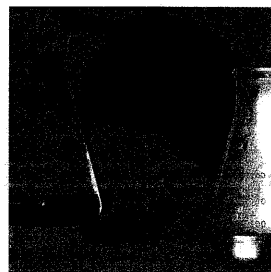
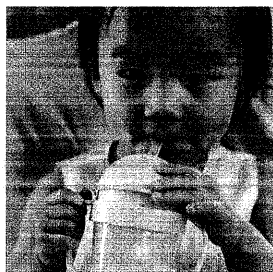
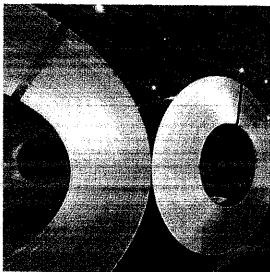
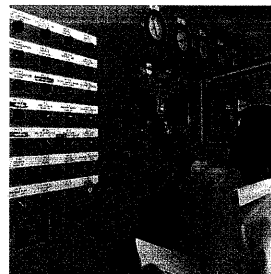
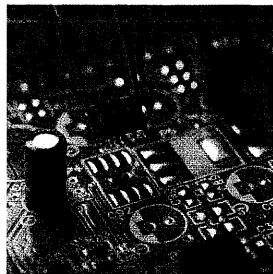
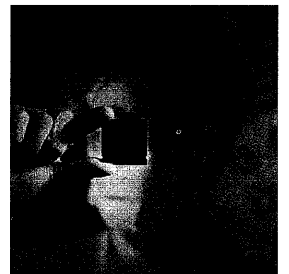
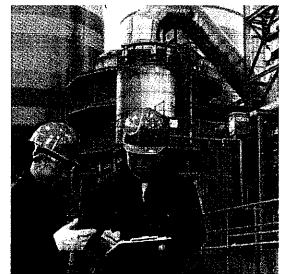
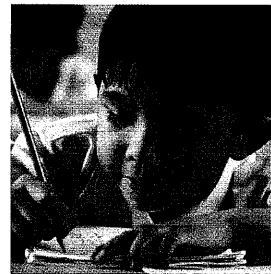
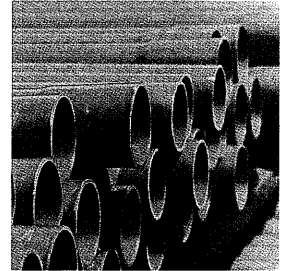




50 YEARS OF EMPOWERING GROWTH

2014 ANNUAL REPORT



2014 COMMUNICATIONS ON PROGRESS REPORT

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

Mr. Edwin Ll. Umali, MVC President and Chief Operating Officer, reiterates the Company's support to further reinforce the UN Global principles through the Company's various programs and activities, as contained in the following Progress Reports / Updates for 2014:

PRINCIPLES	POLICIES, ACTIONS AND PERFORMANCE INDICATORS
	In keeping with this principle, the following Corporate Social Responsibility (CSR) activities were undertaken;
HUMAN RIGHTS	
Principle 1: Support and respect the protection of International Human Rights within MVC's sphere of influence	<ul style="list-style-type: none"> • Donation of a set of LCD projector with USB Port, overhead screen, and speakers to the Federation of Senior Citizens Association of the Philippines (FSCAP) - Iligan City Chapter for their entertainment and training programs. • As a kick-off activity of MVC's celebration for Women's Month, MVC ladies distributed used clothing, plates, spoons, forks, cups, and glasses to the women of Purok 13, Brgy. Buru-un, Iligan City who were victims of a fire last March 9, 2014. • Provided five (5) MVC Scholars with school supplies, uniforms, bags, books, umbrellas, shoes, and payment for their school fees. Funds from this activity were taken from My Voluntary Contribution. • Outreach Activity at Asociacion De Damas De Filipinas Settlement House, Paco Manila was conducted on August 19, 2014. A total of 35 children received toiletries, loot bags, and packed lunch. The children also enjoyed the short program and fun games prepared by MVC Luzon employees. • In support to MVC's adopted community during its celebration of the annual Flores De Mayo, stipend of the catechist and writing paraphernalia for the duration of the activity were given. Gift-giving of educational supplies which they can use when classes resume was also done after the mass during the culmination program. • Industrial Peace Council (IPC) - Committee on Community Concerns' (CoCC) held the Pamaskong Handog sa mga Bata at Jollibee Tubod Branch. A total of 250 children from Purok 13 and Purok Timoga of Barangay Buru-un enjoyed the fun and excitement.
Principle 2: Make sure MVC is not complicit in human rights abuses	<ul style="list-style-type: none"> • The Community-based participation in MVC's sustained and scaled up child-friendly programs has become prominent and remarkable. The Community Purok Leaders and SK youth leaders collaborated and were empowered to plan and create their own guided programs of activities such as in Summer Arts Workshop, Flores de Mayo, Medical Mission and Pamaskong Handog. • Blood Donation activity was conducted in partnership with Philippine Red Cross (PRC) through their Mobile Blood Donation. A total of 15 employees shared their precious blood. • With the help of the volunteers from Mindanao State University (MSU) - College of Medicine, a total of 104 residents from Purok 13, Timoga, Brgy. Buru-un, Iligan City was able to avail of the medical check-up, 70 children were circumcised, and 30 underwent Hemogluco Test. • Out from the funds raised from the My Voluntary Contribution, Brigada Eskwela was conducted at Napocor Elementary School, a nearby school located at Ma. Cristina, Iligan City. Regular and contractor employees volunteered to paint doors, door jambs, wooden windows, window jambs, and based boards of 40 classrooms. • Brigada Eskwela was also conducted at San Miguel Day Care Center located at Bo. San Miguel, Bauan, Batangas on June 20, 2014. School supplies donation was conducted to 16 students. A short program with fun games was also facilitated by some MVC Luzon employees.
LABOR	
Principle 3: Uphold the freedom of association and the effective recognition of the right to collective bargaining	<ul style="list-style-type: none"> • Through the Industrial Peace Council and the Plant Central Safety Council 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 over-all 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 Handbook on Discipline. • MVC allowed Union officers and members' active participation to DOLE, TIPC, LMC-VAA, Inc.-NCMB programs as well as to its Labor Federation.
Principle 4: Elimination of all forms of forced and compulsory labor	<ul style="list-style-type: none"> • MVC submitted to Self-Assessment and Joint-Assessment Audit on Labor Standards and Occupational, Safety and Health Standards with the Department of Labor and Employment and jointly conducted with Management and Union representatives. "No Violation" on General Labor Standards and "Compliant" in OSH Standards were given to MVC per Notice of Results. • MVC accredited only Suppliers and Contractors implementing non-hiring of minors or children.

