

2019 Communication on Progress

Participant

- Taesung Phils. Co., Inc.(TSPCI)

Published

- 2019//07/26

Time period

- 8/2018 – 7/2019

Format

- Stand alone document – Basic COP Template

Differentiation Level

- This COP qualifies for the Global Compact Active level

Self-assessment

- Includes an explicit statement of continued support for the UN Global Compact and its ten principles
- Description of actions or relevant policies related to Human Rights
- Description of actions or relevant policies related to Labor
- Description of actions or relevant policies related to Environment
- Description of actions or relevant policies related to Anti-Corruption
- Includes a measurement of outcomes

- Statement of continued support by the Chief Executive Officer
- Statement of the company's chief executive (CEO or equivalent) expressing continued support for the Global Compact and renewing the company's ongoing commitment to the initiative and its principles.

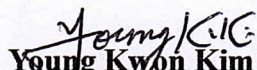
26 July 2019

To our stakeholders:

I am pleased to confirm that Taesung Phils. Co., Inc., engaged in a metal stamping /printing and spraying reaffirms its support of the Ten Principles of the United Nations Global Compact in the areas of Human Rights, Labor, Environment and Anti-Corruption.

In this annual Communication on Progress, we describe our actions to continually improve the integration of the Global Compact and its principles into our business strategy, culture and daily operations. We also commit to share this information with our stakeholders using our primary channels of communication.

Sincerely yours,


Young Kwon Kim
President

Human Rights

- Assessment, policy and goals
- Description of the relevance of human rights for the company (i.e. human rights risk-assessment). Description of policies, public commitments and company goals on Human Rights.
- Taesung Phils. Co., Inc. (TSPCI) fully respects, supports and has implemented the principles underlying universal human rights, including the right to equal opportunity and non-discrimination, the right to the security of persons, the right of employees . Protection of Internationally recognized principles including Human Rights is expressly part of TSPCI Company Rules and Regulations (Code on employee Discipline), which is distributed to all TSPCI employees . A formal training including the Company Rules and Regulations is being given to all incoming or newly hired employees.

Clear and explicit reference on respecting human rights is also included in the Company Rules and Regulations (Code on employee Discipline), The HR manager monitors compliance with the Company Rules and Regulations (Code on employee Discipline) and regularly evaluate the individual conduct of staff against company's Company Rules and Regulations .Failure to comply with the Company Rules and Regulations (Code on employee Discipline) can lead to the imposition of sanctions foreseen in the applicable rules, on the basis of which the local working relationship is regulated and will be applied after impartial, sensitive and fair examination is completed. This Company Rules and Regulations is based on the values of the company and labor code of the Philippines.

Among other important issues the Company Rules and Regulations (Code on employee Discipline) defines elimination or interdiction of discrimination. TSPCI is obliged to ensure equal treatment of all employees regarding their working conditions, including remuneration and other monetary transactions and monetary value, training and opportunity to achieve post or other promotion.

As far as the rules of recruitment and employment are concerned, all TSPCI's internal regulations respect or are based on the Phils. Labor Code.

- Implementation
- Description of concrete actions to implement Human Rights policies, address Human Rights risks and respond to Human Rights violations.
- Taesung Phils. respect the written policies respecting human rights and provides equal opportunities for employment. As far as the rules of recruitment and employment are concerned, all TSPCI's internal regulations respect are based on the Philippine Labor Code and valid Philippines that covers respecting human rights and preventing potential abuses. TSPCI follows all these regulations in every communication with employees or candidates. TSPCI communicate all new work positions publicly, in both genders as well.
- All the employees have a possibility to raise an objection or make a complaint about incidents of human rights violations towards any of their colleagues. The complaints is filed in the Human Resources department.

- There is provided suggestion box wherein all employees are encourage to express or suggest ideas that would help or improve the company.
- TSPCI has an Accident/Incident Investigation and Reporting Guidelines in place to immediately address and contain accidents/incidents happening in the company and make necessary recommendations/actions to prevent it from recurring.
- Respecting human rights in the TSPCI 's activities has been also reflected in developing CSR approach of the company. Following social requirements and benefits of implementation of CSR principles, TSPCI has started implementing philanthropic projects supporting environment and education. These projects are participated by TSPCI employees and management.
- Measurement of outcomes
- Description of how the company monitors and evaluates performance.
- Since August 2018 up to June 2019, Taesung Phils Co., Inc. (TSPCI) had no incidents of any legal case or human right violation.
- However, for **Work Accident/Illness Exposure Data Report Summary**

Exposure of data covered : January to December 2018

Number of employees = 539

Total Hours worked by all employees during the year = 3,284,759

Injury Summary :

Total - all disabling injuries /illness = 7

Total – non-disabling = 29

Frequency rate = 2.1

Severity rate = 130

- Various CSR projects were implemented since the initial application of TSPCI to UN Global compact as follows participated by TSPCI employees. This activity has also helped to show the general public that private businesses are good neighbors and can participate in environmental and community activities as well.

