

GLOBAL COMPACT INITIATIVE

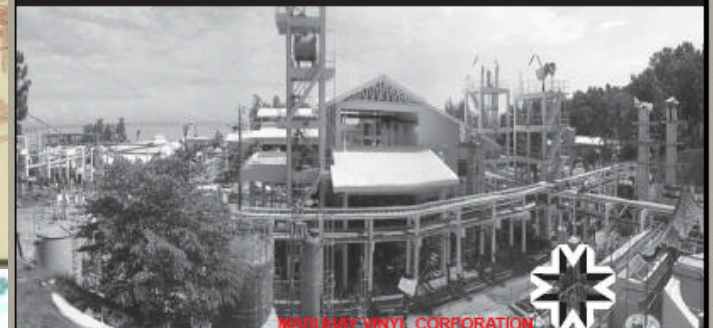


**MABUHAY VINYL
CORPORATION s**

Communication on
Progress for **2003**

ANNUAL REPORT 2002

>> *Beyond Chemicals*



2003 ANNUAL REPORT

MABUHAY VINYL CORPORATION PRODUCTS

The Philippines' leading
manufacturer and trader of:

- Caustic Soda
- Hydrochloric Acid
- Sodium Hypochlorite
- Chlorine





C o r p o r a t i o n



DATE	HISTORICAL HIGHLIGHTS
1934	Incorporation of Mabuhay Rubber Shoe Factory founded by Judge GB Guevara with K. Watanabe
1939	Renamed as Mabuhay Rubber Corporation
Aug. 1965	Amalgam and PVC resins operations in Iligan started.
Nov. 1966	Renamed as Mabuhay Vinyl Corporation
1979	Commissioned Diaphragm Cell Technology
Aug. 1993	Amalgam Plant closed down
Mar. 1994	Sodium Hypochlorite plant in Sta. Rosa, Laguna
Aug. 1995	Closure of VCM Plant (Acetylene Process)
Feb 1997	Listed in the Philippine Stock Exchange
Dec. 1998	Phil. Resins Ind. Inc. start operations (49% owned by MVC)
2000	ISO 9002 certification corporate - wide
Mar. 2001	Closure of PVC operations in Iligan
April 2001	Divestment of the 49% MVC share at PRII
Oct. 2003	Ion Exchange Membrane Plant operates



The Nine Principles of the Global Compact



The Global Compact asks companies to embrace, support and enact, within their sphere of influence, a set of core values in the areas of human rights, labor standards and the environment. The principles are as follows:

HUMAN RIGHTS

1. Businesses should support and respect the **protection of internationally proclaimed human rights**; and
 - Make sure they are **not complicit in human rights abuses**

LABOR STANDARDS

- Businesses should **uphold the freedom of association** and the effective recognition of the **right to collective bargaining**;
- The **elimination of all forms of forced and compulsory labor**;
- The effective **abolition of child labor**; and
- **Eliminate discrimination** in respect of employment and occupation;

ENVIRONMENT

- Businesses should support a **precautionary approach to environmental challenges**;
- Undertake initiatives to **promote greater environmental responsibility**; and
- Encourage the development and diffusion of **environmentally friendly technologies**



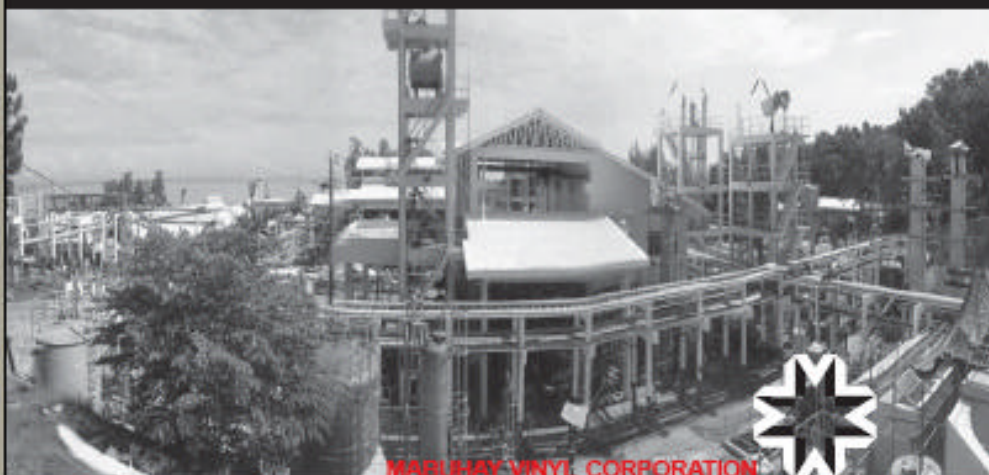
**MABUHAY VINYL CORPORATION's
COMMITMENT to the Principles
of the GLOBAL COMPACT INITIATIVE
is expressed in our**

- ***Annual Reports***
- ***Company's Mission & Values***
- ***Code of Business Conduct***
- ***Company Newsletter***



