

**SETTING A CONCRETE STANDARD
FOR SUSTAINABILITY:
A Critical Assessment and Comparative Analysis of the
Sustainability Reports and Compliance of the Three
Publicly Listed Cement Manufacturing Companies in
the Philippines**

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PREFATORY STATEMENT

The Philippines is abundant with substantial reserves of limestone, one of the main ingredients in the production of cement. Limestone reserves are estimated to last at least one thousand (1,000) years at the present rate of domestic consumption.¹ While this wealth of natural resources presents great potential for domestic cement manufacturing, this is expected to pose a substantial impact on the community and the environment, which necessitating a more sustainable operation.

I. INTRODUCTION

Cement is one of the world's most important building materials. It is a fine powdery substance composed of various minerals that are extracted from the earth, such as limestone (calcium), sand or clay (silicon), bauxite (aluminum), and iron ore, and may include shells, chalk, marl, shale, clay, blast furnace slag, and slate. These raw materials are processed in cement-manufacturing plants and heated to form a rock-hard substance, which is then ground into fine powder. Cement mixed with water causes a chemical reaction and forms a paste that sets and hardens to bind individual structures of building materials.²

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¹ Cement Manufacturers Association of the Philippines (CEMAP). Position Paper. 04 November 2019. PCC Case No. E-2019-002

²Syeda Tahsin Hasan, What is cement? History, Chemistry, Industries. Civil Engineering. <https://civiltoday.com/civil-engineering-materials/cement/81-cement-definition-and-full-details> (last accessed on 31 October 2020).

On the other hand, concrete, which is the final product of cement, is the most widely used man-made material in existence. It is second only to water as the most-consumed resource in the world.³

The manufacturing of cement products creates a substantial impact on communities, specifically on the social, economic, and environmental aspects. Its effects include emission of airborne polluting agents in the form of dust and gases, noise, and vibration when operating machineries or during blasting in quarry sites.⁴

Accordingly, the production of cement has significant positive and negative impacts.⁵ On the positive side, the cement industry has generated employment and business opportunities for the people where the cement-manufacturing companies operate. On the other hand, its negative effects include disturbance to the landscape, dust and noise pollution, and disruption of local biodiversity resulting from quarrying limestone, which is the principal raw material for cement.⁶

The implementation of the Sustainability Reporting Guidelines of the Securities and Exchange Commission (SEC) for publicly-listed companies will encourage the local cement manufacturers to integrate sustainability in their operations. This paper aims to compare and analyze the submissions and compliance of the three (3) publicly-listed cement companies in the Philippines, namely, Eagle Cement Corporation, Holcim Cement Corporation, and Cemex Holdings Philippines, and to determine whether or not there is a real effort to make their respective operations sustainable for the community and the environment.

II. GENERAL OVERVIEW OF THE PHILIPPINE CEMENT-MANUFACTURING INDUSTRY AND ITS IMPACT TO THE ENVIRONMENT

³ Lucy Rodgers, Climate Change: The massive CO2 emitter you may not know about, <https://www.bbc.com/news/science-environment-46455844> (last accessed on 31 October 2020).

Narayanan, Subramanian. Environmental and Social Impacts of Cement Industries. LinkedIn, available at <https://www.linkedin.com/pulse/environmental-social-impacts-cement-industries-narayanan/> (last accessed on 31 October 2020).

⁴ Narayanan, Subramanian. Environmental and Social Impacts of Cement Industries. LinkedIn, available at <https://www.linkedin.com/pulse/environmental-social-impacts-cement-industries-narayanan/> (last accessed on 31 October 2020).

⁵ *Id.*

⁶ *Id.*

A. Cement-manufacturing companies in the Philippines

As of 2020, there are nine (9) cement manufacturers in the Philippines, namely, Lafarge-Holcim Cement Corporation (Holcim), Republic Cement Group-CRH (Republic), Cemex Holdings Philippines (Cemex), Eagle Cement Corporation (Eagle), Taiheiyo Cement Corporation (Taiheiyo), Northern Cement Corporation (Northern), Goodfound Cement (Goodfound), Mabuhay FilCement, Inc. (Mabuhay), and Big Boss Cement Corporation (Big Boss). Of the nine cement manufacturers in the Philippines, only three are publicly-listed companies, namely, Cemex, Eagle, and Holcim. Formerly, Republic was also publicly listed, but it voluntarily delisted itself in 2016.⁷

It is worth noting that several cement companies in the Philippines are multinational corporations, such as Holcim (Swiss and French), Cemex (Mexican), Republic (Irish), Taiheiyo (Japanese), and Goodfound (Taiwanese). The three big multinational companies, namely Holcim, Cemex, and Republic account for more than 60% of the total clinker and cement domestic production in the Philippines.⁸ Recently, Eagle is becoming a substantial industry player, slowly increasing its market share in multinational companies. The majority shares of Eagle are owned by Filipino businessman Ramon Ang, who also serves as Chairman of San Miguel Corporation, the company that owns Northern.⁹ Other smaller cement companies are Mabuhay, which is based primarily in the Bicol Region and Cebu, and Big Boss, which is owned by the SM Group of Companies, and based in Pampanga.

The industry anticipates new players in the market, such as Century Peak and DMCI. Century Peak is one of the country's leading mining corporations and has announced plans to enter the domestic cement industry. In fact, it recently put up its own cement plant.¹⁰ DMCI, a construction and real estate conglomerate led by the Consunji family, has similarly announced its plans to start its own cement manufacturing business.¹¹

⁷ *Republic Cement voluntary delisting OKd*. Philippine Daily Inquirer, 19 April 2016, available at <https://business.inquirer.net/209601/republic-cement-voluntary-delisting-okd> (last accessed on 31 October 2020).

⁸ Dela Paz, Charisse. *Ramon Ang's Eagle Cement in race to rise above multinational giants*. 02 May 2017, available at <https://www.rappler.com/business/ramon-ang-eagle-cement-corporation-ipo-philippines> (last accessed on 31 October 2020).

⁹ Ang has an 86% equity in Eagle Cement, available at <https://www.marketscreener.com/quote/stock/EAGLE-CEMENT-CORPORATION-37289836/company/> (last accessed on 31 October 2020).

¹⁰ Lorenciana, Carlos. *P11.5 billion worth of projects listed for Cebu and Bobol*, THE PHILIPPINE STAR, 19 May 2019, available at <https://bit.ly/2Z03CWE>.

¹¹ Doris Dumlao-Abadilla, *DMCI to enter cement business*, PHIL. DAILY INQUIRER, 06 June 2017, available at <https://business.inquirer.net/230853/dmci-enter-cement-business> (last accessed on 01 November 2020).

Driven by the construction boom that the country has seen for the past two (2) decades, the domestic cement industry can be considered as highly competitive. Holcim holds 24% of the market, and it is closely followed by Republic at 22%. The Filipino-owned company, Eagle, holds 19%, while Cemex is catching up at 15%. The rest is being shared by a couple of developing players in the market.¹²

The cement-manufacturing plants are spread throughout the Philippines, but the majority of these are in Luzon. The following table summarizes where cement-manufacturing plants are located in the Philippines:

Table I: Cement Plants in the Philippines

Company	Plant	Location
Cemex Holdings Philippines, the majority owner of Apo Cement Corporation and Solid Cement Corporation	Solid Cement Plant	Antipolo, Rizal
	Apo Cement Plant	Naga, Cebu
Eagle Cement Corporation	Eagle Cement Plant	San Indefonso, Bulacan Malabuyoc, Cebu
Lafarge-Holcim Cement Corporation	Holcim Cement Plant	Bacnotan, La Union Norzagaray, Bulacan Lugait, Misamis Oriental Davao City, Davao
Republic-CRH Corporation	Republic Cement Plant	Minuyan, Bulacan Norzagaray, Bulacan Teresa, Rizal Taysan, Batangas Danao, Cebu Iligan, Lanao
Big Boss Cement, Inc.	Big Boss Cement Plant	Porac, Pampanga
Goodfound Cement	Goodfound Cement Plant	Camalig, Albay
Taiheiyo Cement Philippines, Inc.	Taiheiyo Cement Plant	San Fernando, Cebu
Mabuhay FilCement, Inc.	FilCement Plant	San Fernando, Cebu
Northern Cement Corporation	NCC Plant	Sison, Pangasinan

B. Cement manufacturing process

The cement manufacturing industry involves an extensive array of activities, starting from the mining of the raw materials to retail of the final product. The process begins with the quarrying of raw materials as cement is made of a combination of calcium carbonate, silica, alumina, and iron ore. Conversely, these are extracted from key raw materials, including limestone, shale, or chalk, which are typically obtained from a mining quarry.

¹² 2017 declaration of the different cement companies in their disclosures. The market share based on announced installed annual capacity, not sales volumes.

