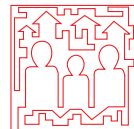


## U. N. Global Compact Initiatives for 2007

Mabuhay Vinyl Corporation (MVC) continues to be an active partner to the United Nations Global Compact, an international initiative that started in 2000 to bring companies together with UN agencies, labor and civil society in support of universal environmental and social principles. As part of a network that spans thousands of companies from all regions of the world, MVC remains committed to the advancement of ten universal principles in the areas of human rights, labor, the environment and anti-corruption.

The company's progress in meeting these principles in 2007 are summarized below:

Principles	Policies, Actions and Performance Indicator
1. Support and respect the protection of internationally proclaimed human rights within MVC's sphere of influence	<p><b>MVC continues to adhere to the principle of protecting human rights from within its operations and through other areas where our influence can reach. For the year 2007, the following were the actions and results of our efforts:</b></p> <ul style="list-style-type: none"> <li>▪ The Industrial Peace Council was recognized as one of the top 3 Outstanding LMC for Industrial Peace in a nation-wide search conducted by the National Conciliation and Mediation Board (NCMB) in coordination with the Philippine League of Labor Management Council Practitioners, (PHILAMCOP) Inc. This recognition is given to MVC for the second time. The first was in 2003.</li> <li>▪ MVC shared its best practices during the Symposium on Pro-Active Programs for Competitiveness and the Philippine Quality Award Roadshow in Iligan City.</li> <li>▪ MVC continued to reach out to the community in doing its Corporate Social Responsibility (CSR) programs. Among them were the following: <ul style="list-style-type: none"> <li>○ Gift-giving and visit to the sexually abused minors at the Mercy Hospital McAuley Center for Women, Tubod, Iligan City</li> <li>○ Donations for the all purpose building at Sgt. Canoy Elementary School, Buru-un, Iligan City</li> <li>○ Conducted two livelihood skills training for the community.</li> <li>○ Donation to the Paglingkawas Tonggo Women's Cooperative for the renovation and expansion of their cooperative store.</li> <li>○ Facilitated the annual medical mission and free clinic to provide medical services to communities in Iligan City and Batangas.</li> <li>○ Donated scrap steel bars and pipes for the enhancement/repair of the city jail.</li> <li>○ Donated plastic drums for water storage at the city jail.</li> <li>○ Visiting and donating gifts to the Home of the Aged.</li> <li>○ Responding to the call for assistance of the flash flood victims in Iligan City. MVC donated sacks of rice and assorted grocery items for the flood victims.</li> <li>○ Donated Noche Buena food baskets to 31 indigent families of Brgy. Ubaldo Laya, Iligan City whose houses were totally damaged by the flood. This was in support to the City of Iligan Project dubbed as "Adopt Indigent Families for Christmas. A total of P23,120.00 (US \$ 555.8) was donated by 62 Iligan and Cebu employees through the M. V. C. (My Voluntary Contribution) scheme (<i>where employees donate their full or half day's salary for a cause and the company matches the total amount from employees' contributions</i>). Food baskets were distributed directly to the beneficiaries.</li> </ul> </li> </ul>
2. Uphold the freedom of association and the effective recognition of the right to collective bargaining	<p><b>Amidst the trying times in sustaining our business performance, the company continued to adhere to its commitment in upholding the right to collective bargaining of its employees. The Collective Bargaining with the company's two unions were speedily and cordially concluded in 2007, as follows:</b></p> <ul style="list-style-type: none"> <li>▪ Signed a 5-year Collective Bargaining Agreement with the rank and file Union in 6 meetings.</li> <li>▪ Signed a 2-year Collective Bargaining Agreement with the supervisory union in 2 meetings.</li> </ul>
3. Make sure MVC is not complicit in human rights abuses	<p><b>In the conduct of its business, MVC continued to implement the established strategic policies in ensuring that its suppliers and contractors comply with applicable legal requirements relevant to their businesses, including elimination of forced labor and abolition of child labor. In addition, the company continued to be a model in the community in touching the lives of children. These were some of the results and programs we have instituted in 2007:</b></p> <ul style="list-style-type: none"> <li>▪ MVC was once again recognized as a Child Friendly Company by the Employers Confederation of the Philippines (ECOP) and the International Labour Organization (ILO) during the ECOP National Convention on March 20, 2007 at Manila Hotel, Manila</li> </ul>



