Towards Sustainable Solutions

A Better View: Changing the Philippine Healthcare Landscape
Of Needs and Nuances: Responsiveness through Monitoring and Evaluation
Creating Initiators and Innovators: Staff Development at Zuellig Family Foundation
Here Comes the Sun: Powering Up Health Facilities
Building the Capacity to Lead and Manage Change
When super typhoon Haiyan hit the Philippines, the strongest ever experienced by the country, Zuellig Family Foundation’s (ZFF) Community Disaster Response Program led to a six-month Recovery Assistance Program (RAP) in the 12 affected municipalities in Eastern Samar and Samar. Shown in the cover photo is one such affected community. With RAP, ZFF strove to re-establish the devastated health systems in these areas, and reach out to vulnerable populations of pregnant women and infants. Ultimately, ZFF seeks to catalyze the achievement of better health outcomes for the poor by institutionalizing healthcare programs and services that are inclusive and sustainable.

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Towards Sustainable Solutions is Zuellig Family Foundation’s (ZFF) first sustainability report, which covers the triple bottom-line performance of its operations from January to December 2013.

Beginning with this report, the Foundation will monitor its sustainability performance annually but will publish the results every two years. ZFF nevertheless remains committed to the Global Reporting Initiative (GRI) process. The Foundation will publish its next report in 2016, covering the performance of 2014 and 2015.

This report was developed to conform to the guidelines of the GRI with A+ application level and uses the Non-government Organization Sector Supplement (NGOSS). It aims to show ZFF’s stakeholders how the organization is governed, managed, and funded, as well as the nature of the work and the extent of its impact. Thus, the Foundation reports on 76 key NGOSS performance indicators that are material to the operations of ZFF in its headquarters in Parañaque City, Metro Manila, Philippines, and have an impact on its stakeholders namely the employees, national and local government partners, program partners, and local communities. A detailed discussion of the stakeholder engagement process is on page 23.

The Foundation’s economic performance for 2013 is derived from the Statement of Assets, Liabilities, and Fund Balance and Statement of Revenues, Expenses, and Fund Balance that have been submitted in compliance with the regulations of the Securities and Exchange Commission and the Bureau of Internal Revenue. The report’s data, including the bases of calculations, assumptions and the techniques underlying assumptions, follow the guidance of each GRI indicator. Non-financial data used in the report is in accordance with ZFF internal management systems. Where statistical data is reported (e.g., maternal mortality ratios, infant mortality rates), the data is collated from the local government units and is based on the official report.
they are required to submit to the Department of Health (DOH). In terms of its resource use, ZFF culled its energy and water consumption data from the billed meter readings of the Manila Electric Company (Meralco) and Manila Water, with the reporting period serving as baseline year for its environmental performance.

The Foundation’s social performance covers its stakeholder engagement practices and the results of the ZFF’s Health Change Model (HCM) in seven cohorts of 58 municipalities under the Community Health Partnership Program (CHPP). Reported, too, are partnerships with the DOH, the United Nations Population Fund (UNFPA), the United Nations Children’s Fund (UNICEF), the United States Agency for International Development (USAID), and Merck Sharp and Dohme in terms of municipalities apart from cohorts (see page 8). This brought the total number of partner municipalities to 231 in 2013.

Labor and human rights indicators cover employees, partners, and community members. In terms of product responsibility, ZFF reports only on the development and distribution of its training materials. This report does not cover any of the activities of the Zuellig Group or Zuellig Pharma Corp. (ZPC) in general, or their corporate social responsibility (CSR) programs in particular. ZFF is independent of the business operations of the Zuellig Group and has no material or significant outsourced operations, leased facilities, outsourced functions, nor subsidiary company. The Foundation focuses its efforts and resources on the specific philanthropic mission articulated by the Zuellig family, which is to promote effective and sustainable healthcare systems in the Philippines, with an emphasis on primary healthcare services in rural communities. It is provided with a rent-free facility by ZPC within its Parañaque compound. The subsidiaries and affiliates of Zuellig Group continue to pursue their respective CSR programs.

The coverage of this report was guided by the principles of materiality, stakeholder inclusiveness, sustainability context, and completeness. The report has been defined to meet stakeholders’ needs. Definition of reporting content and prioritization was made by a ZFF steering committee that met regularly, following a discussion-based process that took into account stakeholder interests.

The Foundation engaged the services of the University of Asia and the Pacific Center for Social Responsibility (UA&P–CSR), which guided it in the rapid assessment of sustainability indicators that are applicable and relevant to ZFF. Conducted was a materiality testing, where stakeholders and indicators were checked for their relevance to and impact on ZFF and its operations. ZFF indicated a threshold score that identified the stakeholders consulted and addressed in this report and the indicators ZFF would report on. The Foundation considers its main stakeholders as those who “influence or are influenced by” its performance and goals. Stakeholders are those that scored 7 out of 7, while indicators in the GRI template that are material to the Foundation are those that scored at least 8 out of 16. Stakeholders’ interests and ZFF’s strategic plan were considered in choosing which topics to report on and the depth of reporting for each topic.

The Foundation formed a Sustainability Technical Working Group (STWG) to serve as a core group for gathering and consolidating the performance data from the data owners, which it then tested and ranked according to its mission, vision, goals, and triple bottom-line objectives.

UA&P–CSR was also the key implementer in the stakeholder engagement process, especially in stakeholder surveys and interviews, and in the review and consolidation
of the information gathered from these engagements. UA&P-CSR’s role as a third party in the process is crucial to ensuring the accuracy and integrity of the disclosed information. The process started with the identification of relevant stakeholders, in particular its trustees, management, employees, local chief executives, provincial and municipal health officers, midwives, barangay health workers, funders, program and academic partners, suppliers, representatives of the DOH, Department of Interior and Local Government (DILG), and LGUs, regulatory government agencies, chiefs of hospitals, the media, and poor, marginalized and vulnerable groups, i.e., pregnant mothers and malnourished children. ZFF conducted interviews with samples of the immediate stakeholders, consisting of members of the Board of Trustees, employees, local leaders and health officers, and academic partners involved in the training. Specifically, these engagements took place during the third and last quarters of 2013 (July 25; September 13, 26, and 27; October 2, 3, and 24) and the first quarter of 2014 (February 12 and 20; March 24). The Foundation consolidated results from this engagement process with its initial list of indicators to finalize its selection of indicators that would be included in the report.

Report content is driven by stakeholder engagement and determined using both internal and external processes, including determining material topics and prioritization. The stakeholder consultation process was conducted to identify report topics based on their relevance to internal and external stakeholders, which are then validated against ZFF’s material GRI Aspects.

The topics considered by its stakeholders as material and must be included in this report are: extent and effectiveness of the HCM, including coordination and training; impact assessment of community programs and systems for monitoring and evaluation; how it raises and allocates funds; stakeholder engagement, including feedback and grievance mechanisms; transparency in procurement and the screening of partners, especially in terms of human rights, corruption, and compliance with labor laws; public awareness and advocacy positions and communication; and occupational health and safety. These topics are discussed in various parts of the report, including the performance index found on page 66. The Foundation expects its employees, program partners, government and regulatory agencies, and the local chief executives of partner municipalities to be the primary users of this report.

As the first sustainability report of ZFF, this sets the baseline for future reports. One of the challenges ZFF faced was the fragmentation of its data collection system. Nevertheless, the data disclosed here has been vetted and, to the best of our knowledge, is accurate as of the time of writing the report. Also, based on the G3.1 Guidelines and the NGO Sector Supplement, there are performance indicators that stakeholders may have regarded as material and ZFF has yet to create the data collection system for them. It has taken note of these indicators so that it can develop the mechanisms for collecting and monitoring the relevant data, which it will disclose in the next report.

Through UA&P-CSR, the Foundation commissioned an External Review Committee (ERC) consisting of former Health Secretary Dr. Jaime Galvez Tan for public health, Ramon Magsaysay Award Foundation President and CEO Carmencita Abella for social performance and governance, and UA&P Dean of the School of Management Dr. Winston Padojinog for economic and environmental performance. ZFF sought to subject its report to this independent panel of experts to help it evaluate and strengthen
its programs, mitigate any potential negative impacts, identify gaps in its programs and operations, and provide assurance of the report’s credibility and accuracy. As part of its validation and review process, the ERC visited the head office on February 2 and 3, 2015, and a partner municipality (Dao, Capiz) on February 25, 2015. The results of the review and the recommendations were then submitted to ZFF’s Board of Trustees, and the highlights of their report are found in the Sustainability Performance section on page 66.

Reporting sustainability performance requires a huge organizational commitment and effort. The Foundation wants to make sure that the reporting supports the culture of transparency and accountability within ZFF. Thus, ZFF welcomes feedback from its various stakeholders to improve its sustainability reporting process. Please contact ZFF’s Chief Sustainability Officer at The Zuellig Family Foundation, Inc., Km. 14 West Service Road corner Edison Avenue, Barangay Sun Valley, Parañaque City, 1700, Philippines, or communications@zuelligfoundation.org.
Dear Stakeholders,

We are pleased to present to you Zuellig Family Foundation’s (ZFF) first sustainability report, *Towards Sustainable Solutions*, which follows the international and widely referenced Global Reporting Initiative (GRI) sustainability reporting framework. ZFF is the first foundation in the Philippines to use GRI’s G3.1 Non-Government Organization Sector Supplement to publicly disclose its economic, environmental, and social performance and governance approach, and we take pride in this achievement.

**GRASSROOTS AND GLOBAL**

Leading organizations worldwide use the GRI as the guide in promoting greater transparency and accountability in their operations while they improve their impacts and contribute to sustainable development. These goals resonate deeply with us. ZFF helps realize sustainable Philippine development through a more inclusive healthcare system, and our vision of better health outcomes for the Filipino poor rests on the effective leadership and governance of our local chief executives.

As we go about our work at the community level, we hold ourselves and our partners to global standards and we make sure that our performance and our operations are consistent with the values we espouse. We realize that the GRI can provide us with a
A Message from the Zuellig Family and the Board of Trustees: Towards Sustainable Solutions

A rigorous, well-rounded framework that covers the critical aspects of our Foundation’s performance. We also hope that with the adoption of the GRI sustainability framework, we will glean additional insights over the coming years to further improve the health outcomes in our cohorts. At the same time, by adhering to the GRI protocols, we are able to begin benchmarking our initiatives and outputs against the performance of international nonprofit organizations. We know that exposure and adherence to such standards will enable us to achieve our targets in a manner that is consistently fair, inclusive, ethical, and judicious in the use of all our available resources.

The Case of Cohort 1

Nine municipalities comprise Cohort 1. Since beginning the partnership program in 2009, successive declines in maternal mortality ratio occurred. These were largely attributed to increases in facility-based delivery (FBD) and skilled birth attended (SBA) deliveries.

ZFF’s Health Change Model is built on the assumption that local health leadership—the mayor, the municipal health officer and community leaders—is the key to changing systems and inclusive programs that lead to better health outcomes of the poor. ZFF starts by selecting municipalities with high health burdens led by local chief executives committed to improving the community’s health outcomes. ZFF provides health leadership and governance intervention to the community’s health leadership team who goes through a two-year, four-module face-to-face program. In between modules is a practicum phase, during which the leaders address the building blocks of the health system.

The Foundation’s Community Health Partnership Program (CHPP) served as the “laboratory” where the leadership and governance intervention was tested in various local government unit (LGU) models in rural poor communities.

The result of the piloting and testing under the CHPP were used to strengthen the Health Change Model. Experience and learning from the initial set of cohorts (Cohort 1, see chart above; and Cohort 2) led to the creation of cohorts apart from the original model of rural poor communities, such as the cohorts in the Autonomous Region in Muslim Mindanao (ARMM), where health service is not devolved to the LGUs like in the rest of the regions, and the geographically isolated and disadvantaged areas (GIDAs). This helped improve the strategy in terms of more efficient transfer of relevant learning and adoption of program innovations.

In 2011, two years after the launch of CHPP in 2009, a shortened leadership and governance program in nine LGUs was undertaken with the University of Makati. The one-year Municipal Health Leadership and Governance program is now being given to municipal mayors and the municipal health officers under the ZFF’s expansion and replication.
Health Leadership and Governance Program (HLGP) Framework

OVERSIGHT COMMITTEE

Health Leadership and Management of the Poor (HLMP)

Project Management Committee
BLHD, HHRDB, NCDPC, HPDPB, NCHFD

DOH Representatives

HLMP Change Management Program (for RDs)

Regional Office “Core Team”
Regional Director (RD), HRDU Head, LHAD Head, PHTLs

HLMP Training of Coaches

DOH Representatives

HLMP Training of Trainers

Academic Partners

HLMP Change Management Program (for RDs)

Municipal Leadership and Governance Program

Regional Office “Core Team”
Regional Director (RD), HRDU Head, LHAD Head, PHTLs

Provincial Leadership and Governance Program

Mayors, Municipal Health Officers

Improved Municipal Health System

Governors, Provincial Health Officers support

Improved Provincial Health System

Better Health Outcomes

MMR/IMR Incidence of communicable and non-communicable diseases

ACRONYMS:

DOH: Department of Health
PhilHealth: Philippine Health Insurance Corp.
LPP: League of Provinces of the Philippines
LMP: League of Municipalities of the Philippines
ZFF: Zuellig Family Foundation
BLHD: Bureau of Local Health Development
HHRDB: Health Human Resource Development Bureau
NCDPC: National Center for Disease and Development Control
HPDPB: Health Policy Development and Planning Bureau
NCHFD: National Center for Health Facilities Development
CHD: Center for Health Development
HRDU: Human Resource Development Unit
LHAD: Local Health and Development
PHTL: Provincial Health Team Leader
DAP: Development Academy of the Philippines
2013 HIGHLIGHTS
Universal health care (UHC)—the “provision of every Filipino with the highest possible quality of health care that is accessible, efficient, equitably distributed, adequately funded, fairly financed, and appropriately used by an informed and empowered public” (DOH; Acta Medica Philippina, 2010)—is a priority of the Aquino administration. ZFF’s focus on improving the health conditions in disadvantaged rural areas aligns with this national priority and takes advantage of the enabling environment put in place by the Aquino administration and the DOH.

PROTOTYPING
When the Foundation launched the Community Health Partnership Program (CHPP) in 2009, we wanted to test our Health Leadership and Governance Strategy in different municipal setups in the country in order to strengthen our Health Change Model. (See CHPP sidebar and graph on page 6.) Encouraged by results that showed that the maternal mortality ratio (MMR) can significantly go down after two years, ZFF created a 10-year plan spanning 2013 to 2022, to bring ZFF’s interventions in the five priority regions of MIMAROPA, Bicol, Eastern Visayas, Zamboanga Peninsula, and the Autonomous Region in Muslim Mindanao (ARMM). In 2008, the average maternal mortality ratio of these five regions was 248, based on the National Demographic and Health...
Of the 1,214 maternal deaths in all local public health facilities that year, 32% occurred in the five regions as shown in the Field Health Services Information Survey. Without drastic interventions, the MMR was projected to drop only to 223 by 2015.

**PARTNERSHIPS**

The results of the HCM attracted partnerships that enabled HCM to reach more municipalities in 2013, the start of our 10-year plan’s first three-year cycle. Given the magnitude of the challenge of primary healthcare, especially to the poorest municipalities of our country, working with partners allows us to fulfill the task with greater operational efficiency and to transfer skills and capacities where they are most needed. Resource institutions and donors with strategies and programs aligned with our thrust of health leadership and governance work with us in expanding the implementation of the HCM by bringing it to their own priority areas.

In 2012, the UNFPA formed a partnership with us to include health leadership and governance in their technical assistance program for nine priority provinces and these provinces’ 62 municipalities. We started engaging provincial health leaders soon after and, in 2013 began rolling out the Municipal Leadership and Governance Program (MLGP) for mayors and municipal health officers in 45 UNFPA municipalities.

Through Merck Sharp and Dohme’s “Merck for Mothers Global Giving Program,” a partnership was formed in early 2013 to address maternal and child health in 21 municipalities in Samar and Northern Samar. These LGUs also happen to be geographically isolated and disadvantaged areas.

**REPLICATION**

In May 2013, the unprecedented partnership with the DOH was formed for the mainstreaming of HCM. Targeting 609 priority LGUs as identified by the National Anti-Poverty Commission (NAPC) and covering all regions, the partnership effectively changed its assumptions in its 10-year plan. For this, ZFF adopted a different approach. The DOH and ZFF formed the Health Leadership and Governance Program (HLGP).

Under this program, the Foundation provides leadership and governance training programs for select officials of the department’s bureaus and regional offices. The trained DOH officials, specifically the DOH Representatives will then provide technical coaching and assistance to municipal health leaders. Academic partners provide municipal health leaders with the leadership and governance training program. The Foundation also provides health leadership and governance training program for governors and their provincial health teams. (See HLGP on page 7)

Soon afterwards, USAID and UNICEF entered into a joint cooperative agreement with our Foundation. The two international agencies came in response to a call by the DOH to support the HLGP, the partnership program between the DOH and ZFF. In particular, the project with UNICEF also allows us to study and implement the HCM in urban areas.

**CHALLENGES TO REPLICATION**

Prior to the DOH partnership, we knew well the possible adverse effects that political changes could
bring to the health outcomes in our partner-municipalities, and the HCM must be able to withstand and continue beyond the three-year terms of our local chief executives. Since the program began, we have been through two elections, during which some new mayors were elected. Nevertheless, we have seen significant improvements in the health outcomes of our partner municipalities. For instance, between 2010 and 2013, there were nine leadership changes in our first and second cohort municipalities, and yet the MMRs continued to decline.

We work hard so that the adoption of HCM results in significant reduction in maternal and infant deaths in the community so that its continued implementation turns into the clear and logical move for the incoming leaders. We consider it our task to inform and engage new mayors so that they understand HCM and its importance in their communities, and this is essentially what our leadership and governance training program and practicum is about.

Our commitment to the municipalities extends beyond our relationship with the political leaders to include the health personnel and the residents of the community. Part of our program focus is the improvement of the health-seeking behavior of the constituents of our partner LGUs. Through stakeholder engagement, we take into account the prevailing customs, beliefs, and other unique characteristics of a locale that may have an impact on people’s behavior and attitude towards health. We support incoming leaders and alumni LGUs who wish to continue the program.

Now, with the DOH partnership, we face not only the challenge of transforming municipal leaders but also health sector leaders, specifically the officials of the DOH. Ownership of the program by DOH senior officials is critical to effect systemic changes and see improvements in the health outcomes in the 609 LGUs. There is also the risk that the personal commitment of the DOH leaders do not translate to an organization-wide commitment, limiting co-ownership, which can result in discouragement and lack of engagement, and leading to a failure in capacity building.