Cement companies source primary raw materials from local or foreign suppliers engaged in quarrying. These raw materials are delivered from the quarry to the crushing facilities. Consequently, the crushed raw materials are then delivered to the production facilities for processing through a closely controlled chemical process. In this stage, the limestone and clay are first pre-homogenized, a process that consists of combining different types of limestone and clay. The resulting mix is typically dried, and then prepared for the kiln. In the kiln, the raw materials are processed at a very high temperature to produce clinker, the intermediate product used in the manufacturing of cement.¹³

There are two primary processes in manufacturing clinkers: the dry process and the wet process. Most cement plants use the dry process, which is more energy-efficient. In the wet process, the raw materials are mixed with water to form a slurry, which is fed into a kiln. Fuel costs are greater in the wet process than in the dry process because the water that is added to the raw materials to form slurry must be evaporated during the clinker manufacturing process.¹⁴ The clinker is then cooled down, mixed with gypsum, and fed in specified proportions into a cement grinding mill where they are ground into an extremely fine powder and mixed with grinding aids including admixtures (which control properties of the concrete including plasticity, pumpability, freeze-thaw resistance, strength and setting time) and other cement additives to produce finished cement.¹⁵

The Bureau of Philippine Standards (BPS) permits the use of blended cement for most uses. Type 1P cement, which has 70% to 75% clinker content, is most commonly used while Ordinary Portland Cement (OPC), with 90-95% clinker content, is less common and used for specific applications only.¹⁶

Around three-fourths of all the cement produced reach the end-users through distribution networks composed of dealers, distributors, sub-dealers, and sub-distributors. The remaining 25% are usually sold directly to construction companies and contractors, including the government.¹⁷

C. Economic contributions of the cement industry

¹³ Cemex Holdings Philippines, Cement Production Process, <https://www.cemexholdingsphilippines.com/products-and-services/cement/production-process>, (last accessed on 07 November 2020).

¹⁴ *Id.*

¹⁵ *Id.*

¹⁶ Cement Manufacturers Association of the Philippines (CEMAP) Position Paper dated 04 November 2019 PCC Case No. E-2019-002.

¹⁷ *Id.*

Cement manufacturing in the Philippines plays a vital role in the domestic economy. It contributes value in the local market, creates jobs, and generates tax revenues for the government, both directly and indirectly, in each step of the manufacturing and retail chain. Indeed, the industry has wide downstream and upstream linkages that can accelerate economic growth.

The Cement Manufacturers Association of the Philippines (CEMAP), an association of the different cement companies in the Philippines, believes that the cement industry is one of the few sectors that can become import-independent, given the country's vast reserve of raw materials. They submit that with a supportive regulatory framework, the cement can even become one of the country's key export commodities.¹⁸

In 2016 alone, the Philippines produced more than twenty-two million tons of cement. The cement production value in the same year was estimated at Php 68 billion, based on the costs of raw materials and inputs incurred. Similarly, the cement manufacturing industry contributed a significant manufacturing value added, higher than those from other manufacturing industries in the Philippines, such as petroleum and other fuel products, paper, textiles, and wood.¹⁹

Moreover, the industry contributed twenty-one billion Philippine Pesos (Php 21 billion) to the national coffers in corporate income taxes alone. This is in addition to other taxes it generated within its value chain, such as value-added taxes as well as local taxes.²⁰

In terms of employment opportunities, over one hundred sixty thousand (160,000) jobs were created throughout the cement industry value chain by way of direct, indirect, and induced employment. The Philippine cement industry's direct employment pool includes those who work within the industry itself. Indirect employment refers to the jobs created in companies that provide materials and services to the cement industry. Induced employment refers to the jobs created by employee expenditure from both direct and indirect sectors.²¹

The cement manufacturing industry directly employs around 42,000 workers and creates more than 125,000 indirect and induced jobs. For direct employees alone, their income taxes contributed more than Php 3 billion to

¹⁸Department of Trade and Industry (DTI), Manufacturing Sectoral Analysis, <http://industry.gov.ph/wp-content/uploads/2015/04/IPP-2014-Appendix-1-Sectoral-Analyses.pdf>, (last accessed on 13 November 2020)

¹⁹ *Id.*

²⁰ *Id.*

²¹ CEMAP, *supra* note 17.

the government. Notably, these figures do not include those from indirect and induced employment.²²

Downstream in the value chain, the cement manufacturing industry also supports the Philippine construction sector. The availability of cement from the domestic cement industry has made it possible for construction firms to complete reliable infrastructure projects. In turn, the Philippine construction industry employs approximately 8% of the country's 40.8 million labor force, or around three million and four hundred thousand individuals.²³

In addition, domestic cement manufacturers actively contribute through their corporate social responsibility programs towards other social (e.g. poverty, education, typhoon relief), environmental (e.g. alternative fuels usage, reforestation, emissions monitoring) and technological (e.g. cement technology improvement) aspects. All these efforts benefit not just the cement industry but also the Filipino society in general.²⁴

III. PUBLICLY LISTED CEMENT MANUFACTURING COMPANIES IN THE PHILIPPINES

A. Eagle Cement Corporation

Eagle is a fully integrated company primarily engaged in the business of manufacturing, marketing, sale, and distribution of cement under the brands Advance Type 1P, Exceed Type 1P and Strongcem Type 1. According to the company's website, it has the newest, state-of-the-art, and single largest cement manufacturing plant in the Philippines. It further provides that the Company is the 4th largest player in the Philippine cement industry based on sales volume, having the fastest growing market share among all competitors in the industry since it started commercial operations in 2010.²⁵

Eagle prides itself for having the largest single plant production capacity in terms of the number of cement bags in the Philippines through its primary cement production facility located in San Ildefonso, Bulacan. The company's Bulacan cement plant consists of two production lines; and together with its grinding plant in Bataan, combines cement production capacity of

²² *Id.*

²³ *Id.*

²⁴ *Id.*

²⁵ Eagle Cement Corporation, [About Us](https://www.eaglecement.com.ph/company-history), <https://www.eaglecement.com.ph/company-history> (last accessed on 09 November 2020).

approximately 5.1 million metric tons or 130 million bags per annum.²⁶ A cement plant based in Cebu is expected to start operations in 2021.²⁷

B. LaFarge Holcim Cement Corporation

Holcim was originally incorporated on 12 November 1964 as Hi-Cement Corporation (HCC). In February 2000, the SEC approved the merger of HCC, Davao Union Cement Corporation and Bacnotan Cement Corporation, with HCC as the surviving entity. Simultaneously, the SEC approved the change in corporate name to Union Cement Corporation. The Company acquired Alsons Cement Corporation on 12 November 2002, and in 2005 change its corporate name to the present one.²⁸

Holcim has the most cement plants in the Philippines, with cement manufacturing facilities in La Union, Bulacan, Misamis Oriental and Davao, as well as aggregates and dry mix business and technical support facilities for building solutions.²⁹ Holcim produces five cement products, namely, Holcim Premium, Holcim 4X, Holcim Excel, Holcim WallRight Cement, and Holcim Solido.³⁰

Holcim's wholly-owned subsidiaries are Holcim Philippines Manufacturing Corporation; Excel Concrete Logistics, Inc.; Holcim Philippines Business Services Center, Inc.; HuBB Stores and Services, Inc.; and Mabini Grinding Mill Corporation. The company became publicly-listed on 17 June 1996.

Holcim prides itself with the highest standards of sustainable operations and manufacturing excellence with its plants certified under ISO 14001:2004 (Environmental Management System), ISO 9001:2008 (Quality Management System) and OHSAS 18001:2007 (Occupational Health and Safety Management System).³¹

Holcim Philippines is a member of the Lafarge Holcim Group, one of the leading companies in the building materials industry which is present in 80 countries with over 80,000 employees.³²

²⁶ *Id.*

²⁷ Eagle Cement Cebu Facility Faces Delays, Business World, 19 June 2019, <https://www.bworldonline.com/eagle-cements-cebu-facility-faces-delays/> (last accessed on 09 November 2020).

²⁸ Holcim Cement Corporation SEC Form 17-A (2019) page 4.

²⁹ *Id.*

³⁰ *Id.*

³¹ *Id.*

³² *Id.*

C. Cemex Holdings Philippines

Cemex is also one of the leading global companies in the construction materials industry that manufacture and distribute cement, ready-mix concrete, and aggregates in more than fifty (50) countries in America, Europe, Africa, the Middle East, and Asia. Cemex currently employs more than 40,000 employees and operates 66 cement plants, 2,000 ready-mix-concrete facilities, 400 quarries, 260 distribution centers, and 80 marine terminals worldwide. The company's global headquarters is in San Pedro, Monterrey Metropolitan Area, Mexico.³³

Cemex began operations in the Philippines in 1997 and has grown to become one of the leading cement producers in the country, based on an installed annual capacity of 5.7 million tons as of 31 March 2018. It produces and markets cement and clinker in the Philippines through direct sales using extensive marine and land distribution network.³⁴

Its cement-manufacturing subsidiaries, Solid Cement in Antipolo City, Rizal and APO Cement in Cebu, have been operating in the Philippines for over twenty (20) years. The plants offer a broad product mix, and work closely with other Cemex companies to develop and introduce innovative products to the Philippine market.³⁵

Cemex entered the Philippine market in 1997 with a minority investment of 30% in Rizal Cement Company, Inc.(Rizal Cement), a company that was established in November 1930. At the time of initial investment, Solid Cement was a subsidiary of Rizal Cement. In 1999, CEMEX together with other investors purchased an aggregate 99.9% interest in APO Cement.³⁶ It became a publicly-listed company on 18 July 2016.

IV. AN OVERVIEW OF SUSTAINABILITY REPORTING GUIDELINES FOR PUBLICLY-LISTED COMPANIES

In a survey of different countries in Asia, including the Philippines, it was found that sustainable reporting was low, and that community involvement was a more popular Corporate Social Responsibility (CSR) initiative to report

³³ Cemex Holdings Philippines, [About us](https://www.cemexholdingsphilippines.com/about-us/company-profile), <https://www.cemexholdingsphilippines.com/about-us/company-profile> (last accessed on 09 November 2020).

