



# FAST LOGISTICS ESG STRATEGY

A COMMUNICATION TO OUR STAKEHOLDERS

# A MESSAGE FROM THE GROUP CEO

## William Chiongbian II, Group CEO & President



As we navigate the dynamic landscape of the global trade and logistics industry, the demand for speed, transparency, and ESG has never been greater.

Customers are not only seeking fast delivery but also sustainable solutions that align with their values. FAST Logistics is committed to leveraging innovative technology and practices to meet customers' needs and expectations to remain at the forefront of the industry while addressing increasing ESG challenges.

Founded in 1973, FAST Logistics has become one of the Philippines' largest end-to-end logistics and distribution companies. Our vision is to be a leading provider of value-adding supply chain solutions by focusing on our customers, employees, and all stakeholders who are directly or indirectly connected to our operations. FAST Logistics is dedicated and committed to provide effective and efficient products and services that consistently exceed customers' expectations. We equally value our employees and believe our team is our biggest asset. We, therefore, take the initiative to provide a conducive working environment and support to bring the best out of FAST Logistics' employees. Together, we create a resilient organization focused on excellence and collaboration.

“At FAST Logistics, ESG is integrated into our core business operations and strategy. Our commitment to sustainable practices enhances operational efficiency, reduces waste, minimizes cost, and improves performance across the value chain.”

Recently, we successfully launched our first fleet of electric vehicle trucks that can travel up to 280 kilometers with just 1-3 hours of charging and can reduce noise significantly. These vehicles enhance our operational efficiency while reducing our carbon footprint. In addition, we aspire to have all warehouses powered by 100% renewable energy. To date, three of our warehouses have achieved this milestone.

This ESG strategy document presents our strategic priorities and material topics, including key performance data of our organization. The strategy will guide our initiatives and efforts in the coming years.

This step forward is part of our ongoing initiative to stay relevant, innovative, collaborative, and sustainable as a leading service provider in the Philippines. We are excited to actively engage in the global movement for sustainable development and play our part as responsible global citizens. We look forward to the journey ahead in co-creating value with the rest of the trade and logistics industry.

Further Together, With Gratitude,

William B. Chiongbian II

President, FAST Logistics Group

# ABOUT FAST

**FAST Logistics (FAST)** is a private trucking business established in 1973 and has grown to become the Philippines' leader in end-to-end logistics and distribution. Founded by the Chiongbian family, the company started with a focus on hauling and trucking.

Today, FAST offers a comprehensive suite of end-to-end solutions, including transport, warehousing, value added services, and selling distribution. With extensive experience in multiple logistics sectors, we have earned the trust of both domestic and global companies.

With 50 years of experience, FAST stands at the forefront of end-to-end logistics and supply chain management in the Philippines. FAST operates the largest warehouse footprint in the country, the largest fleet of trucking transport, and the widest selling and distribution network, with over 14,000 employees covering 94% of the country's provinces.

With a tech-forward mindset, FAST continues to pioneer innovation and solutions in all facets of Philippine logistics, ensuring that everything they do is future-proofed and continuously advancing.

## VISION

FAST Logistics aims to be a leading provider of value-adding supply chain solutions.

## MISSION

- Provide customers with effective and efficient products and services beyond customer's expectations.
- Develop professionals by shaping and motivating them to excel, innovate and create an environment that brings out the best of FAST Logistics' employees.

