



2016 ANNUAL REPORT



UN GLOBAL COMPACT INITIATIVES 2016 Communications on Progress Report

As one of the pioneer signatories in the Philippines and supporter of the UN Global Compact principles, Mabuhay Vinyl Corporation (MVC) continues to uphold its commitment to support initiatives of the UN Global Compact.

Mr. Edwin U. Umali, MVC President and Chief Operating Officer, reiterates the Company's support to further strengthen the UN Global Compact principles through the Company's various programs and activities, as contained in the following Progress Reports / Updates for 2016:

Principles	Policies, Actions and Performance Indicators
HUMAN RIGHTS Principle 1: Support and respect the protection of International Human Rights within MVC's sphere of influence	<i>In keeping with this principle, the following activities were undertaken:</i> <ul style="list-style-type: none"> Supported "Araw ng Buru-un" on January 30, 2016 through clean-up and beautification activities at the Agus Bridge area in Iligan City. Conducted Mobile Blood Donation on April 8, 2016. Facilitated a "My Voluntary Contribution" campaign for Brigada Eskwela 2016 and the Philippine Business for Social Progress' (PBSP) P1M Storybooks and Nooks Campaign both in Luzon and Iligan. Organized a Brigada Eskwela activity at the Mimbalo Day Care Center on May 7, 2016 and at the Paradela Memorial Elementary School on May 14, 2016. Conducted a Medical Mission on May 29, 2016 at Timoga, Buru-un and on June 8, 2016 at Tonggo, Buru-un, Iligan City. Celebrated the culmination of Flores de Mayo at Tonggo, Buru-un, Iligan City on June 1, 2016. Participated in PBSP's Bridaga Eskwela (Chair Painting Activity) on June 4, 2016 at the Benigno Aquino Elementary School in Baseco Compound, Manila. Conducted Brigada Eskwela (School Supplies Donation) at the Bauan Day Care Center in Brgy. San Miguel, Bauan, Batangas on June 24, 2016. Donated kiddie chairs, tables, and blackboard to the Mimbalo and Purok 13 Day Care Centers. Celebrated the blessing of the Mimbalo Day Care Center in time for the school opening.
Principle 2: Make sure MVC is not complicit in human rights abuses	<ul style="list-style-type: none"> Donated waste segregation plastic drums to the Iligan City National High School. Also donated used drums to Iligan City Special Projects Office and to Brgy. Bagong Silang for their Solid Waste Management Program. As part of its Anniversary Celebrations, MVC conducted an outreach activity on August 27, 2016 at the Haven for Children in Alabang, Muntinlupa. The Haven is the national center for street children recovering from substance abuse with 98 boys ages 7-13 years old. MVC employee volunteers shared their time by providing fun games and entertainment to the children. Launched an Obesity Remediation and Awareness (ORA) and Fun Run Activity on Sept. 14, 2016. Luzon employees likewise joined a Fun-Run for a Cause organized by TOSHIBA on September 24, 2016 at the Laguna Technopark. Health Talk on Proper Diet & Nutrition and Breast Cancer Awareness Lecture was conducted on October 2016. Free Fasting Blood Sugar (FBS) and Blood Urea Nitrogen (BUN) Testing on October 27, 2016. Conducted a Medical and Dental Mission on November 18, 2016 in Barangay San Miguel, Bauan, Batangas. Up to 200 residents of Barangay San Miguel received free doctors' consultation and medicines while more than 100 children received free dental check-up, fluoride treatment, and dental kits. Feeding Activity at Purok 13, Timoga, Iligan City was conducted on November 30, 2016. Conducted a "Pamaskong Handog" activity for children from Purok 1 & 2, Tonggo and from Purok 13, Timoga, Iligan City.
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 supports the active participation of Union Officers in various labor-related organizations and activities such as DOLE, TIPC, LMC-VAA, Inc., NCMB programs, etc.

Principle 4: Elimination of all forms of forced and compulsory labor	<ul style="list-style-type: none"> Participated in the DOLE Assessment/ Compliance Audit. No Violation on General Labor Standards was given to MVC per Notice of Results.
Principle 5: Effective abolition of child labor	<ul style="list-style-type: none"> Reinforced the policy and procedures on Recruitment and Placement with regard to child labor. MVC regularly inspects and ensures that contractors and suppliers do not engage in forced labor and hiring of minors.
Principle 6: Elimination of discrimination in respect of employment and occupation	<ul style="list-style-type: none"> MVC ensures that individuals are not being discriminated nor treated any less favorably because of a 'protected characteristic': age, disability, marital or civil partner status, pregnancy or maternity, race, (including color, nationality and ethnic or national origins) religion or belief, gender or sexual orientation. Job opportunities are circulated as widely as reasonably possible and recruitment advertisements do not use wording that implies a preference against any one of the above mentioned protected characteristics. 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.
ENVIRONMENT Principle 7: Support a precautionary approach to environmental challenges	<ul style="list-style-type: none"> Earth Day Celebration in MVC Luzon was conducted on April 9, 2016 through a photography contest participated in by employees who joined the company outing. Awarding of the winners was then held on April 25, 2016. Facilitated coastal clean-up and mangrove planting at Purok 13, Barangay Timoga. Supported clean-up of spring water source at Purok 13, Barangay Timoga. Facilitated Motivation Safety Environment Health (MSEH) Meeting last March 11, 2016. Participated in the Mangrove Planting Activity at Bayug Island in cooperation with PICHE on August 20, 2016. Another Mangrove Planting activity in Purok 13 was conducted on November 30, 2016 with 300 seedlings were planted by employee volunteers. In celebration of the International Coastal Clean-up, MVC Iligan participated in the Coastal Clean-up at Purok 13 on September 24, 2016. Organized a Tree Planting Activity at the Ipo Dam Watershed on October 22, 2016 in partnership with Maynilad Water Services where a total of 200 seedlings were planted. Conducted a climate change awareness campaign to make MVC employees aware on how climate change became the world's primary environmental threat today. Disaster / emergency preparedness drills were conducted as precautionary approach to environmental challenges
Principle 8: Undertake initiatives to promote greater environmental responsibility	<ul style="list-style-type: none"> 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 Iligan Plant's Integrated Quality, Environment and Occupational Safety and Health Management Systems.
Principle 9: Encourage the development and diffusion of environmentally friendly technology	<ul style="list-style-type: none"> Implements environmentally-aligned programs such as a No Plastic Policy Program in the canteen. "Lakbay Linis" (Company-wide Clean-up Campaign) was sustained every quarter as part of MVC's Good Housekeeping (GH) program to promote environmental responsibility among employees and contractors. The program included GH & safety audits in all plant areas.
ANTI-CORRUPTION Principle 10: Work against corruption in all its forms, including extortion and bribery	<ul style="list-style-type: none"> 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 contain a 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.