To help monitor and manage these risks, a project management team has been created at the DOH central office to approve all activities, changes, and innovations introduced into the program. Coordination is done at the regional level, specifically through the Regional Implementation and Coordinating Team.

From the initial roll-out to 94 LGUs accomplished in 2013, we have gathered that there is a need to address the adequacy and competency of our academic partners for consistent quality training. While 77.5% (i.e., 31 out of 40) of the faculty members assessed...
for training competency received either “good” or “very good” ratings from the participants, almost a quarter (22.5% or 9) received only a rating of “fair,” requiring additional intervention from us.

There is also a need to ensure adequacy and competency of the DOH Representatives who coach and monitor the mayors and municipal health officers during the practicum. Eighteen (36%) of the 50 assessed were rated “good,” while 28 were rated “fair,” and 8% “poor.” This performance may be due to the fact that coaching is not the core competency of DOH Representatives but we hope to improve the ratings in the coming years. The scores were also aggravated by the implementation of the Rationalization Plan of the DOH, leading to the assignment of DOH Representatives to as many as five to six municipalities, which exceeded the ideal ratio of 1:4 affecting their performance. We expect the vacancies to be filled up by the DOH as soon as possible. ZFF has committed to providing coaching support to the existing DOH Representatives and training to newly hired ones.

During the rollout, we also noted the difficulty of getting timely and accurate information on the health indicators. Too often, not all maternal deaths have available death review reports. To address this, an alternative reporting system has been created. New guidelines, released to the participating LGUs, require them to submit monthly maternal and infant death reports, while DOH Representatives must submit monthly coaching reports.

Similarly, there is a need to improve our municipal support systems. The data shows that 47% of the municipalities still do not have the PhilHealth 4-in-1 accreditation for the health facilities even as the percentage of municipalities with 4-in-1 accreditation improved from 38% to 53% after six months of practicum.

A PhilHealth accreditation verifies the qualifications and capabilities of health care providers, whether institutional or individual professional, in accordance with the guidelines, standards, and procedures set by PhilHealth. A 4-in-1 accreditation covers primary care benefits, tuberculosis treatment and control, maternity care, and newborn screening.

**DISASTERS AND RISKS TO HEALTH**

The year 2013 also brought to fore the risks that extreme weather pose on our communities, especially since majority of our cohorts are in vulnerable rural areas. In 2013, the super storm Haiyan (local name: Yolanda) affected the public health systems of 12 Western and Eastern Samar municipalities. Following the aftermath of the typhoon, we undertook the six-month Recovery Assistance Program (RAP) that went beyond the immediate distribution of relief goods to ensure the immediate re-establishment of maternal and child health (MCH) care services in the 12 municipalities. RAP provided incentives to community health workers for the re-establishment of the pregnancy tracking system and to pregnant and lactating women when they avail of health services. The six-month recovery program was done with the help of the Washington DC-based US-Philippines Society.

Beyond RAP, ZFF, together with the United Nations Children’s Fund (UNICEF), started a program to integrate disaster resiliency in municipal systems given that the Philippines ranks 6th in the 2011 Climate Change Vulnerability Index of the global risks advisory firm Maplecroft. Under this joint cooperative agreement with UNICEF, we will enhance our current municipal leadership and governance program modules by integrating the disaster-risk resiliency perspective during the practicum phase.

With the GRI’s sustainability framework’s emphasis on stakeholder consultation, we make sure to consult with the principal
stakeholders of our program so that we remain responsive to their needs especially in this period of transition. These engagements provide us with the insights to improve on various aspects of our strategy so that we are able to always further enhance the benefits of our HCM. We describe the process we undertake for these engagements on page 47.

THANK YOU TO THE ZFF TEAM
This period of transition is truly the most opportune time for ZFF to deepen its sustainability practice with the adoption of the GRI framework. As we monitor our performance in the broader context of economic, environmental, and social sustainability, more challenges will surface. We are confident that the use of this global standard will provide our organization with more opportunities to examine and improve on areas of our operations and program implementation that have an impact on the sustainability of both the Foundation and the HCM. This process of constant improvement of the ZFF strategy according to the needs and contexts of our partner municipalities is the reason why we are able to deliver significant health outcomes.

The Zuellig family wishes to convey its heartfelt gratitude to the entire staff of the Foundation, especially members of our Sustainability Technical Working Group for the tremendous effort they put into this report to be able to gather accurate and relevant data. Our sustainability journey certainly helps usher the operations and programs of Zuellig Family Foundation into a stage of greater impact and maturity, and reduce institutional inequities to improve the quality of life of the Filipino.
Committed to respond more effectively to the challenges facing the national health sector, the Foundation took its healthcare thrust beyond the usual medical missions and dole-outs. In 2008, it recast its strategies and chose to change the landscape of social responsibility by arming Philippine health leaders with the information and skills to improve the health of the Filipino poor. The Foundation aligned its work with the Philippine government’s commitment to reaching the United Nations Millennium Development Goals (MDGs) on health.

To realize its goals, the Foundation implements the ZFF Health Change Model (HCM), a roadmap to public healthcare reform by transforming local health leaders (local chief executives, municipal health officers, and other health professionals and community leaders) into local health champions. In particular, the HCM seeks to help reduce the MDG health targets by two-thirds the mortality rate among children under five (MDG 4) and reduce by three quarters the maternal mortality ratio (MMR); a target reduction in MMR of 52 deaths per 100,000 live births (MDG 5) in order to meet the MDGs by 2015.

The Foundation first modeled the HCM in nine pilot municipalities from 2009 to 2011, where it partnered with fourth and fifth-class LGUs nominated by non-government agencies with local programs in selected priority regions of the country (see page 45 for the sidebar on the Community Health and Partnership Program). By 2012, ZFF had five cohorts of 46 local government units with transformed leaders, who spearheaded improvements in their healthcare systems.

ZFF’S 10-YEAR-PLAN

In 2013, encouraged by the improvements in the MMR posted
by the municipalities, ZFF set out to broaden the reach of the ZFF HCM. The 10-year-plan, which will run until 2022, would target five priority regions in the country where poverty incidence is highest and health indicators are poorest.

These five priority regions are: Region 4B (MIMAROPA, consisting of Marinduque, Occidental Mindoro, Palawan, Puerto Princesa, and Romblon); Region 5 (Bicol Region, consisting of Albay, Camarines Norte, Camarines Sur, Catanduanes, Masbate, Naga, and Sorsogon); Region 8 (Eastern Visayas, consisting of Biliran, Eastern Samar, Leyte, Northern Samar, Ormoc, Samar, Southern Leyte, and Tacloban); Region 9 (Zamboanga Peninsula, consisting of Isabela City, Zamboanga City, Zamboanga del Norte, Zamboanga del Sur, and Zamboanga Sibugay); and the Autonomous Region in Muslim Mindanao (ARMM consisting of Basilan, Lanao del Sur, Maguindanao, Sulu, and Tawi-Tawi).

To meet the goals of the 10-year-plan, the ZFF is committed to the following: 1) investments in leadership development programs’ worth P100 million per year for 10 years; 2) institutional arrangements with the DOH for greater collaboration and synergy; 3) more partnerships with the private sector;

**MISSION**

To enhance the quality of life of the Filipino by focusing on the achievement of targets in the country’s Millennium Development Goals for health, in partnership with government and other stakeholders in the health sector.

**VISION**

To be a catalyst for the achievement of better health outcomes for the poor through sustainable healthcare programs and services, with a primary focus on health inequities in rural areas of the Philippines.

**GOALS**

- Empower and build the capability of communities and individuals
- Train local health leaders to establish equitable and effective local health systems and to be responsive and accountable for better health outcomes for the poor
- Disseminate information to health leaders and professionals as well as to healthcare institutions
- Advocate equitable policies in public health
- Form partnerships with other agencies
- Establish better access to affordable, high-quality essential medicines for poor communities

**LIFE SUPPORT: PROMOTING THE RIGHT TO HEALTH**

Mayor Lucia LaTorre Astorga remembers a time when her isolated island municipality of Daram, Samar, posted 12 infant deaths. The life of San Fernando, Romblon Mayor Dindo Rios’ wife was also at one point on the line because of a lack of birthing stations in his municipality.

Birth-related deaths, whether of the mother or the infant, are very tragic because such deaths, more often than not, could have been prevented with proper monitoring of the mother and proper intervention such as delivery by skilled birth attendants and in birthing facilities. Because of this context, maternal mortality in particular is a key indicator of the quality of the health care delivery system.

ZFF’s work, therefore, supports the basic rights of every Filipino to health. Enshrined in the 1987 Philippine Constitution, Article II Section 15 states that “the State shall protect and promote the right to health of the people and instill health consciousness among them.” As ZFF engages health leaders and provides them with leadership and governance training to improve maternal and infant mortality rates in their municipalities, ZFF helps them fulfill their obligation to their constituents for better health outcomes.

ZFF also protects the right of health workers, captured in the Magna Carta of Public Health Workers and as seen in ZFF’s technical roadmap. In carrying out its mission, ZFF helps develop the skills and capabilities of public health workers from the barangay to the regional levels so that they are better able to respond to the health issues of the community. Their participation in the leadership and governance training is an opportunity for deeper engagement with their key stakeholders, while enhancing their skills and knowledge in health leadership to better serve the Filipino people.
Health Change Model

Key Result Areas
- Leadership
- Improved Local Health System
- Local Health Outcome

Sustainability Indicators
- Effective Leadership
  - Local Chief Executive
  - Public Health Leaders
  - Community Leaders
- Committed Leadership
- Functional Local Health Board
- Sound Health Policies
- Adequate Health Financing
- Adequate Human Workforce
- Effective Barangay System
- Responsive Citizens on Health Programs
- Better Health-Seeking Behavior
- Appropriate Innovative Health Programs
- Adequate Basic Health Services
- Appropriate Health Information Systems
- Competent Human Resource
- Improved Access to Maintenance & Technologies

Immediate Outcomes
- Improved Leadership
- Improved Health Governance
- Increased Community Participation
- Effective Health Service Delivery

Intermediate Outcome
- Better Local Health Outcomes

Impact
- Attainment of the Country’s Millennium Development Goals on Health

Zuellig Family Foundation

LEADERSHIP AND GOVERNANCE
IMPROVED HEALTH SYSTEMS
PRO-POOR HEALTH PROGRAMS
BETTER HEALTH OUTCOMES

Program Intervention
- Modular Training for Metropolitan and Municipal Health Officials
- Training leaders in leadership
- Practices in overcoming health system issues

World Health Organization
Health Services Delivery
Health Human Resource
Health Information System
Health Financing
Medicines and Technology
Building Blocks for Better Health System
the international funders, and the local NGO community; and 4) continued focus on the HCM.

**THE FIRST THREE-YEAR CYCLE (2013 TO 2015)**
The year 2013 marked the first year of the first three-year-cycle of the 10-year plan, and the Foundation has set out to work on three important thrusts by 2015.

First, it would implement the HCM in LGUs in the five priority regions. ZFF’s change process strives to transform leaders so that they bring health reforms in the building blocks of the local health systems, making them functioning, responsive, and effective. These changes will lead to improvements in the healthcare services, facilitating the improvement health indicators and the attainment of the MDGs.

The second thrust would be to implement ZFF’s leadership and governance program as key intervention to the implementation of the HCM. The Foundation wants to improve leadership and governance at every level of the health system, from the barangay to the national levels because the municipal health system, which addresses the primary healthcare need of the poor, belongs to a bigger system that shapes and affects the delivery of healthcare services.

ZFF’s third thrust would be to create responsive and functioning health systems following the World Health Organization’s Six Building Blocks as basis of a technical roadmap to improve health outcomes. These building blocks provide clear deliverables to all the members of the health leadership team to facilitate the transformation of the municipal health system, particularly in terms of lower maternal deaths, increased facility-based deliveries, and birth deliveries attended by skilled health workers.

With the improvements posted by the cohort municipalities, the HCM drew the attention of DOH Secretary Enrique T. Ona. In May 2013, the Foundation signed an agreement with the DOH for the replication of the HCM. The Foundation was presented the significant opportunity for a national impact with the rollout of the mainstreaming of the HCM, resulting in changes that included changing a number of key assumptions in its 10-year plan.

The change in scale meant that ZFF’s involvement in technical and advocacy work would be undertaken beyond the municipal and provincial levels, but also at the DOH regional and central offices to address technical, administrative, operational, and policy issues relevant to maternal and child
health. Additional strategic interventions would be needed so that leadership and organizational management capabilities in the regional offices improve. ZFF has academic partnerships for the work with the municipal health leaders. Similarly, partnerships have been made with local and international donor communities such as the United Nations Population Fund (UNFPA), United Nations Children’s Fund (UNICEF), and the United States Agency for International Development (USAID).

To sustain the initial success of the HCM and broaden its positive impacts more effectively, the Foundation will now focus its efforts on: prototyping, expansion, and replication. Throughout its work, ZFF identifies risks and opportunities in its operational planning and follows the UNDP Enterprise Risk Management Framework.

An HLGP Project Management Committee has been formed for the DOH project. It is assigned to work on the program conceptualization, financing and implementation plan. The committee is composed of the Bureau of Local Health Development (BLHD), Health Policy Development and Planning Bureau (HPDPB), Health Human Resources Development Bureau (HHRDB), National Center for Disease Prevention and Control (NCDPC), National Epidemiology Center (NEC) Bureau of International Health Cooperation (BIHC), National Center for Health Facility Development (NCHFD), DOH- Public-Private Partnership Task Force, Philippine Health Insurance Corporation, and the Foundation.

Operating solely in the Philippines, ZFF is incorporated and registered with the Securities and Exchange Commission (SEC) and is duly certified by the Philippine Council for NGO certification. Funded by the Zuellig family and other donations, the Foundation is committed to allocate P1.123 billion from 2013

**PROTOTYPING**

ZFF formulates and designs models and frameworks for better health outcomes through the Community Health Partnership Program (CHPP). Prototyping undergoes a process of conceptualization, testing (implementation), lessons harvesting (monitoring and evaluation), and advocacy. Apart from models in geographically isolated and disadvantage (GIDA), non-GIDA, ARMM, and poor non-ARMM areas, ZFF has also started conceptualizing and testing another model, the Advanced Local Health Systems and other interventions for barangay health governance, and social and behavioral change communication. CHPP municipalities that finish the two-year Health Leaders for the Poor program become part of its alumni network and, should they wish, undergo the Continuing Leadership in Health and Development.

**EXPANSION**

Under expansion, following the success of the HCM in the initial partner municipalities, multilateral agencies, resource institutions, and donors with interest in leadership and governance as part of their healthcare programs adopt the HCM in identified priority LGUs where their technical programs need to be complemented by such interventions. To date, ZFF has partnerships with UNFPA, USAID, UNICEF, and Merck Sharp and Dohme, which adopted the HCM as an anchor for their technical programs in priority areas where the ZFF also operates.

**REPLICATION**

The opportunity to mainstream and replicate the HCM at a national scale came with the partnership with the DOH, specifically the implementation of the Health Leadership and Governance Program (HLGP). Through the HLGP, it builds the capability of local leaders at the municipal and provincial levels, and the public health professionals and health workers at the regional offices of DOH. The Foundation engaged academic institutions to provide the training programs for LGUs enrolled by regional offices.
to 2022 to address healthcare challenges systematically and help bridge the gaps in Philippine healthcare system. For 2013, the Foundation declared assets worth P131,971,968, liabilities of P47,781,949, and a fund balance of P84,190,019. It amended the by-laws of its Articles of Incorporation and SEC registration during the reporting period. In the former it added new sections discussing the scope of corporate powers vested on the Board of Trustees, the individual officers, and the required qualifications.

As of December 2013, ZFF has 67 employees who oversee the operations of the organization and the technical services required by the prototyping, expansion, and replication. It outsources the training of the local chief executives to academic partners, and is guided by criteria that will ensure the quality of these capability-building programs. For 2013, it worked with a total of eight academic partners.

ZFF also shares knowledge through research and advocacy, and has a Community Disaster Response Program (CDRP), which helps communities that are most vulnerable to the health-related impacts of natural and man-made disasters and has interventions to improve community nutrition, water access, and hygiene and sanitation to reduce incidences of communicable diseases.

With donations from other groups like the US-Philippines Society and Direct Relief, the Zuellig Family Foundation dispatched thousands of relief kits to victims of typhoon Haiyan days after it struck on November 8, 2013. ZFF distributed the kits to its affected partner municipalities in Eastern Samar and Capiz.
Zuellig Family Foundation (ZFF) is a non-stock and non-profit family foundation that is registered with the Philippine Securities and Exchange Commission (SEC).

It has been accredited by the Philippine Department of Social Welfare and Development as an auxiliary social welfare development agency, and is duly certified by the Philippine Council for NGO Certification. It was granted a five-year certification for donee institution status on April 12, 2005, in accordance with the provision of Revenue Regulations No. 13-98 dated January 1, 1999, which provides that donations received shall entitle the donor to deductions subject to the provisions of Section 3 of Republic Act No. 8424, “An Act Amending the National Internal Revenue Code, as amended, and For Other Purposes.”

Valid only for five years unless sooner revoked by the Bureau of Internal Revenue, the certification was renewed on November 15, 2010, and is valid until August 25, 2015.

The Foundation has a Board of Trustees (BOT) that serves as the Foundation’s highest governing body. The BOT officers consist of the Chairman of the Board, a President, a Secretary, and a Treasurer. It may appoint a Technical/Scientific Adviser should it feel that the appointment of an adviser will help advance the mission of the Foundation. The appointment of a Public Health Adviser, while not mandated by any national agency, is a good practice installed by the
The Foundation to elevate the level of its work. The Chairman presides over all meetings of Members and the BOT, and exercises general supervision and direction of the affairs of the Foundation. The President serves as the Chief Executive Officer of the Foundation. He executes all resolutions and/or decisions of the BOT and is charged with directing and overseeing the activities of the Foundation.

The corporate powers of the Foundation is exercised, its business conducted and its property controlled by the BOT, who shall be Members of the Foundation. All donations, contributions and gifts in money and properties to the Foundation are also subject to the acceptance and approval by the BOT. The Trustees shall act only as a group and the Individual Trustees shall have no such power.

There are 11 Trustees in the Board, with at least two Permanent Members elected as trustees. Permanent Members are Zuellig family members, including but not limited to the parents, siblings, ascendants, and descendants as determined, appointed, or nominated by the family. Apart from the Permanent Members, the Foundation has Elective Members that consist of the persons named as trustees in the Articles of Incorporation and such other members as may be admitted or elected by the majority vote of the BOT. An Elective Member is an individual who has rendered distinguished service to the community and other areas of public welfare, developmental organization, or has made a significant contribution to the Foundation.

