



# CODE OF BUSINESS CONDUCT

Mabuhay Vinyl Corporation



**RESPONSIBLE CARE**<sup>®</sup>  
OUR COMMITMENT TO SUSTAINABILITY

*“Enhancing Life since 1965”*



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## MESSAGE

We are pleased to present your copy of the Amended Code of Business Conduct (“Code”) of Mabuhay Vinyl Corporation (“Company”). The Code is in accord with the Code of Business Conduct of the Company’s parent company, Tosoh Corporation. The Code embodies the core values, standards, principles and business ethics adopted and practiced by the Company and which every employee is expected to observe and comply with.

The VP’s/Department Heads are enjoined to cascade the contents of this Code to their respective units and to ensure compliance therewith.

Copies of this Code are available to business partners (suppliers, customers, etc.) and the wider public for them to be aware of our Company’s position on matters concerning business standards and ethics.

We encourage you to faithfully abide by the policies/standards/rules of our Company in the performance of our daily business activities. Let us work together in maintaining at all times a work environment that fosters fairness, integrity, respect and excellence. Let us bear in mind that the most valuable asset of our Company is our untarnished reputation in the business industry and each one of us plays a crucial part in protecting it.

Thank you for your cooperation.

  
**TETSURO HACHIMURA**  
Chairman/CEO

  
**EDWIN L. UMALI**  
President/COO

# MABUHAY VINYL CORPORATION

## CODE OF BUSINESS CONDUCT

### INTRODUCTION

Mabuhay's long years of operation are grounded in maintaining high ethical standards in the conduct of its business.

This Code of Conduct summarizes its Ethical Principles and Core Values that it adheres to and serves as a guide in relating with co-employees, customers, and all the company's other stakeholders (suppliers, government, etc.)

Mabuhay's basic compliance policy is to practice compliance in order to be an enduring and valuable participant in society as well as to pursue profits through fair competition. The foundation of our compliance policy is that each of us must appropriately observe all laws, regulations, internal MVC policies/rules, and social norms applicable to our daily business activities. The following questions should guide us in the course of our work:

1. Is our action in accordance with laws or rules?
2. Is our action in accordance with good social norms?
3. Would we be embarrassed to disclose our action to our family?
4. How would we feel if our action was reported in the news?
5. Do we believe our action is truly appropriate?

The company expects its employees to support a work environment that fosters respect, fairness and integrity, the ultimate objective of which is to preserve its untarnished reputation as a reliable and ethical company.

Every MVC employee is expected to faithfully comply with and perform his job and tasks. He shall not allow himself to be placed in a situation that will cast doubt upon his loyalty to the company or invite any opportunity to compromise his fidelity. Utmost dedication and zeal in work performance and execution are highly expected.

## STATEMENT OF ETHICAL STANDARDS

Mabuhay Vinyl Corporation adheres to the highest ideals of ethics in conducting its business. To this end, the company and its employees shall ensure commitment through words and deeds, to conform to the basic tenets of service, integrity, teamwork, excellence and social responsibility consistent with the value of God-centeredness.

## OUR CORPORATE CORE VALUES

Values serve as our guide in our day-to-day behavior as we collectively create our desired organizational culture.

1. God-centeredness – means placing the Supreme Being at the center of our personal lives and corporate objectives, recognizing that everything we do is more meaningful if it is guided by His infinite wisdom, supported by His limitless love and intended for His greater glory.
2. Integrity – means being honest, sincere and morally sound in our professional and personal lives.
3. Entrepreneurial Spirit – means a creative spirit of entrepreneurship that is visionary, bold and aggressive in our search, pursuit and development of new ventures, business opportunities and market potentials to increase the company's value to its shareholders.
4. Customer Focus – means having an organization with an internal value-chain that is focused on the customer's interest at all times. Our customer includes end-consumers of our products and also all individuals and teams in the company whom we supply with products or services.
5. Innovation – means creating new ways of doing business that will provide a competitive edge to the company's products, processes, services and business methods.
6. Teamwork – means individual commitment towards organized cooperation among employees and stakeholders, working as partners for

our common goals, and fostering an environment of mutual trust and respect.

7. Excellence – means superiority in the planning, organizing and execution of our business processes to deliver outstanding products and services to our customers, as well as benefits for our stakeholders.
8. Social Responsibility – means commitment of MVC to responsible corporate citizenship. We are committed to occupational health and safety, continuous development of new earth-friendly way of doing our job and the preservation of the balance of nature in and around our work sites.