2003 ANNUAL REPORT

>> *Beyond Chemicals*



MADUSAMY VINYL CORPORATION

2003 ANNUAL REPORT

>>UN Global Compact Initiative



YOUR COMPANY SUBSCRIBES TO THE UNITED NATIONS GLOBAL COMPACT INITIATIVE (GCI) WHICH SUPPORTS PRINCIPLES IN THE AREAS OF HUMAN RIGHTS, LABOR STANDARDS AND THE ENVIRONMENT. MVC, AS A SIGNATORY TO THE UN GCI DURING THE 23rd NATIONAL CONFERENCE AND EXHIBITION OF EMPLOYERS IN MAY, 2002 SUPPORTS THE FOLLOWING NINE PRINCIPLES:

>> UN Global Compact Initiative



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human rights

1. Businesses should support and respect the protection of internationally proclaimed human rights; and
 2. make sure they are not complicit in human rights abuses.
- ## labor standards
3. Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining;
 4. the elimination of all forms of forced and compulsory labor;
 5. the effective abolition of child labor; and
 6. eliminate discrimination in respect of employment and occupation.

environment

7. Businesses should support a precautionary approach to environmental challenges;
8. undertake initiatives to promote greater environmental responsibility; and
9. encourage the development and diffusion of environmentally friendly technologies.

MVC has undertaken measures to put these into practice. Foremost, the company has published a Code of Business Conduct which incorporates principles supportive of human rights, labor standards and environmental protection. We were also actively involved as presenter in the first Global Compact Initiative Workshop organized by the PBSP in Iligan City last November 20, 2003, with MVC suppliers also in attendance. We also disseminate the Global Compact Initiatives through the MVC website and newsletter "The Pipeline."

Responsible Care ®

Mabuhay Vinyl believes that the chemical industry should provide assurance to the public regarding their concerns on health, safety and environment as affected by chemicals and chemical operations. As an active member of the Samahan sa Pilipinas ng mga Industriyang Kimika (SPIK) or Chemical Industry Association of the Philippines, MVC fully supports the Responsible Care® program which embodies (6) codes of management practices on every facet of chemical operations. These are the following:

1. Process Safety Code – designed to prevent fires, explosions and accidental chemical releases
2. Employee Health and Safety Code – aimed at protecting and promoting the health & safety of people working at or visiting company work sites
3. Pollution Prevention Code – designed to achieve ongoing reductions in the amount of all contaminants and pollutants released to the air, water and land from company facilities



>>UN Global Compact Initiative

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corporate governance

The Manual on Corporate Governance submitted to the Securities and Exchange Commission took effect on January 1, 2003. The Board of Directors (BOD) and Management commit themselves to the principles of good governance as embodied in the manual to protect the interest and rights of shareholders and the public. As a publicly listed company, the practice of good governance is expected to raise investors' confidence.

significantly enhances the competitiveness and flexibility of the company to meet the challenges of the market.

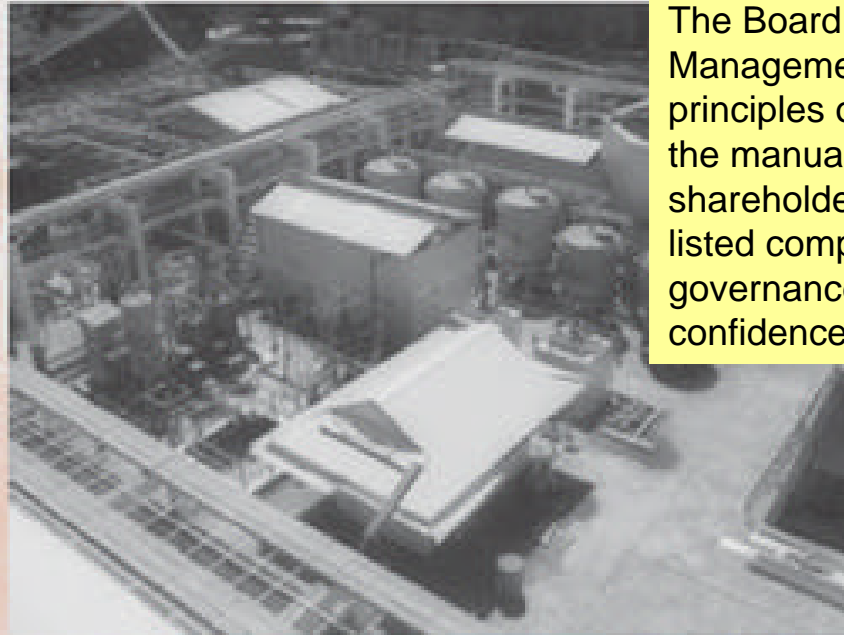
The plant started commercial operations on October 6, 2000 and was completed within budget.

IMPROVEMENTS AT THE BATANGAS DEPOT

Following our intent to consolidate our Lagan logistic operations at the BBTI Depot in Bataan, Batangas, we renewed our lease on our present site and took out another lease on an adjacent lot both for a period of 15 years. Site development and tank construction started in mid-2000 with the construction of several tanks with a combined capacity of 6,700 cubic meters. All tanks are presently in operation.

HCI MARINE TANKER PROJECT

Construction of the company's second HCI Marine Tanker started with a keel laying ceremony held on August 2000 at the Nardoa Shipyard. Vessel construction was completed in December with the blessing held on December 22, 2000. The vessel is currently in operation hauling hydrochloric acid from Iloilo to BBTI Depot.



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corporate social responsibility

For your company, corporate citizenship means contributing to nation-building; being part of a business community that is fully and actively committed to making strategic contributions to the development of society, sustainability of the environment and the improvement of the quality of life of the Filipino.

