

# Above & Beyond

SUSTAINABILITY REPORT  
OCTOBER 2013 - SEPTEMBER 2014



**RHi**

MOXAS HOLDINGS, INC.  
A RHI-SUGAR & BIO-ENERGY GROUP





## ABOUT THE COVER

On its first Sustainability Report, Roxas Holdings, Inc. (RHI) is making a strong commitment to go **ABOVE AND BEYOND**.

The desire to generate an impact is at the core of RHI. The Group remains strongly committed to the goal of sustainability especially at these times when the Sugar Industry must demonstrate its ability to meet the challenges of ASEAN Economic Integration. We chose a cover depicting several arrows pointing upwards - with an arrow shaped as number one - to affirm our stakeholders that we shall prevail amidst challenges and that RHI endeavours to be at the top not only in its operational and financial aspects but more importantly in sustainability.

This Sustainability Report features initiatives and stories of how the Group is trying to make an impact both to its immediate communities and stakeholders and also to the Sugar Industry as a whole. From the impact of our operations to the people and communities that we work and interact with, we are going **ABOVE AND BEYOND** to **DO GOOD** in taking care of our stakeholders, **DO RIGHT** and comply with our obligations, and **DO WELL** in demonstrating practices that will better serve the industry.

Just as sugar is a potent source of sweetness and immediate energy for the human body, RHI has been introducing **ABOVE AND BEYOND** innovations and industry-wide initiatives that we believe will bring about better life to all who have a stake in the Philippine Sugar Industry.

### Please feel free to get in touch with us:

Francis Aljohn M. Belen  
Staff, Corporate Social Responsibility  
Email: [arjohn.belen@rhi.com.ph](mailto:arjohn.belen@rhi.com.ph)  
Phone: (02) 810-89-01-06

Jeremy John A. Pinar  
Deputy Compliance Officer  
Deputy Head, Strategic Affairs  
Email: [jeremy.pinar@rhi.com.ph](mailto:jeremy.pinar@rhi.com.ph)

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The highway cuts through a large expanse of green, which blankets the terrain as far as the eye can see. The time is ripe for sugar, and the region, being known as the country's biggest producer of tubo (sugarcane), is bustling with sugar-related activity: trucks brimming with harvested sugarcane make their way to the sugar mills, uniformed workers in hard hats and protective shoes go in and out of industrial buildings, a power plant hums at a distance, generating usable power from the by-products of the mills, and of course, a sugar mill—easily the tallest structure for miles around—puffs out white vapors, a purified smoke that does not affect the sweetness of the farmland air.



# ABOUT THE COMPANY

At the forefront of the Philippine sugar industry, Roxas Holdings, Inc. (RHI) has been in the sugar business for nearly a hundred years. A bio-sugar and bio-energy company, RHI is the largest integrated sugar business in the Philippines, owning and operating the largest milling operations, the second largest sugar refinery and a pioneering bioethanol plant.

Over the years, RHI has developed solid relationships with high-quality, tier 1 customers. It services the sugar requirements of leading multinational food & beverage, and pharmaceutical companies; and sells its bioethanol to top petroleum players in the country. Some has been our customers for the past 15 years, which stand as a testament of RHI's excellence in service, reliability and quality products. The products and services of the company are as follows:

1. Sugar. Raw and refined sugar are produced by RHI in different grades and are sold to big industrial users, including food and beverage, and pharmaceutical companies for blending in their own products.
2. Tolling/Refining. Through CADPL, RHI offers tolling or refining services to raw sugar owners.
3. Bioethanol. Through Roxol, RHI produces fuel ethanol to meet the needs of local oil companies in compliance with the Biofuels Act of 2006.

Together with its subsidiaries, Roxas Holdings, Inc. continuously strives to be a world-class leader in sugarcane-based products and services in the Asia Pacific region. Its growth will be enhanced by strong and solid relationships with its stakeholders. RHI intends to continue:

1. ensuring the quality of sugarcane-based products and services provided to its customers;
2. promoting fairness and transparency in its dealings with partners;
3. valuing equity while enhancing shareholder value;
4. providing professional growth, development, and recognition of its talents; and
5. pursuing commendable social responsibility initiatives as a corporate

RHI believes in sustainable growth that benefits both the company and its stakeholders. It shall pursue initiatives that will unleash the full potential of industries where RHI operates.



Established as a sugar milling company in 1927, Central Azucarera Don Pedro, Inc. (CADPI), provides the refined sugar requirements of traders and industrial customers such as multinational food and beverage and pharmaceutical companies in Japan. Based in Pangasinan, Batangas, it is the first of the Roxas subsidiaries.



The mill of Negros Occidental, known as Central Azucarera de la Carlota, Inc. (CACI), was acquired in 1995. Located in La Carlota City, it is operating at the heart of the country's leading region for sugar production and near a port of export. CACI meets the raw sugar requirements of customers in the Visayas.



Roxol Bioenergy Corporation, also based in La Carlota City, is the bioethanol unit of RHI. Producing 100,000 liters of fuel ethanol or potable and industrial alcohol per day, it operates as a standalone ethanol production facility.



ROXAS HOLDINGS, INC.  
A BIO-SUGAR AND BIO-ENERGY GROUP



# ABOUT THE REPORT



## Embracing Sustainability

Sustainability is at the heart of Roxas Holdings, Inc.'s operations. As a major sugar player, we are aware of the strategic position we occupy in infusing innovations that add vitality to the sugar industry and create an impact to thousands of sugarcane farmers and communities. We can be instruments of sustainable growth in the industry.



## Why Sustainability?

The country's population continues to grow and has reached more than 90 million, and the country's resources are getting strained. Our resources are getting depleted as we hear news of shortages in energy, water, food and even land. The environment is rapidly changing and the Philippines remain vulnerable to stronger earthquakes and typhoons. These circumstances make access to resources harder especially for those living below the poor, and sadly the gap has and continues to increase. All the more, the call for sustainability grows louder as the ill effects of the lack of it becomes more and more pronounced.

We cannot be blind to these realities. The business sector can and should be a part of the solution. And to do so, the attitude of doing business must change.



"...the development that meets the needs of the present world without compromising the ability of the future generations to meet their needs."

UN World Commission on Environment and Development

## What is Sustainability?

Businesses must pursue growth models that enable greater sustainability. In a broad sense, sustainability demands 'increasing the capacity to endure' which are often elements beyond profits. The organization's sustainability can be affected by the following:

1. **Organizational Governance** to help organizations make decisions, implement corporate actions and subscribe to the principles of fairness, transparency and accountability
2. **Human rights** that give equal access to opportunities and prevent discrimination
3. **Good labor practices** that safeguard employee safety, welfare and growth
4. **Environment.** Companies must endeavor to mitigate possible adverse effects of operations to the large resource reservoir shared by all men
5. **Fair operating practices,** which keep the company free from the crippling effects of corruption and unfair competition
6. **Consumer welfare,** which allows the better servicing of clients with the right information and providing greater access to the company's products
7. **Community involvement** that allows the company to influence the socio-economic growth of the community as its operations grow

Sustainable Development, therefore, demands putting in place mechanisms that will allow the company to take advantage of present opportunities but not at the expense of the environment and its stakeholders. These seven core subjects of ISO 26000 guide RHI's corporate actions as it continues to strike the best balance of long term sustainability and short term

# SUSTAINABILITY APPROACH

Sustainability is anchored strongly at the core of RHI's Core Philosophy. Its growth is triggered by its continuous pursuit of "Do Good, Do Right, Do Well."

This Sustainability Report is anchored towards the theme of Do GR(O)W, following RHI's philosophy. Do GR(O)W stands for "Do Good, Do Right, Do Well," which guides the vision and mission of the company.

## DO GOOD



For RHI, the growth of the company should spell growth to our communities and stakeholders. The company will continue to work towards creating an impact and improving the socio-economic conditions of its stakeholders.

## DO RIGHT



As RHI does its work, we make sure that we do things right the first time. RHI commits to honor its commitments to our stakeholders and be compliant with all regulatory policies, memoranda and provisions affecting our businesses. The company must make sure that its house is and will remain to be in order.

## DO WELL



All units are expected to perform well and always better. It is important that the company puts in place systems and processes that will catapult the company to higher growth, productivity and margins. RHI must succeed on indicators inherent in its mandate and its core business.



These are fibers of our culture that brings RHI to see sustainability - and its seven core subjects - not merely as objectives to pursue but as core elements of what makes us RHI. With these, as part of our DNA, in terms of our commitment to sustainability, there is only way for RHI to go: Above and Beyond.

With the exemplary projects, practices, and performance of RHI, the title of this year's Sustainability Report—Above and Beyond—aptly captures the aspirations and commitment of the Company to fulfill its vision of a world-class leader in the industry, not only indicatively present in its operational success, but also present in its efforts towards the society and the environment. The tremendous achievements and efforts of RHI this past year have manifested the great progress of the company in achieving its goals. While looking back on how the Company came this far and assessing its performance in the industry, RHI only intends to reach for greater heights—going Above and Beyond.



# MESSAGE FROM THE CHAIRMAN

This year, Roxas Holdings, Inc. (RHI) has reached a new milestone by releasing its first Sustainability Report, which informs stakeholders of the Group's efforts to ensure sustainable and environmentally-responsible operations that have socio-economic impact to our communities.

## Viewpoints on Sustainability

For RHI, our concept of "sustainable business" rests on our belief that our primary concern is not solely on the profits we earn but also on the manner of generating profits. We believe that the essence of sustainability rests on 3Ps: Profit, People, and Planet.

