



MABUHAY VINYL CORPORATION
2013 Annual Report

INSIDE

- 2 Vision, Mission and Corporate Values
- 3 Financial Highlights
- 4 Message from Management
- 7 Statement of Management's Responsibility
- 8 Independent Auditor's Report
- 9 Consolidated Balance Sheets
- 10 Consolidated Statements of Income
- 11 Consolidated Statements of Comprehensive Income
- 12 Consolidated Statements of Changes In Equity
- 13 Consolidated Statements of Cash Flows
- 14 Notes To Consolidated Financial Statements
- 46 UN Global Compact Initiatives
- 48 Board of Directors, Committees and MVC Officers
- 49 Investor Information
- 50 Banks, External Auditor, Trustee, Legal Consultant and Directory



UN GLOBAL COMPACT INITIATIVES 2013 COMMUNICATIONS ON PROGRESS REPORT

Mabuhay Vinyl Corporation’s President and Chief Operating Officer, Mr. Edwin Ll. Umali, affirms the Company’s continuing commitment to the principles advocated by the United Nations Global Compact. As one of the pioneer supporters of the UN Global Compact principles in the Philippines, MVC has realized early on that companies must look beyond their own walls in addressing society’s most urgent sustainability issues because everyone ultimately benefits from a better world. Top global sustainability challenges cited are education, poverty eradication, climate change and growth and employment.

Principles	Policies, Actions and Performance Indicators
<p>HUMAN RIGHTS</p> <p>Principle 1: Support and respect the protection of International Human Rights within MVC’s sphere of influence</p>	<ul style="list-style-type: none"> • Funded the scholarships of 5 indigent students who are now in Junior High (Grades 7-8) • Participated in Brigada Eskwela by repairing and repainting classrooms at the Iligan City National School of Fisheries • Conducted a Health and Safety workshop for kids • Reconstructed a water reservoir for Purok 13, Iligan residents • Donated to typhoon Yolanda survivors thru employees’ “My Voluntary Contribution” drive. • Conducted tree planting, parenting and growing activities • Organized a blood donation activity
<p>Principle 2: Make sure MVC is not complicit in human rights abuses</p>	<ul style="list-style-type: none"> • Expanded MVC’s community-based child-friendly programs by involving community and youth leaders in planning and creating their own activities such as the Summer Arts Workshop, Flores de Mayo, Medical Mission and Pamaskong Handog. • Encouraged more employees and contractors to volunteer and participate in the yearly Brigada Eskwela and Indigent School Program.
<p>LABOR</p> <p>Principle 3: Uphold the freedom of association and the effective recognition of the right to collective bargaining</p>	<ul style="list-style-type: none"> • Two strategic planning sessions of the Industrial Peace Council (IPC) and Corporate Council on Quality, Security, Safety, Health and Environment conducted in January 2013 bolstered the harmonious relationship between labor and management • An IPC Fellowship teambuilding activity was held in August 2013 to further strengthen teamwork between labor and management. • The annual Magtanong sa Pangulo management forum was also held in August. • MVC supports the active participation of Union officers in various labor-related organizations and activities.
<p>Principle 4: Elimination of all forms of forced and compulsory labor</p>	<ul style="list-style-type: none"> • MVC joined a Self-Assessment and Joint-Assessment Audit on Labor, Occupational, Safety and Health Standards conducted by the Department of Labor and Employment. A grade of “No Violation” on General Labor Standards and “Compliant” in OSH Standards were given to the company. • Requires suppliers and contractors to comply with non-hiring of minors or children.

Principles	Policies, Actions and Performance Indicators
<p>Principle 5: Effective abolition of child labor</p>	<ul style="list-style-type: none"> Reinforced the Company’s Child Friendly Policy as well as the Procedures on Recruitment and Placement against hiring of child labor.
<p>Principle 6: Elimination of discrimination in respect of employment and occupation</p>	<ul style="list-style-type: none"> Newly hired employees and trainees undergo a Fire Safety Workshop, orientation on mandatory health policies including policies on Drug Free Workplace and Anti-Sexual Harassment 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. Arranged a lecture on the use and effects of illegal drugs as well as penal provisions under the company’s Drug-Free Workplace Policy took place.
<p>ENVIRONMENT</p> <p>Principle 7: Support a precautionary approach to environmental challenges</p>	<ul style="list-style-type: none"> Joined the Coastal and City Highway Clean-up program during the Environmental Month of June and International Clean-up in September. A two-year “Right BMI Challenge” was launched to promote wellness consciousness and encourage employees to lead a healthy and productive life. Conducted a basic skills training in First Aid and Management including basic life support, cardiopulmonary resuscitation, and carrying and bandaging techniques. Celebrated Nutrition Month with a Health Forum on Whole Foods Plant - Based Diet for Super Immunity. Conducts regular seminars to customers on Product Handling and Safety Training Disaster Preparedness Drill and Fire Drills are also conducted in Iligan and Laguna Plants.
<p>Principle 8: Undertake initiatives to promote greater environmental responsibility</p>	<ul style="list-style-type: none"> MVC Iligan Plant’s Integrated Quality Environment and Occupational Safety and Health Management Systems were certified by TUV-SUD as compliant to the ISO:2008, ISO 14001:2004 and OHSAS 18001:2007 standards. Lakbay Linis, a company-wide clean-up campaign, was energized every quarter as part of the Good Housekeeping program to promote environmental responsibility among employees and contractors. It includes GH & safety audits in all plant areas.
<p>Principle 9: Encourage the development and diffusion of environmentally friendly technology</p>	<ul style="list-style-type: none"> Installed a dual-fired burner system that utilizes hydrogen as supplemental fuel in addition to the usual bunker fuel oil Project reduces fossil fuel and greenhouse gas emission by more than 26%.
<p>ANTI-CORRUPTION</p> <p>Principle 10: Work against corruption in all its forms, including extortion and bribery</p>	<ul style="list-style-type: none"> Contracts entered into with suppliers and contractors warrant that no consideration or compensation was given to any MVC employees. MVC likewise warrants that no illegal compensation or payment was given to any customer in order to secure their business.