MVC strengthened its social investment in Barangay Tonggo and Purok Trece in Iligan City by sharing expertise and resources through outreach programs which include a medical / dental mission, livelihood training and cooperative development and capability building. It is undertaking, in cooperation with the Judge Guillermo Guevara Foundation and the PBSP, a water development project that will provide potable water to three rural upland barangays in Iligan City. Its support for local barangays, puroks, schools and parishes, community development is further bolstered through sponsorship in souvenir programs, donations of used drums, scrap and excess materials and giving of prizes and awards.

In the spirit of volunteerism, clean-up drives continue to be part of the activities at the plant. Not only was the community rid of rubbish and underbrush, but relationships among employees and residents were built and nurtured.

Your company launched a tree planting program in partnership with the National Power Corporation and the host communities around the Iligan Plant. Initially, seedlings of different species were planted in and around the plant ensuring the continuous growth of hardwood and protecting the area from erosion...



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human resource development

To complement the thrusts of corporate planning, HRD promoted better synergy among organizational units and implemented programs such as organization development, performance management, training, recruitment and career development.

Training & development continued to focus on honing functional capabilities and promoting more effective teamwork among organizational units.

Positive employee relations are continually nurtured through the Industrial Peace Council in the Iligan Plant and the Council of Solidarity for Luzon operations. These provide employees with opportunities to actively participate in the company's development programs.

awards and recognition

MVC was given recognition as Outstanding LMC for 2002 for its Industrial Peace Council (IPC) in the Iligan Plant. The award was given by the Philippine League of Labor – Management Cooperation Practitioners (PHILAMCOOP) in cooperation with the DOLE's National Conciliation and Mediation Board, on the occasion of its annual conference last November 19, 2002. The IPC was cited for playing a "vital role in strengthening labor-management relations through difficult times" as it dealt with the effects of competition and globalization in the chemical industry.



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Beginnings in the
2002 ANNUAL REPORT

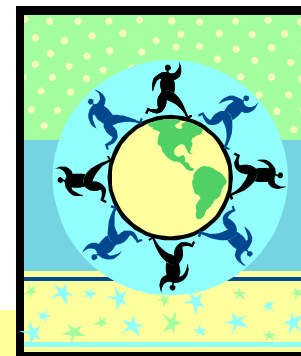
ANNUAL REPORT 2002



MABUHAY VINYL CORPORATION



2002 ANNUAL REPORT



Outlook for 2003

We view 2003 with optimism, despite the challenges to the world economy brought on by the US-Iraq conflict.

The Philippine economy is expected to gather strength and sustain last year's

Gloria Macapagal for re-election, for the government to side economic growth.

All major sectors

The services sector, with expansion in telecommunications and quarter of 2002 tariff rates for cap reduced have been a main wage adjustment help Philippine as well as preserve developments in policy and new business strategies in poultry production, industry and livestock production.

The eruption of hostilities in the Middle East could mean spiraling fuel costs and reduced income remittances from overseas contract workers, creating a dampening effect on consumer spending. On the other hand, the prospects of an early resolution of the US-Iraq conflict will bring about greater global stability, continued growth and strengthening of domestic demand. In view of these factors, the government has downgraded its initial 5% projected growth in GDP to a more conservative 4.3% for 2003. With NEDA pushing for increased productivity, lower costs of doing business, higher growth potentials and reduced risk factors for local businesses, the outlook for 2003 is encouraging.

Your company will be working towards achieving an operating income of P64 million for the year 2003, better than our 2002 actual figure. In the international market, caustic soda prices are expected to improve with the apparent weakening of chlorine demand. The steady growth of hydrochloric acid sales is expected to continue. Sales of liquid chlorine is projected to increase as well, while sales volume of sodium hypochlorite is expected to remain stable. Overall, our sales revenue for 2003 is projected to hit P942.673 million.

We continue to reaffirm our commitment to environmental protection and community development. Over the long term, a

healthy environment and a well-developed society will provide us with a sustainable foundation for growing our business.

As we view the brighter prospects for the following year, your Board has approved a declaration of cash dividend equivalent to P0.06 per share to stockholders of record as of March 24,

“We continue to reaffirm our commitment to environmental protection and community development. Over the long term, a healthy environment and a well-developed society will provide us with a sustainable foundation for growing our business.”

continued support and confidence. We will, as in the past, strive to enhance the value of your investment in Mabuhay Vinyl Corporation.

Renato B. Magadia
Chairman and Chief Executive Officer

Edwin Ll. Umali
President and Chief Operating Officer

(signed)

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Chairman and Chief Executive Officer

(signed)

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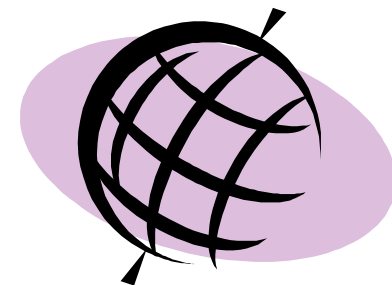
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personal lives, served as part of our criteria for bestowing the award.

Your company was a signatory to the United Nations Global Compact Initiative during the 23rd National Conference and Exhibition of Employers last May, 2002. It signified the company's support for the protection of human rights, employees' freedom of association and the right to collective bargaining, the elimination of forced and child labor, as well as environmental responsibility.

