

# **YKK PHILIPPINES, INC.:**

## **PARTICIPANT OF THE GLOBAL COMPACT**

### **CORPORATE PROFILE**

YKK is a global organization engaged in the manufacture and distribution of world-class quality fastening products to a wide range of manufacturers of various industries aside from the garment industry. Humbly, YKK is supplying the majority of the world's zipper requirement.

To date, YKK Group operates 121 affiliated companies in more than 60 countries across six (6) regions. The regions are North and Central America, South America, EMEA (covering Europe, the Middle East, & Africa), East Asia, Japan, and ASAO (covering ASEAN, South Asia & Oceania) in which YKK Philippines is a member.

YKK Philippines, Inc. is a joint venture with YKK Japan and it has been in partnership with the local garment industry for 25 years. The company has its head office at Madrigal Business Park, Ayala Alabang, Muntinlupa City while the plant is located at San Bartolome, Sto. Tomas, Batangas. Currently, YKK Philippines, Inc. employs around 233 employees. The management of the organization leads its people in the quest for reaching highest productivity and quality, and maintains a strong people-oriented and environment-friendly organization. As such, YKK Philippines is an ISO 9001:2000, ISO 14001, and oko-tex certified company.

### **INTRODUCTION**

YKK Philippines, Inc. expressed its support to the nine (9) principles underlying the global compact initiative during the XXIII National Conference and Exhibition of Employers sponsored by the Employers Confederation of the Philippines last May 30-31, 2002. However, the Company has long been practicing business strategies in line with the nine principles of the global compact.

### **COMMITMENT IN UPHOLDING HUMAN RIGHTS**

YKK recognizes the workers' association through a Labor-Management Cooperative (LMC) group that regularly meets to address various issues involving any aspect of the company operations, human resource, policy implementation, employee benefits, company activities, etc. Management recognizes the significant role of the employees in the success of any activity and strategy undertaken to achieve corporate objectives. Moreover, the group serves as a forum for workers and management to air significant issues related to both parties' rights and privileges. Founded on 1991, the YKK-LMC was originally recognized as YKK-Labor Relations Committee.

The *Health and Wellness Program* are among the activities that YKK has been very proud of undertaking. Part of this program is the yearly medical mission held inside the company premises during its the anniversary-month celebration. The Medical Mission that is participated in by management, employees, volunteer physicians and medical staff, aims to provide the members of nearby communities with free consultation, medicines, blood screening and vitamins. We are proud to have served a significant number of persons within the outlining barangays.

Part of the Health and Wellness Program of YKK includes health consciousness by conducting lectures and health campaigns on identified frequent recurring illness among employees and the YKK community. Last year, we have sponsored the following seminars: Ureterolithiasis, Responsible Parenthood and Family Planning, and Hypertension. We also have conducted a de-worming campaign among the children of our employees and the children of nearby residents by providing free consultation and medication.

YKK ensures that its employees are working in safe conditions. With the aide of the Safety Officer, the Company initiates safety awareness activities and implements the Zero Accident Program. Education and orientation plays a major role in promoting a safe working condition. All newly hired employees undergo a half-day orientation on safety. Moreover, the following training programs were conducted to YKK employees within the last two years: Oil and

Chemical Spill Response Seminar, Fire Prevention and Fire Drill, 5S and Safety, and Workplace Environmental Hazards. Aside from that, the Environment Management System (EMS) Patrol, composed of representatives from management and employees, routinely conducts inspection and checking on the entire plant in order to ensure the safety and well-being of the employees inside the company.

YKK ensures that all the rights the employees inside the company premises are protected with the existing personnel policies. The Employee Discipline Policy includes categories like against company, against person, conduct, and safety and security, including alcohol and drugs related offenses, which was drafted to protect each other's rights and foster harmonious relationship inside the company. YKK ascertains that employee who commits infractions and offenses against company policies undergo thorough investigation, due process and sanctioned according to severity. The Administrative Procedures for erring employees is included in the Employees Discipline Policy in order to protect his/her rights when charged with infraction.

