

# STAYING THE COURSE

2015-2016 SUSTAINABILITY REPORT

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### PERFORMANCE

Striving for efficient and competitive operations as part of our sustainability approach



### ENVIRONMENT

Ensuring sustainable operations while promoting environmental responsibility and protection



### OUR PEOPLE

Safeguarding employee rights on safety, welfare and professional growth, while giving equal access to opportunities



### OUR COMMUNITIES

Empowering our communities towards a productive partnership and good corporate citizenship





## ABOUT THE COMPANY

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

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

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

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

RHI believes in sustainable growth that benefits both the company and its stakeholders. It shall pursue initiatives that will drive the full potential of industries where RHI operates. First Pacific, which acquired majority of RHI shares in 2015, is in full support of the organization's potential in achieving greater heights.

# STRATEGIC BUSINESS UNITS

RHI has reorganised its four subsidiaries to form two Strategic Business Units (SBUs) defined along its two core product lines: sugar and bioethanol.

## SUGAR SBU



Established as a sugar milling company in 1927, **Central Azucarera Don Pedro, Inc. (CADPI)**, provides the refined sugar requirements of traders and industrial customers in Luzon. Based in Nasugbu, Batangas, it is the first of the RHI subsidiaries.

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



Affiliate **Hawaiian-Philippine Company (HPCo)** operates in Silay, Negros Occidental since 1917.

## BIOETHANOL SBU



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

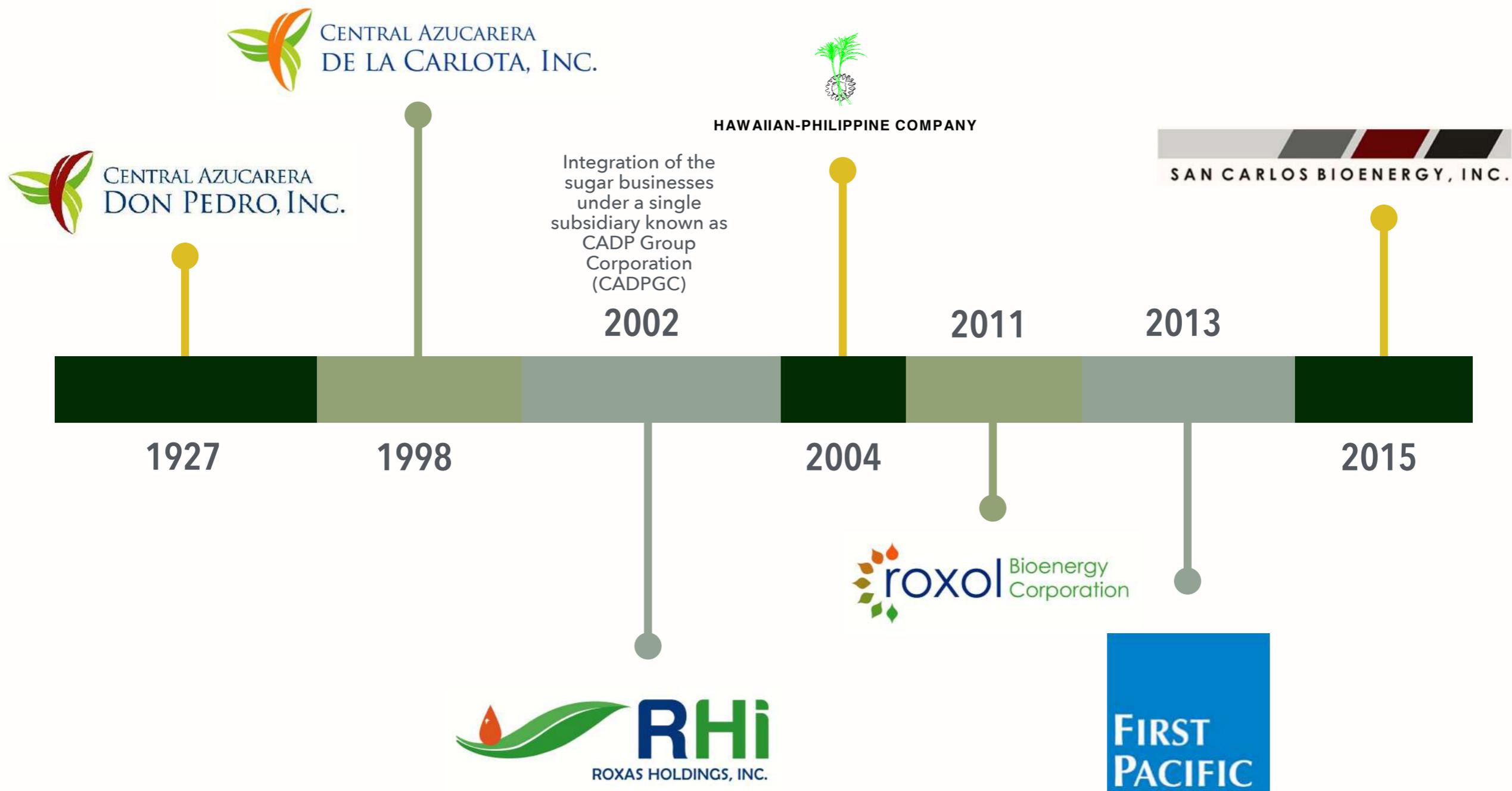
Acquired in 2015, **San Carlos Bioenergy Inc. (SCBI)** is the second operational bioethanol plant of RHI. Located in San Carlos, Negros Occidental, SCBI produces the second largest volume of ethanol in the Philippines, next to RBC.