1. Profit, by encouraging business decisions that drive long-term growth and benefit the Group's stakeholders;
2. People, by ensuring responsible labor practices and respect for human diversity and rights; and
3. Planet, by minimizing the possible environmental burdens our facilities create through better waste management and pollution control;

Guided by our corporate philosophy of "do good, do right, do well," the approach of our 3Ps to sustainability is translated operationally using ISO 26000's seven core subjects. Indeed, the goal of sustainability is nothing different from running a responsible enterprise.

As we take steps to be more sustainable, we have been guided with the following questions: how do we take care of our employees? how do we treat our partners? how are we protecting the interests of our shareholders? how do we help secure the environment? how do we make the lives of the people in our communities better?







### **Early Gains on Sustainability**

We are proud to share with you that our efforts to embrace sustainability have produced tangible and beneficial results. On our side, these have produced savings and increased our environmental ratings and governance scores; and have gained praises and awards from esteemed organizations such as the World Bank, the Department of Energy and Nestlé Corporation.

But more importantly, the warm smiles and hope that we see on the faces of our beneficiaries and the people in our communities are the best affirmation that our sustainability efforts bear fruits and are being felt on the ground.

### **Our Commitment to the Sugar Industry**

RHI also recognizes its role to play in the Sugar Industry. As one of the major producers of raw sugar, refined sugar, and ethanol in the Philippines, RHI is in a position to influence the industry and bring out its full potential.

The 2015 ASEAN Economic Integration continues to pose challenges on how Philippine sugar players can keep up with the demand for greater productivity and operational efficiency. Seeing the need for breakthroughs and innovations, RHI made a significant investment on research and development and partnered with academic institutions for research projects that are focused on farm productivity, cost efficiency, and product development. Furthermore, the company has also invested in modern farming and harvesting equipment to address the industry's growing concern on productivity and the scarcity of labor resource in farms.

"This is only the beginning of our greater commitment towards sustainability. We shall continue to find ways for Roxas Holdings to be an instrument towards greater inclusiveness."

Through these, we hope that the Philippines will be able to regain its position as among the largest and significant sugar producing countries in the world. In doing so, the Sugar Industry can be a proactive contributor to further the country's economic growth and accelerate improvements in the standard of living of Filipinos.

#### **Greener Future Ahead**

Moving forward, RHI has big dreams towards sustainability. We have embarked on initiatives and projects that will allow greater maximization of sugarcane and its by-products and turn these into profitable eco-friendly business ventures. We have started with our bioethanol, which when added to gasoline, reduces carbon monoxide emission.

At present, we have set our eyes to explore how we can contribute clean and renewable energy, and recycle our by-products, such as carbon dioxide and methane. On one hand, our corporate foundation—Roxas Foundation, Inc. (RFI)—has taken steps to study possible uses of sugarcane leaves and fibers for livelihood.

#### **Towards Greater Inclusiveness**

Even with these developments, a lot still has to be done if we are to be an agent of socio-economic transformation. In the Philippines today, our biggest challenge in the development arena lies on how to make a significant impact in the agriculture sector where a large portion of Filipinos living below the poverty line are found. RHI shall continue to think of and create models so we can further reach out and provide opportunities for more and more people to participate and be a partner for growth.

As you go through the pages of our sustainability report, we hope our stories will fuel you—our partners, stakeholders and shareholders—to work with us as we commit to take bolder steps towards sustainability.



Pedro E. Roxas  
Chairman  
Roxas Holdings, Inc.



# MESSAGE OF THE PRESIDENT & CEO

Roxas Holdings, Inc. continues to pursue initiatives that will take us closer towards our Vision to be a WORLD-CLASS LEADER in sugarcane-based products and services. Our goal challenges us to be excellent in all aspects and areas of our business, while making sure that we are responsive and inclusive to our stakeholders.

The vision to be a world-class leader demands that we must be sustainable. Our commitment to sustainability is hinged on a firm belief that our businesses should generate sweet returns—not just financially, but also, ecologically and socially. We are committed to this triple bottom line principle and we want our stakeholders and communities to benefit from our Group's growth story.

## Major Investments in Sustainability

Last Fiscal Year, the company made significant investments in efforts geared towards sustainability and inclusiveness:

- 1. Corporate Housing for Informal Settlers and Employees:** RHI allocated PhP58.6 million to fund housing projects for informal settlers and employees who are residing within the plant premises. RHI has partnered with various civil society organizations to help out in our desire for our beneficiaries to obtain access to decent housing in a safer community outside the plant. Beyond housing, this program shall also offer livelihood opportunities and social enhancement programs to ensure a more comprehensive approach to sustainable development.
- 2. Investments in Pollution Control Facilities:** RHI has allocated P1 billion for pollution control facilities. As a result, our environmental parameters received high passing marks with pollution control scores that are far better than those required by our regulators.



3. **Research and Development:** RHI approved a P45-million allocation to further research and development initiatives. From the fund, RHI has set up—in partnership with the University of the Philippines—a P7.5-million endowment fund for research. RHI also partnered with the University of Saint La Salle. RHI is looking to partner with two more academic institutions for its R&D initiatives. The Philippines has lagged behind other countries in terms of sugarcane varieties and farm processes.
4. **The mechanical harvesters:** RHI also approved a P80-million investment for mechanical harvesters and tractors. The massive labor requirement of farms has led to the dwindling interest to work in it. The tractors will not only help improve farm productivity but will help improve labor conditions in the sugarcane plantations.

Even as the industrial landscape proves to be more challenging requiring firms to tighten their belts in spending, RHI is and shall continue to invest on initiatives geared towards the long-term sustainable growth not just of the company but also of the industry and its stakeholders.

#### **Other Significant Sustainability Initiatives**

Taking care of our stakeholders is at the core of our corporate life. Our growth as a company is an agglomeration of decades of strong partnerships and meaningful exchanges with the community and our partners in growth. We continue to partner and support our corporation foundation—Rowas Foundation, Inc. (RFI)—as it implements initiatives anchored on HELPS: health, education, livelihood, personal involvement, and sports and youth development. Aside from this, RHI and its subsidiaries have also launched sustainability initiatives in keeping with our *Do Good, Do Right, Do Well* philosophy.





## DO GOOD

RHI, in partnership with RFI, implemented the Community Benefits Plan in La Carlota City, Negros Occidental. The World Bank provided a grant amounting to P4.3 million for Raxol's environmental gain—paving way for a comprehensive community development program focused on five areas: livelihood, education, environment, health and infrastructure. More than one thousand Filipinos have benefitted from this project. Along with this, one of our most important stakeholders is our sugarcane farmers. We have successfully brought down processing time of payment for cane purchase from two weeks to three days. We also joined the nation to assist those affected by Typhoon Yolanda. The Group pooled together P1.5 million, and gave out sugar bags through the Sugar Regulatory Administration, among other relief operations.

## DO RIGHT

We are aware that the demand for transparency and compliance with laws and regulations are higher for publicly listed companies. RHI is going above and beyond mere compliance. Last year, we took bold steps to promote safety and environmental protection. For one, we have sent over 500 employees to be trained in safety. As a highlight of our performance last year, we have allocated P1 billion to fund investments on pollution control facilities. We have also installed the eProcurement system for greater transparency of awarding contracts. As a result, 46 reverse bids were processed, and the company saved P28.2M. Furthermore, the Board of Directors also passed the Dividend and Trade Restriction policies to provide greater protection to our minority shareholders. These developments in governance have allowed RHI's ASEAN Corporate Governance Score to increase by 15.4 points last year and perform better than the average score of Philippine publicly listed companies.

## DO WELL

RHI is committed to go above and beyond financial results, we hope to see our businesses as models of operational excellence and sustainability. RHI must offer the best place for its people to grow professionally. The group has adopted a five-point strategy for low attrition: a) annual merit increase, b) profit sharing, c) employee stock option plan, d) career development and succession planning, and e) talent recognition and retention. This is beyond what is being offered in our industry.

Furthermore, we continue to pursue excellence in providing safe and quality products. Sugar is a basic commodity. Our products are consumed either directly by Filipinos or critical inputs to other food products, beverages and even medicines. Our facilities are ISO certified in Quality Management, Food Safety Management and Environmental Management. Thus, product returns are kept very minimally at less than 1% and we have zero cases of damaged products and metal contaminants in our premium raw sugar.



"We hope that these gains and stories will inspire all of us to continue making RHI an enabler of sustainability."

Our goal for our facilities to be models of operational excellence and sustainability is almost within reach through various green initiatives. 17,424 tons of plant waste products were recycled as organic fertilizers, which are being distributed to the farmers for better soil conditioning. The company also saved 30% on its fuel consumption by resorting to solid fuel displacement and an additional P16.7 million of savings was generated by CADPI by switching its lighting and motor control facilities to more energy efficient alternatives. The Department of Energy gave CADPI the Outstanding Award for Energy Efficiency and Conservation and its resident manager, Mr. Jun Turno, was named Outstanding Energy Manager.

#### Concluding Notes

We would like to thank you, our shareholders, partners, suppliers, customers, communities, management and employees who continue to remain open to the Group's initiatives on sustainability. The Group's goal of achieving triple bottom line results is impossible without your support.



Renato C. Valencia  
President and Chief Executive Officer  
Roxas Holdings, Inc.





## DO GOOD

Above and beyond dole-outs,  
we empower communities



## DO RIGHT

Above and beyond compliance,  
we take proactive measures.



