



UN GLOBAL COMPACT INITIATIVES

2019 Communications on Progress Report

As one of the pioneer signatories in the Philippines and supporter of the UN Global Compact principles, Mabuhay Vinyl Corporation (MVC) continues to uphold its commitment to support initiatives of the UN Global Compact.

Mr. Takahiro Machiba and Mr. Edwin Li. Umali, MVC Chairman/Chief Executive Officer and MVC President/Chief Operating Officer, respectively, reiterate the Company's support to further strengthen the UN Global Compact principles through the Company's various programs and activities, as contained in the following Progress Reports / Updates for 2019:

Principles	Policies, Actions and Performance Indicators
<p>HUMAN RIGHTS</p> <p>Principle 1: Support and respect the protection of International Human Rights within MVC's sphere of influence</p>	<p><i>In keeping with this principle, the following activities were undertaken:</i></p> <ul style="list-style-type: none"> • Donated school supplies to 69 children during the Flores De Mayo celebration in Sitio Tonggo, Buru-un Iligan City. • Conducted a summer Do-It-Yourself workshop for children of Purok 1 & 2 of Sitio Tonggo and Purok 13 of Timoga Buru-un where they were taught to make a paper bag and pencil holder respectively. • Medical Mission was conducted on May 19, 2019, at Purok 1 & 2, Tonggo, Buru-un, Iligan City in cooperation with Adventist Medical Center with 104 beneficiaries receiving free consultations, medicines and circumcision for 42 boys. • Participated in PBSP's Bridaga Eskwela (covering of student workbooks) on May 25, 2019, at the Capt. A. Alberto Elementary School, Las Piñas City • Repair of ceiling and wall division of 3 classrooms at Iligan City National School of Fisheries, Bgy. Buru-un and donation of whole drums and ½ drum for organic farming, aqua phonics and fish cage on June 22, 2019. • Cash donation for school supplies at Sardab Elementary School, Bgy. Digkilaan in participation to the Department of Labor & Employment initiatives and member companies of FFWC (Angel Tree Project) distributed on June 7, 2019. • Donated cleaning materials (brooms, dustpans, and ½ drums for garbage bins) to Ditucalan Elementary School and Napocor Elementary School. • Renovation, repair & repainting ceiling, walls, window jambs, window grills, door and comfort room of Francisco Paradela Memorial Elementary School.
<p>Principle 2: Make sure MVC is not complicit in human rights abuses</p>	<ul style="list-style-type: none"> • Sponsorship of eight (8) MVC Scholars by giving school supplies, bags, shoes, socks, umbrella/ raincoat, uniform and school fees using the funds accumulated through "My Voluntary Contribution" drive of Iligan based employees. • Distributed school supplies to pre-school pupils and donated two (2) industrial fans at Bauan Day Care Center on June 20, 2019. • Organized a medical mission and dengue awareness activity at Purok 2 Tonggo, Buru-un on August 18, 2019, where 84 patients have availed of the free clinic services and free medicines. • Donated new and slightly used books/children's reading materials to Sgt. Miguel Canoy Memorial School, Buruun, Iligan City for their "Book Shower Program" on September 25, 2019. • Conducted Outreach Program at Our Lady of Perpetual Help – Caysasay Children's Home in Taal, Batangas on September 12, 2019 and donated groceries and four (4) sacks of rice. • Conducted various health talks for employees both in Iligan and Luzon with topics ranging from Prostate and Ovarian cancer, Depression, Dengue Awareness, Office Ergonomics, Cholesterol and Blood Sugar. • Organized a medical mission at Purok 13, Timoga, Brgy. Buru-un on October 6, 2019, with 60 children and 49 adults as beneficiaries. • Conducted a Medical and Dental Mission on November 29, 2019, in Barangay San Miguel, Bauan, Batangas. 184 beneficiaries who received free doctors' consultation and medicines and children received free dental check-up, fluoride treatment and dental kits. Distributed to beneficiaries and medical team of Bauan Municipal Health Office, 200 packs of cleaning agents donated by Peerless Inc., a customer of MVC. • Conducted Brigada Eskwela on December 13 at various schools in Iligan: <ul style="list-style-type: none"> ✓ DNHS – Hindang High School where materials for painting classrooms and garbage bins were donated. ✓ Bunawan Agricultural High School where 200 student-beneficiaries received medicines and dental kits. • Conducted a "Pamaskong Handog" an annual activity for children from Purok 1 & 2, Tonggo and Purok 13, Timoga, Iligan City.

