



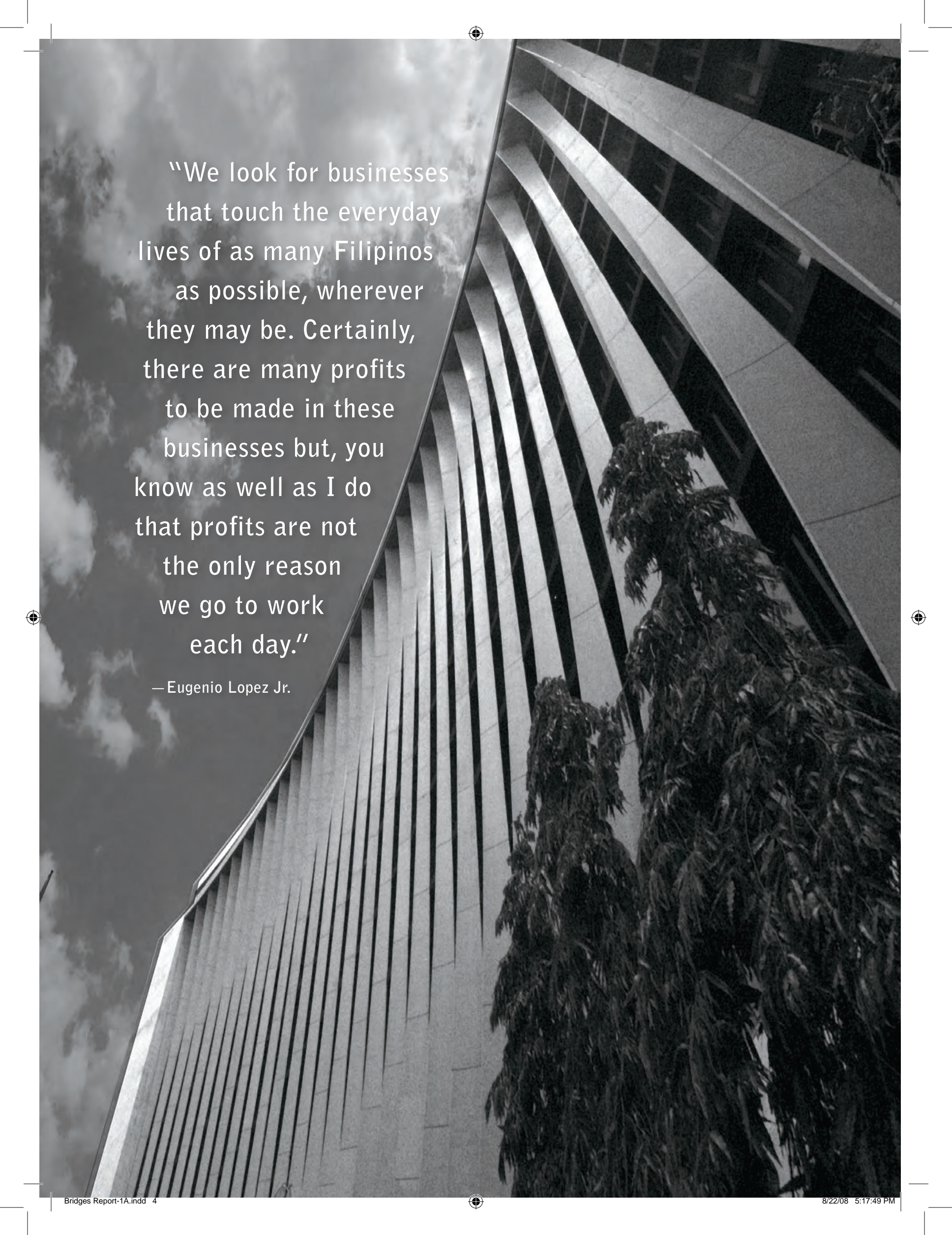
# BRIDGES

CORPORATE SOCIAL RESPONSIBILITY INITIATIVES OF THE LOPEZ GROUP



Business Excellence

# Social Responsibility



“We look for businesses that touch the everyday lives of as many Filipinos as possible, wherever they may be. Certainly, there are many profits to be made in these businesses but, you know as well as I do that profits are not the only reason we go to work each day.”

—Eugenio Lopez Jr.

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Lopez Group Chairman Oscar Lopez during a feeding program of Bantay Kalusugan in Jaro, Iloilo.

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# Ascending the Steps of Sustainability



**W**e began *Bridges Magazine* more than three years ago as a vehicle to show a consolidated picture of the corporate social responsibility programs of the Lopez companies and foundations. It came on the heels of the establishment of the Lopez Group Foundation Inc. (LGFI), which was intended to promote better synergies and coordination among the Lopez foundations and companies.

The scale, diversity, locations, and long-term impact of these CSR programs reflected the Group's commitment to serving its various communities. It was important that key stakeholders were fully aware of the wide swath yet unifying ideals of these programs. LGFI was tasked with helping communicate the intent and import of these programs, and widen the avenues for support from other organizations and the general public.

Among the stakeholders we want to address, the one we have chosen to focus on this time was the group of investors and financial advisers who are drawn to what may be termed as 'socially responsible' investments. So, we have opted for a leaner, more straightforward way of presenting the core businesses and chief activities of the Lopez

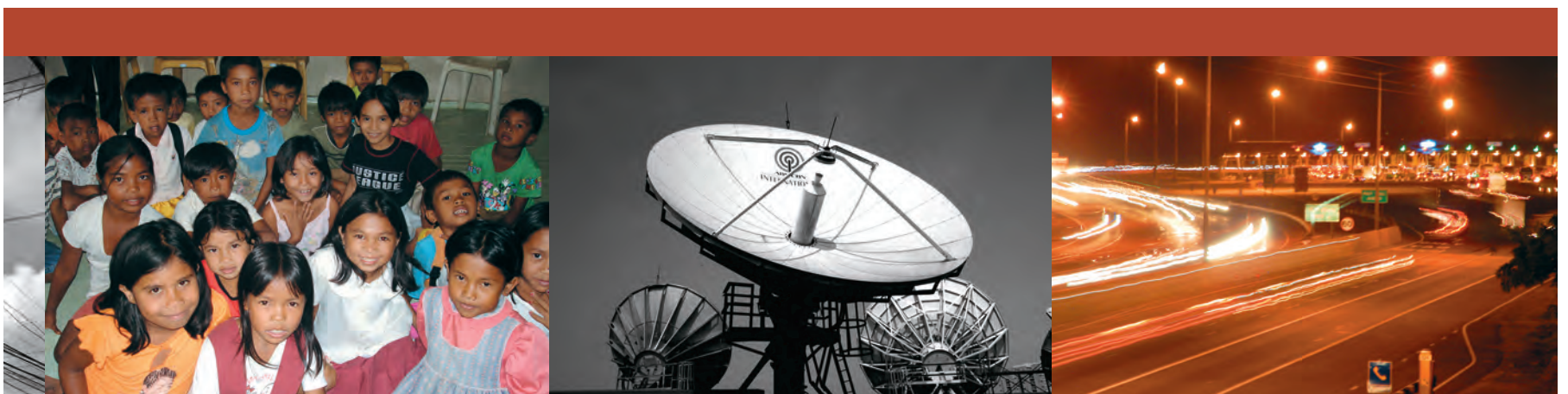
companies and foundations. Readers of the first two editions of *Bridges* will instantly note the shift in style and emphasis.

In the first two issues of *Bridges*, it became quite clear that as large and relevant as the foundations' works were, the companies that mainstreamed CSR into their operations were equally important in fulfilling the triple bottomline thrust of the entire Lopez organization.

It was also evident that the Lopez companies had several major programs already in place that were aligned with the thinking that the companies could only sustain their profitability if they remained responsible for the social and environmental impact of their products and processes. Such programs for "doing well by doing good" included those that made the companies compliant with ISO, ESH, and environmental regulations, and of late the Investors in People certification, and those programs that addressed the needs and concerns of the companies' specific communities.

Moreover, the major awards and recognition programs, such as the Lopez Achievement Awards and Oscar Awards, put in place distinct processes

“The Lopez Way” —a willingness to break from old paradigms, a pioneering spirit as shown by investments in leading-edge technology, the deliberate choice to serve the Filipino rather than the export or foreign market, orientation towards mass media and public utilities that benefit countless families, and resiliency in the face of daunting adversity.



of performance that allowed the identification and replication of best practices in business excellence. Taken as a whole, these corporate programs and awards serve to demonstrate the intangible assets that allow the Lopez companies and foundations to achieve whatever they aimed to do and to provide for continuous improvement.

The Lopez Group fully subscribes to the basic tenets of sustainability or, in a broader sense, sustainable development which has been defined by the 1987 Brundtland Report, “Our Common Future,” as “development which meets the needs of the present without compromising the ability of future generations to meet their own needs.”

By some confluence of thinking, the seeds of this concept of sustainability were already being espoused by the Lopez pioneers, particularly the brothers Eugenio and Fernando, as early as the 1800s. These germinal ideas and ideals were, in the words of Mr. Oscar M. Lopez, the chairman of the Lopez Group of Companies, what constituted “the Lopez Way”—a willingness to break from old paradigms, a pioneering spirit as shown by investments in leading-edge technology, the deliberate choice to serve the Filipino rather than the export or foreign market, orientation

towards mass media and public utilities that benefit countless families, and resiliency in the face of daunting adversity.

In this issue of *Bridges Magazine*, we want to show how the Lopez companies and foundations seek to balance business excellence and social responsibility. We are presenting here some of the programs that mirror the best practices and business lessons learned for group-wide adoption, and the initiatives mostly of the foundations that could change what is seen as the acceptable, responsible way of conducting businesses.

As you turn the pages, you may expect these sequencing or clustering of themes:

- a. Best practices that lead to business excellence
- b. Programs that show environmental responsibility
- c. Programs that show social responsibility, particularly in the fields of education, poverty alleviation or livelihood generation, and empowerment of marginalized communities or those areas devastated by conflict or calamities.

In the end, we hope to show that for 80 years and counting, the Lopez Group has been doing its best to reconcile the interests of business and of responsibility to the nation, and has always been proud to be Filipino.

Chairman's Message

# The Lopez Way:

Business Excellence  
with Social Responsibility



For several generations since the early 1800s, the Lopez family has been engaged in many businesses. In all of them, our family has worked hard and honorably, and shared the fruits of our labors with our employees, communities, and country. There have been times when the decisions we made—striving all the time for what was right for us and beneficial to others—plunged us into the darkest of valleys. But we have always risen up, and aimed for even higher peaks in the company of highly competent, dedicated people. After all these years, we are inclined to think we have evolved a distinct way of doing business. It is something we hope to articulate and distil so that its lessons would inspire all of us and show us the way further.

At the core of this way, the Lopez Way, if you will, is our continuing search for business excellence, or performance standards comparable to the world's best. I hasten to add that business excellence, to our mind, would have to go hand in hand with social responsibility. We see them as inter-connected and we try all the time to achieve a good balance of both. This balance is never easy; but it is certainly worth a lifetime's work, actually the work of many lifetimes.

We see such balance in our choice of businesses that provides public service to as many Filipino households as possible. Traditionally, public services have been assumed by government because of the modest returns from billion-peso, risk-laden investments. But we believe that the delivery of basic services is best done through the private sector because of its inherent cost-efficiency, dependability, and accountability to owners and customers. The world-class quality of services delivered by Meralco, First Gen, FPIC, Bayantel, MNTC, and TMC proved our bias for the private sector.

In the case of ABS-CBN, ANC, and TFC, and the Chronicle of old, we have again shown that the basic service of providing information to the public—so central to democracy, freedom, and good governance—is better provided by private enterprise. Moreover, the innovative and technology-driven programs of ABS-CBN Foundation, Knowledge Channel, and the Lopez Museum give clear

testimony that engaging private, albeit non-profit, entities and volunteer employees enlarge the reach of the public educational system in heightening levels of literacy and information among our people.

We have had many partners among other companies, global grantmakers and donors, and ordinary citizens in the programs of the Lopez Group that seek to bridge the immense social, environmental, and economic gaps in our society.

Such partnerships are rooted in our common belief that the viability and good performance of any business can only be sustained if it embraces and manifests social responsibility. This principle is what we wish to reaffirm as we celebrate the 80th anniversary this year of the Lopez Group.

The question may be asked, "Why only the 80th year when the Lopez forebears have been in business since the 1830s?" The answer is that the brothers Eugenio and Fernando established on June 12, 1928 a company that was markedly different from the Lopez businesses that were founded in the early 1800s.

The E & F Lopez co-proprietorship took a different path from the traditional *haciendero* way of doing business. The company was:

- a) Not dependent on sugar or any one crop; as such, it showed a willingness to break old paradigms;
- b) Predisposed to be a pioneer; it was ready to invest in leading-edge technology;
- c) Aimed at serving the Filipino market, and not the export market;
- d) Oriented toward business opportunities in mass media and public utilities; and
- e) Resilient despite great adversity, as for instance the great typhoon of 1928.

Those key attributes that defined E & F Lopez Company as soon as it was established 80 years ago remain at the core of the Lopez Group today.

As widespread corruption and heart-rending poverty amidst a runaway population growth are making many of our fellow Filipinos throw up their hands and give up on our country, the Lopez Group finds it all the more urgent to work with others to

help improve lives. As my late brother Geny had said many times, “We look for businesses that touch the everyday lives of as many Filipinos as possible, wherever they may be. Certainly, there are profits to be made in these businesses but, you know as well as I do that profits are not the only reason we go to work each day.”

We accept that the Lopez Group must not only meet the challenging standards of economic competitiveness, it must also contribute to environmental and social responsibility in a way that is transparent, proportionate to its resources, and fully aligned with sustainable development. This is why we have pursued programs that make us comply with if not surpass the merciless metrics of global companies.

Starting with environment, health, and occupational safety or ESH, we moved on to accrediting ourselves under stringent ISO standards, first the 9000 series, and later the I4000. Then we fully embraced the Baldrige criteria in our thrust for business excellence, and found a way to anchor ESH to the bottomline. We encouraged teams to strive for world-class performance through various awards and recognitions such as the LAA and the so-called Oscars. We aggressively supported a corporate-wide Lifelong Wellness System that holistically primes up our employees’ body, mind, and spirit so we could

all compete well amidst the rigors of the daily grind and most especially during extraordinary challenges.

With this third edition of *Bridges Magazine* we are putting together some of the most outstanding examples from the Lopez companies and foundations that would show our balanced commitment to business excellence and social responsibility. We hope that our own employees as well as the business and financial community will find in these examples as concrete proofs of real impact on lives and enterprises, in the case of mature and recurring programs, or the potential to change the future, in the case of initiatives that have yet to reach full fruition.

As we mark the 80th year of the Lopez Group of Companies, we offer these initiatives as encouragement and tribute to all people who dedicate themselves to serving Filipino families worldwide. At the same time, we tip our hats to all other organizations which share our belief that business excellence combined with social responsibility is the way to make business relevant and sustainable for the long term.







**GLOBAL PHILANTHROPY AWARD FOR LOPEZ GROUP FOUNDATION, INC.**

From left to right: Mireia Tomas-Carulla, Jaume Tombas-Sabate (Carulla); Rina Lopez-Bautista; Lluís Carulla; Oscar M. Lopez; Monserrat Carulla; Mariona Carulla; Consuelo Rufino-Lopez; H.S.H. Prince Albert II, Sovereign Prince of Monaco; Suzanne Ivey Cook; Arnau Carulla; Rosamond Ivey; Thierry Lombard (Senior Partner, Lombard Odier Darier Hentsch & Cie); and Federico Lopez.

His Serene Highness Prince Albert II of Monaco (sixth from right), recently saluted three family foundations which received the global awards for philanthropy.

The awardees are: Fundacio Lluís Carulla of Spain, the Ivey Foundation of Canada, and the Lopez Group Foundation, Inc. of the Philippines. The three foundations are recipients of the IMD-Lombard Odier Darier Hentsch Distinguished Family Business Award for “collective family philanthropy.”

The award recognizes family foundations with an outstanding commitment to philanthropy and is considered one of the greatest honors for a business family. Excellence must be achieved in a number of criteria, such as the clarity and sustainability of their social endeavors, exemplary corporate governance, a focus on family values, and the involvement of multiple generations. This is the first time the Lopez family and the Lopez Group Foundation, Inc. have been given recognition beyond the shores of the Philippines for more than a hundred years of philanthropic work done.

## The Lopez Group

The Lopez Group comprises more than 20 companies under three holding companies: Lopez Inc., Benpres Holdings Corporation (Benpres Holdings), and First Philippine Holdings Corporation (First Holdings).

Lopez, Inc. is a private holding company of the Lopez family that owns 54.61% of Benpres Holdings.

Benpres Holdings is a dominant provider of basic services. It was created in 1993 to serve as the publicly listed holding company of the Lopez family for investments in broadcasting and cable, telecommunications, power generation and distribution, infrastructure and property development. Benpres Holdings owns 43% of First Holdings.

First Holdings is a holding company with core investments in power and infrastructure, as well as strategic investments in manufacturing and property. First Gen Corporation is the largest Filipino independent power producer, supplying 16% of the country's installed capacity. Manila Electric Company (Meralco) is the largest power distributor in the country which serves more than four million customers. The Manila North Tollways Corporation modernizes and operates the longest toll road in the country, the North Luzon Expressway.

## The Lopez Group Foundation, Inc.


Incorporated on February 29, 2004 and certified by the Philippine Council for NGO Certification (PCNC), LGFI's main task is to coordinate and synergize the commitment of the Lopez Group's nine foundations and more than 20 companies for corporate social responsibility (CSR).

CSR programs of the group are primarily in education, poverty alleviation, entrepreneurial training and microfinance, biodiversity and watershed conservation, children's rights protection, education, maternal health and responsible parenthood, health, disaster relief and rehabilitation, and other advocacies.


LGFI is an active member of the League of Corporate Foundations (LCF), Association of Foundations (AF), Corporate Network for Disaster Response (CNDR), Public Relations Society of the Philippines (PRSP), Employers Confederation of the Philippines (ECOP), Philippine Association for Volunteer Efforts (PAVE), and Foreign Correspondents Association of the Philippines (FOCAP).



BRIDGES



**“The Lopez Group must not only meet the challenging standards of economic competitiveness, it must also contribute to environmental and social responsibility in a way that is transparent, proportionate to its resources, and fully aligned with sustainable development.**”



**This is why we have pursued programs that make us comply with, if not surpass, the merciless metrics of global companies.”**

—Oscar M. Lopez

# At a Glance

# Pursuing Excellence

For the Lopez Group, Business Excellence means satisfying customer requirements and exceeding expectations. This entails continuous improvement and innovation of processes or products to deliver greater value, and achieving aggressive business targets and results without sacrificing the interests of our stakeholders.

Business Excellence is our means towards sustainable market competitiveness. It requires total performance, excellence in every aspect of the organization, in what it does and what it delivers. So we utilize inter-related business tools, management programs, and standards to prepare and equip our companies in excellence. The Scorecard shows the programs that have been adopted by member companies in their pursuit of business excellence. It also indicates the level of proficiency, or maturity of the company in terms of implementing the program.

## OSCARS

The Oscar M. Lopez Award for Performance Excellence (or "Oscar Award") is the highest level of recognition given by the Lopez Group of Companies for organizations that demonstrate performance excellence.

The Award's focus is on results and the existence of working systems that ensure continuous improvement in the delivery of products and services, and take into account the requirements of all stakeholders. It is not given for specific products or services, or for individual achievements.

### Oscar M. Lopez Award for Performance Excellence (Level 3)

- Demonstrated outstanding level of performance
- Stable and entrenched culture of excellence and continuous improvement
- National and Group-wide role model

### Recognition for Commitment to Excellence (Level 2)

- Demonstrated high level of performance
- Achieved significant progress in building quality values and sound processes as a foundation for consistent performance

### Recognition for Pursuit of Excellence (Level 1)

- Demonstrated good performance
- Established sound processes as a foundation for consistent performance

## BARS

BARS or Business Assessment Rating System is an assessment tool based on the Malcolm Baldrige framework that focuses on ESH performance of the Lopez Group of Companies.

What level of achievement merits an Award?

### ESH Performance Excellence (Level 3)

- Must have a stable and entrenched culture of excellence and continuous improvement
- Demonstrated an outstanding level of performance, deserving to be a Group-wide and national role model

### Commitment to ESH Excellence (Level 2)

- Demonstrated high level of ESH performance
- Achieved significant progress in building foundation for consistent performance

### Pursuit to ESH Excellence (Level 1)

- Demonstrated good performance
- Established sound processes as a foundation for consistent performance

## MARS

The Management Assessment and Rating System (MARS) serves as an assessment tool for the ESH management system of the Lopez Group of Companies. MARS comprises of different modules that cover different aspects of environmental, safety, and health that can be applied to the varied needs of the utilities, communications, power generation, manufacturing, infrastructure development, asset management, and IT-enabled services.

The level of development and aptitude in terms of implementing the ESH systems is expressed in six levels. The 18 modules are spread throughout the six levels of the MARS—as a company's level advances; the need for more complex modules applies.

### MARS Level 1 MARS Level 2A and 2B MARS Level 3A and 3B MARS Level 3C

- Basic Modules
- Advanced Modules
- Expert Modules
- 18 Modules with additional 2 technical modules or elective modules

ESH Performance rating is recognized according to the following awards:

### Founder's Award (Top Award) Chairman's Award President's Award

### Lopez Group Six Sigma

Lopez Group Six Sigma award has been launched to recognize and celebrate Six Sigma projects that demonstrate best practices and had significant impact to the company.

### Standard-based Systems

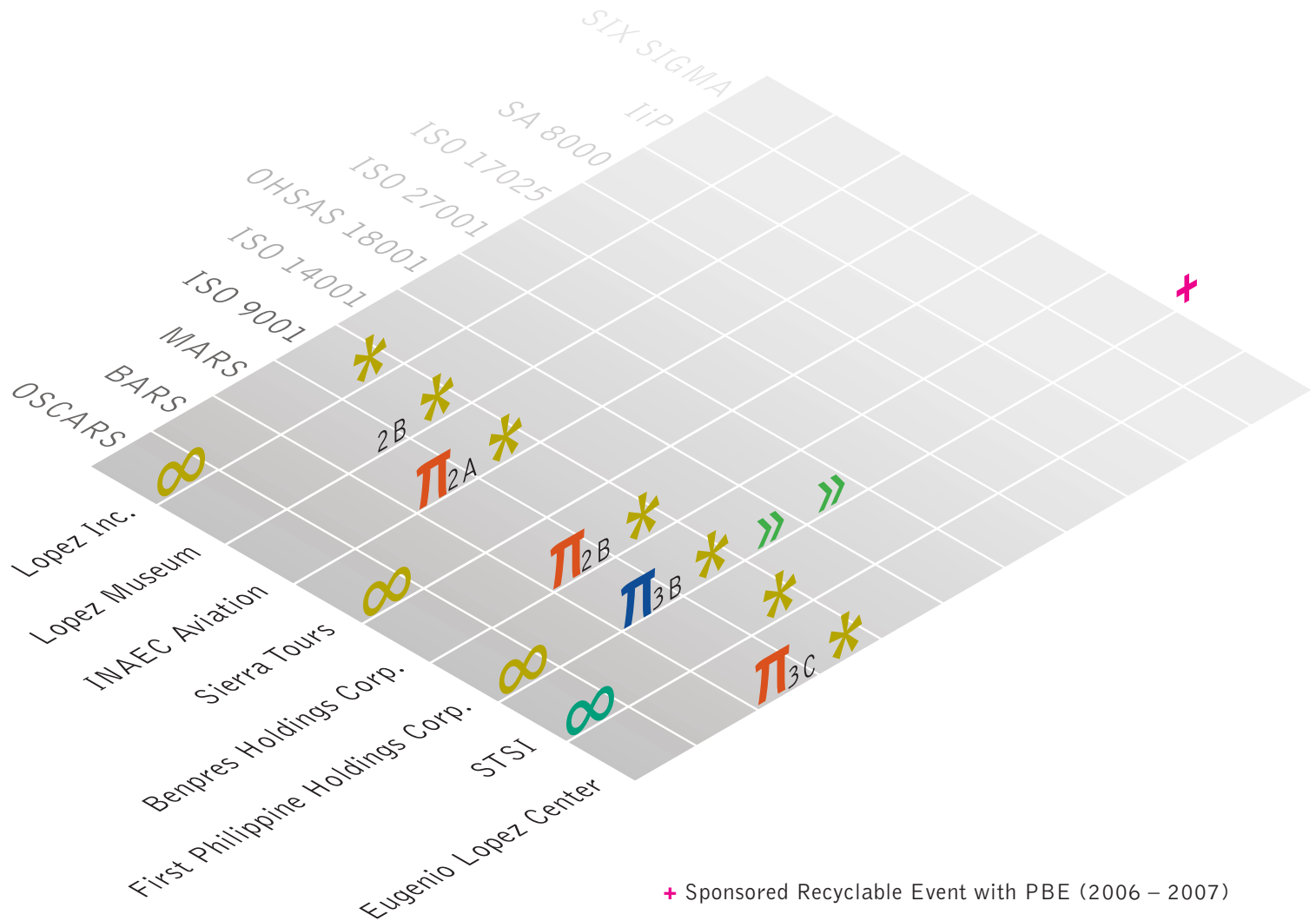
Lopez Group of Companies adopted internationally recognized standard-based systems to improve quality, environment, health, safety, social, and security management system performance.

