

SEC No. : PW00000216

File No. : ____

MABUHAY VINYL CORPORATION

22F Salcedo Towers, 169 H.V. Dela Costa St., Bel-Air
Salcedo Village, Makati City

(632) 8817-8971 to 76
(Telephone Numbers)

(632) 8816-4785 or 8894-5325
(Fax Numbers)

01 January to 31 December
(Calendar Year Ending)

2023 SUSTAINABILITY ANNUAL REPORT

(Form Type)

For The Calendar Year Ended December 31, 2023

(Period Ended Date)

SECURITIES AND EXCHANGE COMMISSION

SUSTAINABILITY REPORT

Pursuant to Memorandum Circular No. 4 Series of 2019

(ATTACHMENT TO SEC Form 17-A)

1. For the yearly period ended : **December 31, 2023**
2. Commission Identification Number : **216**
3. BIR Tax Identification Number : **000-164-009-000 VAT**
4. Exact name of issuer as specified in its charter : **Mabuhay Vinyl Corporation**
5. Province or country of incorporation : **Philippines**
6. Industry Classification Code : _____
7. Address of issuer's principal office : **22F Salcedo Towers,
169 H.V. Dela Costa St., Bel-Air
Salcedo Village, Makati City**
8. Post Office Box : **P.O. Box 2613 Makati Central
Post Office, 1266 Makati City**
9. Issuer's telephone number : **(632) 8817-8971 to 76**
10. Securities registered pursuant to Sections 4 and 8 of the RSA:
 - Title of Each Class : **Common Shares**
 - Number of Shares Outstanding : **661,309,398 shares as of
Dec. 31, 2023**

This Sustainability Report follows the guidelines set forth by the Global Reporting Initiative's (GRI) Sustainability Reporting Standards.

GRI 102: General Disclosures

1. Organizational Profile

102-1	Name of Organization
	Mabuhay Vinyl Corporation
102-2	Primary products, activities and/or services
	MVC is engaged in the sale, production, importation, trading and distribution of the following basic chemicals:
	<ol style="list-style-type: none">1. Liquid Caustic Soda2. Hydrochloric Acid3. Liquid Chlorine4. Sodium Hypochlorite
102-3	Location of headquarters
	22F Salcedo Towers 169 H.V. Dela Costa St., Bel-Air Salcedo Village, 1209 Makati City, Philippines
102-4	Location of Operations
	<ol style="list-style-type: none">1. Office – Salcedo Towers, 169 H.V. Dela Costa St., Salcedo Vill., Makati City2. Plant – 109 Commerce Road, Laguna Technopark Inc., Binan, Laguna3. Plant – Assumption Heights, Buru-un, Iligan City4. Depot – Batangas Bay Terminal Inc. Compound, Bauan, Batangas5. Depot – Ouano Reclamation Area, Mandaue City, Cebu6. Depot – Pulupandan, Negros Occidental7. Depot – Pacific Oil Farmers, Inc. Compound, Bunawan, Davao City
102-5	Ownership and Legal Form
	Mabuhay Vinyl Corporation (MVC) was incorporated and duly registered with the Philippine Securities and Exchange Commission as a rubber shoe manufacturer on July 20, 1934 under the name Mabuhay Rubber Corporation, and was reorganized in 1960 to engage in chemical and PVC resin manufacturing. The name Mabuhay Vinyl Corporation was adopted in October 10, 1966. The company corporate life was extended in 1984 by another 50 years up to July 20, 2034.
	MVC's major shareholder is Tosoh Corporation of Japan (87.9748%).
102-6	Markets served
	MVC is the only manufacturer of liquid caustic soda and liquid chlorine in the Philippines. It is also the largest supplier of liquid caustic soda, hydrochloric acid and merchant sodium hypochlorite in the country.
	MVC primarily serves the domestic market such as manufacturing industries, power plants and water utilities.

102-7

Scale of the organization

Total Number of employees:	160
Total Number of operations:	7 (Makati, Laguna, Batangas, Cebu, Pulupandan, Iligan, Davao)
Net Sales:	Php 3,073,772,249
Total Capitalization:	Php 661,309,398
Quantity of products provided:	
a. Caustic Soda	20,072 Dry Metric Tons
b. Hydrochloric Acid	38,042 Liquid Metric Tons
c. Liquid Chlorine	5,027 Metric Tons
d. Sodium Hypochlorite	43,740 Metric Tons

102-8

Information on employees and other workers

	Number of Employees	
	Male	Female
1. Makati	10	14
2. Laguna	6	-
3. Batangas	4	-
4. Cebu	4	2
5. Negros Occidental	1	-
6. Davao	2	
7. Iligan	99	18
Total	126	34

	Number of Employees				
	Management Group	Supervisory		Rank and File	
		Non-CBA	CBA	Non-CBA	CBA
1. Makati	10	14	0	0	0
2. Laguna	1	4	0	1	0
3. Batangas	0	1	0	3	0
4. Cebu	1	2	0	3	0
5. Negros Occidental	0	0	0	1	0
6. Davao	1	0	0	1	0
7. Iligan	10	31	13	0	63
Total	23	52	13	9	63
Age Profile		Number of Employees			
Below 30 years old	0	23	3	1	19
30 – 40 years old	4	27	9	4	32
41 – 50 years old	5	2	1	4	8
51 – 60 years old	12	0	0	1	5

102-9

Supply chain

Suppliers	Location	Number
Industrial Salt	Australia	1
Electric Power	Philippines	7
Service Contractors	Philippines	12
Logistic Providers	Philippines	25
Traded chemicals	Japan, China, Korea, Taiwan, Indonesia, India	5

MVC's suppliers employ automated and mechanized processes that are not labor-intensive. The most labor-intensive components are the Logistic Providers which are composed of the marine vessel and truck lorry crews.

- 102-10 Significant changes to the organization and its supply chain
- There are no significant changes to the organization's size, structure, ownership and supply chain including the location of its operations, capital structure, location of and relationship with suppliers.
- 102-11 Precautionary principle or approach
- Mabuhay Vinyl Corporation implements a procedure on risk assessment, the Identification of Internal and External Issues and Risks, where every department identifies the issues or risks it may face and identify preventive controls. Evaluation on the identified issues or risks is done regularly.
- In addition, the Company, through its EHS team, continually identifies ways to improve its processes and procedures in order to minimize environmental impact in times of emergencies.
- 102-12 External initiatives
- MVC subscribes to the following economic, environmental and social charters, principles and initiatives:
- a. United Nations Global Compact Initiative
- MVC was a signatory to the UN Global Compact Initiative in May 2002 and has been making a clear statement of this commitment to its stakeholders and the general public since April 2004 through a Communication of Progress section that is part of the company's Annual Report which is distributed to the shareholders and available to the general public.
- The UN Global Compact Initiative is a voluntary world-wide commitment to implement universal sustainability principles on human rights, environment and anti-corruption.
- b. Responsible Care ®
- Responsible Care is the chemical manufacturing industry's environmental, health, safety and security performance initiative.
- 102-13 Membership in associations
1. Samahan sa Pilipinas ng mga Industriyang Kimika (Chemical Industries Association of the Philippines)
 2. Federation of Philippine Industries
 3. Philippine Business for Social Progress
 4. Iligan Bay Chamber of Industries
 5. Semiconductor and Electronics Industries in the Philippines, Inc.
 6. The Philippines-Japan Economic Cooperation Committee, Inc. (PHILJEC)

2. Strategy

- 102-14 Statement from Senior decision maker
- The management of MVC firmly believes that the company must operate in a manner that enables it to grow its present business without compromising the ability of the company and the future generations to meet their own needs.