## DO WELL

Above and beyond financial results,  
we strive for operational excellence  
and sustainability



**P58.6M**  
ALLOCATION FOR  
HOUSING PROJECT

ALMOST  
**P1B** ALLOTTED FOR  
POLLUTION  
CONTROL  
FACILITIES



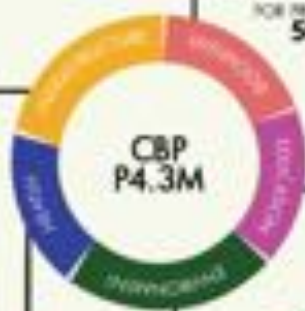
**P80M** BUDGET FOR  
MECHANICAL  
HARVESTERS  
**P45M** FUND FOR R&D  
CHANNELLED TO  
4 UNIVERSITIES



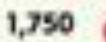
### OTHER ACCOMPLISHMENTS

#### COMMUNITY BENEFITS PLAN (CBP)

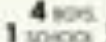
FUNDED BY P4.3M GRANT  
FROM WORLD BANK FOR  
ROXO'S CARBON CREDIT  
APPLICATION



REHABILITATION OF  
4 CLASSROOMS +  
3 DAYCARE CENTERS  
FOR 460 STUDENTS



1,750  
SERVED IN  
MEDICAL/DENTAL  
VISITS FOR 4  
BIRDS



4 BOYS,  
1 SCHOOL  
RECEIVED BASIC  
MEDICAL EQUIPMENT

OVER  
**250** VOLUNTEERS FOR  
ENVIRONMENTAL  
INITIATIVES



**P1.6M** DONATED FOR TYPHOON  
RELIEF OPERATIONS



PROCESSING TIME OF PAYMENT  
FOR FARMERS SHORTENED FROM **2 WEEKS** TO **3 DAYS**  
THROUGH THE CANE PURCHASING PROGRAM



SO2 (AVERAGE RESULTS (PM10)) **82.25** mg/11km

COMPLIANT OF THE 100mg/11km  
**CLEAN AIR ACT** STANDARD



AMBIENT AIR QUALITY MONITORING (PM10)  
TSP-**72.32mg/Ncm** SO2-**11.06mg/Ncm**

COMPLIANT OF THE 300(TSP) AND 340(SO2)mg/11km  
**DENR** STANDARDS

WASTE WATER TREATMENT REDUCED  
BOOD FROM **4,734.3mg/li** TO **25.8mg/li**



DWIND  
POLICY



TRADE RESTRICTION  
POLICY

OVER  
**500**

EMPLOYEES TRAINED IN  
**SAFETY**



BETTER **CONTROL ON CORRUPTION**  
THROUGH **E-PROCUREMENT**

**46** REVERSE ACTIONS  
**P28.2M** ESTIMATED SAVINGS



**P16.7M** SAVINGS  
FROM ENERGY EFFICIENT  
OPERATIONS



**30%** SAVINGS ON FUEL THROUGH  
SOLID FUEL DISPLACEMENT

**5**

LOW ATTRITION STRATEGIES

- ANNUAL WERT INCREASE
- PROFIT SHARING
- EMPLOYEE STOCK OPTION PLAN
- CAREER DEVELOPMENT & SUCCESSION
- TALENT RETENTION & RECOGNITION



**17,424**  
TONS OF WASTE PRODUCT  
RECYCLED AS ORGANIC FERTILIZER



**0**

CASES OF  
DAMAGED PRODUCTS  
METAL CONTAMINANTS  
IN PREMIUM RAW SUGAR

PRODUCT RETURNS  
**LESS THAN 1%**



CERTIFIED  
**9001:2008**  
**22000:2005**  
**14001:2004**











"We are not just helping them build a house, we are setting up a model community that celebrates quality life."

## COMING HOME TO SAFETY

*RHI allocates P58.6M for housing project initiative*

Being at the comfort of your own home and enjoying the company of your family and loved ones without fear from threat of harm; that is the Filipino dream. Unfortunately, this dream is often not within everyone's reach.

### Temporary benefit for employees

RHI - and most especially the subsidiaries - offer temporary housing to some employees within the plant. In both RHI facilities in Nasugbu and La Carlota, the company has put up several company houses for managers and workers who were either not from the area but were asked to relocate or for those who must continuously monitor the plant.

The operating hours of the mills often extend beyond the traditional 8:00AM to 5:00PM shift. The factory must operate for so long as there are canes and other raw materials that can and should be processed. Even at scheduled downtimes, the strict repair schedules have some contractors sending in their people even at night. As such, some employees - starting from the resident manager - are often called to report to the factory when something goes wrong.

The temporary housing is offered to allow these employees to have immediate access to the plant. Interestingly, to some, the company provided the option of having their families with them.

Some of the employees lived in these company-provided houses for decades until retirement, and some of those who failed to invest on houses for their own even extended after, becoming one of those who do not have a permanent place to settle in.



"We want to protect these people from the hazards they may encounter living near the facility,"

### Housing for informal settlers

In Nasugbu, Batangas – particularly in Barangays Calamundingan and Mambungan – the company recorded 110 informal settler families who have put up houses illegally within CADPI's plant premises. Some of these families had their forefathers working with our mills before. In time, the number has grown with their expanded families deciding to stay and live also within the plant premises.

Health and safety, however, are major reasons for which to move the families to a safer area outside the plant. Even with top-tier pollution-control facilities and policies, which minimize the possible adverse environment impacts, the mill is still an industrial zone with trucks and heavy equipments passing through frequently, and with chemicals and hazardous chemicals stored in its tanks. This will never be the ideal place for a family to grow and relax, especially for their kids to play and interact with other kids.

"We want to protect these people from the hazards they may encounter living near the facility," says Mr. Juan Miguel M. Araneta, SVP and Head, Supply Chain and Special Projects Department.



Despite having the lawful claims for the land, the company cannot forcibly evict these families without proper social preparation and the provision of alternative safe dwellings. Thus, in line with the government's campaign to provide decent housing to every family, RHI initiates a relocation project. We have allocated 1.2 ha land as relocation site for the affected families and have partnered with a non-government organization, Habitat for Humanity Foundation.



RHI ensures the protection of human rights of these people; the relocation project also comes with a financial package and a livelihood plan, which are still being worked-out. "We are working towards making sure that this housing project will be sustainable and the interventions are comprehensive. We are not just helping them build a house, we are setting up a model community that celebrates quality life," President and CEO Renato Valencia adds.



## Housing project for employees

Aside from the informal settlers, RHI wants to help out its employees achieve the Filipino dream. The employee housing project is targeted to employees, especially to those who have critical control and responsibilities in the 24-hour operations of the plant. "As our people put in a lot of effort in keeping our facilities operationally efficient at all times, we want to do our part in assisting them to think of the long term that goes even after they have retired from our company," Chairman Pedro E. Roxas said. The employee houses will be done in partnership with Roxaco Land Corporation, which is also a subsidiary of Roxas and Company, Inc.

With the corporate housing project, CADPI employees have the option to convert the equivalent amount of the housing provided into cash and purchase their own homes at a location of their choice, or use and own the house RHI provides through the project.

The RHI housing development is a subdivision project that includes community services and amenities such as a basketball court, a playground area, 24-hour security, centralized water facility, a subdivision entrance gate, and a gazebo. The 2-storey homes are designed with a contemporary Mediterranean theme; employees may choose between 2-bedroom or 3-bedroom models.

The houses will be completed and will be ready for turnover before the end of 2015.



## **GREENER INDUSTRIES, RICHER LIVES**

Four barangays, four schools, four health centers benefit from World Bank's PhP4.3M grant

Setting out from the shallow waters of a mangrove-bordered coast, Nelson Gamez of Purak Lourdes, Pontevedra, knows his catch for the day would be good. He and his fellows at the Small Fishermen Association, of which he is the President, have been caring for the mangroves since the community received 30,000 seedlings to help reforest the mangroves in the area.

Mangroves are a natural habitat for fish and other sea life. The more forested the mangrove—shares the fisherman in the gentle and musical tones of his native tongue—the more fish there will be to catch. The community began planting mangrove seedlings in August 2014, and since then have been acting as its guardians, replacing those seedlings that do not survive.

The five-fold plan consists of projects that help improve livelihood, provide opportunities for education, rehabilitate infrastructures, take care of the environment, and make healthcare accessible.



### Greener, more beneficial

Gomez and his community are one of the beneficiaries of the Community Benefits Plan (CBP) implemented by Roxas Foundation, Inc. The five-fold plan, consisting of projects that help improve livelihood, provide opportunities for education, rehabilitate infrastructures, take care of the environment, and make healthcare accessible, is funded by a grant from the World Bank for the carbon credits earned by Roxol Bioenergy Corporation for its methane recovery initiative.

Methane has cut down the bio-energy plant's use of solid fuel (composed of bagasse, wood chips, coco shells and rice husks) by 30 percent, a significant amount considering the 350 tons consumed by the day. Methane is a greenhouse gas; by mitigating its methane emissions, Roxol is not only able to lower its solid fuel consumption but also take care of the environment. This project, known as the "Methane Recovery from Advanced Wastewater Treatment System in Roxol," was funded by the Community Development Carbon Fund (CDCF), under the Carbon Finance Unit of the World Bank.





"By using the boat, the fisherman is required to share a third of his profits to the association, which may be used in the future to buy more boats."

### Fishing boats

The PHP4.3 million earned from Roxol's carbon credits funded the CBP carried out by Roxas Foundation. Beside mangrove seedlings, the fisherfolks at Purok Lourdes, Barangay 1, Barangay 2 and Barangay San Juan in Pontevedra received 32 fishing boats. These boats are being managed by their respective fisherfolks associations.

Gomez explains that their Association manages the sharing of the two fishing boats (Purok Lourdes got two fibreglass motor boats) among themselves. It's an honesty and take-turns system, in which a fisherman can use a boat for a maximum of one week before having to return it to the association. By using the boat, the fisherman is required to share a third of his profits to the association, which may be used in the future to buy more boats. In two months, the association earned PHP9,700.

