

## **FPI STATEMENT *of* COMMITMENT to SUSTAINABLE DEVELOPMENT**

*We* the Members of the Federation of Philippine Industries (FPI) believe that sustainable development is a fundamental challenge facing humanity today, and that our industries need an agenda for action that accept this challenge, while focusing on the urgent needs of the country to address poverty.

*This* initiative aims to increase both our contributions to sustainable development and the public's understanding of these contributions.

*A* sustainable future cannot be achieved by single industry acting in isolation. Some measures we have committed to be implemented in short term, while others will require a longer term of planning and adaptation.

*We* recognize the need to identify the key issues we have to tackle and the potential solutions to the challenges they pose.

*We* therefore have set out to formulate an action plan for the immediate steps we can undertake including the fostering of partnerships we need to develop; deliver them, and to report on their progress periodically.

*In* signing this document, we will undertake programs in the following areas:

1. *C*orporate Social Responsibility (CSR) projects to uplift the well-being of communities where our FPI members are located.
2. *M*anagement of Wastes and Emissions
3. *U*se and Recycling of Raw Materials, Fuel, Water and Other Resources
4. *H*ealth and Safety

*We* therefore acknowledge that sustainable development presents our Members with long-term strategic challenges. Each of our member companies has already taken effective actions on a range of environmental and socioeconomic issues, and has gained achievements we are proud of. But still, there is much to be done. We have to continue to find ways of integrating strong financial performances with an equally strong commitment to social and environmental responsibility, as well as hold open and honest dialogues with our stakeholders.

### **(SIGNATORIES)**

38 INDUSTRY ASSOCIATIONS MEMBERS and

CORPORATE MEMBERS not part of any Industry Associations

**VISION, MISSION and OBJECTIVES**  
*of the*  
**FPI PROGRAM ON SUSTAINABLE DEVELOPMENT**

**A. Vision**

*“All industries undertake development which meets the needs of people living today without compromising the ability of future generations to meet their own needs such as clean air and clean water. It requires a long-term vision of industrial progress, preserving the foundations upon which human quality of life depends: respect for basic human needs and the local and global ecosystem.”*

**B. Mission**

*“For all industries to adopt sustainable development in their day-to-day operations in the following areas:*

- ❖ CSR projects*
- ❖ Management of wastes and emissions*
- ❖ Use and recycling of raw materials, fuels, water and other resource utilization*
- ❖ Health and safety”*

**C. Objectives**

*The following are the objectives of the program:*

- ❖ To promote poverty alleviation initiatives thru CSR projects*
- ❖ To promote reduced pollution thru effective waste and emission management*
- ❖ To promote efficient use of raw materials, fuels, water and other utilities*
- ❖ To prevent work related accidents and illness.”*

## IMPLEMENTING ACTIVITIES

*To attain the objectives of the program, the following activities will be pursued:*

### **Objective 1: *To promote poverty alleviation initiatives thru CSR projects***

Manufacturing companies have a significant impact on the communities where they operate. Maintaining our 'license to operate' as an industry is dependent on being able to earn and keep the support and trust of local people, and this includes treating their environment with respect.

Understanding the needs and expectations of local stakeholders is a fundamental first step in working effectively with local communities. But there are no firm rules. Different communities have different priorities and expectations. Each, quite rightly, expects to be dealt with on an individual basis. Our experience is therefore that community issues are always dealt with most effectively at each site. There are some excellent examples of community engagement and social investment programs -the Corporate Social Responsibility or CSR programs engaged in by FPI member companies. Our plan is to share our CSR experiences with each other and partner with Government agencies in improving these programs with the objective of increasing the quality and quantity of benefits and the number of beneficiaries of these programs in the countryside and nationwide.

An overarching need of local communities, which is now the main thrust of Government, is poverty alleviation.

Our programs, which impact on providing livelihood and generating income for the local community, should be the focus of our CSR programs.

1. Share FPI member companies 'Corporate Social Responsibility' (CSR) Projects experiences. The FPI Website will link to member associations'/corporations websites which, in turn, will connect to other member companies information on the following CSR projects they are undertaking and have undertaken:
  - a) Education and training assistance and programs
  - b) Medical missions, assistance to hospitals and medical needs
  - c) Response to calamities
  - d) Livelihood generation projects
  - e) Environment (e.g., preservation of rare species, of sanctuaries, etc)
  - f) Eco-tourism projects
  - g) Reforestration
  - h) Others
2. Promote among FPI company members the identification and engagement of livelihood projects that will:

- a) provide raw materials to other member companies,
  - b) engaged with depressed sectors and communities to be able to generate needed inputs by the FPI member companies (e.g. plastics, agri-products, steel scrap, industrial wastes, components sub-contracting, waste re-use, recycle, recover, etc).
  - c) Develop a waste = resource exchange program among member companies then among communities.
3. The information on the CSR projects will be structured in such a way that will highlight the quantitative and qualitative features of the projects including estimates of income generation.
  4. The information structure with the criteria and procedure for awarding on an annual “Best CSR” shall be based on achievement on generating income, responsiveness to community needs and in introducing sustainable development process in the community which shall be formulated in consultation with the appropriate government agencies which will communicate regularly with through internet to companies for information on how to further improve their CSR projects.