The Trustees are elected annually and the Board election process seeks to ensure that members have the right skills and experience to guide the organization. The By-laws and Articles of Incorporation have been amended to reflect and ensure this. The revisions are also intended to harmonize the ZFF By-Laws and the Articles of Incorporation to provide support to current practices, policies and procedures. The revisions are also aligned with the regulatory requirement of the Corporation Code, Securities and Exchange Commission, and the Bureau of Internal Revenue.

To be a Trustee, an individual has to be of legal age, is committed to the objectives of the Foundation, must always adhere to the rules and regulations of the Foundation, must regularly attend the meetings of the Foundation, and must actively participate in the projects and activities of the Foundation. The Board conducts yearly elections, and the Trustees hold office for one year or until their successors is appointed or elected. Trustees elected or appointed to fill vacancies occurring before the expiration of a particular term shall hold office only for the unexpired period. To assess the Board’s own
sustainability performance, it uses the sustainability reporting process, as the adoption of the Global Reporting Initiative framework for the monitoring and management of the triple bottom-line performance of the entire organization is elevated to the BOT for review and its approval. The BOT also determines the qualification of an applicant for membership to the Foundation and membership is approved by the Board. The total members of the Foundation shall not however, exceed twenty (20), both permanent and elective. It is not necessary that the entire membership be filled. Members of the BOT do not receive any compensation, per diem, or remuneration in any form during their term of office as payment for their services as Trustees, but may be given allowances for actual traveling and other expenses incurred in connection with their services to the Foundation.

Members of the Foundation are eligible to any elective or appointive office of the Foundation and have the right to vote on all matters relating to its affairs, avail of its facilities, participate in all deliberations and meetings, and examine all the records or books of the Foundation during business hours. They are required to obey and comply with the by-laws, rules and regulations that may be promulgated by the Foundation from time to time; attend all meetings of the Foundation, and; contribute to the development programs of the Foundation.

The BOT shall have the power to create and delegate powers to other committees, as it might deem necessary in connection with any particular undertaking of the Foundation. It may appoint an Executive Committee consisting of a Chairman, the President, the Treasurer and two BOT members. During the intervals between meetings of the BOT, the Executive Committee shall exercise the full power of the BOT in the management of the business and affairs of the Foundation and shall advise and aid the officers of the Foundation in all matters concerning its interest and the management of its business.

The BOT may also create an Audit and Finance Committee (AFC), which shall consist of no fewer than three members of the Board, each of whom are expected to provide business and financial expertise to the Board. The AFC shall assist the BOT in its oversight responsibilities regarding: the integrity of the Foundation’s financial statements; the Foundation’s compliance with legal and regulatory requirements; the independent auditor’s qualifications, independence and performance; the performance of the Foundation’s internal audit function; the oversight of the Foundation’s internal controls; the oversight of an Foundation’s risk management program, specifically in terms of our financial management capacity (see page 22); and the financial policies of the Foundation.

Complementary to the work of the Audit and Finance Committee (AFC) is the right of the members of the Board to examine all the records or books of the Foundation during business hours. The President of the Foundation has the power to conduct a financial audit as he/ she sees fit. Together with the Treasurer of the Foundation, he/ she shall present to the BOT and the members an annual budget and, from time to time as may be necessary, supplemental budgets. The President is also expected to submit to the Board as soon as possible after the close of each fiscal year, and to the members of each annual meeting, a complete report of the activities and operations of the Foundation for the fiscal year under his/her term.

The annual BOT meeting, held at the principal office of the Foundation on the last Thursday of February of every year, its regular meetings, and special meetings provide the BOT with the opportunity to discuss its performance. During the annual
meeting, the BOT elects Trustees for the coming years and the President of the Foundation also delivers his/her annual report. Notices of the time and place of annual and special meetings of the members shall be given either personally, by electronic mail or by special delivery mail, at least two weeks before the date set for such meeting. The notice of every special meeting shall state briefly the purpose of the meeting. Empowered by its Problem Resolution Policy (“open door” policy) and guidelines on business ethics and office decorum, employees have the opportunity to bring questions, suggestions, and problems to the attention of senior management, who may then elevate them to the BOT. The policy encourages them to speak openly and honestly with all levels of management. The Foundation commits to listen and give careful consideration to any and all issues brought to the attention of the HR Unit or management of the Foundation. Employees are also welcomed and encouraged to provide positive feedback on the things that they like about the Foundation’s performance.

To avoid conflict of interest, all Foundation employees must not serve as directors or officers of any organization that might supply goods or services to the Foundation, buy goods or services from the Foundation, or compete with the Foundation. Neither is it permissible for them to work as employees of or consultants to any of these organizations. Trustees who sit in various organizations’ management committees disclose these ties should the companies participate in the bidding process. Said Trustees inhibit themselves from the evaluation and selection process.

To reduce possible incidences of corruption or conflict of interest in procurement, ZFF has clear policies and procedures on procurement, and the activity is centralized at the ZFF office. Partner municipalities cannot nominate contractors—rather ZFF secures sealed bids from the general public. Since procurement require rigor and compliance with procedures, ZFF administrative services and finance are in charge of procurement, with separation of duties. A Bids and Awards committee convenes for purchases above P750,000, with the Board of Trustees serving as signatories for a final check.

Also, Zuellig Pharma does not exert any influence in the Foundation’s procurement of medicines. All these are captured in the Conflict of Interest Policy.
Beyond Participation: Stakeholder Engagement from Strategy to Execution

The Zuellig Family Foundation (ZFF), in carrying out its goals and objectives, finds its greatest motivation and rewards in meaningful stakeholder engagement.

While addressing health inequities through its HCM, the Foundation also inspires effective leadership among local government leaders and health officers with its efficient approach in implementing its interventions. Its close working relationship with various stakeholders ensures that programs under the HCM remain relevant and in context, especially in geographically isolated and disadvantaged areas, and opens the doors for sustainable and long-term engagement.

The Foundation formed a Sustainability Technical Working Group (STWG) that identified the key stakeholders for this report.

All stakeholders (including one who opted not to identify himself) provided feedback by either participating in a personal interview or submitting a survey form. The second option allowed them to identify the indicators they would like the Foundation to look into and report on. A series of stakeholder engagements discussed the strong points of their partnership with the Foundation, looked into key areas for improvement, including possibilities and prospects, and what they would expect from the sustainability report.

**INTERNAL STAKEHOLDERS**

The presentation to the members of the BOT and employees (on two different dates) involved a discussion on the practice of sustainability reporting, specifically the use of the GRI framework to measure, disclose, and be accountable to external and internal stakeholders in terms of how the operations contribute to sustainable development. The BOT clarified the role of sustainability reporting in improving transparency and accountability, and its possible benefits to the organization when the performance data and the results of stakeholder engagement process are maximized.

In the consultations with the employees, ZFF’s staff development program and performance monitoring surfaced as the best practices of the organization that they want to share with the public through the sustainability report. They were particularly proud of the Foundation’s open-door policy and its collegial approach to addressing grievances, which are seen as opportunities for leadership training and coaching. They acknowledged that employees are provided various opportunities to raise
The participating stakeholders for this report were:

- Three members of the Board of Trustees
- Selected employees of the Foundation
- Gov. Sol Matugas of Surigao del Norte
- Mayor Raysalam Bagul Mangondato of Balindong (Watu), Lanao del Sur
- Former Mayor Sonia Lorenzo (†) of San Isidro, Nueva Ecija
- Mayor Randy A. Climaco of Tungawan, Zamboanga Sibugay
- Mayor Dennis A. Sy-Reyes of Pilar, Sorsogon
- Mayor Melchor Petracorta of Limasawa, Southern Leyte
- Vice Mayor Mario Quijano of Pinabacdao, Samar
- Dr. Aida Abaton, Municipal Health Officer of Balindong, Maguindanao
- Director Nestor F. Santiago, Jr. of the Department of Health – Bureau of Local Health Development
- Ms. Regine Esguerra, Development Academy of the Philippines (DAP)
- Prof. Raymund Resuelo, Director, University of Makati
- Ms. Michelle Avelino of ACCESS Health International, lead convener of the 162-52 Coalition

Pinabacdao, Samar vice mayor Mario Quijano is shown as he discusses health programs with some barangay health workers and municipal employees. As the former mayor of the town, Quijano’s innovative health financing scheme became widely accepted thanks to the cooperation and active participation of BHWs who tirelessly educated the people about the benefits of the program.

their concerns with management, which include the quarterly staff meetings, staff assemblies, and performance appraisal period. (See the discussion on labor and employment on page 53)

In addition, the employees suggested that the report provide information on the economic performance of the Foundation, specifically the economic impact of the program on the communities, as well as the process for determining ZFF’s employee performance gift. Both items are addressed in the economic and labor performance sections of the report and the report index.

EXTERNAL STAKEHOLDERS
Local executives were keen to discuss how the Foundation has improved health services in their areas of responsibility as they
received assistance in terms of both infrastructure and training. Gov. Sol Matugas of Surigao del Norte says that they have been able to improve on their efficiency in implementing their health services programs, with the help of the Foundation.

As a sense of ownership of existing health services is cultivated in the different municipalities, substantial reforms have also been brought in the form of better provision of basic health services and a more holistic monitoring component.

Affirming the Foundation’s commitment to making health services accessible to all, Mayor Sonia Lorenzo(†) of San Isidro, Nueva Ecija, shared, “They were there during the ‘birthing pains’ of these projects. If not for them, we would not have been able to mainstream the health agenda in our LGUs. They were able to bring in health reforms.”

Mayor Mangondato of Balindong (Watu), Lanao del Sur, noted how the capacity training helped them outline their social responsibilities, taught them how to maximize facilities, and emphasized the importance of coordination among the municipal health office, the sangguniang barangay (village council), and the barangay health workers. She also shared their appreciation for the linkages established between the local government and other institutions, through the Foundation’s programs.

**ACADEMIC PARTNERS**
Together with partners from the academe, the Foundation provided training programs on leadership and capability building that also proved invaluable to the communities. Said partners appreciated the Foundation’s efficient coordination with the organizations involved in making the HCM a reality. They also noted the ease of transfer in terms of technology and methodology from the Foundation to the partners. These testimonials highlighted the Foundation’s willingness to share health strategies while making sure that the communities’ unique and local concerns were being addressed accordingly.

Because of the training the Foundation has provided, University of Makati faculty served as effective coaches during the training program for mayors, according to Prof. Resuelo. Similarly, Esguerra from the DAP, spoke highly of the
commitment and passion that the Foundation personnel and staff brought to the table.

**CHALLENGES**

But, as with all important endeavors, the training was not without its challenges. While DAP trainers commended the quality content of the HCM module, they also shared how they have had to adjust in implementing the module since they had been accustomed to the DAP’s usual long-course format.

In addition, University of Makati’s Resuelo expressed his concerns regarding the Foundation’s proposal to market the program to the university’s network of sister-cities around the country. He expressed that this would prove difficult for them since they were primarily a training institution, and that they did not have the capacity and budget to handle marketing.

A common concern among the external stakeholders was the financial aspect of the program and the dynamics with the funders, which is discussed in the management approach to economic sustainability on page 29. Local executives would also like the report to include expenses that came with the activities and programs that were part of the HCM, and the extent of contribution of the funding institutions that supported the module. As part of ZFF’s commitment to greater transparency, this report discloses the economic performance of the Foundation including its five largest donors and the value of their contributions on page 30.

Partners from the academe, on the other hand, inquired about the possibility of being funded by the national government and the feasibility of raising the tuition to cover more training expenses.

Other key stakeholders, especially the health officers at the provincial and municipal levels, expressed keen interest on establishing more linkages with other government and non-government units. They were open to other activities and campaigns that may be done together with their own health programs, and how to make these health programs more relevant at the barangay level.

Tinambac, Camarines Sur mayor Ruel Velarde values the involvement of different stakeholders in all his government’s programs. In this photo, the mayor is shown telling barangay residents about the town’s programs on reproductive health (RH) and senior citizens. For the RH program, Velarde has the support of the local Catholic church in educating couples about the natural family planning method.
Zuellig Family Foundation’s Management Approach to Sustainability

Economic Performance

ZFF’s Economic Performance

<table>
<thead>
<tr>
<th></th>
<th>2012</th>
<th>2013</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Total Economic Value Distributed</td>
<td>Total Economic Value Generated</td>
</tr>
<tr>
<td>Donations plus Revenues from Financial Investments</td>
<td>130,150,608</td>
<td>138,703,804</td>
</tr>
<tr>
<td>Total Economic Value Generated</td>
<td>130,150,608</td>
<td>138,703,804</td>
</tr>
<tr>
<td>Operating Costs</td>
<td>38,538,052</td>
<td>69,522,504</td>
</tr>
<tr>
<td>Salaries, Wages and Other Benefits</td>
<td>13,224,523</td>
<td>15,779,963</td>
</tr>
<tr>
<td>Payments to Providers of Capital</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>Payments to the Government*</td>
<td>22,669</td>
<td>82,854</td>
</tr>
<tr>
<td>Community Investments**</td>
<td>34,009,114</td>
<td>51,201,607</td>
</tr>
<tr>
<td>Total Economic Value Generated</td>
<td>85,794,358</td>
<td>136,586,928</td>
</tr>
<tr>
<td>Economic Value Retained</td>
<td>44,356,250</td>
<td>2,116,876</td>
</tr>
</tbody>
</table>

*All taxes and related penalties paid to government agencies (BIR and SEC)*
**Donations of small equipment to upgrade facilities of health stations; infrastructure grants such as barangay health stations and birthing clinics in rural areas; community disaster relief and recovery operations to affected municipalities; Busog Lusog Talo program (a partnership for nutrition with Jollibee Foundation); grant to Synergeia Foundation to start integrating health in its education programs

References:
This figures were taken from the Audited Financial Reports approved by the Board for the Financial year 2012 and 2013 PFRS for SMEs.
NIRC Section 20 (a) being a nonstock, non profit corporation with respect to income received such as donations.
BIR Revenue Regulations No. 15-2010 for taxes and licenses.

ZFF Wage Rates

<table>
<thead>
<tr>
<th>Sector/Industry</th>
<th>Basic Wage</th>
<th>Basic Wage Increase</th>
<th>New Basic Wage</th>
<th>COLA</th>
<th>New Wage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Non-Agriculture</td>
<td>P426</td>
<td>P10</td>
<td>P436</td>
<td>P30</td>
<td>P466</td>
</tr>
</tbody>
</table>

P466/day x 26 days = P12,116 per month

• ZFF’s minimum entry level rate is P15,000/month or P576.92 per day for 26 days per month
• ZFF’s pay is the same for male and female employees
• Entry-level wage is 1.24 times higher than is mandated by law.
ZFF’s Sources of Funding

2013 = P137,492,538

<table>
<thead>
<tr>
<th>Source</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Institutional</td>
<td>97%</td>
</tr>
<tr>
<td>Individual</td>
<td>3%</td>
</tr>
</tbody>
</table>

ZFF’s Donors and Percentage of Contributions

2013 = P137,492,538

<table>
<thead>
<tr>
<th>Donor</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Merck Sharp and Dohme</td>
<td>5%</td>
</tr>
<tr>
<td>United Nations Population Fund</td>
<td>8%</td>
</tr>
<tr>
<td>Naspers Limited</td>
<td>2%</td>
</tr>
<tr>
<td>Others</td>
<td>6%</td>
</tr>
<tr>
<td>Zuellig Family</td>
<td>76%</td>
</tr>
</tbody>
</table>

A non-stock, non-profit family foundation, ZFF relies on the annual donations of the Zuellig family and contributions through its joint partnerships with donors and partners for the fulfillment of its mandate to promote effective and sustainable healthcare systems in the Philippines, with an emphasis on primary healthcare services in rural communities. This includes UNFPA, USAID, UNICEF, Merck Sharp and Dohme, among others.

Independent of the corporate social responsibility programs of the Zuellig Group, the Foundation receives no funding from any of the subsidiaries or affiliates of the corporation or from the Philippine government. On occasion, ZFF receives financial donations for disaster-relief programs and purchases medicines from Zuellig Pharma at a substantial discount. To ensure that a significant percentage of the funds are allocated and used exclusively to realize its mission, vision, and goals, the Foundation has set a ceiling for its administrative and operational expenses at 30% of the total expenses for the taxable year. It also gives monetary donations during times of disasters and accounts for these donations in the annual report.

ZFF has a policy on fund management that establishes the general standards and guidelines, including on aspects of periodic accounting and monthly reconciliations, separate accounting
Community Disaster Response Program, 2013

- **20,121** TOTAL Households that received the relief kits

- **1,800** patients served in a 2-Day Medical Mission in Dao and Ivisan, Capiz (ZFF’s team of doctors and nurses were assisted by a team of volunteer nurses from Iloilo City and volunteer doctors from Bacolod City.)

- **P1 million** worth of medicines donated by either Zuellig Pharma Corporation or purchased at a discount

- **P1 million** worth of medical supplies from B. Braun Philippines through ZFF (given to the rural health units in the municipalities of Dao and Ivisan in Capiz, Salcedo, Giporlos, and Gen. MacArthur in Eastern Samar province; and Agutaya and Magsaysay in Palawan)

- **2 water purifiers** for the municipalities of Giporlos and Salcedo in Eastern Samar from ROK Water Technologies through ZFF

---

**Capiz**

- 6,399 DAO
- 5,627 IVISAN
- 12,026 HOUSEHOLDS

**E. Samar**

- 4,402 SALCEDO
- 2,599 GIPORLOS
- 1,094 GEN. MC ARTHUR
- 8,095 HOUSEHOLDS
systems and bank accounts to ensure against commingling of specialized funds and the Foundation's own funds.

It does not engage in speculative investments. It always keeps funds liquid, and never knowingly invests in anything that would (or might be perceived to) compromise its operations and financial commitment to programs. In practice, this means that all funds are placed in banks on short- and medium-term deposits so that it gets a relatively reliable passive income stream, while at the same time it can access funds quickly for operational needs.

For the financial report requirements, the Foundation complies with the Philippine Financial Reporting Standard for Small- and Medium-sized Entities (PFRS SMEs) and other financial report requirements established by law. The Foundation also has its own Finance Manual that supports the project fund management, with some projects using specific tracking systems that are related to donor requirements.

Financial audits are critical to protecting the integrity, transparency, and accountability of the Foundation, thus it conducts financial audits on an annual basis, although some projects are subject to other specific audits based on the funding-agreement requirements with the donors. Every year, the Foundation undergoes the National Execution Audit on fund utilization and internal controls as global pre-requisite
for the continued funding of UNFPA. As a program partner and funder, UNFPA has also conducted a micro-assessment of the Foundation’s capacity development and financial management, i.e., a review of the strengths and weaknesses of its financial management system and the identification of best procedures for transferring program funds and the most appropriate assurance method. Through the micro-assessment, ZFF has been certified with the rating of ‘Low Risk’.