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Behind Mabuhay Vinyl Corporation is more than 30 years of experience in the reliable and responsible production of chemicals. What MVC offers, however, goes beyond chemicals to encompass the many facets of life – from such basic necessities as purified drinking water to the luxury of a clean swimming pool; from household cooking and cleaning to industrial purposes; as intimate as the clothes you wear, and far-reaching as the power plants that drive the economy.

MVC takes to heart this privileged position of being able to make a difference in people's lives. Our mission is bigger than simply making quality chemicals – it's all about making life better.

new vision A dominant marketer and provider of chemical products and related services for enhancing life and preserving the environment.

A profitable company with an aggregate business value placed among the top 500 companies in the Philippines by 2008.

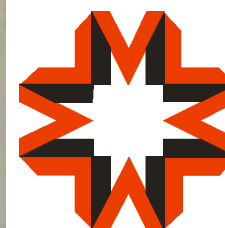
new mission We shall be the supplier of choice in our markets by being responsive to the needs of our customers and providing them the best value for money.

We shall maintain an organization that relentlessly pursues market opportunities, driven by a shared passion for success, enabled by an empowering environment for pursuing business goals, innovation, professional growth and personal fulfillment, and supported by a culture that recognizes the value-added contribution(s) of its employees.

We shall comply with quality and regulatory requirements, continually improve our Quality Management System, practice Responsible Care® in the way we conduct business and contribute to the development of the communities where we operate to enhance the quality of life.

We are committed to continually undertake measures to enhance the value of the company to its shareholders.

corporate values
GOD-CENTEREDNESS
ENTREPRENEURIAL SPIRIT
CUSTOMER FOCUS
INNOVATION
TEAMWORK
EXCELLENCE
SOCIAL RESPONSIBILITY



MISSION

“ We shall comply with quality requirements, continually improve our Quality Management System, practice Responsible Care® in the way we conduct business and contribute to the development of the communities where we operate to enhance the quality of life. “



Our CORPORATE CORE VALUES

- **God-Centeredness**
- **Entrepreneurial Spirit**
- **Customer Focus**
- **Innovation**
- **Teamwork**
- **Excellence**
- **Social Responsibility**
 - means commitment of Mabuhay Vinyl to responsible corporate citizenship.
We are committed to occupational health and safety, continuous development of new earth-friendly way of doing our job and the preservation of the balance of nature in and around our work-sites



CODE OF BUSINESS CONDUCT

Basic Ethical Standard for Human Resources

Mabuhay Vinyl 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.***



CODE OF BUSINESS CONDUCT

Basic Ethical Standard for 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.***

In addition, 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***



CODE OF BUSINESS CONDUCT

Basic Ethical Standard for 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 environmentally-friendly practices. MVC shall comply with all applicable environmental and ecological statutes, ordinances and regulations.***



Sharing of GCI Initiatives



is done through active participation in Philippine associations that support the goals of the Global Compact Initiative, such as:

- **PBSP (Philippine Business for Social Progress)** – organized the first Global Compact Inception Workshop in Iligan City last November 20, 2003; Mabuhay Vinyl Corporation presented its commitments to the GCI and initiatives; the workshop was also attended by MVC suppliers
- **SPIK (Chemical Industries Association of the Philippines)**
 - launched the Responsible Care® Program in the Philippines in March 1996, with MVC as one of the signatories. It published a Responsible Care® Manual in November 2000. Mabuhay Vinyl Corporation launched its RC program on June 30, 2003 at the Iligan Chlor-Alkali plant.
- **ECOP (Employers Confederation of the Philippines)**
 - compiled Cases on Business Initiatives on Work-Life featuring among others IBM Philippines for its Work at Home Program, Nestle Philippines for its Family Friendly Benefits and Mabuhay Vinyl Corporation for Volunteerism
- **PHILAMCOP (Philippine League of Labor-Management Cooperation Practitioners)**
 - promotes, in addition to freedom of association, a social partnership between labor and management; conducted a nationwide search and gave Mabuhay Vinyl Corporation the 2003 Outstanding LMC Award



A voluntary commitment of chemical companies to address public concerns on health, safety and environment as affected by chemicals and chemical operations

The Six Codes of Management Practices

- Process Safety Code
- Employee Health and Safety Code
- Pollution Prevention Code
- Distribution Code
- Product Stewardship Code
- Community Awareness and Emergency Response



MABUHAY VINYL CORPORATION's Responsible Care® Program

Launching of Responsible Care program in MVC on June 30, 2003

Goals of MVC's Responsible Care Program

- Obtain the most use out the minimum amount of natural resources
- Ensure that every employee feels a responsibility for value-creation yet guided by a platform that is environment-friendly from development to disposal.
- Prevention of accidents through strict safety regulations and thorough emergency training
- Continually evaluate RC activities and exchange views and cooperate with parties in and out of the company in pursuit of goals towards environmental protection

Next Steps

- Fill up the Responsible Care Organizational Structure with competent, dedicated and responsible people. Let every MVC employee be engaged with the program somehow. Provide the necessary training from both in-house and SPIK Responsible Care Council mentors
- Prepare Implementation Guidelines
- Develop Medium-to-Long Term Goals, track results, evaluate the results and accordingly change plans whenever necessary

Union Industrial (IPC) MISSION



To promote industrial peace through participative resolution of issues and concerns.