***Objective 2: To promote reduced pollution thru effective waste and emission management***

Consuming energy from fossil fuels such as oil and coal creates carbon dioxide (CO<sub>2</sub>), the most important Greenhouse Gas (GHG) causing climate change. Climate protection, and in particular reduction of CO<sub>2</sub> emissions, is an issue which we take very seriously. Common in most manufacturing industries, many of our emissions are carefully monitored and reported in order to comply with environmental regulations on emissions limits. Volatile organic compounds and nitrogen oxides (NO<sub>x</sub>) are responsible for the local, low level pollution usually called smog, which also contains small particles that can cause respiratory problems. There are also others that may raise health concerns if their levels are not carefully monitored and controlled. Dust and other particulates are obvious examples of this. As the representative of industry, we need to co-operate proactively with regulators to ensure that these limits are both reasonable and effective.

1. Come out with waste and emissions management procedures appropriate (practicable to implement) for the various industry sectors members of FPI.
2. Develop procedures to standardize the transformation of wastes into resources for FPI members.
3. Highlight in the website the observation of these procedures.
4. Next steps (next year or two ) activities for the members:

- a) Set CO<sub>2</sub> and other gas emissions target for the members (consolidated not identifying any specific industry, an audit firm may be engaged to ensure confidentiality considering sensitivity of the data).
- b) Set targets for participation in CO<sub>2</sub> reduction or sequestration activities
  - tree planting
  - participation in CDM
  - etc.. (e.g., 'Ecolabeling' Program)
- c) Arrange the monitoring of, to report annually, the CO<sub>2</sub> emissions of ALL the industries as one (not identifying the specific industry).

**Objective 3: *To promote efficient use of raw materials, fuels, water and other utilities***

Exchange information on practices that espouse energy conservation and efficient utilization of resources. Promote utilization of alternative fuels and raw materials such as wastes as mentioned in Objective 2.

Using waste from other industries as raw material is a huge opportunity for FPI members to reduce its environmental impact, because it allows companies to access raw materials without extracting them directly from the ground.

For some waste streams this has already been achieved, but for others, economically viable extraction methods have still to be developed. Using wastes is a key service that FPI member companies can provide to society; it prevents large volumes of material from going to landfill or being burned in incinerators.

We will only use wastes as raw materials where it can be done safely, without harm to our employees, neighbors and the environment. FPI has already began an open, constructive dialogue with the DENR–EMB to investigate the risks and benefits associated with the use of waste materials, including issues such as health and safety, economics, emissions and public concerns about using waste materials. We hope that this will lead to the creation of agreed guidelines in that can be used by companies in the country.

**FPI Initiatives**

1. Develop guidelines for responsible use of all fuels, raw materials, water, and other resources. In consultation with stakeholders, come out with a set of guidelines for the responsible use of fuels and raw materials in for the FPI members to follow. These guidelines deal with the necessary conditions and practices recommended for the safe use of a variety of fuels and raw materials.
2. As stipulated in Objective 1: Develop a waste = resource exchange program among member companies then among communities (e.g., Waste Exchange program of the Philippine Business for Environment).

3. Promotion of the benefits of using products that use alternative fuels and raw materials.

**Objective 4: *To prevent work related accidents and illness.***

Ensuring healthy and safe working conditions for employees and stakeholders is always an important issue for industry. We recognize that more attention should be paid to this area across the whole industry and the FPI should express commitment to playing a full part in that process. While systems for reporting on individual company occupation-related illness and injury rates do exist, in most cases we are not currently able to report industry-wide figures.

Regular effective health and safety training and a culture of safety are the most powerful tools to reduce injury and occupation-related illness rates. All the companies involved in this project have health and safety programs in place; it will be beneficial in having information exchange for companies to share their experience, identify common causes of injuries and develop recommendations for continuous improvement.

**FPI Initiatives**

1. Through the FPI Website, develop an information exchange including information on the rates, origins and types of accidents and incidents that occur.
2. Share member companies experiences.
3. Develop recommendations for prevention.

## IMPLEMENTING SCHEDULES

### ***Month 1 to 3: Consolidation of Present Activities in the FPI Website***

Post/upload all Sustainable Development (SD) activities of the industry associations/corporations in the FPI in the website; the FPI website will be interlinked with the website of the industry associations/corporations.

### ***Month 4 to 7: Reporting of Present Activities***

The activity will be given a rating in terms of its impact on the community (e.g., livelihood generation, waste management savings) and on the environment (e.g., reduced pollution, enhanced environmental condition), which will be exhibited in the FPI Website.

### ***Month 8 to 12 and every last quarter of the year: Recognition of the Present Activities***

Monitoring and assessment of activities, then recognition of achievements by local and international organization award giving bodies to industries and companies with top achievement ratings; awardees will be posted in the FPI Website.

### ***Month 13 to 15: Utilizing the Network for Resources Exchange***

Arrange FPI Website to become a source of information on waste = resource volume available among companies that can be exchanged with other companies or enterprises;

### ***Month 16 to 17: Involvement of Community (business matching- to include any interested stakeholders)***

Network for *waste = resource exchange* which includes 'buy and sell' of materials that can accessed by LGUs to enable transaction of FPI members with communities as well as with other companies in sourcing of resources and disposal of idle assets.