## OUR CORE VALUES



Excellence



Customer Delight



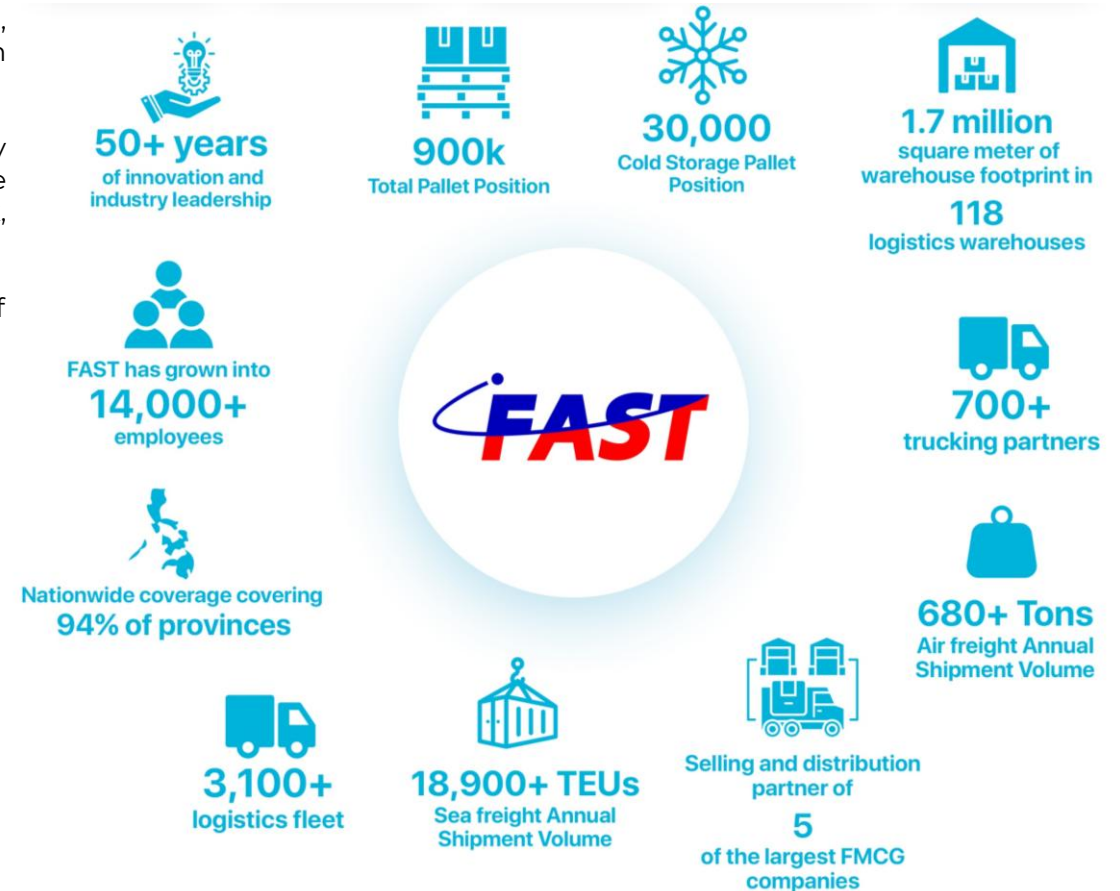
Commitment



Innovation



Teamwork



## OUR APPROACH TO ESG

We developed our ESG strategy to focus on four key strategic priorities, informed by the results of our materiality assessment. We have identified key performance indicators (KPIs) supporting each strategic priority to help us track the progress and performance of our key initiatives. We use operational control for policy coverage and for reporting progress on an annual basis.

We also support the United Nations Sustainable Development Goals (SDGs). Our ESG strategy aligns with SDGs 7, 8, 9, 10, 12, 13 and 16 where we feel we can make the greatest impact.

## ESG MATERIALITY ASSESSMENT PROCESS OVERVIEW

In 2022, we conducted a materiality assessment to identify key material ESG topics that matter to our business. We undertook the following steps:

The ESG material topics were reviewed using ESG frameworks such as the Sustainability Accounting Standards Board (SASB), Global Reporting Initiative (GRI), and the Taskforce for Climate-related Financial Disclosures (TCFD) and an analysis of FAST's peers.

The level of importance of each material topic to FAST's stakeholders and business operations was determined through internal surveys and consultations. Following the assessment, the feedback was integrated into a materiality matrix.

The material topics were reviewed and validated by the ESG Management Committee and Audit Committee to ensure alignment with business objectives.



## OUR ESG STRATEGIC PRIORITIES

As an industry leader, FAST is dedicated to driving positive impact across our customers, employees, stakeholders, and the communities we serve. Our strategic priorities form the foundation upon which we execute and advance our business, ensuring that sustainability, integrity, and empowerment guide everything we do.



### PROMOTING CUSTOMER SATISFACTION AND WELFARE

Our customers are the reason for our existence. FAST places a strong emphasis on promoting customer satisfaction and welfare by continually improving service quality and addressing customer needs. This commitment is demonstrated through a focus on our customer satisfaction score, reducing in the customer complaints, effective management of customer claims, and timely closure of Corrective Action Reports (CAR).