³⁴ *Id.*

³⁵ *Id.*

³⁶ *Id.*

on compared to employee relations and responsible production processes.³⁷ For the Philippines, prior to the promulgation of the Sustainability Guidelines by the SEC, less than 22% of publicly-listed companies have voluntarily published a report on sustainability impacts and performances based on disclosures made by PLCs on their Integrated Annual Corporate Governance Report (I-ACGR). A total of fifty-eight (58) companies out of two hundred seventy (270) have published a Sustainability Report as of 2018.³⁸

Several studies noted that firms in the Philippines had a lower sustainability disclosure score than those in Thailand, Indonesia, Malaysia, and Singapore³⁹. However, there is one study that found that Philippine companies, on average, have higher sustainability disclosures than Vietnamese companies.⁴⁰ Overall, the same study concluded that the level of sustainability reporting in the Philippines is still at the preliminary stage.

Accordingly, the SEC in its *en banc* meeting on February 12, 2019, issued Memorandum Circular (MC) No. 4, or the Sustainability Reporting Guidelines for Publicly-Listed Companies (Sustainability Guidelines), to encourage sustainability reporting and make it mandatory for Philippine publicly-listed companies (PLCs).⁴¹ The Sustainability Guidelines are intended to help PLCs to assess and manage non-financial performance across economic, environmental, and social aspects of their organization and enable PLCs to measure and monitor their contributions towards achieving universal targets

³⁷ W. Chapple and J. Moon, Corporate social responsibility (CSR) in Asia: A Seven-Country study of CSR web site reporting, 44 BUSINESS AND SOCIETY 415-441 (2005).

³⁸ Securities and Exchange Commission, Introduction: SEC Memorandum Circular No. 4, series of 2019 (SEC MC No. 4, s. 2019) issued on 15 February 2019.

³⁹ Tran, M. and Beddewela, E. (2020), "Does context matter for sustainability disclosure? Institutional factors in Southeast Asia", *Business Ethics: A European Review*, Vol. 29 No. 2, pp. 282-302.

⁴⁰ Dinithi Dissanayake, Sanjaya Kuruppu et.al. (2020), "Barriers for sustainability reporting: evidence from Indo-Pacific region," available at <https://www.emerald.com/insight/2049-372X.htm> (last accessed on 10 November 2020).

⁴¹ SEC. *supra*, note 44.

of sustainability, such as United Nations Sustainable Development Goals, as well as national policies and programs⁴², such as *AmBisyon Natin 2040*.⁴³

The Sustainability Guidelines provide that the reporting template as attached in Annex A of the Sustainability Guidelines that shall be submitted together with the company's annual report (SEC Form 17-A).⁴⁴ For PLCs that already have sustainability reports in accordance with internationally recognized frameworks and standards such as multinational companies, their reports shall already be considered as their compliance with the reporting template. PLCs may choose to attach the whole sustainability report to their annual report or just include a statement providing a link to said report.⁴⁵

For the first three years of implementation, or up to 2022, the Sustainability Guidelines shall be adopted on a "comply or explain" approach. As such, the concerned companies are required to attach the template to their Annual Reports, but they can provide explanations for items that lack data.⁴⁶ PLCs who fail to comply with the submission of the Sustainability Report shall be

⁴² SEC MC No. 4, s. 2019, cover page. The SEC's goal is to raise awareness among Philippine listed companies on sustainability reporting, which has declared the following objectives:

To make sustainability reporting relevant and value adding to Philippine PLCs

To help PLCs to identify, evaluate, and manage their material Economic, Environmental and Social risks and opportunities

To help PLCs to assess and improve their non-financial performance across Economic, Environmental and Social aspects of their organization to optimize business operations, improve competitiveness and long-term success

To provide a mechanism that would allow the PLCs to communicate with their stakeholders, including investors or its potential investors

To enable PLCs to measure and monitor its contributions to universal targets of sustainability such as the United Nations Sustainable Development Goals and the *Ambisyon Natin 2040*.

⁴³ *AmBisyon Natin 2040* represents the collective long-term vision and aspirations of the Filipino people for themselves and for the country in the next 25 years. It describes the kind of life that people want to live, and how the country will be by 2040. As such, it is an anchor for development planning across at least four administrations. (<http://2040.neda.gov.ph/about-ambisyon-natin-2040/> (last accessed on 10 November 2020)).

⁴⁴ SEC, *supra* note 46, cover page.

⁴⁵ SEC, *supra* note 46, cover page.

⁴⁶ SEC, *supra* note 46, cover page.

subject to the penalty⁴⁷ for Incomplete Annual Report as provided for in SEC Memorandum Circular No. 6, series of 2005.⁴⁸

The Sustainability Guidelines focus on the economic, environmental, and social disclosures, which is over and above the governance disclosures embodied in the I-ACGR. The Guidelines contain disclosures that describe and measure sustainability in the company's operations. The sustainability performance is measured how PLCs conduct its operations and manage its economic, environmental, and social impacts.

In summary, the disclosure topics under the Sustainability Guidelines include Economic Disclosures, Environmental Disclosures, Disclosures on Social Topics, and Disclosures on United Nations Sustainable Development Goals (UNSDG), as briefly described herein:

1. Economic Disclosures that measure the economic resources flowing in the local and national economy; these involve topics on risks and opportunities due to climate change, procurement practices, and anti-corruption practices for the company⁴⁹.
2. Environmental Disclosures relate to how the company utilizes natural resources and how the company mitigates the impact of their operations to the environment; these include data on resource management, environmental compliance and environmental impact including air emission, solid and hazard waste management, and the like.⁵⁰
3. Disclosures on Social Topics relate to how the organization manages its relationship with its stakeholders (such as their employees, customers, suppliers, communities, the public, and the government). This include topics in relation to human rights, access to and quality of

⁴⁷ Penalty for 1st offense is reprimand or warning, 2nd offense is PHP 30,000.00 plus PHP 500.00 per day of delay of filing of the amended report, 3rd offense is PHP 60,000.00 plus PHP 1000.00 per day of delay of filing of the amended report. Continued non-payment of the assessed fine and/or failure to comply with the requirement, despite notice and hearing for a period of fifteen (15) days, shall be a sufficient ground for the Commission to take other appropriate action or remedies available under the Securities Regulation Code and other related laws. The commission of a fourth offense for the same violation is a ground for the suspension/revocation of the erring company's registration or secondary license which shall be made after notice and hearing, in accordance with the above-mentioned procedures. Erring companies which are primarily regulated by other government agencies shall be endorsed thereto. The imposition of the foregoing penalties shall be without prejudice to the imposition of other administrative sanctions or to the filing of criminal charges against the person/s responsible (SEC Memorandum Circular No. 6, series of 2005).

⁴⁸ SEC, *supra* note 44 page 1.

⁴⁹ 55. Alain Charles Veloso and Ariane Vallada, Philippines: SEC Releases Sustainability Reporting Guidelines, <https://globalcompliancenews.com/philippines-sec-releases-sustainability-reporting-guidelines-20190522/>, (last accessed on 10 November 2020).

⁵⁰ *Id.*

products and services, business practices in marketing, customer management, supply chain management, and data privacy and security.⁵¹

4. Disclosures on UNSDG are a universal call to action to end poverty, protect the planet, and ensure that all people enjoy peace and prosperity and include seventeen (17) goals of the UN. The disclosure would be required on how companies are able to contribute to the SDGs through their products and services.⁵²

Table II. UN Sustainable Development Goals⁵³



The Sustainability Reporting Guidelines likewise provide that the disclosures should only be on topics determined by the PLC as material after conducting their own materiality assessment in accordance with the guidelines. The assessment can be done by analyzing key capital, risk and opportunities that affect value creation, key business activities, subsidiaries, contractors, or supply chain that contribute significantly to the topic, the products and services that impact the topic, and whether or not there is a trend that points to a period where the topic will be material for the company.

⁵¹ *Id.*

⁵² SEC, *supra* note 44 page 14.

⁵³ Table lifted from https://www.researchgate.net/figure/UN-Sustainable-Development-Goals-UNSDG-The-UN-Sustainable-Development-Goals-provide-a_fig3_336976431 (last accessed on 11 November 2020).

A. Recognized standards or framework in sustainability reports

According to the SEC, the Sustainability Guidelines provide a sustainability reporting framework for PLCs that builds upon four (4) of the globally accepted frameworks which companies use to report on sustainability and non-financial information, *viz*:

- a. Global Reporting Initiative's (GRI) Sustainability Reporting Standards;
- b. International Integrated Reporting Council's (IIRC) Integrated Reporting (IR) Framework;
- c. Sustainability Accounting Standards Board's (SASB) Sustainability Accounting Standards; and
- d. Task Force on Climate-related Financial Disclosure (TCFD).⁵⁴

In the Sustainability Guidelines, the SEC explained that the *GRI Standards* cover a comprehensive report which includes governance, economic, environmental, and social topics. It is also associated with international standards and normative frameworks such as the United Nations Global Compact (UNGC) and the International Labour Organization (ILO) Tripartite Declaration.⁵⁵ The *IR Framework* defines six capitals, seven guiding principles, and eight content elements of an integrated report but does not specify topic disclosures and measurement methods.⁵⁶ On the other hand, the *SASB Standards* provides industry-based sustainability standards for more than 77 specific industries.⁵⁷ It has five general sustainability themes including environment, social capital, human capital, business model and innovation, and leadership and governance. To address sustainability issues, a minimum set of topics for consideration in each industry are also provided, together with quantitative and comparable accounting metrics.⁵⁸ Lastly, the *TCFD* issued its final recommendations on climate-related financial disclosure, focusing on climate-related risks, opportunities, and financial impacts, as well as scenario analysis.⁵⁹ The Task Force's recommendations apply to non-financial companies and financial-sector organizations, including banks, insurance companies, asset managers and asset owners.⁶⁰

⁵⁴ SEC, *supra* note 44 pages 2-3.

⁵⁵ *Id.*

⁵⁶ *Id.*

⁵⁷ The Sustainability Accounting Standards Board Conceptual Framework (2017) as cited in the SEC MC No. 4, s. 2019.