EVP-COO Arcadio S. Lozada, Jr. heads the Sugar SBU, which is composed of Central Azucarera Don Pedro, Inc. (CADPI) in Nasugbu, Batangas and Central Azucarera de la Carlota, Inc. (CACI) in La Carlota City, Negros Occidental; and to some extent, affiliate Hawaiian-Philippine Company (HPCo), based in Silay, Negros Occidental.

EVP-COO Luis O. Villa-Abrille is in charge of the Bioethanol SBU, which comprises Roxol Bioenergy Corporation (RBC) in La Carlota City, and San Carlos Bioenergy, Inc. (SCBI) in San Carlos City, both in Negros Occidental.

# COMPANY MILESTONES





## ABOUT THE REPORT

The Sustainability Report is based on the Global Reporting Initiative (GRI), which ensures a system and method of reporting on the environmental, economic and social impacts of the activities and operations of Roxas Holdings, Inc. (RHI) and its subsidiaries. Following the standards set by GRI, this year's Sustainability Report aims to provide a snapshot of RHI's performance, environmental initiatives, community involvement, talent management, and overall compliance efforts, while aiming for sustainability in all areas of the business.

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# SUSTAINABILITY APPROACH

## Managing Today While Preparing for Tomorrow

For RHI, business sustainability is a means for achieving its vision and mission. The company defines sustainability as “managing today, while preparing for tomorrow, in ways that we become more resilient in spite of the changing conditions.”

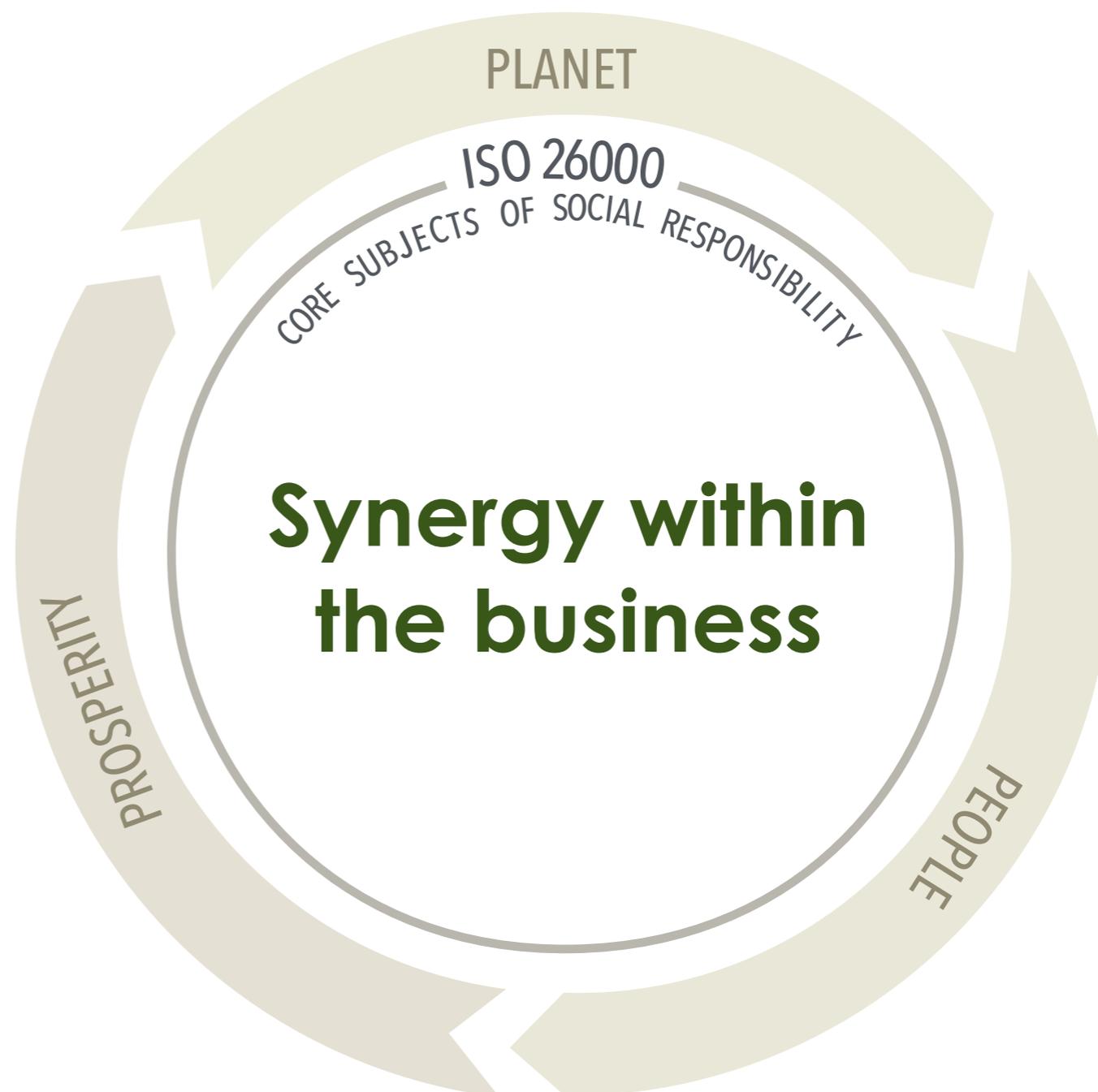
The long-term sustainability of the organization requires more than just financial equity. The company’s vision to be a world-class leader in the industry can only be achieved by integrating sustainability measures into its business strategies and operations. This entails putting in place mechanisms that will allow the company to maximize the full potential of its stakeholders, while minimizing the risks along the value chain.