## **ETHICAL STANDARDS FOR SPECIFIC RELATIONAL DOMAINS**

### **Human Resources**

MVC is committed to develop and maintain highly trained employees. As an “equal opportunity employer” MVC adheres to the policy and practice of providing equal opportunities for employment, development and advancement for those qualified, and offering job vacancies and opportunities to qualified existing personnel, without regard to sex, age and creed.

Bound by the fundamental principles of decency and propriety, MVC employees should refrain from any behavior and relationships which border on or might be considered obscene, indecent or immoral. As much as possible, let a good, wholesome and clean atmosphere pervade the workplace.

### **Customers**

MVC shall at all time, seek to attain customer satisfaction and loyalty by delivering only quality products and services, stressing value and safety to the user while affirming the company’s reliability.

To enhance and maintain customer confidence, an MVC employee is expected to attend to customers in an ethical manner and with utmost competence, knowing that the customers are the reason for the company's existence.

### *Product Quality and Safety Control*

MVC shall:

- obtain/maintain ISO or other appropriate certifications and observe their procedures to enhance product quality assurances and keep the continued trust of our customers.
- provide customers with accurate product information. MVC shall design and develop its products in accordance with applicable laws and standards for product safety as well as in consideration of the environment, safety and health.
- comply with the procedures of Chemical Material Safety Data Sheets (MSDS) when MVC supplies products to customers and carriers.

### **Shareholders**

Being the very source of MVC's lifeblood, shareholders deserve no less than fair and full disclosure of information on the company's worth. Transparency shall always be espoused.

### **Competitors**

MVC undertakes to promote and market its products by abiding by the rules of free competition and fair play. It shall not resort to blackmail negative publicity and similar unfair practices aimed at securing undue advantage over its competitors.



## **Government**

Having in mind the nobility of the government and the integrity of its officials and employees, MVC shall not resort to offering or giving questionable payments, expensive gifts, bribes or other similar payments and gifts to public officials and personnel, with or without anticipation of favor, privilege or facilitation. It shall faithfully comply with pertinent and existing statutes, ordinances and regulations.

MVC shall comply with applicable laws pertaining to donations for political purposes.

### *Environmental Conservation and Protection*

MVC shall:

- respect the value of environmental conservation and protection, and comply with applicable environmental laws, regulations and internal MVC policies/rules.
- be responsible for the entire process from research and development to waste disposal. We will endeavor to reduce material consumption, save energy, decrease waste, and protect the environment.

## **Community**

Being a responsible corporate citizen, MVC undertakes to share in the concerns of the communities where it operates. In conducting its business, it shall observe safe and environment-friendly practices. MVC shall comply with all applicable environmental and ecological statutes, ordinances and regulations.

## **Suppliers/Contractors**

MVC will only do business with suppliers or contractors who deliver quality materials and services, who safeguard the rights and welfare of its workers by providing

wages and benefits that comply with government laws and regulations, and who do not engage in forced labor and the hiring of minors.

MVC will only do business with suppliers/contractors who commit to contribute and abide with the company's programs on security, health, safety, environment and social responsibility.

MVC will place an order for production, maintenance, or other services to a contractor with a written document that specifies all purchase conditions, and not engage in unfair treatment of contractors, including unjustified delay in payment, unjustified return, or unjustified discount to the agreed price.

MVC shall not give/receive any gift or entertainment to/from a customer or business partner that is outside accepted social norms.

#### *Security Export Control*

MVC shall export its products and their related technologies only in accordance with applicable laws, regulations and internal policies and procedures of MVC to prevent them from being used for arms and weapons.

#### *Compliance with Import and Export Laws and Regulations*

MVC shall export and import products only in accordance with applicable laws and regulations as well as the established custom procedures and, when necessary, with government approval.

#### *Compliance with Antitrust Laws and Regulations*

MVC shall compete fairly in the local and worldwide markets and will not participate in a cartel on market prices or production/sales volumes with competitors or in bid rigging in the public sector.

### *No Relations with Antisocial Force*

MVC shall not engage in antisocial forces. If the company receives a threat or demand from such forces, MVC will not resolve the situation by paying them money or complying with their threat or demand.

### *Intellectual Property Rights Policy*

MVC shall obtain intellectual property rights strategically and utilize them to the company's maximum benefit. It shall use the intellectual property rights of other companies only pursuant to agreed contract terms and shall not use them unlawfully. It shall not infringe on the intellectual property rights of other companies. The company shall not use illegal software copy.

