



UN GLOBAL COMPACT INITIATIVES 2009 COMMUNICATIONS on PROGRESS REPORT

As one of the pioneer signatories in the Philippines, Mabuhay Vinyl Corporation continues to affirm its commitment to supporting initiatives of the UN Global Compact and confirms its adherence to the UN GCI principles.

MVC's 2009 UN Global Compact Report complements last year's initiatives. The 2009 Communications on Progress provides updates on management support to and employee participation in the company's collective efforts to integrate the UN GCI principles into its business operations, in its interface with its various stakeholders, in helping communities and in preserving environment resources, among others.

As Mr. Edwin Li. Umali, Mabuhay Vinyl Corporation President and COO, aptly put it, "Reporting our initiatives and activities in support of the UN Global Compact principles is not only a requirement, but is our statement of belief in and adherence to the values and essence of the UN Global Compact." Indeed, Mabuhay Vinyl Corporation continuously strives to find appropriate activities to complement its goals with the UN GCI principles.

The following are our Progress Reports / Updates for 2009. Mabuhay Vinyl Corporation's COP is part of the company's Annual Report and shared to the company's shareholders during its yearly Stockholders' Meeting.

UN GCI Principles	Policies, Actions and Performance Indicators
<p>Principle 1:</p> <p>Support and respect the protection of International Human Rights within MVC's sphere of influence</p>	<p>The following activities undertaken by MVC are in keeping with the International Human Rights Declaration :</p> <ul style="list-style-type: none"> • MVC's Industrial Peace Council (IPC), a labor management cooperative scheme, was recognized as a Finalist in the country-wide search for Best Labor-Management Council (LMC) and was recognized with a special award for its commendable achievement in the areas of LMC organizational set-up and effective partnership through responsive programs/projects, boosting organizational growth, employee productivity and community development. • Donated goods (rice, canned goods, used clothing) to victims of Typhoon Ondoy, in different barangays of Iligan City • Provided building materials to seven families in Purok 12 (Iligan City) whose houses were totally washed out by a flash flood. • Donated electrical wirings and lighting fixtures for the street lighting at Purok 13 (Iligan City). • Repaired and refurbished two OB Gyne rooms of a public hospital in Iligan City. • Entered into a Memorandum of Agreement with Barangay Buru-un and Iligan City Health Office for a barangay wide Tuberculosis awareness, prevention and control program. The aim of this project is to control, if not totally eradicate, Tuberculosis in the whole barangay using the DOTS program of the national government. • Helped in the renovation of St. James chapel in Kauswagan, Lanao del Norte through donation of wooden building materials. • Facilitated the conduct of free medical and dental consultation for residents of Purok 13 suffering from upper respiratory illnesses. • Donated firewood and plastic drums as water containers for the inmates at the Bureau of Jail Management and Penology.
<p>Principle 2:</p> <p>Make sure MVC is not complicit in human rights abuses</p>	<p>In support of Article 26 of the International Human Rights Declaration, MVC :</p> <ul style="list-style-type: none"> • Facilitated the 2009 planning meeting of the Kabataang Purok 13. This is a youth organization formed and supervised by MVC to provide the youth a venue for skills and personality development and most importantly to make them realize their true worth and potential. • Through voluntary contribution of employees, continued the scholarship program for eight kids from economically depressed families in Purok 13. Support given is in the form of school fees, school supplies, uniforms, bags and shoes.

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<p>Principle 3:</p> <p>Uphold the freedom of association and the effective recognition of the right to collective bargaining</p>	<p>MVC takes pride of the harmonious labor-management relationship in the organization. This was affirmed anew with the company being recognized with a special award for its commendable achievement in the area of Labor-Management Cooperation (LMC) organizational set-up and effective partnership. Other activities undertaken were as follows :</p> <ul style="list-style-type: none"> Involved the two unions (Rank & File and Supervisory Unions) in the conduct of a strategic planning session of the <ul style="list-style-type: none"> Industrial Peace Council Plant Central Safety Council Negotiated and agreed on the remaining 2-year economic provision of the Supervisory Union CBA in a record of one meeting. Facilitated a seminar on Collective Bargaining Techniques for union officers and department managers with the National Conciliation and Mediation Board (NCMB) Director for Region X as resource person.
<p>Principle 4: Elimination of all forms of forced and compulsory labor</p> <p>Principle 5: Effective abolition of child labor</p>	<p>As a corporate policy and mandate, the company does and engages business only with suppliers and contractors who do not engage children / minors in their own operations.</p> <p>Further, MVC's contracts for outsourced services provide that the contractors/suppliers shall comply with all regulatory standards including rates of pay, personal safety equipment, legal benefits, etc. for their employees. Monitoring is being done to ensure that contractual provisions are implemented.</p> <p>Other programs initiated were :</p> <ul style="list-style-type: none"> Conducted livelihood training on "Creative Design and Photographic Silk Screen Processing and T-shirt printing" for 40 youths. Attendees were provided with initial printing materials to continue practicing the skills at home. Conducted the annual Christmas party dubbed as "Pamaskong Handog sa mga Bata" for 120 kids from the neighboring communities and provided gift packages for 100 children in Digkilaan, Purok 13 and Tonggo, Iligan City.
<p>Principle 6: Elimination of discrimination in respect of employment and occupation</p>	<ul style="list-style-type: none"> As an "equal opportunity" employer, it is MVC's policy to provide employees with opportunities to develop their full potential. Continuous education is encouraged. In fact, for 2009, three of our production operators graduated from Mindanao State University –Iligan Institute of Technology (MSU-IIT) with Bachelors degree. They are: Glenn Tagbac – BS in Industrial Automation and Mechatronics (Cum Laude) Fortunato Gualdajara – BS in Industrial Automation and Mechatronics Rey Villorejo – BS in Engineering Technology Management Two of our Industrial Engineers are also enrolled as Department of Science and Technology (DOST) scholars at MSU-IIT. To encourage our people to give their best, it is our policy to promote from within. All department managers in the plant rose from the ranks. Employees of our contractors are free to use the company's sports facilities for badminton, lawn tennis, table tennis and basketball. Their playing time is the same as those for regular employees.
<p>Principle 7: Support a precautionary approach to environmental challenges</p> <p>Principle 8: Undertake initiatives to promote greater environmental responsibility</p> <p>Principle 9: Encourage the development and diffusion of environmentally friendly technology</p>	<p>As an ISO 14001:2004 certified company and Responsible Care practitioner, we have manifested our commitment to environmental protection through the following projects:</p> <ul style="list-style-type: none"> Hosted a Solid Waste Management Seminar for 70 teachers from Barangay Buru-un. The seminar was facilitated by the Iligan City Solid Waste Management Board. Hosted the Assessment and Planning Session of the Barangay Maria Cristina Solid Waste Management Board. Facilitated a coastal clean-up along the Timoga coastline with a youth organization spearheading the group of volunteers. This was done in March and again during the World Ocean Day. Luzon depot (BBTI) also participated in a Coastal Clean-Up drive in Batangas. Conducted Chlorine Safe Handling training/workshop for 30 customer representatives from Davao and Manila. Donated labeled plastic garbage receptacles to the Buru-un School of Fisheries. Visited the Ipo watershed tree planting site in 2007 and planted another set of 150 trees in the area.
<p>Principle 10: Work against corruption in all its forms, including extortion and bribery</p>	<p>MVC continues to comply with government requirements and duties. The company likewise affirms that it supports initiatives and activities that are against corruption in all its forms, including extortion and bribery.</p>