## Synergy Within the Business

RHI’s approach to sustainability is guided by the ISO26000: Core Subjects of Social Responsibility, coupled with the challenge of integrating the Triple Bottomline into the business strategy. The synergy of these two provides the company a strong basis in creating innovative, responsive, and viable solutions to the challenges, while at the same time contributing to the attainment of the 17 Sustainable Development Goals set by the United Nations.

## Identifying the Focus and Relevance

With the pursuit of achieving its vision and ensuring long-term sustainability, RHI’s social responsibility efforts are mainly focused on economic, social, and environmental initiatives relevant to the business. RHI is confident that these efforts will create mutual benefit both for the company and all its stakeholders, and at the same time, contribute to the realization of at least eight of the 17 Sustainable Development Goals.





## ENVIRONMENT

Achieving sustainable and environmentally conscious operations

## SOCIO-ECONOMIC

Developing partnership with communities towards industry's success

## EMPLOYEES

Creating fair and enabling environment for employees

## OTHER STAKEHOLDERS

Maximising partnerships and Strengthening stakeholders' interests

# SUSTAINABLE DEVELOPMENT VALUE CHAIN

Represented by a sugarcane stalk, Roxas Holdings, Inc. and its subsidiaries firmly believe that **employees** are the link to all our stakeholders in its value chain; with this belief, the organization gives prime importance to its talents.

While sugarcane remains as the primary source of the industry's innovations, sugarcane **planters** are valued and prioritized in RHI's Sustainable Development Value Chain. Farmers continue to be the first priority of the RHI Group, and are considered business partners, more than beneficiaries.

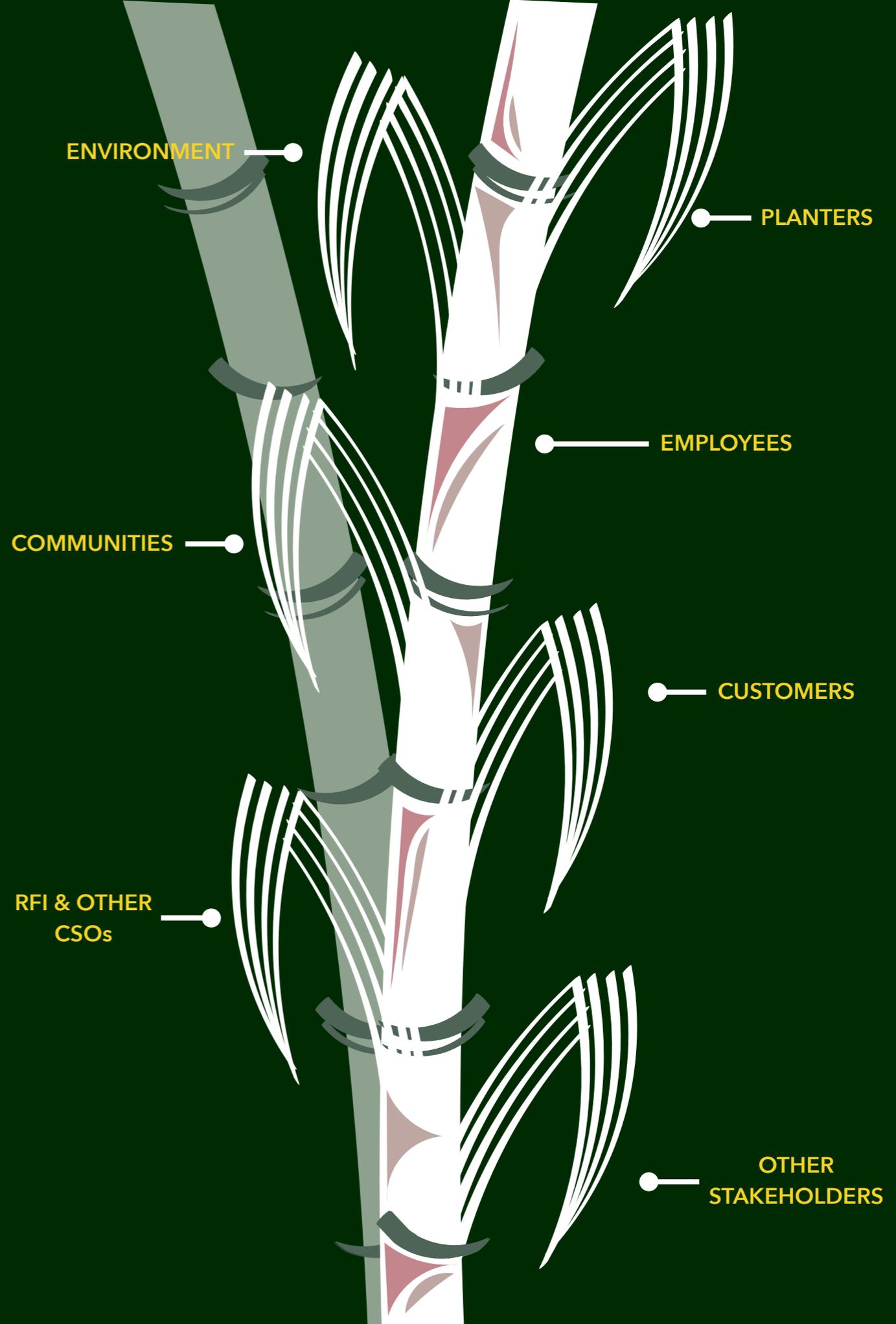
Environmental responsibility has always been part of RHI's commitment in achieving sustainability in its business. Establishing a culture on stewardship towards the **environment** beyond mere compliance is the ultimate goal of sustainability in the group's operations.