⁵⁸ *Id.*

⁵⁹ Adopted by the Financial Stability Board (FSB) Task Force on Climate-related Financial Disclosure (TCFD, 2017) as cited in SEC MC No. 4, s. 2019.

⁶⁰ *Id.*

The Sustainability Guidelines further provide that in addition to these frameworks, the International Finance Corporation, the private sector arm of the World Bank Group, has developed a Toolkit for Disclosure and Transparency with guidance for companies in emerging markets. This toolkit aims to help companies begin the process of sustainability reporting and move toward integrated reporting, with guidance on how to develop disclosure over a period.⁶¹

Table III: Distinguishing the reporting standards/frameworks and comparing it with the guiding principles for defining report content and sustainability topics covered in each standard/framework.⁶²

Coverage	Reporting Standards/Framework			TCFD
	GRI	IR	SASB	
General Sustainability Topics	<ul style="list-style-type: none"> Economic Environmental Social Governance 	<p>6 Capitals:</p> <ul style="list-style-type: none"> Manufactured Capital Financial Capital Intellectual Capital Human Capital Social & relationship capital Natural Capital <p>8 Content Elements:</p> <ul style="list-style-type: none"> Organizational overview & external environment Governance Business model Risks & opportunities Strategy & resource allocation Performance Outlook Basis of presentation 	<ul style="list-style-type: none"> Business model and innovation Leadership and Governance Human Capital Social Capital Environment 	<ul style="list-style-type: none"> Governance of climate related issues Impact of climate-related issues on strategy and financial planning Management of climate related risk Use of climate related metrics & targets
Guiding Principles	<p>For defining report content:</p> <ul style="list-style-type: none"> Stakeholder inclusiveness Sustainability content 	<ul style="list-style-type: none"> Strategic focus and future orientation Connectivity of information Stakeholder relationships 	<p>For topic selection:</p> <ul style="list-style-type: none"> Financial materiality, based on (i) potential to affect corporate 	<p>Disclosures should:</p> <ul style="list-style-type: none"> Represent relevant information Be specific & complete

⁶¹ SEC, *supra* note 44 page 5.

⁶² As provided for in SEC MC No. 4, s. 2019, page 5-6.

	<ul style="list-style-type: none"> • Materiality • Completeness <p>For defining report quality:</p> <ul style="list-style-type: none"> • Accuracy • Balance • Clarity • Comparability • Reliability • Timeliness 	<ul style="list-style-type: none"> • Materiality • Conciseness • Reliability & completeness • Consistency & comparability 	<p>value or (ii) interest of investors</p> <ul style="list-style-type: none"> • Relevant across an industry • Actionable by companies • Reflective of stakeholder consensus <p>For accounting metrics:</p> <ul style="list-style-type: none"> • Fair representation • Useful • Applicable • Comparable • Complete • Verifiable • Aligned • Neutral • Distributive 	<ul style="list-style-type: none"> • Be clear, balanced, and understandable • Be consistent overtime • Be comparable among companies within a sector, industry, or portfolio • Be reliable, verifiable, and objective • Be provided on timely basis.
Materiality	<p>“Material aspects” are those that reflect the organization’s significant economic, environmental, and social impacts; or that substantively influence the assessments and decisions of stakeholders.</p>	<p>A matter is material if it could substantively affect the organization’s ability to create value in the short, medium, or long term.</p>	<p>Financially material issues that are reasonable likely to impact the financial condition or operating performance of the typical company within an industry and therefore are most important investors.</p>	<p>Public companies legal obligation to disclose material information in their financial filings – including material climate related information</p>

B. Benefits of sustainability reporting

Studies reveal that there is a significant connection between the conduct of sustainability reporting by a company, on one hand, and its profitability, on the other.⁶³ This connection is driven by acknowledgment and recognition of the efforts of the companies in operating ethically and sustainably. The competitive advantage of sustainability reporting is evidenced by enhanced public perception as well as recognition by government agencies. This perception significantly increases the profit margins of reporting companies by giving confidence to investors and clients with the honesty and transparency that they look for in a corporation. This provides companies with a clear

⁶³ Hauer, Kathrine July. “The Competitive Advantage of Sustainability Reporting” *available at* <https://jscholarship.library.jhu.edu/bitstream/handle/1774.2/46080/Katrine%20Heuer.pdf?sequence=1&isAllowed=y> (last accessed on 12 November 2020).

competitive edge over others who do not invest in sustainability planning. Investment in sustainability enables momentous growth as it establishes, to clients and investors, the corporation's responsibility in addressing climate change and environmental sustainability.

In one study made by KPMG International Limited (KPMG)⁶⁴, it was found that the rate of compliance of sustainability reporting among the world's 250 largest companies (by revenue) is at 93%, or 232 out of 250. This proves that this has become an acceptable and relevant business practice among the world's corporate giants. Furthermore, the reporting has demonstrated credibility in the community by being transparent about all the environmental, economic and social impacts of the activities that companies undertake. Likewise, the reporting helps identify costs and savings brought by sustainability practices; and it creates a window of opportunity to add cost-efficient measures.⁶⁵ Within the company, it also becomes a source of pride and confidence for employees to be part of a sustainable company.⁶⁶ It develops morale and inspiration, as they become part of the efforts to make the world sustainable not only for them but also for future generations. The company also benefits from determining on what sustainability efforts are effective or not, for planning purposes.⁶⁷

In the KPMG study⁶⁸, it was likewise found that reporting companies had gained significant confidence from stakeholders and investors as they pursued the science-based targets initiative, that is well trusted by investors. The same study also provides that 60% of nearly 5,000 of the world's largest companies include corporate responsibility (CR) data in their annual financial reports. This means that investors already expect this information to be available in their reports. KPMG further said that environmental, social and governance (ESG) issues now represent one in every four dollars invested in the US and has risen

⁶⁴ KPMG (2017). "The Road Ahead: The KPMG Survey of Corporate Responsibility Reporting 2017" available at <https://assets.kpmg/content/dam/kpmg/xx/pdf/2017/10/kpmg-survey-of-corporate-responsibility-reporting-2017.pdf> (last accessed on 12 November 2020).

⁶⁵ Bioregional. "How we helped Kingfisher create an ambitious, customer-focused sustainability leadership strategy" available at <https://www.bioregional.com/projects-and-services/case-studies/how-we-helped-kingfisher-create-an-ambitious-sustainability-leadership-strategy> (last accessed on 12 November 2020).

⁶⁶ Kathy Buchanan, Virgin Media's sustainability reporting revolution, <https://ccbriefing.corporate-citizenship.com/2018/07/30/virgin-medias-sustainability-reporting-revolution-qa-with-katie-buchanan/>, (last accessed on 12 November 2020).

⁶⁷ Singita Serengeti, Case Study of Tanzania One Planet Living, <https://www.bioregional.com/projects-and-services/case-studies/singita-serengeti-a-global-leader-in-responsible-tourism>, (last accessed on 12 November 2020).

⁶⁸ KPMG, *supra*, note 70.

to nearly \$23 trillion globally.⁶⁹ This places compliant companies ahead of the curve in sustainability reporting as there is a growing trend requiring companies to publish non-financial information, particularly relating to environmental reports.

In the same light, and consistent with the foregoing benefits discussed, the SEC provided a list of benefits of Sustainability Reporting in its issuances as enumerated herein:⁷⁰

Internal Benefits

1. Effective management of sustainability risks and opportunities

The process involved in sustainability reporting allows companies to know and better understand their sustainability risks and opportunities. This would in turn result to a more effective assessment and management of said risks and opportunities.

2. Sustainable Vision, Strategy and Business Plans

Sustainability reporting encourages companies to assess, and if necessary, to update, their visions, strategies, and business plans to ensure that sustainability is embedded in their organizations. It gives companies the opportunity to determine the necessary changes in their vision, strategies and performance goals/targets for more sustainable operations.

3. Improved management systems Sustainability reporting involves tracking and gathering data which when evaluated can identify the areas that need improvement.

In addition, public reporting on performance motivates companies to improve in succeeding reporting periods, thus, resulting in improvement in management systems,

⁶⁹Mike Scott, What Do Investors Want to Know About Your Sustainability Strategy? Now Companies Have A Guide, [//www.forbes.com/sites/mikescott/2019/02/17/what-do-investors-want-to-know-about-your-sustainability-strategy-now-companies-have-a-guide/?sh=a27fc2f3dfd6](http://www.forbes.com/sites/mikescott/2019/02/17/what-do-investors-want-to-know-about-your-sustainability-strategy-now-companies-have-a-guide/?sh=a27fc2f3dfd6), (last accessed on 12 November 2020).

⁷⁰ SEC. *supra*, note 40, pages 6-7.

such as streamlining of processes, reduction of costs and over-all improvement in efficiency and productivity.

4. **Motivated workforce** Creating a sustainability report requires a concerted effort from companies' employees, exposing them to the companies' commitment to sustainability.

Research has shown that there is a significant positive relationship between perceived environmental performance and employee satisfaction. Knowing that the company is environmentally and socially conscious increases morale and motivates the workforce to work hard for the company.

External Benefits

1. **Improved company reputation and brand value**

Having a sustainability report indicates the companies' commitment to full transparency and accurate and complete reporting on both positive and negative news. Moreover, it shows the companies' efforts towards sustainability. This improves the company's image and builds trust and respect for the company, thereby improving company reputation and brand value.

2. **Investor attractiveness**

Institutional investors are now looking at the ESG practices of companies and make this a key element in their investment analysis and decisions. In the CFA Institute Survey conducted in 2017, 73% of the survey respondents answered that they take into account ESG issues in their investment analysis and decisions. Sustainability reporting, thus, provides institutional investors easy access to ESG information of companies. At the same time, it allows companies to discuss their sustainability performance in a clear and concise manner.

