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FEATURE

Lead Positioning of the Five Philippine Listed Companies' CSR Practices: An Observation

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Abstract. *In the realm of financial economics, UNDP-version corporate social responsibility (CSR) practices must go together with corporate financial capacity (CFC). The larger the resources, the better the position corporate entities can serve in CSR. Even though there are relatively adequate references on CSR studies, a number of research projects on how CSR affect CFC is limited, which is the gap of the study. This paper deals with the types of Philippine listed companies' CSR and CFC. Then it investigates non-parametric relationship between CSR and CFC, and then positions CSR and CFC in a four-quadrant matrix to determine their leadership position in CSR. This study focused on five Philippine listed companies at the Philippine Stock Exchange (PSE); namely, ALI, EDC, PCOR, SMC group, and ABS. Using a combination of a secondary data research, coupled with a Delphi method, non-parametric statistic and four-quadrant positioning matrix, the study led to the conclusion that most of the CSR practices covered environmental protection, education, livelihood development, relief and rehabilitation projects, and other related community development. The PCOR's PHP 1 billion HOPE (Help children, Overcome Poverty, through Education) and the EDC's HELEN projects (Health, Environment, Livelihood and Education) in 2017, to mention some, were apparently some of the successful models. The null hypothesis that there was no significant dependency between CSR and CFC at a $\alpha = 0.05$ and $df = 10$ was tested. It indicated a certain degree of dependency between the two. Ultimately, the results led to the leadership positioning of ALI, EDC, ABS and SMC, while PCOR as a challenger. The findings are beneficial to the corporate entities and the government for their CSR policy formulation.*

Keywords: CSR, CFC, PSE, UNDP, 4-quadrant matrix, stewardship.

JEL: G (02, 18, 28, 30), L210, M140, Z130

Introduction

Almost all CSR projects are volunteering work for the benefits of the surrounding societies and/or employee welfare. There are however few research projects on how CSR that would apparently affect the financial performance of the company. This study was conducted to enhance the concept of stewardship in the corporate world in the Philippines. The Bible quotes the evidence that men are God's steward, "*Then the Lord God took the man and put him into the garden of Eden to cultivate it and keep it.*" (Genesis 2:15). In the same way, the Al-Qurant states, "*It is He who has appointed you vicegerent on the earth*" (Qurant 6:165). Bagnied (2016) reaffirms this fact that men are God's stewards. This function has turned into CSR of the corporate entities, which this study focused on. In particular, the study investigated how the CSR practices interact with the CFC in the context of contributing to the welfare of the Philippine societies by making a lead positioning 4-quadrant matrix analysis.

The CSR culturally stemmed from the Filipino basic root of giving. This behavior has been reflected by the Filipinos for the benefits of the surrounding communities and employee welfare. During the past six years (2012-2017) among the Philippine listed companies known as the best CSR corporations in the country were Ayala Land, Inc. (ALI), Energy Development Corporation (EDC), Petron Corporation (PCOR), San Miguel Corporation (SMC), and ABS-CBN. The PHP 2,507.5 billion combined total assets of the five listed companies represented an approximate 5.6% share of the Philippine GDP as of 2017. Philippine GDP (in purchasing parity terms) as of 2017 was recorded as a total amount of PHP 44.625 billion or USD 875 billion. The SMC and ALI represented the largest CSR contributors with total assets of more than PHP 1.95 trillion in the Philippine economy.

From the above Philippine listed companies, Welford (2009) as the chairman of the CSR Asia, reported the Asian Sustainability Rating as of the year 2009, rating PCOR as the 26th rank, followed by ALI in the 29th rank, SMC in the 77th rank and EDC in the 91st rank. The other Philippine companies seemed to follow the same pattern of these steward listed companies as shown in Table 1. They were discovered as emulating the steps that these listed companies took in their CSR practices (Georgescu, 2016). This indicated a leadership pattern of CSR stewardship.