"With the fishing boats," says Geraldine Lulu of RFI, "they are really able to generate income. All their fishing boats are still in good working condition." By choosing to donate fishing boats, the RHI subsidiaries contribute to the communities' ability to be self-reliant, instead of waiting for dole-outs.



## Raising Fish

Not only fishing, but raising fish is part of CBP's livelihood program. In Embarcadero, Pontevedra, a fishpond with an area of 8,000m<sup>2</sup> was rehabilitated for the benefit of the barangay. Jose Parcon of RFI said "The fishpond is being directly supervised by RFI, but we involve the community in the implementation. For every harvest, the community has a share, which they can use as a capital buildup for the fishpond, or for community projects."

Initially, 1,500 fingerlings of bangus (milkfish) were provided and cultured in the pond, which yielded a total of 300 kg or PhP27,800 worth of bangus in the first crop year. The profit was split into three: the Foundation received 20 percent, which shall be used to replenish the fingerlings; the community fund 30 percent; and the caretaker 50 percent.

"The caretaker is the one who manages the pond," shares Laurencia Espinosa, a member of the community, in halting Tagalog. "Because the fish feeds on the algae in the pond, it is not difficult to manage," she adds. "Being the caretaker is a great help, especially in the everyday expenses. We harvest every three months, and after each harvest we change the caretaker, so that everybody has a chance. We buy fingerlings for 3 pesos each. Right now the pond contains 1,535 milkfish. They don't get sick, and you only need to supply feeds when their natural food supply is depleted, which happens rarely," as narrated by Lima, another member of the community and mother of five.



## Education

Another project of the CBP is to make education accessible. Through its education program, the CBP was able to graduate 20 plumbers and 20 welders in TESDA vocational trainings, which started in April 2014 and ended in July.



"RFI paid for the training fees, uniform, and daily allowance using the World Bank funds. The programs ended with an OJT period, during which, we, as the mother company, engaged them in Roxal and in CACI. When they graduated, we gave them tools since they already have the skills. With those tools, they can already start work as on-call plumbers or welders, even if they are not yet hired by a company," says Lulu.

Roxal's efforts at releasing less greenhouse gases have proven that caring for the environment creates waves from which not only the company can benefit, but also a greater number of people. And they benefit by more than just breathing clean air and having clean water. With sustainable livelihood, better health services, and stronger structures, the move towards greener industries has pushed the standard way of life... up!



### Rehabilitation, medical missions

The Community Benefits Plan also covered the rehabilitation of four public school classrooms and repaired three daycare centers in the district. With the improved classrooms the schools become more conducive to learning. The CBP covered the repair of the roofs and windows of the classrooms.

Medical and dental missions were carried out in five areas: Barangay 1, Purik Embroiders and Carmen Elementary School in Portovenia; Naguil and Roberto Sales Benavides in La Cortina. Medical equipment were donated in four barangay health centers and one school clinic. Apart from these, 15 nurses have been deployed for training and employment to three public hospitals in Negros Occidental. Lastly, 38 beneficiaries were provided septic tanks and 60 sets of garbage bins to help minimize or eliminate the waste materials accumulating in the Mangala River.





## COASTS, HIGHWAYS GO GREEN

Roxas Subsidiaries partner with the community on efforts for a greener environment

"Caring for the environment creates waves, from which not only the company can benefit, but also a number of people."

Pristine waters. White sandy shores. The scent of the salty sea breeze. Beaches are beautiful places and the Philippines is lucky to have many of these, being composed of more than 7,000 islands. Coastal areas like Nasugbu, however, are prone to garbage and waste accumulating on the shores, making it difficult for communities to appreciate their proximity to the shoreline.

"Especially when there are storms, we have so much garbage accumulating in the coastlines," says Jettison Tee, Head of the EMSD of CADPI. "CADPI employees have put up the Kawanis Club, an NGO with the objective of helping the youth and the environment."





### **Coastal and rivers clean-up**

On September 21, 2013, the group participated in the initiative of the International Coastal Clean-up. They collected the garbage and waste materials and properly disposed of them. From then on, one of the projects of the club is a monthly coastal clean-up. It helped clear out especially the debris that collected on the shoreline after the typhoon Glenda.

Employees of CADPI are also involved in a river maintenance project. "We have an Adopt a River Program," says Tee. "So the length of the river that runs through CADPI territory gets cleaned up annually at the minimum. We are working towards doing it quarterly. Our last clean-up was on March 23, 2014. If you look at the river, it is really polluted—garbage from the different communities living near it." He assures that the river gets no discharge of wastewater from CADPI. "Those who live in the area, along with our employees, were the ones who participated in the river clean-up."



## Tree Planting

Of course, what is an environment initiative without tree planting? On January 10, 2014, CADPI did a tree planting activity along the National Highway, where young trees were planted on CADPI premises. "This is not only a CADPI initiative," Lee states. "We got the community organizing it as well—the barangay, and once, the municipality. [The environment] is not just CADPI's concern, but also the entire community's." Being part of the Municipality of Nasugbu's beach forest council, CADPI is active in such initiatives, and will continue to support them as they come.



### Making clean stay clean

In the last crop year, CADPI diverted garbage bins to MENDOC, Barangay Malinao sa Pulo, Barangay Muring Indong, and other barangays in order to minimize littering. "When you drive along the highway here at Nasugbu, you will notice those garbage drums," says Head MENDOC Jellison Lee, who notes that the bins are marked "Nabubulok" and "Dinabulok" to encourage waste segregation. Segregation in turn encourages citizens to practice composting, which helps make the soil richer, a crucial need in agricultural communities.

### The cleaner, the better

The DENR's Adopt-a-River Program in Brgy. Roberto Solos Benedicto (RSB) and Brgy. Don Salvador Benedicto (DSB) is a collaborative undertaking between and among the Estero Community, Rural Brewery Corporation, Central Azucarera De la Carlota Inc., the local government and the DENR. The primary aim of the program is to facilitate the clearing of esteros of wastes, debris and silt and to mobilize communities in participation to the cleaning program. The program also intends to sustain the activity in the future years. Around 25 volunteers participated in the activity, collecting 12 sacks amounting to 80 kilos of solid wastes that impedes the flow of the river.

RSB was recognized by DENR last June 27, 2014 for its efforts in contribution and active participation in the program, which also, consequently, paved way to the sustainability of the implementation of the program in La Carlota.



## IDENTIFYING NEEDS OF THE COMMUNITY

RHI-CSR pursues a multi-sectoral approach to plan for Nasugbu's development; education and livelihood tagged as top priorities





"The company believes that by investing directly in the lives of the people, we are making them self-reliant."

In pursuit of the company's commitment to enable sustainable growth in the communities where it operates, Corporate Social Responsibility (CSR) Department of RHI initiated the community assessment of Nasugbu, Batangas last September 2014. The community assessment is aimed to better understand the community's needs; to develop an assessment report highlighting the challenges and opportunities present in the community; and to come up with policies, projects and programs addressing challenges and maximizing the opportunities and strengths of the community, at the same time achieving measurable results.

Education and livelihood are the top priority problems of Nasugbu among other socio-economic aspects of the community including health, transportation and infrastructure, shelter, sanitation, peace and order. Data showed that in the province of Batangas, Nasugbu ranked the highest in number of children aged 13-16 years old at 3298 children not attending school with a proportion of 38.1%. Moreover, with regards to income, the municipality ranks the highest with 10, 216 recorded incidences of household income below the poverty threshold. Further, Nasugbu ranks highest in terms of magnitude of households with income below the food threshold at 6217 incidences.

Findings from the community assessment are necessary in formulating more responsive projects and programs that would benefit the people. As of the present, RHI-CSR, in partnership with RFI, is devising new projects, which are not just philanthropic in nature but community-driven. These projects include education and youth development, livelihood, employment training and skills workshop, and green-friendly activities. The company believes that by investing directly in the lives of the people, we are making them self-reliant; and by addressing their felt needs, we are empowering them to become more active and functional members of the society.

Highlighting RHI's commitment and care for communities where the company operates, Mr. Ferdinand Joseph Escobar, SVP for Strategic Affairs and Executive Director of Roxas Foundation, Inc, reminds that the heart of the business is to care for the people, because what is development if not for the people?



## LESS WAITING FOR SUGAR CANE PROFITS

*Cane farmers benefit from faster cane purchase payments*

Farming is a work of patience. It takes months for one's investment to turn into profits. One tills the land, fertilizes it, plants the sugarcane, waits for it to mature, harvests, mills, refines... and only then can he sell and see the goods converted to cash.

At CADPI, however, sugar planters need not wait too long for their hard work to turn into cash. The mill's Cane Purchase Program aims to buy sugarcane from registered planters in order to help speed up the process of converting their sugarcane harvest into profit. This program works in a way wherein planters may sell their canes per truckload or what they call "per biyahe", instead of selling per field contract or the total canes harvested from their fields.







### Direct Purchase

Managed by the Planters Services Department of CADPI, the program facilitates cash conversion by buying the sugar directly from the planter as soon as it is brought to CADPI for milling. The planter receives a scale ticket, which records the amount of bags per ton cane (Lkg/TC) of his sugar – the higher Lkg/TC, the higher the price equivalent that a planter will receive.

Once the sugarcane is purchased, the farmer can receive his cheque within three to five working days. Interested planters need only to submit a letter from their planters' association indicating that they have the group's permission to sell in order to qualify.

"Indeed, the spirit of generosity and corporate social responsibility does not waver in times of catastrophe."