### CREATING A SAFE AND EMPOWERED WORKPLACE

We are deeply committed to the development of our employees and to creating workplaces that empower them to thrive. As part of this commitment, we focus on achieving ISO certification for our sites, prioritizing injury reduction and zero Loss Time Accidents (LTA), promoting diversity, and continuously improving our employee engagement score.



### TRANSITIONING TO A LOW CARBON ECONOMY

We recognize the carbon-intensive and energy-reliant nature of our logistics operations, which drives our commitment to more sustainable solutions. We are focused on reducing our direct Scope 1 and 2 Greenhouse Gas (GHG) emissions, as well as diverting waste from landfills and minimizing packaging.



### ENSURING STRONG GOVERNANCE AND RISK MANAGEMENT

We prioritize strong governance and risk management to uphold our values of integrity and accountability. We track this through annual training on our Code of Business Conduct, response rates for critical incidents, compliance with data security and privacy protocols, supplier code of conduct coverage, and sustainability risk assessments.

# ACHIEVEMENT OF ECOVADIS COMMITMENT BADGE: A MILESTONE IN OUR ESG JOURNEY

EcoVadis is a globally recognized platform that assesses the ESG performance of companies. It provides a trusted rating system that helps organizations measure and improve their sustainability efforts across supply chains.

Fast has been awarded the **EcoVadis Commitment Badge**, marking a significant step forward in our Environmental, Social, and Governance (ESG) performance. This recognition is a testament to our ongoing efforts to embed sustainability into every aspect of our business operations. We have taken clear and tangible steps to improve our ESG practices, showing both transparency and dedication to responsible business conduct.

## WHY IT MATTERS

Receiving the EcoVadis Commitment Badge reflects our efforts across several key areas:

- Environmental Responsibility:** We have strengthened our environmental management systems, improved resource efficiency, and taken action to reduce our emissions and waste.
- Social Impact:** We continue to invest in employee well-being, diversity and inclusion, fair labor practices, and community engagement.
- Governance & Ethics:** We've enhanced our policies around ethics, compliance, and anti-corruption, and increased transparency throughout our operations.
- Sustainable Procurement:** We are actively engaging our supply chain to promote responsible sourcing and improved sustainability practices.

## LOOKING FORWARD

Achieving the EcoVadis Commitment Badge is an encouraging sign that we are on the right path—but our journey does not stop here. We are committed to continuous improvement, setting higher standards, and integrating sustainability more deeply into our strategy, operations, and stakeholder relationships.

This badge is a milestone we celebrate today—and a reminder of the responsibility we carry for a better tomorrow





# STRATEGIC PRIORITY 1: PROMOTING CUSTOMER SATISFACTION AND WELFARE

**Material Topics:**  
Customer Welfare  
Product Quality and Safety

**Alignment with the SDGs:**



In Customer Care, our top priority is delivering an exceptional customer experience. We tailor solutions to fit your business, focusing on understanding customer needs, providing outstanding service, personalizing interactions, and acting on valuable feedback. Our goal is to foster loyalty and build strong, lasting relationships.

## CUSTOMER COMPLAINTS MONITORING SYSTEM

We ensure the complaints of customers are properly documented, monitored and addressed. An online application is utilized to capture customers' complaints, and guide users to lodge customers' complaints. Customer complaints received through calls or emails will be saved, recorded and attached to customer tickets. Our process of managing customer complaints is as follows:

1. Upon receipt, the customer complaint will be attended by a customer service representative, operations or the concerned department.
2. The concerned department is required to gather information and investigate the complaint, followed by appropriate actions to resolve or mitigate the complaint. The customer service representative will then provide feedback to the customer involved before closing the case.
3. Assuming the complaint requires further action, a corrective action report (CAR) will be issued for the concerned department to conduct a root cause analysis. This is followed by corrective actions and submission of the accomplished and approved CAR, which is then verified by Quality Assurance.
4. Once effective actions are taken, Quality Assurance will close the CAR, and the concerned department will provide feedback and communicate to the customer before closing the case.
5. If actions taken are not effective, the involved department is required to review, improve and/or revise the corrective action for a CAR resubmission.