Table 1

CFC Indicators of the Six Philippine Listed Companies During 2013-2017 (in Billion P)

LISTED CO. **	Revenue (Avg. Billion PHP)	Net Profit Growth %*	Revenue %	ROE Net Profit (x)	Mkt. Cap/ Assets	Total
A L I	116.6	21.5	20.1	14.0	26.9	576.1
E D C	32.0	8.2	4.8	21.4	15.1	138.7
PCOR	424.8	6.9	- 5.2	6.0	11.6	338.0
S M C	770.9	33.9	- 0.5	10.3	9.3	1,379.6
ABS-CBN	38.2	2.8	7.0	5.4	6.8	75.1
Total	1,382.5	73.3				2,507.5

Source: *Annual Reports (2012–2017) *Compounded rate **Because they (ALI, EDC and PCOR) are dealing with natural resources; e.i. land and energy, they are ranked first.*

The study sought to answer the following research questions:

1. What were the most contributory UNDP-version CSR practices of the listed Philippine companies during the 2012-2017 period?
2. How did CSR practices of the listed Philippine companies non-parametrically indicate a degree of dependency on their CFC according to the UNDP criteria?
3. How were the five Philippine listed companies positioned in terms of their leading role of CSR stewardship?

Based on the second research question, the following was the hypothesis in its null form (H₀): the study would test at a 0.05 level of significance that “*The CSR practices of the listed Philippine companies did not significantly indicate a degree of dependency to the CFC according to the UNDP criteria*”.

Review of the Literature

The related literature of the study presented the underlying neo-classical theory of methodological individualism, their findings of CSR impacts and benefits for business and society, as well as the CFC financial indicators.

CSR Underlying Theory of Methodological Individualism

Brummer (2015) had basically applied the neo-classical theory underlying the capacity of a firm to assume CSR in its routine business operation. The theory, originally introduced by Joseph Schumpeter and Max Weber in the 1900s, postulated
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that the success of a business firm would depend on how methodological individualism worked (Health, 2015). Methodological individualism, according to the Bible and Al-Qurant, is fundamentally personified as the function of a steward. It is reflected through the work of intellectual capital, employees and shareholders of a firm, as well as in the blending of consumers and societies. Bonini, Koller, and Mirvis (2009) expanded the CSR theory by adding how it benefited the business and the society. They elaborated the benefit to business as enhanced value creation, including that of the capacity of building financial performance or CFC. To the society, they emphasized on the betterment of the CSR beneficiaries' standard of living.

Erdur and Kara (2014) synthesized that CSR practice is not just beneficial to the business and society, but also enhances the tendency of a stronger CFC. This study, indeed, has the same concern for a stronger CFC if CSR is well performed.

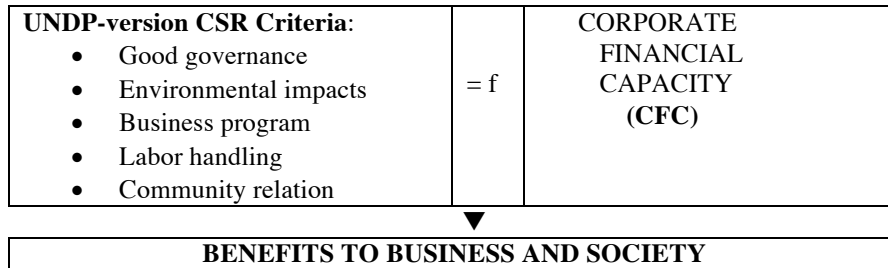


Figure 1. UNDP-version CSR Criteria and CFC on Business & Society

Findings on CSR Impacts and Benefits

The Asian Institute of Management (AIM) RVR Center for Corporate Responsibility (2004) in the Philippines stated that “individual giving and volunteerism are acknowledged as hidden forces in the social and economic life of the Filipinos” (p. 8). This basic root has generally led many Filipinos to live according to that behavior. Pan, Sha, Zhang, and Ke (2014) empirically confirmed that the Chinese shareholders are positive in the financial benefit expectation from every single effort on CSR. Kim, Kim, and Qian (2018) (2018) concluded that “positive CSR enhance firm financial performance when the firm’s competitive-action level is high” (p. 1097). Aga, Khan, Wasim, and Shah (2012) also seconded the relationship that “there is a strong correlation between CSR and financial performance of the pharmaceutical firms in India” (p. 4). Kanwal, Khanam, Nasreen, and Hameed (2013) even measured the CSR expenditures with the Pakistan listed companies’ net profit and total assets, and found that there was a strong relationship between the two.