26 June 2009 – Basic Waste Management (Theme : Refuse , Re use, Reduce and Recycle) activity

19 June 2010 – Painting of school auditorium

08-28 July 2011 – School Feeding Program

06 July 2013 - PEZA-CEZ River Clean-up Project (Theme: Adopt-a-River)

21 June 2014 - PEZA-CEZ River Clean-up Project (Theme: Adopt-a-River)

20 June 2015 - PEZA-CEZ River Clean-up Project (Theme: Adopt-a-River)

- 21 November 2015 - PEZA-CEZ River Clean-up Project (Theme: Adopt-a-River)
- 13 January 2016 – Donation of Portable Speaker to Isla Bonita Chapel, Cavite, City
- 17 September 2016 - PEZA-CEZ River Clean-up Project (Theme: Adopt-a-River)
- 22 April 2017 - “River Clean-up and Tree Planting Activity “ on Damayan /Road, Bg Navarro,
 City of General Trias , Cavite
- 17 March 2018 – PEZA-CEZ River Clean-up Project (Theme : Adopt-a-river)
- 21 April 2018 – River Clean-up and Tree Planting Activity
- 23 June 2018 – 2nd quarter PEZA CEZ Adopt-a-river Project
- 15 September 2018 – 3rd quarter PEZA-CEZ Adopt-a-river Project
- 14 December 2018 - Reforestration
- 16 March 2019 – 1st quarter PEZA-CEZ Adopt-a-river Project

Labor

- Assessment, policy and goals
- Description of the relevance of labor rights for the company (i.e. labor rights-related risks and opportunities). Description of written policies, public commitments and company goals on labor rights.
- Taesung Phils. Co., Inc. (TSPCI) fully respects, supports and has implemented the principles underlying universal labor rights, including opposition to any forms of compulsory of child labor, the right to a safe and healthy working place.
- All TSPCI employees are issued with an appointment paper which clearly states their terms and conditions including pay rates . Likewise, all employees are issued with a Company Rules and Regulations (Code on employee Discipline) which includes a set of rules and regulations for protection of its employees and its guests both within and outside the plant premises.
- Respecting of labor rights in TSPCI is defined in Company Rules and Regulations (Code on employee Discipline) patterned on the labor code of the Philippines which includes rules and regulations for protection of its employees and its guests both within and outside the plant premises. The company is obliged to ensure equal treatment of all employees regarding their working conditions, including remuneration and other monetary transactions and monetary value, training and opportunity to achieve post or other promotion.
- As far as rules of recruitment and employment are concerned, all our internal regulations respect or are based on the Labor Code effective and valid in the Philippines.

- Implementation
- Description of concrete actions taken by the company to implement labor policies, address labor risks and respond to labor violations.
- Taesung Phils. Co., Inc. (TSPCI) has recognized union (Taesung Employees Association – Independent) and had entered into Collective Bargaining Agreement (CBA) with the union effective 12th day of February 2015.
- Taesung Phils. Co., Inc. (TSPCI) in agreement with the union has a range of various HR activities which supports best practice in terms of labor and employment as follows:
 - 1) Security of employment
 - 2) Wage increase
 - 3) Hours of work
 - 4) Overtime, rest days, special and regular holiday premiums and related benefits
 - 5) Leaves with pay
 - 6) Promotion of family planning, health and safety standards
 - 7) Separation pay for and retirement
 - 8) Uniforms
 - 9) Bereavement assistance
 - 10) Hours of work
 - 11) Christmas package
 - 12) Loyalty service award
 - 13) Accident insurance
 - 14) Hazard allowance
 - 15) Sports and leisure
 - 16) Medical coverage and hospitalization
 - 17) Injury and disability benefits
 - 18) Monthly perfect attendance bonus
 - 19) Yearly perfect attendance bonus

- Taesung Phils. Co., Inc. (TSPCI) is also aware of a need of awareness raising or training for employees on labor rights and policies. The company has included training on the Company Rules and Regulations (Code on employee Discipline) in the Company's Orientation Program for incoming /new employees for their awareness.
- During Company Orientation Program, employees benefits including benefits those based on Labor Law and provided by TSPCI itself are discussed. e.g. allowance for meal tickets and perfect attendance ; social support based on social situation of an employee and accident insurance.
- Taesung Phils. Co., Inc. (TSPCI) defines all its internal regulations of recruitment and employment with respect to the Labor Code effective and valid in the Philippines that covers respecting labor rights and preventing potential abuses. The company respects all this regulations in every communication with employees .TSPCI communicates all new work positions publicly through memorandum distributed within the organization.
- Measurement of outcomes
- Description of how the company monitors and evaluates performance.
- All the employees have a possibility to raise an objection or make a complaint about incidents of human rights violations towards any of their colleagues. The complaints is filed in the Human Resources department.
- With the nature of work (metal stamping) TSPCI is dominated by male employees. Currently, TSPCI workforce consist of 441 male and 98 female. Although dominated by male employees, this in no way reflects our approach to encouraging and promoting staff within the organization.
- We conduct annual appraisals each year to identify personal development needs and training requirements and these are realized where ever financially possible.
- At TSPCI labor right issue is being monitored by HR department. The issue of labor rights is very important to the company because of the relationship between a content workforce and high productivity. The management of TSPCI tries to mitigate all issues with a proactive stance. As of the time of application there were no incidents of violations of the Global Compact Labor principals. The management feels that the lack of an issue is demonstrative of the company's effort to practice labor rights and its continuing attempts to educate company employees about.