The management also puts emphasis in the exploration of carbon emission reduction measures, and prioritizes the need to continuously improve inefficient processes through the use of technological innovations in line with the country's UNDP goals.

Through Sustainability Reporting, the company is able to assess and manage its economic, environmental and social impacts which ultimately benefits stakeholders interested in the organization's ability to create value over time including employees, customers, suppliers, investors, business partners, local communities and regulators.

102-15
102-34

Key impacts, risks and opportunities
Nature and total number of critical concerns

The following are the key risks MVC recognizes and manages:

- **Market risk**
MVC sells to a wide range of industries and customers. Except for a petroleum and petrochemical producer, no other customer accounts for more than 10% of revenues. Sales contracts are likewise not longer than 1 year in duration. A certain portion of sales is based on an annual fixed price contract. Fixed price sales contracts are hedged by a) allocation of products sourced from local production and/or b) securing imported material at a price favorable to supplying the fixed-price sales contract.
- **Credit risk**
There is credit risk as the Company's counterparty may fail to perform its obligations. To manage this risk, it is the Company's policy to require all customers, who wish to trade on credit terms, to comply with and undergo the credit verification process. This process emphasizes on the customer's capacity and willingness to pay. In addition, receivables are closely monitored so that exposure to bad debts is minimized.
- **Human Resource risk**
This is the lack of qualified and capable people to manage the business and operate the plants due to retirement or resignations. To address this risk, MVC continually implements training programs to enhance the capability and experience of its employees based on future expected requirements arising from retirement or expansion. Employee engagement activities are also conducted to minimize resignations.
- **Competitive risk**
The risk of declining business revenue or margins due to the actions of a competitor, higher cost of goods (for traded products), higher cost of production (for manufactured products), and distribution. Management regularly reviews and analyzes its cost to ensure competitiveness. Traded goods are procured on a spot basis to ensure the material's cost is reflective of market situation.
- **Foreign Currency risk**
The risk that the fair value of future cash flows from the Company's foreign currency denominated assets or liabilities may fluctuate due to changes in foreign exchange rates. The Company manages this exposure by matching its receipts and payments for each individual currency. Purchases of finished goods and raw materials are subject to an open account from foreign suppliers and are settled immediately through a purchase of dollars from a local bank at spot rate once all documentation requirements are complete. The Company may also enter into currency forward contracts to manage the currency risks.

- **Liquidity risk**
Liquidity risk arises when a company encounters difficulties in meeting commitments associated with financial instruments. Such risk may result from inadequate market depth, disruption or refinancing problems.
The Company's objective is to maintain a balance between continuity of funding and flexibility through the use of bank loans and purchase contracts. Loans through trust receipts availed for operating requirements usually mature within 180 days while trade and other payables usually mature within 60 days. The Company also has existing credit lines with local banks which could be drawn when necessary.
- **Environmental impact**
As a chemical company, pollution is a major concern and must be avoided at all times. To promote environmental preservation, MVC must ensure that the environmental implications of every proposal or actions undertaken are considered before the decisions are implemented.
MVC is committed to provide clean, orderly and safe working conditions for the health and welfare of employees, customers and members of the community. The company implements systems and processes that ensure compliance with all laws on Safety, Health and Environmental standards.

3. Ethics and Integrity

102-16 Values, principles, standards, and norms of behavior

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
2. Integrity
3. Entrepreneurial Spirit
4. Customer Focus
5. Innovation
6. Teamwork
7. Excellence
8. Social Responsibility

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 times, 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 will 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 will 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 of accepted social norms.

MVC has also defined Ethical Standards in the areas of:

- *Security Export Control*
- *Compliance with Import and Export Laws and Regulations*
- *Compliance with Antitrust Laws and Regulations*
- *No Relations with Antisocial Force*
- *Intellectual Property Rights Policy*

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 also not condone any form of sexual harassment, power harassment, violence or bullying, and not engage or condone harsh or abusive words and behavior.

MVC also has specific policies in the areas of:

- *Personal Information Protection*
- *Proper Use of Corporate Assets*
- *Proper Use of Information Technology System*
- *Dispatched Workers*
- *Compliance with Noncompetition Duty*
- *Trade Secrets Control*
- *Prohibition of Insider Dealings*

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.

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.

102-17

Mechanisms for advice and concerns about ethics

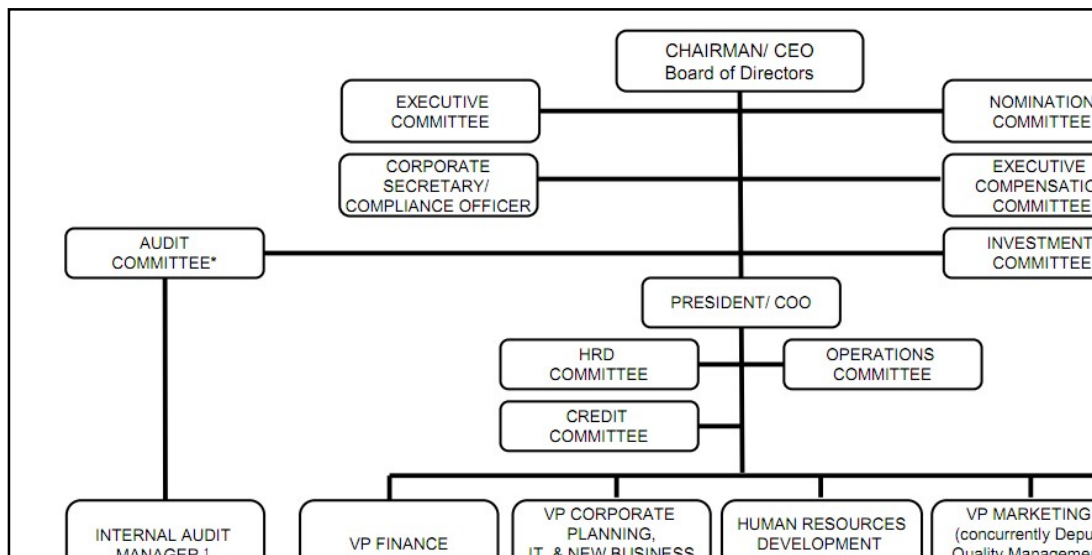
Mabuhay Vinyl Corporation adheres to the highest ideals of ethics in conducting its business. To this end, the company and its employees shall ensure commitment through words and deeds, to conform to the basic

tenets of service, integrity, teamwork, excellence and social responsibility consistent with the value of God-centeredness.

The company has an internal reporting system which covers reporting of violations against company policies as well as immoral behaviors. The guidelines aim to provide a sustainable and reliable flow/process of internal reporting in the Corporation and to encourage its application by the employees/officers.