To address the non-existent impact of CSR on CFC, Madorran and Garcia (2016) looked at the relationship of the 208 observations on the IBEX 35 stock market index in Spain, tested it using multivariate regression, which was found to be of no significant relationship. Another study by Kamatra and Kartikaningdyah (2015) proved that CSR did not significantly affect CFC, the ROE/ROA/EPS, and the net profit in particular. Other evidence of non-existent impact was demonstrated by Iqbal et al. (2012) as they discovered the same non-existence from the 156 respondents listed companies engaged in the basic chemical industries at the Karachi Stock Exchange. Due to information asymmetry, the lack of knowledge on the implementation of CSR and how it affected the CFC, were mostly experienced by the listed companies in general. Similar finding from the point of Socially Responsible Investment Index of the Johannesburg Securities Exchange demonstrated that information asymmetry also did not cause CSR to impact on CFC of the listed companies, as confirmed by Chetty et al. (2015).

CFC Financial Indicators

Galant and Cadez (2017) emphasized on the empirical arguments for the relationship between CSR and CFC. They reinforced the arguments by confirming that there was a certain degree of dependency between the two from the accounting-based and market-based financial perspectives, for example, ROE and market cap value of the firm as the result of CSR participation. Magbool and Zameer (2018) had supported the above stand through their empirical study with the Indian banks. Like the other two authors, Rodriquez (2016) also confirmed the dependency of CSR on CFC from the point of view of good corporate governance. He argued that the dependency between the two must be measured using indices. Among others, he analyzed the importance of implementing the Global Reporting Initiative or GRI and Dow Jones Sustainability Index or DJSI to see this dependency.

Based on the previous studies above, and in order to reflect the CFC performance, this study formulated those indicators to be in congruence with the UNDP-version CSR criteria, namely the good governance, environmental impacts, business programs implementation, labor handling, and community work. The components of these CFC in the UNDP-version CSR are presented in Appendix B. ALI, EDC, and SMC as the largest contributors in corporate governance, indicated more than 3% obligation to the government through income tax payment as a percentage of sales, followed by ALI and ABS in environmental protection through their assets growth of 20% and 6.7% respectively. ALI and EDC again indicated an excellent CFC performance for implementing business ethics programs. In labor handling and community relation, ABS showed excellence as obligation to employees and government in terms of their salary payment as percentage of sales and CSR investment as percentage of operating cost indicated a large figure of 21.9% and 4% respectively.

CORE CONCEPTUAL FRAMEWORK OF THE POSITIONING

In the positioning for strategy formulation, the study adopted a four-quadrant matrix that positioned the CSR practices on x axis and CFC on y axis. Based on the finding that CSR has both benefits, Tsoutsoura. (2004) argued that “social responsible corporate performance can be associated with a series of bottom-line benefits” (p. 18) Dickinson and Carksy (2005) discovered that the stakeholders tend to choose an offer that maximizes utility, which is frequently considered as business benefits, one of them being value creation. Classon and Dahlstrom (2006) had even been more straightforward by saying that people, planet or environment, and profit are a unit that cannot be separated from one another. These empirical studies gave rise to only one point, which was basically the relationship of CSR as a benefit to the business and the society. The four-quadrant positioning matrix, shown in Figure 2, originated the four basic strategies presented in Table 2, namely: selective CSR (passive CSR, ordinary CFC), challenge the steward (active CSR, ordinary CFC), follow the steward (passive CSR, high CFC), the steward (active CSR, high CFC). The current study fundamentally focused on the positioning of the CSR practices of the five Philippine listed companies that were known as the best companies in their CSR implementation.

Table 2
Strategy and Rationale for the CSR Positioning Matrix

Matrix Coordinate	Strategy	Rationale
(1-3 ½, 1-3 ½)	Selective CSR	CSR practices are not active, because the CFC is ordinary.
(3 ½-7, 1-3 ½)	Challenge the steward	CSR practices are relatively active, even though the CFC is ordinary.
(1-3 ½, 3 ½-7)	Follow the steward	CSR practices are not so active, even though the CFC is high.
(3 ½-7, 3 ½-7)	Stewardship	Regular CSR projects are deemed important, because the CFC is high

The idea of the four-quadrant matrix on CSR and its benefit to society and business was originally inspired by the Virtue Matrix Strategy created by Martin (2006). He further elaborated that “to be socially responsible, corporations must adhere to the strict compliance on good governance by observing the stewardship of environment and the welfare of the manpower that manages the CSR activities for the benefits of the surrounding communities and the financial welfare of the company” (p. 13).