## **ENSURING A COMFORTABLE, SAFE, HEALTHY WORKPLACE**

MVC shall comply with the law, regulations and norms of the society. The officers and employees shall always act with sound common sense and responsibility as a member of society. Sound common sense and responsibility require genuine and fair respect for societal norms and compliance with applicable laws and rules. Compliance with applicable laws and rules means compliance with the laws listed in this Code, other local and international laws and regulations, pertaining to our business activities, including production, sales, research and development and others.

In its production, research and development activities, MVC shall comply with business laws applicable to high-pressure gas, poisonous and deleterious substances, and pharmaceutical affairs.

MVC is committed to provide clean, orderly and safe working conditions for the health and welfare of employees, customers and members of the community. A safe and clean place of work dignifies workers and instills pride in employment. The

company implements systems and processes that ensure compliance with all laws on Safety, Health and environmental standards.

MVC expects its employees to be well-informed on safety and environmental issues. All employees and contractors are mandated to undergo environmental and safety training. They are required to comply with the company's health and safety rules and regulations.

In the event of an accident or disaster, MVC shall take appropriate action to minimize damage and notify the relevant departments of the company and government authorities. It shall conduct the appropriate investigation of the accident or disaster and provide the report required within the company promptly.

#### *Stewardship of Social Responsibility*

MVC shall endeavor to continuously innovate products that contribute to the healthy development of society, provide a reliable supply of its products, and acquire the trust of society.

MVC shall strive to be prosperous business and a cooperative and contributing member of the local communities where it conducts business.

## **COMPLIANCE WITH RULES OF EMPLOYMENT**

MVC shall comply with applicable labor laws and strive to maintain and improve our work environment. It shall control its working days or hours in accordance with the Labor Law.

The company will not allow the consumption or possession of alcohol at the workplace except for specific situations with appropriate, advance corporate authorization, such as company-sponsored events. MVC shall not allow the consumption or possession of any illegal drug at the workplace.

MVC shall not engage in political or religious activities at the workplace, including solicitation on behalf of political or religious groups or requests for votes, except for specific situations, i.e. Christmas/Anniversary/First Friday masses, Fiesta mass sponsorship and other religious activities like Daily Prayer Offering, Retreat/Recollection/Way of the Cross during Lenten season which are with appropriate corporate authorization.

MVC shall not act unfairly or dishonestly in violation of the requirements and policies stated in our employee manual. It shall not discriminate against any person based on his or her origin, nationality, race, religion, sex, age, handicap or sexual preference.

MVC shall not use any child or forced or compulsory labor.

MVC shall not condone any form of sexual harassment, power harassment, violence or bullying.

MVC shall not engage or condone harsh or abusive words and behavior.

#### *Personal Information Protection*

MVC shall place strict confidentiality controls on the personal information of the directors and employees and will use the information of the directors and employees only for the duties assigned to the individual.

MVC shall place strict confidentiality controls on the personal information of a person working for outside parties and will use information only for the purposes authorized by that party or person.

#### *Proper Use of Corporate Assets*

MVC shall utilize both tangible and intangible assets of the company only in the most efficient manner and under appropriate control and maintenance.

The company shall acquire, sell and dispose of company assets only in accordance with the company's internal rules.

MVC shall not use company assets (including money) for personal expenses or benefit. It shall report business expenses (such as business travel expenses) strictly in accordance with the company's internal rules.

#### *Proper Use of Information Technology System*

MVC directors/officers/employees shall use the company's IT system only for work duties and not for personal use.

They shall safeguard the user ID and password that they use to access the company's IT system and will not disclose them to anyone other than a company IT person when there is a need for it. They shall not use the MVC user ID and password of another employee in an unlawful manner.

An MVC employee shall not invade or hack into the computers of other people or other companies.

When engaging in social media for personal reasons, MVC directors/employees shall keep in mind that the information on the Internet is in the public domain and that they must not speak or represent MVC in such activities or disclose other people's personal information or company trade secrets.

#### *Dispatched Workers*

When utilizing temporary or dispatched workers, MVC shall implement measures and procedures in accordance with applicable labor laws as well as the Worker Dispatch contract.

### *Compliance with Noncompetition Duty*

MVC personnel may not be employed by others without appropriate permission from the company, and they may not conduct business that competes with the company.

### *Trade Secrets Control*

MVC must strictly control the confidential information of the company (including the trade secrets disclosed to us by other companies). MVC personnel must not disclose or use the confidential information of the company for any purpose other than to carry out assigned duties.