4. Governance

102-18	Governance structure
102-19	Delegating Authority
102-20	Executive-level responsibility for economic, environmental, and social topics
102-22	Composition of the highest governance body and its committees
102-23	Chair of the highest governance body
102-24	Nominating and selecting the highest governance body
102-26	Roles of highest governance body in setting purpose, values, and strategy
102-29	Identifying and managing economic, environmental, and social impacts
102-35	Remuneration policies
102-36	Process for determining remuneration
102-37	Stakeholders' involvement in remuneration



The Board of Directors (BOD) and Management of Mabuhay Vinyl Corporation commit themselves to the principles of good corporate governance as guide in the performance of their functions and accomplishment of MVC's goals and objectives.

BOARD OF DIRECTORS

Compliance with the principles of good corporate governance shall start with the Board of Directors (BOD).

It shall be the BOD's responsibility to foster MVC's long-term success and ensure its sustained competitiveness in a manner consistent with its fiduciary responsibility, which shall be exercised in the best interest of MVC, as well as its shareholders and other stakeholders. To ensure a high standard of best practice for the corporation, its stockholders, the Board should conduct itself with utmost honesty and integrity in the discharge of its duties, functions and responsibilities.

BOARD COMMITTEES

To aid in complying with the principles of good corporate governance, the BOD shall constitute the following Committees, which shall directly report to the BOD in accordance with procedures duly approved by the BOD. The Committees shall focus on specific board functions to aid in the optimal performance of its roles and responsibilities.

Executive Committee

The BOD shall create an Executive Committee, which shall be composed of not less than three (3) members of the BOD, including the Chairman thereof,

Nominations Committee

The Nominations Committee shall pre-screen and shortlist all candidates nominated to the BOD elections in accordance with the following qualifications and disqualifications and shall submit the same to the BOD for further review and approval

Executive Compensation Committee

The Executive Compensation Committee is responsible for developing and fixing executive remuneration packages of by-laws officers and directors, and provides oversight over remuneration of senior management and other key personnel to ensure that compensation is consistent with MVC's culture, strategy and internal control environment.

Audit Committee

The Audit Committee shall have the following responsibilities:

- Recommend the approval of the Internal Audit Charter (IA Charter) Through the Internal Audit Unit, monitor and evaluate the adequacy and effectiveness of the corporation's internal control system, integrity of financial reporting, and security of physical and information assets. Well-designed internal control procedures and processes that will provide a system of checks and balances shall be in place in order to (a) safeguard the company's resources and ensure their effective utilization, (b) prevent occurrence of fraud and other irregularities, protect the accuracy and reliability of the company's financial data, and (d) ensure compliance with applicable laws and regulations;
- Review and monitor Management's responsiveness to the Internal Auditor's findings and recommendations;
- Recommend to the Board the appointment, reappointment, removal and fees of the External Auditor
Details are provided in the company's Manual on Corporate Governance

102-21

Consulting stakeholders on economic, environmental and social topics

The company conducts consultations with its stakeholders in the following manner:

	Stakeholder	Method of Consultation
Economic	Shareholders	Budget process and meetings
	Customers	Meetings and surveys
Environmental	Government	Reports
	Host community	Meetings and CSR activities
Social	Host community	Meetings and CSR activities

102-25

Conflicts of interest

Everyone in MVC, its directors, officers and employees, are expected to uphold the interest of the Corporation whenever a conflict of interest arises.

Where a potential conflict of interest arises, a Director must adhere to

procedures provided by law and policies of the company. The Directors should ensure that there is transparency in all their decisions and that there is full and accurate disclosure of all material information on the financial and opening results of the company.

102-27 Collective knowledge of highest governance body

In accordance with the Company's Manual on Corporate Governance, a director shall, before assuming as such, be required to attend a seminar on corporate governance, which shall be conducted by a duly recognized private or government institute. If necessary, funds shall be allocated for the purpose of conducting an orientation program or workshop to operationalize the Manual.

102-28 Evaluating the highest governance body's performance

In accordance with the Company's Manual on Corporate Governance:

- The Board should conduct an annual self-assessment of its performance, including the performance of the Chairman, individual members and committees. Every three (3) years, the assessment shall be supported by an external facilitator.
- The Board shall have in place, a system that provides, at the minimum, criteria and process to determine the performance of the Board, the individual directors, committees and such system shall allow for a feedback mechanism from the shareholders.
- Each Committee shall report regularly to the Board of Directors.
- The Compliance Officer shall establish an evaluation system to determine and measure compliance with the Manual; subject, however, to the adoption and approval by the BOD. Any violation thereof shall subject the responsible officer or employee to the penalty provided under the Manual.

102-30 Effectiveness of risk management processes

Management conducts a risk assessment and evaluates the effectiveness of countermeasures every six (6) months.

102-31 Review of economic, environmental, and social topics

102-33 Communicating critical concerns

MVC has monthly Executive Committee meetings (except for months when there is a scheduled BOD meeting), BOD meetings, and Audit Committee meetings where updates in company operations, financials, and relevant risks faced by the company are discussed.

102-32 Highest governance body's role in sustainability reporting

The Sustainability Report is prepared by the management team and approved by the Board of Directors.

5. Stakeholder engagement

102-40 List of stakeholder groups

1. Employees / Workers
2. Customers
3. Stockholders
4. Government Agencies
 - DOLE

- PHILHEALTH
 - HDMF
 - SSS/ECC
 - OTS
 - DENR
 - BIR
 - BFP
 - LGUs
5. External Service Providers / Contractors / Suppliers
 6. Communities where MVC Operates / Neighborhood
 7. NGO's / Professional Associations / Media Group

102-41

Collective bargaining agreements

1. Collective Bargaining Agreement made and entered between MVC and Rank and File Union since 1978. Latest CBA entered between MVC and Mabuhay Vinyl Employees Union – Federation of Democratic Labor Organizations (MVEU-FDLO) covered the CBA period Y2021-2026 for 64 union member-employees.
2. Collective Bargaining Agreement made and entered between MVC and Supervisors Union since 1995. Latest CBA entered between MVC and Mabuhay Vinyl Supervisory Union (MVSU) covered the CBA period Y2021-2026 for 12 supervisory union member-employees.

102-42

Identifying and selecting stakeholders

Stakeholders are identified and selected based on the following:

1. As interested parties relevant to MVC Integrated Management System
2. Those with relevant requirements – needs and expectations
3. Compliance/ legal obligations
4. Beneficiaries of Corporate Social Responsibility Programs & Activities
5. Those that affect and affected by the business operations

102-43

Approach to stakeholder engagement

1. Upon determination of stakeholder requirements, programs and activities are initiated and implemented, and the status of program implementation monitored.
2. Customer Surveys
3. Employee Satisfaction Surveys
4. Participation to relevant stakeholder welfare activities
5. Participation of workers through policy-determining bodies such as the Corporate Council on Quality, Safety, Security, Health and Environment (CCoQSSHE), Industrial Peace Council (IPC), Council of Solidarity and the other relevant Committees
6. Regular meetings

102-44

Key topics and concerns raised

1. Environmental Protection and Hazards Prevention
2. Compensation and Benefits
3. Safety, Security and Health
4. Livelihood
5. Family Welfare
6. Community Outreach Programs
7. Need for Dialogues and Consultative Meetings

6. Reporting practice

102-45 Entities included in the consolidated financial statements

Mabuhay Vinyl Corporation (Parent)
MVC Properties Inc. (Subsidiary)

102-46 Defining report content and topic Boundaries

This report covers the operations of Mabuhay Vinyl Corporation (Parent) including its manufacturing operations in Iligan & Laguna, and depot operations in Batangas, Cebu, Negros Occidental & Davao.