METHODOLOGY OF THE STUDY

The research was designed to use a descriptive method reinforced by interviewing the UNDP officers on CSR practices of the five listed companies. The CFC was evaluated using financial statements and CSR special reports of the five listed companies. The first question was answered using the above-mentioned interview results according to the UNDP criteria. The second question used a non-parametric Spearman rank-order coefficient to interpret the dependence of the two dimensions, the CSR practices (x axis) and the CFC (y axis). The third question was answered by positioning the intersection of the CSR practices and CFC on the four-quadrant matrix. The 7-scale matrix used to position the perceptual rating of the UNDP experts on CSR practices of the listed companies' CFC was expressed as follows: *1-Unexplainable. 2-Below standard. 3-A little below standard. 4-Standard. 5-A little above average. 6-Above standard. 7-Extremely above standard.*

RESULTS AND DISCUSSION

Results pertaining to the first research question revealed that most of the CSR expenses of the five Philippine listed companies seemed to be incurred for the protection of the environment, community relation, and CSR-related business ethic program orientation. They represented some PHP 3,007 million, PHP 1,682 million, and PHP 627 million, respectively. Particularly, the CSR-related business ethic program orientation seemed to have inspired the formation of more volunteerism or stakeholders' participation in the CSR projects in the Philippines. The other UNDP-version CSR criteria, the corporate governance and labor handling, did not seem to be widely accepted as CSR tasks. They are procedurally reported to the Philippine Securities & Exchange Commission or SEC and the PSE using a Disclosure Form of Corporate Governance Regulation – 1 as well as the standard format of Annual Corporate Governance Report only as a compliance report on good governance.

Even though as a much smaller CSR contribution, the EDC's HELEN projects (Health, Environment, Livelihood and Education) demonstrated a marvelous step ahead toward the habitat development. Table 3 shows the contribution of the Philippine listed companies. As the largest geothermal energy producer, EDC actively participated in the development of renewable energy sources and the protection of environmental spoilage, similar to that of ALI that worked on sustainable land development through active local community engagement. Still for the best interest of the disaster victims, SMC Foundation as the largest CSR arm of SMC, participated in the PHP 1 billion housing project for accommodating victims from the typhoon Sendong and Yolanda, not to mention the more than PHP 2.3 billion environmental protection projects. PCOR, its subsidiary, supported the DENR's 1.5 billion trees greening, water resources protection in Bataan with UNDP, Boracay beach management program, Marikina's river, and several others.

Table 3

Philippine Listed Companies' CSR Contribution During 2013-2017 (in Million Pesos)

UNDP-VERSION CSR	ALI	EDC	PCOR **	SMC **	ABS	Total
Corporate governance	*	*	*	*	*	0
Environmental impact	67	155	380	2,350	55	3,007
Business ethics	0	57	420	150	0	627
Labor handling	*	*	*	*	*	0
Community relation	278	18	200	1,000	186	1,682
TOTAL	345	230	1,000	3,500	241	5,316

Source: Annual Reports and CSR Reports, 2013-2017.

**These UNDP-version CSR expenses in figures are not normally reported as CSR items per se, but as a corporate governance compliance submitted annually to the SEC and PSE.*

***Estimated with assistance of the listed companies.*

The second research question tested the H_0 “CSR practices of the listed Philippine companies do not significantly indicate a degree of dependency to the CFC according to the UNDP criteria”. The results showed that CSR of the Philippine listed companies to a certain degree indicated dependency with the CFC. The overall finding indicated that $r_s = 0.789$ at $n = 12$ and $df = 10$, which exceeded the critical $r_s = 0.497$. The H_0 of this research question must then be rejected.

However, in terms of its individual UNDP-version types of CSR, good governance and environmental program did not seem to be at any degree of dependency between the CSR with CFC as shown in Table 4. Environmental impact ($r_s = 0.740$), labor handling ($r_s = 0.504$) and community relation ($r_s = 0.661$) seemed to be at comfortable dependency as they were > than the 0.497 critical level. The largest spending was indicated by the ABS at a 4.0% rate, leaving the other listed companies to spending in the range of 0.01% to 2.40%. The EDC noted the highest at 2.40% rate, mostly spent for the relief and rehabilitation from disasters and environmental development as much as 44.8% and 22.6% from total CSR spending, respectively.