### Investors in People – IiP (Employee Development, alignment with Strategy)

IiP is an international quality standard that helps organizations improve their performance and realize their objectives by effective people management. Companies are awarded IiP status by UK-based International Quality Center Ltd. and the Philippine Management Association of the Philippines.

ISO 9001:2000 Quality Management System  
ISO 14001:2004 Environmental Management System  
OHSAS 18001:2007 Occupational Health and Safety Management System  
SA 8000 Social Accountability Standard  
ISO 27001:2005 Information Security Management System  
ISO 17025:2005 General requirements for the competence of testing and calibration laboratories

# Business Excellence Initiatives Participation Scorecard (2006 – 2007)



### OSCARS

- Level III Award
- Level II Award
- Level I Award
- Submitted Application
- Baseline Assessment

### BARS

- Level III Award
- Level II Award
- Level I Award
- Submitted Application

### MARS

- Founder's Award
- Chairman's Award
- President's Award

### MARS Level

- 3A, 3B, 3C (Expert Level)
- 2A, 2B (Advance Level)
- 1A, 1B (Basic Level)

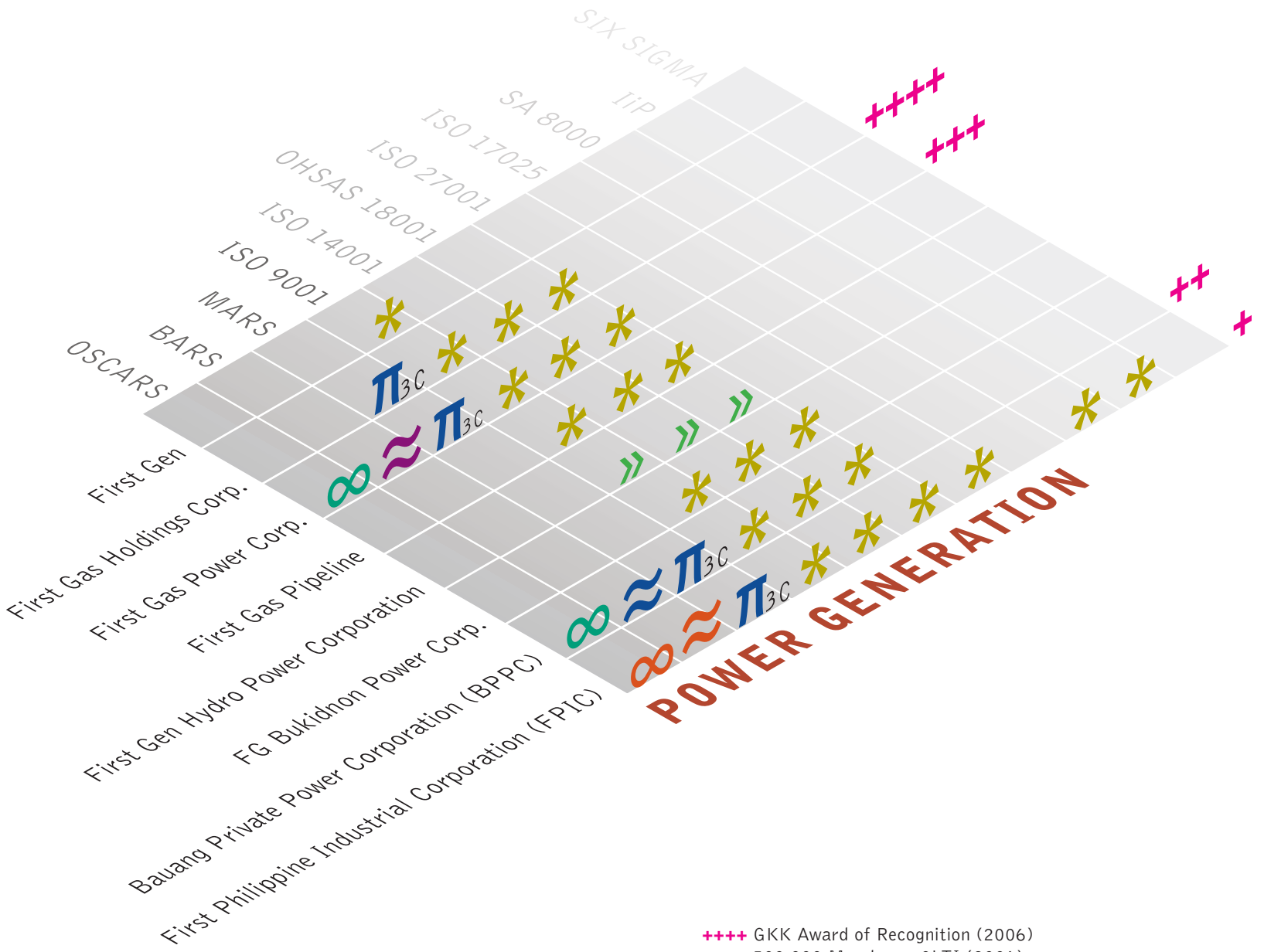
### Six Sigma

PHP Cost Savings from Six Sigma Project

### ISO/OHSAS/SA 8000 /IIP

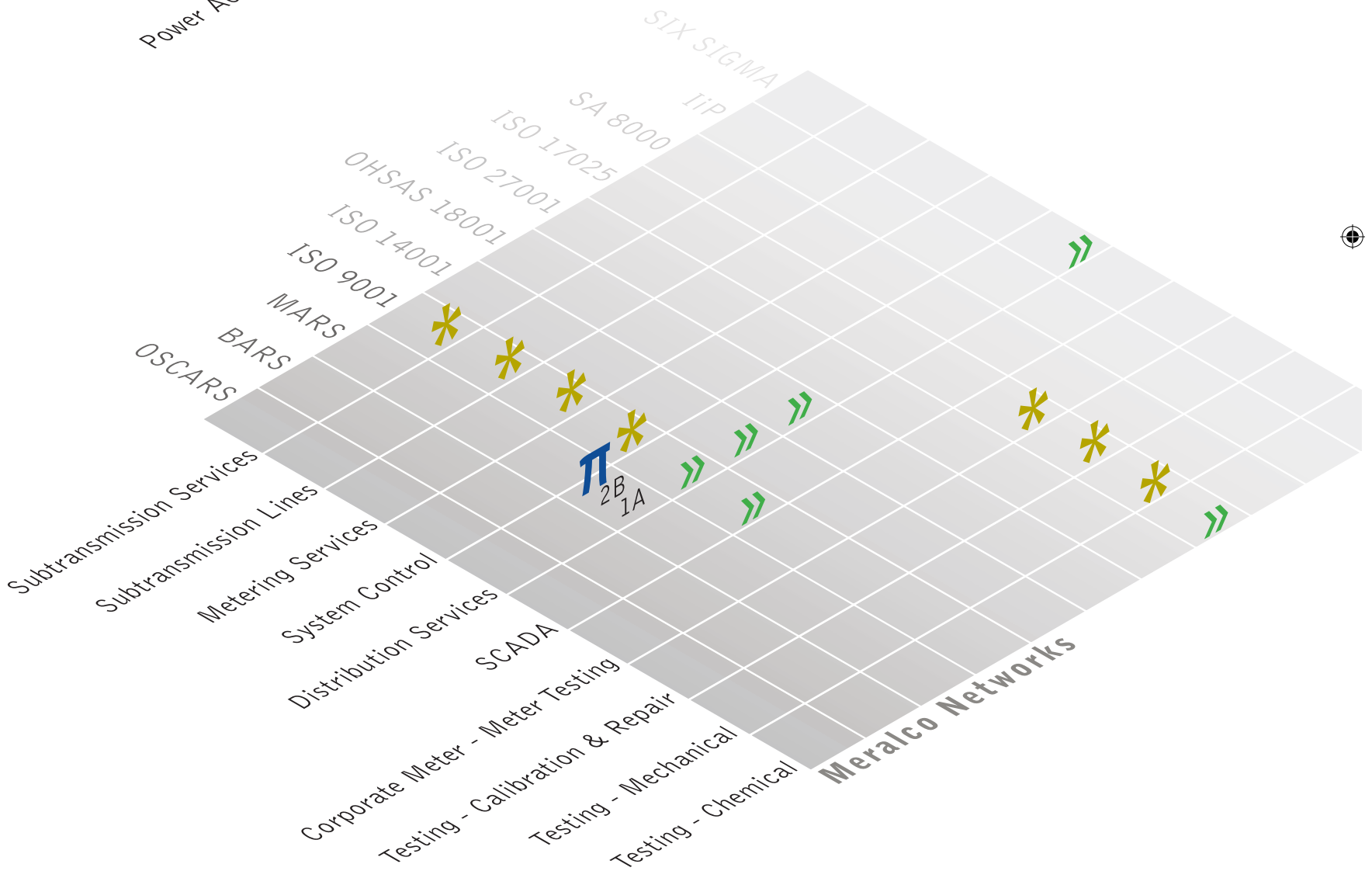
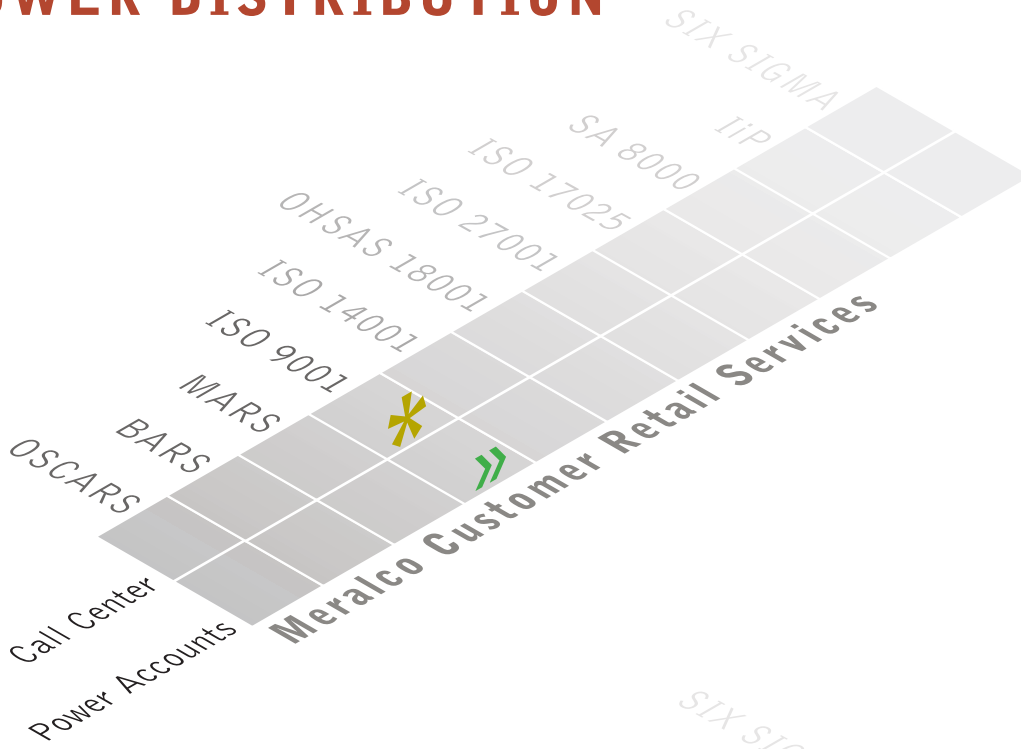
- With Certificate
- On-going

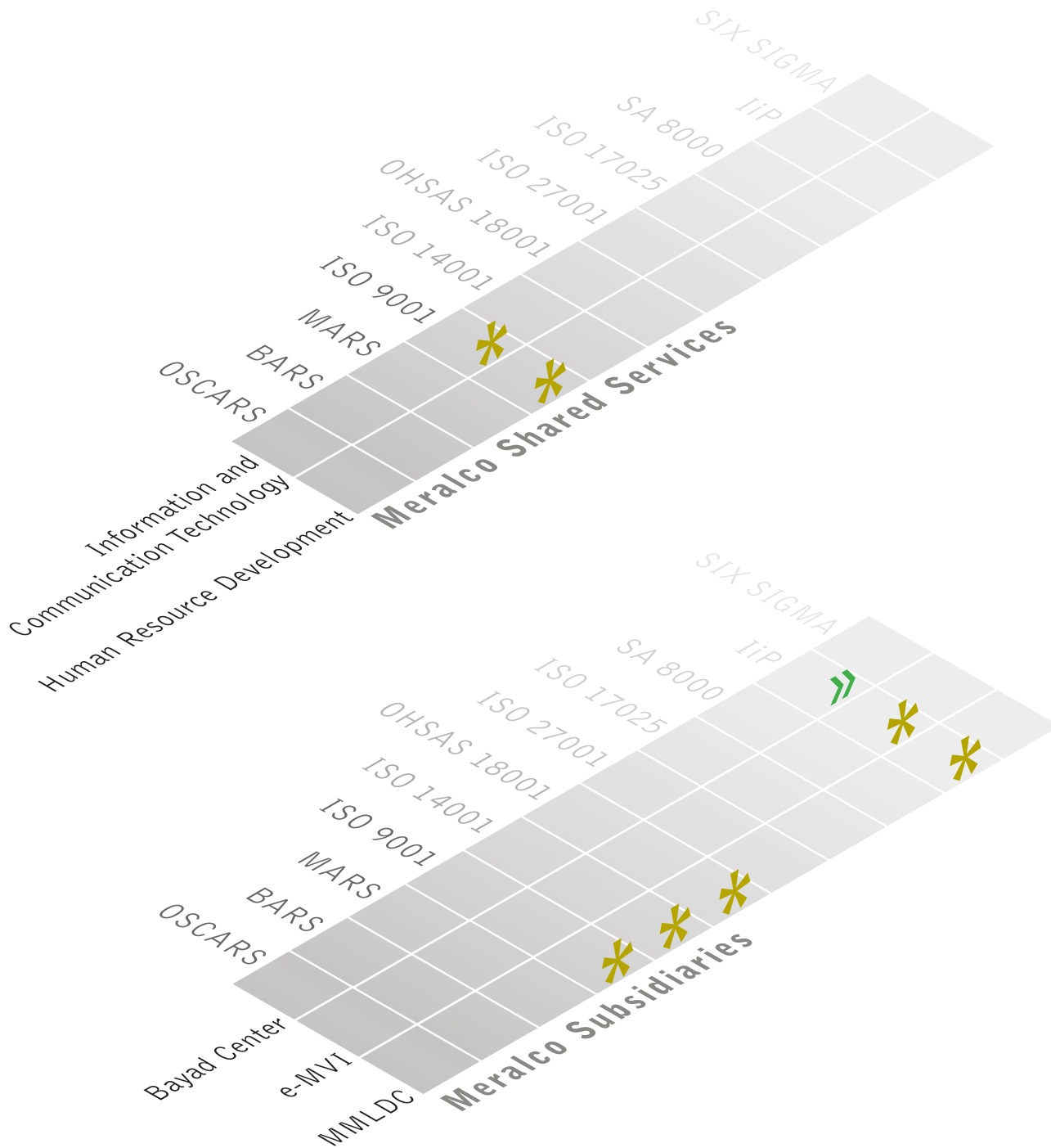




- ++++ GKK Award of Recognition (2006)
- +++ 500,000 Man-hours OLT (2006);  
GKK 2nd Place Institutional Award  
GKK 3rd Place Individual Award
- ++ 1st Runner-up National Fire Fighting Drill (2007)
- + 2006 GKK 1st Place Institutional Award

# POWER DISTRIBUTION





**OSCARS**

- Level III Award
- Level II Award
- Level I Award
- Submitted Application
- Baseline Assessment

**BARS**

- Level III Award
- Level II Award
- Level I Award
- Submitted Application

**MARS**

- Founder's Award
- Chairman's Award
- President's Award

**MARS Level**

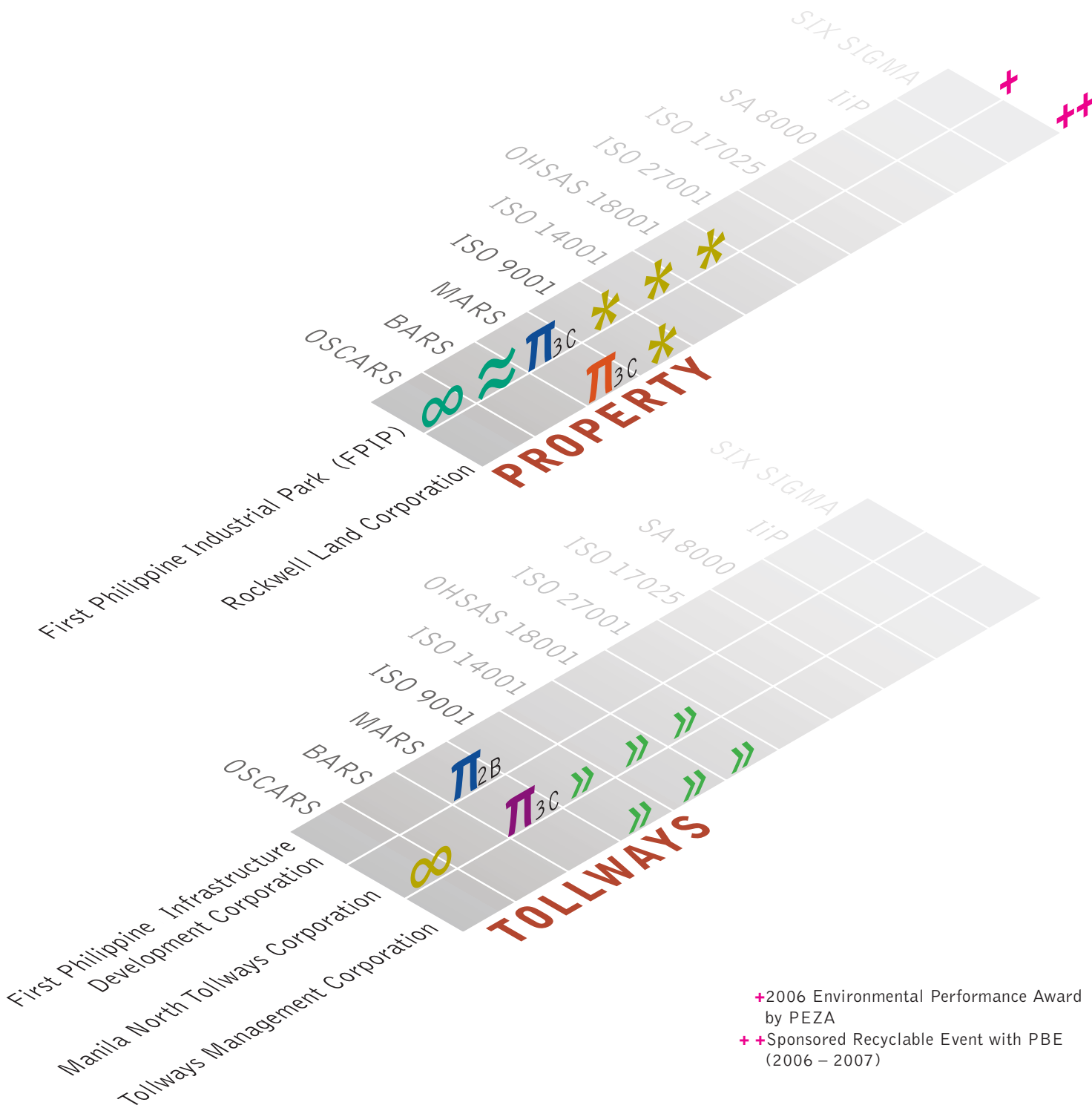
- 3A, 3B, 3C (Expert Level)
- 2A, 2B (Advance Level)
- 1A, 1B (Basic Level)

**Six Sigma**

PHP Cost Savings from Six Sigma Project

**ISO/OHSAS/SA 8000 /IIP**

- With Certificate
- On-going



+ 2006 Environmental Performance Award by PEZA  
 ++ Sponsored Recyclable Event with PBE (2006 – 2007)

**OSCARs**

- Level III Award
- Level II Award
- Level I Award
- Submitted Application
- Baseline Assessment

**BARS**

- Level III Award
- Level II Award
- Level I Award
- Submitted Application

**MARS**

- Founder's Award
- Chairman's Award
- President's Award

**MARS Level**

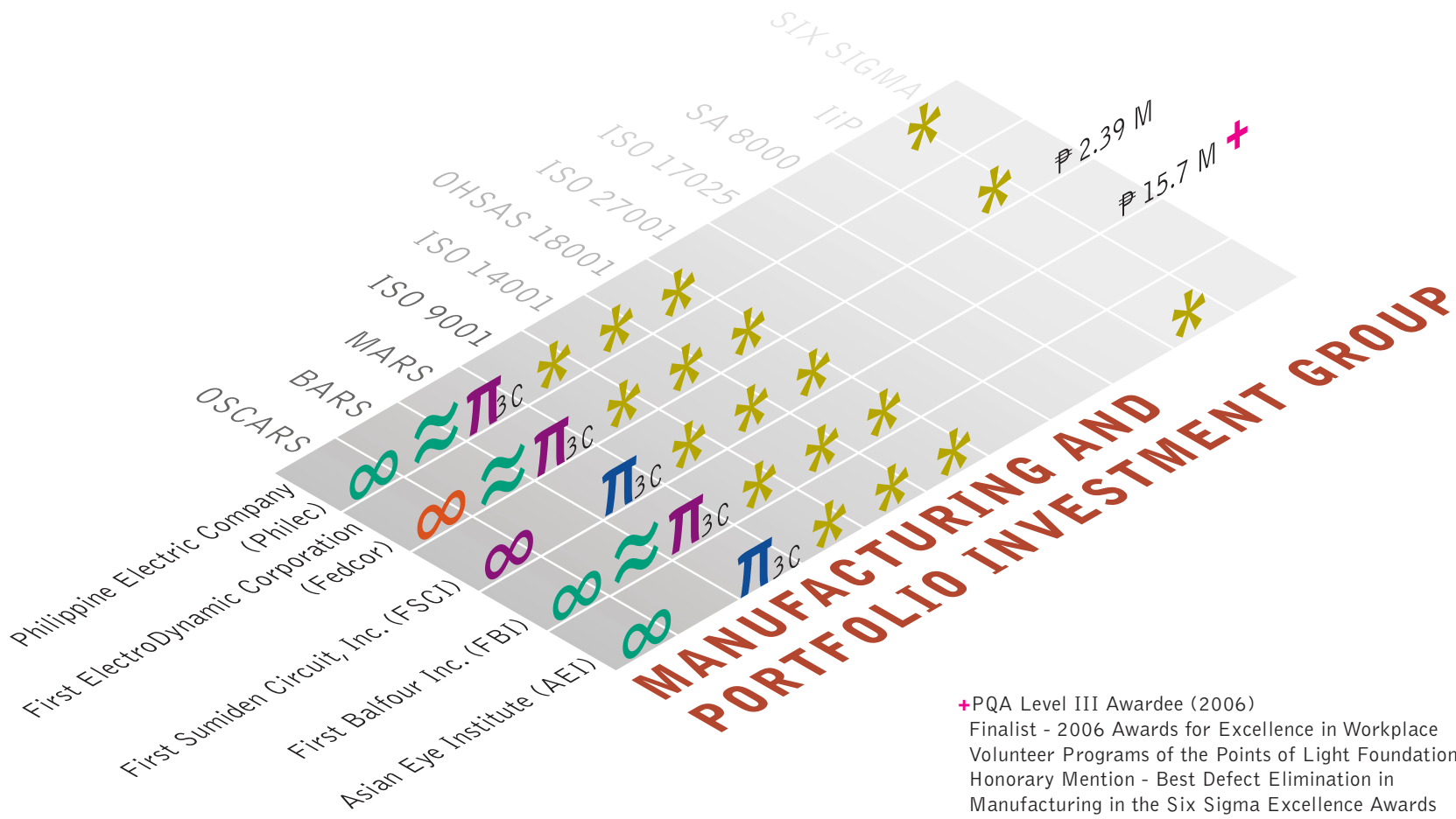
- 3A, 3B, 3C (Expert Level)
- 2A, 2B (Advance Level)
- 1A, 1B (Basic Level)