With RHI's vision to become an excellent corporate citizen, the areas in which it operates remain to be in its responsibility. As part of RHI's commitment to give back to the **communities**, the group forwards programs and activities that will foster an inclusive business model for the benefit of the company and the communities it serves.

RHI's valued **customers** form part of the company's value chain. By providing excellent products and services to reach the homes of its consumers, RHI aims to ensure that its business operations achieve optimal productivity and efficiency, while promoting product responsibility for its consumers.

**Roxas Foundation, Inc. (RFI)**, RHI's partner in implementing major community involvement programs, and other **Civil Society Organizations (CSOs)**, are considered important partners in fostering best practices on sustainability and social responsibility. Part of RHI's commitment is to establish and maintain good partnerships with organizations that will allow the company to effectively mobilise programs to its target beneficiaries.

RHI and its subsidiaries continue to make conscious efforts in reaching out to **other stakeholders** affected by their operations, in ensuring a sustainable future for all those within the reach of the company's undertakings.



“Despite the hurdles, it is with our **“can-do”** attitude that we had made significant strides in various areas critical for the success of our businesses.”

Pedro E. Roxas, Chairman



# MESSAGE FROM THE CHAIRMAN

## TO OUR DEAREST STAKEHOLDERS:

Roxas Holdings, Inc. scored some measure of success in Fiscal Year 2016 as it kept to its set of right fundamentals and focused on executing its plans with precision.

Capitalizing on its strengths and seizing opportunities through synchronized action, RHI struck a balance between a generally soft global economic growth and an overall robust Philippine economy.

The twin moves paved the way for the company's Net Income to soar 448% to PhP101.6 million from PhP18 million in the previous year, and our EBITDA to jump 34% to PhP1.3 billion from PhP1 billion previously.

However, higher interest and depreciation charges on investments for the expansion of our ethanol plants and upgrading of our sugar mills to achieve higher efficiencies, affected profitability -- a situation that we deemed was unavoidable for the short term. Our ethanol plants had to halt production for a certain period to give way to expansion and our sugar mills had to adjust their tight schedules for the needed upgrades.

Despite the hurdles, it is with our "can-do" attitude that we had made significant strides in various areas critical for the success of our businesses, namely: sugar, ethanol, and to some extent, agribusiness development and plantation, and co-generation.

In executing our strategic initiatives, meticulously drawn from RHI's set of right fundamentals, we resorted to a Stock Rights Offering amounting to PhP1.1 billion in May 2016, which was fully subscribed. We also ventured into more engaging and frequent discussions and interactions with our planter-partners and other stakeholders; upgraded our plants to raise efficiency levels; and empowered our business units to make things happen.

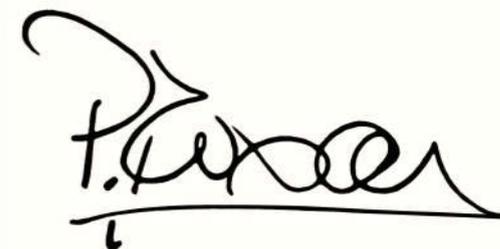
Heeding the urgent call to revive our relationship with our planter-partners, we collaborated with various planter groups and worked with them. On this front, we are pleased to share that since then, RHI is now enjoying a more vibrant and

more transparent relationship with our partner-planters and that the previous crop year saw a significant volume of sugarcane back to our mills.