Table 4
Listed Companies' Coefficient Correlation (r_s) of CSR and CFC

Description	Statistic (Non-parametric)	Significance
Spearman's coefficient correlation:		
R_s	0.789	Significant
Critical statistic (n = 12, df = 10)	0.497	
UNDP-version CSR:		
• Good governance	- 0.340	Not significant
• Environmental impacts	0.740	Significant
• Environmental program	- 0.077	Not significant
• Labor management	0.504	Significant
• Community relation	0.661	Significant

Source: Computed from Appendices A and B, and presented in Appendix C.

The third research question was answered by the 4-quadrant matrix analysis. Based on the interviews with the UNDP officers, perceptual rating of CSR practices and the related CFC of the five Philippine listed companies were plotted on the four-quadrant positioning matrix using the 1 to 7 scales. The lead positioning of the UNDP-version CSR of the Philippine listed companies was apparently dominated by the ALI, EDC, ABS and SMC. These companies reflected excellent CSR practices and yet possessed the necessary CFC strength. Not in the same quadrant with the above four, PCOR, in spite of its relatively large financial resources and the successful HOPE (Help children, Overcome Poverty, through Education) projects, unfortunately was positioned as a challenger to the CSR stewardship in the Philippines. The best CFC it performed was the highest fixed assets turn-over multiple of 2.44 as an indicator of environmental protection and rather better fulfillment of obligation to the company's staff through the more salary payment as 10 % of sales.

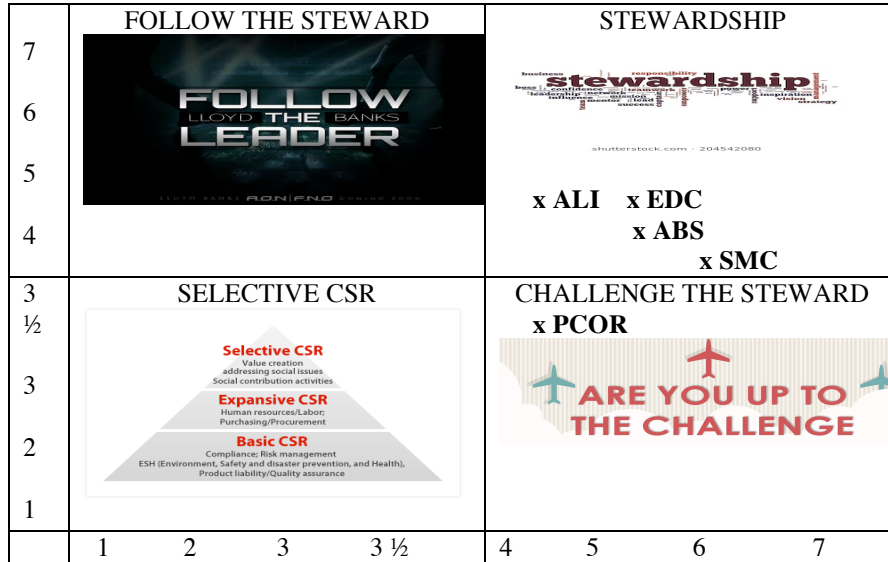


Figure 2. Positioning Matrix of CSR Practices and CFC.

Legend: *Horizontal axis – CSR practices (CSR). Vertical axis – Financial capacity (CFC). The (x, y) → ALI (5.8, 4.3), EDC (5.5, 4.3), ABS (5.6, 3.8), SMC (5.9, 4.1), and PCOR (6.1, 2.8).*

CONCLUSION

Based on the earlier analysis, the study came up with some major findings. First, in terms of the UNDP-version criteria, the types of CSR projects of the CSR-known Philippine listed companies were mostly focused in the environmental protection, community relation, and CSR-related business ethic program implementation. Second, CSR projects of the Philippine listed companies, to a certain degree, indicated dependency with their CFC performance, particularly on the dimension of community relation. For instance, SMC group’s active participation in CSR projects for the needy beneficiaries seemed to maintain its strong brand loyalty among the Filipino people. Third, the lead positioning of the UNDP-version CSR seemed to be dominated by ALI, EDC, ABS and SMC, as principal stewards in the Philippines. Unlike the four, PCOR, in spite of its relatively strong CFC, was positioned as a challenger and not as the principal steward. The study then concluded that CSR practices of the five listed companies indicated a certain degree of dependency to CFC; particularly on the environmental impact, labor handling, and community relation. The ALI, EDC, ABS and SMC, were positioned as the leading stewards in the CSR practices in the Philippines, while PCOR as a challenger.