# STRATEGIC PRIORITY 2: CREATING A SAFE AND EMPOWERED WORKPLACE

**Material Topics:**  
Employee Health & Safety  
Labor Practices  
Employee Engagement & Diversity

### Alignment with the SDGs:



Employee health and safety is important to FAST as risks are inherent in our daily operations. A strong focus on safety enhances employees' productivity and reduces workplace accidents. When employees feel safe and valued, their engagement and motivation increase, leading to operational efficiency and stability.

As we continue to expand and grow, employee retention is important to ensure stable operations. Hence, labor practices are essential to foster a positive working culture while ensuring competitive wages, transparent policies, and respectful treatment to cultivate and retain employees in the long run. We are deeply committed to the development of our employees and creating workplaces that empower them to thrive.

Employee engagement and diversity are crucial to drive innovation and collaboration among our employees. It strengthens our company's ability to meet client needs effectively through creative problem-solving and adapt to rapid industry changes.

## ISO CERTIFICATION OF FAST SITES

We are committed to provide a sustainable and safe workplace for our employees. We have successfully achieved ISO 9001 (Quality Management), ISO 14001 (Environmental Management System) and 45001 (Occupational Health and Safety) at 3 of our sites in Fast Services Corporation in District 1, 2 sites in District 5, 1 site for Fast Cold Chain Solutions Inc and 1 Fast Logistic Corporation (HO) site in Alabang. While four other sites under Districts 1, 2, and 5 in Cabuyao, and Cagayan are for ISO Environmental, Health and Safety (EHS) certification. In addition, Fast Cold Chain Solutions Inc., located in Tayud, has secured ISO 22000 certification for Food Safety Management



# STRATEGIC PRIORITY 3: TRANSITIONING TO A LOW CARBON ECONOMY

## Material Topics:

Energy Management  
GHG Emissions  
Water & Waste Management

## Alignment with the SDGs:



GHG Emissions, energy, water, and waste management are crucial as they are core areas where our operations significantly impact the environment. They enable us to address critical aspects of our business that directly influence both our ESG outcomes and operational efficiency. Energy management is essential for operational efficiency, as we rely heavily on energy for transportation and warehousing.

Our focus on GHG emissions is as critical as the logistics sector is a significant contributor to global emissions and climate change. To show our commitment, FAST has a board-approved decarbonization plan with 2030 targets of reducing our direct emissions (Scope 1 and 2) by 55% by 2030 from a 2023 baseline in line with a long-term goal of Net Zero by 2050. The Water and waste management is also important for us to enhance resource efficiency and minimize the environmental impact of our operations.



## ELECTRIC VEHICLES

As part of our commitment to the low-carbon economy transition, we are strategically transitioning from diesel-powered trucks to fully Electric Vehicles (EVs). This shift aims to lower our fuel costs and reduce emissions, ultimately aligning with our ESG strategy and goals.

FAST's electric trucks run entirely on electricity and can travel up to 280 kilometers with just 1-3 hours of charging and produces significantly less noise. FAST is looking to purchase 4 – 10 units in the first stage of our transition, and around 5-100 units in second and third. Our initiative towards the use of EVs also includes the installation of EV charging stations at our solar-powered facilities, along with the integration of our Transport Management System, including the use of Artificial Intelligence (AI) dashcams. The system monitors the performance of our EVs while providing real-time updates on vehicle location, driver behavior, and cargo conditions throughout the journey stage.

## RENEWABLE ENERGY POWERED WAREHOUSES

We have installed grid-tied solar photovoltaic systems on the roofs of our warehouses. Two of our warehouses in the FAST Logistics Hub in Cabuyao are now equipped with a total rooftop solar system capacity of 470.9kWp. This is expected to generate at least 20% of our warehouse's total energy requirements, powering office equipment, and light Material Handling Equipment (MHE) batteries both inside and outside the warehouse. Additionally, other warehouses in Batino, Laguna, Casinglot, Misamis Oriental, Tayud Cebu, are scheduled to be equipped with a total solar system capacity of 1.30 MWp.

We are committed to transitioning to 100% Renewable Energy (RE) to reduce our reliance on the grid, lower electricity costs, and minimize our carbon footprint. Three of our FAST Logistics Hubs in Cabuyao and Calamba are already running on 100% Renewable Energy through the Green Energy Option Program (GEOP) of the Department of Energy in the Philippines. As a result, these warehouses operate on 100% renewable energy, sourced both from on-site solar panels and renewable energy supplied from the grid.