The upgrading of critical equipment at our sugar mills and the expansion of our alcohol business were completed within the fiscal year but not without a hitch. The exercise had slowed down our operations for a while but RHI made it through, and now, with our upgraded mills and expanded ethanol plants, we are confident that we will be able to steer our company back to greater profitability.

There is so much that RHI envisions to accomplish and it is in this regard that we acknowledge with gratitude the unwavering guidance and support of our Board of Directors; the decisiveness of our Management; the hard work of our employees; and the trust that you, our dear shareholders, give to the company. We can only imagine the impact of what we can do as one RHI. Let us move with the times and execute our plans decisively at the right time and right place, with optimism and confidence that our right fundamentals will propel us to newer heights.

We made it through the toughest of times through a combination of strong character, deep foresight, and ability to act quickly and wisely. There is no reason we cannot make new history once more.



**PEDRO E. ROXAS**  
Chairman



We are ready to face  
bigger challenges,  
armed with the  
lessons of the past  
and **made wiser by  
experience.**

Hubert D. Tubio, PCEO

# MESSAGE FROM THE PCEO

## TO OUR DEAREST STAKEHOLDERS:

Fiscal Year 2016 saw some of our efforts translate to a modest net income of PhP102 million, and EBITDA of PhP1.3 billion from last year's PhP18 million and PhP1 billion, respectively.

Stronger average sugar prices and slight increases in tonnage at our sugar mills, Central Azucarera Don Pedro, Inc. (CADPI) and Central Azucarera de la Carlota, Inc. (CACI), combined with an upswing in the production volume of our ethanol business, boosted the Group's revenues. The upsides, however, were negated by the costs of cane acquisition, and costly downtimes due to breakdown of some major equipment, which narrowed the gross profit margins of our sugar business to 8.1% from 11.3%.

The reduction in the gross profit of RHI's sugar unit was mitigated by the stellar results of affiliate Hawaiian-Philippine Company (HPCo) where our share in its net income rose by PhP78 million to PhP212 million.

The succeeding crop years will benefit from the Group's initiatives in FY 2016-17 as most of the operational concerns were addressed at the start of the calendar year and well into the off-season.

The issues that were identified last year, such as factory reliability and efficiency, manpower quality and competence, planter relations, efficient support systems, among others, were adequately addressed. We expect these initiatives and disruptions to bring into fruition all the efforts Team RHI has exerted so far, guided by our Board and the right fundamentals of the Company.

We expect that with the improved relationship with our planters, we can rein in the expenses on cane sourcing as we also project a significant volume of sugarcanes moving back to RHI sugar mills.

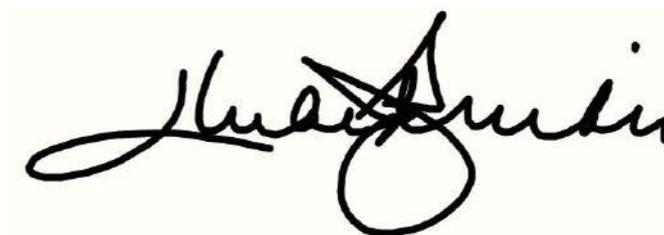
We are optimistic that RHI will continue to experience more robust growth this year and onwards, especially with the continuing support of our Board of Directors, the agility of our Management Team to execute plans, the hard work of our employees, and the trust that our shareholders have on RHI to achieve its goals.

Thank you for staying with us as we take giant steps for Team RHI. We hope that you will continue to join us as we flex our muscles and seize promising opportunities that abound in our key business interests: for sugar and ethanol, and other businesses that RHI may diversify to.

I am excited of the better opportunities and challenges that await us. Let us continue to act decisively, waste no time in executing key reforms, and keep our eye on the goal, which is to become established world-class leader in sugarcane-based products and services in the region.

The future simply is brighter for RHI, which we envision to expand its footprints from Batangas and Negros Occidental to farther areas where we can provide quality sugar, ethanol, other sugarcane byproducts and other services.

More than ever, we are ready to face bigger challenges, armed with the lessons of the past and made wiser by experience. Together, let us work hand-in-hand in making the RHI vision a reality.



**HUBERT D. TUBIO**  
President/CEO



SUSTAINABILITY: FEATURED STORIES

# MAINSTREAMING SUSTAINABILITY AS TOP PRIORITY

## RHI partners with BPI, WWF and MUAD-Negros on Diversified Block Sugar Farming

Engaging in the initial partnership of Bank of the Philippine Islands (BPI) and World Wildlife Fund (WWF) on “Business of Mainstreaming Sustainability”, the sugar industry was targeted as a focal area for providing credit access to non-core planters and develop good agricultural practices and strategies at the farm level, to allow farmers to operate using more productive and more efficient farming methodologies. RHI, with similar vested interest in contributing to the development of the sugar industry, and securing sustainable strategies,

From forwarding financial inclusion and inclusive growth by securing farmers access to credit and providing financial education by BPI, ensuring sustainable production without compromising environmental impacts by WWF, managing social preparation and technical assistance of farm organizations by MUAD-Negros, and the farm assistance, services and access to new farming technologies from RHI-ADC, RHI and its partners have high hopes for the success of the industry, while targeting the economic, environmental and social impact.