Based on the above findings and conclusion of the study, it is recommended that the Philippine companies by virtue of the government's regulation shall increase their CSR budget for betterment of the quality of life of the Filipino people. In order to achieve a better administration of CSR activities in the country, a CSR accounting system must be in place to include the corporate governance, labor handling, and ethic-based program orientation. Government policies on volunteerism and more advanced IT-based promotions are recommended to be further developed.

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Appendix A – Philippine Listed Companies Corporate Social Responsibility (CSR) for the Period 2013-2017

UNDP-version CSR					
GOOD GOVERNANCE	ALI	EDC	PCOR	SMC	ABS
Umbrella organization*	AFI	Comm. Partnership	PFI	4-Committee	LGF
Societal communication	Yes	Yes	Yes	Yes	Yes
Clear CSR strategic plan	Yes	Yes	Yes	Yes	Yes
CSR award collection**	Yes	Yes	Yes	Yes	Yes
ENVIRONMENTAL	ALI	EDC	PCOR	SMC	ABS
CSR-environment/op cost***	0.36%	1.5%	0.90%	0.56%	0.93%
Monitoring for impacts	Yes	Yes	Yes	Yes	Yes
Total training per year (hour)	79,402	8,336	20,246	16,672	7,119
Training hour per staff	15.8	4.3	15.8	7.7	2.8
BUSINESS ETHICS PROG.	ALI	EDC	PCOR	SMC	ABS
All types of ethics program	Yes	Yes	Yes	Yes	Yes
Total training per year (hour)	52,935	19,450	47,240	13,641	28,478
Training hour per staff	10.5	9.9	36.8	6.3	11.4
LABOR HANDLING	ALI	EDC	PCOR	SMC	ABS

Regular HRD evaluation	Yes	Yes	Yes	Yes	Yes
Staff development forum****	LCF	LCF	LCF	LCF	LCF
Yearly employee growth (%)	15.0	4.6	21.8	7.9	5.1
Staff ESOP 2017 (In million)	P99/ P192264	P44/P5859 6	62 m/9375 m share	0.4 m/216 m share	P53/ P332 79
% to total comm. stock	0.05%	0.07%	0.66%	0.19%	0.16 %
COMMUNITY WORK	ALI	EDC	PCOR	SMC	ABS
Dealing with CSR-firms	Yes	Yes	Yes	Yes	Yes
CSR investment/ staff (Mio)	P 0.07	P 0.12	P 0.78	P 0.14	P 0.10

Source: Annual Reports 2013-2017 and CSR Reports. *Ayala Foundation, Inc. (ALI), Community Partnership Department (EDC), Petron Foundation, Inc. (PCOR), 4-Committee: Executive, Corp. Gov., Audit & Risk, Related Party Transaction (SMC), Lopez Group Foundation (ABS). **Asian CSR Award (ALI), Anvil Gold/Saringaya/Entrepreneur of the Year (2013)/SHAPES/GRI (habitat = 78.5%) (EDC), Integral CSR, Corporate Governance Scorecard '08/Top 30 Asia-Pacific/(PCOR), several awards (SMC), and several Asian-CSR Awards (ABS). ***CSR's environmental cost per operating cost %. ****LCF = League of Corporation Foundation (CSR association in the Philippines).

Appendix B – Corporate Financial Capacity (CFC) As of the Year 2017

Description		ALI	EDC	PCOR	SMC *	ABS
Mkt cap/ book val (x)	Corporate governance	43.8	39.9	7.5	1.6	0.5
Mkt cap/ profit (x)		20.6	16.1	9.2	11.2	5.8
Income tax/sales %		7.0%	3.1 %	1.1%	3.2 %	1.9%
Assets growth %	Environmental impacts	20.0%	6.9%	-1.4%	4.2%	6.7%
FA turnover (x)		0.54	0.36	2.44	1.6	1.6
Net profit margin %	Business ethics prog.	20.2 %	23.1 %	2.0%	3.4%	8.1%