### SENDING AID TO YOLANDA-HIT AREAS

RHI donates P1.53M to Caritas Filipinas Foundation and shares sugar for Typhoon Yolanda relief efforts

On November 8, 2013, Eastern Visayas suffered the biggest blow as Super Typhoon Yolanda (International name, Haiyan) swept through the region. Many lost their lives, their homes, and their livelihood. To help in the relief efforts for the victims, Raxas Holdings, Inc. donated over PhP1.5 million to the CBCP-NASSA Caritas Filipinas Foundation, Inc., before the month was through.

RHI donated PhP1 million, which was supplemented by financial support, amounting to PhP350,000, from the Head Office, and the three subsidiaries: Central Azucarera Don Pedro, Inc. in Batangas; Central Azucarera de la Carlota, Inc. in Negros Occidental; and Raxal Bioenergy Corporation, also in Negros Occidental; and about PhP200,000 in contributions from employees across the Group. These funds came as a result of a decision for simpler Christmas celebrations and be in solidarity and donates the remaining funds to Yolanda survivors instead.

RHI also gave 100 bags of 50-kilogram refined sugar through the Sugar Regulatory Administration for both victims of the super typhoon and the earthquake, which hit Central Visayas. Indeed, the spirit of generosity and corporate social responsibility does not waver in times of catastrophe.



#### Glenda relief

Eight months after Super Typhoon Yolanda hit Philippine shores, Typhoon Glenda hit Southern Luzon, causing significant damage in the regions within it, including Batangas. CADFI responded to appeals for relief efforts by donating funds to aid victims as well as assisting in more coastal cleanups with the other members of the community. Glenda Relief Operations were mainly facilitated by RHI in Nasugbu, Batangas, mobilized by funds from CADFI, wherein around 125 families benefited from this community outreach.





 **SAFETY FIRST**  
WEAR YOUR PPE'S



"At RHI, we are continuously seeking ways to ensure that — to the best way possible — we will work on finding ways to achieve our operational parameters without compromising our commitment to safeguard the environment."

## BETTER POLLUTION CONTROL

CADPI installs new pollution control facilities, stack emission performance standard

Industrial workplaces are infamous for exposing many employees to environmental hazards, or at least to less-than-desirable circumstances. In fact, employees of such may be identified by just one glance at their clothing: any uniform previously intended to be white eventually finds a way to acquire the grayness of its surroundings.

To enable better environmental stewardship, the government enacted laws and regulations often to set restrictions and standards that must be followed and complied with.

"At RHI, we are continuously seeking ways to ensure that — to the best way possible — we will work on finding ways to achieve our operational parameters without compromising our commitment to safeguard the environment." Last year, RHI allocated PhP1 billion pesos to fund improvements in pollution control facilities and on initiatives focused on improving air and water quality.



## Air Quality and Ashes

According to Jettison Tee, Head of the EMSD at CADPI, the ash particles that come from the smoke stacks, if not monitored, or if the process is not made to comply with pollution control standards, will leave traces on clothing. "But here at CADPI, we have made our own standard for the Environmental Management Systems (EMS) that goes beyond those set by the DENR. For air pollution, we do regular stack sampling—we measure the particles in the air for each boiler. As you can see"—he says, showing the sampling results taken on February 18-20, 2014, which were 75, 119, 90, and 45 mg/Ncm—"the standard [by the Clean Air Act] is 150 mg/Ncm; so, they fall well within the boundary", he added.

The mechanical engineer explains that this is due to the company's use of a wet gas scrubber—"if we didn't have that, the smoke that you see going up in the air would be black instead of white. White means we are within the government standards," he adds.

"We also conduct ambient air [tests] or Air Quality Monitoring. The air surrounding a smoke stack is sampled also to trace suspended solids." In this test, the air in different sites around the milling facility is measured for particles. Measuring ambient air at the impounding lagoon, the 31 Security Headquarters, the wastewater treatment facility, and the composting facilities, Tee states that the company still also falls well within the standards of air quality.

"...we have made our own standard for the Environmental Management Systems (EMS) that goes beyond those set by the DENR."

## Wastewater

Apart from air pollution, CADPI also installed facilities for wastewater treatment. The actual average BOD5 amounts in the wastewater from CY 12-13 up to the first quarter of the following year is 4,734.333 mg/l (influent) and 25.81727 (effluent). "[Those figures mean] that before treatment, we have about 4,700 of BOD5 in the water, after treatment only 25," he explains, adding that CADPI does not discharge wastewater into the river. "We release final effluent to be used in firefighting and for dust emission control."

With the commendable efforts of CADPI in finding new ways to channel their commitment to environmental responsibility and sustainable development, they received a Plaque of Appreciation from Nestle in April 29, 2014, for the subsidiary's successful implementation of its Environmental Management System (EMS) and for its support of the "Greening the Supply Chain", among their exemplary environmental programs.



Quarterly meetings on compliance  
In order to ensure that standards remain high, "CADPI conducts quarterly meetings, headed by the DENR, to check on our compliance with the ECC," states Jettison Tee. Besides ECC, these quarterly meetings also look into the company's compliance with environmental regulations on water, air, and solid waste emissions, including toxic and hazardous waste management.





## SAFETY IS KNOWING, DOING

*RHI intensifies its campaign on the culture of safety*

The first hint of how RHI subsidiaries CADPI, CACI, and Roxol take care of their employees' safety is the uniform they wear: a hard hat, safety shoes, and on some workers, safety spectacles and a mask. Myla Candaganan, HR Supervisor at Roxol, identifies those as PPEs—personal protective equipment. Without the proper PPEs, an employee, no matter how experienced, cannot enter the plant proper.

At RHI, safety is more than a concept that must be learned, it is a culture that we would like to build. We want people to be proactive and empowered in making safety a priority.





## Dos and Don'ts

New employees and guests are given safety orientations and trainings prior to entering RHI facilities as a mandatory safety measure. The industrial operations and the hazardous chemicals and inputs being used in our facilities demand that safety be treated with utmost importance. We cannot leave safety by chance.

All guests who are to take a look at the plant need to be briefed first about the dos and don'ts within the premises. Employees receive the same briefing and are guided by safety signages posted all around the plant. Before the employee becomes a full-fledged worker, he receives the on-boarding training to help them identify crucial areas. "For example, in this area, you cannot bring a cell phone, or in that area, we don't allow smoking...", explains Candaganan.

Employees receive regular updating on safety protocols, while guests and visitors would have to undergo a similar safety orientation and training several months after their visit.



## Trainings

Because employees shall be in the vicinity on a daily basis, it is crucial for them to make safety a habit. Not only should they be equipped with know-how on proper attire and proper conduct at certain places, but also they must practice how to take action in cases of emergency.

"We give them training on first aid, basic life support, emergency/disaster training," enumerates Jetison Tee of CADPI. "HR ensures that employees get these trainings." Speaking for Rowol and CACI, Candoganan affirms the same.

## Effectiveness

"We monitor the effectiveness of the trainings on a quarterly basis," shares Tee, noting that they started the monitoring four years ago. "Based on our records, the trend goes down. This means the trainings are effective—although accidents have not completely been eliminated, the trend is going down."

Carlota Innumerable, Department Head of HR at CADPI, states, "On the average, an employee received 28 training hours for 2013-2014. Employee training programs are provided 0.15 percent of the annual operating budget." It's a small price to pay for taking care of employees and at the same time ensuring that the company does not lose man days to accidents that could have been avoided.




### Trainings offered in the last CY

In the last crop year, the trainings given for employees were:

Basic Fire Brigade Training Course  
Fire Safety  
Emergency Disaster Management Training and Drill  
Basic and Hazardous Chemical Management Training  
Hazardous Chemical Safety Training  
Security and Safety Training Orientation for BHE Cadets  
Basic Occupational Safety and Health

Training for OIC/EMSO and EM Officer  
Conduct of Orientation/Refresher Course on Watchman Protocol (2 batches) including Fire Safety, ESH and ISO 14001 Orientation, Behavioral Safety Training, and ESH Orientation for Accredited Contractors, which is continuously given as needed





“As long as it remains active and its members commit to perform their roles well, the MMT can help facilitate better environmental compliance and a stronger partnership between the two subsidiaries and the community.”

## THE ‘WATCHDOGS’ OF ENVIRONMENTAL COMPLIANCE

*CACI-Roxol reactivates Multi-partite Monitoring Team for river quality monitoring and environmental compliance*

The two RHI subsidiaries, while compliant with DENR environmental standards, value the inputs of the stakeholders in keeping watch over how they care for the natural surroundings, particularly the river nearby.

In the crop year 2013-2014, CACI’s Environmental Management and Safety Department and Roxol activated the CACI-Roxol Multi-partite Monitoring Team (MMT), and involved the community (the barangay and government representatives) and other stakeholders (sectoral and executive committees) in policing the companies’ environmental systems. It is crucial to involve these stakeholders because if something goes wrong with the company’s—for instance—waste disposal system, they will be the first ones to complain.

We want our stakeholders to know that we are taking our role in environmental stewardship seriously. Beyond policing, we want the MMT to work with us in proposing green and sustainable solutions. RHI believes in the power of multi-disciplinary thinking that the MMT — given their diverse background and experiences — can offer.

The objectives of the newly reorganized group include: 1) ensuring the implementation of sound environmental management within the company and its areas of operation, 2) being responsible for validation of Roxol Bioenergy Corporation’s environmental performance, 3) receiving complaints, gathering relevant information to facilitate determination of validity of complaints, and 4) making validation reports to community and stakeholders.

The group has just been re-activated. But as long as it remains active and its members commit to perform their roles well, the MMT can help facilitate better environmental compliance and a stronger partnership between the two subsidiaries and the community.