Specific reporting boundaries are already explicitly shown in this GRI Index Table.

102-47 List of material topics

Materiality Table

Protecting the Environment	Developing our employees	Helping Build Communities	Safeguarding Health, Safety and Security	Contributing to Local and National Economies
<ul style="list-style-type: none"> • Energy conservation • Waste generation, treatment & disposal • GHG emissions • Biodiversity • Environmental advocacy 	<ul style="list-style-type: none"> • Employment • Training & Development • Employee Engagement • Succession Planning and Leadership Development 	<ul style="list-style-type: none"> • Customer Health & Safety • Customer Service • Community Programs • Business Continuity 	<ul style="list-style-type: none"> • Occupational Health & Safety • Compliance to regulations • Customer product handling trainings 	<ul style="list-style-type: none"> • Economic performance • Indirect economic impacts • Procurement practices • Business partners • Supplier assessment • Risk management • Integrity and anti-corruption

102-48 Restatements of information

There are no restatements of information from last year's report.

102-49 Changes in reporting

None

102-50 Reporting period

January 1 to December 31, 2023

102-51 Date of most recent report

The 2022 Sustainability Report was made available last April 14, 2023.

102-52 Reporting cycle

Annual

102-53 Contact point for questions regarding the report

Michael S. Yu
Vice President, Corporate Planning
mikeyu@mvc.com.ph

102-54 Claims of reporting in accordance with the GRI Standards

This report has been prepared in accordance with the GRI Standards: Core Option.

102-56 External assurance

No external assurance is provided for this report.

GRI 203: Indirect Economic Impacts

203-1 Infrastructure investments and services supported

a. Education

- Feeding program during literacy sessions for Alternative Learning System (ALS) / DepEd Learners at Brgy. Kalilangan, Iligan City
- Donation of caustic soda sample for laboratory use of Grade 9 students of St. Therese Academy, Iligan City
- Donation of assorted bond papers to be used as blended learning materials in Cesar M. Cabahug Elementary School in Looc, Mandaue City, Cebu
- Donation of Sodium Hypochlorite to Mindanao State University students for their thesis study
- Construction of Alternative Learning System (ALS) Building at Mimbalot Elementary School, Iligan City
- Ready for School Activity in San Joaquin Elementary School, Pasig City in partnership with PBSP where employee-volunteer covered 200 school books
- Donation of thirteen (13) assorted electric fans to Enriqueta Montilla De Esteban Memorial High School at Pulupandan, Negros Oriental
- Distribution of school supplies and school uniforms to fourteen (14) MVC scholars in elementary and high school students from Purok 1&2 Tonggo and Purok 13 Timoga, Iligan
- Theater Workshop of 40 kids from Purok 1 & 2 of Tonggo and Purok 13 of Timoga
- Cited with recognition during the Kaamulan Awards from the Division of Iligan City, Department of Education for MVC's collaboration and unwavering commitment to education and for being instrumental in fostering positive change in the learning environment

b. Environment

- Planting 400 seedlings of Narra and Batino at the vicinity of Ipo Dam Watershed in partnership with Maynilad Water Services Inc.
- Coastal clean-up at Purok 11, 12 & 13 Buru-un Iligan as part of the International Coastal Clean Up drive
- Donation of used drums for hazardous waste temporary storage to Gregorio T. Lluch Memorial Hospital
- Donation of used HDPE drums to the following:
 1. Iligan City Police Office (ICPO) to be used as fuel, oil, and lubricant containers

2. Girl Scouts of the Philippines (GSP) for water storage during the 21st citywide encampment
 3. TESDA Iligan to be used as fertilizer, concoction, and extract container for their organic farming
 4. Lanao del Norte Police Provincial Office, BJMP Region 10, Iligan City Traffic and Management Office, 55th Engineer Brigade and Iligan City Agriculturist Office to be used as water container
- Donation of used carabouys for urban gardening at Ditucalan Elementary School in Iligan City
 - Donation of used blue plastic drums to Lanao Del Norte Police Provincial Office
 - Donation of scrap metals to 554th Engineering Battalion for the construction of railings for their new building

c. Health

- Donation of multivitamins and medicines (cough, colds and fever) for adults and children to Barangay San Miguel Health Center in Bauan, Batangas in lieu of the face-to-face medical mission activity
- Medical & dental mission and haircutting activity for Purok 1 & 2, Tonggo, Iligan City in partnership with Adventist Medical Center and 554th Engineer Battalion
- Quarterly Mobile Blood Donation and recognized as an awardee during the Sandugo Awards of the Department of Health for the continuous support and promotion of voluntary blood donation drive
- Cited with highest number of Mobile Blood Donation organized and awarded as the Bloodiest Company by Philippine Red Cross Iligan City Chapter in recognition of MVC's support organizing regular mass blood donation
- Donation of two carabouys of 5% Sodium Hypochlorite to Little Sisters of Abandoned Elderly to be used for their day-to-day cleaning of facility

203-2 Significant indirect economic impacts

1. Continuing capability building and support to the Hypochlorite Repacking Livelihood Project initiated by Mabuhay Vinyl Corporation through the started up Timoga Multi-Purpose Cooperative. The livelihood project is now a multi-million repacking and selling business from its humble beginning of 3 drums hypo worth P5,000 as investment capital. The business improved the quality of life of at least 100 families in a once indigent community of Purok 13, Timoga, Iligan City.
2. Support to academe-industry linkage research and immersion programs, on-the-job trainings of graduating students and other related educational programs. (e.g. MSU-IIT, MSU-Marawi, MSU-Naawan, San Carlos, and other Schools and Universities)
3. CSR donations in cash or in kind to LGU's, Schools, religious organizations, community organizations such as purok, women's and fisherfolks associations.

GRI 204: Procurement Practices

204-1 Proportion of spending on local suppliers

The Company follows the standard procurement practices that promote transparency and equality among suppliers. The procurement policies and procedures of the Company aim to conduct business with its suppliers on

an arm's length basis and under fair terms and conditions. All officers and employees of the Company involved in the procurement process for materials and services are required to comply fully with the established procurement policies.

As part of our corporate social responsibility, the Company is committed in working with local suppliers to promote their access to business opportunity and growth. In 2023, around 50% of materials and services were procured from local suppliers, from 67% of 2022. These suppliers are appraised annually to ensure that they provide the best value to the Company.