To further advance our commitment, we plan to install a rooftop solar system with battery storage which offers several advantages. These include lowering electricity bills by utilizing renewable energy, increased energy independence by storing of excess power for use during peak times or outages and contributing to a positive environmental impact by reducing carbon emissions. In addition, this system can enhance property value and provide long-term savings on energy costs.





## STRATEGIC PRIORITY 4: ENSURE STRONG GOVERNANCE AND RISK MANAGEMENT

### Material Topics:

Business Ethics  
Critical Incident Risk Management  
Supply Chain

### Alignment with the SDGs:



FAST prioritizes strong governance and risk management to uphold our values of excellence, customer delight, commitment, innovation, and teamwork. We recognize the importance of building a strong reputation and trust from our stakeholders.

Critical Incident Risk Management is crucial to us as risks can happen during business operations. Hence, we aim to equip our employees with the knowledge and skills to handle crises to instill confidence in customers and increase customer satisfaction. In connection, ensuring that our supply chain follows our Code of Conduct and is resilient will minimize risks that potentially cause disruptions when and wherever we operate.

## VENDORS CODE OF CONDUCT

We have implemented a Vendor Code of Conduct (Code) for our vendors to ensure that they comply with the laws and regulations in our locations of operations. Zero incidents have been reported for ethics-related issues including conflict of interest issues and bribery.

Our Vendor's Diversity Program ensures the inclusivity of minority groups that represent diverse businesses. The program aims to promote vendors' commitment to our policies and procedures, build an inclusive and diverse vendor network, and create awareness of our procurement activity and opportunities. It also monitors and reports on vendor performance based on diverse goals and celebrates their achievements through awards, certification, and public recognition.

## VENDOR'S SUSTAINABILITY ASSESSMENT MODEL IN ALIGNMENT WITH ISO 9001: 2015 QUALITY MANAGEMENT STANDARD

FAST aims to establish a sustainable and ethical supply chain that benefits the company and society. Through the Code, we promote ethical behavior, compliance with laws, transparency, and fair practices. This model comprises 40% environmental compliance, 30% social compliance, and 40% governance compliance.

Our aim is to have 22% of Top Spend Vendors comply with the Code's policies. Vendors will also be subjected to sustainability risk analyses, on-site sustainability audits, non-compliance reporting, and sustainability improvement plans by the end of 2024. The compliance of our vendors to the Code provides the evaluation of vendor's sustainability initiatives and ensures ethical and responsible practices in our supply chain.





## FAST LEARNING AND INNOVATION HUB

FAST is committed to investing in employee development to continuously mold and motivate them to excel and be innovative. In line with this, we have launched the FAST Learning and Innovation Center, a first in the logistics industry, offering government-certified logistics programs that empower our employees to deepen their expertise.

The learning center also extends its services to employees from various companies seeking to provide better opportunities for their workforce while enhancing their supply chain operations.

# FAST LEARNING MANAGEMENT SYSTEM

FAST is committed to creating a safe and empowered workplace environment. As we expanded, we implemented an online Learning Management System (FAST LMS) to address the issue and transform the training approach for over 13,000 employees. FAST LMS is a strategic online course program aimed to empower employees with essential skills and knowledge to further excel in diverse roles.

Each curriculum is tailored to enhance technical expertise, such as data analysis and software development. The LMS is also being used to deliver Code of Conduct modules to ensure the proper representation of FAST amongst our employees.

FAST LMS provides multiple learning options, such as videos, quizzes, and interactive modules that allow employees to take control of their growth. The hybrid approach ensures employees receive the support that they need while strengthening competitiveness and preparing the company for future challenges.