Environment

- Assessment, policy and goals
- their rights Description of the relevance of environmental protection for the company (i.e. environmental risks and opportunities). Description of policies, public commitments and company goals on environmental protection.

- TSPCI fully supports UN global Compact in its aim to preserve and protect the environment. Currently , TSPCI is certified by ISO14001:2015 which ensures that the organization has developed and implemented a policy and objectives which take into account legal requirements and other environmental requirements to which TSPCI subscribes, and information about significant environmental aspects.
- TSPCI has established Integrated Management System Manual (TSP-IMSM-01) which includes the scope of TSPCI environmental management system and documented environmental procedures for the environmental management system .
- TSPCI has established Environmental Policy and Objective which includes commitment to continual improvement and prevention of pollution and compliance to applicable environmental legal requirements.
- For 2018 , TSPCI was able to achieve some of its environmental objective and target as follows:
 - Compliance with Phils. DENR Air emission standards.
 - zero employees with hearing problems or health problems resulting from exposure to noise or press machine operations.
 - Zero complaints by nearby locators.
 - Compliant to Phils. Clean Air Act of 1999 R.A. 8749 and Clean Water Act of 2004 R.A. 9275.
 - Zero chemical and oil spill to TSPCI grounds.
- Implementation
- Description of concrete actions to implement environmental policies, address environmental risks and respond to environmental incidents.
- TSPCI has established Environmental Management System Core Team who promotes and monitors environmental initiatives of the company. On the other hand, Pollution Control Officer (PCO) ensures TSPCI is compliant to all applicable legal environmental requirements.
- Environmental performance is being reported to top management annually during management review to asses areas for improvement or resources needed to ensure effective implementation of environmental programs and activities.
- Some of the environmental initiatives of the company are as follows:
 - Monitoring of controlled chemicals used in production.
 - Emission testing of company vehicles as well as all suppliers/customers entering TSPC premises.
 - Established waste management system to ensure collection , storage , transportation

and disposal of waste is properly managed and recycle as much as possible, Likewise, proper waste segregation scheme is also strictly being implemented through trainings and color coded trash bins.

- Annual Waste Water Effluent Testing .
 - Annual Ambient Air/Noise measurement .
 - Recycling of chemicals.
- Measurement of outcomes
 - Description of how the company monitors and evaluates performance .Measurement of outcomes .
 - Environmental performance is monitored monthly and submitted to top management .
 - Likewise, environmental performance is reported to top management annually during management review to asses areas for improvement or resources needed to ensure effective implementation of environmental programs and activities.
 - Since the initial application to United Nation Global Compact o date, TSPCI has not had any environmental incidents and has not been subject to any statutory notices or prosecutions.

Anti-Corruption

- Assessment, policy and goals
- Description of the relevance of anti-corruption for the company (i.e. anti-corruption risk-assessment). Description of policies, public commitments and company goals on anti-corruption.
- Taesung Phils. Co., Inc. (TSPCI) is committed to support UN Global Compact in its undertakings in the area of Anti -Corruption.
- Likewise, TSPCI adheres and support Philippine government initiatives in combating corruption through practicing Philippine Anti Graft and Corrupt Practices Act Republic Act No. 3019. TSPCI strongly disagrees and does not in any way participate in any form of anti corruption , bribery or extortion.
- Managers and staffs involving in any transactions whether in public government agencies or private company are briefed not to participate in any corruption , bribery or extortion activities.
- Policies regarding Anti -corruption and bribery are contained in the Company Rules and Regulations and TSPCI Business Ethics and Code of Conduct Policy(TSPCSR – 01)
- Implementation
- Description of concrete actions to implement anti-corruption policies, address anti-corruption risks and respond to incidents.

- TSPCI supports anti-corruption campaign and operates , based on honesty and openness. TSPCI management encouraged its employees to report potential fraud or other gross malpractice at the company. The information was released through memorandum.. The employees can report the potential non-ethical cases to their superior and in case the report was not given proper attention , the employee can file directly to the Human Resource department.
- The HR manager is responsible for anti-corruption within TSPCI company.
- Measurement of outcomes
- Description of how the company monitors and evaluates anti-corruption performance.
- Corruption or bribery related incidents are monitored by our HR department and we are pleased to report that Taesung Phils. Co., Inc. has not been involved in any legal cases or other events related to corruption and/or bribery from either internal or external agencies since Apr. 2013 up to the present.