Principles	Policies, Actions and Performance Indicator
<p>4. Elimination of all forms of forced and compulsory labor</p> <p>5. Effective abolition of child labor</p>	<ul style="list-style-type: none"> <li>Programs that continue to touch the lives of children: <ul style="list-style-type: none"> <li>The conduct of the Summer Art Workshop for Kids. The kids were taught the value of proper hygiene, sleep and exercise. The children had an enjoyable summer learning the basics of badminton and some modern dance moves</li> <li>The conduct of the Annual Pamaskong Handog sa mga Bata – an IPC sponsored project for the less fortunate kids in the community. A total of 170 kids and 30 adults enjoyed the Christmas Party &amp; gift giving.</li> <li>Donated 50 packs of gift items (school supplies and candies) for indigent children in Brgy. Digkilaan, Iligan City.</li> <li>The Annual Palaro and Family Day where MVC involves children of its employees in celebrating the Family Day.</li> <li>The conduct of a “Story-Telling” session to 35 pre-school children in the Day Care Center about caring for the environment and donating “Basura Monster” books authored by Tintin Bersola.</li> </ul> </li> </ul>
<p>6. Elimination of discrimination in respect of employment and occupation.</p>	<p><b>MVC continued to be an “equal opportunity” employer without regard to sex, age and creed. The company has given prime importance not only in developing its human resources’ work-related competencies but also in molding them to become total persons. The company has urged everyone, including workers of contractors to join in volunteer work. As a result, two of our employees were recognized for their outstanding accomplishments. They were:</b></p> <ul style="list-style-type: none"> <li>Mr. Diosdado T. Reponte - awarded as the 2007 Most Outstanding Employee of Iligan City – Lanao del Norte. He also bagged the most coveted award as Region 10’s Outstanding Employee. This is the third time (in three consecutive years) that an MVC employee got this award.</li> <li>Mr. Noel A. Abaño was chosen as Region 10’s President Ramon Magsaysay Outstanding Filipino Worker Awardee (Wage Category). He represented Region 10 in the national search and was adjudged as the first runner-up.</li> </ul>
<p>7. Support a precautionary approach to environmental challenges</p> <p>8. Undertake initiatives to promote greater environmental responsibility</p> <p>9. Encourage the development and diffusion of environmentally friendly technologies</p>	<p><b>We remained steadfast in our commitment to protect the environment and preserving resources including compliance to applicable legal requirements concerning safety, health and the environment. As proof of this commitment, the results and programs for 2007 are as follows:</b></p> <ul style="list-style-type: none"> <li>The retrofitting of the Diaphragm Cell Plant to a more environment-friendly, cleaner and energy efficient Ion Exchange Membrane technology is in full gear. Operation of this new plant is expected in 2008.</li> <li>We were allowed continued use of the ISO 14001:2004 certificate by TUV-SUD and the use of the Responsible Care logo by SPIK. We are also experiencing the benefits in establishing and practicing the requirements of these two management systems.</li> <li>MVC was able to attain 419 Days No-Lost Time Accident with Frequency and Severity Rates of Zero in 2007.</li> <li>The turn-over of the Iligan Plant’s Annual Physical Examination hit a record high of 99.4% or a total of 146 out of 147 employees submitted themselves to the annual physical check-up. Results of the APE will serve as basis in coming up with focused health programs of the company for its employees.</li> <li>Programs with a touch of environmental concerns also spilled out to the community as follows: <ul style="list-style-type: none"> <li>Donation of billboards, safety paraphernalia, garbage cans and cash donations in support of the solid waste management program of Barangay Maria Cristina.</li> <li>Donation to the Philippine Business for Social Progress (PBSP). The funds raised will be used to plant 30,000 trees in 12 hectares of denuded land.</li> <li>Volunteers from MVC and its contractors conducted the annual coastal clean-up in its coastlines.</li> <li>Tree planting activities in IPO, Batangas and Iligan City.</li> <li>MVC employees and contractors joined the “March for Cause” organized by the Barangay Maria Cristina Solid Waste Management Council. This was a kick off activity for a week long information campaign for the implementation of R. A. 9003 (Ecological Solid Waste Management Act of 2000.)</li> </ul> </li> </ul>
<p>10. Work against corruption in all its forms, including extortion and bribery</p>	<p><b>The company continued to implement its policies explicitly stated in its Code of Business Conduct. Provision of this code is translated further into operational policies and procedures in all of the company’s purchasing transactions. MVC has also transparently complied with requirements in dealing with government agencies. As a result we were given the following recognitions:</b></p> <ul style="list-style-type: none"> <li>MVC- Iligan was conferred by the Iligan City government three (3) awards during the 57<sup>th</sup> Iligan City charter Day on June 16, 2007. These awards were: <ul style="list-style-type: none"> <li>Top Taxpayer. We are number three in 2007 from number five in 2006.</li> <li>Plaque of Excellence for exemplary performance in the field of Corporate Social Responsibility</li> <li>Recognition of Diosdado T. Reponte (MVC’s Outstanding Quality Employee for the year 2006). He was also awarded as Region 10’s Outstanding Employee of the Year – 2007.</li> <li>PhilHealth Region 10 recognized MVC as Best Employer of the Year for 2007 (Large Scale Category).</li> </ul> </li> </ul>