When there is a need to disclose the confidential information of the company to a third party in conducting our assigned duties, MVC must enter into a non-disclosure agreement to prevent unauthorized disclosure and use.

MVC shall not acquire the trade secrets of other companies in a wrongful manner.

MVC shall not use the trade secrets of other companies that is known to the Company to have been acquired or possibly acquired in a wrongful manner.

MVC employees shall not disclose or use the confidential information of the company after leaving the employ of the company.

### *Prohibition of Insider Dealings*

If an MVC employee is informed of a material information (an issue that will influence the company's stock price based on the Securities Regulation Code and its Implementing Rules and Regulations) concerning MVC, he/she will not sell or purchase the relevant company's stocks or bonds until the important fact is disclosed publicly. Even if the stock trades are indirect or without any profit earned, they are not allowed.

## CONFLICT OF INTEREST

A conflict of interest exists whenever an MVC official or employee by reason of his position or influence, makes use of said position or influence for his personal advantage to the prejudice or detriment of the company.

MVC officials or employees are expected to place MVC's interests in any business dealing above any personal interest.

A conflict of interest may arise when:

1. An MVC official or employee or any of his immediate family members owns an interest in any enterprise which has or seeks to have business dealings with the company. Such business dealings include buying, selling, leasing any kind of property or offering to become a contractor, subcontractor of a contractor of Mabuhay, supplier or customer or any similar transaction.
2. An MVC official or employee releases to any individual not connected with the company any confidential data or information which may give preferential advantage to such individual to the prejudice of the company.
3. An MVC official or employee is known to accept by reason of his office or position commissions, profits, gifts in cash or in kind of a considerable value or other payments, loans or advances (except from regular financial institutions) or free services on a continuing basis and of considerable value, from any enterprise, corporation or individual doing business or seeking to do business with the company, in which said official or employee has intervened in his official capacity. This refers to "kickback" or "under the table" deals but does not include ordinary gifts or the usual entertainment that are social in nature, even if the persons giving them are doing business with the company.



4. An MVC official or employee abuses the company's internet or e-mail facilities to engage in deceptive business practices, corporate espionage, illegal price fixing or uses other company resources for personal business and gains.
5. An MVC official or employee knowingly gives false or misleading information in his application for employment as a result of which employment is gained, or if employed, gives false or misleading information to seek or qualify for any benefit from the company.

Employees who are faced with possible conflict-of-interest situations analogous to the above cases must refer the matter to their immediate superior for guidance.

## **FINANCIAL INTEGRITY**

MVC's accounting records accurately and fairly reflect the company's financial condition. The company complies with all laws and regulations, and with generally accepted accounting principles.

MVC shall process all business transactions using proper accounting procedures to ensure the reliability of the company's financial reports and its compliance with applicable laws, regulations and internal MVC rules. MVC shall not fraudulently record transactions or have unrecorded assets or liabilities.

MVC shall manage and maintain all records of the company's business transactions and activities properly and in accordance with applicable laws and regulations and relevant MVC internal policies.

MVC shall provide the appropriate cooperation to internal and external audits as well as investigations by public authorities, and shall not obstruct them by discarding, concealing, or tampering with the records.

For investor relations, MVC shall disclose timely and precisely, information regarding the company's business operations and financial results that could materially influence investors' judgments.

## **VIOLATION OF THIS CODE AND OTHER MVC REGULATIONS**

Failure by an MVC officer or employee to comply with this Code of Business Conduct and other regulations governing the Company's business may result in disciplinary action including but not limited to removal from office or termination of employment.



# MABUHAY VINYL CORPORATION

## OUR VISION

A dominant chemical and related services company for enhancing life and preserving the environment. A dynamic and profitable company focused on value leadership, reliable service and premium customer satisfaction.

## OUR MISSION

We shall be the supplier of choice in our markets by being responsive to the needs of our customers and providing them the best value for money.

We shall maintain an organization that relentlessly pursues market opportunities; driven by a shared passion for success; enabled by an empowering environment for pursuing business goals, innovation, personal fulfilment and professional growth; and supported by a culture that recognizes the value-added contribution of its employees.

We shall comply with quality requirements, continually improve our Quality Management System, practice Responsible Care in the way we conduct business, and contribute to the development of the communities where we operate to enhance the quality of life.

We are committed to continually undertake measures to enhance the value of the company to its shareholders.