Integral to the work of the Foundation is the recognition of the importance of good governance, ethics, and standards. It upholds the highest standards in fundraising and receives contributions only from reputable donors. The Audit and Finance Committee ensures the soundness of its financial policies and the integrity of all financial statements, which include the responsible allocation of resources and compliance with legal and regulatory requirements.

Ultimately, the Foundation regards its fiscal soundness and economic sustainability as critical factors in the sustainable development of the poor municipalities it serves.

As the Foundation goes about its mission of installing reform in local health systems through its Health Change Model, it understands that it can contribute significant positive impacts on the local economies of the priority areas of the National Anti-Poverty Commission. Where possible, it undertakes local hiring and local sourcing that the adoption of HCM entails, even if it has yet to develop a policy on this matter. It also contributes to infrastructure development with the construction of birthing clinics, and provides small grants for community programs, and relief and rehabilitation in areas affected by calamities.

The Foundation believes that an effective healthcare system protects the health and wellbeing of the community. It can also have indirect positive impacts on the limited resources of poor households and disadvantaged communities and even contribute to the improved productivity of these households.
### Zuellig Family Foundation’s Management Approach to Sustainability Program Effectiveness and Social Development

#### 2013 No. of Training Participants

<table>
<thead>
<tr>
<th>Program</th>
<th>Number of Training</th>
<th>Number of Participants</th>
<th>Number of LGUs</th>
</tr>
</thead>
<tbody>
<tr>
<td>Health Leaders for the Poor</td>
<td>6</td>
<td>139</td>
<td>50</td>
</tr>
<tr>
<td>Municipal Leadership and Governance Program</td>
<td>17</td>
<td>282</td>
<td>143</td>
</tr>
<tr>
<td>Barangay Health Leadership and Management Program</td>
<td>17</td>
<td>786</td>
<td></td>
</tr>
<tr>
<td>Health Leadership and Management for the Poor</td>
<td>18</td>
<td>474</td>
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</table>

**Total Training Participants:** 2,099  
**Training Activities:** 85
Provincial Leadership and Governance Program

<table>
<thead>
<tr>
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<th>Number of Participants</th>
<th>Number of Provinces</th>
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</thead>
<tbody>
<tr>
<td>12</td>
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</table>

Participants: Governors, Provincial Health Officers, Chiefs of Hospitals, Provincial Health Team Leaders
Training Activities: 12
## Cohort Health Indicators

<table>
<thead>
<tr>
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<tbody>
<tr>
<td>Cohort 1</td>
<td>62</td>
<td>41</td>
<td>20</td>
<td>4</td>
<td>3</td>
<td>4</td>
<td>65</td>
<td>69</td>
<td>76</td>
<td>66%</td>
<td>69%</td>
<td>76%</td>
</tr>
<tr>
<td>Cohort 2*</td>
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<td>50</td>
<td>99</td>
<td>6</td>
<td>7</td>
<td>6</td>
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<tr>
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<td>70%</td>
<td>77%</td>
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<tr>
<td>All Cohorts</td>
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<td>6</td>
<td>6</td>
<td>5</td>
<td>63</td>
<td>70</td>
<td>77</td>
<td>63%</td>
<td>70%</td>
<td>77%</td>
</tr>
</tbody>
</table>

*Cohort 2: includes 1 GIDA municipality from Samar province

**LEGEND:**

- MMR: Maternal mortality ratio
- IMR: Infant mortality rate
- FBD: Facility-based delivery
- SBA: Skilled birth attendant

**Cohort Health Indicators**

- Cohort 1: (poor and four ARMM municipalities)
- Cohort 2*: (poor)
- Cohort 3: (ARMM)
- Cohort 4: (poor w/ GIDA Bgys.)
- Cohort 5: (GIDA)
Guided by its vision to serve as catalyst for better health outcomes for the Filipino poor, especially those in the rural areas of the country, Zuellig Family Foundation (ZFF) focuses on improving local health leadership and governance and developing targeted and pro-poor health programs to realize a sustainable, inclusive public healthcare system and enhance the quality of life of Filipinos.

The Foundation is very keen on improving health outcomes. It has aligned the HCM with the country’s efforts to meet the country’s MDG targets for health. These are MDG 4, which is on the reduction of the mortality rate by two-thirds among children under five years old and MDG 5, which is on the reduction of the maternal mortality ratio by three-quarters, or a target reduction of 52 deaths per 100,000 live births.

Focusing on regions marked by the most challenging health inequities as identified by the National Anti-Poverty Commission (NAPC), ZFF’s change strategy known as the HCM (see diagram on page 13) builds the knowledge and capacity of local political and community leaders and health officers for more proactive and appropriate actions and better accountability on health issues affecting their communities. Training, practicum, and a technical leadership roadmap (with deliverables on the areas leadership and governance, health workforce, medicines and commodities, information system, health financing, and service delivery) provide a solid framework for the systemic and systematic improvement of the Philippine public healthcare system. (See “A Better View: Changing the Philippine Healthcare Landscape” on page 41)

ZFF’s strategic interventions stem from its well-studied, comprehensive understanding of the Philippine national health sector and rigorous gathering and benchmarking of empirical health data and performance in the priority regions. An active stakeholder engagement process—encompassing feedback and response, mentoring and coaching, program monitoring and evaluation, and public information through research and advocacy—is built into the organization’s operations and the HCM given the unique challenges and considerations of the cohort municipalities, which include low-income LGUs, the ARMM, and geographically isolated and disadvantaged areas (GIDAs). The engagement process takes into consideration the social determinants that shape program effectiveness and, throughout program implementation, the Foundation adheres to and complies with all national and local laws, standards, and regulations pertinent to the provision of health services as a basic human right.

Recognizing the vulnerability of the areas it supports and those adjacent to said areas, the Foundation has programs in response to the needs of communities during emergencies. A Community Disaster Response Program streamlines the distribution of relief goods in calamity-hit areas, especially but not exclusive to ZFF LGUs.

When the need arises to immediately restore efficient interim health services in calamity-stricken communities, including the donation of medicines and funds to build temporary health infrastructure, ZFF’s Recovery Assistance Program (RAP) is mobilized. In its initial run in 2013, this six-month pioneer program addressed the needs of typhoon Haiyan-hit communities, and ensured that quality health services remain available in order to maintain the health gains and improvements in communities prior to Haiyan.

The Foundation always strives to deliver significant health improvements to ensure program sustainability and progressively works towards health care reform.
While ZFF works with local political leaders to achieve its goals, ZFF is a non-partisan organization. It teaches program participants the Bridging Leadership Framework, which promotes the multi-stakeholder approach in the resolution of social issues. It advocates equitable policies in public health in support of its goal and provides orientations on Philippine health-sector developments as part of its public awareness and advocacy initiative for the national and local partners. The ZFF Health Outlook Forum serves as a public platform for the presentation and discussion of rural health initiatives and results to form private-public partnerships that help fast track the reduction of maternal deaths in several provinces.

Collaborations and a cooperative approach help address specific factors that affect access and delivery of health services in the rural areas, such as partnerships with the academe on the aspect of training or technology partners on the aspect of efficient information systems, among others.

Ultimately, ZFF seeks to broaden the positive impacts of the HCM to more disadvantaged Filipinos through its nationwide institutionalization.

It expands its leadership training to regional and provincial health officials through HLGP and helps link national and regional levels of the DOH with the provincial and municipal government units, which serve as the poor’s direct access to necessary healthcare.
Getting a medical checkup for some Filipinos, especially those from poor, marginalized communities, can be very challenging. Photo shows a family from Matuguinao, Samar, where travels from distant villages to the rural health unit in the town center require at least an hour of travel by foot through rivers and unpaved paths that turn very muddy when it rains.
Aiza Borden, 21, a mother of two, lives with her husband Bayani, a part-time motorcycle driver in Barangay Nagpapacao in the municipality of Matuguinao in Samar, one of the top ten poorest provinces in the country. Pregnant, Aiza needs to have her prenatal checkup at the rural health unit (RHU)—a journey that takes her, her husband, and their second child the entire morning. Her firstborn is left with a neighbor.

The trip to the RHU in Matuguinao is an arduous one for the Bordens, as the video documentation of Zuellig Family Foundation (ZFF) shows its trainers and program participants, an eye-opener to the plight of mothers and pregnant women in the country’s poor communities. Done mostly on foot, it involves a steep climb up a mountainside and a boat ride that put Aiza and her unborn child at risk throughout the journey.

At the RHU, Aiza is told that she needs to go the Calbayog District Hospital for laboratory tests given her elevated blood pressure. It is a much farther trip requiring money for transportation and the Bordens decide to forego the necessary medical tests.

Aiza’s experience is not unique. It can also be said that it is not representative. A province may have indigenous, upland, and island municipalities as well as a bustling city center, each with its own set social landscapes shaping the beliefs, sensibilities, and life ways of the people.

For instance, the Subanens of Lapuyan, Zamboanga del Sur, believe in home births because of the rituals that must be performed before and after delivery. Because of this, the woman runs the risk of post-partum hemorrhage, one of the leading causes of maternal deaths.

Or it may be that the far-flung barangay is too hard to reach—such as Aiza’s—or located in conflict-ridden area, that the pregnant women have to resort to traditional birth attendants, if at all.

When the health services were devolved from the national to the local governments (excluding the ARMM), this well-intentioned move that was meant to empower local governments ended up fragmenting the health system. The municipal governments, in charge of primary healthcare, found themselves unprepared. Mayors who had no prior experience in facilitating the provision of primary healthcare services or had no established rapport with their municipal health officers were unable to maximize this newfound mandate. They also had difficulties in reallocating their limited resources to create responsive health programs and services for their constituents.
Training design and materials of the Ateneo Leaders for Health Program were made available to ZFF, which also worked closely with the Galing Pook Foundation which shared its best practices on health. A consultation workshop was similarly conducted with selected partner non-government organizations (NGOs) to harvest lessons from their experiences.

In 2008, ZFF developed the HCM, which works with municipalities with poor health indicators but with local chief executives who are committed to improving the health outcomes of their constituents. The application of the HCM is focused heavily on mothers and children, especially their health and welfare, with maternal mortality ratio being a sentinel indicator.

At the heart of the ZFF’s HCM is a change of heart. The success of the program rests in the interior transformation of the local leaders. For ZFF, the goal is for the mayors to learn to connect their life’s purpose to the quality-of-life indicators of their constituents.

A local chief executive and local health leader (municipal health officers or MHOs) undergoing ZFF’s program go through a two-year, four-module face-to-face program with six months of practicum in between. During the training, the mayors and the MHOs have structured learning exercises to help them become Bridging Leaders.

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Mayor Dennis Sy-Reyes of Pilar, Sorsogon, admits, “Before Zuellig (Family Foundation) came, health wasn’t my priority. Since there were doctors, I left it up to them. I realized it shouldn’t be the case.”

**BIRTHING CHANGE**

Underscoring the need to provide reforms to the existing healthcare system is the role of stakeholder engagement, especially given the dire consequences that a weak system can have on the poor. The numbers, in fact, prove the serious disparities between the health outcomes of the rich and the poor, evident in the 2008 study “State of the Nation’s Health” that was conducted by UP Manila-National Institute of Health and led by Dr. Alberto Romualdez(†).

For instance, life expectancy at birth among people in high-income urban areas like Metro Manila, Cebu, and Davao was over 80 years, but less than 60 in low-income rural areas. Newborns in the poor areas were nine times more likely to die than babies in the rich areas. Similarly, maternal mortality ratio (MMR) was at least 150 per 100,000 live births in poor rural areas versus less than 15 in the rich areas. Those at the richest quintile have the option of giving birth in a private facility with a skilled birth attendant, 87% of the poor have only one option: to deliver at home assisted by a traditional birth attendant.

When ZFF decided to recast its intervention in 2008—deciding to focus on the health of the rural poor, foregoing the short-term health programs and projects for a systemic, strategic approach, and aligning with the MDGs—the Foundation undertook a series of stakeholder consultations and studies so that it would gain a deeper understanding of the Philippine health system and create a truly responsive program.

When the 2008 data showed that, when seeking healthcare, over half (52%) of those in the poorest quintile went to either the village health center or the rural health RHUs of their municipalities, it decided that reforms must start the municipal level, where the healthcare services most accessible to the poor may be found.

ZFF also commissioned a study documenting the best practices in health at the municipal level in the four municipalities, namely, San Isidro, Nueva Ecija; Gattaran, Cagayan; Concepcion, Iloilo; and Bindo, Negros Oriental. The study, along with interviews with key informants, showed that the key to the outstanding performance of local government units was the mayor, “who holds the power [authority] and the purse.”

Given this focus on leadership, ZFF used the Bridging Leadership Framework, an open-source material developed by the Asian Institute of Management-Team Energy Center for Bridging Leaders. (whose founding executive director is the current ZFF president). Bridging Leadership, with its emphasis on Ownership, Co-ownership, and Co-creation, promotes collaborative action through dialogue to address social inequities.
As Bridging Leaders, they examine themselves for a personal response and commitment to a solution to a problem (ownership); identify the stakeholders, acknowledge their roles in the problem and the solution, and foster dialogue to build understanding and trust (co-ownership); and work with the stakeholders to create a shared response, making sure that the strategies are widely accepted by the community and are sustainable (co-creation).

The personal commitment of mayors and municipal health officers is critical in the creation of health systems that are equitable and responsive to the needs of the poor, especially those in rural areas. Shown in photo is the Barangay Health Leadership and Management Training using the Bridging Leadership Framework, which promotes collaborative action among various stakeholders to address social inequities.

This is a major learning for Mayor Belman Mantos of San Pablo, Zamboanga del Sur. “We all need to know what the problems of the municipality are and we have to work together in solving them. It cannot be all up to me because I cannot do everything. The challenge is really big so each one has contribute to its solution.”

During practicum, the participants are given coaching and monitoring
isolated and disadvantaged areas, thus posting high poverty rate, poor health-seeking behavior, and also have security concerns.

In Lapuyan, where 80% of the residents are Subanen, the local chief executive consults with tribal and religious leaders before any steps are taken. According to Dr. Nillos, the Subanen group strongly supports the health programs after certain cultural practices have been integrated in the health facility.

According to Lapuyan Mayor Daylinda P. Suling, the municipality had six maternal deaths and an MMR of 1,600 in 2009. Two years after the adoption of the HCM, Lapuyan posted zero maternal deaths in 2011—an improvement that continued up to 2013 and which she was very proud of. “I learned so much. If we really focus on our job and we all work together, we can solve all our problems.”

Through ZFF’s HCM, local leaders are becoming more proactive and innovative about improving their local health systems. As the individual journeys of the municipalities continue, one gets closer to the vision of a
much-improved healthcare landscape, where the access to health services are equitable, responsive, and context-sensitive. Says Mayor Sulong, “It can be done.”

CHALLENGES IN THE CHOICE OF PARTICIPATING MAYORS
Since ZFF promotes health leadership and governance, it is important that the participating mayors are carefully selected—those who exhibit good governance practices and are committed to improving the health indicators of their poor constituents. Interviews with knowledgeable informants are likewise solicited to weed out the “undesirable.”

References:


“At the heart of the ZFF’s Health Change Model is a change of heart. The success of the program rests in the transformation of the local leaders.”
Almost a thousand kilometers up north, in Magdiwang, Romblon, Dr. Rowena Dianco, a municipal health officer for almost two decades, faced the challenge of cultivating health-seeking behavior among the residents. Thinking it must be because its health facilities were limited, the municipality enhanced them to better accommodate more mothers. Still they stayed away.

A SOCIAL LABORATORY
The two municipalities are but two of many that need improvements in their local health systems. The two also point to the many challenges that need to be addressed when providing health services to under served communities—challenges that include a limited budget, poor public infrastructure, inaccurate data, and sometimes even traditional belief systems, all of which must be addressed with sensitivity to their respective contexts.

Serving as a “social laboratory” in which specific approaches to the implementation of the HCM are conceptualized and implemented by the Foundation and its partners is the Community Health Partnership Program (CHPP).

Through the HCM’s built-in consultative approach and monitoring and evaluation process, the Foundation is able to identify the needs and local nuances of the various partner municipalities in the CHPP.

This is essential because an approach in a GIDA municipality may be more resource-intensive than in non-GIDA areas. Similarly, ARMM LGUs and non-ARMM LGUs may not have identical mandates.

Thus, program monitoring and evaluation generates empirical evidence and experience that are vital to the sustainability of the HCM and the project innovation that needs to take place in different setups to bring significant improvements in the health indicators.

For the same reason, the LGUs are also encouraged to share their analyses of the data they have gathered through their own program monitoring and evaluation methods. Their analyses constitute a key component of modular training and coaching sessions facilitated by ZFF, where LGU-based analyses are highly regarded as valuable perspectives in streamlining the application of the HCM in their respective areas.

For instance, consultations have revealed that having the hilot or the traditional birth attendant to be part of the working team helps encourage pregnant women to use the birthing clinics rather than deliver at home.

To make sure that the process of monitoring and evaluation is embedded in the program and feeds its constant improvement, the Foundation has a Monitoring and Evaluation, Research and Advocacy Unit that is mandated to regularly get updated health information.
and data from the operating units. The data gathered are placed in the ZFF Knowledge Management Website, along with other informational materials. This website serves as a venue for information sharing among ZFF’s employees, fellows, and partners.

More importantly, regular meetings and the monthly coaching and monitoring provide the stakeholders a regular venue to raise any concern about the program. The Foundation assigns an account officer to document the concerns raised by the partners while referring to the policies of the Foundation. When the concern is not covered by policy, the account officer elevates the matter to the program manager who, together with the account manager, will discuss and address the concern, usually after consultation with the administration.

THE SIBUYAN EXAMPLE

The monitoring and evaluation process surfaces issues that have an impact on the sustainability of health programs carried out in the communities, such as the critical role of the barangay health worker (BHW).

In 2011, ZFF conducted an action research that surfaced inadequacies in the number of health workers—doctors, midwives, nurses, and BHWs—as well the lack of competencies of some BHWs. Similar issues on BHWs were also regularly raised during the coaching and monitoring sessions in the practicum phase of cohorts 1 and 2 (2009 to 2012).

An innovation undertaken by three municipalities under Cohort 2 in Sibuyan Island, Romblon, was to secure the tenure of the BHWs. A Memorandum of Agreement banning the arbitrary removal of BHWs was made and entered into by and among municipal and barangay leaders, which then meant that removing a BHW had to follow due process that involved the local health board.