## LET'S TALK IT OVER

CACI's collective bargaining concludes peacefully

The relationship between employer and employee is an important aspect in any sustainability framework, and peace between both parties is ideal. RHI respects the rights of its employees to organize and form union. This is a healthy check and balance to ensure that interests of employees are protected and concerns are effectively put forward to management. The labor union gives workers a voice.

Last fiscal year, CACI peacefully concluded the collective bargaining between the plant and the union. "We started negotiations in July 2013 and concluded by signing an agreement in February 2014. It was mostly on economic aspects," says Jose Parcon, who then occupied the post of HR at CACI. Almost seven months of negotiations


passed before any agreement was reached, but it helped that all aspects were considered on both sides, such as real benefits for the workers against the financial capabilities of the employer.

The collective bargaining agreement concluded peacefully with no incidence of violence recorded while the CBA was on-going.

*Future Planning: let's talk / Managapayan / Pulungan*

RHI continues to provide opportunities for employees of RHI and its subsidiaries to be heard by management. Last fiscal year, RHI conducted various *mini-agapayan* and *pulungan* to discuss issues and concerns. "The management, starting with the Chairman and CEO, would want to reach out and know what our employees think about the company. They believe that the company can learn a lot from what our people experience at the ground." SVP for Human Resources Ramon De la Cruz mentioned. RHI is looking forward to conduct and organize regular *dowdall* meetings, involving employees at various levels.





“Well, we were able to give them most of what they asked for, and for those that we could not give, we had to explain and offer something else.”

### **Conflict and resolution**

How did it go? “Well, we were able to give them most of what they asked for, and for those that we could not give, we had to explain and offer something else.” RHII’s approach during the bargaining process is simple, “we just need to be transparent and straightforward with the concerns and challenges we face as part of management; if we just go with what is true, I am confident that the union will understand why we cannot meet all of their demands,” CACI President and COO Amarra adds.

### **Mutual Trust (even beyond CBA)**

CACI is proud of the industrial peace between the Management and the Union. At CACI, there are monthly meetings on labor management issues, and these meetings become the venue in which the Union can raise their issues directly to Management. As much as possible, there is an on-the-spot resolution, except for issues needing approval of the upper management.

Cordial, mutually supportive relations characterize the dynamics between CACI and the Union, which regularly engage in dialogue on key issues. They respect their differences in perspective and approach, and strive to maintain a strong labor-management relationship so that sustained company growth and improved working conditions can be simultaneously achieved through mutual trust.



## GREATER TRANSPARENCY ON THE SUPPLY CHAIN

RHI procurement goes 'E' for better control

The concept of attaching an "E" for "electronic" on ordinary things has come a long way from "email," which is now a word no one can live without. Now, "E" has been attached to business, and in this particular case, procurement.

RHI revamps the entire procurement process to make all procurement deals transparent—and this is now known as E-bidding. "[In] electronic bidding, or E-bidding, suppliers bid without seeing each other, without seeing the users. The bidding prices are there. [The process is] transparent," says Juan Miguel Araneta, SVP of Supply Chain, of this innovative way of procurement.

The E-bidding was implemented in August 2014. Araneta notes that E-bidding is connected to the company's move of buying directly from manufacturers instead of buying supplies such as chemicals, bunker fuel, and packaging materials through a dealer. "We get savings [this way]—instead of going to the dealer, paying their overhead or mark up, we go directly to the manufacturer."

"By having all contracted items as a catalogue item, an organization can ensure that the savings generated during the sourcing process are being realized"

## Catalogue

At the heart of every procurement system is a catalogue. By having all contracted items as a catalogue item, an organization can ensure that the savings generated during the sourcing process are being realized through: 1) Consolidated purchases to preferred suppliers that increases RHI's negotiating power; 2) Increasing operating efficiencies that reduces the order cycle time, producing happier users thereby giving purchasing more internal influence and; 3) Purchasing personnel will have more time to focus on strategic sourcing.

Seeing the actual price from the manufacturers spurred RHI into seeking and promoting transparency in all its procurement processes. "We got rid of the old school 'sealed deal' negotiations. With E-bidding and catalogues, everything now can be seen on your desktop," Araneta points out.

With transparent negotiations, RHI had 46 reverse auctions since it started with e-procurement and the estimated savings has reached more than PHP28 million.

### Besides going 'E,' RHI went 'green'

In the last crop year, RHI's procurement process took "greening the supply chain" one notch higher. For instance, the company now only purchases products and services that leave a reduced impact on human health and the environment. CADP requires its suppliers and contractors to be environment friendly and comply with applicable environmental legal requirements and other legal requirements. Known as "green procurement," the move encourages suppliers to meet higher standards of procurement and good manufacturing practices.



"We put high premium on corporate governance because we consider it as a way of life."



## AT PAR WITH THE ASEAN STANDARDS

RHI Asean Corporate Governance Score up by 15 points

Raxas Holdings, Inc. took a notch higher when it performed better during the recent assessment of its ASEAN Corporate Governance Scorecard (ACGS). From 2013 to 2014, the company's ACGS score increased by 15.4 points (from 48.5 in 2013 to 63.9 in 2014). RHI fared higher than the average score (63 points) of Philippine publicly listed companies (PLCs) as reported by the Institute of Corporate Directors.

The ACGS is a corporate governance assessment tool being used in conjunction with the corporate governance principles of Organization for Economic Co-Operation and Development (OECD): a) rights of shareholders, b) equitable treatment of shareholders, c) role of stakeholders in governance, d) disclosure and transparency, and e) responsibilities of the board. PLCs are evaluated using these standards annually.



### Unveiling the New Compliance Team

The commitment of the company to pursue collective efforts toward the improvement of scores proves RHI's continuous journey of embracing governance as a way of life. With this commitment, the company formed and introduced a new Compliance Team in fiscal year 2013-2014 who manages and assesses the "needs" of the company. The team and the newly appointed executives of the company were sent to a Corporate Governance Orientation Program (CGOP) wherein trends and issues on governance were discussed.

### Policy and Reforms

Apart from this, compliance and efforts on corporate governance were manifested in the approved improvements of current policies which are centered in transparency and disclosure towards all stakeholders. The approval of the RHI Trading policy and RHI Dividend policy are evident and impactful indications of our commitment to forwarding corporate governance. The RHI Trading Policy promotes the company's commitment against insider trading, towards protection of stakeholders and serves as a clear guideline of handling confidential information. On the other hand, the RHI Dividend Policy sets a rational basis for declaring dividends. Consequently, the content of the website was reorganized to align with the set standards towards transparency, disclosure and the availability of relevant information to stakeholders.



## Set higher standards

The ASEAN Scorecard primarily intends to provide a benchmarking for the assessment of the corporate governance of publicly listed companies (PLCs) and to set higher standards for global competitiveness. RHI adopted this method of assessment since 2012. The ACGS does not only establish corporate governance standards, but results can be suggestive of areas to which improvement could be sought after by the PLCs through policies and better governance practices. As previously, ASEAN counterparts have been steps ahead of Philippine PLCs and have advanced their economies as compared to the latter; thus, there is a need to pursue policy reforms and improve on governance practices, extending to a national level reformation and re-evaluation of laws and legislations.

Highlighting the importance of corporate governance and RHI's commitment to go beyond the assessment, Atty. Florencio Mamauag, appointed Compliance Officer mentioned: "We want to cover the changes that triggered the improvement." As the assessment is only the beginning of better corporate governance, RHI poses its firm stand on improving governance policies and practices, moving forward. As this is sought after, RHI's President and CEO, Renato C. Valencia, goes on saying: "Corporate Governance is key in increasing investor confidence and positioning the company to achieve long-term growth, and the company remains solid in its commitment to adhere to the global standards on corporate governance".

"We want to cover the changes that triggered the improvement."



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## MOVING FORWARD WITH R&D

RHI funds Research and Development, channelled to 4 academic institutions

In fiscal year 2013-2014, RHI set-up a research and development fund and set aside PhP45 million for this purpose. Research and development is key in business for it enables innovation and discovery of new inputs, methods and products that can drive competitive advantage.

Unfortunately, the Philippines has lagged behind other sugar-producing countries in terms of cane variety and farm practices, which can be attributable to minimal investments in research and development for the sugar industry. RHI is committed to supplement government's efforts in R&D.

Part of RHI's vision to be a world-class leader in the sugar industry is a continuous exploration of innovative ways to move forward with its operations. Research and Development is one of the seven (7) strategic growth pillars that RHI defined moving forward. "We need to invest heavily in R&D if we want to be competitive," Mr. Archie Amarra, EVP for Agro-Industrial Research & Development, and Farm Operations said. RHI's R&D thrusts are on three (3) areas: a) farm productivity, b) cost efficiency and c) product development.





### **Emphasis on farm productivity**

In a cost comparison assessment done by RHI among sugar producing countries, while there are improvements that can happen in plant operations, farm accounts for 70% of production cost. "If we are to be competitive in our cost, we should find a way to match the productivity of other sugar producing countries," President and CEO Renato Valencia commented.

The Philippines has lagged behind other sugar producing countries in terms of cane variety and farm practices. Some of our planters are still using older sugarcane varieties; we need to examine and explore the best varieties that will match the needs and conditions of our sugarcane fields.



### **RHI partners with UPLB on R&D efforts**

Towards the end of the crop year, Roxas Holdings, Inc. signed a partnership agreement with the University of the Philippines - Los Baños (UPLB) to create a ₱7.5 million endowment fund for research and development.

UPLB will come up with research proposals that can benefit the industry. Some of the proposals include potential uses of sugarcane products which may lead to the development of commercially-viable products such as bioplastics, and will therefore advance the Sugar Industry in the Philippines.

