Intensity	41
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GRI 306: EFFLUENTS AND WASTES	Management Approach	38-40
306-1	Water Discharge by Quality and Destination	40
306-2	Wastes by Type and Disposal Method	38-39
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307-1	Non-compliance with environmental laws and regulations	42
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	Carbon dioxide avoided	39
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401-2	Benefits provided to full-time employees that are not provided to temporary or part-time employees	24
GRI 403: OCCUPATIONAL HEALTH AND SAFETY	Management Approach	26
403-2	Types of Injury and rates of injury, occupational diseases, lost days, and absenteeism and number of work-related fatalities	26
GRI 404: TRAINING AND EDUCATION	Management Approach	22-23
404-1	Average hours of training per year per employee	23
404-2	Programs for upgrading employee skills and transition assistance programs	22
GRI 405: DIVERSITY AND EQUAL OPPORTUNITY	Management Approach	22
405-1	Diversity of governance bodies and employees	21
GRI 413: LOCAL COMMUNITIES	Management Approach	17
413-2	Operations with significant actual and potential negative impacts on local communities	18
GRI 416: CUSTOMER HEALTH AND SAFETY	Management Approach	28
416-1	Assessment of the health and safety impacts of product and service categories	28
416-2	Incidents of non-compliance concerning the health & safety impacts of products & services	28
GRI 419: SOCIO ECONOMIC COMPLIANCE	Management Approach	The Company adheres to all laws and regulations set by the government and regulatory bodies.
419-1	Non-compliance with laws & regulations in the social & economic area	There were no fines and sanctions noted for non-compliance with relevant laws and/or regulations

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