# BUILDING ON SUSTAINABLE PARTNERSHIPS

## RHI's collaboration with MAP moves forward



Last September 23, 2016, during the monthly membership meeting of the Management Association of the Philippines (MAP) at Makati Shangri-La, the steering committee of the MAP- EMERGE Program awarded the equity fund for the Napier Project amounting to Php 300,000.00. The amount was received by Mr. Felomino Limeta, the project beneficiary, and Mr. Frances Arjohn M. Belen, CSR Associate of RHI.

The amount will be used by the farmer to finance the eight-hectare napier farm in Nasugbu, Batangas. This includes farm inputs and activities like planting labor, fertilizers, irrigation, harvesting and shredding, as well as the hauling from farm to mill.

Through the assistance of RHI, the farmer was able to establish a direct contact with the procurement team of CADPI in order to meet its procurement standards. In the succeeding crop years, napier will already be included in the annual total biofuel requirements of CADPI along with bagasse and woodchips.

RHI, MAP, and the project beneficiaries remain hopeful that the goal of the project– to provide additional livelihood opportunity and to optimize idle lands – will be realized.



PERFORMANCE

# FINANCIAL HIGHLIGHTS

Net Income soared  
**437%**



Income from Operations climbed  
**106%**

Net Sales jumped  
**47%**

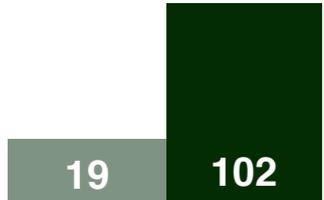
Total Equity leaped  
**16%**



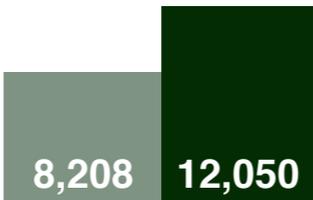
EBITDA rose  
**34%**



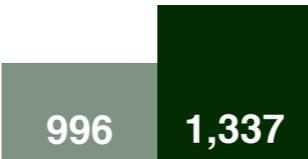
Total Assets increased  
**6%**



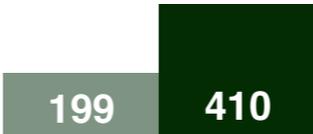
**Net Income**  
*in million pesos*



**Net Sales**  
*in million pesos*



**EBITDA**  
*in million pesos*



**Income from Operations**  
*in million pesos*



**Total Equity**  
*in million pesos*



**Total Assets**  
*in million pesos*



ENVIRONMENT

ENVIRONMENTAL ACTIVITIES

TREE PLANTING

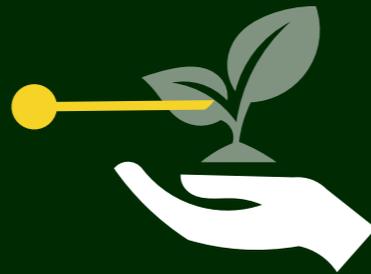


CADPI

**531** Total trees planted

**2,032** Plants at CADPI Nursery

DONATIONS



CADPI

**2,167** Total Number of Plants Donated to Communities

CLEAN-UP DRIVES



CADPI

**1,808** Total Garbage Sacks Collected from clean-up drives



CACI

**50** Volunteers



SCBI

**30** Volunteers per clean-up activity from SCBI + communities

## EXCELLENCE IN COMPLIANCE

### DOE awards CADPI for energy efficiency

In December 13, 2016, the Don Emilio Abello Energy Efficiency Awards (DEAEEA) ceremony was held Pasay City, which aims to recognize outstanding organisations and managers who are key role players in mainstreaming energy efficiency and conservation programs towards substantial operational savings.

The Department of Energy (DOE) recognised and presented Central Azucarera Don Pedro, Inc. (CADPI) the Outstanding Awards for its excellent performance displayed in its energy efficiency practices and energy conservation, which generated notable savings that generated significant energy savings, during the 2016

In the same ceremony, CADPI Factory Operations Manager (FOM) Simon P. Turno III was also recognized as Outstanding Energy Manager for his performance in energy efficiency and conservation that resulted to significant energy savings for the plant.

In 2013, CADPI and Mr . Turno was also awarded with the Don Emilio Abello Awards. While in the year 2014, the DOE praised CADPI and Mr Turno for their consistent efforts and practices towards efficient energy consumption.