**Six Sigma**

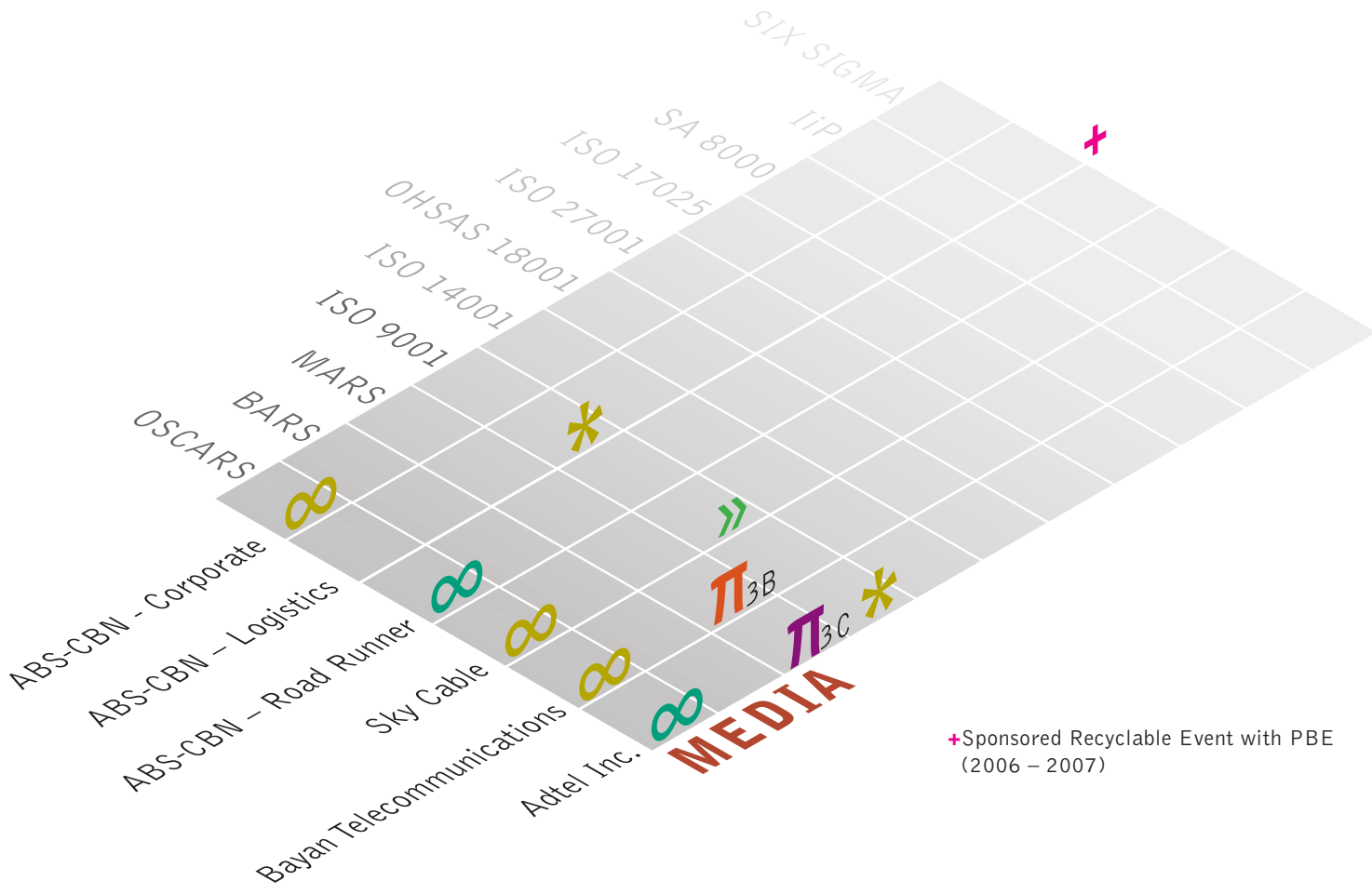
PHP Cost Savings from Six Sigma Project

**ISO/OHSAS/SA 8000 /IIP**

- With Certificate
- On-going



+PQA Level III Awardee (2006)  
 Finalist - 2006 Awards for Excellence in Workplace Volunteer Programs of the Points of Light Foundation  
 Honorary Mention - Best Defect Elimination in Manufacturing in the Six Sigma Excellence Awards during 2007 Asian Six Sigma Summit



+Sponsored Recyclable Event with PBE (2006 - 2007)

# ENVIRONMENT, SAFETY, HEALTH (ESH)

The Lopez Group companies, through their ESH program, adopt goals and policies regarding performance indicators relevant to ESH. They use indicators to demonstrate the results of performance against goals. This includes data on pollution prevention, resource conservation, protection of employees' safety and health.

The ESH council consists of representatives from Lopez Group companies with core businesses that may have direct impacts on environment—ranging from the manufacturing sector, infrastructure, and energy.

The Lopez Group Business Excellence team regularly convenes the council for information sharing and capacity building. Also, the Business Excellence team annually collects the ESH council's reports to monitor the members' impacts on the environment—the ecosystems, land, air, water, and the members' compliance to applicable regulations.

## Recyclable Collection

First Philippine Holdings Corporation and Rockwell Land Corporation through Philippine Business for Environment (PBE) organized annual Recyclable Collection Event (RCE) to invite companies, establishments, malls, condominiums, organizations, and individuals to bring their recyclables—namely, used paper, electronics, car batteries, PET bottles, aluminum cans, used cartridges, polystyrene packaging waste—to designated drop off areas (usually large open parking lots) where these are redeemed for cash at buying stations set up by recyclers. RCE is a one-day collection event for recyclable materials usually held around "Earth Day" week in April.

These data show waste generation figures over several years and indicate level of progress the organization has made towards waste recycling efforts.

## GREENHOUSE GAS ACCOUNTING

First Philippine Holdings and some of its subsidiaries are participants to the pilot project of the Philippine Greenhouse Gas Accounting and Reporting Program (PhilGARP) launched on May 3, 2007.

PhilGARP is a collaboration of the klima Climate Change Center of the Manila Observatory (klima-MO), the World Resources Institute (WRI), the World Business Council for Sustainable Development (WBCSD), with the Philippine Business for the Environment (PBE) supported by the United States Agency for International Development (USAID). It is also locally supported by the Department of Environment and Natural Resources (DENR) and the Department of Energy (DOE). PhilGARP is a voluntary program for corporate greenhouse gas (GHG) accounting that aims to train businesses and organizations on GHG management based on the GHG Protocol standards and tools.

Buang Private Power Corp. (BPPC) is among the companies which prepared its GHG Inventory with help from PhilGARP. The base year selected covers 2000-2006. Subsequent computation of its 2007 emissions showed an increase in GHGs due to increased plant dispatch. Although it accounts for emissions of six GHGs, as specified by the GHG protocol, it identified three such GHGs for close monitoring, namely CO<sub>2</sub>, CH<sub>4</sub>, N<sub>2</sub>O, as well as fugitive emissions from chemicals used in plant maintenance.

For BPPC, emission reduction measures adopted include:

- (a) optimal loading of generating units at 70 to 80%;
- (b) prudent and timely maintenance; and
- (c) fuel testing to ensure compliance with the approved specifications per contract.

Since the power generated by the plant is dependent on economic dispatch protocol of the System Operator and also on the volume and quality of fuel supplied by its off-taker, BPPC has to operate efficiently under its emission reduction plan to operate lower than the plant design fuel consumption of 220 grams/kwh on an annual basis.

Actual fuel consumption for the period 2000-2007 average to 203 grams/kwh or 6% — which is 10% lower than the design consumption translating to emission avoidance of about 100,700 MT in CO<sub>2</sub> equivalent.

## Recyclable Collection

TYPE OF RECYCLABLES	Unit	2004		2005		2006		2007	
		Volume	Cost	Volume	Cost	Volume	Cost	Volume	Cost
Paper	Kilos	8,320.35	23,521.28	9,292.40	37,649.40	15,676.00	51,666.00	9,407.00	38,119.00
Car/Lead acid batteries	Pieces	50.00	7,512.50	140.00	30,208.00	32.00	9,124.00	368.00	41,620.00
Electronic/electric equipment	Kilos	2,033.00	16,000.00	198.00	18,070.00	306.20	19,565.15	4,770.30	20,051.00
Aluminum cans	Kilos	44.50	1,869.00	266.00	4,109.40	40.90	1,717.80	50.70	2,788.50
PET Plastics	Kilos	138.00	1,380.00	258.10	2,581.00	348.00	4,176.00	288.70	3,430.5
Non-PET Plastics	Kilos	48.00	283.00			498.90	3,991.20	1,168.55	5,227.3
Toner/Ink cartridges	Pieces			204.00	11,945.00	681.00	40,155.00	293.00	15,343.00
Tires	Pieces					4.00	1,035.00		
Scrap metals	Kilos					612.50	3,062.50	2,368.55	16,490.80
Tin cans	Kilos					245.40	736.20	390.60	1,171.80
<b>TOTAL (PHP)</b>			50,565.78		104,562.80		135,228.85		144,241.90

## Resources Saved

PARAMETER	
42	<b>tons</b> of paper saved
714	<b>trees</b> saved
292,174	<b>gallons</b> of water saved
19,456	<b>gallons</b> of oil saved
24,667	<b>pounds</b> of air pollution saved
129	<b>cubic yards</b> of landfill space saved
171,321	<b>kilowatt hours</b> of energy saved

## GHG Inventory Bauang Private Power Corp. (BPPC)

PARAMETER	Unit	Standard	2006	2007
GHG	Metric Tons CO <sub>2</sub> -3		103,846.00	266,672.00
Emission Intensity	MT CO <sub>2</sub> -e/MWh	0.679 1/	0.65	0.65
1/CDM Baseline Construction for Electricity Grids in the Philippines				

Based on GHG Protocol Calculation Tools (*Stationary and mobile combustion*)

# Corporate Social Responsibility (CSR)

The Lopez Group has various CSR programs unique to each member's core business and mission. For example, community relations for companies operating within or nearby residential communities and educational TV programs for companies and foundations involved in broadcasting and cable.

In 2005, LGFI started convening the CSR Technical Committee—the CSR core group that meets regularly for information sharing, capacity building, and group-wide collaborations. The members agreed on a CSR reporting system, enabling LGFI to consolidate group data on an annual basis.

The CSR reporting system is still being fine tuned through continuous consultation with members (reporters of the data) as well as management (those who use the data for analysis and planning). Below is a list of consolidated milestones for 2006 to 2007.

## CSR Corporate Investment

Company contributions to CSR programs focusing primarily on these areas:

**Education:** Production of educational TV (ETV) and radio programs, distribution of educational DVDs, connecting schools to “Knowledge Channel” through cable or satellite, connecting schools to the internet, scholarships, school facilities improvement, building day care schools, teacher and school heads capacity building, support to museums and cultural preservation, support to government education programs

**Environment:** Reforestation, watershed rehabilitation, used oil and battery collection, biodiversity conservation and protection, eco-tourism, environmental awareness and advocacy

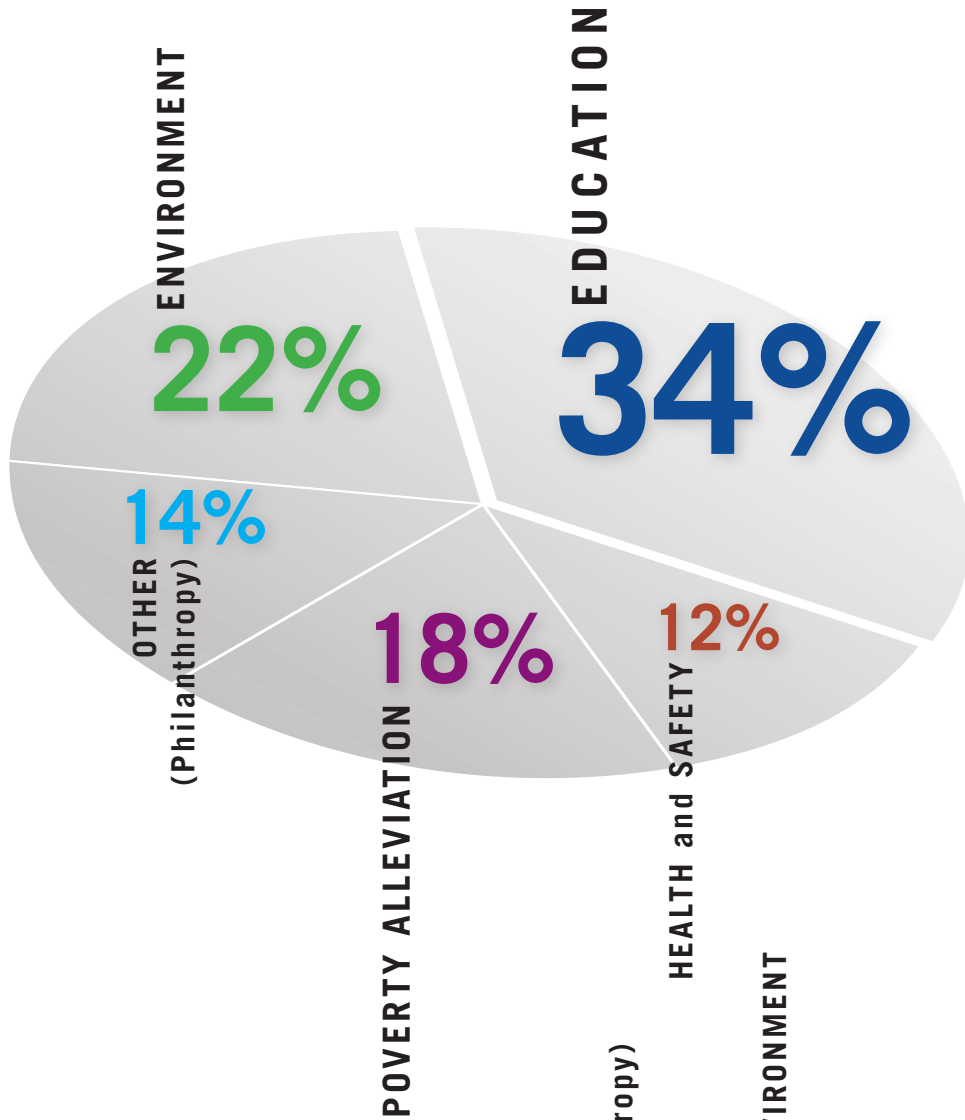
**Poverty Alleviation:** Job generation, livelihood and entrepreneurship training, microfinance, integrated community development, community relations, relief and rehabilitation, basic needs (e.g. housing, water, etc.), other outreach programs

**Health:** Medical mission, cataract surgery for indigents, feeding and nutrition programs, road safety campaign, child safety and protection, employee wellness programs

**Others:** Philanthropic donations to charitable institutions and support to community programs not classified above



# Lopez Group CSR Thematic Contribution



## 2006

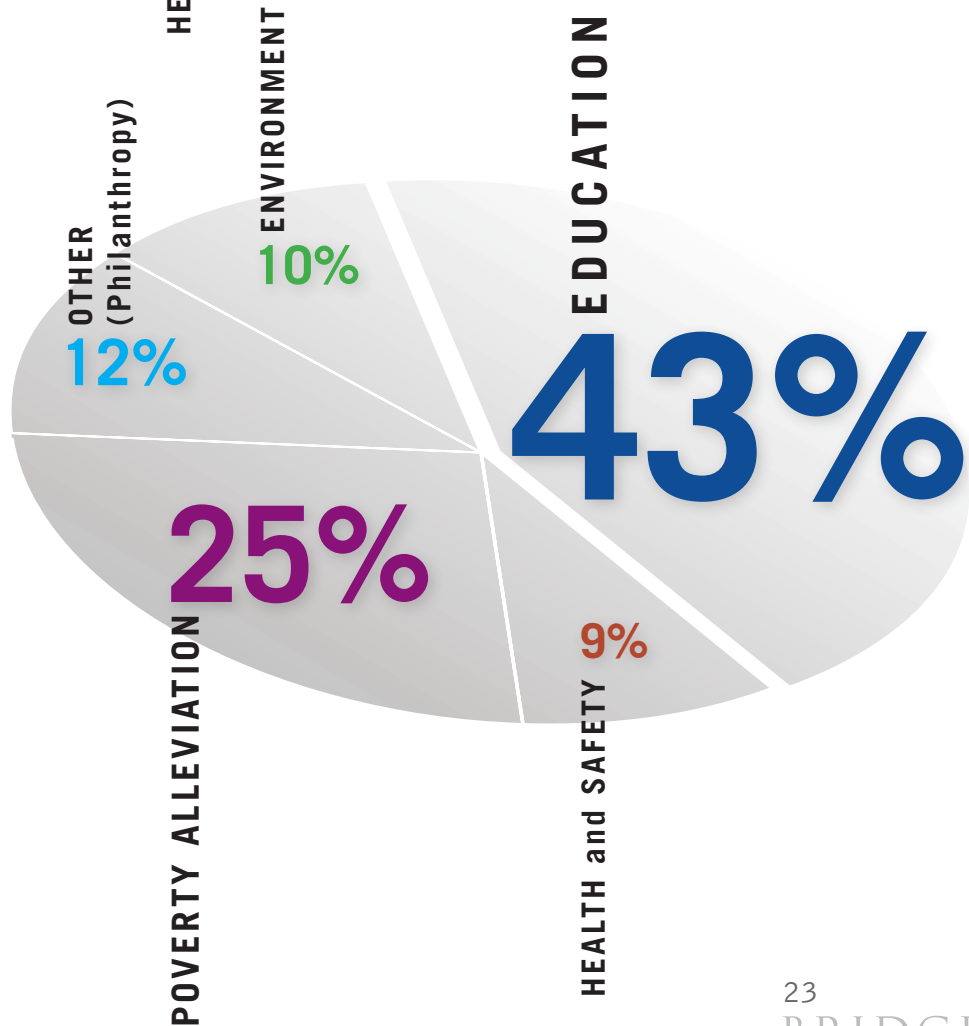
In 2006, 16 companies invested an estimated total of ₱105 million for CSR--34% went to education, 22% for environment, 18% for poverty alleviation, 12% for health, and 14% for other philanthropic donations. This includes cash and non-cash contributions (airtime from broadcasting network, transponder space for cable, etc.)

About 49% of the CSR investment was donated to Lopez member foundations.

## 2007

In 2007, 17 companies invested an estimated total of ₱95.7 million for CSR --43% went to education, 25% to poverty alleviation, 10% to the environment, 9% to other philanthropic donations. This includes cash and non-cash contributions (airtime from broadcasting network, transponder space for cable, etc.)

About 32% of the CSR investment was donated to Lopez member foundations.



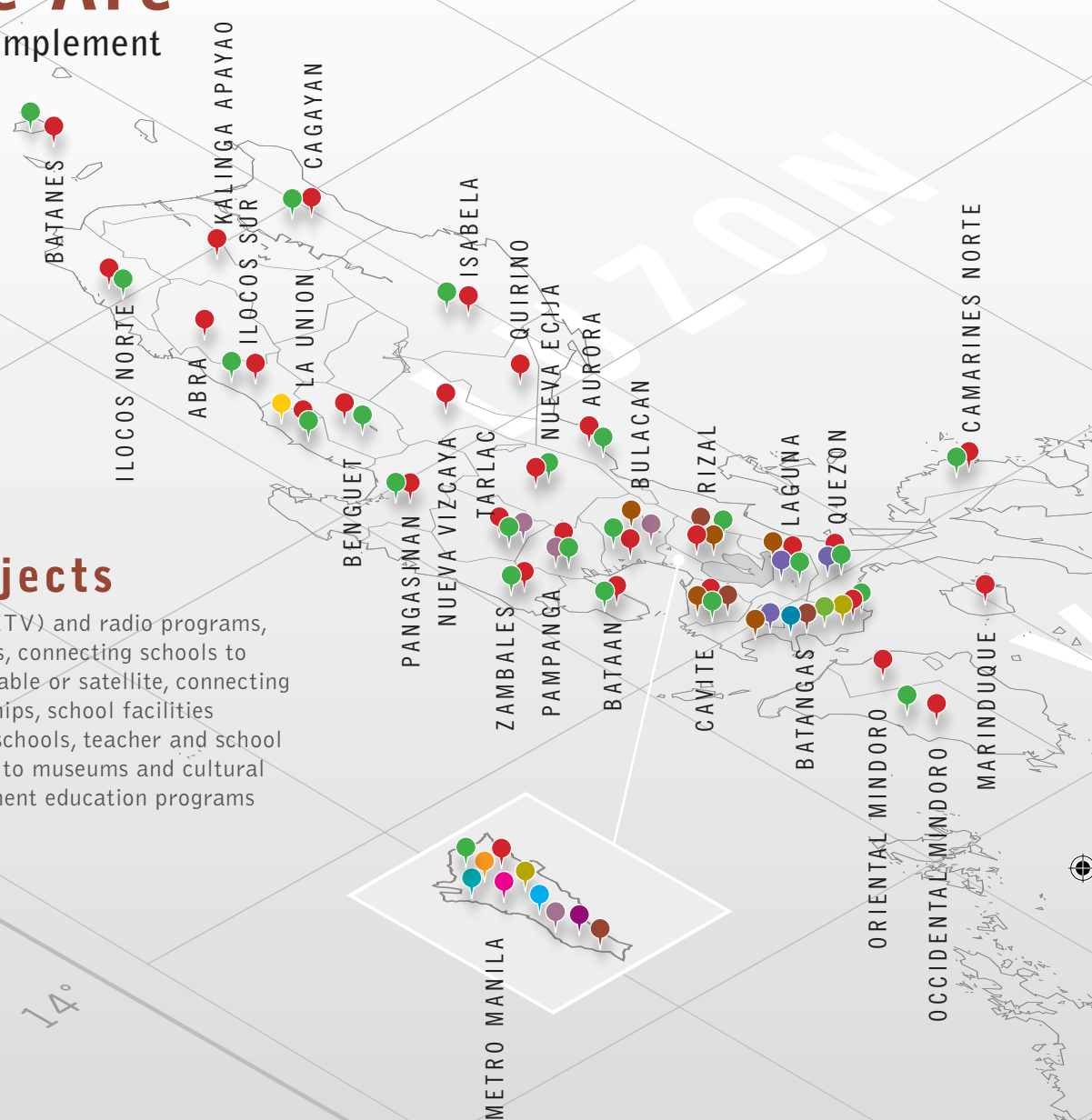
# Where We Are

Provinces where we implement our CSR programs

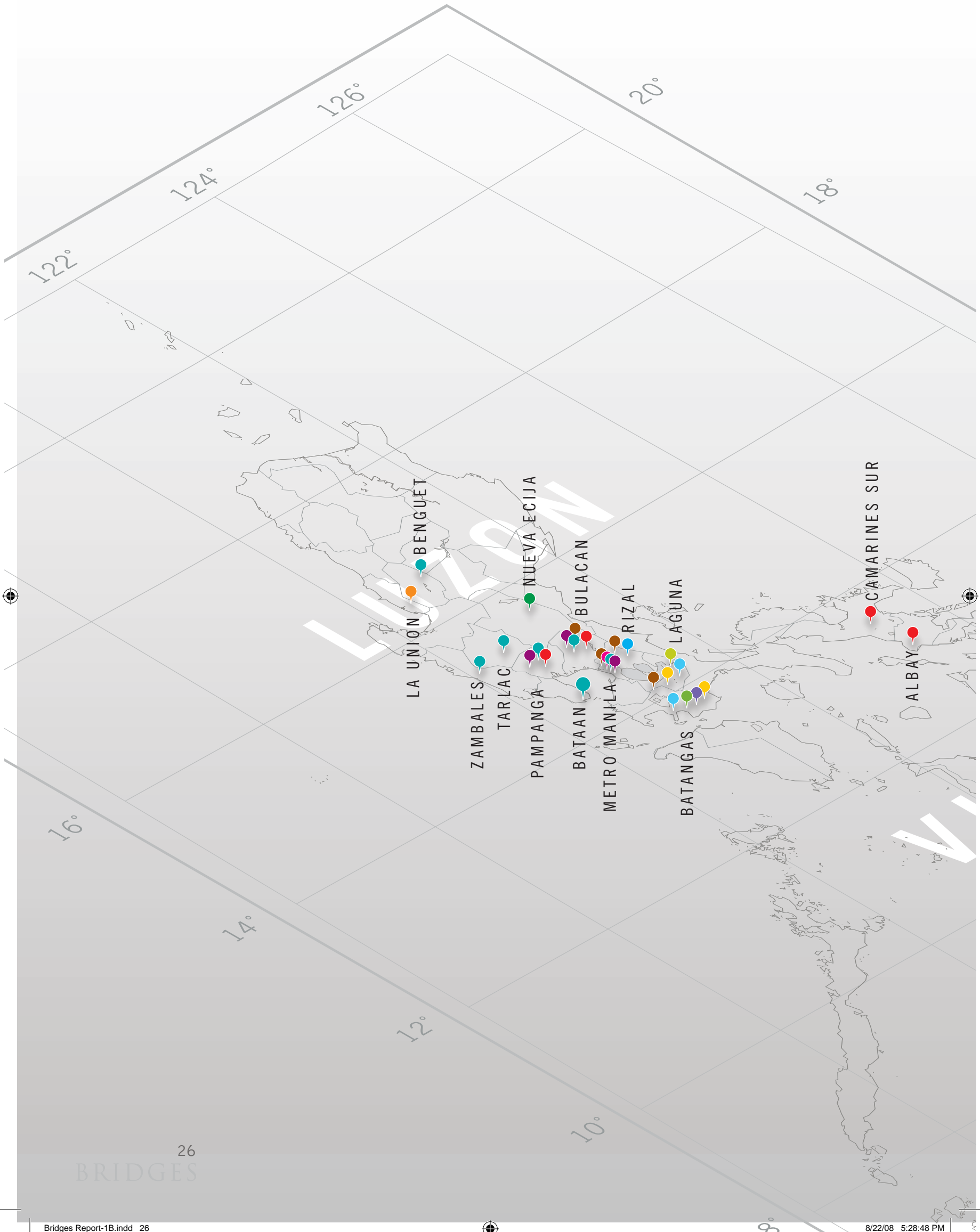
## Education Projects

Production of educational TV (ETV) and radio programs, distribution of educational DVDs, connecting schools to "Knowledge Channel" through cable or satellite, connecting schools to the internet, scholarships, school facilities improvement, building day care schools, teacher and school heads capacity building, support to museums and cultural preservation, support to government education programs

- ABS-CBN Foundation
- Bauang Private Power Corp.
- Bayan Telecommunications
- Eugenio Lopez Foundation
- First Balfour
- First Electro Dynamics Corp.
- First Gen
- First Gas
- First Phil. Industrial Corp.
- First Phil. Industrial Park
- Knowledge Channel
- Manila North Tollways Corp.
- Meralco
- Meralco Management Leadership Development Foundation
- Phil-Asia Assistance Foundation
- Skycable







# Health Projects

Medical mission, cataract surgery for indigents, feeding and nutrition programs, road safety campaign, child safety and protection, employee wellness programs

- ABS-CBN Foundation
- Asian Eye Institute
- Bauang Private Power Corp.
- Fedcor
- First Gas
- First Gen Hydro
- First Phil. Industrial Corp.
- First Phil. Industrial Park
- First Sumiden Circuits, Inc.
- Philec
- Meralco
- Manila North Tollways Corp.
- Tollways Management Corp.