ROE %		14.0	21.4		10.3	
		%	%	6%	%	5.4%
Pay days of COGS		283	262	5	44	21
Rec days of sales		424	84	22	51	94
Salary/sales %	Labor handling	5.2%	9.9%	10%	4.2%	21.9%
Esop/Equity %		0.05%	0.07%	0.01%	0.73%	0.16%
CSR invest/cost %	Community relation	0.4%	2.4%	0.23%	0.5%	4.0%
		P 0.07	P 0.12	P 0.78		
CSR invest/ staff (P)		millio n	millio n	millio n	P 2.77 million	P 0.1 million
*SMC participation is presented as one of the shareholders of PCOR, only as a matter of comparison and not included in the write-up.						

Source: *Philippine CSR-known Listed Companies Annual Reports 2013-2017*.

APPENDIX C – CSR & CFC ASSESSMENTS

CSR ASSESSMENTS							
UNDP CRITERIA	Criteria Components	ALI	EDC	PCOR	SMC	ABS	AVG
G. GOVERNANCE	Decision organization	7	7	7	7	7	7.0
	Comm. w/ societies	6	6	6	6	6	6.0
	Clear strategic direction	6	6	6	6	6	6.0
ENVIRONMENTAL IMPACT	Efficient CSR as cost %	4	7	6	5	6	5.6
	Monitoring for impacts	6	6	6	6	6	6.0
	Training hour/person	7	4	7	5	2	5.0
BUSINESS PROGRAM	Staff-free corruption	6	6	6	6	6	6.0
	Training hour/person	7	3	7	4	5	5.2
LABOR HANDLING	Staff representation	6	6	6	6	6	6.0
	Yearly growth (%)	7	7	7	7	7	7.0
COMM RELATION	CSR-oriented firms	6	6	6	6	6	6.0
	CSR invest per staff	2	2	3	7	4	3.6
Mean (X)		5.8	5.5	6.1	5.9	5.6	

UNDP CRITERIA	Criteria Components	ALI	EDC	PCOR	SMC	ABS	AV G
G. GOVERNANCE	Market cap/BV (x)	43.83	39.9 0	7.52	1.60	0.47	18.66
	Market cap/profit (x)	20.59	16.0 6	9.16	11.22	5.79	12.56
	Income tax/sales %	0.07	0.03	0.01	0.03	0.02	0.03
ENVIRONMENTAL IMPACT	TA growth % (5 yrs)	0.20	0.07	-0.01	0.04	0.07	0.07
	Fixed asset t.o. (x)	0.54	0.36	2.44	1.60	1.60	1.31
	Shareholders BV/TA	0.02	0.02	0.03	0.14	0.54	0.15
BUSINESS PROGRAM	Net profit margin %	0.20	0.23	0.02	0.03	0.08	0.11
	ROE %	0.14	0.21	0.06	0.10	0.05	0.11
LABOR HANDLING	Salary/sales %	0.05	0.10	0.10	0.04	0.22	0.10
	ESOP/TE %	0.00	0.00	0.00	0.01	0.00	0.00
COMM RELATION	CSR invest/op-cost	0.00	0.02	0.00	0.01	0.04	0.01
	CSR invest/staff (M)	0.07	0.12	0.78	2.77	0.10	0.77
Mean (X)		4.3	4.3	2.9	4.1	3.8	

SPEARMAN RHO (r_s)

By Criteria	n/df	r_s	Critical*	By Company	n/df	r_s	Critical*
G. governance	5/3	-0.340	0.805	ALI	12/10	-0.021	0.497
Environ.	5/3	0.740	0.805	EDC	12/10	0.054	0.497
Impact	5/3	-0.077	0.805	PCOR	12/10	0.066	0.497
Business prog.	5/3	0.504	0.805	SMC	12/10	0.122	0.497
Labor handling	5/3	0.661	0.805	ABS	12/10	-0.089	0.497
Comm. relation							

Note: Computed by the Spearman rho calculator and validated by Excel.
* Sig. level of 0.05

Note: Eric J. Nasution is an emeritus professor from AIIAS since April 2014. He is currently teaching and nurturing in the MBA in finance emphasis and PhD in Business of the Graduate School – Business Department, in addition to the active involvement in writing business finance books and scholarly articles. He can be contacted at 63-046-4144300 (ext. 378, office) or 63-9053354612 (mobile).

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