This then led ZFF to improve its enhanced municipal roadmap—a monitoring and evaluation tool—by requiring a “system for BHW recruitment and retention mechanisms” as well as the “ordinance and timely provision of BHW honorarium.” The roadmap also underscored the need for a strengthened barangay health system by including the need for a “functional barangay health governance body” and having an “implemented and integrated barangay health plan.”
Prior to initial rollout in select municipalities under the UNFPA-ZFF partnership, it was discussed and reviewed by ZFF management and staff. The rollout then became an opportunity for ZFF to generate additional feedback based on actual experience of the municipalities, after which the roadmap again underwent minor revisions based on feedback and then finalized.

This key insight into the need for better barangay health leadership also led ZFF to strengthen its barangay health leadership program. Renamed the “Barangay Health Leadership and Management Program,” the program was improved to be more responsive to the needs of the barangay captains and BHWs for additional knowledge and skill. BHLMP has modules on leadership and management for barangay leaders and community health teams.

### IMPROVEMENT AS STANDARD PRACTICE

When the public health nurse Aisha saw that Sultan sa Barongis posted zero maternal death after its adoption of the HCM, she did not immediately accept it. According to her, Islam prescribes that the dead be buried on the same day so that the Rural Health Unit might not have accurate data. She told herself, “We have to find out. It is better to have accurate and comprehensive information.”

The quality of the information that the Foundation processes can make or break the success of the HCM in the municipalities. On top of the regular meetings, partners are expected to submit updates of their technical roadmap within three months after every training schedule, and results of maternal and death reviews are required every month, if possible. Updated reports on the Field Health Services Information System (FHSIS), the official information system of the DOH, are expected on a quarterly basis, at least.

ZFF also conducts internal trimestral monitoring and, together with other stakeholders, such as the experts from the stakeholders, such as the experts from the
academe and government agencies, reviews and analyzes the data during roundtable discussions and workshops as needed. Data from the colloquia, which is the graduation of the cohort municipalities that is open to the public, also serve to provide key insights from the experience.

An online coaching management system is available to track adaptive and technical coaching, and the leadership journey of the mayors and the municipal health officers. Manuals can also be downloaded from the Knowledge Management website.

But perhaps the biggest innovation in terms of monitoring and coordination is the Wireless Access for Health (WAH) initiative. By using IT platforms such as 3G connectivity and electronic medical records, the Foundation hopes to improve healthcare service delivery because of the real-time data that it can provide from the field, synchronized patient alerts via SMS, and inter-connectivity for reporting and consolidation of health data.

In expanding the coverage of the HCM through the HLGP with the DOH, the Foundation also developed different tools to ensure the integrity of the HCM. This is a crucial step because in engaging with DOH, ZFF is no longer directly in charge of the delivery of the training.

These tools include the Bridging Leadership Competency Monitoring and Evaluation; local health system roadmaps; and a quality assurance system that includes tools for the pre-training, training, and practicum phases, and an evaluation flowchart that show the cycle of the Municipal Leadership and Governance Program.

Ultimately, the leadership and personal commitment of the local chief executives and the local health workers in personally attending to the issues are the keys to local health reforms.

In the video documentation produced by ZFF on the experience of the various program stakeholders, Dr. Dianco admits, “With the help of ZFF, I had the chance to really think about the extent of what I can do with my work. I realized I needed to act. The people of Magdiwang town of Romblon realized the importance of the program that’s why we needed to support and own it.”

Despite the armed conflict that plagues her municipality, Aisha is committed to her role as a public health nurse. In the same video she adds, “So many things need to be done in Maguindanao. But I’m OK. We need to help each other and support our Provincial Health Officer even in times of conflict. We’re all in this together. That’s what being a health leader means to me.”

Reference:

“Program monitoring and evaluation generates empirical evidence and experience that are vital to the sustainability of the HCM and the project innovation that needs to take place in different setups to bring significant improvements in the health indicators.”
Zuellig Family Foundation’s Management Approach to Sustainability

Labor and Human Rights

Number of Employees

<table>
<thead>
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<th>Office of the Chairman</th>
<th>Office of the President</th>
<th>Office of the Vice President</th>
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</thead>
<tbody>
<tr>
<td>8</td>
<td>11</td>
<td>8</td>
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Support Services:

- 8
- 11

Operations:

- 14
- 26

Technical Services:

- 8
- 10

ZFF Institute DOH-ZFF HLGP:

- 9
- 17

TOTAL:

- 42
- 67

LEGEND: 2012 ● 2013 ●

Number of Employees per Region

LEGEND:

a - CAR (Cordillera Administrative Region): 3
b - Region 3 (Central Luzon): 1
c - Region 4a (CALABARZON): 17
d - NCR (National Capital Region): 22
e - Region 5 (Bicol Region): 2
f - Region 6 (Western Visayas): 2
g - Region 9 (Zamboanga Peninsula): 2
h - Region 12 (SOCSARGEN): 1
Zuellig Family Foundation recognizes that its people are the most important asset of the organization. Its vision of better healthcare services for the Philippines and, in particular, its goal of the empowerment and capability building of individuals and communities rest on the quality of its employees. Thus, it is the Foundation’s commitment to care for its people, which it manifests by facilitating staff advancement and giving high regard to their personal and professional welfare.

ZFF maintains a small core staff and program staff. Both receive the same benefits because ZFF’s work is built on the belief in equality. Equal opportunity is enshrined in the Foundation’s human resource development policies. It recruits, hires, and places the best-qualified manpower, whether as full-time staff or project partners, with zero tolerance for any form of discrimination or harassment. It strives to attract, train, and retain high-potential employees who exhibit the desire and capability to rise to and succeed in higher, more critical positions. It champions innovation at the workplace, encouraging and recognizing employees who develop innovative projects that help reduce health inequities in the Philippines.

STAFF DEVELOPMENT AND WELFARE
The Foundation’s compensation and benefits package falls within industry standards and benchmarks itself with DOH as well as BIR-registered foundations. Its job analysis process allows it to determine the duties, responsibilities, and working conditions that promote professional development and protect the rights and interests of its employees while they contribute to the achievement of better health outcomes for the poor. To ensure fairness and consistency in job classification and pay assignments, it has a continuing program of regular performance evaluation. This also serves as the basis for regularization, promotion, merit increase, and training and development.

The Foundation has a performance evaluation policy that assesses the staff’s capabilities, job effectiveness, attitudes, and potentials. The process, outlined in the Human Resources Manual and accessible to the staff, is designed to help build better understanding of performance between the staff and the managers. The Foundation has an annual performance evaluation calendar and procedure that reviews both core/regular and project staff and identifies those who are entitled to the annual merit increase, those who are qualified for
a promotion or transfer, those who are required to attend training and development, and those who are up for regularization and contract renewal. On the matter of the merit increase or performance pay that is not mandated by law, the Human Resources Unit consolidates the performance evaluation, summarizes the performance ratings, and consults with the president regarding the merit increase that has been provided for in the budget. The president submits recommendations to the chairman of the Board who has the power to approve it. The Board of Trustees can also grant an across-the-board merit increase.

Both in-house and external training program support staff development and build core competencies and knowledge required to achieve the Foundation’s goals. To allow employees to respond to changing business and organizational needs, it adopts a policy of providing training and continuing education programs to all. It empowers its people to be active participants in their own development. It assesses their training needs regularly with them, enabling them to identify their own training requirements, select appropriate training methods, and assess the outcomes and effectiveness of their own training. A systematic examination allows for the identification of aspects of individual knowledge, skill, interest, attitude and/or abilities that are relevant to a particular individual issue, organizational goal, or objective at ZFF.

Succession planning is also in place to develop a pipeline of trained high-potential employees with demonstrated years of solid performance and the necessary experience and expertise. This is done through various development methods such as mentoring, training, and job rotations. The Employee Scholarship Grant supports its employees’ endeavor to undertake postgraduate studies in health and development-related fields at academic institutions in the Philippines. Upon completion, these employees are expected to take on greater responsibilities in the leadership of the Foundation. Ultimately, staff development at ZFF emphasizes continuing professional enhancement not only to support on-the-job requirements but also to prepare them to join public health institutions and contribute to the achievement of better health outcomes for the Filipino poor.

The Employee Wellness Program is available to all employees because healthier employees lead to a more productive workforce with lower health care demands and greater overall savings for the Foundation. Thus, everyone is also encouraged to participate in education classes and disease screenings that help identify and reduce health risks before serious health problems occur and allow better management of existing conditions.


ZFF recognizes the need for safe, appropriate, and humane working conditions that are conducive to productive work. It is the Foundation’s policy to make its environment a safe place to work in and free of any form of violence. To achieve this, all employees have work safety as a responsibility. ZFF strives to professionalize its
safety and security management so that it can enhance the delivery of its duty of care to its staff and personnel. It has started to identify security measures that can be adopted to attain maximum safety and security for the staff while affording them the greatest possible freedom to implement the organization’s programs. ZFF’s safety training seeks to progressively build the required skill set so that the entire organization is prepared for emergencies and disasters. It also secures additional insurance premium for all staff in relation to work in armed conflict areas.

ZFF occupies the same premises of ZPC, and everyone subscribes to the ZPC’s emergency management framework and participates in its emergency preparedness and response program to ensure the readiness of the staff to address emergencies. It also implements a system of communication and determination of appropriate course of action to aid management and staff whenever calamity or civil disturbance occurs. It does not deploy employees and project partners to work sites that are considered hazardous.

ETHICS AND INTEGRITY AT WORK
The Foundation has strict policies and systematic processes concerning the observance of business ethics and proper office decorum. Because it places great importance in maintaining an atmosphere of trust and respect in the workplace, it has an “open door” policy that affords all employees the opportunity to speak openly and honestly with all levels of management, without fear of any adverse action that might be taken against any employee for utilizing the following procedure. Its Grievance Procedure and Dispute Resolution policy ensures employees are afforded the opportunity to file a grievance on matters associated with the employee’s employment relationship with the Foundation or to enter into a dispute resolution process to facilitate resolving misunderstandings and maintain positive work relationships. An allegation that an employee’s rights under this policy have been violated also will be subject to review under the grievance procedure. Similarly, employees involved in any ethical investigation or disciplinary action are given due process. Protecting the privacy of its employees and their records is also crucial to the security and viability of the organization.

Because the realization of its goals relies on partnerships, ZFF makes sure to engage only with legitimate, reputable, reliable, competent and responsible partners, suppliers, and vendors who have passed the prescribed accreditation process. As outlined in ZFF’s Administrative Services and Policies Procedures Manual, it chooses partners based on their ability to provide products with the desired quality, during the agreed time, at the lowest price possible, and with a guarantee of performance. It is also paramount that partners and suppliers comply with appropriate Philippine laws. The Foundation makes sure that supplier selection and evaluation processes are consistent with good business practices and in full compliance with all applicable foundation and donor regulations.
Creating Initiators and Innovators: Staff Development at Zuellig Family Foundation

The mind frame, the heart flame, and the gut game—these are the essentials of an entrepreneurial spirit that lets a person innovate and create value in society, even see opportunities in a crisis, says Filipino management expert Dr. Eduardo A. Morato, Jr.

This is the spirit that Zuellig Family Foundation (ZFF) strives to cultivate in each employee because the vision, mission, and goals of ZFF can be very daunting. A lot of the challenges to local health governance are systemic, hardened over the years, while health-seeking behavior is hardly ingrained in the constituents. Based on the results in the partner municipalities, however, they are attainable. And crucial to the achievement of better health outcomes for the Filipino poor is the quality of the people of the Foundation who face the task.

ZFF staff must be, first and foremost, initiators and innovators because implementing sustainable change requires a pioneering spirit that is ready and willing to let go of familiar but ineffective ways, and a bias for action when faced with a need to develop new approaches.

This is constantly called for at the Community Health Partnership Program (CHPP), ZFF’s social laboratory. Under CHPP, the stakeholders—ZFF staff and partners—test, adjust, and improve the Health Leadership and Governance Strategy for its successful adoption and implementation in the hardly homogenous set up of LGUs in the rural poor communities of the country. Lessons gained from the CHPP laboratory help strengthen the Health Change Model and enhance ZFF’s training program.

Similarly, throughout program implementation, ZFF staff and partners encounter hurdles given the introduction of a new framework, which is deemed as additional responsibility. With a mindset for innovation, the ZFF staff must be able to engage the stakeholders so that all parties involved are open and willing to take risks in trying new approaches, customizing programs according to various contexts to be able to address more difficult health issues in unique circumstances. Innovation also teaches one to be resilient and adaptive as one implements change.

To create a pool of initiators and innovators, the Foundation has a strong staff development program that is based on the core competencies of the employees and on a systematic examination of their requirements known as the Staff Development Needs Survey. Based on this survey, it is able to provide in-house and external training program that equips the staff with the most appropriate knowledge and skills set to meet the Foundation’s goals.

In late 2012 to early 2013, the Foundation conducted the Management for Health Development Program (MHDP), which was designed to develop the strategic and developmental thinking of employees so that they can more effectively influence the local health leaders in including health programs and related initiatives in their core priorities. A total of 26 ZFF health workers (regional managers, cohort team leaders and cohort team members) participated in the 14-day training that spanned four weeks.

Dr. Maria Ellen Licup-Medina, a participant and a project associate handling Albay and Camarines Norte under the ZFF-UNFPA Partnership Project, shares that the work of ZFF can be very challenging especially when it comes to LGU leaders
who have been working “for a much longer time than us.”

She had hoped that the program would “equip us with the skills necessary to be able to apply strategic thinking and critical analysis in our work. In a way, I expected it to provide a fresh perspective on the work that we do, encourage us to do out-of-the-box thinking, and then help us develop the skills to be able to see these ideas through.”

Setting the tone of the entire program was the opening module that emphasized the entrepreneurial spirit and empathy. The two values are important especially to the work of the ZFF employees. It is the enterprising spirit that sees opportunities in crisis and threats—critical in reform and advocacy—and it is empathy that allows one to be truly responsive to the needs of others, in this case the poor and vulnerable, whose voices have long been marginalized. Together, they can help the Foundation employees as they strive to create inclusive health innovations and inspire local health leaders and workers to similar innovation and, more importantly, to action.

Developed by the Bayan Academy for Social Entrepreneurship in consultation with the ZFF Human Resources (HR) Unit, the MHDP modules covered the process and content to help turn the participants into genuine developmental health practitioner. It covered the topics of Strategic Perspective and Management, Change Management and Leading Change, Social Marketing, Project Management, and the Demand and Supply Side of the Health System, and offered a comprehensive review of the Philippine health system and an overview of the health sector reform. The depth and range of the topics served to prepare the ZFF employees for a series of workshops that were intended to strengthen their understanding of the concepts, develop initial program innovations, and test them through critiquing.

According to Dr. Licup-Medina, “The skills that we learned in strategic planning and entrepreneurial thinking greatly helped me and guided me in coaching the LGU leaders. It helped me in leading them to think of new things. Strategic planning and management skills also helped me to be more critical in organizing and implementing the activities that we do in connection to the attainment of our project’s outcomes and objectives. I liked the workshops wherein we develop new ideas on how we do our work and then deepen them further. It was refreshing and it inspired me to think this way for our actual work as well.”

Dr. Licup-Medina is now the project manager of the ZFF-UNICEF Partnership Project. She manages a team of eight people in charge of strengthening the local health systems in six cities and nine municipalities for better health outcomes. The MHDP is one of the several high-level training programs that the Foundation offers its employees so that its people are able to develop their competencies and learn new capacities. Through it, the Foundation fulfills its responsibility to its employees for their continuing education so that they can respond to the changing business and organizational needs. With the replication of the HCM together with the DOH, the targets of the Foundations have grown and the goals more ambitious, and a stronger team becomes an imperative.
Zueillig Family Foundation’s Environmental Sustainability By The Numbers

**ZFF’s Environmental Sustainability By The Numbers**

- **5,167 kWh** per month
- **123.83 m³** per month

**Zueillig Family Foundation’s Management Approach to Sustainability**

### Electrical Consumption 2013

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### Water Consumption 2013

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<td></td>
<td>123.83</td>
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**Average per month**
Zuellig Family Foundation strives to be an environmentally responsible citizen and intends to conduct its operations at the head office and the program implementation of the HCM in partner communities all over the country with minimum adverse impacts on the environment. As a recipient of a USAID grant to finance its programs, the Foundation has been subjected to an environmental assessment and awarded the Categorical Exclusion document, which affirms that no environmental impact is expected of its HLGP.

ZFF’s operations are limited to program management, training, and coaching of local chief executives and health workers. Understanding that its environmental impacts stem largely from transportation and the development of the requisite training materials, the Foundation implements cost-efficient measures that also minimize the impacts of these activities. The Foundation does not maintain a fleet of vehicles and the use of public transportation is prioritized during field work. Whenever possible, it works with local suppliers or hires locally (from the regions) and uses the offices of regional or community partners. It uses paper made from renewable fiber for the printing of its training manuals and recycles the materials whenever possible.

Resource conservation, such as the judicious use of water, electricity, and paper, is a key initiative in the head office as part of the company’s commitment to environmental sustainability. Its solid waste management follows the guidelines of the overall waste management program of ZPC because the Foundation’s office is located inside its compound.

The Foundation also offers limited financial support for the construction of the health facilities in its priority areas. The design of the health facilities follows the facilities-management guidelines set by the DOH, which include a provision for healthcare waste management. Actual construction of the facilities is beyond the scope of the Foundation, but it has a vendor accreditation process that allows it to select suppliers that comply with environmental laws, are cost-efficient, and have a track record for quality and delivery.

The Foundation has also started the provision of solar lamps and solar suitcases in geographically isolated and disadvantaged areas after the devastating impact of typhoon Haiyan on some of the cohort municipalities. It is considering the possibility of conducting assessments for the use of renewable energy, in particular solar power, in the health facilities in its partner municipalities and improving on the design of the health facilities to integrate solar-power technology. With its network and expertise in program management, the Foundation can help municipalities connect with solar-energy technology providers and explore various modes of sustainable energy financing.

Throughout the scope of its work, ZFF makes sure that it complies with the national and local environmental laws and regulations. Given that environmental measures are similarly cost-efficiency measures at ZFF, the Finance and Administration unit oversees ZFF employees’ compliance with the environmental programs and standards of the Foundation. The Human Resource unit is in charge of disseminating information on environmental concerns. In terms of the USAID grant, the Foundation, together with representatives of USAID (Agreement Officer Representative and Mission Environmental Officer) reviews all ongoing and planned activities under the HLGP to ensure that they remain compliant with the environmental documentation. Any new activities outside the existing documentation have to be reviewed and approved by USAID prior to implementation.
Here Comes the Sun: Powering Up Health Facilities

Access to energy is essential to sustainable development and a critical factor to the Foundation’s vision of a sustainable healthcare system in the country.

While the ZFF’s focus is mainly on maternal health and child health through improvement of leadership and governance, it understands that issues such as access to reliable energy can have direct impacts on the health and wellbeing of mothers and children.