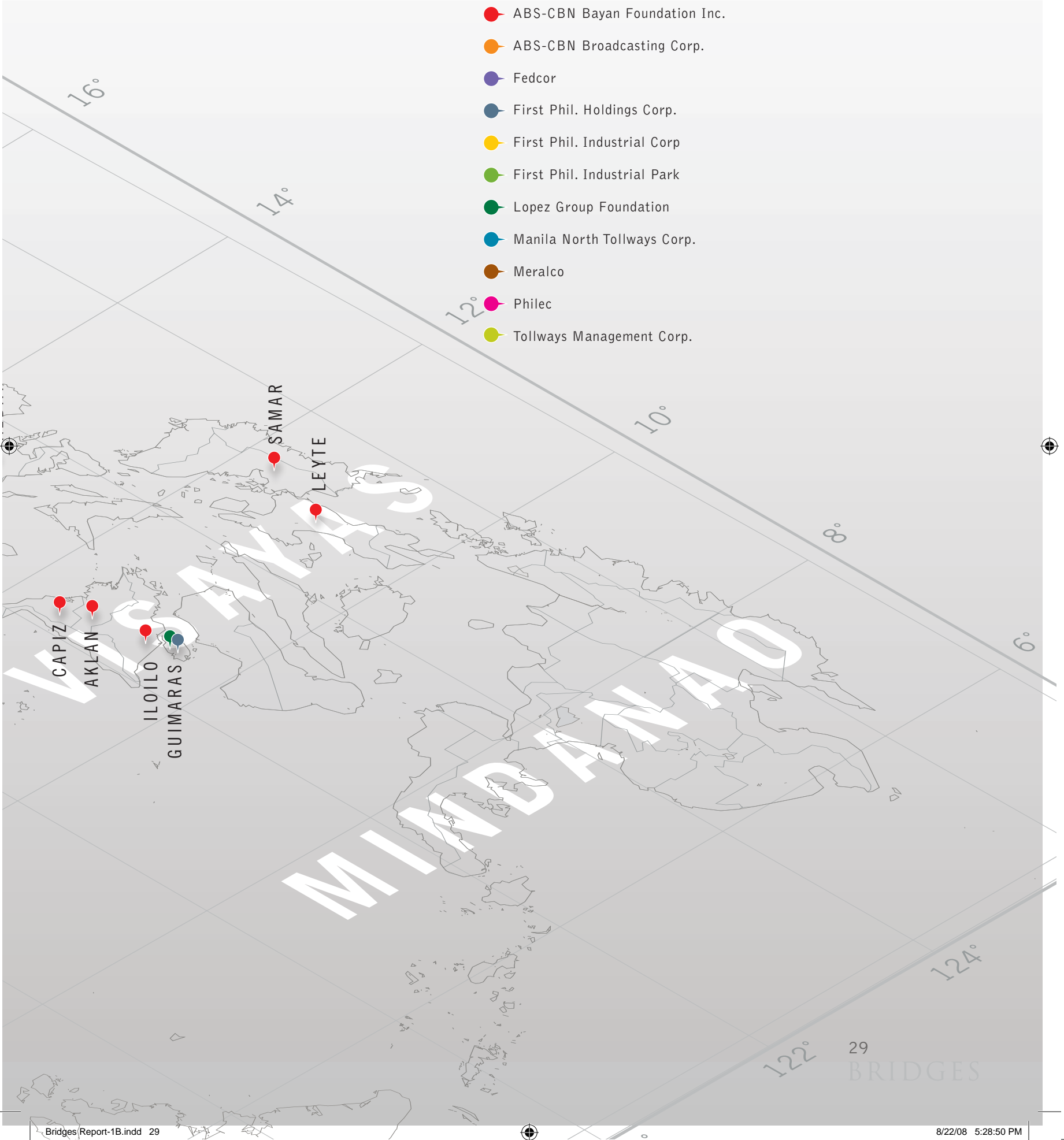


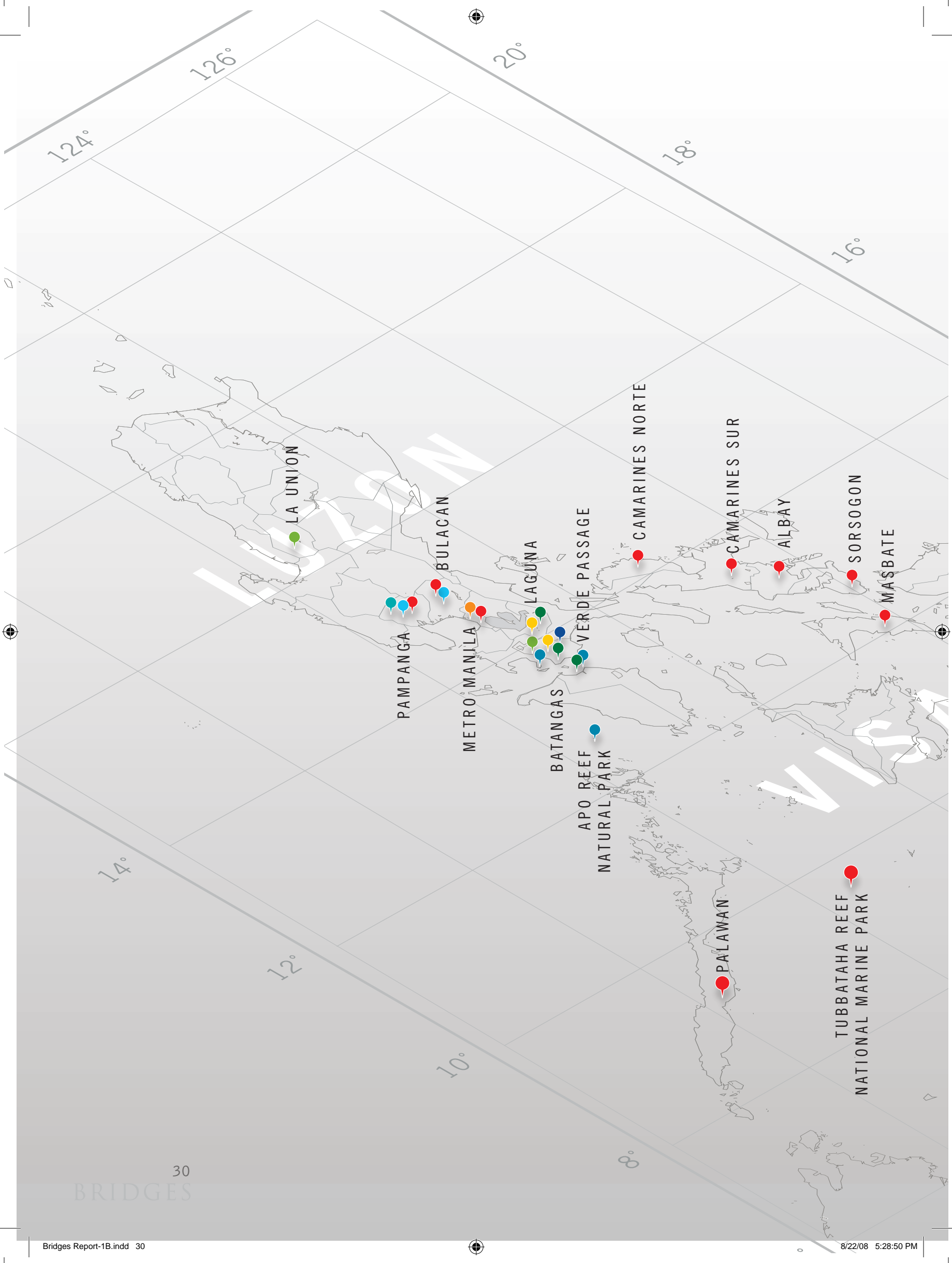


# Poverty Alleviation Projects

Job generation, livelihood and entrepreneurship training, microfinance, integrated community development, community relations, relief and rehabilitation, basic needs (e.g. housing, water, etc.), other outreach programs

- ABS-CBN Bayan Foundation Inc.
- ABS-CBN Broadcasting Corp.
- Fedcor
- First Phil. Holdings Corp.
- First Phil. Industrial Corp
- First Phil. Industrial Park
- Lopez Group Foundation
- Manila North Tollways Corp.
- Meralco
- Philec
- Tollways Management Corp.



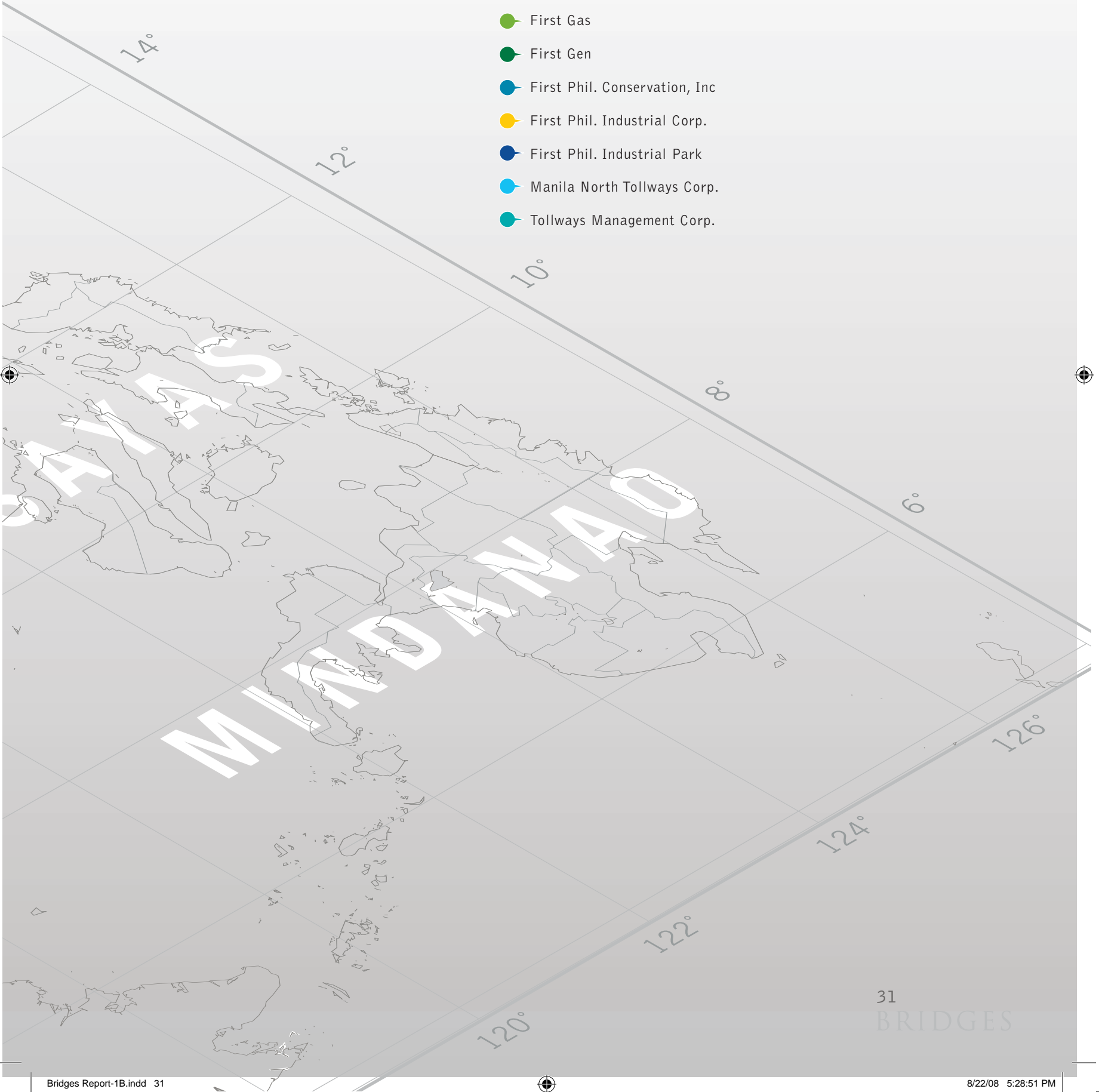




# Environment Projects

Reforestation, watershed rehabilitation, used oil and battery collection, biodiversity conservation and protection, eco-tourism, environmental awareness and advocacy

- ABS-CBN Foundation Inc.
- ABS-CBN Broadcasting Corp.
- Bauang Private Power Corp.
- First Gas
- First Gen
- First Phil. Conservation, Inc
- First Phil. Industrial Corp.
- First Phil. Industrial Park
- Manila North Tollways Corp.
- Tollways Management Corp.





# Sustainability and

# Responsible conduct impacts business success and sustainability

Evidence is growing that a company's responsible performance or conduct has significant impact on the company's business success. One of the latest validations of this is presented in a report entitled "Buried Treasure: Uncovering the business case for corporate sustainability," done under the auspices of the United Nations Environment Program (UNEP). The report offers a framework, actually in the form of a matrix that analyzes the relationship between 10 specific measures of business performance and 10 dimensions of social development performance.

On business performance measures, the research looks at both financial results, such as shareholder value, and drivers of results, such as corporate reputation and brand value. The social development dimensions cover specific elements of environmental and social performance, and certain business processes that are critical to responsible performance, e.g. governance and stakeholder engagement.

The research shows where responsible performance has the strongest impact on business success.

*Bridges* shares UNEP's objective of presenting information and examples that may provide companies some clues on how responsible performance can enhance business value in their own specific circumstances.

In the next few pages, several examples of business excellence, culled from entries to the Lopez Achievement Awards, were combined with the environmental and social programs largely undertaken by the Lopez foundations that have the potential of changing the way business will be conducted in the future. Such juxtaposition is part of our own continuing search for evidence that responsible business policies and behavior will positively impact business success and definitely contribute to the corporation's sustainability.

In so doing, we hope to prove that the Lopez forebears as well as the present generation, their colleagues and employees have been on the right track in believing that doing business in a way that is socially and environmentally responsible is the best assurance that the business will continue to thrive for the long term.

## Clean, Renewable Energy



193 MW Palinpinon  
Geothermal  
Production Field

First Gen's recent acquisition of the 60% of Philippine National Oil Company-Energy Development Corp. (PNOC-EDC), the second largest geothermal producer in the world, and the 112-MW Pantabangan-Masiway hydroelectric power plant complex, which has the largest water reservoir capacity in the country of three billion cubic meters, fosters the company's commitment to using clean, renewable sources of energy that will help propel First Gen as the country's premier energy supplier of choice.

One of its business strategies is anchored on developing clean, sustainable, and renewable energy for the benefit of the Filipino consumers. To date, clean and sustainable energy accounts for 91% of First Gen's investment portfolio.

First Gen's business model perfectly melds profitability and social responsibility. The Company's strategic thrust is also timely in today's global markets where both investors and consumers are concerned about globally worsening environmental problems.

"Our intent is to produce competitively priced megawatt-hours needed to fuel our growing

economy with the smallest carbon footprint possible," President and CEO Federico R. Lopez said in his message in the Company's recent annual stockholders' meeting.

Mr. Lopez added, "We see a world turning increasingly hostile towards carbon emissions such that business as usual for power generators will no longer suffice. As the world heads toward a carbon-constrained future and unprecedented coal and oil prices, renewable energy such as geothermal will command a considerable premium over fossil-based alternatives. We see greater control of our fuel strategy through EDC; fuel that is clean and capable of enabling us to deliver outstanding value propositions for our customers. We believe that with our platform, First Gen is now extremely well-positioned to become the country's energy supplier of choice."

For 2007, First Gen chose the theme "*The Energy to Dare, The Power to Care*" for its annual report. For the Company, this is not an empty sound bite. First Gen fully intends to use this credo as its guiding principle in the years to come.

## Road to Safe Driving



Showing concern for the safety of motorists and the commuting public, the Tollways Management Corporation (TMC) did something that had never been done before by any expressway operator. TMC published the 200-page *NLEX* (North Luzon Expressway) *Motorist Handbook* and the monthly *NLEXpress* tabloid, the former giving them away at minimal cost and for free to motorists.

These innovative communication tools achieved the following in 2006:

- Enhanced motorist awareness of the overall safety and design features of NLEX. These features were cited by drivers as having helped them avoid accidents or more serious results of accidents;
- Dramatic reduction in fatal accidents. One year after the launch of the handbook and regular distribution of the tabloid, records showed a 39% and 28% reduction respectively in the number of fatalities and accidents within NLEX.

A product of 10 months of content development, the *NLEX Motorist Handbook* came out in English, in full color on coated paper, designed to fit in one's pocket or the vehicle's glove compartment. It featured safety driving tips on all kinds of conditions, traffic laws and regulations, as well as maps of NLEX and the towns along its route.

On the other hand, the *NLEXpress* tabloid, written in Tagalog for truck and bus drivers, has featured "Gabay Drayber" to teach better driving skills and vehicle maintenance; "Kambio Kaalaman" on NLEX safety and design; "Pasyal Tayo" on points of cultural and historical interest along or near the NLEX route, and "Ronda Balita" on news pertaining to NLEX and other topics of interest to drivers. The tabloid comes out monthly with a circulation of eighty-five thousand (85,000) copies.

A dramatic story in the tabloid narrated how Jayson Cunanan, driver of a 10-wheeler truck carrying a heavy load of steel cables, lost his brakes but was able to avoid any fatality or more serious injuries. He used the Speed-Stopping Lane, a safety feature he read in the *NLEXpress* tabloid.

The Bocaue Toll Barrier of North Luzon Expressway (top); Speed-stopping lane near the Balintawak Toll Barrier. Motorists with malfunctioning breaks could safely stop by using this lane (bottom).



## A World Class Expressway



The Asian Development Bank (ADB) has rated as “highly successful” the Manila North Tollways Corporation’s (MNTC) performance in meeting its primary development objectives as chief proponent of the world-class North Luzon Expressway (NLEX).

The objectives were identified as promotion of economic development in Central and Northern Luzon, expanding road capacity to accommodate traffic growth on the major route from Metro Manila to Central and Northern Luzon, and increasing employment opportunities at and around the tollways.

“The development impact of the project is excellent,” stated the ADB evaluation report.

The evaluation was made in an executive summary of ADB’s Extended Annual Review Report on MNTC’s performance as builder-concessionaire of the ADB-funded North Luzon Expressway.

At least four criteria were used as basis of the assessment. These were private sector development; business success; economic sustainability; and environment, health, and safety performance.

In its review, the ADB said NLEX has made an “excellent overall contribution to private sector development.”

The Bank also noted that the NLEX was the country’s first major expressway that was built, operated, and maintained according to international standards by a private company.

“MNTC’s economic sustainability is satisfactory, while its environment, health, and safety performance is excellent,” the ADB said, adding that the Lopez-led corporation has established a management system that keeps policies and procedures within globally accepted standards.

“Because the project (NLEX) has reaped benefits for the country, other developing countries view it as a model for government and private sector partnership,” the ADB said.

“The government-MNTC collaboration was a successful public-private partnership that bears replication in future ADB road sector projects,” the ADB review concluded.

The ADB provided in October 2000 the loan portfolio totaling \$70 million to bankroll the rehabilitation, expansion, and modernization of the 83.7-kilometer tollway then being operated by the state-run Philippine National Construction Corporation.

## “Boto Mo iPatrol Mo” Puts Citizen Journalism to Work

Citizen journalism is turning the “gatekeeper” role of traditional media upside down. Instead of a small group of editors and reporters filtering the news and telling people what the news is, people are now allowed to enter the “gate” to the nation’s attention and report what, in turn, is important to them.

This concept was launched to wide acclaim in 2005 with the “Citizen Patrol” segment of ABS-CBN’s *TV Patrol World*. The objective was for mainstream media to empower ordinary citizens to identify a problem in their communities and co-opt or work on equal footing with government officials or other responsible people tasked to solve it.

This pioneering project achieved a milestone during the elections of 2007 through “Boto Mo, I-Patrol Mo” (BMPM). For the first time in the world, citizen journalism and mobile phone technology were put to work for clean elections and clear results. During the campaign period and on Election Day itself, cell phones were used to take pictures or videos of any anomalies and suspicious activities and send them via texting, video messaging or the Internet to ABS-CBN News. The station verified, completed, and aired

the people’s stories and called the attention of the authorities to the anomalies.

BMPM gave people the power to make their votes count. It proved that given the chance, citizens would want their votes to matter by being vigilant, and that they are capable of choosing wisely. This innovative strand of journalism involving the public in newsgathering efforts allowed ABS-CBN News to significantly multiply its sources of news without straining its resources. It boosted the 2007 election coverage with its 39 live spots nationwide and four international bureaus.

Aside from safeguarding the election process, BMPM became a structure by which people can make their elected officials account for their unfulfilled promises, and refrain from committing electoral fraud. BMPM is the fulfillment of the original idea behind “Citizen Patrol” which urged ordinary citizens to watch over their own communities, take responsibility not just for what happens to their own families but also to their neighbors. Antedating user-generated YouTube, ABS-CBN used mobile phone technology to empower people to participate in sharing information or espousing a civic concern, applied it to the elections, and achieved something of national importance.

From an average of five messages per day in early April 2007 sent via SMS or email, BMPM generated for *TV Patrol World* an average of 50 messages a day from the last week of April to the first 10 days of May 2007. Reports of vote-buying, for instance, came from Solsona, Ilocos Norte; Lucena City; Guiguinto and Malolos, Bulacan; Surigao del Sur; Moalboal, Cebu; Davao City; Batangas; Iligan City; and the list kept growing. The messages began with claims of election fraud, but more and more, the reports were about unfulfilled civil works and other projects promised by politicians, many of whom were unabashedly seeking reelection despite their broken previous campaign vows.

ABS-CBN News head Maria Ressa, who had just assumed her post at the news department at the time, noted another gain from BMPM. “We’re told that BMPM has helped level the playing field where incumbents are running. They’re more careful about using government resources for their campaigns. Cell phones are now effective weapons!”