The R&D initiative also includes the deployment of graduating students from UPLB to conduct their undergraduate thesis on the operational aspect of the business. Subjects of studies include the research on factors affecting mill performance in CADP, study on operational systems used in manufacturing such as the boiler, evaluation of data obtained in samplings and sugar laboratory tests, analysis of products, and correlation study on cane varieties.

"For us to accelerate R&D efforts in the sugar industry, we have to rely on institutions that have greater expertise."

### **RHI eyes three (3) more academic institutions as partners**

"For us to accelerate R&D efforts in the sugar industry, we have to rely on institutions that have greater expertise," Mr. Jose Alisla, VP for Agro-Industrial Research & Development, and Farm Operations said. Thus, RHI's approach is and will be to nurture partnerships with academic institutions.

Before fiscal year 2013-14 ended, RHI has explored talks with other academic institutions starting with the University of St. La Salle (USLS) in Bacolod. USLS has conducted some studies on sugar in the past. From their inventory of studies, follow-up researches will be conducted in line with RHI agenda. Being located in the sugar capital of the Philippines, USLS also sets sights on other studies directly impacting specifically on the sugarcane farmers in Negros, and the economy of the province in general. RHI is looking for two (2) more institutions to be its partner. With USLS as one of the three academic institutions, RHI is still looking for two (2) more to be its partner.



## Plant the right way

Demonstration Farm in Batangas:  
Managed for higher productivity

One of the highlights of the current Research and Development initiatives of RHI is the management of a nursery or demonstration farm in Nasugbu, Batangas. The primary aim of this project is to provide planting materials of new variety to farmers, for increased productivity, consequently.

The idea of the demo farm is to assist farmers in learning the basics on sugarcane farming. This comes especially handy in maximizing productivity with high-yielding varieties. RHI has allotted a total of 15 hectares of land for the cultivation of different varieties, as part of its R&D program. This space for nursery will facilitate the field experiment of four varieties to be planted. With the soil as the independent variable, R&D units will add on a study using two different planting densities for each of the four varieties. At the end of one crop year, results would indicate the best performing variety for Batangas, as well as prescribe the best planting rate for every hectare of sugarcane farm.

Currently, five hectares of land has been pioneered in growing different cane varieties. As this is a continuous process of assessment, R&D sets up clear parameters of results towards increased efficiency and higher returns or profit. According to Alisla, the idea of sustainability in the demo farm is part of the effort in social marketing and technology adoption; geared towards improving the farming condition, RHI extends assistance to the farmers in terms of sustaining a productive set-up.



### Future planning: Newer ventures

RHI solidifies its commitment towards long-term productivity through plans of a new venture: the Agribusiness Development Corporation (RHI ADC)—a wholly owned subsidiary of RHI, which will operate as a self-liquidating corporation and be independent of its own operational systems and control. Both as a management and service provider unit, RHI ADC will manage RHI-controlled farms, while delivering a full range of services in farm operations from land preparation to harvesting, from technical advice to financial.

### Future planning: Manual to Mechanical

Indeed, harvest season is the most fulfilling, yet tedious part of being a cane farmer. Harvesting is mostly done manually, using various types of cutters. Reaped canes are carried by laborers to the truck for delivery to the mill. However, harvesting labor becomes less available as workers divert to higher paying and less exhausting jobs. Mr. Jose Rijo Alisla, VP for Agro-Industrial Research and Development and Farm Operations, says, "we are experiencing a condition in which people are losing interest to work in a farm because of its heavy labor requirement, in the coming years, the supply of labor may most likely decline further."

In line with this concern, RHI allocated P80 million to purchase four mechanical harvesters, a machine that does not only harvest the cane but puts them in specialized cane trucks. "We have seen the difficulty of sugarcane workers when they pick up the canes, lift them up at their shoulders and back, and walk up to the truck through an improvised ramp," Alisla adds. As such, apart from improving productivity, the harvester will help improve the condition of workers in farms. Furthermore, estimates show that agricultural mechanization in cane farms is more cost-effective and efficient, at the same time beneficial to the farmers.



## **THE GRASS IS 'GREENER'**

RHI invests on Napier grass

Surrounding the Administration Office of Roxol are grassy plants that resemble sugarcane, but are smaller in stature. These plants, known as Napier grass, are being cultivated for testing of their viability as solid fuel for the biogas plant.



## The good in Napier

Versatile, the Napier grass displays good potential as a source of biofuel. Being tolerant of dry days and good growth even on marginal lands, its low-maintenance quality makes it easier to cultivate. Apart from these, utilization can be maximized through use in plant milling at a low-cost production, without compromising operational results.

Feasible, studies have shown that the volume of grass that can be harvested can be significantly higher than sugarcane. Napier can be harvested three times a year, unlike the normal sugarcane plant, which can only be harvested once per year.

Eco-friendly, Napier grass studies prove to be more advanced, highlighting that the Napier grass can be used as biomass feedstock for our internal energy requirements. Apart from being low-cost at production and low-maintenance, it extends its viability to environmental purposes.



## Forward Planning

As the Napier grass is a new variable for production, research and development continues to be a vital factor in assessing the use and effectiveness of the grass. Currently, a breed of Napier grass, Pakchong 1, is planted and distributed throughout a 2,200-square meter napier plantation near CADPI in Nasugbu, Batangas. The R&D of the Napier grass covers the study on the nutrient uptake and cultural practices to increase Napier yield, which will be carried out by R&D units. Along with this, the experiment and study of the cultivation of the Napier is done through the current expanse of Napier plantation. Harvest will be scheduled starting the 3rd month up to the 6th month, per 2-square meter of grass. A total of three harvests will be conducted to study the maturity of the Napier grass, and which of the variables during the harvesting timeline would be the most viable and most productive.

Along with the Napier plantation in Nasugbu, Batangas, Roxol in La Carlota, Negros Occidental, has reserved a two-hectare space for the cultivation of the Napier grass in their area. The stalks of the grass would be able to extend its use to the production of the site. Looking at the company's future goals, these grasses will potentially work well as solid fuel and the company need not rely so heavily on bagasse, wood chips, and other random solid fuels. Along with methane, Napier grass may be used to lessen the need for these more costly fuels. Plus, the plot for Napier grass may become a good destination for some, if not all, of the wastewater coming from the biogas plant, promoting a deeper sense of environmental responsibility without compromising efficiency.







## CERTIFICATION OF GOOD QUALITY

RHI subsidiaries renew ISO certification

On March 2014, SGS Philippines, an inspection, verification, testing, and certification organization, certified anew the operations of CADPI.

CADPI is ISO 9001:2008, 22000:2005, and 14001:2004 certified, while CACI is ISO 9001:2008 certified. ISO 9001 is for Quality Management Systems, ISO 22000 for Food Safety Management Systems, and ISO 14001 for Environmental Management Systems.

ISO is recognized as a global benchmark for quality and integrity. With ISO certification, Roxas subsidiaries prove themselves to be organizations that pass global industry standards. International recognitions are crucial for the Group in gearing up for the future, especially with the implementation of the ASEAN Economic Community beginning next year.

## SWEET ASSURANCE

CACI tightens quality control on sugar bag outputs, cases of damaged products kept at zero



A sugar mill is a very busy place during its six months of operations. That's why it is crucial for those managing it to be watchful of the output. One can't let the hard work of the workers, not to mention the planters who bring their sugar to the mill, go to waste by allowing the raw sugar to spoil for one reason or another.

According to Dionisia Caspe, Marketing Manager of CACI, the sugar that comes from the mill at La Carlota is always in good condition because "the warehouses of the mills are especially designed to store sugar, even those older ones that were built at the time of our grandparents." Moisture and heat are the common culprits to ruining the sugar, so the mill's areas of storage are designed to keep them away.

Traders and customers, who pick up the sugar directly from the mill's warehouses, are assured of the quality of sugar they buy as the company implements a stringent quality control process. At CACI, the quality of the sugar in each bag is assured because the company has metal detectors. According to Genaro Bernabe, Resident Manager of CACI, the mill operates with strict quality assurance. The metal detectors are for finding metal contaminants that may find their way in the bags; since their use, there have been no bags of premium raw sugar detected to have such contaminants.

Consequently, there are very few complaints from customers. "There are always complaints, and there are complaints that are not legitimate," notes Caspe. "We also have returns, but very minimal—less than 1 percent."

### Future Planning: Free from block spots

As CACI takes quality control and assurance as one of the top priorities in its operations, they plan to pursue the installation of a new equipment to filter block spots in the bags of premium raw sugar. Resident Manager Mr. Genaro Bernabe reiterates their commitment to the maintenance of high-quality outputs, complying to set standards and procedures for quality assurance and commendable operations.



## ENERGY EFFICIENT

CADPI saves P16.7M on energy and power, bags

DOE Outstanding Awards for Energy Efficiency and Conservation and Climate Change Mitigation



On December 6, 2013, CADPI received the Outstanding Award from the Department of Energy, The National Steering Committee of the Don Emilio Abello Energy Efficiency Awards (DEAEEA) for its contribution to the energy efficiency and conservation goals of the country, and substantial effort to mitigate climate change. CADPI Resident Manager Simon P. Tuma was likewise awarded the Outstanding Energy Manager Award for his leadership in the company's environmental initiatives.

The Don Emilio Abello Energy Efficiency Awards (DEAEEA) recognizes outstanding companies and energy managers who have undertaken or are responsible in implementing energy efficiency and conservation programs to achieve substantial savings in their energy consumption.