In the Philippines, rotating blackouts are a fact of life in some of the country’s provinces. Unreliable electricity, however, can have a huge impact on the provision of basic health services to the poor because rural health units cannot operate 24/7. Lack of electricity can affect on the survival of a person requiring immediate medical attention.

Such was the case when super typhoon Haiyan, an extremely powerful super typhoon, made landfall on November 8, 2013. According to updates issued December 2013 by the National Disaster Risk Reduction and Management Council (NDRRMC), the super typhoon affected more than 16 million people, leaving 6,155 dead and 28,626 injured. More than a thousand people are still reported missing.

Later on, 13 Haiyan-hit cohort municipalities from Samar and Eastern Samar received WeCareSolar’s donation of 61 solar-powered lamps and 12 solar suitcases. The equipment has a power load that is sufficient for the lighting of RHUs and charging mobile phones. Facilitated by ZFF through Stiftung-Solarenergie Philippines under the Light for Health Project, the donation of the solar-power equipment benefited the municipalities of Basey, Marabut, and Villareal in Samar, and Balangiga, Balangkayan, Gen. MacArthur, Giporlos, Guiuan, Hernani, Lawaan, Mercedes, Quinapondan, and Salcedo in Eastern Samar.

Immediately after Haiyan hit, the United Nations identified temporary electrical power as a key capability that needed to be addressed to enable fast action to address the most urgent needs of the affected communities.

A solar suitcase, provided by Stiftung-Solarenergie Philippines, was lent to the town of Villareal in Samar about 2 weeks after Haiyan struck, and was used by the community while power was scarce—most importantly during a delivery that happened within a few days after Haiyan struck. At that time provinces in Region VIII were still experiencing power outages, which included Samar and Eastern Samar.

The same NDRRMC report estimates the damage cost at more than P85 billion, with the government allocating some P18 billion for recovery and rehabilitation projects in typhoon-affected areas including P1.6 billion for damaged power generation and transmission facilities.

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Together with Solar Solutions, Inc., the Foundation has planned a technical assessment and engineering design development of solar energy systems for the hospitals of Languyan, Sapa-Sapa, and Sibutu in Tawi-Tawi, an island province in the Autonomous Region in Muslim Mindanao. The power load of the solar-powered hospital is expected to fully power refrigerators to ensure 24/7 blood supply in these district hospitals and enable round-the-clock operations.
For 2014, the Foundation will continue exploring the possibility of conducting similar initiatives. Based on the results, the Foundation may push for the energy-efficient health facilities for partner municipalities that are off the grid, i.e., outside the reach of main transmission lines nationwide.
Zuellig Family Foundation’s Management Approach to Sustainability

Year 2012

Start of Adoption of Wireless Access for Health

16 LGUs covered under Wireless Access for Health in 2013

3 Training videos produced in 2013

7 training manuals

15 workbooks

85 Number of training activities in 2013*

2,099 Number of training participants in 2013*

8 Academic Partners in 2013

- Ateneo de Zamboanga University
- Benguet State University
- Bicol University
- Davao Medical School Foundation
- Development Academy of the Philippines
- University of the Philippines College of Public Health
- University of the Philippines School of Health Sciences
- Xavier University

* See breakdown in Discussion of Management Approach to Sustainability: Program Effectiveness and Social Development.
Because information empowers, it is in Zuellig Family Foundation’s mandate to spread the use of knowledge and technologies that make its health development programs better informed and more efficient and effective. To do this, ZFF measures the results of all interventions in partner-municipalities and provides evidence-based recommendations to stakeholders. With its empirical data, it also aims to influence policy makers at the national and local levels to improve the health status of the country.

The research thrusts of the Foundation are to conduct health-related studies and to document issues and best practices observed in the ZFF-engaged communities, which will prove vital for evidence-based advocacy. To make sure that research outputs funded by the Foundation are of sufficient rigor, partnerships with selected academic institutions have been undertaken to conduct the priority researches identified by the Foundation. It provides funding support for researches through the Alberto Romualdez Research Grant for the improvement of the HLGP. The grant awards P300,000.00 each to five researches every year to encourage ZFF’s academic partners to conduct studies supporting the improvement of HLGP, immersing themselves, and facilitating better understanding of the local government units and the local health system.
It is also ZFF’s advocacy that the value of these programs and research results be fully realized through dissemination and sharing in public dialogues and publications. The Foundation has set up the Alberto Romualdez Policy Dialogue to serve as venue for research output dissemination at the national level, specifically to the academic community, government and non-government organizations, multi-national agencies and other key stakeholders for health, and local health system development advocacy campaign. In terms of the publication of program and research results, the Foundation will publish the results of the Community Health Partnership Program through online postings and print publications. Completed researches will also be submitted for peer-reviewed publication by a reputable publisher. Overseeing both the research and advocacy agenda is the Monitoring and Evaluation, Research and Advocacy Unit.

Where applicable, ZFF subscribes to an open copyright policy to facilitate the utilization of Foundation materials and share the critical information to a wider audience. It believes that increased access to its research serves as its contribution to supporting the improvement of health outcomes in the Philippines.

Therefore, the Foundation grants permission without charging any fees and royalties provided that the material will be distributed at no cost or at production cost only, and that the adapting organization will similarly allow the use of its edition with no fees or royalties as long it is done so at no cost or at production costs only. The adapting organization must give proper credit to ZFF and include the full contact information of ZFF on the copyright page and provide ZFF with a copy of the materials produced.

To protect the interests of the Foundation and the staff who worked on the materials, ZFF registers the materials at the National Library of the Philippines for copyright prior to public release. The Management Committee is tasked with approvals of application for copyright. The Foundation has policies pertaining to single and collective authorships that seek to equally protect the rights and interests of the authors.

While Zuellig Family Foundation is not required to comply with specific laws and regulations concerning its training initiatives or its manuals, its training materials used with DOH are properly vetted with concerned stakeholders, primarily the DOH. Its technical training modules have likewise been accredited by the Technical Education and Skills Development Authority for Continuing Professional Education of medical and allied health professionals. Its programs are not directly linked to compliance with regulations and codes pertaining to customer health and safety issues or to product and service labeling.

“The research thrusts of the Foundation are to conduct health-related studies and to document issues and best practices observed in the ZFF-engaged communities, which will prove vital for evidence-based advocacy.”
In the Philippines, the role of the teacher is charged with significant meaning. It is a role that ZFF seeks to harness through the Health Leadership and Management for the Poor (HLMP), in particular to help build the capacity of Department of Health (DOH) central and regional staff, including the DOH representatives, as well as faculty members of its academic partners. (See diagram on page 7 and the HLMP training module track on this page.)

Training leaders to become change agents is no ordinary undertaking, and the training of trainers is a particularly crucial intervention. As a framework for reform, the HCM requires leaders to transform their behavior, relationships, and institutional arrangements, and thus change the health system and produce better health outcomes. Thus, trainers of capacity building interventions designed for practitioners using the HCM must be innovative and responsive to become effective in helping leaders acquire skills and competencies that would allow them to lead and manage change.

Guro, the Filipino word for “teacher,” derives from the Sanskrit guru, which means one who disperses the shadows (Upanishad). Known as masters and teachers, the guru sheds light using wisdom from experience and doctrine.

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**HLMP Training Module Tracks**

### Health Leadership and Management for the Poor Module Track

- **Module 1: Grounding and Visioning**
- **Module 2: Moving from Good to Better**
- **Participants:** DOH staff and its stakeholders, and AP faculty members
- **Pre-requisite:** HLMP Module 1 and 2

### Training of Coaches and Training of Trainors Module Track

- **Two-module Track**
- **Participants:** DOH staff especially the PHTLs and DOH Representatives, and AP faculty members
- **Pre-requisite:** HLMP Module 1 and 2

### Barangay Health Leadership and Management Workshop

- **Participants:** DOH staff especially the PHTLs and DOH Representatives, AP faculty members, and LGU MHOs
- **Pre-requisite:** HLMP Module 1
At the DOH, key personnel in both the central and regional offices undergo the Bridging Leadership course as a foundation for training and/or coaching other members of the staff as well as the local government health teams. In particular, DOH Representatives play a central role in health care reform, according to DOH Regional Director Jose Llacuna, MD, because “they bridge the gap between the local and the national. [They] are responsible for the effective implementation of the programs, which impacts the local population.”

Faculty members of the academic partners, on the other hand, undergo a series of Training of Trainers (ToT) modules on top of two HLMP modules for them to be able to conduct the Municipal Leadership and Governance Program (MLGP) for LGU health leaders. The ToTs are aimed at transferring the ZFF training brand and technology in terms of both content and methodology, primarily in consideration of MLGP as a practitioners’ course that demands extensive use of adult learning technologies. The members of the faculty deployed for MLGP go through a certification program and are regularly invited for continuing faculty development programs designed by the Foundation.

As with the DOH, the partner universities have likewise initiated the integration of the health leadership and governance courses in their academic programs. Aside from using Bridging Leadership as material content in their medical and allied health subjects, the academic partners also offer MLGP as a certificate program. A number of partner universities have offered academic units, which can be credited towards a Masters degree, to participants who will complete the MLGP modules.

Given their research and community extension programs, the academic partners are also in a position to further add value to the partnership by developing training materials using actual public health cases that can be written in the local language. Finally, the academic partners can also deploy teaching methodologies that are suited to local context as well as the needs of the LGU health teams.

Since the partnership started, the Foundation has been reviewing the delivery and management of MLGP training activities using quality assurance protocols and tools. The initial results of the review show that not all academic partners are fully equipped and effective in handling the training modules. To address this, the Foundation is providing needed interventions particularly in the area of faculty development, which include content deepening sessions and skills training workshops, continuing quality assurance appreciation seminars by the DOH regional office and the Foundation, access to more source references and other learning materials, and the recruitment of more practitioners to join the pool of regional trainers.

A number of academic partners have begun the institutionalization process of the HLGP in their respective universities in preparation for 2016, when the partnership with the DOH ends. The institutionalization process covers preparation for other, equally important areas of institutional and academic development on top of the continuing improvements geared towards faculty and curriculum development.

These additional interventions include business model development to help ensure that the program remains sustainable, including the establishment of health leadership and governance courses that are publicly offered with regular course schedules. Regional partnerships, on the other hand, will help develop markets and clientele from regional stakeholders not just in health but also in other public service and social development sectors.

Ultimately, ZFF’s training of the trainers is not only meant to build capacity among national and regional stakeholders in health through the engagement of academic institutions. Transferring the Foundation’s training technology also aims to help make innovative practices sustainable and equitable in the long run, thereby contributing to the strategic transformation of public health institutions to become more responsive and produce better health outcomes.
External Review Committee
Collective Statement

University of Asia and the Pacific
Center for Social Responsibility

General Disclosures
An External Review Committee (ERC) composed of three experienced experts in the fields of economics, the environment, society, labor, human rights and product responsibility conducted an independent assessment of ZFF’s 2013 sustainability report. The ERC is tasked to independently review and collectively assure that the sustainability report has met the standards of report quality and content of the Global Reporting Initiative (GRI) with Non-government Organization Sector Supplement (NGOSS). As to the extent possible, the ERC provided recommendations how to improve the quality and content of the current and future reporting initiatives as well as to enhance the effectiveness of the delivery of this pioneering leadership and governance program for local leaders in the health services sector.

The validation activities that began on December 2014 and ended on February 2015 composed of meetings between the ERC members, reading the report, interviews, review of supporting documents, and site and office visits.

The key disclosure points behind this collective assurance statement are the following:

- The Center for Social Responsibility of the University of Asia and the Pacific (CSR-UA&P) provided the logistical and administrative liaison to the ERC and its work with ZFF;
- ZFF paid for the honorariums of the ERC members and for the administrative and logistical services of CSR-UA&P, and shouldered the costs of the meetings and travels of the ERC;
- During the course of the assurance process, ERC, with the assistance of ZFF, identified the people to interview and the sites to visit;
- The collective assurance statement on the quality and content of ZFF’s sustainability report was based on GRI G3.1 standards, and therefore should not be construed as an endorsement by CSR-UA&P nor by the institutions to which the ERC experts belong, of the health leadership and governance program of ZFF.

ZFF’s Unique and Laudable Change Model
The Health Change Model (HCM) can be considered as a unique approach to inclusive development, using a human rights-based advocacy that is explicitly enshrined in ZFF’s mission and strategy. Following a thorough analysis of the health care situation in the country conducted in 2007-2008, ZFF successfully transformed itself from a traditional provider of grants to a major key player in the nation’s health care reform process. The design and implementation of the Health Leadership and Governance Program (HLGP), the methodology behind the HCM, quickly proved its outcome-effectiveness that other local chief executives, and funding agencies like the UNFPA, began to adopt the program. By 2014, the Department of Health (DOH) endorsed its nationwide implementation and mainstreaming.

The target beneficiaries of the HLGP and the means to reach them are well defined. The ultimate beneficiaries are mothers and children coming from poor households and the means to reach them are through the building of the leadership and governance capacities and skills of local leaders involved in running the system and delivering the health services.

The care of expectant mothers and their infants, especially in poor and geographically isolated and neglected areas of the country is one of the major gaps in the fight against poverty. Satisfactory maternal health translates to better infant health and therefore higher survival rates for both mother and child. To ensure that the destitute household will have better chances at grabbing the opportunities to extract themselves out of their malaise and overcome the vicious cycle of
poverty, health initiatives among others must begin early—from maternal care all the way to infant delivery. ZFF has well inserted itself to fill in this gap.

ZFF’s initiatives are laudable and worth emulating because of four reasons: the unique framework that drives its program, the strong focus on the leadership and governance of the local executives and health staffers, the utilization of available but idle resources and the close monitoring of outcomes.

The HLGP Framework seeks to prototype, pilot test and improve the HCM, and then to expand, replicate and institutionalize it with and through its participants and partner institutions that include the Department of Health, the UNFFA, the local government units and the academe. Through this partnership, ZFF engenders effective leadership and governance practices to people at various levels of government responsible for providing health care either directly or indirectly to expectant mothers and their children coming from poor households.

The focus on a specific sector—mothers and their children—lends to the efficiency and effectiveness of the HLGP as manifested in marked declines in maternal and infant mortality rates and the increases in facility based and skill birth attendant rates in most areas where the program has been piloted and expanded. The approach while initially targeting a specific sector is actually laying down the future governance and leadership and even at times the physical infrastructure and systems necessary to deliver adequately other health services like child and adult nutrition, disease prevention and treatment, etc. In other words, ZFF’s initiatives provide the pipeline needed to deliver more health services besides maternal and childcare to the neglected communities of the country.

The program has also tapped into a vast but hardly utilized fund for health care financing. Because of the HLGP, ZFF contributes to the mobilization of these funds thereby increasing the utilization of the health insurance provided by the Philippine Health Insurance Corporation (PhilHealth). Following the implementation of the maternal and child health care programs at the local level, poor households through their respective local governments can now tap PhilHealth as an important source of financing to meet the health care needs of expectant mothers and their children.

And finally, the system of gathering information and monitoring performance beginning from the training of the project staff to the final health outcomes in targeted areas allow ZFF, its partners and especially the participants to evaluate and recalibrate their training program delivery and its grass roots implementation. This monitoring allows for adjustments necessary for the efficient as well as effective use of ZFF’s resources and the continuing improvement of its processes and service delivery. This evidenced-based program bolsters the argument for the effectiveness and viability of a decentralized but empowered health leadership and governance practices at the local level.

**FINDINGS**

The ERC members would like to congratulate the Zuellig Family Foundation for publishing its first sustainability report that meets the A+ GRI disclosure standards.

The sustainability report generally satisfies the standards of content and quality required by the GRI. The economics, the environment, society, labor, human rights and product responsibility of 2013 performance of ZFF are adequately disclosed. The interviews, the supporting documents and site visits reveal consistency between what are discussed and presented in the report and the actual activities of the foundation. The contents of the report are easily verifiable. Internal documents readily support the data and information presented in the Report.

The write up is understandable an ordinary layman not involved in the technical intricacies of health governance and leadership can readily grasp the message contained in the report.

However, the report can be more balanced. While it highlights the positive outcomes of the program, the report can be explicit about the challenges of expanding and institutionalizing the program and how ZFF intends to address these challenges given the risks posed by corrupt governance practices at the local level, by the lack of public accountability, by political and electoral dynamics of local partisan politics, as well as by the need to safeguard the integrity of the program after it has been delivered and “mainstreamed”.

**ERC Collective Statement**
The report can also be enriched by disclosing how the Board has played out its role in the development and review of the foundation’s key programs; likewise, their participation in and contributions to the resource generation efforts of the Foundation to ensure financial sustainability.

The report can also elaborate ZFF’s understanding of the scope of human rights concerns in its investment agreements and contracts, and of the assurances that its key suppliers respect human rights, labor and environmental laws. And finally, the report can also highlight how ZFF values its highly-dedicated human resources and addresses the issues concerning them, such as being explicit on staff retention and attrition policies, and providing for the safety and welfare of their staff, especially those doing fieldwork in remote and inaccessible areas (e.g. GIDA communities) or conflict zones.

RECOMMENDATIONS

The recommendations of the ERC can be divided into two categories. The first category gives suggestions on the contents of the next report; and the second, proposes some suggestions on how HLGP can be institutionalized and be made sustainable.

**Recommendations for the next report.** ZFF should prepare early for its upcoming 2016 Sustainability Report now that it is familiar with the standards and the processes involved in sustainability reporting. Adequate time should be given to prepare and release a more timely and relevant report. Moreover, ZFF can also consider preparing an integrated report combining both its annual and sustainability reports into one report rather than prepare two separate documents.

ZFF can also include in its future sustainability or integrated report the evaluation of the HLGP by two of its important recipients—the participants and the mothers themselves. The results of the evaluation by the participants of the resource persons and the program administration such as the curriculum, the usefulness and readability of its handouts, the appropriateness of the venue, among others, can be included in the next report. Moreover, the evaluation of the constituents especially the mothers on the implementation of the program and the performance of their local leaders and health care providers who have attended the HLGP should also be gathered and included in the report. A positive feedback based on outcome and governance scorecards especially by mothers can generate a critical mass of people demanding access to quality health services from their elected officials and aspiring candidates.

**Improving program sustainability.** While the footprint of ZFF activities on the environment may be limited, it can include in the curriculum for health leadership and governance how health service providers can promote environmental consciousness such as sanitation programs, the proper monitoring of expiry dates of medicines and the proper disposal of expired medicines, used medical equipment and medical waste products, etc.

And finally, since the challenge is to ensure the replication and mainstreaming of the health change model, ZFF may include monitoring outcomes that also tracks activities or measures that ensure program sustainability like level of adoption of the program, passage at the local level of supporting key ordinances, executive orders, creation of permanent offices and structures, among others.