With BMPM, the long road to democracy is no longer lit by candles, but by small LCDs from thousands of cell phones.

## Bandila Ranked among the World's Top Newscasts



**B**andila, the reformatted late-night newscast on Channel 2 launched in 2007, gave ABS-CBN and the Philippines its first-ever Emmy nomination in history as it was recognized by the International Academy of Television Arts and Sciences as one of the top four newscasts in the world.

*Bandila* earned the prestigious nomination at the 2007 International Emmy Awards, beating some 800 entries worldwide in the News and Current Affairs categories. It emerged as one of the four nominees for best newscast for its episode “The Subic Rape Case Promulgation” after three rounds of judging by over 500 judges participating from 35 countries.

*Bandila* also won three top regional and local awards, including “Best News Program” from the 12th Asian Television Awards in Singapore and the prestigious Golden Dove Award for “Best News Program” for 2007, and a similar recognition from Star Awards.

It revolutionized late-night newscast production values by combining entertainment production values with more analytical, substantive news

treatment. The reformat resulted in improved ratings as well as increased profit margins for ABS-CBN in the prime B market segment.

Moving its late-night news program to an earlier time slot was, to industry veterans, an act of risk-taking leadership. *Bandila* strives to set the news agenda for the following day and to compete head-on with the primetime soap operas and sitcoms which had traditionally dominated the hour.

To sustain its success, the *Bandila* team works longer hours and consistently brings in fresh stories and exclusives. The anchors have to bank on their decades of experience to bring in scoops, new angles to running stories, and dictate the shape and substance of the news for the following day or week.

The newscast adopted production techniques from *Entertainment Tonight* and other long-running successful shows and tailored these to the needs of a newscast. Sound effects and video editing techniques never before used for news gave emphasis to a more analytical and comprehensive news content that the TV audience liked. The rock band Rivermaya wrote and sang the theme, the news anchors yielded some primacy to the reporters, and a hard-hitting, faster-paced style of story-telling was introduced.

Slowly, *Bandila* is credited for changing viewer habits by raising Filipinos’ understanding of and appreciation for high-level political issues. The newscast takes the view that a well-informed citizenry is essential to nation-building. As an indication of its market acceptance, in its first year, *Bandila* more than doubled the revenues of the newscast it had replaced, “Insider.” Compared to comedy programs and sitcoms, *Bandila* allowed the station to dramatically cut costs, improve ratings, and raise gross profits.

*Bandila* proved that television can air excellent journalism and make good money besides.



L-R: Bandila Hosts—  
Ces Drilon, Henry  
Omega Diaz, and Korina  
Sanchez.



## “Bago ‘Yan Ah!” Makes Science Understandable



The Batang Scientists segment program encourages positive social values among the youth by featuring science and technology projects done by students from different schools. It stimulates the analytical and creative thinking of the young listeners. The segment is in cooperation with the Department of Education.

Every Sunday for the past 10 years, a radio program goes on the air over DZMM to bring to farmers, housewives, small business folk, and students the wonders of modern science and technology, and how they may apply these in practical ways in their daily lives. The radio program demonstrates to its countless listeners the sense of public responsibility and innovativeness that demonstrates the Lopez Way of doing business. Produced by ABS-CBN Foundation, Inc., “Bago ‘Yan Ah!” is part of the continuous advocacy for quality Filipino lives of Gina Lopez, shared by host Angelo Palmones, and executive producer Ma. Eliza P. Gonzales.

Actually conceptualized to cater to people from all walks of life, the different segments address the needs of various sectors through scientific skills and technology. Through the discussions, made interactive and as participative as possible, the program aims to provide alternative ways of livelihood in order to achieve productivity and arouse interest of students in the field of science and technology.

Since most listeners misconstrue science and technology as boring, too technical and difficult to apply, executive producer Gonzales exerts great effort to present the topics in a light and entertaining manner. The following are two examples of how “Bago ‘Yan Ah!” has reached various sectors of its listeners. The Fisheries School-on-the-Air targets

marginalized fisherfolk in partnership with the Philippine Council for Aquatic and Marine Research and Development. Since 2001, it has graduated 3,000 students-listeners in aquaculture technologies. There is the Titser Iskul-on-the-Air, in cooperation with the UP National Institute for Science and Mathematics Education Management, which trains teachers to use radio as a mode of delivering instruction in science, mathematics and literacy.

DZMM’s “Bago ‘Yan Ah!” has garnered numerous industry awards such as the KBP Golden Dove Award prize as “Best Educational Radio Show” in 2000, 2002, and 2006 and the Catholic Mass Media Award for the same category, thereby enhancing the corporate social responsibility thrust of the Lopez Group Foundation, Inc.



During the signing of Memorandum of Agreement with PCARRD, BFAR, and Tateh Feeds. (L-R: Philip Ong, president, Tateh Aqua Feeds; Dr. Westly Rosario, center chief, BFAR-NIFTDC; Dr. Rafael Guerrero III, executive director, Philippine Council for Aquatic and Marine Research and Development; and Angelo Palmones, station manager, DZMM.

## “Aksyon Ngayon” is a Public Service Hit

**D**ZMM *TeleRadyo* has found a hit with its public service and counselling program, “Aksyon Ngayon,” hosted by Kaye Dacer, which airs Monday to Friday from 1 to 2 p.m. Its immediate and efficient response to public concerns and personal appeals has earned it a widening audience.

Every day, some 30 to 40 people come in person or call directly for help, and are given immediate assistance. Its “Handog Kapatid” segment brings together needy and generous donors. Letter writers from Metro Manila or nearby provinces are visited by Aksyon staff and gifted



**Every day, some 30 to 40 people come in person or call directly, and are given immediate assistance.**

with such items as reading glasses, wheelchairs, sewing machines, or medical assistance.

“Panawagang Bayan,” its bulletin board on the air, gets to Filipinos even in remotest areas, due to the wide reach of DZMM, and brings together long-lost relatives or informs isolated listeners of personal or family matters.

The program’s “Court of Last Resort,” had one touching episode when Shane de Vega, a brain tumor patient, got her wish to personally meet her idol, TV host Toni Gonzaga, who was called by Aksyon to request her to visit Shane’s house in Bacoor, Cavite. Toni was stunned to see her pictures and clippings pasted all over Shane’s room and even heard an audio recording of Shane singing in tune with her taped song.

Ten days after the visit, Shane passed away.

Public service has found a voice and face in “Aksyon Ngayon” and is contributing immensely to the CSR of the Lopez Group Foundation, Inc. which continually refers numerous requests to the program.

## Speedy Power Restoration after “Milenyó”

**T**yphoon *Milenyo* was one of the strongest typhoons to hit Metro Manila and the entire Meralco franchise area in Luzon in the past 36 years or since 1970. *Milenyo*'s 130-190 kph winds resulted in a total system blackout at noon of September 28, 2006, caused by extensive damage to Meralco's facilities which affected 4.3 million customers. This number was nearly 1.7 million more customers than those affected by typhoon Rosing whose 240-kph winds downed Meralco's total 548 circuits in November 1995. But this time, Meralco's personnel moved more speedily, restoring power to its entire 739 circuits in only nine days. On final account, *Milenyo*-related costs totaled ₱506.8 million in terms of damage to the subtransmissions and distribution systems and an estimated 183 GWH in unserved energy due to the resulting service interruptions.

*Milenyo* downed or affected 2,107 poles, downed 1,473 primary wires, and required 2,302 personnel or 845 crews to work virtually round-the-clock to bring the system to normalcy. Almost the entire Meralco organization, from the Chairman and CEO, to the President, to the heads and employees of all functional departments, assisted by dozens of volunteers from its contractors and various private power distributors all



over the country, had to work double time to achieve the speedy restoration.

Meralco used out-of-the-box solutions to restore power more swiftly than it had ever done in a total system blackout. Engineers, for instance, resorted to shifting of loads from one source to another, which is a highly technical operation that considered loading conditions, safety, and the effect on system losses in a very wide franchise area. Meralco also had to race against time as thieves stole 68 kilometers or 27 metric tons of conductors worth ₱10 million as well as two distribution transformers and 122 KWH meters worth ₱400 thousand even while the typhoon had not fully abated.

Electric service was restored nine days after super typhoon *Milenyo* hit the franchise as Meralco crews, with valuable help from colleagues in the industry, worked non-stop to rehabilitate the heavily damaged electric infrastructure system.



## Engaging Employees in Delivering Excellence



**F**irst Philippine Industrial Corporation (FPIC) management was quite gung-ho that its employees should feel quite happy with the conditions at their workplace, be proud of the company they are part of, and thus performing to the best of their abilities.

So, FPIC put in place several interventions in 2006-2007 that would improve the workplace climate significantly, take employee engagement and satisfaction to very favorable levels, and, consequently, raise the organization performance to a degree that exceeded customer expectations and increased profitability.

These interventions addressed the opportunities for improvement (OFI) identified in the OML Award (Baldrige) Application Feedback Reports and the weak areas seen by the 2004 Work Philippines Survey done by Watson Wyatt Philippines. The employees, for their part, were equally determined to take their performance to higher levels and implemented the new programs wholeheartedly.

Their efforts paid handsomely. When Watson Wyatt Philippines completed its WorkAsia 2007 Study of Employee Attitudes and Opinions Survey, the results noted significant improvements in FPIC

which showed that its engaged employees were delivering excellent performance.

The results of the 2007 survey, and comparing these, whenever applicable, with those of the 2004 survey, the following findings underscored how much FPIC achieved:

1. In the fifteen (15) categories in workplace engagement and workplace satisfaction in the 2007 study, FPIC scores were all net favorable. The Line of Sight category score got the highest net favorable score with +97%, while the Hiring and Advancement category got the least but still respectable score of +65% net favorable.
2. FPIC scores in the same fifteen (15) categories were higher than the average scores of the participating companies in the Philippines and in Asia-Pacific. FPIC's margin was highest in the Communications category, in which FPIC's score of 86% favorable was higher by 31 percentage points and 37 percentage points than the average norms of the Philippine companies and the Asia-Pacific companies, respectively.
3. The 2007 survey result scores were higher than the 2004 survey result scores in all the seven (7) categories common to the survey studies.

Watson Wyatt also noted that FPIC scores were highest among the nine Lopez Group companies that took part in the 2007 survey. For FPIC, where 100% of employees responded to the survey via the Internet anonymously and the results were tallied electronically, there was virtually zero margin of error.

Among the interventions taken by FPIC were the following:

- 12-module Leadership Development Series done by Guthrie Jensen for division heads and selected supervisors;
- five-phase Building and Sustaining Team Commitment through Values, also with Guthrie Jensen, for all employees in batches, which included developing the norms and standards for practicing and living out the corporate values.

These programs were supported by other programs that improved communication, clarification of roles, competency proficiency requirements, the training effectiveness assessment process, and the use of a strategy map and balanced scorecard by all business groups.

One indication that the intervention programs created a high performance climate in the workplace is that FPIC has earned the following awards, citations, and recognitions during the three-year period from 2004 to 2007:

- Certification to the BS 7799 (Information Security Management System) Standard in 2005, and then to the upgraded ISO 27001



- Standard in 2007 (first in the Lopez Group)
- “Institutional Award” in the 5th Gawad Kalusugan at Kaligtasan (GKK) Awards of the Department of Labor and Employment in 2006 (on FPIC’s maiden participation)
- “Pursuit of Excellence” Level I Award in the OML Awards for Performance Excellence in 2006
- Certification to Investors in People in 2006 (first batch in the Lopez Group)
- BARS Level II Award in FPIC’s first participation in the BARS program in 2007
- Appreciation by the customers of FPIC’s service through a maximum customer satisfaction feedback rating of “5” (using a five-point max system) in 2006 and 2007

It takes perseverance and hard work to raise performance and satisfaction scores to much higher levels. FPIC showed it’s got what it takes.



## 5 Companies Recognized as “Investors in People”

This goal that Chairman Lopez set for all the companies in the Group is in addition to the standards and management tools already in place, such as ISO, ESH, Risk Management, Six Sigma, Lean Management, and Knowledge Management.

IiP is an international seal of excellence with a track record of increasing productivity and business improvement through people. PMAP recently launched the IiP Center which aims to elevate the practice of people management to be at par with the best of international standards and ensure competitiveness for the Philippine economy.

Developed from continuous research on the best HR practices of the most successful organizations,



**I**nvesting in people makes for good business sense. This policy is top priority in the Lopez Group in line with its thrust for business excellence under the Malcolm Baldrige criteria. Group chairman Oscar M. Lopez gave special mention during the 5th Human Resources Summit and on various occasions to the first five Lopez companies that passed the rigorous process of qualifying for the formal “Investor in People” (IiP) status conferred by the United Kingdom-based International Quality Center, Ltd. and the Personnel Management Association of the Philippines (PMAP).

The companies are: First Philippine Industrial Corp., First Electro-Dynamics Corp., Philippine Electric Corp., Asian Eye Institute, and the Meralco Management and Leadership Development Center. They were among only 10 small and medium-sized companies given a European Union grant through PMAP for them to apply for the IiP certification.

the IiP Standard focuses on 10 areas: business strategy, learning and development strategy, people management strategy, leadership and management strategy, management effectiveness, recognition and reward, involvement and empowerment, learning and development, performance measurement, and continuous improvement.

In his remarks at the IiP Center launch in August 2007, Lopez said, “In IiP we found a way to submit our people practices to objective measurement and assessment by people who could also tell us how we scored relative to the best companies in Europe. We found a way by which we could assert our desire to be among the best employers in the country, and be able to demonstrate to our satisfaction that all the employees in the Company knew where it was headed and that everyone was pulling in the same direction.”

As a result of the IiP process, he said, employees even at the lowest levels have begun to

understand the business objectives and their role in achieving them. In Fedcor, IiP became a unifying force at a time when a change of leadership was ongoing and morale was low. In a few months, the company's manufacturing output and productivity were at an all-time high, and revenues grew by 60%, the highest in its 16-year history. Fedcor EVP and GM Manolito A. Canlas said, "Teamwork is evident, as everyone is more aware of how they can contribute to the attainment of company objectives and goal. IiP also helped us define our leadership brand, the brand that people expect from us leaders, the brand that leaders should model and the brand that will enable us to work towards our company's vision and mission."

At Philec, the unions were so supportive of IiP that they wanted it to be made part of the CBA.

FPIC president and COO Leonides Garde said, "We were certified IiP in 2006 and during that year we achieved for the first time a customer satisfaction index of 5.0 on a scale of 5, which we have maintained (in succeeding years)."

At MMLDC, all employees and departments were able to determine clearer linkages to the corporate goals. The Center was the only company in the country to pass 10 out of 10 indicators during initial assessment. VP and Treasurer Leonisa de la Liana said, "We have given our customers the benefit of the IiP through the standards we have established for the management and development of our own people. Through IiP we are able to explain to them (employees) the future we would like to have for the Center, which of course involves them and depends on their full participation and involvement."



When production people were interviewed, one of them said, "When I was a child, I saw personally how the company took care of my father. So, when I finished my schooling, I decided to join the company. For me, Philec was a dream company."

Philec president Robert C. Chan said it was important "to let all the people from top to bottom know that IiP is actually a management tool or standard that is focused on people management in order to improve business performance."

At FPIC, the Assessment Report submitted by Jane Webster, a certified assessor of the International Quality Centre Ltd. UK, said that people were involved in decision-making, planning, suggesting, and implementing improvements. Business objectives were clearly communicated and linked to the vision, mission, and values through the Balanced Scorecard. The learning and development needs analysis is anchored on the competency development of employees.

Asian Eye Institute COO Anna Karina P. Gerochi said, "Since adopting the IiP framework, we have experienced more active engagement on the part of our staff in making improvements in our company and delivering to patients the level of care that we stand for. This has translated into higher levels of patient satisfaction and ultimately the double-digit growth of our institute."

The five companies will not have exclusive IiP certification in the Lopez Group as Chairman Lopez said, "Going forward, I hope that the rest of the Lopez Group companies would likewise work towards IiP recognition. I understand that the next certification will be three years from now (2006). I do not want to wait this long. I will ask for an annual update on how the five and other Lopez companies are performing on IiP."

Companies certified as Investors in People: First Philippine Industrial Corp., Fedcor, Asian Eye Institute, Philec, and (not in photo) MMLDC



# Shaping the Future



# Making Education Accessible

The Lopez Group sees education as the great leveller for social and economic opportunities, as well as the intervention area with the largest long-term impact on society. For this reason, the biggest investments of the companies and foundations are concentrated on educational programs for extremely poor communities particularly where geographic isolation and armed conflict have kept many children away from classrooms.

The following is a summary of available data on how the Lopez Group has contributed to improving the quality of education for elementary and high school students over as wide an area that can be reached by their resources and network of partners. The report will show the categories and amount of support, as well as some specific and substantial educational contributions.

Lopez companies and foundations reached out to various schools and communities in 2007 with these initiatives:

- a) Development of ETV and radio programs and cabling of schools to enable students to watch educational channel: 8,177 schools provided with Educational TV infrastructure.
  - b) Scholarship programs and support for student activities. NCR, La Union, Batangas, Bulacan. ₱2,022,220 raised by two companies. ₱4,818,104 raised by two foundations from non-Lopez Group sources.
  - c) 55 schools repaired or improved. Seven Meralco Sibol Schools in Iloilo, Bulacan, Quezon City, Antipolo, Caloocan City, and Rizal province.
  - d) Four companies and two foundations funded 4,336 scholars.
  - e) Faculty development. Support to systems improvement for UP Diliman and Assumption College. ₱4,000,000. Establishment of OML Sterling Professional Chair in Law and Economics at UP, and the Maria Consuelo Rufino-Lopez Professional Chair for Business at Assumption College.
  - f) Conservation and promotion of Philippine arts and culture through exhibits and lectures by the Lopez Memorial Museum.
- 1,843 schools cabled to Knowledge Channel, including 153 schools in ARMM (Autonomous Region in Muslim Mindanao) and Regions 9 and 12. Some 3,000 graduated from radio station DZMM “schools” on air programs.

## Watching Educational TV Improves Grades

The Knowledge Channel Foundation Inc. (KCFI), created an all educational TV channel—the Knowledge Channel to support the curriculum for public elementary and high schools. So far, KCFI has provided ETV facilities to some 1,843 public schools, including 153 schools in ARMM, Region 9, and Region 12, with a total audience of 2.9 million students and 6 million home viewers.

A study conducted to determine the impact of KCh programs on the perception and performance of students in IOI elementary schools in IO provinces in Luzon and Visayas showed the following:

- a) KCh contributes to an increase of at least two percentage points per year on the

- b) The impact of KCh will be felt most likely in science and mathematics. The presence of KCh is perceived by principals, teachers, and students as providing opportunities for students in rural communities to catch up with those in Metro Manila.
- c) Data suggests that completion rates for schools with KCh are increasing as its presence created excitement among students to go to school.
- d) Focus group discussions cited other benefits brought by KCh such as molding better citizens, and fostering community unity and interaction towards self-improvement.

After watching a Science program, teachers facilitate discussions to ensure comprehension (right). Satellite dishes are installed to access KCh in remote areas such as this in Sulu (far right).



average in the National Achievement Test scores and its sub-components in Science, Mathematics, and English.

- b) The positive impact of KCh will most likely be felt in the areas of science and math.
- c) KCh created excitement on the part of students and motivated teachers to make regular use of its programs in classroom discussions.
- d) The impact of KCh will be felt with higher probability if the maximum level of utilization at one TV unit for every student population of 900 and below is achieved.

More specifically in areas reached by TV Education for the Advancement of Muslim Mindanao (TEAM Mindanao), where 78,529 students in 150 schools in 31 municipalities in Region 9 and 12 watch its educational shows regularly, a study by the UP Statistical Center Research Foundation Inc. showed:

- a) For elementary schools, NAT scores and the science sub-component increased by an average of three percentage points per year.

Some ARMM schools reported an increase in enrollment by 10% and a decrease in absenteeism, particularly in the primary levels;

In Zamboanga Sibugay province, all KCh schools posted significant increases in all subject areas in the Division Achievement Test;

Parent, Community, and Teachers Associations in 16 schools in North Cotabato, Maguindanao, Zamboanga Sibugay, and Tawi-Tawi raised funds on their own to buy 45 additional TV sets, ensuring the program's sustainability; and

Teachers reported a lightening of their load as children “were stimulated by the visuals and were catching up easily on the day’s lessons.”

**Other highlights.** In early 2007, a 10-episode TV series called “Salam (Peace)” was included in the Makabayan subject for Grades 5 and 6, delivering the message of peace and development through visuals and drama.

Another 10-episode TV show called “Negosyo Ko, Asenso Ko,” teaching business and livelihood skills to out-of-school youths continue to be shown on KCh and its sister stations in ARMM.

## The Road Less Traveled



Second row, fourth from left: Geny Lopez Jr. Bayaning Pilipino Awardee Monica Sison with Knowledge Channel Foundation President and Executive Director Rina Lopez Bautista and the students of Avocado Elementary School.

Gloom enveloped the entire place, as if void of life. Political unrest has long plagued Sitio Avocado in Negros Oriental and any form of hope seemed to escape the community. Water system is down, health problems plague people, and education is barely existent. The sole elementary school offered only two grade levels and for the locals, this is the farthest they can achieve. After finishing the second grade, the students either took to arms or work in the farm; thus the cycle of destitution and hopelessness.

Sitio Avocado is the road less traveled. Many have tried to help, but their efforts were futile... until one woman fanned to flame the flickering hope of the community. Her vision was to inspire the people into believing that they can change the course of their lives and to equip them with the opportunity to do so.

Gawad Geny Lopez Jr. Bayaning Pilipino awardee Monica Sison defied the mindset that Sitio Avocado is a dying community. She saw goodwill and potential in every person, and vowed to make a difference. Monica was an ordinary teacher, but with an extraordinary heart to serve.

Assigned in Sitio Avocado, she saw the misery but looked beyond the situation, "I saw the urgency of breaking the cycle." She believed that through sheer determination and hard work, she could make an impact in the lives of the people.

Monica Sison is more than a teacher and school head in Sitio Avocado. On top of the intellectual formation, her desire was a holistic transformation among her students. Just like a mother, she provided

counseling and wisdom, empowering them to do better. She would exhaust resources, even her own, to provide basic needs such as food and clothing to her students. Sison also went beyond her duty and provided training on health and home care to the community. The once simple teacher, mindless of her needs, did extraordinary work that helped transform the entire community. "Never did I consider it a burden. It was an opportunity, in fact, a blessing," Sison stressed.

From two roofless classrooms with 66 students, the school in Sitio Avocado now has 250 elementary school pupils. A high school was also added, with 125 students and a kindergarten with 27 students. Two scholars from the Sitio are now about to graduate from college. And many parents, once part of the New People's Army (NPA), decided to reunite with their families because of that gleam of hope in their children. Monica Sison is the principal of Avocado Elementary School and concurrently acting head for the secondary school and college level, which offers two-year vocational courses in Sitio Avocado.

The value of education, the need to respond to the call, and the desire to make a difference—these are enough to keep Monica Sison on fire for her cause. And whatever it takes, she knows that it's all worth it. "I saw in them the thirst for education. And that is reason enough for me to stay and give my best."

*\*Avocado Elementary School is a recipient of Knowledge Channel's educational television project.*

# Scholarships

**4,336** scholars

in elementary, secondary,  
and tertiary\*

**55** schools repaired or  
improved

**98** schools provided  
with free internet\*\*

\*2006-2007 Data from Phil-Asia Assistance Foundation, ABS-CBN Foundation Bantay Edukasyon, Fedcor, Bauang Private Power Corp., First Philippine Industrial Park, ABS-CBN Broadcasting, DZMM 630 khz

\*\*2006-2007 Data from Manila North Tollways, Tollways Management Corp., Rockwell, First Balfour, First Philippine Industrial Corp., Bauang Private Power Corp., First Gas, First Gen, First Philippine Industrial Park, Meralco, Bayan Telecommunications

## Educational Media

**8,177** schools

provided with Educational TV infrastructure

**1,843** schools

cabled to Knowledge Channel, including

**153** schools in ARMM, Region 9, and Region 12<sup>\*\*\*</sup>

\*\*\*2006-2007 Data from ABS-CBN Foundation E-Media, Knowledge Channel Foundation

## Synergies Bring New Zing to 'Adopt-Your-Hometown-School' Campaign

Overseas Filipinos, whether migrant workers or permanent residents, are known to be willing contributors to various development projects in the Philippines. Most of them want to “give back” to their hometowns but are clueless on how to find deserving beneficiaries and what mechanism will guarantee that their money is safely and effectively utilized. When it was launched in 1998 by ABS-CBN Foundation, the “Adopt-Your-Hometown-School” Campaign was an instant hit. The overseas Filipinos “adopted” their old schools through ETV packages that made educational shows



(“Sineskwela,” “Math Tinik,” “Hirayamanawari,” “Bayani,” and “Epol/Apple”) accessible to the schools. However, the Foundation was finding it costly to make presentations to potential donors in various cities in the U.S. and other countries, and the donations took a long time in coming.