Supplier Accreditation and Evaluation

As business partners of Mabuhay Vinyl Corporation, suppliers are expected to deliver the materials and/or services within the established requirements. The Company, having two HALAL Certifications with the IDCP and HDIP, ensures that procured critical raw materials have Halal Certificates. In ensuring that the Company deals with reliable and competent suppliers, a vendor accreditation process was developed examining the suppliers' impact on the Company's operation and Safety, Health, and Environment. The company implements systems and processes that ensure suppliers compliance with all laws on Safety, Health and Environmental standards. The Company, before selecting suppliers, requires that they comply with all the regulatory requirements and are able to manifest their financial ability to supply the needed materials and/or services.

To enhance sustainability of the Company's procurement process, suppliers' performance is evaluated annually based on their ability to meet criteria focusing on the quality of the product delivered, timeliness of delivery, price competitiveness and compliance to Health, Safety & Environment.

GRI 205: Anti-Corruption

205-1 Operations assessed for risks related to corruption

MVC's long years of operation are grounded in maintaining high ethical standards in the conduct of its business. The Company has developed its Code of Conduct, Employee Handbook and policies; these outline MVC's 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. MVC also has a policy on Compliance with Anti-bribery and Corruption.

The Company expects its employees to appropriately observe all laws, regulations, internal policies/rules, and social norms applicable to our daily business activities, to foster respect, fairness and integrity. None of our business operations were assessed for risks related to corruption.

205-2 Communication and training about anti-corruption policies and procedures

The Company, through the HR Department, conducts regular and up-to-date communication on the provisions of the policy as it directly applies to everyday business practices, during new employee orientation and regular re-orientations for existing employees. All employees shall sign an attestation confirming their understanding and acceptance of the policy.

Each employee has a copy of the Company's Code of Conduct and Employee Handbook; policy on the Compliance with Anti-bribery and Corruption is also available for all employees to access.

205-3 Confirmed incidents of corruption and actions taken
 We are not aware of any incident of corruption during 2023.

GRI 206: Anti-Competitive Behavior

206-1 Legal actions for anti-competitive behavior, anti-trust, and monopoly practices
 The company has established policy on Compliance with Antitrust or Competition Law which aims to provide all company employees with tools to identify situations that might run against such issuances on antitrust / competition law requirements and undertake immediate steps to address or correct the situation.
 We are not aware of any legal actions pending or completed during 2023 regarding anti-competitive behavior and violations of anti-trust.

GRI 301: Materials

301-1 Materials used by weight or volume

	Total Qty used in production
Salt	35,193 metric tons
Water	9,066 million liters (Iligan) 22.97 million liters (MPBP)
Bunker Fuel	2.685 million liters

The major raw material in the manufacturing of chlor-alkali products is industrial salt. This is externally sourced from the salt mines of Australia with a minimum purity of 96%. It is combined with water to produce a brine solution which then undergoes a series of treatment steps leading to one of the Company's major unit operation.

301-2 Recycled input materials used
 Lean brine, containing 17% salt, is recycled back to the start of the process.

301-3 Reclaimed products and their packaging materials
 Spent caustic soda from customers is recovered for treatment.

GRI 302: Energy

302-1 Energy consumption within the organization

For 2023:

Site	Total Energy Consumption (kWh)
Iligan Plant	54,943,737
Laguna Plant	156,880

302-2 Energy consumption outside of the organization
 No disclosures are provided for energy consumption outside of the organization.

302-3 Energy intensity

MVC's energy intensity for 2023 based on electrical consumption from non-renewable source per dry metric tons of Caustic Soda is 829.87 kWh/dry metric ton NaOH.

	2021	2022	2023
Energy Intensity (kWh/MT NaOH)	1,068	769.30	829.87

The increase in energy intensity, compared with 2022, is due to lower production.

The Company has programs to reduce the use of electricity and fuel in its operations.

302-4 Reduction of energy consumption

Compared with 2022, MVC Iligan Plant's total energy consumption decreased by 3.2% for 2023 due to lower production resulting from decreasing market price of chlor-alkali products, leading to the reduced raw material consumption such as power, salt, and fuel.

302-5 Reductions in energy requirements of products and services

Topic is not applicable since MVC's products are chemicals.

GRI 303: Water and Effluents

303-1 Interactions with water as a shared resource

a. Iligan Plant:

Water coming from the Agus River and Mimbalut is a surplus and renewable resource near Iligan Plant and is used in the various chlor-alkali production processes. Municipal water, used for firefighting, cleaning, gardening, cooking and other activities, is sourced from Iligan City Waterworks System.

Spent water coming from the different production processes is subjected to pH adjustment and then discharged to Agus River, Timoga Creek and Iligan Bay.

b. MPBP (Laguna) Plant:

The plant is located inside the Laguna Technopark Industrial Park where water is supplied by Laguna AAA Water. The plant practices zero-discharge wherein all water used in production processes are recycled and reused.

303-2 Management of water discharge-related impacts

MVC complies with the Water Quality Guidelines and General Effluent Standards under DAO 2016-08 of the Department of Environment and Natural Resources (DENR).

For the Iligan Plant, Agus River and Timoga Creek are both classified as Class C freshwater bodies while Iligan Bay is Class SC marine waters. To

meet the requirements of DAO 2016-08, spent water from the various processes are treated prior to discharge into the receiving bodies of water. Monitoring equipment and other safeguards are also provided to ensure that compliance to effluent standards is met.

303-3 Water withdrawal

Water Source	Total Water Withdrawal (ML)
Agus River	1,010
Mimbalut Creek	8,055
ICWS	11
Laguna	22.97

303-4 Water discharged by Plants

Total water discharged for MVC Iligan Plant is 2,364 million liters. Spent water is treated to meet regulatory requirements prior to discharge. MPBP has zero discharge.

303-5 Water consumption

Total water consumption for MVC Iligan Plant is 9,065 million liters. Total water consumption for MPBP is 22.97 million liters.

GRI 304: Habitats Protected or Restored

- 304-1 Operational sites owned, leased, managed in, or adjacent to, protected areas and areas of high biodiversity value outside protected areas;
- 304-2 Significant impacts of activities, products and services on biodiversity;
- 304-3 Habitats protected or restored

- At MVC’s manufacturing complex in Iligan City which is 60 meters above sea level, nestled a man-made Victor and Patro Park and Lagoon, which is regarded by the Iligan City Tourism must-see attraction for nature lovers and environmental enthusiasts. The Park and Lagoon is famous for its natural fauna and flora and has become the sanctuary or home to dozens of endangered iguana species and other wildlife like birds, butterflies and some other flying and crawling species. Wildlife from the protected areas of Maria Cristina Falls that is a stone throw away often visits the park and lagoon area.
- Fishing ban surrounding the MVC pier in Iligan City resulted to breeding and restoration of schools of fish in the area which now became a fish sanctuary. Neighboring communities and fishermen nearby had already benefited due to this protection.
- MVC actively support mangrove planting and growing restoration in Bayug, Iligan City, a multiple-joint project of Iligan LGU’s, government agencies, institutions and Iligan Bay Chamber of Industries where MVC is a member industry.