3. **Stakeholder engagement**

The process of sustainability reporting provides companies with opportunities for stronger engagement with their stakeholders, which in turn can result in better relationships with them. Stakeholders would feel empowered while the companies can gain valuable insights beneficial to their sustainability journey.

4. Competitive advantage

Awareness on sustainability reporting is still quite low for most Philippine companies. As such, having a sustainability report may provide companies with a competitive advantage. This competitive advantage may be in any of the abovementioned internal and external benefits.⁷¹

C. Sustainability reporting framework for PLCs

To reap the benefits of sustainability reporting, the quality of the information must be impeccable and accurate. Accordingly, the SEC has adopted the GRI concepts in its reporting principles to ensure the quality of the reports.

First, not all topics must be reported, but only material and relevant topics that can be reasonably assessed as important for reflecting the company's economic, environmental, and social impacts, or influencing the decisions of stakeholders.⁷² In this context, 'impact' refers to the effect an organization has on the economy, the environment and/or society (positive or negative). A topic can be relevant – and so potentially material – based on only one of these dimensions.⁷³

Second, the report must be inclusive. The company must have a clear understanding of its stakeholders and their interests. The SEC submits that the stakeholders provide useful insights about matters that are important to them, including economic, environmental, and social issues that also affect the ability of the organization to create value.⁷⁴

Third, there should be fair and balanced reporting of information. The reports must include both the positive and negative results to ensure that the clients and investors see the complete standing of the company, and that the

⁷¹ SEC, *supra*, note 40 pages 6-7.

⁷² SEC, *supra*, note 40 page 8.

⁷³ GRI 101: Foundation (2016)

⁷⁴ SEC, *supra*, note 40, page 8.

company's performance can be assessed and compared with the previous reports submitted.

Fourth, the reports must be complete. A complete report, however, does not mean that everything is included. As previously stated, the information disclosed must be relevant and material for public consumption, but in that information that will be disclosed, the company should present a complete assessment of the company. In as much as it is complete, the information disclosed should also be accurate and reliable, which would mean that the numbers, data, analysis, methods of study, sources, and processes must be fully vetted and must be ready for audit and examination by third parties.

Lastly, the information contained in the reports must be consistent and comparable. The report should be presented on a basis that is consistent with previous disclosures, not just in the SEC, but also with those made in the Philippine Stock Exchange (PSE). It must also be offered in a way that enables evaluation with other organizations to the extent that it is material to the company's ability to create value in a given period.⁷⁵

With the foregoing principles, the Sustainability Guidelines were drafted by the SEC for PLCs operating in the Philippines with the goal of making sustainability reporting relevant and value-adding for companies⁷⁶. The SEC has provided a reporting template for the disclosures, but the same is not mandatory. For companies already reporting in accordance with internationally recognized sustainability frameworks or standards, their sustainability reports shall be considered as their compliance.

V. COMPARATIVE ANALYSIS OF THE SUSTAINABILITY REPORTS AND COMPLIANCE OF THE THREE (3) PUBLICLY-LISTED CEMENT MANUFACTURING COMPANIES IN THE PHILIPPINES

There are three cement manufacturing companies in the Philippines that are currently publicly-listed in the PSE. All of them are engaged in the manufacturing, marketing, sale, and distribution of cement. These three(3) represent 60% market share of all cement production in the Philippines. As such, these market leaders are leading the industry in sustainability efforts.

A. Economic Disclosures

⁷⁵ SEC, *supra*, note 40, page 9.

⁷⁶ SEC, *supra*, note 40, page 10.

Economic disclosures relate to how the company directly increases the pool of economic resources that flow in the local and national economy. This includes disclosures on the risks and opportunities due to climate change, procurement practices with respect to local suppliers, and anti-corruption.⁷⁷

Table IV. Economic Performance of the three publicly listed cement companies (2019) Direct Economic Value Generated and Distributed⁷⁸

Disclosure	AMOUNT (PHP)		
	Eagle	Holcim	Cemex
Direct economic value generated (revenue)	19,824,000,000	33,486,771,000	23,664,755,000
Direct economic value distributed:			
a. Operating Costs*	1,582,000,000	26,362,102,000	18,142,460,000
b. Employee wages and benefits	621,000,000	1,773,627,000	1,161,048,000
c. Dividends given to stockholders and interest payments to loan providers	1,966,000,000	390,905,000	1,163,102,000
d. Taxes paid to government	2,835,000,000	6,644,167,000	357,869,000
e. Investments to community (e.g. donation, CSR)	35,000,000	15,192,000	8,593,000
Total economic revenue distributed/% of revenue	7,039,000,000 35.5% or rev.	29,205,993,000 87.2% or rev.	20,833,126,000 88% of rev.

*Already includes payments to suppliers

Based on the information in Table IV, the impact of these companies is seen on how the revenues are distributed. The bulk of the distribution goes to its operating costs and payments to suppliers, while a good portion is likewise distributed as payments, taxes, and donations or CSR projects to the community that they serve. It will be good to highlight that Eagle owns its quarrying company which may have affected the numbers pertaining to taxes and investments to the community. On the other hand, Holcim and Cemex outsource their quarrying operations to third-party suppliers which minimizes the taxes paid to government and the required community programs for mining or quarrying companies. However, this increases the costs paid to the suppliers.

In 2019, the said publicly-listed cement companies in the Philippines have generated more than PHP 77 billion of economic value. A substantial amount

⁷⁷ SEC, *supra*, note 44 page 11.

⁷⁸ SEC Form 17-A (2019) of Eagle Cement Corporation and Holcim Cement Corporation and Sustainability Report of Cemex Holdings Philippines (2019)

of which were distributed to different stakeholders creating several opportunities for the local economy including the support for thousands of direct employment and indirect employment to other enterprises. The distribution of economic opportunities to key stakeholders, such as employees and suppliers, impacts their own productivity, viability, and growth.

The payment of taxes also helped the government to support its provision of social services to its citizens. In 2019, a combined amount of PHP 9.8 billion was paid in taxes to the government. All three cement companies likewise set their goals to impact the community within which they operate by providing economic opportunities through activities such as local employment, local sourcing, and corporate social responsibility projects. Lastly, these companies bolstered their ability to meet their respective investor's expectations to secure their ability to source capital to support their growth.

Cemex went further by also identifying other relevant issues such as climate change, water scarcity, energy security, materials scarcity, physical hazards to communities from our operations, biodiversity, social inequality, the need for infrastructure, as well as government and regulatory-related uncertainties as specific activities that impact their operations.⁷⁹

The three companies identified several risks in their respective operations. In case of Eagle, identified certain risks such as major and prolonged operational disruptions at their Bulacan Cement Plant, market sustainability that is dependent on the growth of the economy and of industries considered as key customers, a potential significant decrease in selling price due to uncurtailed cement importation, foreign exchange risk, non-compliance with regulatory requirements, the adverse effect of the price increases on fuel, coal, and electricity on their profitability and sustainability, and lack of qualified technical personnel.⁸⁰ On the other hand, Holcim mentioned only two main risks: new taxes in an already heavily-taxed mining industry which would further increase the cost of production, and the unabated entry and dumping of cheap cement imports from neighboring countries that impairs the ability of local manufacturers to compete profitably.⁸¹ Cemex likewise mentioned several risks to their operation, such as its high dependence on Philippine economic performance, the delay in public and private construction projects, high debt to operating EBITDA ratio, oversupply of cement due to

⁷⁹ Cemex Holdings Philippines. "2019 Sustainability Report" available at <https://www.cemexholdingsphilippines.com/documents/46587437/50256333/chp-sustainability-report-2019-merged.pdf/pdf/e43d2f3c-e5b2-935e-9c73-8ffac5b31faa>, hereinafter referred to as *CHP Sustainability Report 2019* (last accessed on 17 November 2020)

⁸⁰ Eagle Cement Corporation. SEC Form 17-A (2019) page 196.

⁸¹ Holcim Cement Corporation. SEC Form 17-A (2019) page 269.

importation, operability of its two cement plants, highly competitive markets, interest rates, regulatory risks such as taxes.⁸²

Cemex went further to state that apart from these business risks, they also recognize that inequitable economic value distribution could have implications in reducing the ability of stakeholders to meet certain performance objectives that will affect long-term viability.

Under economic disclosures, reports on climate change risks and opportunities were adopted from the recommendations of the Task Force on Climate-Related Financial Disclosures. Among these are the risks of natural disasters to disrupt cement operations, damage their cement plants, including goods and stocks that could adversely affect the business, prospects, financial condition, and results of operations. Additionally, any major or sustained disruptions in the supply of utilities such as water or electricity, or the supply of raw materials as a result of climate-related risks would also have financial implications to the business.

Part of the strategy is to use metrics to assess these risks and opportunities as tied to operational resiliency, in terms of system and process dependencies and redundancies, that may speed up recovery and shorten downtimes. These metrics include hydrometeorological/climatological indicators such as rainfall rates and temperature, and the awareness and knowledge of employees on the potential risks and BCP protocols.⁸³ All three companies likewise target improvement in energy and fuel efficiency along with reducing CO2 emissions as part of its strategy to manage climate related risks.

Lastly, as to anti-corruption measures, the companies have engaged their management and employees in their respective operations by conducting anti-corruption policies and procedures trainings.