**Software  
Development**



**Data Analysis**



**Human  
Resource**

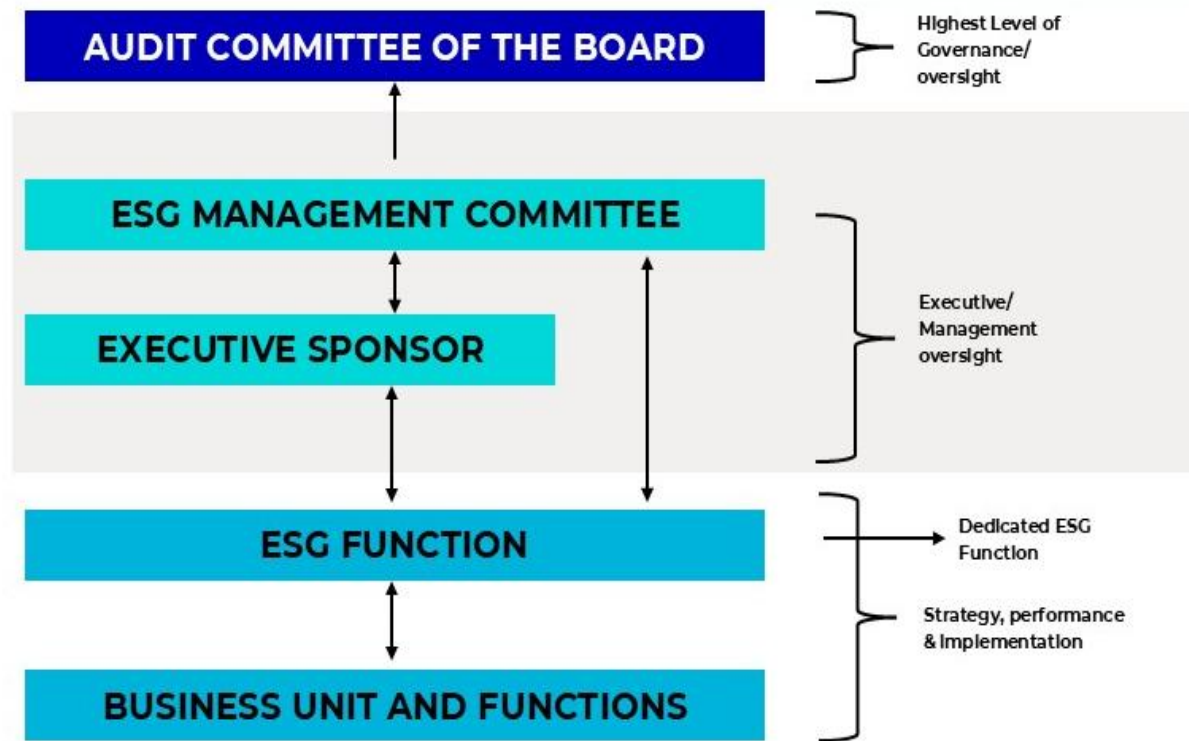
**EXPERIENCE**  
by **FAST**



# ESG GOVERNANCE

We are dedicated to incorporating ESG practices into our day-to-day operations. We believe that ESG is a collective responsibility that should be included in every aspect of our organization. As such, we have established an integrated ESG governance structure with the Audit Committee of the Board being the highest level of ESG oversight.

## ESG GOVERNANCE STRUCTURE



### Audit Committee

- Assists the Board of Directors (Board) to oversee FAST's ESG practices, ESG performance and reporting.

### ESG Management Committee

- Assists the Board in fulfilling its responsibilities regarding the company's ESG strategy, practices, and policies.
- Chaired by the Chief Executive Officer, (CEO) providing another line of visibility to the board of commissioners.
- Includes executive sponsor for each KPI identified in the ESG Strategy.
- Provides strategic direction, oversight, and decision-making for ESG matters for the organization.
- Serves as the primary decision-making body for high-level, strategic issues, ensuring the alignment of the organization's ESG strategic objectives with its mission and vision.
- Responsible for monitoring the company's ESG performance and reporting on progress to stakeholders, including shareholders, employees, and the wider community.
- Meets on a quarterly basis with additional meeting scheduled as needed. The ESG Management Committee reports formally to the Audit Committee quarterly.

### ESG Function

- Works with and supports relevant business units of ESG Strategy implementation, ensuring efficient and effective operations, managing risk at the operational level, and ensuring the quality of the organization's products or services.
- Identifies potential ESG risks and opportunities within the company's operations and proposes solutions to the ESG Management Committee.



ESG Report 2024

## CONTACT US

**(632) 8784 (FAST) 3278**

**Customer Care Hotline +63 8511-7878**

 [www.fast.com.ph](http://www.fast.com.ph)

 FAST Logistics

 fastlogisticsph

 FAST Logistics Group

 FASTLogisticsGroup