To provide a venue for people empowerment and continuous improvement.




To address environment and community concerns in the context of caring and service.



Council (I PC) CREDO

We are the advocates of PEACE ...

The champions of employee empowerment. WE believe that peace is a shared responsibility emanating from mutual respect and trust. Together, we shall strive to bring hope and inspiration to our people.



We shall continuously work for peace and harmony in the organization to ensure the growth of business. We shall therefore commit ourselves to manage and resolve conflicts through open exchange of ideas. We seek to clarify issues for a common understanding of our objectives, policies and expectations.

In all these, we seek Divine guidance.



II (I P C) O P E R A T I O N S

SCOPE OF ACTIVITIES:

- Resolution of issues/concerns @ workplace
- Care for the environment
- Corporate Social Responsibility, Volunteerism, Livelihood Programs, Outreach Programs
- Safety, Health and Sports activities

Sharing our Progress



Vol. 2 No. 3-03

Mabuhay Vinyl Corporation

May - June 2003

A quality certified firm

MVC Launches Responsible Care®

The corporate-wide Responsible Care Program of Mabuhay Vinyl Corporation was launched on June 30, 2003 at the Iligan Plant.

Involvement and commitment of our top management was very visible in that launching as the full force of executive management and the different key people of the company came to participate and shared their views of what the program is all about. Our President, Mr. Edwin L. Umali, together with VP for Manufacturing, Mr. Medardo S. Germano and VP for Marketing, Mr. Dennis G. Tirthdas attended with the Mindanao, Visayas and Luzon department heads/managers.



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L-R: MVC President and COO, Mr. Edwin L. Umali hands over the RC Policies Manual to VP-Mfg. Mr. Medardo S. Germano and VP - Marketing Mr. Dennis G. Tirthdas.

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MVC Gets Ready for IEM

With just three months more before the targeted commercial operations of the Ion Exchange Membrane (IEM) Plant, our new Production Manager, Steve SC. Pangilinan pooled his men to prepare themselves through a comprehensive training series.

Kicking off last June 17, 2003 at the training room, fourteen operators (eight coming from the Plant Engineering and an additional six fresh hires) gathered for a briefing on what will happen for

the next one and a half month.

An inch thick training manual was culled from the IEM Operations Manual and complemented with in-house training modules on Pollution Control, Quality Control, QMS and EMS, Routine Maintenance, IEM Organization, Duties and Responsibilities and the Competency Based Training.

The training was so designed as to

p. 5

Sharing our Progress



Vol. 2 No. 5-03

Mabuhay Vinyl Corporation

Sept.-Oct. 2003

A quality certified firm

JRCC Verifies MVC RC Practices

The Japan Responsible Care Council (JRCC) sent us their RC expert, Mr. Konoshin Fukuma to conduct verification activities on our Responsible Care program last October 13 to 14, 2003. With Mr. Fukuma were, Ms. Tess Corpuz of 3M Philippines and a member of the SPIK RC Council, Mr. Hironobu Okumura of JETRO, Ms. Loudel Pichay (interpreter) and two young ladies, Ms. Maricel Santos, RC Secretary and Ms. Aimee Cabalo, JETRO Secretary.

This is the first assessment of our Responsible Care initiative and the recommendations are as follows:

1. The need to set/improve our targets on Frequency and Severity Rates.

p. 4



Responsible Care Verification. L-R: Mr. H. Okumura, Ms. A. Cabalo, Ms. M. Santos, Mr. K. Fukuma, Ms. T. Corpuz, Ms. L. Pichay, Ms. B. Barulz and Mr. M. Germano at the new IEM Plant.

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MVC Commissions IEM Plant

After weeks of preparation with the Japanese experts from Chlorine Engineers Corp., Fuji Electric Co., Nippon Rensui Co., Kimura Chemical Plants, Human Techno Co., and long distance consultation with the German expert Mr. Ht. Koch on the HCl Synthesis equipment, all was set on September 13, 2003. At exactly 3:17 in the afternoon, our Senior Operator Proceso "Undo" Ladion, switched on the power to energize the IEM Cells at incremental loads.

Under the ever watchful eye of Mr. Seiji Furuichi of CEC, parameters were being monitored, adjusted, controlled and coordinated. After three days of correcting construction and design discrepancies and adjusting control parameters, all of the equipment were running and producing quality products in a cleaner and efficient production facility.

CEC also conducted equipment

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Sharing our Progress



On Volunteerism

Making a Difference Through EMPLOYEE VOLUNTEERISM

by: Arsie A. McDonnell

More companies in the Philippines now acknowledge that Corporate Social Responsibility does make good business sense. The concept of doing business evolved over the years and came in three waves. In the past, business society was concerned merely with running efficient business with profit as the main, if not, the only driving force. The concept of business contributing not only to economic but also sustainable social development, was unheard then.

In the recent decades, the business society realized that aside from the profit, maintaining good relationship with other stakeholders was necessary to ensure business sustainability. The biggest stimulus for change in business practices had been market forces—concerned customers, vocal employees, NGOs, investors and other stakeholders, the Church included.

EMPLOYEE VOLUNTEERISM helps demonstrate companies' social responsibility and their tradition of caring. These are activities recognized by the company wherein employees give their time, skills and resources in the service of



the company's internal and/or external communities. It improves relationships with the community and local leaders.