Table V. Training on Anti-corruption Policies and Procedures⁸⁴

DISCLOSURE	Eagle	Holcim	Cemex
Percentage of employees to whom the organization's anti-corruption policies and procedures have been communicated to	100%	12%	100%
Percentage of business partners to whom the organization's anti-corruption policies and procedures have been communicated to	100%	100%	100%

⁸² Cemex Holdings Philippines. *supra* note 86 page 5.

⁸³ Eagle Cement Corporation. *supra* note 87 at 199.

⁸⁴ Holcim, Eagle, and Cemex, *supra* note 85.

Percentage of directors and management that have received anti-corruption training	2.7%	85%	100%
Percentage of employees that have received anti-corruption training	100%	12%	29%

Clearly, there are areas for improvement for these companies. The only area within which they are fully compliant is on communicating anti-corruption policies and procedures to their respective business partners. Holcim needs to improve significantly on their internal communications of anti-corruption policies communications as only a small portion of their employees are knowledgeable of their policies. Eagle, on the other hand, has to intensify its anti-corruption training for its directors and management team given that there is only one director who was able to receive anti-corruption training for 2019. As for the training for the rest of their employees, Holcim and Cemex have low percentages since they only provided trainings for those employees who are dealing with government agencies.

While these cement companies have put in place measures to manage identified risks and optimize the value that they create and distribute to their respective stakeholders, these anti-corruption trainings are opportunities to assess their stakeholders and hold them to the same standards. As a management approach, all these companies are in unison in improving supplier accreditation and assessment processes to encourage them that they distribute economic value to their stakeholders in an equitable way. Specifically, these companies reported that they would also assess the effectiveness of their suppliers' anti-corruption measures and their policy and practice on employee trainings and benefits.

Table VI. Incidents of Corruption⁸⁵

DISCLOSURE	Eagle	Holcim	Cemex
Number of incidents in which directors were removed or disciplined for corruption	0	0	0
Number of incidents in which employees were dismissed or disciplined for corruption	0	6	0
Number of incidents when contracts with business partners were terminated due to incidents of corruption	0	0	0

⁸⁵ *Id.*

In 2019, there is hardly any incidence of corruption except for the six (6) employees reported by Holcim. This is based on internal and/or external incident reports, administrative cases heard, and formally litigated cases of violations of applicable anti-corruption and anti-bribery laws involving the Company, its directors, officers, employees, authorized representatives, agents, and/or contractors.

Corruption could disrupt the equitable flow of value of key stakeholders, such as suppliers, employees, government, and investors. Corruption could increase the cost of doing business which will have severe implications to the company's competitiveness and long-term viability. The reports considered all business operations that interact with any third-party, including, but not limited to, the government, regulators, suppliers and/or customers, as areas that have corruption risks. Hence, all employees involved in such functions receive intensive training on anti-corruption and anti-bribery policies, including third parties who interact with the employees.

B. Environment

Environmental disclosures relate to how the company manages the natural resources it needs for its business, as well as how it minimizes its negative impacts on the environment. The company's ability to access materials needed for its operations is critical to the company's long-term success⁸⁶

According to the International Energy Agency, the cement industry is responsible for about 7% of global CO₂ emissions. As cement companies recognize the scientific evidence that anthropogenic GHG emissions inherent to cement production increase the average global temperature, they have committed to manage the same emissions while also recognizing fact that cement as it is today cannot be produced without liberating CO₂ from limestone during the calcination process.

As cement companies, the main focus of the reports on Environment is the efficient use of energy and the use of alternative fuels in their operations. There were also heavy discussions on solid waste, air quality emissions, and water quality. Below is a comparative table of the environmental impacts of the cement operations:

Table VII: Environmental Impact of Cement Operations⁸⁷

⁸⁶ SEC, *supra*, note 40 at 12.

⁸⁷ CHP Sustainability Report 2019 at 15.

INPUT RESOURCES	PROCESSES	ENVIRONMENTAL IMPACT
Materials <ul style="list-style-type: none"> • Limestone • Clay • Pozzolan Energy <ul style="list-style-type: none"> • Liquid Fuel 	1. Quarrying of Raw Materials <i>Note: This process is carried out by a third-party supplier for Cemex.</i>	<ul style="list-style-type: none"> • Fugitive Emission Dust • Gas Emissions • Noise • Vibration • Heat • Biodiversity impact
	2. Transporting the Raw Materials <i>Note: This process is carried out by a third-party supplier for Cemex.</i>	<ul style="list-style-type: none"> • Fugitive Emissions from Hauling Dust • Emissions from Truck Exhaust
Materials <ul style="list-style-type: none"> • Limestone • Clay • Pozzolan • Alternative Raw Material Energy <ul style="list-style-type: none"> • Electricity 	3. Crushing	
Materials <ul style="list-style-type: none"> • Mixed Grade Limestone • Pyrite /Iron Concentrate Energy <ul style="list-style-type: none"> • Electricity 	4. Pre-homogenization	<ul style="list-style-type: none"> • GHG Emission • Dust Emissions • Noise
Materials <ul style="list-style-type: none"> • Mixed Grade Limestone • Pyrite /Iron Concentrate • Alternative Raw Material • Water (cooling) Energy <ul style="list-style-type: none"> • Electricity 	5. Raw Material Grinding	
Materials <ul style="list-style-type: none"> • Fine Raw Meal Energy <ul style="list-style-type: none"> • Electricity 	6. Raw meal Homogenization	<ul style="list-style-type: none"> • GHG Emission • Dust Emission

Materials <ul style="list-style-type: none"> • Kiln Feed • Water (cooling and dust management) Energy <ul style="list-style-type: none"> • Primary Fuel • Alternative Fuel • Electricity 	7. Calcination	<ul style="list-style-type: none"> • GHG Emissions • Dust Emissions • Gas Emissions • Heat • Noise
Material <ul style="list-style-type: none"> • Clinker • Gypsum • Alternative Raw Material • Water (cooling and dust management) Energy <ul style="list-style-type: none"> • Electricity 	8. Cement Milling	<ul style="list-style-type: none"> • GHG Emissions • Dust Emissions • Noise
Materials <ul style="list-style-type: none"> • Cement • Cement Bag Energy <ul style="list-style-type: none"> • Liquid Fuel • Electricity 	9. Cement Packaging 10. Cement Delivery	<ul style="list-style-type: none"> • GHG Emissions • Dust Emissions • Cement Sweeping • Hardened Cement • Cement Bag Wastes

As for the use of energy in their plant operations, Eagle has a Waste Heat Recovery system that generates up to 6.30 Megawatts of power from the plant's waste heat. This allows them to save up to 20% of electricity costs in production while conserving renewable fuel supply and minimizing harmful gas emissions.⁸⁸ As for Holcim, it prides itself having its cement plants in Bacnotan, La Union, and Norzagaray, Bulacan being given Awards of Recognition for representing the Philippines in the ASEAN Competition Best Practice for Energy Management in Buildings and Industries. The Holcim La Union plant was cited for its use of alternative fuel and raw materials to reduce its coal consumption, while the Holcim Bulacan plant was recognized for its best practices in energy management through process improvements.⁸⁹ Also, Cemex's subsidiaries, Solid Cement Corporation in Antipolo and APO Cement Corporation in Cebu, are the first cement plants in the Philippines to

⁸⁸ Eagle Cement Corporation, Taking Green to a Higher Level, <https://www.eaglecement.com.ph/article/taking-green-to-a-higher-level/7>, (last accessed on 18 November 2020).

⁸⁹ Holcim Cement Corporation, Holcim PH plants recognized anew by DoE for energy efficiency, <https://www.holcim.ph/news/latest-releases/latest-release/article/holcim-ph-plants-recognized-anew-by-doe-for-energy-efficiency>, (last accessed on 18 November 2020).

be certified by SGS Philippines for the ISO 50001 Energy Management System⁹⁰.

C. Social

Disclosures on social topics relate to how a company manages its relationship with its stakeholders, namely, its employees, customers, suppliers, communities, the public, and the government. It includes disclosures on issues related to human rights, quality of products and services, responsible business practices in marketing, customer privacy, and data security.⁹¹

As employers, cement companies recognize their ability to contribute in addressing inequality in the society. With such recognition comes the need to be committed in providing equal opportunities to workers regardless of their orientation, age, gender, ethnicity, and social standing.

Table VIII. Employee data of the three publicly listed cement companies⁹²

Disclosure	Eagle	Holcim	Cemex
Total Number of Employees	517	1185	717
• Number of Female Employees	120 / 23%	253 / 19.5%	147 / 21%
• Number of Male Employees	397 / 77%	932 / 79%	570 / 79%
Attrition Rate ⁹³	10%	10%	10.74%
No. of employees for Indigenous Communities or vulnerable sectors ⁹⁴	0	2	6

There is obviously an opportunity further diversify the profile of workers in the cement industry. As reported, the industry remains to be male-dominated especially since it involves the use of hard labor in quarrying and manufacturing. However, there is an effort to increase female workers in the sector, not just in office-based jobs, but also in the field as engineers, geologists, and supervisors. There is likewise a need to employ more people from indigenous and vulnerable communities as current information is too insignificant compared to the total number of work force in these manufacturing companies. It is also interesting to note if the information can

⁹⁰ Cemex Holdings Philippines, CEMEX cited for energy management excellence, Press Release dated June 2019.

⁹¹ SEC. *supra* note 40 page 14.

⁹² Holcim, Eagle, Cemex. *supra* note 85

⁹³ Attrition rate = no of turnover for the year / total headcount at the end of the year

⁹⁴ Vulnerable sector includes, elderly, persons with disabilities, vulnerable women, refugees, migrants, internally displaced persons, people living with HIV and other diseases, solo parents, and the poor or the base of the pyramid (BOP; Class D and E).

also include members of the LGBTQ community to make the company more inclusive and diversified.