**EXPRESSION OF GRATITUDE**

The members of the ERC would like to express its heartfelt gratitude for the support extended by the ZFF’s board, senior management team, the field staff and the other stakeholders in the community. Their availability to attend meetings called by the ERC, as well as their willingness to openly share materials, records, reports and experiences have facilitated the ERC’s review and assurance process.
Dr. Winston Conrad B. Padojinog is a professor of industrial economics and strategic management. He is currently the Dean of the School of Management of the University of Asia and the Pacific. Some of his engagements besides academics include undertaking research and advocacy work to help local government units, industry associations and companies evolve into competitive and yet socially responsible organizations. He serves as a strategy consultant of a number of medium size and large companies and is regularly invited to give briefings at local and international conferences on issues related to industry competitive dynamics, strategic thinking and management and industry policy. He obtained his college degree with double majors in economics and management, his masters degree in industrial economics in the Centre for Research and Communication and doctorate in business administration at the De La Salle University.

Ms. Carmencita Abella is a leading specialist in adult learning, training and human resource development, management development, strategic planning and organizational change management. She has served as consultant to various government agencies, business organizations, international development agencies and non-government organizations in the Philippines and throughout Asia. Before joining the Foundation, Carm Abella was president of the Development Academy of the Philippines, a pioneering resource institution and think tank in the country providing training and consultancy services, program innovation and research services in organizational change, human resource development, governance, local development, and quality improvement. As RMAF President, she oversees the administration of the Ramon Magsaysay Awards, Asia’s premier prize and highest honor.
Currently, Carn is also active in the NGO community in the Philippines, serving as trustee of the Association of Foundations (AF) and NORFIL Foundation. Until recently, she was chair of the Philippine Council on NGO Certification (PCNC) and vice-chair of the Peace and Equity Foundation (PEF). She has developed for the Association of Foundations (AF) the pioneering program “Managing with Effective Board Governance” for NGO boards and Executive Directors/CEOs, and is its principal facilitator. To date, leaders of over two hundred NGOs, cooperatives and people’s organizations have benefitted from this program. Carn continues to be a key adviser on board governance and management development to nonprofit organizations throughout the country.

Dr. Jaime Z. Galvez Tan has the rare combination of the following expertise: solid grassroots community work in far flung doctorless rural areas; national and international health planning and programming, a faculty of colleges of medicine and health sciences; clinical practice combining North American European medicine with Asian and Filipino traditional medicine; national health policy development, national health field operations management, private sector health business development, research management and local government health development. He has worked with NGOs, international development agencies, the academe and government agencies.

Dr. Galvez Tan is the Chairman of Health Futures Foundation, Inc. He was a Professor of the University of the Philippines College of Medicine; Vice Chancellor for Research of the University of the Philippines Manila and Executive Director of the National Institutes of Health Philippines 2002-2005. He served as Regional Adviser in Health and Nutrition for East Asia and the Pacific Region of UNICEF in Bangkok in 1996. He served the Philippine Department of Health as Secretary in 1995 and as Undersecretary and Chief of Staff from 1992-94.
G3.1 NGOSS Content Index – GRI application level A+

Zuellig Family Foundation’s (ZFF) 2013 Sustainability Report has been prepared in accordance with the Global Reporting Initiative (GRI) sustainability reporting guidelines, version 3.1. The following table summarizes ZFF’s performance against the GRI guidelines. GRI Report Services has determined that ZFF’s 2013 Sustainability Report fulfills the requirement of GRI G3.1 self-declared application level A+. The GRI Application Level Service confirms that the required set and number of disclosures for the application level have been addressed in the reporting and that the GRI content index demonstrates a valid representation of the required disclosures. The use of the GRI Application Level Service icon serves as the formal confirmation.

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### STANDARD DISCLOSURES PART I: Profile Disclosures

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<td>The Work and Mission of Zuellig Family Foundation</td>
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<td>2.2 COMM</td>
<td>Primary activities, brands, products, and/or services.</td>
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<td>2.3</td>
<td>Operational structure of the organization, including national offices, sections, branches, field offices, main divisions, operating companies, subsidiaries, and joint ventures.</td>
<td>The Work and Mission of Zuellig Family Foundation</td>
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<tr>
<td>2.4</td>
<td>Location of organization’s headquarters.</td>
<td>About the Report</td>
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<tr>
<td>2.5</td>
<td>Number of countries where the organization operates, and names of countries with either major operations or that are specifically relevant to the sustainability issues covered in the report.</td>
<td>The Work and Mission of Zuellig Family Foundation</td>
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<td>2.6 COMM</td>
<td>Nature of ownership and legal form.</td>
<td>The Work and Mission of Zuellig Family Foundation; Governance and Commitments</td>
<td>19</td>
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<tr>
<td>2.7</td>
<td>Target audience and affected stakeholders. Markets served (including geographic breakdown, sectors served, and types of affected stakeholders/customers/beneficiaries).</td>
<td>The Work and Mission of Zuellig Family Foundation; A Better View; Of Needs and Nuances</td>
<td>13, 40, 45</td>
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<tr>
<td>2.8 COMM</td>
<td>Scale of the reporting organization.</td>
<td>The Work and Mission of Zuellig Family Foundation; A Better View; Of Needs and Nuances</td>
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<tr>
<td>2.9</td>
<td>Significant changes during the reporting period regarding size, structure, or ownership.</td>
<td>The leadership and composition of the Health Leadership and Governance Program project committee changed. See also Governance and Commitments.</td>
<td>19</td>
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<td>2.10</td>
<td>Awards received in the reporting period.</td>
<td>ZFF did not receive any award in 2013.</td>
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<td><strong>3. Report Parameters</strong></td>
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<td>3.1</td>
<td>Reporting period (e.g., fiscal/calendar year) for information provided.</td>
<td>About the Report</td>
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<td>3.2</td>
<td>Date of most recent previous report (if any).</td>
<td>About the Report</td>
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<tr>
<td>3.3</td>
<td>Reporting cycle (annual, biennial, etc.)</td>
<td>About the Report</td>
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<tr>
<td>3.4</td>
<td>Contact point for questions regarding the report or its contents.</td>
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<td>3.5</td>
<td>Process for defining report content.</td>
<td>About the Report; Beyond Participation</td>
<td>1, 23</td>
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<td>3.6</td>
<td>Boundary of the report (e.g., countries, divisions, subsidiaries, leased facilities, joint ventures, suppliers). See GRI Boundary Protocol for further guidance.</td>
<td>About the Report</td>
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STANDARD DISCLOSURES PART I: Profile Disclosures

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<td>3.7</td>
<td>State any specific limitations on the scope or boundary of the report (see completeness principle for explanation of scope).</td>
<td>About the Report</td>
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<tr>
<td>3.8</td>
<td>Basis for reporting on joint ventures, subsidiaries, leased facilities, outsourced operations, and other entities that can significantly affect comparability from period to period and/or between organizations.</td>
<td>About the Report</td>
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<tr>
<td>3.9</td>
<td>Data measurement techniques and the bases of calculations, including assumptions and techniques underlying estimations applied to the compilation of the Indicators and other information in the report. Explain any decisions not to apply, or to substantially diverge from, the GRI Indicator Protocols.</td>
<td>About the Report</td>
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<tr>
<td>3.10</td>
<td>Explanation of the effect of any re-statements of information provided in earlier reports, and the reasons for such re-statement (e.g., mergers/acquisitions, change of base years/periods, nature of business, measurement methods).</td>
<td>About the Report</td>
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</tr>
<tr>
<td>3.11</td>
<td>Significant changes from previous reporting periods in the scope, boundary, or measurement methods applied in the report.</td>
<td>This is the first sustainability report of ZFF that will provide a benchmark for upcoming reports.</td>
<td>1</td>
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<tr>
<td>3.12</td>
<td>Table identifying the location of the Standard Disclosures in the report.</td>
<td>Page where this index appears.</td>
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<tr>
<td>3.13</td>
<td>Policy and current practice with regard to seeking external assurance for the report.</td>
<td>This report will underwent GRI Application Level Check and an independent external review committee was established to determine the extent to which the report content answers the feedback provided during the stakeholder consultation. ERC’s independent panel of experts is composed of Dr. Jaime Galvez Tan for public health, Carmencita Abella for social and governance, and Dr. Winston Padjoyng for economics nad environment.</td>
<td></td>
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</table>

4. Governance, Commitments, and Engagement

4.1 Governance structure of the organization, including committees under the highest governance body responsible for specific tasks, such as setting strategy or organizational oversight. Governance and Commitments 19

4.2 Indicate whether the Chair of the highest governance body is also an executive officer. Governance and Commitments 19

4.3 For organizations that have a unitary board structure, state the number and gender of members of the highest governance body that are independent and/or non-executive members. Governance and Commitments 19

4.4 Mechanisms for internal stakeholders (e.g., members), shareholders and employees to provide recommendations or direction to the highest governance body. Governance and Commitments 19

4.5 Linkage between compensation for members of the highest governance body, senior managers, and executives (including departure arrangements), and the organization’s performance (including social and environmental performance). Governance and Commitments 19

4.6 Processes in place for the highest governance body to ensure conflicts of interest are avoided. Governance and Commitments 19

4.7 Process for determining the composition, qualifications, and expertise of the members of the highest governance body and its committees, including any consideration of gender and other indicators of diversity. Governance and Commitments 19

4.8 Internally developed statements of mission or values, codes of conduct, and principles relevant to economic, environmental, and social performance and the status of their implementation. Governance and Commitments 19

4.9 Procedures of the highest governance body for overseeing the organization’s identification and management of economic, environmental, and social performance, including relevant risks and opportunities, and adherence or compliance with nationally and internationally agreed standards, codes of conduct, and principles. Governance and Commitments 19

4.10 Processes for evaluating the highest governance body’s own performance, particularly with respect to economic, environmental, and social performance. Governance and Commitments 19

4.11 Explanation of whether and how the precautionary approach or principle is addressed by the organization. The Work and Mission of Zuellig Family Foundation 13

4.12 Externally developed economic, environmental, and social charters, principles, or other initiatives to which the organization subscribes or endorses. The Work and Mission of Zuellig Family Foundation 13

4.13 Memberships in associations (such as industry associations), coalitions and alliance memberships, and/or national/international advocacy organizations in which the organization: * Has positions in governance bodies; * Participates in projects or committees; * Provides substantive funding beyond routine membership dues; or * Views membership as strategic. Association Of Foundations Phils. Inc., People Management Association Of The Philippines, Inc., Philippine Council For NGO Certification, Inc., League Of Corporate Foundations, Corporate Network For Disaster Response Inc. 13

4.14 List of stakeholder groups engaged by the organization. Beyond Participation 23, 24

4.15 Basis for identification and selection of stakeholders with whom to engage. Beyond Participation 23

4.16 Approaches to stakeholder engagement, including frequency of engagement by type and by stakeholder group. Beyond Participation, A Better View, Of Needs and Nuances 23, 40, 45

4.17 Key topics and concerns that have been raised through stakeholder engagement, and how the organization has responded to those key topics and concerns, including through its reporting. Beyond Participation, A Better View, Of Needs and Nuances 23, 40, 45
### G3.1 NGOSS DMAs

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<td>Processes for involvement of affected stakeholder groups in the design, implementation, monitoring and evaluation of policies and programs.</td>
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<td>NG02</td>
<td>Mechanisms for feedback and complaints in relation to programs and policies and for determining actions to take in response to breaches of policy.</td>
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<td><strong>Monitoring, evaluating and learning</strong></td>
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<td>NG03</td>
<td>System for program monitoring, evaluation and learning, (including measuring program effectiveness and impact), resulting changes to programs, and how they are communicated.</td>
<td>The Work and Mission of Zuellig Family Foundation; Governance and Commitments; Beyond Participation; Of Needs and Nuances</td>
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<td><strong>Gender and diversity</strong></td>
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<td>NG04</td>
<td>Measures to integrate gender and diversity into program design, implementation, and the monitoring, evaluation, and learning cycle.</td>
<td>The application of HCM is focused heavily on mothers and women, especially their health care. Thus, most programs and interventions are heavily focused on this gender group. See also A Better View.</td>
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<td><strong>Public awareness and advocacy</strong></td>
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<td>Processes to formulate, communicate, implement, and change advocacy positions and public awareness campaigns.</td>
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<td>NG06</td>
<td>Processes to take into account and coordinate with the activities of other actors.</td>
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<td>NG07</td>
<td>Resource allocation.</td>
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<td>Sources of funding by category and five largest donors and monetary value of their contributions.</td>
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<td>NG09</td>
<td>Mechanisms for workforce feedback and complaints, and their resolution.</td>
<td>Governance and Commitments; Discussion of Management Approach on Labor and Human Rights</td>
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### ECONOMIC

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#### Economic Performance

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<td>EC1</td>
<td>Direct economic value generated and distributed, including revenues, operating costs, employee compensation, donations and other community investments, retained earnings, and payments to capital providers and governments.</td>
<td>Discussion of Management Approach on Economic Performance</td>
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<tr>
<td>EC2</td>
<td>Financial implications and other risks and opportunities for the organization’s activities due to climate change.</td>
<td>No significant financial implications for the organization’s activities due to climate change, were identified. Our risk assessment is not specifically related to climate change.</td>
</tr>
<tr>
<td>EC3</td>
<td>Coverage of the organization’s defined benefit plan obligations.</td>
<td>• Funded, noncontributory defined benefit plan covering all permanent staff. The retirement fund is a restricted fund and managed by ZFF’s trustee bank. • ZFF provides a retirement benefit equal to 100% of Final Basic Salary for every year of Credited Service. • The cost of providing benefits under this plan is determined using the accrued benefit actuarial cost method (projected unit credit actuarial valuation) taking into account the factors of interest, mortality, disability and salary projection rates. • The valuation as of December 31, 2013 indicates a Defined Benefit Obligation of P4,693,333 and Fair Value of Plan Assets of P5,565,442 resulting in a surplus of P872,923. Thus, the carrying amount of the surplus is reduced by P47,186 resulting in an asset to be recognized amounting to P824,923.</td>
</tr>
<tr>
<td>EC4</td>
<td>Significant financial assistance received from government.</td>
<td>The Foundation received no significant financial assistance from the Philippine government.</td>
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#### Market presence

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<td>EC5</td>
<td>Range of ratios of standard entry level wage by gender compared to local minimum wage at significant locations of operation.</td>
<td>ZFF’s minimum entry level rate is P15,000/month or P576.92 per day for 26 days per month. ZFF’s pay is the same for male or female. Ratios is 1.24 times higher than is mandated by law.</td>
</tr>
</tbody>
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### ECONOMIC

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</table>

#### Indirect economic impacts

| EC6 | Policy, practices, and proportion of spending on locally-based suppliers at significant locations of operation. | The foundation shall only engage with legitimate, reputable, reliable, competent and responsible suppliers who have passed the prescribed accreditation process. Suppliers will be selected based on their ability to provide products with the desired quality, during the agreed time, at the lowest price possible and with a guarantee of performance. ZFF has not stated a definition for local suppliers. Suppliers based in the community can be considered local. ZFF has no policy or practice in place that specifies a preference to contract local suppliers. Suppliers are evaluated on the following areas prior to accreditation: Price, Quality, Delivery and After-Sales Service. The foundation intends to honor all agreements entered with suppliers that passed through its standards and are in conformity with the prevailing laws and public policy. This policy is enacted to ensure that the foundation will get the best value for money. |
| EC7 | Procedures for local hiring and proportion of senior management hired from the local community at significant locations of operation. | The Foundation is committed to a policy of equal opportunity for all persons and does not discriminate on the basis of race, color, national origin, age, marital status, sex, sexual orientation, gender identity, gender expression, disability, religion, height or weight. The Foundation shall recruit, hire and place the best qualified manpower in filling vacant positions. See also section on Governance and Commitments. See Discussion of Management Approach to Economic Sustainability. |

### ENVIRONMENTAL

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#### Materials

| EN1 | Materials used by weight or volume. | Not reported. |
| EN2 | Percentage of materials used that are recycled input materials. | Not reported. |

#### Energy

| EN3 | Direct energy consumption by primary energy source. | None, ZFF only uses electricity provided by Meralco |
| EN4 | Indirect energy consumption by primary source. | See illustration. |
| EN5 | Energy saved due to conservation and efficiency improvements. | 2013 is the baseline year. There is no basis for comparison at this time |
| EN6 | Initiatives to provide energy-efficient or renewable energy based products and services, and reductions in energy requirements as a result of these initiatives. | The foundation wants itself to be known as a green foundation and adopt a policy on energy conservation as follows: - We can save about 10% on our electricity bill by adjusting the thermostat by 1 or 2 degrees. - Program our thermostat and stay with it. Set off at 5pm on weekdays. Turn-off all lights when leaving a room for more than 15 minutes. - Utilize Natural Light as much as possible. Buy Energy Star Rated Light bulbs and fixtures. Make sure all office exit signs are illuminated using CFL lights. Turn-off all lights in evenings and weekends. Keep blinds closed in summer. Use LED or CFL throughout the office. CFL’s use 1/4 the energy and last up to 10x as long. LED’s are even more energy efficient. Eliminate any unnecessary equipment such as Vending Machines. - Recycle machines that are no longer working. Buy Energy Star certified machines which will be more efficient than a standard one. Turn-off all equipment at the end of the day. |

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Sustainability Report 2013
### Environmental Indicators

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<tr>
<th>Indicator</th>
<th>Description</th>
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<tr>
<td><strong>EN7</strong></td>
<td>Initiatives to reduce indirect energy consumption and reductions achieved</td>
</tr>
<tr>
<td><strong>EN8</strong></td>
<td>Total water withdrawal by source.</td>
</tr>
<tr>
<td><strong>EN9</strong></td>
<td>Water sources significantly affected by withdrawal of water.</td>
</tr>
<tr>
<td><strong>EN10</strong></td>
<td>Percentage and total volume of water recycled and reused.</td>
</tr>
</tbody>
</table>

#### Water

- **EN8** Total water withdrawal by source. See Illustration. | 55
- **EN9** Water sources significantly affected by withdrawal of water. None.
- **EN10** Percentage and total volume of water recycled and reused. ZFF’s consumption of water is minimal, only for the normal consumption staff. Water treatment is done by Zuellig Pharma and Manila Water.

#### Biodiversity

- **EN11** Location and size of land owned, leased, managed in, or adjacent to, protected areas and areas of high biodiversity value outside protected areas. None.
- **EN12** Description of significant impacts of activities, products, and services on biodiversity in protected areas and areas of high biodiversity value outside protected areas. Not reported.