YKK explicitly discourages harassment in any form, whether sexual, physical, or verbal. The policies and procedures are defined clearly and implemented seriously.

### **COMMITMENT IN ADHERENCE TO LABOR STANDARDS**

YKK Philippines administers all the government-mandated benefits due to employees, and in fact, more than what the law requires. Additional benefits given includes the following: (1) Family Allowance – in recognition of the responsibility of a married person as a bread winner of the family thus, all regular male married employees are granted a family allowance every month; (2) Seniority Allowance – in recognition for the loyalty and services rendered to the company, all regular employees who have rendered at least one year of service shall be given a seniority allowance every month; (3) Meal Allowance/Meal Subsidy – to support one of the basic needs of an employee, all regular and probationary employees shall be provided with a meal subsidy; and, (4) Rice Ration – all regular employees shall be granted rice ration of five sacks of rice each year.

Management takes its responsibility seriously on employee health. The services of a company physician and a company nurse are made available in the medical clinic. The clinic is also equipped with the basic necessities to treat minor and non-serious accidents and injuries. For serious injuries, a service vehicle is available 24/7 to transport patients to the nearby hospital. An Emergency Response Team was also established to respond to emergency cases where members are available and are always on call.

All employees are well aware of their duties and responsibilities and have been mutually agreed upon by incumbents and management. These duties are reflected as objectives in the Position-Job Clarification (formerly Job Description) which are conformed and signed by the employee and superior.

Aside from the LMC, the Company also supports the need of the workers to establish their own affiliation, hence, supports the YKK Social Club (YSC) which started on 1984. The employee group cooperates in company affairs, provides financial assistance to its members, and initiates social activities for employees.

YKK is also proud to practice Equal Employment Opportunity (EEO). Part of our hiring procedures includes non-discrimination in employment because of race, religion or membership or non-membership in any lawful organization. Moreover, YKK does not also discriminate on physical handicap in case they are capable of a particular job. This may be exemplified in case of one of our Maintenance Crew who is deaf and mute. YKK also provide equal opportunity for promotion with the following significant factors: seniority, tenure, performance rating and psychological test (in case of supervisory and managerial promotions). However, employment opportunity is limited to applicants 18 years old and above. In no case does YKK hire the services of minors as stipulated in our hiring procedures.

YKK believe in the continuous learning and development of our employees. During the year 2002, YKK conducted a total of 9,610 training hours or 41.78 training man-hours (per employee). The trainings conducted were based on the results of the identified employee's training needs.

## **COMMITMENT TO PROTECT F THE ENVIRONMENT**

YKK Philippines, Inc. embodies the distinct philosophy of the *Cycle of Goodness wherein we* believe in continuously recurring pattern of mutual benefit through practice of savings and reinvestment. We believe in "*reaping what you sow*", thus YKK makes it a COMMITMENT to give to the customers, the community, the employees and the environment the kind of trust, respect and love that can be reciprocated to our mutual advantage.

We have recently received our ISO 14001 Certification for Environmental Management System last April 2002 and has consistently taken on environmental issues as a company-wide social responsibility. The principle of the Certification is to promote prosperous, healthy lives and harmonious co-existence with our environment, and to preserve and improve the environment throughout our corporate operations.

Through our corporate activities, we seek to develop an environmentally friendly management style and contribute to the establishment of a recycle-type economic society by promoting environmental policies at all stages, from design and production to disposal, collection, and recycling.

Garbage segregation and energy conservation has been a way of life for all YKK employees. Regular audits and monitoring are being performed in order to check adherence to established regulations.

With the aide of a Pollution Control Officer (PCO), the company establishes and maintains a procedure to identify and have access to legal and other requirements to which the company subscribes, that are applicable to the environmental aspects of the company's activities, products and services. This includes monitoring of wastewater, boiler emission, smoke emission, etc.