Principle 5:
Effective abolition of child labor

- MVC continually inspects and ensures that contractors and suppliers do not engage in forced labor and hiring of minors.
- The policy and procedures on Recruitment and Placement were strengthened with regard to non-hiring/hiring of minors.

Principle 6: Elimination of discrimination in respect of employment and occupation

- Health Talk and Awareness Information Drive on HIV/AIDS, Pulmonary Tuberculosis, Hepatitis B, and Lifestyle diseases were conducted with emphasis on non-discrimination policy in the workplace. Also, a review lecture on Drugs use and effects as well as penal provisions under the Company policy of Drug-Free Workplace took place.
- All newly hired employees undergo training on Fire Safety and orientation on mandatory health policies including Drug Free Workplace and Anti-Sexual Harassment policies.

ENVIRONMENT

Principle 7: Support a precautionary approach to environmental challenges

- As part of the Women's Month celebration, MVC ladies conducted a clean-up activity at the MVC-MCCI Stations of the Cross. Beautification by way of planting ornamental plants was also done.
- In celebration of the International Coastal Clean-up and upcoming Iligan City's Diyandi Festival, a coastal clean-up was conducted at Purok 11, 12, and 13 of Brgy. Buru-un in coordination with the City Environment Management Office (CEMO).
- Bearing in mind those emergencies can create a variety of hazards to everybody in the affected area, MVC carried out an Emergency Preparedness Drill to the residents of Purok 13, Brgy. Buru-un, Iligan City. Orientation was first conducted by Philippine Red Cross and the drill followed afterwards.
- A climate change awareness update was conducted to make MVC employees aware on how climate change becomes world's primary environmental threat today.

Principle 8:
Undertake initiatives to promote greater environmental responsibility

- Tree Planting activities were conducted both in Luzon and Iligan. A total of 352 trees were planted inside the plant premises, exceeding the target by 17% while 200 trees were planted at the Ipo dam watershed.
- The Mabuhay Premium Bleach Plant's (MPBP) Environmental Management System was certified as compliant to ISO 14001:2004 by TUV-SUD. While maintenance of certificates was recommended by TUV-SUD for the Corporate Quality Management System and MVC Iligan Plant's Integrated Quality, Environment and Occupational Safety and Health Management Systems. The management systems cover the manufacture and distribution of caustic soda, hydrochloric acid, liquid chlorine and sodium hypochlorite.
- MVC continuously implements environmentally-aligned programs such as No Plastic Policy Program in the canteen.
- "Lakbay Linis" (company-wide Clean-up campaign) was sustained every quarter as part of the Good Housekeeping (GH) program of the Company to promote environmental responsibility among employees and contractors. The program included GH & safety audits in all plant areas.

Principle 9:
Encourage the development and diffusion of environmentally friendly technology

- Certification of MVC's Bleach plant in Laguna (MPBP) to the ISO14001: 2004 standards attests the Company's commitment to continually develop its processes and methods related to environmental management.

ANTI-CORRUPTION

Principle 10:
Work against corruption in all its forms, including extortion and bribery

- 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 contains 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.