All cement companies likewise provide more than what labor standards and social benefits require. Employees directly working under these companies are paid beyond the standard minimum wage.

Table IX. Employee benefits of working for a publicly listed cement company in the Philippines⁹⁵

LIST OF BENEFITS*	EAGLE	HOLCIM	CEMEX	REMARKS
Social Security System	Y	Y	Y	All employees are covered as provided by law
Sickness Availment	Y	Y	Y	SSS sick leave credits can only be availed of when company sick leave credits have been exhausted.
Maternity Availment	Y	Y	Y	Female employees are covered by this benefit upon pregnancy regardless of the type of delivery (miscarriage, normal or caesarian).
Calamity Loans Availment	NDA	NDA	Y	Cemex provides to employees whose barangay has been declared under calamity can apply for this type of loan.
PhilHealth	Y	Y	Y	All employees are covered as provided by law. Only employees who undergo a procedure or gets admitted can avail of this benefit.
Pag-IBIG Contribution	Y	Y	Y	Certain employees are exempted from paying Pag-IBIG Premium.
Parental Leaves	Y	Y	Y	All relevant employees are covered.
Solo Parent Leave	Y	Y	Y	This is on top of vacation and sick leaves.
Maternity Leave	Y	Y	Y	Female employees can apply for this benefit upon pregnancy regardless of type of delivery (miscarriage, normal or caesarian).
Paternity Leave	Y	Y	Y	Male employees whose spouse has given birth can apply for this benefit.
Vacation Leaves	Y	Y	Y	In lieu of Service Incentive Leaves
Sick Leaves Availment	Y	Y	Y	Cemex has cash conversion provided for those who do not need to avail of sick leaves.
Medical Benefits (aside from PhilHealth)	Y	Y	Y	
HMO	NDA	NDA	Y	Cemex includes all employees are enrolled upon hiring; their dependents are enrolled upon regularization.
Critical Illness	NDA	NDA	Y	Cemex includes all employees and their dependents are enrolled upon regularization.

⁹⁵ Holcim, Eagle, Cemex, *supra* note 85

Housing Assistance (aside from Pag-ibig)	N	Y	Y	Housing are offered for employees.
Retirement Benefit Availment (aside from SSS)	N	Y	Y	This covers voluntary separation beginning 10 years of service, early retirement for employees who are at least 55 years old with 10 years of service and normal retirement for employees at least 60 years old.
Further Education Support	N	Y	N	
Company Stock Options Granted	N	Y	N	
Telecommuting	N	Y	Y	
Flexible-Working Hours	N	N	Y	
Group Life, Accident and Disability Insurance Availment	NDA	NDA	Y	
Transportation Benefit	NDA	NDA	Y	
Meal Allowance	NDA	NDA	Y	
Rice Allowance	NDA	NDA	Y	
Medicine Allowance	NDA	NDA	Y	
Uniform Allowance	NDA	NDA	Y	

*Y – Yes, benefit provided under law, company policy, or collective bargaining agreement; N – This benefit is not provided; NDA – No data available

Another way to develop human resources in the industry is to regularly conduct training and development programs. This helps people to be competent in performing their tasks and able to progress through their respective career paths. Trainings are also provided to strengthen our culture, values, and general organizational capabilities critical in their success. Employees who are untrained or poorly trained in cement operations face the risk of deviating from standard processes, which could have significant financial implications. Hence, there is a need to ensure that all employees receive the training that they need.

Table X. Training to cement manufacturing employees (2019)⁹⁶

Disclosure	Eagle	Holcim	Cemex	Units
Total Training Hours Provided to Employees				
• Female Employees	516	6,750	3,740	Hours
• Male Employees	896	24,223	20,515	Hours
Average Training Hours Provided to Employees				
• Female Employees	11	27	25.44	Hours/employee
• Male Employees	16	26	35.99	Hours/employee

Another indicator of sustainability is the number of employees that are represented under a Collective Bargaining Agreement (CBA) where they are

⁹⁶ *Id.*

able agree on terms and conditions of employment that are not below the minimum standards fixed by law, and also set a mechanism for resolving their grievances.⁹⁷

Table XI. Number of employees with CBA (2019)⁹⁸

Disclosure	Eagle	Holcim	Cemex	Units
% of Employees Covered with Collective Bargaining Agreements	0	54	29	%
Number of Consultations Conducted with Employees Concerning Employee-related Policies	0	53	17	#

A harmonious relationship between labor and management is key to bringing everyone towards a shared objective. CBA negotiations ensure that all matters around employment conditions, salary increase, benefits package enhancement, and signing bonuses, among others, are acceptable to the employees and fair to management. This improves productivity as it fosters trust and confidence, which is necessary to have a harmonious employee-employer relationship.

There are given risks of possible labor action from any unresolved disputes or delays in resolution of issues, especially those arising from differences in interpretation or implementation of CBA provisions, which, if not handled properly may have a substantial impact in the operations of the company. Eagle does not see the lack of unionized employees either as a risk or an opportunity. However, they maintain an open and regular channel between employees and management; this provides proper communication to maintain a transparent, accountable, and harmonious work environment.⁹⁹

Health and safety is an equally important sustainability disclosure for cement companies. There is a recognition that cement operations, from sourcing of raw materials to cement manufacturing and distribution, have inherent risks to the health and safety of the workers on site.

⁹⁷ Bureau of Labor Standards. Definition of Collective Bargaining, *available at* <https://blr.dole.gov.ph/2014/12/11/collective-bargaining/> (last accessed on 20 November 2020)

⁹⁸ Holcim, Eagle, Cemex. *supra* note 85.

⁹⁹ Eagle Cement Corporation. SEC Form 17-A (2019) at 220.

Table XII. Occupational Health and Safety¹⁰⁰

Disclosure	Eagle	Holcim	Cemex	Units
Employee Safe Man-Hours	3,951,123	10,506,588	1.4 M	Man-hours
Number of Employee Work-related Injuries	47	9	0	#
Number of Employee Work-related Fatalities	0	0	0	#
Number of Employee Work-related Ill-health	208	0	0	#
Number of Safety Drills	9	102	18	#

Holcim's safe man-hours is a testament to the training and investment with safety that they have undertaken in the company. The overall performance of all the cement companies when it comes to safety is over and beyond the minimum required by law.

Meanwhile, the role of suppliers in value creation and distribution is also highly significant. This is why it is particularly important that they adhere to the same environmental, social, and governance standards and policies that are observed by the cement companies. Many of the risks that could compromise their assets and affect the ability to meet stakeholder's expectations are within the direct control of our suppliers.

For these reasons, there is a need to engage and align their suppliers with health and safety, compliance with laws, and integrity. However, there is a need to strengthen this further to ensure that the supplier relationship is strong in the areas where they operate.

Table XIII. Supply Chain Management and Evaluation¹⁰¹

CONSIDERATION	Eagle	Holcim	Cemex	Remarks
Environmental Performance	Y	Y	Y	For Eagle, environmental performance is only required from suppliers with potentially significant environmental impacts such as raw material suppliers, mining and technical services, haulers, and shipping vessels.
Forced Labor	N	Y	Y	Holcim and Cemex have policies on forced labor globally.

¹⁰⁰ Holcim, Eagle, Cemex. *supra* note 85.

¹⁰¹ *Id.*

Child Labor	N	Y	Y	Holcim and Cemex have policies on child labor globally.
Human Rights	N	Y	Y	Holcim and Cemex have policies on Human Rights globally.
Bribery and Corruption	N	Y	Y	Holcim and Cemex have policies on Bribery and Corruption globally.

Being multinational companies, Holcim and Cemex have integrated stronger global policies against unfair labor practices, human rights, and bribery and corruption policies that are anchored on Organization for Economic Co-operation and Development (OECD) guidelines, which strictly adheres to UK Anti-Bribery Law and US Foreign Corrupt Practices Act (FCPA). Eagle, on the other hand, adheres only to the minimum standard of supply chain management and evaluation, It does not require most of those under consideration under the SEC guidelines.

The most important factor to be considered in cement operations, or in any business, is social acceptance to operate the cement plant and other related facilities. Any concern of the community that remains unaddressed can cause disruption in operations. Therefore, community engagement mechanisms must be in place to ensure that valid concerns from communities regarding the operations in the area are addressed.

Lastly, all these cement companies identified their customers and clients as pillars of their success. Consequently, there is a need to be customer-centric in their operations and business models, not only in producing quality building material products, but also in delivering customer experience in dealing with them. Cemex has conducted an internal survey that identifies drivers for customer satisfaction, and from their findings of our customer surveys, they have learned that there are five strongest drivers for customer satisfaction, including (1) Service & support from Sales Team, (2) Truck schedule availability, (3) Technical support, (4) Loading pick-up time and (5) on-time delivery.¹⁰²

Other disclosures include compliance with Data Privacy Laws and marking of cement products in accordance with the standards provided for by the Bureau of Product Standards (BPS) of the Department of Trade and Industry (DTI).

D. United Nations Sustainable Development Goals (UNSDG)

¹⁰² CHP Sustainability Report 2019 at 54.