OUR PEOPLE

# RECOGNIZING STELLAR PERFORMANCES

## RHI and its subsidiaries hold Excellence Awards

In recognition of RHI's talents and overall excellence, the company conducted an awarding ceremony for employees recognised for their diligence, commitment and excellence in their respective areas. Across all strategic business units, selected employees were given due recognition and were celebrated as RHI's top talents for the year.



# ENGAGING TALENTS

## Valuing People through Employee Engagement

Employee engagement has been part of the core priorities of RHI's Human Resources Department. It's framework taps into four key priority areas, as follows: Career Development, Performance Management, Rewards Management and Employee Volunteerism Opportunities. Valuing

People at RHI are considered valuable assets and key partners towards business success and sustainability. Hence, the management continuously strives to build an enabling environment with opportunities for growth and advancement.

In September 2016, RHI participated in All Asia Countertrade, Inc. (AACI) –sponsored 2016 Sugar Bowl Tournament together with other sugar milling and trading companies, wherein eighteen (18) employees of RHI were sent to compete. It has been a great opportunity for them to interact and bond with their co-employees and with some of the partners from other competing companies– spurring sportsmanship and camaraderie.



# GOOD CONTRIBUTIONS

## RHI-CSR launches first ever group-wide Blood Drive in partnership with Philippine Red Cross

In celebration of this year's Valentine's Day, RHI held its first ever Blood Donation Drive at the head office, 8th Floor of Cacho-Gonzales Building, last February 12, 2016. The Blood Drive was the first activity of the RHI-CSR department in its aim to foster a culture of employee volunteerism among its people. The activity was done in partnership with Philippine Red Cross.

Prior to the day of the event, a total of 39 volunteers pledged to donate blood, from RHI and from the different offices in the building. During the activity, after careful screening of representatives from Red Cross, a total of nine volunteers successfully donated blood, benefiting three lives per bag of blood collected.



Together with the RHI head office, the subsidiaries also held their blood donation activity in February. A total of 33 volunteers in Central Azucarera La Carlota, Inc. (CACI) successfully donated their blood to the beneficiaries of Philippine Red Cross, while a total of 12 bags of blood was collected from the donors from Roxol Bioenergy Corporation (RBC). San Carlos Bioenergy, Inc. (SCBI) also participated in the group-wide activity, done in partnership with the local government unit of San Carlos City, collecting a total of 32 bags from volunteers.



Central Azucarera Don Pedro, Inc. (CADPI) has been conducting blood drives every three months since **2014**.

# ESTABLISHING CLOSER TIES

MVP CSR Council visits Central Azucarera Don Pedro, Inc.



## MVP CSR Council tours CADPI Plantsite

Last September 28, 2016, the members of the MVP Group CSR Council visited Central Azucarera Don Pedro, Inc. (CADPI), in Nasugbu, Batangas, and participated in the plant tour and orientation of CSR programs and activities of RHI and its subsidiaries. The event was held at the Casa Republika, attended by the 48 delegates from the following member companies: PLDT-Smart Foundation, PLDT Community Relations (ComRel), Smart, Maynilad, Manila North Tollways Corporation, One Meralco Foundation, Asian Hospital, Makati Medical Centre, Cardinal Santos Medical Centre, MetroPac Water Investments, Corp. and Alagang Kapatid (TV5).

A warm welcome to Nasugbu, Batangas was initiated by Mr. Ferdie Corpuz, General Manager of Central Azucarera Don Pedro, Inc. (CADPI) as he proceeded to providing a brief background and orientation on CADPI and its operations.

In the interest of familiarising our CSR partners with RHI's operations and the sugar-making process, a plant tour was organised for the guests to tour three stations at the plant site in CADPI. Facilitated by Mr. Turno, along with the department heads and former cadets, the guests proceeded with the plant tour, visiting three stations: Milling, Packaging and the Warehouse.



The RHI-CSR Team (Mr. Frederick Reyes: VP for HR and CSR, and CSR Associates, Arjohn Belen and Aimee Terrenal) presented the roadmap of CSR for Roxas Holdings, Inc. and its subsidiaries., along with the CSR framework and value chain. Discussing activities that covers environmental activities, employee volunteerism, community development and business sustainability, RHI-CSR aims to create an inclusive platform and environment for development for all its stakeholders.

The event aimed to solidify the commitment of the MVP CSR Council members on partnership towards corporate citizenship.



OUR COMMUNITIES



SCHOLARSHIPS

CACI  
**2.5M** Allocation for 99 Scholars

CADPI  
**4M** Allocation for 105 Scholars

SCBI  
**474** Medical Patients from 3 Barangays

RBC  
**300** Medical Patients from 2 Barangays

MEDICAL MISSION



EMPLOYEE VOLUNTEERISM ACTIVITIES

BLOOD DRIVE



CADPI  
**146** Bags donated

SCBI  
**32** Bags donated

CACI  
**33** Donors / Volunteers

RBC  
**12** Bags donated

SERVATHON + BRIGADA ESKWELA



CADPI  
**30** Volunteers at Servathon

SCBI  
**100** Garbage Bins Donated

SEVENTY GOOD DEEDS

RHI joins as MVP celebrates his 70th birthday



In celebration of Manny V. Pangilinan's 70th birthday, the MVP Group CSR Council organized a community outreach in Apalit, Pampanga, last July 13, 2016. It was a whole day activity which was started with a mass, followed by a 'salu-salo' with the community leaders, as well as a ceremonial turn-over of donations both in cash and in kind. The beneficiary community is the hometown of MVP.