Our company, through the years, has seen a great deal of interest in

youth and developing livelihood opportunities.

Management recognizes and expresses its respect and admiration to many of our employees who volunteer *sa pagpangalagad sa simbahan*, to those who do parish work as lay ministers, choir members, CLP seminar facilitators, etc. in the community where they live. Our employee-volunteers become the company's ambassadors. When they serve willingly with the kind of service that comes from the heart, these efforts and gestures give volunteers a sense of accomplishment, which in turn increases their morale and quality of work in the company.

Volunteerism provides an experience these employees feel cannot be reproduced. To lovingly serve is to offer the world kindness, establishing connections through awareness and good-heartedness, which in turn, affects the nature of and recognizes the divine in all. I personally applaud and salute each one of these volunteers. May God's unchanging love surround and bless you daily in great abundance.



volunteerism. The forms of involvement are normally employees giving used clothes, cash in cans, community outreach programs, employee-led fund raising, sharing of resources, time and expertise for civic projects, formation of cooperatives, organizing the



Sharing our Progress



Corporate News

The Magic of Volunteerism

Extraordinary things are happening in MVC, with the community. An activity initiated by the Industrial Peace Council (IPC), volunteerism demonstrates our expression of corporate social responsibility.

Dubbed as "Clean Up Days sa MVC at Community Year II," the campaign for volunteers went beyond MVC and its contractors. The Purok 13 community gladly joined in - a meaningful opportunity for Mabuhay to connect and promote cleanliness and deeper involvement and awareness on cleaning and greening the surroundings for Mother Earth.

The 3-hour clean up during the three Saturdays of August 2002 was called "Alay sa Kaarawan ng Mabuhay" and the 3 Saturdays in September 2002 is likewise called "Alay sa Mahal na Patron Señor San Miguel" sa kanyang kapistahan sa Septiembre 29, 2002.

The success of the project has "infected" the young people of the neighboring puroks of Fuentes. You see them doing their share of cleaning up, as well.

I would like to take this opportunity to pay tribute to the volunteers, the names are posted in our Bulletin Boards. Raul and I agreed to highlight these volunteers in our September 2002 issue. Promise!

Enjoy the pictures and see the happy faces of our volunteers / AAMc



Sharing our Progress



S I D E L I N E S

Corporate News

evenings and during weekends together with our volunteers from Purok 13 and Tonggo who displayed and sell their merchandise to the trade fair goers.

IPC Vies for Best LMC 2003

Three representatives from Mabuhay, namely Bernz Baruliz (Management), Jun Ruiz (Supervisory Union) and Undo Ladion (Rank and File Union) represented the company during the Search for Outstanding LMC for 2003 at the DOLE Office in Intramuros, Manila last October 16, 2003. Our company vied for the award with six other nominees to the much coveted award.

Our VP for Manufacturing was there to support the group as they were made to present the accomplishments of the IPC and asked questions by a panel of judges. Results of the search will be released in November this year.

Since its revival, the Industrial peace Council have had lots of contributions to the company's programs and the maintenance of industrial peace in the company.

It is time that we benchmark ourselves to known LMC practitioners of the country for continual improvement.

MSEH Facilitates Bone Test

The Motivation, Safety Education and Health (MSEH) Committee of the PCSC invited Astra Multi Care for a free Bone Density Test last October 17, 2003 at the Training Room. A total of seventy (70) employees and contractors responded to the health program.

The high-tech test equipment (costing about PhP 2,500.00 per test according to the Astra Multi Care people) scans the heel bone and calculates our bone density. The entire



Above: Demy Alfeche's turn while others line-up. Right: Dr. Veloso prescribing & explaining the findings. Below right: The tennis buffs at play.

process takes less than 10 minutes and the results are immediately printed.

Those diagnosed as osteoporotic or at the borderline were advised by Dr. Jose Veloso, M.D. (our company-retained doctor) to take supplemental calcium and to increase physical activity, limit or avoid alcohol and smoking. A retest will be conducted after six months.

FTC Keeps Members Fit

The Filvinyl Tennis Club (FTC) of Mabuhay is well on their way to series of games and practices. No! No plans to produce an Agassi or a Williams. It's just one of the club's contribution to the company's desire to keep people fit.

The revived tennis club is now in its second year of existence and the membership keeps growing. Two tennis lawns are now available and the



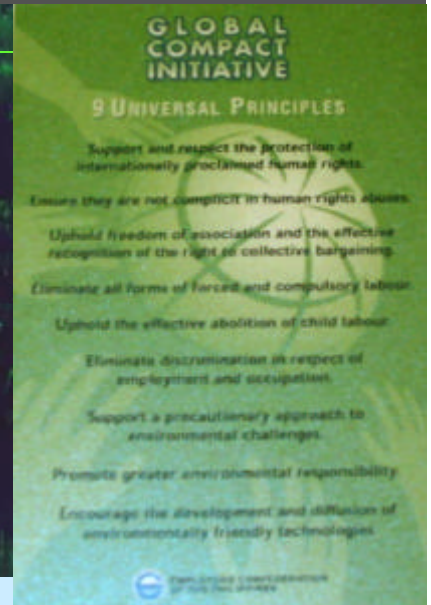
backboard is now improved for pros and tyros.