The Foundation solved the problem and had a successful program by pooling its resources with The Filipino Channel (TFC) and the Regional Network Group (RNG) in the Philippines. The campaign was able to raise some ₱9 million from November 2006 to December 2007 for public elementary schools in remote and poor provinces. Quantifying the number of children the “Adopt” campaign has affected during the said period, at an average of 3,000 students per school in 134 adopted schools, the campaign has benefited close to half a million children (approximately 465,000).

With this synergy, ABS-CBN Foundation saved almost 50% of its travel expenses earmarked for this particular program in 2007 alone (worth close to ₱500,000). By tapping RNG, the Foundation was able to piggy back on the resources of the stations

—equipment, production crew, reporters, editors, storage, and courier services. By partnering with TFC, the Foundation was able to communicate to millions worldwide without having to go to many foreign cities.

For TFC, the “Adopt” program which it advertised to its global network was an opportunity to respond to the expressed need of Filipinos overseas to help their hometowns, particularly their old schools. TFC viewers in Burlingame, California were in fact the inspiration for the “Adopt” project when they came to the TFC office to find ways to help children in their hometown. One of the Foundation managers happened to be in the U.S. at that time, promoting ETV. The manager heard of the “problem” of overseas Filipinos, and within the year, “Adopt” was launched in San Francisco.

For RNG, the campaign gave its executives the chance to immerse themselves in the communities where they operated. When the donations were turned over to schools in the more than 30 provinces where “Adopt” had been implemented, the RNG stations became the bearers of good news, and could promote their own activities to an appreciative audience.

For the students, the ETV packages that came with “Adopt” gave them the chance to improve their school performance. The “Adopt” schools were part of the sample in the study that found ETV’s positive effects, such as: a) 25-39% increase in retention and comprehension of lessons; b) increased participation and heightened interest in science, math and Hekasi (combined history, language, and civics); and decrease in absenteeism and truancy.

The reinvention of “Adopt” by creating synergies among three organizations proved beneficial to all three and their respective stakeholders, and a new way to create more social impact.



## The E-Media's Impact



The E-Media program of ABS-CBN Foundation has regularly produced television and radio shows that supplement classroom materials, and has installed TV modules in 38,048 schools.

An impact study made by Dr. Milagros D. Ibe, of UP-ISMED, resulted in the following:

- a) Grades 4 and 6 students exposed to *Sineskwela* performed consistently better than those who were not;
- b) In math, Grades 5 and 6 students who were regularly exposed to the ETV programs consistently performed better than students who were not;
- c) Pupils in Grade 2 and 3 who watch *Sineskwela* attained mastery level in 50 to 67 percent of the concepts learned in science and health, while those who do not watch attained only 20 to 33 percent;
- d) Parents said due to ETV viewing, their children became more disciplined, able to apply lessons learned to real life situations, more interested in their school work, and more motivated to finish their education.

### ABS-CBN Foundation's Bantay Edukasyon

program has awarded a total of

**1,666 grants**

to date which has produced

**149 elementary school,  
34 high school and  
14 college graduates.**

Bantay Edukasyon provides a child with daily allowances for food and transport, school supplies and uniforms, medical check-ups and tutorials.

## Widening the Lopez Museum's reach

**A**s director of the Lopez Memorial Museum, flagship project of the Eugenio Lopez Foundation, Inc., Cedic Lopez-Vargas has devoted herself to “make learning in the museum more engaging, more interactive, and more appealing to the younger generation and to a wider audience.”

That her efforts have begun to bear fruit is evident in the varied and more populist offerings of the museum in 2007 and the current year. The Lopez Memorial Museum is a major showcase of 600 years of Philippine arts and letters with its collection of rare books, maps, manuscripts, 15th century excavated ware, extensive Rizaliana, and probably the widest Filipiniana library under private professional management.

“Some people think of museums as dusty places of static artifacts. But that’s not true at all. It’s a place for learning, for a deeper appreciation of our rich cultural heritage. It’s something we can take pride in,” says Vargas. “While the museum is known to a lot of researchers and scholars, we want students to enjoy the Lopez Museum as a place of visual stimulation and learning.”

**Some people think of museums as dusty places of static artifacts. But that’s not true at all. It’s a place for learning, for a deeper appreciation of our rich cultural heritage. It’s something we can take pride in. —Cedic Vargas**

The museum is building the Roberto M. Lopez Conservation Laboratory, researching methods to protect and conserve rare books and artworks. Through a formal agreement with ABS-CBN Broadcasting Corporation, the museum is able to store its master copies in the latter’s archives whose

Artist Kirby Roxas watching video installation of “The Sum of Its Parts” exhibition.







Installation shots of "The Sum of Its Parts" exhibition (clockwise from top left).  
 Artist Phyllis Zaballero viewing a work of Nena Saguil on display in the "The Sum of Its Parts" exhibition (above left).

8°Celsius temperature assures that the materials will last for more than 400 years. Other institutions and collectors have begun asking the laboratory for assistance in protecting their treasures.

The museum is digitizing all archival material to make these more accessible to scholars and researchers, with the objective of bringing it on line.

For 2007, the Lopez Museum conducted a series of activities to widen its reach and relevance to scholars.

- a) Exhibitions, such as *Fuzzy Logic*, *Deft*, *Dime a Dozen*, *Cut and Paste*, and *Blur*, provide opportunities for the museum's collection of 19th and 20th century Philippine art to participate in discourses of importance in contemporary times alongside works by younger artists.
- b) Lectures which brought the multidisciplinary practise in the museum to the fore. These served as the venue for new scholars from diverse fields as physics, computer science, mass communication and art to present their researches.
- c) Stories on Philippine Art were a result of

the Lopez Memorial Museum's exploration of collaborative activities with equally dynamic partners to create a greater impact on heritage awareness. Apart from *Stories of Philippine Art*, other collaborations of the museum included the Zero In consortium with the Ateneo Art Gallery, Ayala Museum, Bahay Tsinoy, Museo Pambata, and Ortigas Foundation, Inc.

- d) Workshops which showed the museum's awareness raising of its audience to learn in a variety of ways, such as hands-on activities as writing and working with textile.
- e) Tours are the 'tradition with a twist' in the museum as these provided overviews of the exhibitions tailor-made to enable audiences ranging from the diplomatic corps to school groups to interact with the said exhibitions.

## Keeping Kids in School, Not in the Streets

Tondo in Manila. For school year 2007-08, new scholars came from parishes in Pasig and Caloocan.

The late Roberto “Roby” Moreno Lopez, youngest son of Eugenio H. Lopez, Sr, began this philanthropy project in 1986 upon his return to the country at the end of Martial Law. Then a trustee of the Eugenio Lopez Foundation and director of the Lopez Memorial Museum, Roby provided PAAFI with office space in what was then the Chronicle Building. He hired the staff to administer the funds raised for the scholars. In helping the youth, Roby “found a new meaning in life.”

Left to Right: PAAFI scholars Mary Joy Gordoncillo on her graduation day and Jaymar Almodal writing a thank you letter to his sponsor.



**T**he Phil-Asia Assistance Foundation, Inc. (PAAFI), working with Philippine International Aid, sponsored 384 students in 2006-2007, and 360 in 2007-2008 for elementary, high school, and college. For the same school years, the two foundations saw a total of their 171 students graduate from the said school levels.

The scholars, (children of drivers, laundry women, carpenters, and laborers) were evaluated according to their eagerness to finish their schooling but whose parents couldn't afford to keep them in school.

The scholars came from Pasay, Las Piñas, Quezon City, Taguig, Sta. Ana, Sta. Cruz, and

**The scholars, (children of drivers, laundry women, carpenters, and laborers), were evaluated according to their eagerness to finish their schooling but whose parents couldn't afford to keep them in school.**

## School-Based Management Program

**M**eralco Management Leadership Development Center Foundation Inc. (MMLDC) is devoted to empowering leaders of the education sector through its programs such as School-Based Management Development Program (SBMDP) and the Educators' Forum. The SBMDP is designed for education leaders to develop competencies in preparing, implementing, and evaluating school improvement plans.

In November 2007, around a thousand educators and education stakeholders gathered at the Meralco Theater for the 2nd Educators Forum. Among the speakers were DepEd Secretary Jesli Lapus, Ms. Cory Quirino, Dr. Jostette Biyo, and Dr. Dulce Estrella-Gust.

Participants came from 15 Rizal towns, Antipolo City, 29 districts of Cavite, and 13 districts of DepEd NCR.

A total of 2,984 teachers, school heads, and other participants took part in MMLDC's School-Based Management Development Program in 2007. Around 800 training hours were logged in the 53 batches of SBMDP interventions. The program was conducted for the Divisions of Cavite, Cavite City, Caloocan City, and Albay.



Educators relaxed and had fun at the 2nd MMLDC Educators Forum (above). MMLDC programs are grounded on what would best benefit the Filipino youth (below).



## Reaching Out to More Schools, More Communities



Meralco Sibol School in Banarya GK Village, Towerville, San Jose Del Monte, Bulacan (right). Students of the Meralco Sibol School (far right).

**M**eralco continues to focus its CSR projects on education through programs supported by the Meralco Millennium Foundation Inc. In 2007, Meralco turned over seven Meralco Sibol Schools to Gawad Kalinga (GK) villages in: Jaro, Iloilo; San Jose del Monte, Bulacan (2 schools); Bagong Silang, Quezon City; Bagong Silangan, Caloocan City; Malanim, Antipolo City, and Cainta, Rizal. In 2006, it donated eight Sibol Schools to GK.

It also opened with the Department of Education two Liwanag Learning Centers in a school in Tugatog, Malabon and Dagat-dagatan, Navotas.

Also in 2007, Meralco held teacher training courses in basic computer literacy for 158 teachers from three public schools under the Teacher Education Project; joined Brigada Eskwela by assessing the electrical safety of 53 public schools; implemented electrification projects in seven GK villages; and administered the 'Lugao con Love' Feeding Program for 258 children in eight GK villages.

In 2006, the Teacher Education project reached 205 teachers from two public schools; inspected 28 public schools for electrical safety under Brigada Eskwela; and fed 72 malnourished children for three months.

Under its corporate giving program and Orange Wagon Projects, Meralco donated computers, printers, and cell phones to police stations and other institutions and agencies.

The following are the various outreach projects conducted by Meralco under the principle of volunteerism from 2006 to 2007.

- *Martsa sa Eskwela*, where 17 schools were assisted in the repair of their toilet facilities;
- *Munting Mukha ng Ligaya*, where Martha's Vineyard Learning Center had its building reconstructed;
- *Tulong Kapwa*, where 102 families in Sta. Lucia, Pasig City were helped;
- *Lingap Kapwa sa Kapaskuban*, 3,826 children and 13 schools reached in 2007, and 12 schools and six barangays in 2006.
- *Delightful Christmas*, 275 children from four institutions adopted;
- *Handog ng Meralco sa Pasko*, where 400 children from DSWD-accredited day care centers were treated with a program and gift-giving activities by Meralco executives and their spouses.

Project *Kasambahay*, Meralco's in-reach activity, on the other hand, benefited 2,345 Meralco contracted service personnel in 2007, and 1,059 in 2006. Meralco's charity arm, the Meralco Employees Fund for Charity Inc. (MEFCI) conducted year-round projects such as scholarship grants, disease prevention, disaster relief, institutional and individual gift-giving, and medical and dental missions.

## Giving free Internet access to Public High Schools

**B**ayan Telecommunications has taken active role in supporting GIL@S (Gearing Up Internet Literacy and Access for Students), a multi-sectoral project that seeks to connect all the more than 5,000 public high schools to the Internet by 2010.

Since 2005, Bayan has provided free Digital Subscriber Lines (DSL) or broadband connection to more than 100 high schools in its franchise area. Bayan Telecommunications President Eugenio Lopez III said that the company will extend the service to some 200 high schools in major cities nationwide.

“This is a key program that allows us to make our DSL service available to the youth and harness further their potentials as the future leaders of our nation,” he said in simple ceremonies marking the Internet connection of Quezon City high schools. Bayan Telecommunications provided free DSL services to the city’s more than 30 high schools in 2006.

Quezon City is considered the information and communication technology (ICT) capital of the country, with the highest concentration of ICT services such as call centers and other business process outsourcing firms.



Tunde Fafunwa, left, chief executive consultant of Bayan Telecommunications, and John Aloysius Bernas, director of GIL@S Project, unveil the GIL@S marker at the Don Alejandro Roces Sr. Science and Technology High School in Quezon City, as Dr. Josefina P. Gabriel, assistant schools Division Superintendent of Quezon City, and Romulo B. Rocena, the High School’s principal look on (top).

The people behind the success of the GIL@S Project, from left to right, Tunde Fafunwa, chief executive consultant of Bayan Telecommunications; Vicky Garchitorena, president of Ayala Foundation, Inc.; Gabby Lopez, president and CEO of Bayan Telecommunications; Simon Paterno, managing director and country manager of Credit Suisse First Boston; and Dr. Josefina P. Gabriel, assistant schools Division Superintendent of Quezon City (below).



# Microfinance

Small loans for the enterprising poor to support their micro and small enterprises

**46,881**

active microfinance clients  
loans disbursed amounting to

**₱1,032,351,685**

with a repayment rate of  
almost 99%\*

Livelihood and  
entrepreneurship  
training programs

**5,945** individuals trained\*\*

mostly urban poor, cooperative members

\*Data from ABS-CBN Bayan Foundation, loans disbursed since 1998

\*\*2006-2007 Data of three companies and one foundation (DZMM, FPIP, FPIC, ABS-CBN Bayan)

# Community Development

(capacity building for communities in organizing, planning, and implementing social development programs)

**1,616** families  
helped in Cavite and Guimaras\*

# Calamity Relief

**47,710** families served  
84 housing units, water system built in Leyte, feeding of 100 children, waterpipe distribution benefiting 700 households\*\*

\*2006-2007 Data from First Philippine Holdings Corp. and Lopez Group Foundation

\*\*2006-2007 Data from ABS-CBN Foundation, Sagip Kapamilya

Poverty Alleviation

# Poverty Alleviation

With one of every 10 Filipinos surviving on about ₱40 a day, and more than half of some 85 million people describing themselves as poor, livelihood training and other interventions are topmost on the list of CSR programs of the Lopez Group.

Complementing such programs would be the initiatives that help the poor, and victims of natural calamities, conflict, and child abuse.

The major poverty alleviation programs are the following:

- a) Support for micro and small enterprises through ABS-CBN Bayan Foundation. For 2007 only, loans amounting to ₱925,324,685 were disbursed from corporate investments. The 46,881 active microfinance clients are mostly urban poor women from NCR, all of Luzon and Western Visayas.
- b) Livelihood and entrepreneurship training supported by three companies and ABS-CBN Bayan Foundation. For 2007, with one company reporting the amount of its corporate investment, ₱171,000 was spent for training, while ABS-CBN Bayan raised from other sources ₱14,586,300 for the same purpose of training 5,945 persons in livelihood skills.
- c) Job placement assistance for family members of microfinance clients helped find work for 1,906 persons with funds amounting to ₱1,500,000 raised from sources other than corporate investments.
- d) Community development for specific communities, including livelihood training, basic services, capacity building for implementing social development programs. For 2007, the beneficiaries were residents of the relocation barangays at Paliparan, Cavite and the oil spill victims at La Paz, Guimaras. ₱2,055,200 was raised from corporate investments which helped 1,606 households.
- e) Calamity relief, particularly for the victims of typhoons *Reming* in Bicol and *Milenyo* in Leyte. ₱10,152,012 was raised from corporate investments, while ABS-CBN's Sagip Kapamilya raised ₱8,314,754 from the public and private organizations. Some 50,000 families were served. In Leyte, 84 housing units and a water system were built, with drinking water going to 700 households. For the landslide victims of Guinsaigon, Southern Leyte, food and non-food relief worth ₱6.7 million, and a 7-km water pipeline project was provided through Sagip Kapamilya's donors.



## Tapping the Outsourcing and Offshoring Business

**B**ayan Telecommunications recently launched Bayan B2Biz, a series of formal studies on emerging industries. The studies aim to encourage more investments and generate employment.

“It was only logical that our first edition would be on the Outsourcing and Offshoring (O&O) industry with its unlimited potential not only to stimulate our economy, but to dramatically change our perspective on where the greener pastures are,” says Tunde Fafunwa, Bayan’s chief executive consultant.

Fafunwa says, “The term ‘BPO’ or Business Process Outsourcing is already insufficient and limiting in covering the breadth of business opportunities possible. It has now become our objective to refocus the mindset to the broader O&O perspective.”

Outsourcing is the delegation of processes to a third-party service provider regardless of the location, while Offshoring is the setting-up of offices in other countries with no delegation of processes and serving only the mother company.

Bayan B2Biz: O&O contains comprehensive figures and analysis of issues confronting existing and potential players, their prospects for expansion and future development. The study also touches on distinct strengths of Philippine regions from talent

centralization to natural environment and its effect on social development, among others.

For 2007, an estimated 15% of the global addressable O&O market of US\$1.067 trillion for Business Process Outsourcing and Information Technology Outsourcing (ITO) segments is seen to be exported, of which the Philippines captures only 2%. The country earns \$3.3 billion from the industry, mainly from BPO.

The Philippines has positioned itself as an excellent customer-care and back-office provider because of financial attractiveness, highly-skilled labor pool and skills availability.

The shift from commoditized to more skills-intensive services that require significant domain expertise, analytic ability, and decision making capabilities can curb the migration of more than 308,122 highly-skilled Filipinos.

Particularly in the creative segments like animation, game development, and digital content, the country has had a long record of excellence and cost-efficiency that provides a big opportunity to grab a major share of the O&O market.

“Opportunities in O&O can only be realized if we know they are there. Bayan B2Biz: O&O is Bayan’s way of being an instrument in making sure its potential becomes a national reality,” concludes Mr. Fafunwa.



Bayan Telecommunications’ chief executive consultant, Tunde Fafunwa explains to the express and select BPA/P and CCAP members on the new and innovative industry insights that were disclosed in the O&O 2007 Report which was launched by Bayan Business, last December of 2007.

## Building the Nation from Below



Herminia Custodio with her rolling store, goes around nearby schools to sell hair accessories, trinkets, toys, and other items as an ABS-CBN Bayan Foundation beneficiary.

**A**BS-CBN Bayan Foundation is moving from being a mere microfinance institution to a social and enterprise development organization. With 46,881 active microfinance clients and loans disbursed amounting to ₱1,032,351,685 with a repayment rate of almost 99% by the end of 2007.

Other milestones are:

By the end of 2006, Bayan experienced a 41% growth in net surplus. Loan portfolio increased by 46% with a corresponding increase of 56% in clean loan portfolio. Loans disbursement increased by 25% and the number of clients increased by 11%. Net surplus jumped from ₱6 million in 2005 to ₱33 million. Majority of the MFOs received incentives in contrast to only 20% in the previous years.

In 2007, Bayan achieved 20% increase in the number of clients and a 22% increase in net surplus from the 2006 level. Clean loan portfolio went up by 50% while loan disbursement rose by 25%. The number of branches increased to 31.

Bayan repositioned as a social and enterprise development institution. The creation of the Enabling Network for the Upliftment of Filipino Families (ENUFF) and the implementation of Sagip Kapamilya's rehabilitation efforts have transformed Bayan from a purely microfinance institution into a social development institution that would undertake:

- a) setting up microenterprises;
- b) formation, training, and job placement of workers; and
- c) strengthening families by building their own value systems.

Bayan has joined hands with other microfinance institutions, either individually or as members of the regional microfinance councils who are eventually adopting the Grassroots Entrepreneurship Management (GEM) program of Bayan. Its partnership with three big regional microfinance councils, about 120 microfinance institutions, rural banks, and cooperative banks and over 300,000 microfinance clients has provided Bayan a solid base.

Bayan partnered with the Xavier University in Cagayan de Oro City for the implementation of the Trainor's Training on Entrepreneurship for its pioneer partner institutions such as the Mindanao Lumad and Muslim Development Foundation, Inc.

In 2007, Bayan expanded its network through its partnership with 18 institutions consisting of schools and universities (8), NGOs (4), MFI, LGUs (4), and private corporations (2).

## Addressing Severe Malnutrition Among Kids

One of every four Filipino pre-school children is underweight. Three in every 10 children from six months to five years of age suffer from iron-deficiency anemia causing short attention span, reduced ability to learn, and irritability. Three of every 10 children of the same age group are deficient in vitamin A, which causes night blindness, low resistance to diseases, and poor growth. Two in every 10 children from six to 12 years old have iodine-deficiency disorders, such as goiter, mental retardation, deaf-mutism, and difficulty in standing or walking, and stunted limbs.

Given these statistics from government surveys,

poor areas of Navotas, Antipolo, Quezon City, Pampanga, Camarines Sur, Albay, Guimaras, Iloilo, and Leyte. About 90% of the children attained normal nutritional levels after 120 days of feeding. They have become more active and sociable, and learned good values. The parents of the beneficiaries gained awareness on proper nutrition, health, hygiene, children's rights, and child discipline.

*Bantay Bata* I63 continues to work with local partners, such as local government units, other non-government organizations, and socio-civic groups, in implementing *Bantay Kalusugan*. Target areas are the communities and schools where severe and widespread malnutrition among children has been identified.



Left-right: Bantay Kalusugan's monthly weight and nutritional status monitoring; medical mission to monitor children's health.

the *Bantay Kalusugan* program has taken a new urgency for the ABS-CBN Foundation. Severe malnutrition among children was identified as one of the major needs and issues among Family and Community Strengthening Project communities of *Bantay Bata* I63.

*Bantay Kalusugan* is a supplemental feeding project to address children's malnutrition. It is also a venue for expanding the advocacy on nutrition, children's rights, parenting skills, community mobilization, and linkages building.

For the past two years (2006-2008), the program has served more than 2,300 children in

A model for mobilizing mass media and public support to prevent child abuse and help homeless children, *Bantay Bata* I63 continues to receive over one million phone calls per year, of which an average of 2,300 calls a day are verified to be genuine calls for help. Of these calls, 41% is for rescue, home visit and counselling, and the rest is for inquiries on child-related concerns and on donations.

Average clients counselled over the phone have reached 548 per month, while aftercare case management has been extended to 240 children reintegrated with families. *Bantay Bata* has built a children's village in Bulacan, and homes in Iloilo City and Davao.

***Bantay Kalusugan* is also a venue for expanding the advocacy on nutrition, children's rights, parenting skills, community mobilization, and linkages building.**

# Reforestation and Tree Planting

**108,550** trees planted  
with **438** employee volunteers

Reforestation of **350** hectares  
in Naguilian, La Union

And **1,381** hectares in  
La Mesa Watershed

Maintenance of **4.5** hectares  
Ecology Park inside an Industrial  
Zone in Batangas\*

\*2006-2007 Data from Bauang Private Power Corp., First Philippine Industrial Park, First Philippine Industrial Corp., Manila North Tollways, Tollways Management Corp., Fedcor, and First Gas. ABS-CBN Foundation Bantay Kalikasan La Mesa watershed data is cumulative

## Biodiversity Protection

Catalyzed partnerships among government, private sector, and civil society to protect the Verde Island Passage. Philippine President Gloria Macapagal-Arroyo issued **Executive Order 578** which established the national policy on biological diversity.\*\*

\*\*2006-2007 Data from First Philippine Conservation

# Protecting the Environment

The conservation and protection of the environment, both during the manufacturing, logistical or other processes done by Lopez companies and their business partners, and in the products or services they come up with, take a top-priority concern in the Lopez Group. Their foundations, notably ABS-CBN Foundation through its *Bantay Kalikasan* program, extend this concern to large, critical areas that are well beyond the Group's jurisdiction, such as La Mesa Watershed and, of late, the Pasig River and Laguna de Bay.