The MVP CSR Council aimed to accomplish "70 good deeds" for MVP's 70th birthday. Part of this is the community outreach which covers: renovation of classrooms of a specific school in Apalit; construction of comfort rooms, sports clinic, and wash areas; donation of solar panels to schools, plus 70,000 solar lamps to the community; set up of a computer laboratory and multimedia room with complete facilities and equipments; and medical and dental missions.

Roxas Holdings, Inc., represented by Mr. Frederick E. Reyes (VP for HR) and Mr. Frances Arjohn M. Belen (CSR Associate), donated Php100,000.00 to Apalit Cathedral-St. Peter the Apostle Parish, for its renovation and retrofitting. On top of this, RHI also donated ten bags of refined sugar to the Local Government of Apalit, which could be used for the feeding program and for future disaster relief operations.

Some of the group heads of MVP companies with their respective CSR heads were present during the event.

# LINKING CSR

## RHI-CSR represents Roxas Holdings in the 20th Anniversary of the League of Corporate Foundations



Last July 2016, the League of Corporate Foundations (LCF) celebrated its 20th anniversary in promoting corporate citizenship and social responsibility, as a recognised leader in implementing strategic practice-based CSR efforts as a response to the country's social needs, along with its member companies and organisations.

With the new UN Sustainable Development Goals (SDGs), LCF recognises the role of the business community in achieving inclusive development in the Philippines, especially in pursuing poverty alleviation towards real progress. RHI shares the same vision with LCF and its partners, and through this celebration member organisations signed a manifesto of support and commitment to promote the SDGs.

Through this event, RHI's role in the mainstreaming of CSR in the Philippines as part of the business sector has become solidified in commitment towards the fulfilment of the 2030 Development Agenda.



## FROM WASTES TO BIO-FERTILIZERS

### Solid and liquid wastes converted as eco-friendly fertilizers

As we transform to a more sustainable production of sugar and bioethanol, we discovered that measures toward reducing environmental impacts can also deliver economic benefits to the farmers and to our mills. We extend our efforts not only in upgrading our plant facilities for operational efficiency, but also in managing our solid and liquid wastes.

In CADPI, the by-product of sugar production is called “**mudpress**”, which is the residue of the filtration of sugar cane juice. It is a mud-like waste which contains insoluble salt and fine bagasse. Per research, it contains all the nutrients a plant needs since it is originally made up of organic matter, after the sugar has been extracted.

CADPI utilizes mudpress as a farm input or a soil conditioner for sugarcane fields. The mudpress is distributed to nearby sugarcane fields in Batangas and is proven to be effective and boosts higher cane yields. In the past year, more or less 18,000 tons of mud press is withdrawn from the mill and delivered directly to the planters thru the Mill District Development Foundation, Inc. (MDDFI.)

The wastewater produced by SCBI and RBC in the production of bioethanol is called “**spentwash**”. This is the liquid-waste produced after the alcohol is distilled and separated from the beer. Same with mudpress, this has also a fertilizer value which can be used as farm inputs.

For the past years, both SCBI and RBC have been distributing their spent wash to their cane suppliers in nearby communities in Negros. Proven effective soil conditioner and can be used for irrigation, more and more sugarcane farmers are becoming interested to avail the spentwash.

RHI believes that small efforts like these provide a chance to reconcile the needs of the environment and the people, as well as for the advancement and long-term development of the sugar industry.

## SUSTAINING STRONG PARTNERSHIP WITH RFI

The **Organic Gardening Project** of RFI in La Carlota also uses spentwash to fertilize the 1000sqm land which is planted with a variety of seeds and cash crops. RBC donated two sets of portable bladder banks to RFI which are refillable with treated spentwash. These are placed in the field for easy access of the farmers as they do their day to day farming activities.



Aside from the goal of augmenting the income of the sugarcane farmers, the project also aims to mainstream good agricultural practices (GAP) through the use organic fertilizers.



RFI has three major **social enterprises** in Nasugbu, Batangas. These are: Cafe Central, a restaurant; Casa Republika, facility for meetings, events, and overnight accommodation; and a canteen inside CADPI which caters contracted workers and em-

ployees of CADPI.

These social enterprises are the major fund sources of RFI to sustain their community development programs. To show support, CADPI commissions RFI for some of their events and trainings, as well as the overnight accommodation whenever there are visitors. For the past years, CADPI & RHI have been the primary client / customer of these social enterprises.

*"This is only the beginning of our greater commitment towards sustainability. We shall continue to find ways for RHI to be an instrument towards greater inclusiveness and sustainable development."*

*-Pedro E. Roxas, Chairman*

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