GRI 305: Emissions

305-1 Direct (Scope 1) GHG emissions

In 2023, total direct GHG emission for Iligan Plant is 8,016.62 metric tons of CO₂ equivalent based on fuel oil and diesel consumption, while for MPBP Plant is 3.74 metric tons of CO₂ equivalent based on diesel consumption. Source of emission factors and global warming potential (GWP) rates is the Greenhouse Gas Protocol Corporate Accounting and Reporting Standard, revised edition.

305-2 Energy indirect (Scope 2) GHG emissions

In 2023, total energy indirect GHG emission for Iligan Plant is 13,194.27 metric tons CO₂ equivalent, while for MPBP Plant is 93.80 metric tons CO₂ equivalent based on the energy consumption from non-renewable sources. Source of emission factors and global warming potential (GWP) rates used is the Greenhouse Gas Protocol Corporate Accounting and Reporting Standard, revised edition.

305-3 Other indirect (Scope 3) GHG emissions

No disclosures are provided for Indirect GHG emissions.

305-4 GHG emissions intensity

The GHG emissions intensity for MVC Iligan Plant is 1.06 metric tons CO₂ per dry metric tons of liquid caustic soda. This is based on the total direct and indirect GHG emissions divided by the actual production of Caustic Soda during 2023.

	2021	2022	2023
GHG Intensity (MT CO ₂ / DMT NaOH)	1.59	0.998	1.06

The rise in GHG emission intensity, compared with 2022, is due to the increase of the coal component in MVC's purchased electricity.

305-5 Reduction of GHG emissions

One of the Company's targets is to reduce GHG emissions by improving the efficiency of current equipment in the manufacture of chlor-alkali products by ion exchange membrane technology and attaining the planned specific usages for fuel oil and power.

MVC's current expansion project will also implement the latest technologies that will reduce power and steam consumption, generate steam from waste process heat and utilize the hydrogen gas by-product as supplemental boiler fuel. Through these energy-efficient technologies, MVC will be able to further reduce its GHG emission after expansion.

305-6 Emissions of ozone-depleting substances (ODS)

MVC does not use or purchase materials and equipment with ozone-depleting substances.

305-7 Nitrogen oxides (NOX), sulfur oxides (SOX), and other significant air emissions

Based on the December 20, 2023 stack sampling analysis by a DENR-accredited testing laboratory on the emissions of the primary boiler used in the production of steam in Iligan Plant, the quantity of significant air emissions is as follows:

- Particulate Matter – 29 mg/Ncm
- NOx – 174 mg/Ncm
- SOx – 73 mg/Ncm
- CO – 314 mg/Ncm

These results are in compliance to the National Emission Standards for Source Specific Standards by the DENR.

GRI 306: Effluents and Waste

306-1 Water discharge by quality and destination

For Iligan Plant:

Water Body	Discharge (m ³ /day)	Quality (Average pH)	Acceptable Quality	Status
Agus River	54.4	8.31	6.0 to 9.5	Pass
Timoga Creek	65.0	8.37	6.0 to 9.5	Pass
Iligan Bay	32.5	8.47	6.0 to 9.0	Pass

MPBP has zero discharge.

306-2 Waste by type and disposal method

For MPBP, the quantity of generated hazardous and non-hazardous wastes are as follows:

Type	2022	2023
<i>Hazardous wastes</i>		
Oil (used) – inventory only	470 li	470 li
Containers – inventory only	191 bottles	191 bottles
<i>Non-hazardous wastes</i>		
Solid wastes (dried sludge)	4,497 kg	4,956 kg

Due to their minimal amount, used oil (in HDPE drums) and small chemical containers are kept stored at the MRF. Non-hazardous dried sludge is packed and sent to the Iligan Plant for disposal.

For Iligan Plant, the quantity of generated hazardous and non-hazardous wastes are as follows:

Type	2022	2023
<i>Hazardous wastes</i>		
Recovered fuel oil	1,838 li	14,326 li
Busted fluorescent bulbs/lamps	20 kg	20 kg
Oil-contaminated materials	3,870 kg	1,960 kg
<i>Non-hazardous wastes</i>		
Solid wastes	1,824 kg	1,098 kg

Recovered fuel oil from Boiler operations in MVC Iligan Plant and other identified hazardous wastes are treated by DENR-accredited third-party treaters and transporters. Fuel oil amount generated has considerably increased due to the repairs done on the boiler.

Solid wastes are sorted at source as metal, paper, plastics, and biodegradable. Recyclable wastes are brought to the Materials Recovery Facility (MRF) for segregation, reuse and/or resale. Biodegradable wastes are composted and used as landfill material.

306-3 Significant spills

There is no recorded incidence of spills for all MVC sites during 2023.

306-4 Transport of hazardous waste

MVC Iligan Plant contacted different DENR-accredited treater and transporter for the treatment of MVC's hazardous wastes for 2023. Transport, treatment and disposal shall follow proper handling, labelling and manifest procedure according to DENR rules and regulations.

306-5 Water bodies affected by water discharges and/runoff

The receiving bodies of water for MVC's treated used water are Agus River, Timoga Creek, and Iligan Bay. The latter is largely influenced by freshwater run-off from Agus River and Timoga Creek which contributes to a muddy substrate seashore. The coral reef can be found 300 meters from the shoreline. In terms of fish fauna, four coral reef-related species are identified along with other fish commonly caught by fishermen in the area. This is based on the 2001 survey of the area. Iligan Bay is primarily used for fishing, bathing, and other recreational uses.

Since MPBP has zero wastewater discharge, no nearby water bodies are affected.

GRI 307: Effluents and Waste

307-1 Non-compliance with environmental laws and regulations

MVC is compliant with all relevant environmental laws and regulations.

In keeping with our Environmental Management System, MVC has established plans, policies, and procedures to comply with identified relevant environmental laws and regulations promulgated by DENR and other associated governing bodies. Any non-compliance issues are addressed in accordance with documented information on corrective actions.

GRI 308: Supplier Environmental Assessment

308-1 New suppliers that were screened using environmental criteria

The company has set performance rating criteria in evaluating its suppliers. This evaluation process considers assessment of their impact and compliance on Safety, Health and Environment policies of the Company. MVC's Environmental Management System is accredited under ISO 14001 since 2007 and is now certified under the latest version of the standard, ISO 14001: 2015. The Iligan plant was also awarded certification of its Occupational Health and Safety Management System as required by ISO 45001:2018 standards. In addition, the Iligan Plant is also compliant with the Halal Standards and certified under two Halal Certifications from the IDCP and HDIP.

308-2 Negative environmental impacts in the supply chain and actions taken

We are not aware of any negative environmental impacts in our supply chain that occurred in 2023.

GRI 401: Employment

401-1 New employee hires and employee turnover

MVC Site	New Hires	Employee Turnover
Makati	3	4
Laguna	1	1
Batangas	-	-
Cebu	-	-
Negros Occidental	-	-
Davao	-	-
Iligan	12	5
Total	16	10

401-2 Benefits provided to full-time employees that are not provided to temporary or part-time employees

1. Transportation Allowance / Shuttle Service
2. Rice Subsidy
3. Medical Insurance (HMO) including dependents
4. Life Insurance
5. Vacation Leaves
6. Sick Leaves
7. Uniform
8. Maternity Benefit
9. Christmas Package
10. Retirement Benefit
11. Loyalty Awards
12. Bereavement Assistance
13. Merit Increase for Management Group / Across the Board Increase for CBA members
14. Other CBA negotiated benefits

401-3 Parental leave for Solo Parents

As stated in the MVC Employee Handbook, any employee, who has been certified as a solo parent by the Department of Social Welfare and Development (DSWD), shall be entitled to avail of seven (7) working days parental leave in any given year subject to the allowable reasons stated in the company's policy on leaves under the Solo Parent Act.