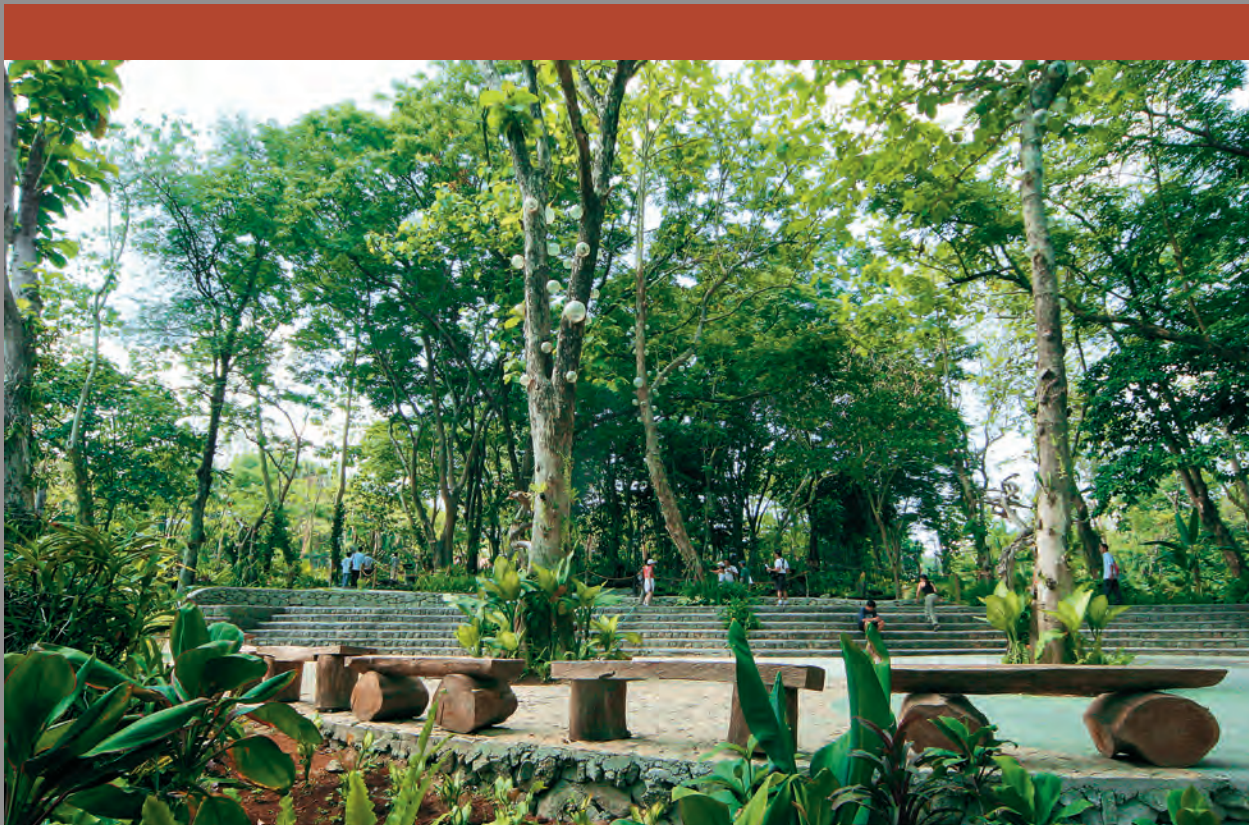
The resources of the Group, notably its radio and television network, are instrumental in mobilizing public support and participation of hundreds of organizations in the environmental programs.

The major programs are:

- a) Tree planting and reforestation of watersheds and forest reserves. ₱3,065,825 from corporate investments. ₱6,343,765 raised

from public and private sectors other than the Lopez Group mainly by Bantay Kalikasan through ABS-CBN Broadcasting. Benefiting Metro Manila, certain areas of North Luzon such as La Union, Batangas, and Laguna provinces.

- b) Coastal resource and critical biodiversity area of the Verde Island passage in Batangas. ₱7,641,800 from one foundation and one company. Focus is the Verde Island Passage, identified by international researchers as "the center of the center of marine shorefish biodiversity" in the world.
- c) Coastal clean-up in support of sustainable water resource and utilization initiatives in Batangas and La Union. ₱279,690 raised as corporate investment. ₱1,641,660 raised from other sources. Donated 25 drums of used oil. Recycled 662,149.53 kgs. of used lead battery in 2006.



## Bantay Kalikasan



**B**antay Kalikasan (BK) has become a towering symbol of corporate social responsibility at work in addressing a critical and once-deteriorating watershed that helps provide water to millions of homes in Metro Manila.

The La Mesa Watershed Project, a collaboration of ABS-CBN Foundation and various companies, schools, NGOs and volunteers, reforested 1,381 hectares which are home to at least 75 endemic tree species; helped provide sustainable drinking water for the metropolis; provided cleaner air for the city since about 3% of the carbon dioxide in Metro Manila air is sequestered by the La Mesa forest; provided employment to over 200 people through the watershed development activities; and gathered more than five million signatures to stop a housing project inside the La Mesa reservoir. H2Hope, the campaign for clean water, has creatively raised funds for the protection of the watershed.

*Bantay Kalikasan's* flagship program, the Hotline, was instrumental in the resolution of 276 environmental cases from 2000 to 2007.

*Bantay Kalikasan* has turned its attention to a critical waterway, the Pasig River, and its upstream sibling, the Laguna Lake, one of the largest freshwater bodies in the world. BK has also started developing a network of ecotourism destinations in the country.

*Bantay Kalikasan's* offshoot program, *Bantay Baterya*, has collected 542,637 kilograms of lead-acid batteries in 2007 and another 662,150 kilograms in 2006 which recovered 903,591 kilograms of lead, 180,719 liters of sulfuric acid, and saved a total of 1,711 cubic meters of landfill space. Bantay Langis recovered over 50,000 liters of used oil from donor companies. Such volume already prevented the release of some 154 tons of greenhouse gas into the atmosphere and possible contamination of potable water.

The La Mesa Ecopark, managed by ABS-CBN Foundation, has become a favorite picnic and weekend resort as well as ecological training center for thousands of students, families, and various groups.



One of the streams traversing the La Mesa Nature Reserve (top). Wellness enthusiasts go for a walk along La Mesa's ecotrails (bottom).

## Partnerships for Verde Island's Conservation



View from above and below the Verde Island Passage

**B**y a series of fortuitous natural events over millions of years dating as far back as the Pleistocene Period, the Philippine archipelago—together with Indonesia and Malaysia (IMPA)—was identified by a study<sup>1</sup> as having the highest concentration of marine biodiversity. In particular, it indicated that the Verde Island Passage (or VIP which is between Batangas and Mindoro and other provinces) is the center of marine shore fish biodiversity in the world.

Ironically, this unique global heritage has become one of the most severely threatened habitats of marine species. Unless various important stakeholders pull together to assure Verde Island Passage's conservation, there could be serious consequences for its marine resources.

A team from First Gen Corp., Conservation International Philippines (CI), and First Philippine Conservation, Inc. (FPCI), together with their partner communities and organizations, worked for months to promote greater awareness and information dissemination on the issue, developed

**Unless various important stakeholders pull together to assure Verde Island's conservation, there could be serious consequences for its marine resources.**

<sup>1</sup> Dr. Kent Carpenter and Dr. Victor Springer of the Department of Biological Sciences, Old Dominion University, U.S.A, 2004.



capacity-building and institutional formation, and brought about partnerships to conserve the Verde Island Passage.

One of the milestones was gaining the support of national government. Philippine President Gloria Macapagal-Arroyo issued Executive Order 578 which established the national policy on biological diversity. Its implementation was prescribed throughout the country particularly in the Sulu Sulawesi marine ecosystem and the Verde Island Passage marine corridor. This became the guideline in producing a management plan framework.

In time, the team was able to unify disparate efforts among different environment stewards in government and the private sector.

Project Center of the Center continues and deepens the work of FPCI in VIP and expanding FPCI's work to Apo Reef Natural Park south of Occidental Mindoro. The project envisions both areas to be managed by politically empowered and technically knowledgeable groups to ensure the conservation of their coastal and marine resources

as well as the sustained well-being of people who depend on them.

Along this line, the project seeks to realize these five outcomes between 2007 and 2010:

1. Marine Protected Areas (MPAs) as part of a strategy of area-based protection and conservation to be created and increased in number and size. Total area covered will be increased from an initial 35 has. to 75 has. in three years.
2. MPAs are managed sustainably by its direct stakeholders.
3. Capability of direct stakeholders involved in planning for and managing MPAs are developed and enhanced.
4. Industry locators within the VIP adopt responsible and environment-friendly practices.
5. Biodiversity-related information is gathered, publicized, and used to increase conservation involvement and commitment among stakeholders.



View from the lighthouse on Apo Island, in the Apo Reef Natural Park

# Health and Wellness

Behind every high performing company is a vibrant and healthy workforce. Chairman Oscar Lopez believes that wellness is a “critical component of a company’s journey to excellence” and has asked the Lopez Group to make wellness a company policy since 1997.

From climbing high mountains to learning about maternal and child health care, each company has their own programs to promote the well-being and good health of the employees and their families. Companies that operate nearby communities conduct regular medical missions and safety seminars as part of their community relations.

The milestones for health and wellness in 2007 are:

- Eight companies invested an estimated ₱8,530,062.77 for health programs for employees and communities
- Asian Eye Institute gave 43 cataract surgeries for indigents in Metro Manila
- About 50,000 individuals were served by the medical missions of ABS-CBN Foundation (AFI), Bauang Private Power Corp., Tollways Management Corp., First Philippine Industrial Park, First Gen Hydro Corp., First Philippine Industrial Corp., and First Gas. AFI focused on calamity-stricken areas while the companies on the communities in Batangas, Nueva Ecija, and along the North Luzon Expressway.
- Medical equipment was donated to barangay health centers.
- 90 drivers and three major bus companies are trained in Road Safety by Manila North Tollways Corp.
- Tollways Management Corp. developed a 200-page *NLEX* (North Luzon Expressway) *Motorist Handbook* and the monthly *NLEXpress* tabloid.
- A top-level wellness team for the whole of Lopez Group was formed.
- Nine companies are actively promoting family health.

## Bouncing with Energy from Wellness



**W**ellness is more than a physical condition. It is not a mere “medical fix” but a way of living. It is a lifestyle that is responsive to all the dimensions of body, mind, and spirit. This holistic approach to wellness is what the Lopez Lifelong Wellness System (Lifelong for short) envisions for the more than 16,000 employees of the Lopez Group.

Since its early beginnings in First Philippine Holdings in January 1998 until it expanded to cover the entire Lopez Group as the Lifelong Wellness System, the commitment to being well and staying well has taken hold among many executives and employees.

Mr. Oscar M. Lopez, the Group chairman, has insisted on a “robust process that enables us to aspire for meaningful wellness targets” as opposed to sporadic outings or activities. In a stable and



conducive work environment, healthy employees are less sickly and more energetic that raise productivity and drive down health-related costs.

In response, Lifelong has implemented a year-round program of activities whose goal is to help employees and their families develop a healthy lifestyle that, through voluntary behavioral changes, reduces health risks and maximizes the employees’ potential.

The individual annual physical and medical fitness component of Lifelong involves baseline measurements such as blood pressure, ECG, blood chemistry, body mass index, and waist-hip ratio; analysis and individualized fitness plans and regular monitoring.

Lifelong holds periodic wellness courses tailored to suit different health risk categories:

Low—Preventive in nature

Medium—Interventions

High—Curative

Additionally, special wellness courses are held to address home and office safety as well as security concerns. Apart from learning sessions, they are occasions to build team spirit and self-confidence.

From August, 2007 to January, 2008, the participation rate of employees grew due to Lifelong’s information campaigns and year-round activities that include:

- a) Health assessment survey
- b) Lifelong wellness activities:
  1. Mountain treks -a quarterly undertaking
  2. Walk the Talk -a monthly series
  3. Wellness courses -periodic three day seminars for executives and managers
  4. Wellness forums -quarterly interactive sessions
  5. Stress management activities, e.g. ballroom dancing, taeko, Pilates, and yoga
  6. Sports tournaments – basketball, badminton and bowling

Future programs will focus on database build-up and information management to monitor the state of health of employees and the costs and benefits of wellness to each company; elevating health food menus in concessionaire canteens to eliminate unhealthy choices; and a scorecard system to benchmark the performance of the various companies within the Group and the Group vis-à-vis local and foreign entities.

In the long run, wellness is demonstrably a facet of corporate social responsibility that not only boosts the employees’ well-being but also helps drive a company to excellence

OML leads the way at a Lifelong Wellness event (top). His trim fit says it all. Executives and employees of the Lopez Group get on the floor to follow the leader (left).

## Taking Action in Population



According to the 2007 Philippine Census, the population growth rate is 2.04 percent. It is estimated that in 2014, six years from now, the country's population will reach 100 million. "The public debate on the population issue has been a never ending one," Oscar M. Lopez, Chairman of the Lopez Group, said during the Association of Foundations' annual general assembly. "Reading the headlines in today's newspapers (food shortage, climate change) indicates that the time for action is long overdue."

Chairman Lopez has urged the companies in the Lopez Group to integrate a family planning program (FP) with other health programs for the employees. In partnership with USAID-funded Private Sector Mobilization in Family Health (or PRISM), nine organizations in the Lopez Group installed FP in the workplace.



The first phase, implemented in 2005, has achieved the following:

- The capacity of five companies (ABS-CBN, Meralco, First Sumiden, Tollways Management Corp., Skycable) in installing an FP program was improved, particularly in:
  - Policy setting
  - Employee Profiling for FP
  - Establishing referral systems and linkages with specialists
  - Peer education, counseling, and dispensing of FP commodities (made available in company clinics)
  - Monitoring and evaluation systems
- 1,221 employees attended the seminars
- Nineteen nurses and clinic staffs enhanced their capabilities in FP counseling
- Four doctors were certified as No Scalpel Vasectomy Providers
- 76 Volunteer peer educators were trained
- Meralco (Corporate Wellness Center) was tapped as provider of free No Scalpel Vasectomy (through PhilHealth) to ABS-CBN, Meralco, First Sumiden, Tollways Management Corp., and Skycable.

The second phase in 2007 is being implemented by ABS-CBN Foundation, Rockwell, First Balfour with the following initial accomplishments:

- FP Maternal Child Health (or FP-MCH) management teams trained
- FP-MCH baseline assessment ongoing
- Implementation plans were approved
- Monitoring and Evaluation systems in place
- Four nurses enhanced their capacity in FP counseling
- Nine volunteer peer educators were trained

(Top) Signing of Memorandum of Understanding between Lopez Group Foundation, Inc. and Private Sector Mobilization for Family Health for the Phase 2 of the Family Planning and Maternal and Child Healthcare in the workplace. In photo: (seated L-R) Nestor Padilla (President of Rockwell), Tunde Fafunwa (chief executive consultant of Bayan Telecommunications), Tennyson "Don" Levy (chief of party of PRISM-USAID), Oscar Lopez (chairman of LGFI), Gina Lopez (managing director of ABS-CBN Foundation, Inc.), and Anthony Fernandez (president/CEO of First Balfour). (left) Dr. Rogelio Dazo (Tollways Management Corp. and ABS-CBN) and Dr. Noelio Malvar (Meralco) performing No Scalpel Vasectomy on a patient while Dr. Louie Garcia (trainer of Friendly Care) looks on.



**50,349** served  
in medical missions

donated equipment to  
**10** health centers

**2,123** malnourished  
children served\*

**43** cataract surgeries  
for indigents\*\*

\*2006-2007 Data from ABS-CBN Foundation *Bantay Kalusugan*, Bauang Private Power Corp., Tollways Management Corp., First Philippine Industrial Park, First Gen Hydro Corp., First Philippine Industrial Corp., First Gas

\*\*Data from Asian Eye Institute for 2007 only

# Our Communities

## Winning the hearts of our communities

As companies expand their operational footprint—taking more of their business to regional growth corridors or even going overseas—they have to enlarge their concept of reaching out to communities.

From community relations (or ComRel), focused on their immediate surroundings, companies have to attend to community or social development (SocDev) which is a more complex Corporate Social Responsibility approach that puts business discipline and professionally run organizations into larger social advocacies. Then, there is strategic philanthropy, where purely charitable programs—e.g. disaster relief and rehabilitation, and occasional gift-giving—abandon dependency-creating doleouts to more sustainable self-help programs by engaging the affected families themselves, their local governments, NGOs, and local businesses as partners.

Companies that involve themselves in the life of communities show their acceptance that a business must continually renew its “social license” to operate. A business that fails to recognize this may still run profitably for some time. But when stresses and differences come between them and their stakeholders, they may realize that a supportive community is their best assurance of continuity.

This is not to take a purely defensive reason for community involvement. The more positive side of helping our communities get by and prosper is that it constitutes a long-term investment in a vibrant domestic market and a robust pipeline of service and resource suppliers.

The Lopez Group has historically devoted a large part of its resources and gains to working with its communities of Filipino families wherever they are.

Students of Daraga North Central School actively participating in the class. Now they can enjoy studying without having to worry about the weak structure of their classroom.



## Improving Self-help Skills in Paliparan

**P**aliparan III, the 51-hectare informal settlers' relocation area in Dasmariñas, Cavite being assisted by First Philippine Holdings Corp., continues with its capability building activities, particularly in health, micro-enterprises, garbage recycling, and community organizing.

Its Integrated Community Development Program has continued to develop the residents' capacity to plan, implement, and track projects in tuberculosis education, reproductive health and family planning, bookkeeping, preparing herbal medicines, cooperatives, and other livelihood projects.

A multi-sectoral grouping called Kalipunan ng mga Alay Lingkod sa Paliparan (KALP) and other People's Organizations, under the mentoring of the Philippine Business for Social Progress, has been effective in fostering team effort, and helping raise the employability and productivity of at least 1,500 households in the period 2005 to 2007.

Among the gains made in Paliparan with impact by 2007 were:

- 22 out-of-school youths found work with Grolier Scholastic that earned them at least ₱150 a day;
- Five entrepreneurs got loans from various financing institutions;
- 200 residents attended livelihood training given in partnership with DZMM;
- 25 "Kaagapay" health volunteers helped in completing a Management Information

- System involving 1,500 families;
- Conducted five batches of training for family planning, reaching 4,767 residents, including TB management;
- The number of acceptors for family planning (FP) increased. There are 1,653 new acceptors and 3,750 continuing users. The seminars and increased access to FP supplies helped decrease number of newborns per quarter: 1,340 in 2005, 234 in 2006, and 216 in 3rd quarter of 2007;
- Teen Health Quarters was launched to provide reproductive health education and counselling to the youth;
- The volunteer TB educators helped complete the treatment of 53 TB cases, held 30 TB orientation sessions reaching 1,640 residents;
- Alay Kapwa led information efforts on waste segregation and Operation Linis, while KALP began the "Basura Mo, Tulong sa Edukasyon Ko" project; and
- Served 1,350 residents in medical-dental missions in partnership with DZMM.



Workshop on meat processing during "Caravan ng Kaalaman" sponsored by First Philippine Holdings, Corp. and DZMM on October 28, 2006.

## Getting Devastated Areas Back on their Feet



The library is also given a new look. This is now filled with reference materials and books for the students to access.

For communities to cope well with devastation, team effort is needed. The strategy of the Lopez Group is for each volunteer unit to take the lead role for a clear segment of what needs to be done, whether it is immediate, emergency relief or longer-term projects that will rehabilitate flattened communities.

In disaster-stricken towns of Quezon, Leyte and Bicol, where hundreds of families lost lives, homes and livelihood to either typhoons, floods or landslides, were assisted by ABS-CBN Foundation through the relief activities of its Sagip Kapamilya Program, and ABS-CBN Bayan Foundation through the rehabilitation thrust of its Pacific Rim Integrated Development Effort (PRIDE).

The PRIDE communities in northern Quezon, particularly the towns of Infanta, Real and General Nakar, were assisted in their housing and livelihood needs by programs overseen by Bayan. From the Sagip funds, almost ₱23 million went to the construction of 423 Gawad Kalinga houses and another ₱15 million was earmarked for livelihood activities. Some 350 families in the three towns benefited from 23 livelihood projects such as livestock and poultry raising, fishing and charcoal-briquette making. A trading post for these products



**For communities to cope well with devastation, team effort is needed. The strategy of the Lopez Group is for each volunteer unit to take the lead role for a clear segment of what needs to be done, whether it is immediate, emergency relief, or longer-term projects that will rehabilitate flattened communities.**

and a rehabilitated water system were turned over to the communities.

In Guinsaugon, St. Bernard, Southern Leyte, where dozens of schoolchildren and teachers were buried with their school buildings under an avalanche of mud after torrential rains, PRIDE built a ₱4 million seven-km water system to serve the relocation sites where over 600 families could rebuild their lives and livelihood. A supplementary feeding program was implemented for six months at Barangays Guinsaugon, Sug-augon, Ayahang, and Nueva Esperanza with ABS-CBN Foundation's Bantay Bata I63.

In Bicol, donations through Sagip helped 4,000 families and funded such projects as a ₱4.6-million school repair project in Daraga North Central School and Oas North Central School, both in Albay. A total of 72 classrooms were repaired and provided with sanitary toilets and a water system. A feeding program costing over ₱1 million was also done at Oas and Daraga. Volunteers built houses for 84 families and a multipurpose center at the GK Village in Anislag, Daraga. In cooperation with the Simon of Cyrene group, another ₱6 million was spent to build 100 houses and another multipurpose center for families with special children.



## Working with Aetas

Since 2005, volunteer employees of Tollways Management Corp. have been living and working with an Aeta community in Subic, and their friendship has grown. TMC management has been fully supportive of this good-neighbor policy, which has been ongoing in 2007 to the present.

The Aeta community in Pastolan Village, a relocation site inside the Subic Base Management Authority, was adversely affected by the eruption of Mt. Pinatubo and the closure of the American base from Angeles and Subic. They had problems in finding work, providing for their basic needs, and taking care of their families. In the past, some of them found work in training American soldiers in jungle survival. Others were 'adopted' by the Dept. of National Resources and Environment to serve as forest rangers to lessen illegal logging.

When TMC became the operator of the Subic Tipo road which became known as the Subic Freepoint Expressway (SFEX), some employees began living in the area and developed friendships with the Aetas. SFEX manager Denn Charly Espanola, noting that a good-neighbor policy was beneficial for both sides, led a team of volunteers to strengthen the relations with the Aetas led by their chieftain Conrado Prinilla.



SFEX provides periodic employment to the Aetas by contracting them to help clean up specific areas or to trim trees so they wouldn't present hazards along the expressway. TMC volunteer employees from Metro Manila, Bulacan, and Pampanga would visit their 'adopted' Pastolan Village from time to time to plant trees and share donations of food, used clothing, toys, footwear, and others.

The big party occurs during Christmas time, when 300 households of Pastolan Village would be joined by TMC employees, their families and friends with Volunteer Employees of North Tollways (VENT) led by Deo Manuel and other VENT officials for a whole-day sharing of food, gifts, with the TMC Volunteer Band providing the music.

Tollways Management Corp. (TMC) and the Pastolan Aeta community: Denn Charly Espanola, head of SCTEX and SFEX, shakes the hands of Aeta chief during the Christmas caroling and gift-giving by the Volunteers of North Tollways (VENT)(right, top). Charly with the Aeta children on the same occasion (right).



## Halad Sa Guimaras

In 2007, Lopez Group Foundation, Inc. (LGFI) continued to work toward realizing the donation of Chairman Oscar M. Lopez of several hectares of family-owned raw agricultural land to a cooperative consisting of over a hundred accredited victim families of the Guimaras oil spill. This was complemented by the offer of technical assistance from LGFI as representative of the Lopez family in developing, together with the families, a community assistance program using the land as the primary resource. Both offers were well received during consultations which the community's local council had facilitated.

LGFI engaged a non-government organization as partner and provider of technical assistance in dealing with the issues faced by the affected families and to maximize the benefits from the donation. To indicate their sincerity, and as an incentive for the victims to start agro activities at the site, LGFI built a water tank and well. The NGO partner provided assistance to those who qualified as beneficiaries under a voluntary land transfer of the government's land reform program into organizing a cooperative. This was eventually registered by the government agency. Those who failed to meet the qualifications for membership into the cooperative called Halad sa Kauswagan sang Guimaras Multipurpose Cooperative (or Halad Multipurpose Cooperative), were given the opportunity to join later.

LGFI hired the services of a legal team to arrange the process of legal transfer. The process, however, has been affected by the problems arising from the country's century's old system of titling lands that is still prevalent in the rural areas. The legal team attended to various claims when the boundaries were being drawn and recommended actions for their settlement. Finally, they cleared some 15 hectares of the original donation and are now proceeding to the completion of legal documentation. A formal transfer of the legal ownership to the cooperative remained pending as of end-2007.

Despite this hurdle, funding support from LGFI and technical assistance from ICODE, the NGO partner, allowed the cooperative to organize, plan, and pilot an agro-farm for the benefit of the residents of Barangay La Paz, Nueva Valencia, Guimaras.