First among these energy efficient moves is the company's switch from metal halide bulbs (400 watts) to Lotus bulbs (200 watts). The new implementation did not compromise the quality of lighting in the facility as EMSD Head Jettison Tee assures, "if the bulbs are not brighter, they are just as bright. By implementing a simple change we already made a big difference." CADPI saved PhP1,497,787.20 in energy costs in a year.

Another initiative is to upgrade the motor controls of the Variable Frequency Drive (VFD) of the centrifugal machines (Western State Centrifugals). "Before, we used to just switch on the system—and that's it. With the VFD, we can change the speed, we can modify it to the speed we really need. This helps us to save almost five million," explains Tee. "It doesn't affect the quality of the output because we have studied it and learned the exact speed required."

The new VFD, together with alternating current (AC) controls, resulted in savings of more than PhP 15M, a figure that Tee observes to be much more significant than if the company simply created conservative energy saving policies such as switching off lights and air-conditioners that are not in use. The company's total energy savings due to all these significant changes amounted to PhP 16,707,447.14.

## GETTING THE PERFECT SUGAR GRANULES

CADPI leads the industry with advanced equipment for quality analysis and sugar conditioning

"With this switch in technology, advancing the sugar conditioning process, CADPI raises the bar of industrial standards."

One of the most common issues with sugar customers is caking. "Caking" means the sugar crystals stick together, instead of being free flowing and granular. Caked sugar contains lumps, and this happens when there is moisture content in the storage, making it difficult to sell.

### Refined Process

In answer to this problem, in March 2011, CADPI's sugar refinery shifted to using the DA 7200, replacing lead-based chemicals in the process of refining. The usage of lead sub-acetate runs up to approximately 300 Kg per year, but this year it significantly decreased to 100 Kg, with a total reduction of 33 percent.

In addition, the use of the DA 7200 Diode Array Analyzer prevents the following hazards: disposal of empty plastic containers; disposal of filter paper contaminated with lead residue; storage and disposal of residues and washings; exposure of personnel to lead.



### High Tech

With this switch in technology, advancing the sugar conditioning process, CADPI raises the bar of industrial standards. The fundamental element of the process is the inclusion of a special conditioning silo at the end of the refinery drying stage. After the refined sugar leaves the drier, it enters a conditioning silo where filtered low humidity air is allowed to percolate through the stored sugar. This has the effect of extracting and stabilizing a substantial portion of the retained moisture on the surface and within the sugar crystal.

As long as sugar does not come in contact with moisture or high levels of humidity after the conditioning process, it should stay granular and free-flowing, assuring customers that the sugar they buy are always of high quality.



## SECOND LIFE FOR SOLID AND LIQUID WASTE

RHI's sugar operations go full cycle with by-products used as inputs for farmers and model farm



Every year, CADPI strives to achieve more—but more may also mean more factory waste, as crop year 2013 - 2014 has shown; the amount of waste (mudpress, boiler ash, and wastewater) has increased. This makes it more critical to ensure that the industry's negative effects on the environment are minimized or eliminated.

On the other hand, rich soil doesn't appear overnight. It is a product of proper cultivation, often by doing farming techniques like crop rotation. But for lands that need to produce the same crop every year, using fertilizer is the best way to go.



## Mudpress

In CADPI, solid waste is composted in a mudpress, which becomes a good source of nutrients for the farmlands. Mud press is the residue of the filtration of sugarcane juice. The clarification process separates the juice into a clear juice that rises to the top and goes to manufacture, and a mud that collects at the bottom. The mud is then filtered to separate the suspended matter, which includes insoluble salts and fine bagasse. It contains all the nutrients the plants need, since it is originally made up of the organic matter of these same plants, after the sugar has been extracted from them.

CADPI currently utilizes mud press as a soil conditioner and organic fertilizer for sugarcane fields. This year, the total quantity of mud press withdrawn by the planters and the Mill District Development Foundation, Inc. (MDDFI) is 17,424 tons: 11,286 tons of mud press was used by planters; 2,189 tons, mudpress delivered by MDDFI to the planters, and 3,949 tons withdrawn by MDDFI.

"We disseminate the treaty that we can provide them the mudpress for free," says Felix D. Moreno, PSD at CADPI. "However, the planters find it challenging to spread the mudpress on their farms. It becomes an additional cost for them because they have to hire laborers to spread it."

Moreno goes on to say that in order to help make this easier, the company is looking for solutions, such as a mudpress spreader, which is being used in Australia. "It is going to be tough to have it here, since as you can see in Western Batangas, planters don't even have their own trucks. But in the Eastern side they are more progressive," he muses.

Of the mudpress, Chui, a planter, says in Tagalog, "I have been able to have some of it delivered to me. It's very good. We're aware of the benefits available... this is one of those. It's a big help for a farmer."

If solid waste can have a second life, could liquid waste be used as beneficially, too? According to Ferdie Pangan of Roxol, "Our wastewater has fertilizer value. What we use to produce beer is fertilizer." After the alcohol is distilled or separated from the beer, the resulting wastewater still contains the fertilizer.

This wastewater is called "spentwash," and it has already been used as fertilizer by others, though for Roxas subsidiaries, the matter is still open to debate. Because of the zero liquid effluent system, ways of using spent wash are being studied, to be implemented in the following years.





## KEEPING OUR PEOPLE THE FIRST PRIORITY

RHI adopts a multi-program approach to compensation and rewards management to improve training and development, performance, engagement and morale

"RHI ensures that they treat people's skills and talents as delicate ingredients that allow the company to move forward towards sweeter returns."



It has always been said that the greatest asset in every company is its people. Greater investments on the company's talents will push things forward for the company towards greater success. In RHI, we put prime importance to the main driving factors of the company—their employees.

When asked how the Human Resources should take care of a company's people, Frederick Reyes, VP for HR, mentions three different ways:

- 1) career development
- 2) performance management
- 3) rewards management

## Career development & Performance management

In RHI's recipe for successful operations, we cannot go about without preparing our people as the main component. In more ways than one, we provide sufficient opportunities for our employees to grow and refine their competencies and skillset through training and development. Boosting up the morale and confidence of our people, we ensure that we treat people's skills and talents as delicate ingredients that allow the company to move forward towards sweeter returns.

Development is vital in spicing up the performance of the company, and RHI guarantees suitable career development programs, catering to each individual, "from executives to the rank and file", according to Reyes. For one, the company developed the succession or understudy program to prepare for future leaders and executives. RHI also provides opportunities to middle managers to try other posts as acting managers to enhance their experience and skills. Rank and file employees are given trainings, equipping them with due skills and deepen their know-how. This is only first of many steps in creating a good mix of success, for the people and for the company.

Just like any good, old recipe, RHI manages how they incorporate those refined skills into performance. Essentially, performance targets are aligned with business goals. These, in turn, are evaluated and used as basis for career development and rewards.

### Three-tiered rewards management program

The fruits and sweet harvest of good performance, of course, come in the taste of rewards. Unique to the company, RHI has a multi-program approach to compensation and rewards management in place.

According to Reyes, "first, we give an annual merit increase—salary adjustments based on performance evaluation." This program recognizes individual performance and ensures growth in the compensation package of the employee.

Based on the formula and mechanics, a certain percentage of the company's profit is shared with the employees. This is the second leg of the company's robust rewards program.

Lastly, apart from sharing, RHI employees are given the opportunity to be co-owners of the company through the Employee Stock Option Plan. In essence, as Reyes explains, "what's good about it is that it gives employees a long term perspective of their employment and encourages them to be part of the company's long-term plan."





"By just looking at how the company cares for its people, one already knows how well they understand employees."

## Talent Retention

From experience, Reyes has observed how such a reward affects people, helping them to perform well and to stay on. "The stock option encourages one to stay and be engaged—it's part of talent retention," he states.

## What makes people stay

It doesn't come as a surprise that at RHI, employee attrition is low. By just looking at how the company cares for its people, one already knows how well they understand employees—especially on the question of what will make them stay. No matter how one looks at it, what Reyes points out is true: "What we offer is a three-tiered rewards program that's quite rare in the industry or market." Enlivening people's stay, the secret to the great success of employee retention is accounted in the investment RHI extends to its people. With this, the company lives up to the familiar chase that the people are is its most important assets. For RHI, this is the working philosophy.




Training to move up  
Cadenas Program is CACOR's structured training program that aims to employ newly licensed engineers and fresh business school graduates, train them for six months under various factory and general administration units and develop them to create a pipeline of future leaders and general managers.

According to Garing Sumbatillo, Department Head of HR at CACOR, "We've had graduated three batches of Cadenas already, the first batch graduating in 2013 while second and third batches in 2014. All the caders have occupied professional/technical positions in response to the recent restructuring of the organization and likewise the approaching retirement of veteran managers. Batch 4 has commenced its training and is scheduled for graduation on February 2015."

Caders are often well-trained, even in just a 6-month program—in fact, the training is good enough for other companies to "poach" the caders after they finish the course!





We aim to be exemplary in our initiatives that protect the environment, improve lives and sustain our growth; all while gearing up in order to be globally competitive.

From the little details of our safety protocols, up to the larger picture of corporate governance, we at RHE are committed to sustainability in all its faces. The projects begun and detailed in this report are our kickoffs towards the direction of social responsibility, our progress in which we shall follow in the coming years.

With your support, the company could continue to do good, do right and do well, not only in taking our corporate social responsibility to the next level, but also in improving our own organization by effect. We aim to be exemplary in our initiatives that protect the environment, improve lives and sustain our growth; all while gearing up in order to be globally competitive.

Above and Beyond... how can we possibly aim for less?





Carlini Generoso Bldg.,  
165 Aguina St., Baguio Village  
Angeles City, 1229 Philippines  
[www.roxasholdings.com.ph](http://www.roxasholdings.com.ph)