GRI 402: Labor/Management Relations

402-1 Minimum notice periods regarding operational changes

There are several communication channels in place to notify operational changes.

1. Through memos at least one-week prior to implementation
2. For significant operational changes which created new rules and guidelines, 2 notices are given – the first is for the soft implementation and the second notice for full implementation after at least a month.
3. Operational changes are communicated through Department meetings, weekly production planning, monthly labor-management meetings through the Industrial Peace Council and Council of Solidarity and monthly Safety Council meetings.
4. A bi-monthly publication, the Pipeline, also features information of significant operational changes.
5. Online notifications for real-time communication platform

GRI 403: Occupational Health and Safety

403-1 Occupational health and safety management system

The Company is committed to the prevention of work-related injuries and illnesses to workers and to provide safe and healthy workplaces. Accordingly, the Company takes effective preventive and protective measures to eliminate hazards and minimize Occupational Health and Safety (OH&S) risks.

The OH&S management system of the main manufacturing site in Iligan City is certified with the latest international standard for OH&S which is ISO 45001 version 2018. With this standard, a risk-based approach in identifying workplace hazards and determining the needs and expectations of workers and other interested parties is implemented.

The Company continually improves the suitability, adequacy, and effectiveness of the OH&S management system and determines opportunities for improvement through monitoring, measurement, and analysis of its performance, and through the conduct of internal audit and management review.

The scope of Iligan Plant's OH&S management system covers all employees, in-house contractor personnel in-charge of project and maintenance activities, suppliers/vendors, student On-the-Job trainees, product transport service providers, visitors, and other identified interested parties that have access to plant premises.

403-2 Hazard identification, risk assessment, and incident investigation

The Company has a documented procedure on Hazard Identification, Risk Assessment and Determining Controls, or HIRADC. Hazards due to interaction with people, work environment, machines/equipment, and materials are identified for the following: routine and non-routine activities, off-site activities done by people under the control of the Company, activities outside the plant premises but may affect the workplace, new or proposed/modified processes, and new activities that are part of corrections and/or corrective actions. The OH&S risks are then identified for each hazard and an assessment of the risks is performed. The hazard is significant if it is covered by legal or regulatory requirements and if incidents have occurred in the past with respect to the identified hazard. Control measures are then provided for significant hazards according to the hierarchy of controls: (1) elimination, (2) substitution, (3) engineering controls, (4) administrative controls and, (5) personal protective equipment. Residual risk assessment is done in order to verify effectiveness of existing controls. A review for changes to the controls is performed annually according to the procedure on Management of Change. The output for such activity is then discussed during the Management Review.

Workers may report in person, in writing, or through the online reporting system any work-related hazard and hazardous situation to their immediate superior, the department manager, or to the Environment, Health and Safety (EHS) Section without fear of discrimination or reprisal. Any reports are treated with confidentiality and subjected to investigation according to the procedures on Accident/Incident Investigation and Corrective Action.

In the event that an incident has occurred, the supervisor of the area involved conducts an immediate investigation and submits a report to the EHS Section. EHS then evaluates and gives recommendations to prevent recurrence of the incident. The details of the incident and corrective actions provided are presented during the monthly Health and Safety Committee meeting, in the form of the CCOQSSHE.

403-3 Occupational health services

The Company is compliant to the requirements mandated by Republic Act

11058 and the Occupational Safety and Health Standards by the Department of Labor and Employment (DOLE) with regard to the provision of competent and qualified Occupational Health (OH) personnel and facilities. Part-time OH Physicians, one (1) each for Iligan Plant and Makati Head Office, as well as one (1) full-time OH Nurse in Iligan Plant, are provided by the Health Maintenance Organization (HMO) provider of the Company to render OH services. Certified first-aiders of the Company are trained annually by DOLE accredited training organizations. The OH personnel are duly complemented with the required medical supplies, equipment, and Clinic facility. In case of emergencies, an emergency service vehicle is readily available for transporting workers to the nearest hospital from the Plant.

Workers' personal health-related information is private and subjected to strict confidentiality. Safeguards are put into place to ensure that medical records are kept classified and restricted to relevant OH personnel and the Management.

403-4 Worker participation, consultation, and communication on occupational health and safety

The Company ensures that appropriate communication, participation, and consultation processes are established on OH&S related matters. Workers are involved, consulted, and represented in the development and review of policies and procedures to manage OH&S issues.

The Corporate Council of Quality, Security, Safety, Health, and Environment (CCOQSSHE) is the planning and policymaking group of the MVC Iligan Plant for the Quality Management System (QMS), Environmental Management System (EMS) and Occupational Safety and Health Management System (OSHMS). It provides the venue for discussion of all matters pertaining to quality, security, safety & health and environment through monthly meetings with representatives from the unions. The CCOQSSHE is the counterpart of DOLE's requirement for a company Health & Safety Committee and is composed of the IMS Management Representative, EHS Section, department heads, workers' representatives, and chairpersons of committees.

The Industrial Peace Council (IPC) of the MVC Iligan Plant also serves as an avenue for participation of workers in policy and decision-making processes of the Company in so far as those processes will directly affect their rights, benefits and welfare, except those which are covered by collective bargaining agreements or are traditional areas of bargaining. The IPC is composed of representatives from the unions (rank & file, and supervisory), and management group, chairpersons of committees, and department representatives. The IPC is equivalent to the Labor Management Council as required by DOLE. In 2022, the IPC was awarded one of the Country's Outstanding Labor and Management Cooperation by NCMB-DOLE.

403-5 Worker training on occupational health and safety

The Company trains and develops its workers to ensure that all jobs are performed in the required manner and its current and future needs for skills are met. The Company ensures that persons performing work under its control are aware of the OH&S policies and relevant objectives. These policies are also communicated to other interested parties.

The Human Resource Department (HRD) is responsible for establishing, maintaining, and continuously improving systems and procedures to identify training needs, develop training plans and courses, prepare for conduct of trainings, evaluate training effectiveness, and retain documented information on training.

Department and Section Heads are responsible for defining the training

needs of workers on OH&S, confirming training plans and courses, ensuring that training programs for workers are implemented, and monitoring and supporting the application of workers learning on the job.

In compliance to RA 11058, all workers, including new hires, are provided training and information for hazards associated with their work, health promotion, health risks involved or to which they are exposed to, preventive measures to eliminate or minimize OH&S risks, emergency response, and safety instructions for activities and tasks handled. All safety and health personnel are required to undergo the mandatory orientation on OH&S as prescribed by DOLE.

403-6 Promotion of worker health

The Company ensures that workers are protected against health hazards in the workplace and provided with access to adequate medical care and treatment.