For his philanthropic activities particularly in Guimaras, *Forbes Asia* named Chairman Oscar M. Lopez as one of the "Heroes of Philanthropy in Asia" on its March 10, 2008 issue. The publication chose four philanthropists each from 13 selected countries and territories in the Asian region to highlight the rising investments being made in corporate altruism.



Halad Multipurpose Cooperative members during a pilot farming activity in Lopez-donated land.



The Halad Multipurpose Cooperative members doing strategic planning.



Representatives of Lopez Group Foundation conferring certificates of membership to the Halad Cooperative members.

# Employee Volunteerism

## Volunteer Employees present 'happy faces' to their communities

Every company has a 'face' to its communities, and this human imagery comes from frontline employees who relate to their neighboring folks every day. The managers may be highly recognizable inside the plants and offices but outside, it is the ordinary employees who give a human touch, a familiar face, to the communities. The employees who volunteer to work with the common folk outside, in projects that help the families in improving their lot, give the company a fresh, smiling 'face' and a positive image to their host communities.

Employee engagement in CSR programs is a two-way street in the sense that the work benefits the communities, certainly, but it also works wonders for employee morale, retention, and productivity. A year 2000 study made by the Philippine Business for Social Progress, in cooperation with the City University of New York and the American Chamber Foundation, found five benefits of employee volunteerism:

- Volunteering promotes a strong sense of camaraderie among employees;
- It improves a company's relationship with the community;
- It improves employee morale;
- It improves a company's public image; and
- It helps create healthier communities.

For communities, their perception of the company's regard for the community's well-being increases the amount of goodwill for the company from which it can draw support in times of stress. For the individual employee, volunteering for community projects satisfies a personal and culturally ingrained desire to be of help to others.

The Lopez Group has increasingly tapped into this resource of employee volunteerism as a means of increasing employees' sense of well-being and as a way of showing communities they can also volunteer to improve their own circumstances.

## Excellence in Workplace Volunteer Program



**F**irst Sumiden Circuits, Inc. (FSCI) was one of 19 finalists among 60 nominations in the 2006 Awards for Excellence in Workplace Volunteer Programs of the Points of Light Foundation. This is the top U.S. award for the most outstanding employee-volunteer programs in any small, medium or large, or international business.

FSCI was chosen as finalist for actively encouraging and giving opportunities to its employees and suppliers, to offer their time, skills and resources in community outreach programs.

The company considers among its key communities: The town of Cabuyao, Laguna, where the company is located and 32% of its employees reside; SEIPI, an industry association of firms engaged in electronic products manufacturing; and LISP Locators' Association, the companies at Cabuyao's Light Industry and Science Park.

FSCI's social responsibility programs are supported by 90% of its senior managers and 86% of the total number of employees. "Daop Palad," the company's center for CSR activities, focuses on improving their community's health, education, livelihood, and environmental concerns.

Volunteerism projects, done mainly during April and the Christmas season, have assisted more than 10,000 families through medical and dental missions, gift-giving, tree-planting, and other CSR projects.

Barangay Butong has been the major recipient of FSCI's outreach programs after it was found to be the barangay where the most number of Cabuyao residents did not have steady jobs. The company is looking into more livelihood programs that will help generate income for the marginalized families of the barangay.



(Top) FSCI is committed to supporting programs aimed to protect the environment and promote healthy and balanced lifestyle. In celebration of the Earth Day, FSCI sends delegates to Light Industry and Science Park's annual *Takbo para sa Kalikasan*.

(Below) FSCI is now on its seventh year of its blood donation to Red Cross which recognizes FSCI annually for its life-saving initiative.

## 'Handog ng Meralco' runs on volunteerism spirit



Meralco executives and their spouses share with the less fortunate in their yearly Christmas Outreach.

**Meralco is committed not only to providing quality service to its customers through power distribution, but also in carrying out its social responsibility**

Since the year 2000, Meralco through its employees, officers, and executives have extended voluntary help to schools and communities on various times of the year, but most especially during Christmas when simultaneous outreach programs are done. Several thousand families, children, students and even teachers have already benefited from the volunteers' work.

Executives and their spouses take active part in community service by sponsoring outreach programs for identified beneficiaries. On Dec. 22, last year, for instance, 'Handog Ng Meralco Sa Pasko—their annual outreach program, had 400 children of day care centers from Antipolo, Taytay, Pasay, and Manila, as beneficiaries.

Meralco Chair Manuel M. Lopez and President Jesus P. Francisco led 77 Meralco executives and their spouses in being 'titos' and 'titas' for the day. Invited were Department of Social Welfare and Development (DSWD) Secretary Dr. Esperanza Cabral, DSWD area heads, day care teachers and Manila Mayor Alfredo Lim.

With top management modelling the way, the rest of the Meralco workforce followed suit

with regular and sometimes simultaneous outreach projects and initiatives.

As a case in point, Cayetano Arellano Elementary School in Imus, Cavite had been seriously damaged by typhoon *Milenyo* in 2006. The Networks Process Group of Meralco decided to make the school its beneficiary. They went to work repairing walls, ceilings, parts of the roof, doors, and even flooring.

After the repairs, a 76-man team repainted the interior and exterior of the school building. In the formal turnover, attended by teachers and parents, and the Meralco employee-volunteers, the school principal, Ruperto Lamano, said, "Meralco is committed not only to providing quality service to its customers through power distribution, but also in carrying out its social responsibility."

The Imus school saw Meralco volunteers bring "liwanag ng buhay" to their school children and community.



Meralco employee volunteers painting the walls of a school (right). Happy faces that say, "may liwanag ang buhay" (top).

# Lopez Group Foundation Inc.

Directory of Members

The Foundations







**ABS-CBN Bayan Foundation, Inc.**

ADDRESS: 2/F Calderon Bldg. 827 EDSA,  
Quezon City, Philippines 1100  
TELEPHONE: (+632) 929-3273/  
(+632) 415-0545/ (+632) 415-0830  
WEBSITE: www.abs-cbnbayanfoundation.com

ABS-CBN Bayan fosters the formation of viable enterprises, forging of competitive industries and the convergence of area forces and resources. It builds the capacity of micro-entrepreneurs through social and enterprise development programs such as microfinance, entrepreneurship, and management training, and community rehabilitation and development. It capacitates MFIs, SDMIs and educational institutions by providing innovative education and entrepreneurship training.



**Eugenio Lopez Foundation, Inc.  
(The Lopez Museum)**

ADDRESS: G/F Benpres Building Exchange Road  
corner Meralco Avenue, Ortigas Center,  
Pasig City, Philippines 1605  
TELEPHONE: (+63 2) 631-2417  
WEBSITE: www.lopezmuseum.org.ph

Preserves and promotes appreciation of Filipino cultural heritage. The museum includes works of 19th and 20th century masters and an extensive Filipiniana Library whose collection ranges from archival materials to contemporary publications.



**ABS-CBN Foundation, Inc.**

ADDRESS: Mother Ignacia Avenue,  
Quezon City, Philippines 1103  
TELEPHONE: (+63 2) 924 2740 / (+63 2) 922 4842  
WEBSITE: www.abs-cbnfoundation.com

Enables Filipino children to achieve their full potential through programs such as Bantay Bata I63, a media-based child caring and rescue organization; E-Media or education through multi-media; Sagip Kapamilya, poverty alleviation in disaster-affected and marginalized communities; Bantay Kalikasan, initiatives for the environment; Volunteerism programs; and Children's Center which caters to pre-school and grade school pupils.



**Don Senen Gabaldon Foundation**

ADDRESS: 20/F JMT Corporate Condominium,  
ADB Ave., Ortigas Center,  
Pasig City, Philippines 1605  
TELEPHONE: (+63 2) 634-4092

Supports training programs that will develop and nurture high-quality workmanship and good work habits within the communities along the pipeline of the First Philippine Industrial Corp.

BRIDGES



### **First Philippine Conservation, Inc.**

ADDRESS: 4/F Benpres Building Exchange Road  
corner Meralco Avenue, Ortigas Center,  
Pasig City, Philippines 1605  
TELEPHONES: (+63 2) 449-6086 to 87  
(+63 2) 638-7670  
EMAIL: FPCI\_ED@fphc.com

Involved in coastal, marine, and forest resources conservation. Since 1999, it continues to be at the forefront of the national conservation that brings together corporate professionalism in project management and inter-institutional, technical knowledge. Accomplished a reputation for building solid partnerships that produce positive and lasting results for the environment and the communities that care for them.



### **Knowledge Channel Foundation, Inc.**

ADDRESS: 5/F Benpres Building Exchange Road  
corner Meralco Avenue, Ortigas Center,  
Pasig City, Philippines 1605  
TELEPHONES: (+63 2) 910-3181 to 84  
FAX: (+63 2) 910-3187  
WEBSITE: www.knowledgechannel.org

Enhances basic education by providing “Knowledge Channel” to public schools through cable or satellite technology. It operates the “Knowledge Channel” by programming and broadcasting educational TV programs consistent with government-prescribed curriculum for primary and secondary education. Knowledge Channel Foundation, Inc. (KCFI) utilizes a comprehensive grassroots approach that engages all stakeholders to actively participate in helping children learn better and feel empowered to contribute to national development and progress.



### **Meralco Management and Leadership Development Center Foundation, Inc. (MMLDCFI)**

ADDRESS: Km. 27 Sumulong Highway, Antipolo City  
Rizal, Philippines 1870  
TELEPHONE: (+63 2) 632-8111  
FAX: (+63 2) 632-8728  
WEBSITE: www.mmldc.org

“*We model what we teach and advocate!*” is the rallying cry of MMLDC Foundation Inc. MMLDC programs are anchored on its corporate values and advocacies. The flagship program on quality management and ethical leadership is the **School-based Management Development Program (SBMDP)**, a set of three modules designed for education leaders to develop necessary leadership

competencies and enable them to effectively prepare, implement, and evaluate School Improvement Plans.

MMLDC also provides programs that promote continuous learning and improvement such as teacher training on Math and Science and the TESDA-accredited Dual Tech System.

The MMLDC is a zero-waste facility and has a functional solid waste management program. In its advocacy for the environment, programs such as the **Lakbay Kalikasan** and **Solid Waste Management orientation** are made available for all stakeholders.



#### **Meralco Millennium Foundation, Inc. (MMFI)**

**ADDRESS:** G/F Lopez Building, Meralco Center  
Ortigas Avenue, Pasig City,  
Philippines 1605

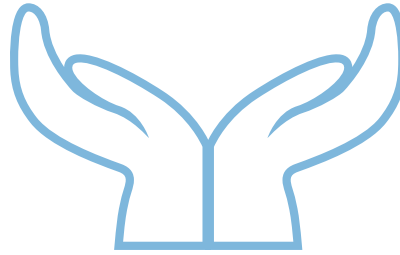
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**FAX:** (+63 2) 632-8844, (+63 2) 632-8348

**EMAIL:** csr.inter.proj@meralco.com.ph, csr.ext.  
proj@meralco.com.ph

**WEBSITE:** www.meralco.com.ph

The social development arm of Meralco that develops programs and implements projects in Social Investment, Community Sponsorship, Environmental Management, and Workplace Stewardship.



#### **Phil-Asia Assistance Foundation, Inc.**

**ADDRESS:** 2/F Benpres Building Exchange Road  
corner Meralco Avenue, Ortigas Center,  
Pasig City, Philippines 1605

**TELEPHONE:** (+63 2) 415- 9297

**WEBSITE:** www.phil-aid.org

Provides financial support for the educational needs of the children of disadvantaged families in urban areas based on the child's desire for an education. Motivates parents to cooperate in the child's activities to ensure an over-all harmonious environment for the child and the rest of the family members.



# TheCorporations

BRIDGES<sup>90</sup>



### **ABS-CBN Broadcasting Corporation**

ADDRESS: ABS-CBN Broadcast Center  
Sergeant Esguerra Ave. corner Mother  
Ignacia St., Diliman, Quezon City  
Philippines 1103  
TELEPHONES: (+63 2) 415-2272, 924-4101  
WEBSITE: [www.abs-cbn.com](http://www.abs-cbn.com)

The parent company's core business is television and radio broadcasting. Its subsidiaries and associates are involved in the following related businesses: cable and direct-to-home (DTH) television distribution and telecommunication services overseas, movie production, audio recording and distribution, video/audio post production, and film distribution. Other activities of the subsidiaries include merchandising, internet and mobile services and publishing.



### **Asian Eye Institute (AEI)**

ADDRESS: 9th and 10th Floors, Phinma Plaza,  
Rockwell Center, Makati City  
Philippines 1200  
TELEPHONE: (+63 2) 898-2020  
WEBSITE: [www.asianeyeinstitute.com](http://www.asianeyeinstitute.com)

World-class eye-care center providing a full range of medical services, including treatment and management of cataract, glaucoma, and diabetic retinopathy among others. Also provides cataract surgeries to indigents as an expression of social responsibility.



### **Bayan Telecommunications, Inc.**

ADDRESS: 3/F Bayan Corporate Center  
Malingap corner Maginhawa Sts.  
Teacher's Village East, Diliman, Quezon City  
Philippines 1101  
TELEPHONE: (+63 2) 449-4386  
WEBSITE: [www.bayan.com.ph](http://www.bayan.com.ph)

Bayan Telecommunications offers a wide range of telecommunication services such as landline, Internet, data transport, and IP services. Bayan is a partner in the GIL@S program (Gearing up Internet Literacy and Access for Students), a multi-sectoral initiative that provides basic Internet literacy programs to public secondary schools. GIL@S aims to connect all public high schools to the World Wide Web by 2010.

In line with Bayan Telecommunications' thrust to make Filipino lives better, Bayan has been actively supporting the GIL@S project since 2005 by providing free DSL connections to over 100 public high schools in Bayan's franchise areas.



### **Benpres Holdings Corporation**

### **Benpres Holdings Corporation**

ADDRESS: 4/F Benpres Building, Exchange Road,  
Pasig City, Philippines 1605  
TELEPHONE: (+63 2) 910-3040  
FAX: (+63 2) 634-3009  
WEBSITE: [www.benpres-holdings.com](http://www.benpres-holdings.com)

Incorporated in 1993 by the Lopez family to serve as the holding company for investments in four major sectors: broadcasting and cable; telecommunications; power generation and distribution; and banking. It has since sold its interest in banking and added to its portfolio investments in other basic service sectors such as infrastructure and property development.

# First Balfour

## First Balfour

ADDRESS: 5/F Benpres Building, Exchange Road  
cor. Meralco Avenue, Ortigas Center,  
Pasig City, Philippines 1605

TELEPHONE: (+63 2) 910-4111

WEBSITE: [www.firstbalfour.com](http://www.firstbalfour.com)

One of the largest engineering and construction companies in the Philippines with over 37 years of experience. A Triple-A (AAA) contractor in general engineering and general building registered with the Philippine Contractors Accreditation Board.

The company is one of a few, select construction firms to have maintained the triple-certification (International Management System) under the standard ISO 9001:2000 for quality, ISO 14001:1996 for environment, and OHSAS 18001:1999 for safety and occupational health. We will actively contribute to the social and environmental development of the communities where we operate and we will continue our CSR partnership with Knowledge Channel, ABS-CBN Foundation, and The Lopez Group Foundation.

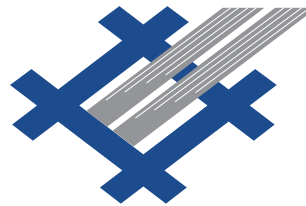


## First Electro Dynamics Corp.

ADDRESS: First St. First Philippine Industrial Park,  
Sto. Tomas, Batangas, Philippines 4234

TELEPHONE: (043) 405-7071

The country's largest service center for Distribution and Power transformers and other distribution and transmission line equipment. It is also engaged in electrical system diagnostics and maintenance including substations. Major CSR programs include training sponsorships of Dualtech students from host community or other nearby towns. We also participate in the preservation of the environment in partnership with LGUs and foundations,



## First Sumiden Circuits, Inc.

ADDRESS: Ampere Street cor. Main Ave., Light Industry  
& Science Park I, Bo. Diezmo,  
Cabuyao, Laguna, Philippines 4025

TELEPHONE: (+63 2) 757-7001

WEBSITE: [www.fsci.com.ph](http://www.fsci.com.ph)

Manufactures mainly flexible printed circuits (FPC) which are small, lightweight wiring components with electronic circuits printed on a flexible film primarily used in electronic items like video cameras, digicams, printers, and LCD's for mobile phones, and ipods. FSCI also established flip-chip Surface Mount assembly on FPC which includes Flip Chip, LED and other components.

Corporate social responsibility (CSR) is focused on the nearby communities where FSCI operates. Employee volunteerism, community relations, and outreach programs are some of the key programs based on a CSR policy which addresses business responsibilities to society.



## First Philippine Industrial Corp.

ADDRESS: 20/F JMT Corporate Condominium,  
ADB Ave., Ortigas Center,  
Pasig City, Philippines 1605

TELEPHONE: (+63 2) 634-4092

Operates a petroleum pipeline system. Supports health and safety, environment, and education programs of the communities along the pipeline.



### First Philippine Holdings Corp.

ADDRESS: 4/F Benpres Building Exchange Road  
corner Meralco Avenue, Ortigas Center,  
Pasig City, Philippines 1605  
TELEPHONE: (+63 2) 631-8024  
WEBSITE: www.fphc.com

A holding company with core investments in power and tollways, and strategic initiatives in property and manufacturing. Community development and employee wellness are some of the key Corporate Social Responsibility programs of FPHC, besides assisting member foundation's programs in education, environment and poverty alleviation.



### First Philippine Industrial Park

ADDRESS: 7/F Taipan Place, F. Ortigas, Jr. Road,  
Ortigas Center, Pasig City,  
Philippines 1605  
TELEPHONE: (+63 2) 637-1854 to 61  
FAX: (+63 2) 637-9448  
WEBSITE: www.fpip.com

A 315-hectare industrial estate with world-class infrastructure catering to a wide range of industries. FPIP's corporate social responsibility program involves its Locators in implementing comprehensive community development projects to improve the quality of living in the Park's host communities. The program includes scholarships, skills improvement training, livelihood development, job placement, micro-financing, infrastructure development assistance, environment protection, health, and capability/competence building.



### First Gen Corporation

ADDRESS: G/F Benpres Building  
Exchange Road corner Meralco Avenue  
Ortigas Center, Pasig City, Philippines 1605  
TELEPHONE: (+63 2) 449-6400  
WEBSITE: www.firstgen.com.ph

First Gen Corporation (First Gen) is the largest vertically-integrated power generation company in the Philippines with an installed capacity of 2,582 megawatts (MW). It accounts for approximately 17% of total installed capacity in the country today.

First Gen's assets comprise the 1,000-MW Santa Rita and 500-MW San Lorenzo natural gas-fired power plants, the 225-MW Bauang medium-speed bunker-fired diesel power plant, the 112-MW Pantabangan/Masiway Hydroelectric Complex, and the 1.6-MW Agusan mini-hydro power plant. In addition, First Gen recently acquired a 60% controlling stake in Energy Development Corporation.

First Gen and its subsidiaries are committed to the development of their host communities and support programs addressing national concerns like environment protection and education.





### Manila North Tollways Corp.

ADDRESS: KM 12 Balintawak, Caloocan City  
Philippines 1400  
TELEPHONE: (+63 2) 479-3000  
WEBSITE: www.mntc.com

The Manila North Tollways Corporation is the builder and concessionaire of the North Luzon Expressway (NLEX), the 84-kilometer world-class highway that connects Metro Manila, the National Capital Region of the Philippines, with Central and Northern Luzon.

CSR is at the heart of MNTC's business strategy and objectives. The company believes that good CSR should combine the delivery of excellent service with the development of programs that support MNTC's core business, while at the same time, promoting people's welfare and well-being. Anchored on that belief are its programs in housing, health, education, and environmental preservation.



### Tollways Management Corp. (TMC)

ADDRESS: Km 12 Balintawak Toll Plaza, North Luzon Expressway  
Caloocan City, Philippines 1400  
TELEPHONE: (+63 2)580-8900  
WEBSITE: www.tollways.net.ph

Tollways Management Corporation (TMC) is primarily engaged in carrying on the operations and maintenance of toll roads, its facilities, interchanges and all related works. It operates and maintains the North Luzon Expressway and Subic Clark Tarlac Expressway. With uncompromising commitment in serving the Filipino people, TMC is committed in delivering first-rate systems, facilities and world-class service to motorist and commuters in Central and North Luzon.

TMC's corporate social responsibility program is implemented mainly through employee volunteerism. The motorists' handbook and newsletter are part of TMC's initiative to educate motorists and reduce road accidents. It is a collaboration of volunteer writers from the different departments of TMC. Other volunteerism activities are medical missions, tree planting, relief operations and support similarly oriented organizations.



### Meralco

ADDRESS: Ortigas Avenue, Pasig City,  
Philippines 1605  
TELEPHONES: (+63 2) 631-2222 (+63 2) 16220  
FAX: (+63 2) 632-8501 (+63 2) 1622-8501  
WEBSITE: www.meralco.com.ph

Electric distribution for consumers. Also involved in industrial construction and engineering; business process reengineering, power generation, information technology consultancy, e-business, energy-related solutions, real estate development, energy management, customer focused training solutions, shareholder value creation, and corporate social responsibility.



### Philippine Electric Corporation

ADDRESS: Manila East Road, Bo. Dolores  
Taytay, Rizal, Philippines 1870  
TELEPHONES: (+63 2) 658-4911 to 15  
WEBSITE: www.philec.com

Commercial manufacturer of a wide range of single and three-phased distribution and power transformers up to 15 MV. Corporate social responsibility programs include adopting a school in the host community, as well as programs in health and poverty alleviation.





### First Philippine Infrastructure Development Corporation

ADDRESS: 5/F Benpres Building  
Exchange Road corner Meralco Avenue  
Ortigas Center, Pasig City, Philippines 1605  
TELEPHONE: (+63 2) 6343715  
WEBSITE: <http://www.lopezwellness.com>

Incorporated and registered with the Securities and Exchange Commission on April 21, 1994. FPIDC is a wholly owned subsidiary of First Philippine Holdings Corporation (FPHC) and Benpres Holdings Corporation (BHC). FPIDC has 67% ownership in Manila North Tollways Corporation (MNTC) and 46% ownership in Tollways Management Corporation (TMC).

FPIDC is now owned by First Philippine Infrastructure Inc. (FPII) formerly City Resources Corporation, a publicly listed company which remains in the hands of FPHC and BHC. It also serves as the service support unit for the Lifelong Wellness initiative. In other words, all communications, coordination, and administrative requirements of the Lifelong Team are performed by FPIDC.



### Lopez Inc.

ADDRESS: 5/F Benpres Building  
Exchange Road corner Meralco Avenue  
Ortigas Center, Pasig City, Philippines 1605  
TELEPHONE: (+63 2) 631-3119

The private holding company of the Lopez family. CSR programs include employee volunteerism, providing accounting services, and administrative support to Lopez Group Foundation, Inc.



### SkyCable Corporation

ADDRESS: 33rd Floor, Tektite East Tower  
Exchange Road, Pasig City 1605  
TELEPHONES: (+63 2) 636-9292, (+63 2) 631-0000  
WEBSITE: [www.skycable.com](http://www.skycable.com)

Central CATV, Inc. was incorporated on June 6, 1990, using the trade name Sky Cable. In 1995, Central CATV, Inc. offers more than 50 new television channels and provides shows to its more than 75,000 Metro Manila subscribers 24 hours a day.

In July 2001, Home Cable and SKY Cable marked a major step in their merger by signing a Master Consolidation Agreement. Beyond Cable Inc. is the holding company equally owned by both SKY and Home Cable. Today, Central CATV, Inc. is known as simply SkyCable Corporation. Besides cable TV, the company offers cable Internet and digital cable TV service.

The company's corporate social responsibility projects are focused on education by providing cabling requirements of Knowledge Channel Foundation and employee volunteerism.



### Rockwell Land Corporation

ADDRESS: Rockwell Information Center, Block 9 Rockwell Drive,  
Makati City, 1200  
TELEPHONES: (+63 2) 403-0088, (+63 2) 793-0088  
FAX: (+63 2) 403-0109  
WEBSITE: [www.e-rockwell.com](http://www.e-rockwell.com)

Founded by the Lopez Group, Rockwell Land has experienced remarkable growth in its first two years of operations. Established in 1995, Rockwell Land transformed a former thermal power plant site into a new living environment which is now the Rockwell Center.

Rockwell Center, the flagship project of Rockwell Land Corporation, sits on a 15.5 hectare site in Makati City, strategically located between the Makati and Ortigas business districts. It has been developed into a self-contained, mixed-use community consisting of five high-rise residential towers, a sports and leisure club, office buildings, a lifestyle shopping center, and a graduate school of law, business and government. A "City within a city," Rockwell Center offers all there is to living well.

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