#### Biodiversity

- **EN13** Habitats protected or restored. Not reported.
- **EN14** Strategies, current actions, and future plans for managing impacts on biodiversity. Not reported.
- **EN15** Number of IUCN Red List species and national conservation list species with habitats in areas affected by operations, by level of extinction risk. Not reported.

#### Emissions, Effluents and Waste

- **EN16** Total direct and indirect greenhouse gas emissions by weight. This will be reported in the next report.
- **EN17** Other relevant indirect greenhouse gas emissions by weight. This will be reported in the next report.
- **EN18** Initiatives to reduce greenhouse gas emissions and reductions achieved. This will be reported in the next report.
- **EN19** Emissions of ozone-depleting substances by weight. This will be reported in the next report.
- **EN20** NOx, SOx, and other significant air emissions by type and weight. This will be reported in the next report.
- **EN21** Total water discharge by quality and destination. This will be reported in the next report.
- **EN22** Total weight of waste by type and disposal method. ZFF adheres to the waste management policy of the Zuellig Pharma compound but the city of Parañaque does not segregate its solid waste.
- **EN23** Total number and volume of significant spills. Not reported.

#### Products and Services

- **EN26COMM** Initiatives to mitigate environmental impacts of activities, products and services, and extent of impact mitigation. Current approach to manage environmental impact have been initiated through cost efficiency measures.
- **EN27** Identity, size, protected status, and biodiversity value of water bodies and related habitats significantly affected by the reporting organization’s discharges of water and runoff. None.

#### Compliance

- **EN28** Monetary value of significant fines and total number of non-monetary sanctions for non-compliance with environmental laws and regulations. None.

#### Transport

- **EN29** Significant environmental impacts of transporting products and other goods and materials used for the organization’s operations, and transporting members of the workforce. ZFF products and services do not have significant environmental impacts due to the nature of its product, which is the provision of training.
EN30 Total environmental protection expenditures and investments by type. There is no allocated budget for environment related expenses, however, we have cost efficiency measures that also attempt to lower our environmental impact. For example, ZFF staff do not have individual printers. ZFF employees centralized printers at the staff area to reduce electricity consumption and costs as compared to individual printers. ZFF began to change the lights from compact florescent lamp (CFL) costing P110/unit to LED bulb (costing P275/unit). The LED bulbs are 2.5 times the price of CFL but consumes 1/5 of electricity.

LA1 Total workforce, including volunteers, by employment type, employment contract, and region, broken down by gender. Discussion of Management Approach to Labor and Human Rights

LA2 Total number and rate of new employee hires and employee turnover by age group, gender, and region. Discussion of Management Approach to Labor and Human Rights

LA3 Benefits provided to full-time employees that are not provided to temporary or part time employees, by major operations. Flexible Leave, Maternity Leave, Paternity Leave, Bereavement Assistance, Parental Leave for Solo Parents, Leave for Victims of Violence against Women, Special Leave for Women, No pay Leave, Thirteen Month Pay, Meal Allowance, Travel Allowance, Maternity Assistance, Support to Expanded Breastfeeding Promotion, Insurance, Medical and Dental Coverage, Uniform and Clothing Grant, Project Completion Pay, Employee Salary Advance, Year-end Gift, Reimbursement for Mobile Phone Services, Retirement, Termination due to Illness, Wellness, Training Needs Assessment, Attendance to Training Programs, Training and Development of Employees, Succession Planning, Innovation Initiative, Scholarship Grant

LA4 Ratio of basic salary and remuneration of women to men by employee category, by significant locations of operation. ZFF staff have the same pay for the same rank for both male and female

LA5 Return to work and retention rates after parental leave, by gender. 100% retention after parental leave

LA6 Overall

LA7 Occupational health and safety

LA8 Training and education

LA9 LA10 Discussion of Management Approach to Labor and Human Rights

LA11 Programs for skills management and lifelong learning that support the continued employability of employees and assist them in managing career endings. Graduate school scholarship opportunities for all staff, Mentoring by supervisors, External training for advanced competency development

LA12 Percentage of employees receiving regular performance and career development reviews, by gender. 100% of staff undergoes performance appraisal every 4 months inclusive of career development reviews

LA13 Composition of governance bodies and breakdown of employees per employee category according to gender, age group, minority group membership, and other indicators of diversity. 15 members of the management committee: 5 female, 10 male, all Filipinos.

LA14 Discussion of Management Approach to Labor and Human Rights

LA15 Minimum notice period(s) regarding significant operational changes, including whether it is specified in collective agreements. 1 month notice, included on every contract

LA6 Percentage of total workforce represented in formal joint management-worker health and safety committees that help monitor and advise on occupational health and safety programs. 100% are represented in safety committee with Zuellig Pharma

LA7 Rates of injury, occupational diseases, lost days, and absenteeism, and number of work-related fatalities by region and by gender. There were no days lost to reportable injuries and there were no work-related data

LA8 Education, training, counseling, prevention, and risk-control programs in place to assist workforce members, their families, volunteers or community members regarding serious diseases. Access to Maxicare health bulletin at the Maxicare website; Annual medical check-up for all staff; Health Insurance for all staff via Maxicare health

LA9 Health and safety topics covered in formal agreements with trade unions. No trade unions, ZFF has a wellness program includes physical movements, healthy eating, and health consultation.

LA10 Average hours of training per year per employee by gender, and by employee category.

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**HUMAN RIGHTS**

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<tr>
<td><strong>HR1</strong></td>
<td>Percentage and total number of significant investment agreements and contracts that include clauses incorporating human rights concerns, or that have undergone human rights screening</td>
<td>100% of the ZFF contracts comply with the Philippine Labor and Commercial Laws. Contracts are agreed and discussed with the staff prior to signing.</td>
</tr>
<tr>
<td><strong>HR2</strong></td>
<td>Percentage of significant suppliers, contractors and other business partners that have undergone human rights screening, and actions taken.</td>
<td>100% of contracts conform with Philippine Laws and Public Policy</td>
</tr>
<tr>
<td><strong>HR3</strong></td>
<td>Total hours of employee training on policies and procedures concerning aspects of human rights that are relevant to operations, including the percentage of employees.</td>
<td>ZFF determined that right to health as a human right is directly related to our work. 100% of the staff have undergone the basic 2 hour orientation on ZFF covering the right to health. Cites Section 15 of State Responsibilities as per the 1987 Constitution. Cites WHO Constitution. Every country in the world is now party to at least one human rights treaty that addresses health-related rights. This includes the right to health as well as other rights that relate to conditions necessary for health. Every staff have completed 1 module on the right to health covering 3 training days of 8 hours per day see Grounding and Visioning Module 1 for details</td>
</tr>
</tbody>
</table>

**Non-discrimination**

| **HR4**   | Total number of incidents of discrimination and corrective actions taken. | ZFF has a policy of non-discrimination; no incidents were reported |

**Freedom of Association and Collective Bargaining**

| **HR5**   | Operations and significant suppliers identified in which the right to exercise freedom of association and collective bargaining may be violated or at significant risk, and actions taken to support these rights. | Staff negotiate with the management during contract renewals; There is no union in ZFF |

**Child Labor**

| **HR6**   | Operations and significant suppliers identified as having significant risk for incidents of child labor, and measures taken to contribute to the effective abolition of child labor. | ZFF engages suppliers who have complied with Philippine laws as evidenced by updated business permits, BIR and SEC registrations. ZFF engages staff who are above the legal age |

**Prevention of Forced and Compulsory Labor**

| **HR7**   | Operations and significant suppliers identified as having significant risk for incidents of forced or compulsory labor, and measures to contribute to the elimination of all forms of forced or compulsory labor. | ZFF engages suppliers who have complied with Philippine laws as evidenced by updated business permits, BIR and SEC registrations |

**Security Practices**

| **HR8**   | Percentage of security personnel trained in the organization’s policies or procedures concerning aspects of human rights that are relevant to operations. | ZFF has no security personnel. Office locks are electronic in nature |

**Indigenous Rights**

| **HR9**   | Total number of incidents of violations involving rights of indigenous people and actions taken. | None; ZFF operations are on capacity development of health leaders where no exposure on indigenous peoples rights violations are made |

**Assessment**

| **HR10**  | Percentage and total number of operations that have been subject to human rights reviews and/or impact assessments. | The entire ZFF organization has been subjected to organization-wide human rights review in 2013 |

**Remediation**

| **HR11**  | Number of grievances related to human rights filed, addressed and resolved through formal grievance mechanisms. | None; ZFF is promotive and supportive of the right to health |

**SOCIETY**

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<tr>
<td><strong>SO1</strong></td>
<td>Percentage of operations with implemented local community engagement, impact assessments, and development programs.</td>
<td>All operations follow the Health Change Model. Local community development programs based on local communities’ needs (refer to WHO building blocks) is based on 100% consultation with health leaders</td>
</tr>
</tbody>
</table>

**Corruption**

| **SO2**   | Percentage and total number of programs/business units analyzed for risks related to corruption. | The entire ZFF organization has been subjected to organization-wide analysis for risks related to corruption. Because ZFF’s main work is health leadership development, the nature of the work requires very few procurement of expensive goods and services. To reduce possible incidences of corruption, the following activities are conducted: 1. staff orientation on ZFF values, where the emphasis is that values are the boundaries of action and corruption is outside of the boundaries of ZFF values; 2. conflict of interest certification; staff will certify that they will avoid all activities that will be misconstrued as conflict of interest. 3. Orientation on Code of conduct and discipline and standards of expectation on the workplace, including penalties for non-compliance. 4. Access to updated policies and procedures at the ZFF intranet site. Given the voluminous policies and procedures, the staff may not remember all of them during the orientation. The staff is provided access to the information even after the training at the ZFF intranet site staff area, 5. clear policies and procedures on procurement, 6. centralized procurement done at the ZFF office. Since procurement require rigor and compliance to procedures, ZFF administrative services and finance are in charge of procurement, with separation of duties. This is to enable program staff to focus on their key work which is program development, implementation, monitoring and evaluation. 7. Bids and Awards committee is convened for procurement above P750,000. Higher levels of requirements are in place for significant procurement defined as above P750K. 8. Signatories of Payment are Board of Trustees, for a final check |
## SOCIETY

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<tr>
<td>SO3</td>
<td>Percentage of employees trained in organization’s anti-corruption policies and procedures. 100% of the staff are oriented on the policies and procedures. They are also given ready access on the policies and procedures. Staff are shielded from procurement to prevent them from being burdened with areas of corruption.</td>
<td></td>
</tr>
<tr>
<td>SO4</td>
<td>Actions taken in response to incidents of corruption. No incidences of corruption were reported. Code of conduct and discipline is the basis for deciding on corruption cases.</td>
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### Public Policy

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<tr>
<td>SO5</td>
<td>Public policy positions and participation in public policy development and lobbying. All training activities involve lobbying with public leaders to fix their health system towards health equity (refer to training reports and bot for summary). Potential information sources include the public policy statements of the reporting organization; internal statements of the reporting organization; internal minutes of government relations committees or departments; statements of positions adopted by the reporting organization in relevant trade associations; and records of interactions with public policy-makers. Sample documents can be provided by TSG.</td>
<td></td>
</tr>
<tr>
<td>SO6</td>
<td>Total value of financial and in-kind contributions to political parties, politicians, and related institutions by country. ZFF does not contribute financial and in-kind contributions to political parties, politicians, and related institutions.</td>
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### Anti-Competitive Behaviour

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<tr>
<td>SO7</td>
<td>Total number of legal actions for anti-competitive behavior, anti-trust, and monopoly practices and their outcomes. None.</td>
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## SOCIETY (PROGRAM EFFECTIVENESS AND SOCIETY)

### Compliance

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<tbody>
<tr>
<td>SO8</td>
<td>Monetary value of significant fines and total number of non-monetary sanctions for non-compliance with laws and regulations. P48,641.66</td>
<td></td>
</tr>
<tr>
<td>SO9</td>
<td>Operations with significant potential or actual negative impacts on local communities. None. ZFF’s operations the development of training frameworks and delivery of training. It does not deal directly with the communities.</td>
<td></td>
</tr>
<tr>
<td>SO10</td>
<td>Prevention and mitigation measures implemented in operations with significant potential or actual negative impacts on local communities. Not reported.</td>
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## PRODUCT RESPONSIBILITY

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</tr>
<tr>
<td>PR1</td>
<td>Life cycle stages in which health and safety impacts of products and services are assessed for improvement, and percentage of significant products and services categories subject to such procedures. Not reported.</td>
<td></td>
</tr>
<tr>
<td>PR2</td>
<td>Total number of incidents of non-compliance with regulations and voluntary codes concerning product and service information and labeling, by type of outcomes. None.</td>
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### Product and Service Labelling

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<tbody>
<tr>
<td>PR3</td>
<td>Type of product and service information required by procedures, and percentage of significant products and services subject to such information requirements. Not reported.</td>
<td></td>
</tr>
<tr>
<td>PR4</td>
<td>Total number of incidents of non-compliance with regulations and voluntary codes concerning product and service information and labeling, by type of outcomes. None.</td>
<td></td>
</tr>
<tr>
<td>PR5</td>
<td>Practices related to customer satisfaction, including results of surveys measuring customer satisfaction. Training feedback form</td>
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### Marketing Communications

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<tr>
<td>PR6</td>
<td>Programs for adherence to laws, standards, and voluntary codes related to fundraising and marketing communications, including advertising, promotion, and sponsorship. ZFF’s training materials are not required to adhere to any laws, standards, or voluntary codes. For fundraising, please see Discussion of Management Approach to Economic Performance.</td>
<td></td>
</tr>
<tr>
<td>PR7</td>
<td>Total number of incidents of non-compliance with regulations and voluntary codes concerning marketing communications, including advertising, promotion, and sponsorship by type of outcomes. None.</td>
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### Customer Privacy

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<tbody>
<tr>
<td>PR8</td>
<td>Total number of substantiated complaints regarding breaches of customer privacy and losses of customer data. None.</td>
<td></td>
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</table>

### Compliance

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<tbody>
<tr>
<td>PR9</td>
<td>Monetary value of significant fines for non-compliance with laws and regulations concerning the provision and use of products and services. None.</td>
<td></td>
</tr>
</tbody>
</table>
# Acronyms

**A**
- AF - Association of Foundations
- AP - academic partner
- ARMM - Autonomous Region in Muslim Mindanao
- AusAID - Australian Agency for International Development

**B**
- BHB - Barangay Health Board
- BHW - barangay health worker
- BHS - barangay health station
- BHLMP - Barangay Health Leadership and Management Program
- BL - Bridging Leadership
- BLHD - Bureau of Local Health Development
- BLHSD - Bureau of Local Health System Development
- BLT - Busog Lusog Talino Program

**C**
- CAMIA - CARD MRI Insurance Agency, Inc.
- CARD-MRI - Center for Agriculture and Rural Development Mutually Reinforcing Institutions
- CAR - Cordillera Administrative Region
- CCT - Center for Community Transformation
- CDI - Cities for Development Initiatives
- CHD - Center for Health Development
- CHPP - Community Health Partnership Program
- CHT - Community Health Teams
- CLGP - City Leadership and Governance Program
- CLHDP - Continuing Leadership in Health and Development Program
- CNDR - Corporate Network for Disaster Response
- Cohort - a partner-municipality of ZFF under its Community Health Partnership Program
- CPR - Contraceptive Prevalence Rate

**D**
- DAP - Development Academy of the Philippines
- DOH - Department of Health
- DOH Representatives - Department of Health representatives
- DSWD - Department of Social Welfare and Development

**F**
- FBD - facility-based deliveries
- FHSIS - Field Health Service Information System
- FP - family planning
- FPOP - Family Planning Organization of the Philippines

**G**
- GDA - Global Development Alliance
- GIDA - geographically isolated and disadvantaged area

**H**
- HCM - Health Change Model
- HFEP - Health Facilities Enhancement Program
- HHRDB - Health Human Resource Development Bureau
- HIS - Health Information System
- HLGP - Health Leadership and Governance Program
- HLMP - Health Leadership and Management Program
- HLP - Health Leaders for the Poor
- HPDPB - Health Policy Development and Planning Bureau
- HRDU - Human Resource Development unit

**I**
- ID - infant death
- IMPACT - Innovations and Multi-sectoral Partnerships to Achieve Control of Tuberculosis
- IMR - infant mortality ratio
- ISO - International Organization for Standardization

**J**
- JF - Jollibee Foundation

**L**
- LCE - local chief executive
LCF - League of Corporate Foundations
LGU - local government unit
LHAD - Local Health and Development
LHB - Local Health Board
LPP - League of Provinces of the Philippines
LMP - League of Municipalities of the Philippines
LSB - Local School Boards

MCP - Maternity Care Package
MCH - maternal and child health
MD - maternal death
MDG - Millennium Development goal
MeTA - Medicines Transparency Alliance
MHO - municipal health officer
MLGP - Municipal Leadership and Governance Program
MMR - maternal mortality ratio
MOA - memorandum of agreement
MSD - Merck Sharp & Dohme

NAPC - National Anti-Poverty Commission
NCDPC - National Centre for Disease and Development Control
NCHFD - National Centre for Health Facility Development
NCR - National Capital Region

OC - Oversight Committee

PBSP - Philippine Business for Social Progress
PDAP - Partnership for Development Assistance in the Philippines
PDRF - Philippine Disaster Recovery Foundation
PEF - Peace and Equity Foundation
PHAPCares - Pharmaceutical and Healthcare Association of the Philippines (PHAP) Cares Foundation, Inc.
PhilHealth - Philippine Health Insurance Corporation
PHO - Provincial Health Officer
PHTLs - Provincial Health Team Leaders
PLGP - Provincial Leadership and Governance Program
PMCC - Project Management Committee
POGS - Philippine Obstetrics and Gynecologists Society
PPFI - Pfizer Philippines Foundation
PSFI - Pilipinas Shell Foundation, Inc.
PTS - Pregnancy Tracking System

RAP - Recovery Assistance Program
RATPlan - Rationalization Plan
RD - regional director
RHU - Rural Health Unit

SBA - skilled birth attendant
SPASMs - Synchronized patient alerts by SMS
StS-SEF - Stiftung Solarenergie-Solar Energy Foundation Philippines

TB - tuberculosis
ToC - Training of Coaches
ToT - Training of Trainers
TWG - technical working group

UMak - University of Makati
UNFPA - United Nations Population Fund
UNICEF - United Nations Children's Fund
USAID - United States Agency for International Development
USPS - United States Philippines Society

WAH - Wireless Access for Health

ZFF - Zuellig Family Foundation
ZHA - Zamboanga Health Alliance (Zambo Alliance-Zamboanga Health Alliance)
Duly certified as a Development Agency by the Department of Social Welfare and Development (DSWD) and accredited by the Philippine Council for NGO Certification (PCNC).

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