Workers are required to undergo physical examinations prior to their employment and every year through the Annual Physical Examination (APE).

A clinic is provided within the premises of the Company where workers may be brought for examination and treatment of their injuries or illnesses, medical consultations, or health monitoring by competent and qualified OH personnel.

Medicines, medical supplies and first aid equipment are also provided in the clinic and other strategic locations or in portable kits. The least minimum quantity of each is according to the provisions of Rule 1960 of the OSH Standards.

A 24-hour emergency vehicle is also provided as a means of transportation and access to the nearest hospital.

Periodic inspection of premises is conducted to ensure that the working environment is fit for all workers.

Personal health maintenance, physical fitness, and proper nutrition practices can be availed by workers through health talks and other proper communication channels so that workers will be adequately informed.

The Company has also implemented a protocol to strengthen the prevention and control of the transmission of COVID-19 in the workplace. Strict measures are in place to ensure that compliance to local and national guidelines are being followed.

403-7 Prevention and mitigation of occupational health and safety impacts directly linked by business relationships

The Company has determined the needs and expectations of interested parties that are relevant to the OH&S management system, including those with access to the workplace and their activities, such as contractors, visitors and other persons; those in the vicinity of the workplace who can be affected by the activities of the organization; and workers at a location not under the direct control of the organization.

The requirements of the OH&S management system and other pertinent OH&S information are communicated to the interested parties as identified by the Company.

403-8 Workers covered by an occupational health and safety management system

The scope of the OH&S management system for MVC Iligan Plant involves the following:

- All MVC employees (including regular and probationary, and temporary workers)
- In-house contractors or service providers for projects, maintenance, and other service activities (Electrical, Mechanical, Instrumentation, Steel Works, PVC Works, Carpentry and Masonry, Machining, Rubber-lining, Motorpool, Janitorial, Transportation, Security, Canteen, Product Handling)
- Product trucking service providers
- Suppliers/vendors
- Student On-the-Job trainees
- Visitors (VIP, government inspectors, academe, etc.)
- Other identified interested parties

Due to the COVID-19 pandemic, student on-the-job trainings and educational tours or field trips have been suspended to control and prevent the spread of the disease in the workplace.

403-9 Work-related injuries

MVC Iligan Plant has achieved a frequency rate of 0.00 for year 2023; the severity rate is 0. The frequency rate is calculated using the number of disabling injuries or illnesses divided by the employees-hours of exposure, multiplied by the million man-hour unit. The severity rate, on the other hand, is based on the total days lost divided by the employees-hours of exposure, multiplied by the million man-hour unit. The formulas are stipulated in Rule 1050 of the OSH Standards of DOLE.

The 1,250,000 safe man-hours were attained by MVC Iligan Plant last September 23, 2023. Next target safe man-hours is 1,500,000, which will be achieved by September 16, 2024. As of December 31, 2023, safe man-hours for MVC Iligan Plant is 1,317,752.

403-10 Work-related ill health

No work-related illnesses have occurred for year 2023 according to the Annual Physical Examination (APE) results and records provided by the Clinic and OH personnel.

GRI 404: Training and Education

404-1 Average hours of training per year per employee

A Training Plan is executed/implemented each year that ensures training for every employee at an average of 24 hours per year:

1. Safety, environment and health related training for 8 hrs.
2. Competency-based training for at least 8 hrs.
3. Continuing Education for Professionals for at least 8 hours
4. Refresher course skills training for rank and file for at least 8 hours

404-2 Programs for upgrading employee skills and transition assistance programs

1. Attendance to Seminars and Conventions
2. Leadership Development Program
3. Supervisory Development Programs / MVC Academy
4. Succession Planning and Intervention Program, On-the -Job Trainings, Job Rotation, Coaching & Mentoring
5. Regular Drills
6. Continuing Education Assistance (Scholarship) Program
7. TESDA Accreditation

8. Certification Programs

404-3 Percentage of employees receiving regular performance and career development reviews

Performance review:

1. Luzon – 100%
2. Cebu – 100%
3. Davao – 100%
4. Iligan – 100%

Career Development review:

1. Luzon – 10%
2. Cebu – 0%
3. Davao – 0%
4. Iligan - 31%

GRI 405: Diversity and Equal Opportunity

405-1 Diversity of governance bodies and employees

MVC adopts the policy of non-discrimination in hiring and promotion regardless of age, gender or sexual preference, and creed or religion. (Please refer to 102-8)

Percentage of workers by age group

Age Group	Headcount	% of Workers
Below 30 years old	46	28.75%
30 – 40 years old	76	47.50%
41 – 50 years old	21	13.125%
51 – 60 years old	17	10.625%

Governance bodies like the Board of Directors and Management Team's Field of Interest and/or Profession include:

1. Filipino Management Team	<ul style="list-style-type: none"> • Banking and Finance • Engineering / Manufacturing • Law • Mining
2. Japanese Management Team / Counterparts	<ul style="list-style-type: none"> • Accounting and Finance • Chemical Manufacturing • Law • Audit

405-2 Ratio of basic salary and remuneration of women to men

The ratio is 1:1 for male and female. The company's salary structure and salary administration scheme is applicable to all regardless of employee category, gender and age.

GRI 406: Non-Discrimination

406-1 Incidents of non-discrimination and corrective action taken

None. The MVC Employee Handbook has a major section on rules and discipline that have a specific sanction on discriminatory acts. Company policies have specific provision on non-discrimination and stipulation of roles and responsibilities of employer and employees.

GRI 407: Freedom of Association and Collective Bargaining

407-1 Operations and suppliers in which the right to freedom of association and collective bargaining may be at risk

Since the Iligan Plant was inaugurated in 1965 and the R&F Union was established in 1978, there were no known operations and suppliers which prevented the workers to their right to freedom of association and collective bargaining as management systems and Labor-Management Cooperation (LMC) best practices are in place.

However, for risk assessment purposes, the contractors and vendors are identified as possible suppliers that may pose risk to collective bargaining.

GRI 408: Child Labor

408-1 Operations and suppliers at significant risk for incidents of child labor

- MVC never had an incident of child labor. The corporate policy on Child Protection and Child Friendly Environment Policy laid down worksite programs to ensure that there will be no incidents of child labor starting from the recruitment and employment process. Should there be employed below 18 years old, guidelines for work arrangement, work accommodation and continuing education are in place.
- MVC extended its commitment to “no child labor” by imposing its child protection policy to contractors and vendors thru contract agreements and inspections.

GRI 409: Forced or Compulsory Labor

409-1 Operations and suppliers at significant risk for incidents of forced or compulsory labor

- MVC ensures that there shall be no incidents of forced and compulsory labor by strict adherence and compliance to Labor Standards and Occupational Health and Safety Standards in all MVC worksites.
- MVC’s continued strict adherence to UNGCI principles of elimination of forced and compulsory labor and the effective abolition of child labor implemented child friendly programs and activities has earned the recognition of the Employers’ Confederation of the Philippines (ECOP) and International Labor Organization. These institutions awarded MVC as a Child Friendly Firm in 2001 and 2007. MVC’s child friendly programs have been institutionalized, and its implementation is improved every year.