The United Nations Sustainable Development Goals (SDGs) is a universal call to action to end poverty, protect the planet and ensure that all people enjoy peace and prosperity.¹⁰³ Disclosures would be required to indicate how companies are able to contribute to the SDGs through their products and services.¹⁰⁴

Table XIV. Key products and services of cement companies and their contribution to sustainable development¹⁰⁵

Company/Key Products and Services	Societal Value/Contributions to UN SDGs	Potential Negative Impact of Contribution	Management Approach to Negative Impact
Eagle Cement Advance	SDG #9: Industry, Innovation, and Infrastructure This quality product is used for general construction applications.	The cement industry's operations have environmental and social impacts, creating greenhouse gas emissions in the process of manufacturing cement. The impact of cement operations in these areas are managed by the Company and are discussed in the Environmental and Social sections. As a result, cement serves a vital part in nation-building through its use in infrastructure projects.	
Eagle Cement Exceed	SDG #9: Industry, Innovation, and Infrastructure SDG #11 Sustainable Cities and Communities This product is used for general construction applications. The lower cost supports the initiatives towards affordable housing.	The company strives to meet the highest standards in managing the use of natural resources. This ideal is embedded in its mission statement and is integral to its growing commitment to sustainable development. Since the Company is primarily engaged in the production and distribution of cement, environmental stewardship is a critical aspect of the way it creates and delivers value as its business is dependent on the continued availability of natural materials, now and in the future.	
Eagle Cement Strongcem	SDG #9: Industry, Innovation, and Infrastructure This product is usually used for high-performance applications and highly engineered constructions that need higher compressive and early strength development such as concrete slabs, foundations, and matting in high rise buildings and infrastructures like roads and bridges.	As the Company expands its cement production capacities to meet its commitment to the country's economic growth, it is therefore equally committed to conserve energy and raw materials, reduce its CO2 emissions, and protect biodiversity.	
Holcim Blended Cement	Less use of clinker to produce cement (The	The majority of these emissions are	A significant portion of these alternative

¹⁰³ UN. *supra* note 59.

¹⁰⁴ SEC. *supra* note 44 at 14.

¹⁰⁵ Lifted from the disclosures of the cement companies in their Sustainability Reports as provided for in SEC Form 17-A (2019) of Eagle Cement Corporation and Holcim Cement Corporation, and the 2019 Sustainability Report of Cemex Holdings Philippines.

	report did not mention any UNSDG goal)	unavoidable, as they result from the chemical reaction that occurs when the raw material (limestone) calciriates into clinker in the kiln.	components come from waste or byproducts recovered from other industries, such as using pretreated waste and low-carbon fuels as a replacement for fossil fuels.
Holcim Waste management solution	Application of circular economy principle (The report did not mention any UNSDG goal)	Cement kiln co-processing itself cannot address the waste management challenges of the country but can be an integral part of the whole waste management value chain.	The company uses cement kiln co-processing technology, wherein qualified waste materials are used as an alternative to coal in producing cement. Co-processing provides a practical, cost effective, and environmentally preferred alternative to landfills and traditional incineration. This technology is unique because it encompasses both material recycling and energy recovery within an industrial process.
APO Gray Ordinary Portland (Cemex)	SDG #12 Responsible Consumption and Production SDG #13 Act now to stop global warming General-purpose Type I Portland cement made for high performance applications. It passes the specifications of Type II cement as moderately sulfate resistant and is suitable for applications near bodies of water. This meets PNS 07:2018 and ASTM C150:2018 standards.	This product reduces the use of virgin materials, and increased use of recycled materials such as Fly-Ash, Slag, and Silica Fume. Reduction of use of clinker also reduces energy and GHG intensity per quantity of product used in the market. When used in concrete hollow blocks, more can be produced per bag, contributing to materials efficiency and cost savings for consumers. Infrastructure built with this cement that are exposed to aggressive chemical environments also last better, improving the life span of structures. No negative impact to any SDG resulting from the use of this product.	
Island Portland Cement (Cemex)	SDG #12 Responsible Consumption and Production SDG #13 Act now to stop global warming General-purpose Portland cement made for high performance applications. Achieves higher compressive strength in less time compared to other Portland cement. This meets PNS 07:2018 ASTM C150:2018 standards.	This product reduces the use of virgin materials, and increased use of recycled materials such as Fly-Ash, Slag, and Silica Fume. Reduction of use of clinker also reduces energy and GHG intensity per quantity of product used in the market. When used in concrete hollow blocks, more can be produced per bag, contributing to materials efficiency and cost savings for consumers. No negative impact to any SDG resulting from the use of this product.	

Rizal Masonry Cement and APO Masonry Cement (Cemex)	SDG #12 Responsible Consumption and Production SDG #13 Act now to stop global warming Type M masonry cements. It allows better moisture retention and adhesion strength. This meets PNS ASTM C91/C91M:2019 standards.	This has lower product energy and carbon intensity by about one-third when compared to Portland cement due to lower clinker factor. Because of its properties, use of this product requires less cement per square meter coverage compared to Portland and Blended Cements, resulting to savings in material use. No negative impact to any SDG resulting from the use of this product.
Rizal Portland Super (Cemex)	SDG #12 Responsible Consumption and Production SDG #13 Act now to stop global warming All-purpose Type 1P cement formulated with minerals that add beneficial properties, such as increased strength and durability over time. Used for general construction applications where structures are exposed to moderate sulfate environments. This meets PNS 63:2019 and ASTM C595:2018 standards.	This has lower clinker factor compared to Portland cements hence has lower energy and carbon intensity. This has longer-term durability versus Portland Cements as it yields a denser concrete. No negative impact to any SDG resulting from the use of this product.

VI. EXAMPLES OF SUSTAINABILITY PRACTICES OF THE THREE(3) PUBLICLY-LISTED CEMENT MANUFACTURING COMPANIES IN THE PHILIPPINES

The increasing number of corporations worldwide involved in corporate social responsibility activities are also providing more social and environmental information to the public as a consequence. Accordingly, CSR disclosure or reporting, has become a trend for most companies globally.¹⁰⁶ In the Philippines, the cement companies have been active in their CSRs, which are part of their disclosures in their sustainability reports.

A. Eagle Cement's Corporate Social Responsibility

¹⁰⁶Deegan, C. (2009). Extended systems of accounting - the incorporation of social and environmental factors within external reporting. In *Financial accounting theory* (pp. 378–425). Sydney: McGraw-Hill

Pursuant to Section 8 of Republic Act (R.A.) No. 7942, otherwise known as the "Philippine Mining Act of 1995", Section 275 of DENR Administrative Order (D.A.O.) No. 96-40, the Revised Implementing Rules and Regulations of R.A. 7942, and in line with the policy of the government to continuously provide for a responsive regulatory framework for mining, they have come up with a policy for mining companies to have Social Development and Management Programs (SDMP) for Mining Projects. Given that Eagle engages in its own quarrying for its raw materials, its CSR projects are guided by this government policy.

Eagle's SDMP programs have six core activities: education, basic infrastructure and support, basic services, basic health, livelihood, and information, education, and communication programs. Examples of these activities include the provision of financial assistance, in the form of monthly allowance, to teachers and workers of Akle Day Care Centers in the barangay, development of infrastructure programs thru cement donations for various community development projects and the construction of canals. Residents of Barangay Akle and neighboring barangays may also avail of free medicines and dental services, in addition to receiving free consultation from doctors and dentists provided by Eagle, thus creating a strong partnership between the company, the authorities, and the community involved in and affected by the company's operations.¹⁰⁷

B. Holcim Cement Corporation Integrity Line

Holcim strives to create an environment where honesty and accountability are paramount. The company has its own Integrity Code and Whistleblower policies that will ensure that their business is conducted with integrity.¹⁰⁸ Holcim's Code of Business Conduct defines the behaviors expected of employees - with no exceptions. An integrity line is provided to all employees, shareholders, and suppliers, which is used to confidentially report dishonest practices or acts that are not in accordance with company policies or the law. The line is not provided by Holcim, but is an outsourced service from an integrity provider which will ensure that any information shared through the line is confidential and will be acted upon.

C. Cemex Philippines Foundation, Inc.

¹⁰⁷Eagle Cement Corporation, Giving back to communities, <https://www.eaglecement.com.ph/article/giving-back-to-the-community/7>, (last accessed on 21 November 2020).

¹⁰⁸Holcim Cement Corporation, Building with Integrity Our Code of Business Conduct, (LafargeHolcim Ltd Zürcherstrasse 156 8645 Jona Switzerland, 2018).

Cemex Philippines Foundation, Inc. is a non-stock, non-profit organization under the umbrella of Cemex Holdings Philippines that is tasked to engage communities to uplift the aspirations of the people within the communities they operate. Its advocacies are dedicated to empowering communities and uplifting the lives of its beneficiaries through sustainable programs. Among the projects it supports is the Adopt-a-School of the Department of Education (DepEd), particularly in Antipolo and Cebu. Likewise, the Cemex Foundation also promotes proper waste segregation among chosen communities through *Tamang Segregasyon para sa Kalikasan* or TSEK. In 2019, as part of its efforts to save crucial water systems that are essential to life, it participated in the “*Manila BAYaniban para sa Kalikasan*” – a multi-stakeholder initiative that promotes the Filipino tradition of “*bayaniban*” in working towards the simultaneous cleanup and restoration of waterways in Metro Manila.¹⁰⁹

VII. CONCLUSION

With the SEC’s issuance of the Sustainability Reporting Guidelines, PLCs are now expected to make sustainability efforts a part of their priority objectives. This makes the responsibility of creating a sustainable environment a joint effort between the government and the private sector.

Though there are a lot of aspects to improve on the sustainability practices of these cement companies, it is already a good start that they are made aware of these sustainability efforts, which will eventually be part of their compliance.

In 2022, one can expect that almost all PLCs will have the inherent responsibility to invest and take care of human, social, economic, labor, and environmental capital. These companies must accept the moral and social accountability to be at the forefront of upholding the sustainable goals relevant to their respective operations. These goals shall be at the center of their corporate culture and fixed in the organization’s outlook, from the board of directors and management team to rank-and-file employees, and even up to third party service providers.

¹⁰⁹ Cemex Philippines Foundation, Inc. 2019 Annual Report.