Tennis games during weekends are also a sight to behold in the company as the FTC members bring along their spouse and kids to play with them.

Planning to be a member? See Pat Lucasan.



MVC's Commitments & Practices



HUMAN RIGHTS

- Support and respect the protection of internationally proclaimed human rights within our sphere of influence.
- Make sure our company is not complicit in human rights abuses.

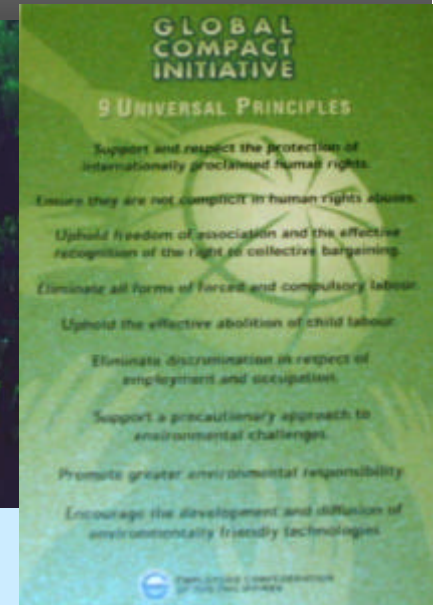


MVC PRACTICES

(Those directly related to the Articles of the Universal Declaration on Human Rights)

- Company policies and the Handbook on Rules and Discipline are consistent with government laws and jointly formulated with workers' representatives.
- Implementation of employee discipline respects due process and
- A grievance machinery is in place that is consistent with labor laws.

MVC's Commitments & Practices

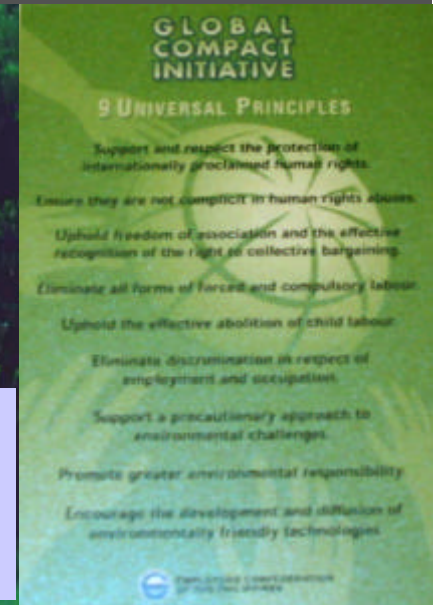


HUMAN RIGHTS ... cont.

Free education that includes the following:

- Workers based on the Competency Based Training
- Customers in Product Safe Handling
- Contractors and suppliers
- Academe through the OJT Program and educational plant tours.
- The community on livelihood programs
- Recognition of the formation of the 2 unions in the company for collective bargaining.
- Work hours consistent with government laws, rules and regulations.
- Leaves and Rest Days (Rest day per work week, sick leave, vacation leave, educational leaves, court leaves and military leaves)
- Safety in the workplace

MVC's Commitments & Practices



LABOR STANDARDS

3. Uphold the freedom of association & recognize the right to collective bargaining.



MVC's Commitment:

Implementation of the Collective Bargaining Agreement with no serious unattended grievance.

Company Practices

- The company recognizes the existence of two unions
MVSU – Supervisory Union and MVEU-SPFL – Rank & File Union
- Provisions of the CBA are implemented with no grievance unattended
- Continued regular meetings/planning of the Industrial Peace Council (Iligan) & Council of Solidarity (Makati) where programs are implemented, measured, monitored and improved.

MVC's Commitments & Practices



LABOR STANDARDS

- The elimination of all forms of forced & compulsory labor



Company Practices

- Personnel Policy Manual defines work hours.
- Overtime procedure has provision for employee to sign if he/she agrees to render more than 8 hours duty.
- Those on overtime are given premiums in pay.
- Those who render overtime are shuttled for free from and to their homes.

MVC's Commitments & Practices



LABOR STANDARDS

- The effective abolition of child labor

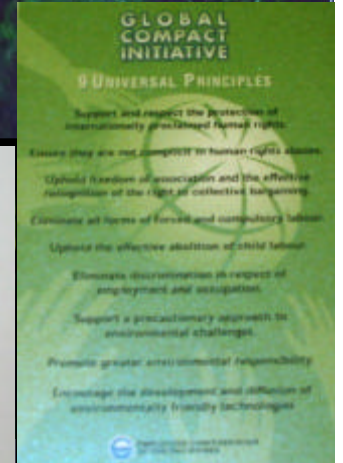


MVC's Commitments:

- Hiring policy states that MVC shall not hire minors (below 18 years old)
- Code of Business Conduct established and cascaded. Ethical standards for specific relational domain includes Suppliers/Contractors.

MVC will only do business with suppliers/contractors who:

- ***Do not hire minors***
- ***Safeguard the rights & welfare of its workers by providing wages/benefits compliant to government laws.***
- ***Do not engage in forced labor***
- ***Commit to contribute & abide with company programs on security, health, safety, environment and social responsibility***



MVC's Commitments & Practices

LABOR STANDARDS

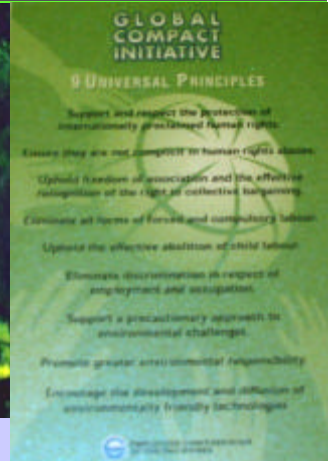
- The effective abolition of child labor (cont.)