	<ul style="list-style-type: none"> • Donations of the following: <ul style="list-style-type: none"> ✓ Corrugated sheets and plywood for Paglingkawas Livelihood Store at Purok 2, Sitio Tonggo, Buru-un. ✓ PVC pipes and flanges for the BUWASA pipeline project of Brgy. Buru-un. ✓ Drums for irrigation use to Sikyop Agri-Eco-Tourism Multi-Purpose Cooperative, Sitio Lawlawon, Brgy. Rogongon. ✓ Sodium Hypochlorite to AFP 1st Division, Pulakan, Pagadian City.
<p>LABOR</p> <p>Principle 3: Uphold the freedom of association and the effective recognition of the right to collective bargaining</p>	<ul style="list-style-type: none"> • Through the Industrial Peace Council (IPC) and the Corporate Council on Quality, Safety, Security, Health and Environment (CCOQSSHE) in Iligan and the Council of Solidarity (COS) in Makati, MVC management and employees continually address issues and concerns and collaborate in forging solutions on health and overall plant safety concerns, employee and family welfare, solutions to work problems and means towards process improvements. • Employee complaints and grievances are addressed via the Company's established Grievance Procedures and bound by the Company's Employee Handbook on Rules and Discipline. • MVC supports the active participation and attendance of Union Officers and workers to activities initiated by the Union Federation as well as programs, training, general assemblies, community outreach and the like organized by the Department of Labor and Employment-Federation of Family Welfare Committees (DOLE-FFWC), Tripartite Industrial Peace Council (TIPC), Labor-Management Cooperation – Voluntary Arbitration Advocates, Inc. (LMC-VAA, Inc.) of the National Conciliation and Mediation Board (NCMB), etc. • MVC ensures implementation of the provisions of the Collective Bargaining Agreement entered into with the R&F Union (MVEU-FDLO) and the Supervisory Union (MVSU).
<p>Principle 4: Elimination of all forms of forced and compulsory labor</p>	<ul style="list-style-type: none"> • Participated in the DOLE Joint Assessment / Compliance Audit with Union representatives including Contractors with existing contracts or agreements with MVC. No Violation on General Labor Standards (GLS) and Occupational, Safety and Health (OSH) were given to MVC per Notice of Results.
<p>Principle 5: Effective abolition of child labor</p>	<ul style="list-style-type: none"> • Reinforced child protection and child-friendly environment policy and worksite programs on recruitment and employment, working environment and continuing education. • MVC regularly inspects and ensures that contractors and suppliers do not engage in forced labor and the hiring of minors.
<p>Principle 6: Elimination of discrimination in respect of employment and occupation</p>	<ul style="list-style-type: none"> • MVC ensures that individuals are not being discriminated nor treated any less favorably because of a 'protected characteristic'—age, disability, marital or civil partner status, pregnancy or maternity, race, (including color, nationality and ethnic or national origins) religion or belief, gender or sexual orientation. • Job opportunities are circulated as widely as reasonably possible and recruitment advertisements do not use wording that implies a preference against any one of the above-mentioned protected characteristics. • Health Talk and Awareness Information Drive on HIV/AIDS, Pulmonary Tuberculosis, Hepatitis B and Lifestyle diseases were conducted with an emphasis on non-discrimination policy in the workplace.
<p>ENVIRONMENT</p> <p>Principle 7: Support a precautionary approach to environmental challenges</p>	<ul style="list-style-type: none"> • Participated in the International Coastal Cleanup activity on September 21, 2019, and in line with Iligan City's Diyandi Festival activities for the month of September. A total of 123 MVC employees, contractors and coastal residents joined in the coastal cleanup. • Organized a Tree Planting Activity at the Ipo Dam Watershed on July 7 and October 6, 2018, in partnership with Maynilad Water Services where a total of 200 seedlings were planted per scheduled date. • Disaster/emergency preparedness drills were conducted regularly as a precautionary approach to environmental challenges.
<p>Principle 8: Undertake initiatives to promote greater environmental responsibility</p> <p>Principle 9: Encourage the development and diffusion of environmentally friendly technology</p>	<ul style="list-style-type: none"> • The Iligan Plant and Mabuhay Premium Bleach Plant's (MPBP) Environmental Management System were certified as compliant to ISO 14001:2015 by TUV-SUD as well as the issuance of certificates were recommended by TUV-SUD for the Corporate Quality Management System and Iligan Plant's Occupational Safety and Health Management Systems. • The Iligan Manufacturing Plant's continual improvement in operations systems resulted to cost reduction and lesser CO₂ emissions, such as brine recovery of systems losses, utilization of hydrogen as a fuel to minimize the use of low sulfur bunker fuel and use of 32% NaOH instead of 50% NaOH in hypo production to minimize steam consumption, among others. • Implements environmentally-aligned programs such as a <i>No Plastic Policy</i> Program in the canteen. • Lakbay Linis", a company-wide cleanup campaign, was sustained every quarter as part of MVC's Good Housekeeping (GH) program to promote environmental responsibility among employees and contractors. The program included GH & safety audits in all plant areas.
<p>ANTI-CORRUPTION</p> <p>Principle 10: Work against corruption in all its forms, including extortion and bribery</p>	<ul style="list-style-type: none"> • MVC's Code of Business Conduct provides that every employee is expected to faithfully comply with and perform his tasks and 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. • Contracts and Purchase Orders entered into by MVC contain a provision on anti-corruption. Suppliers and contractors warrant that no consideration or compensation was offered to any MVC employee, nor did he/she exert any corrupt or unlawful influence to secure the purchase order or contract; and that he/she will comply with government laws and regulations in the conduct of business.