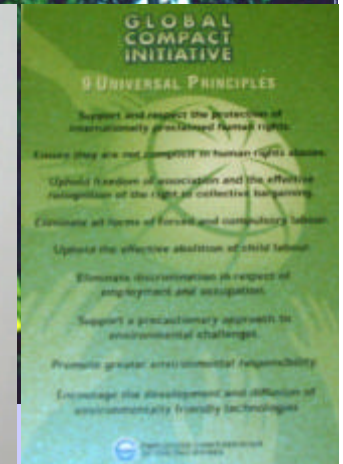
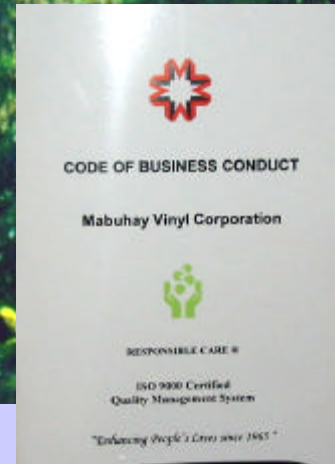
MVC programs enhancing children's rights and welfare in 2003.

**Inclusion of children (ages 1 day old to 23 years old)
in the medical/dental benefits of the company**

- **Summer educational activities for children.**
 - Summer Workshop on Theater and Arts (2003)
- **Skills Training for Out-of-School Youth.**
 - Sponsored Ten Scholars each year with the Technical Education & Skills Devt. Authority
 - Leadership training for the youth with the Department of Labor & Employment
- **Family Life Program**
 - Lecture on Responsible Parenthood
 - Skills Training on Natural Farming/Livelihood Program



MVC's Commitments & Practices



LABOR STANDARDS

- The elimination of discrimination in respect of employment & occupation.



MVC's Commitments:

- Policy statement in the Code of Business Conduct re: the company as an equal opportunity employer
- Code of Business Conduct established and cascaded. Ethical standards for specific relational domain on Human Resources states

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.

MVC's Commitments & Practices

ENVIRONMENT

- Support a precautionary approach to environmental challenge
- Undertake initiatives to promote greater environmental responsibility
- Encourage the development and diffusion of environmentally – friendly technology.



MVC's Progress & Plans:

- Completion of the 8,000 MTPY Ion Exchange Membrane plant. A cleaner, environment-friendly and higher efficiency technology. Fully operational as of Sept. 2003.



- Conversion of waste chlorine to sodium hypochlorite.



- Retrofit existing Diaphragm Cell Plant with IEM Cells. Concept approved by Board of Directors. For implementation in 2005

MVC's Commitments & Practices

ENVIRONMENT ... cont.



Progress :

- Improving existing facilities as part of Environmental Programs:
 - ✓ Installed salt storage shed. Reduced salt usage from 2.1 to 1.917 MT Salt/MT NaOH
 - ✓ Shifting to use of river water for restroom flushing purposes. Treated water saved
 - ✓ Recovery of salt from caustic soda storage tanks.
 - ✓ Recovery of residual chlorine from containers
 - ✓ Connection of Generator Set to chlorine treatment plant
 - ✓ Policy on day time plant start-up
 - ✓ Steam usage reduction through controlling chlorine cylinder cleaning time.
 - ✓ Reduction of fuel usage through improvement of boiler oil gun.
 - ✓ Steam usage reduction through repair/replacement of damaged steam traps.



MVC's Commitments & Practices

ENVIRONMENT ... continued



COMMITMENTS / STATUS:

- Improving existing facilities as part of Environmental Programs:
Increase power factor from 88% to 98% through joint installation of capacitor bank with Aboitiz.
- Plant beautification efforts through tree planting and clean-up drive (Volunteerism)
 - ✓ IPC Tree Planting activities.
Planted 1,000 tree seedlings around MVC perimeter.
National Power Corp. supplied the seedling.
 - ✓ Clean-up drive with employees, contractors and community.
- Strengthen 5S effort to improve housekeeping.
 - ✓ 5S re-launched
 - ✓ 5S audit checklist improved.



MVC's Commitments & Practices



ENVIRONMENT ... continued

COMMITMENTS / STATUS:

- Environmental efforts validation through dialogue with community leaders.
 - Multi-partite Monitoring Team visited MVC to validate environmental efforts re: IEM operations
- MVC adopts the ISO 14001 (EMS) and Responsible Care initiative. A system in managing safety, health and the environment. Launched in June 2003
- Inclusion in the Code of Business Conduct the Basic Ethical Standard for the Community which states

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 environmentally – friendly practices. MVC shall comply with all applicable environmental and ecological statutes, ordinances and regulations.



A scenic view of a lake with a yellow bridge and lush green trees in the background. The water is calm, reflecting the surrounding greenery and the sky. A yellow bridge with a metal railing spans the lake in the middle ground. The background is filled with dense, vibrant green trees and foliage. The overall atmosphere is peaceful and natural.

THE END