

## 2019 Communication on Progress

### Participant

- OMON GROUP INC.

### Published

- 2020/03/03

### Time Period

- 01/2019 – 12/2019

### Format

- Stand Alone Document – Basic COP Template

### Differentiation Level

- This COP qualifies for the Global Compact Active Level

### Self-Assessment

- Includes 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 measurements of outcomes
- Statement of continued support by the President & Chief Executive Officer (CEO)
- Statement of the President & CEO expressing his/her continued support for the Global Compact and renewing the company's ongoing commitment to the initiative and its principles.

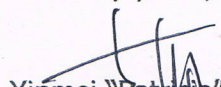
03 March 2020

To our stakeholders:

I am pleased to confirm that OMON GROUP INC., engaged in production of mechanical fasteners and cable products 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 sharing this information with our stakeholders using our primary channels of communication.

Sincerely yours,

  
Xinmei "Patricia" Zhao  
President & CEO

## LABOR PRACTICE & HUMAN RIGHTS

- Assessment, policy and goals
- Description of the relevance of labor practice and human rights for the company (i.e. human rights risk-assessment). Description of policies, public commitments and company goals on Human Rights.

OMON Group Inc (OGI) fully support, respect and implemented the principles of universal Labor practice human rights which includes the right to equal opportunity and non-discrimination, the right to the security of persons, the right of employees. Company policy with regards to Respect for Human Rights of employee is part of OGI Business Ethics and Code of Conduct Policy (OGI-GD-01 REV.0). We, ensures that all employees are aware with the Human Rights Policy through conducting a formal training/orientation for both existing (refresher) and incoming employees.

Clear and explicit reference on respecting Labor & Human Rights is also included in our Company Code of Conduct and Policy. The HR & Admin department monitors compliance and regularly evaluates 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 (Annual report submission to Local Government – Department of Labor and Employment).

As far as the rules for **Labor Practice & Human Rights** are concerned, all OGI's internal regulations respect or are based on the Phils. Labor Code.

### Recruitment, Selection and Separation

OGI respects the freedom of hired employees to perform the functions of the position offered to them and does not use force, bonded or indentured labor or involuntary prison labor. All the works to be accomplished by the employees are guided by their own free will. The company gives the employee the prescribed notification day of at least 15 – 30 days before leaving and shall provide the last salary pay governed by the provisions of labor code on separation and retirement pay with release, waiver and quitclaim.

### Prohibition of Child Labor and Non-Employment of Minors

OGI complies with the provision in Article 139, which states: "No child below fifteen (15) years of age shall be employed, except when he works directly under the sole responsibility of his parents or guardian, and his employment does not in any way interfere with his schooling."

"Any person between fifteen (15) and eighteen (18) years of age may be employed for such number of hours and such periods of the day as determined by the Secretary of Labor and Employment in appropriate regulations."

"The foregoing provisions shall in no case allow the employment of a person below eighteen (18) years of age in an undertaking which is hazardous or deleterious in nature as determined by the Secretary of Labor and Employment."

### Working Hours

- a) At OGI, your regular work shall be eight (8) hours per day and a total of forty-eight (48) hours per week except when exigencies of the business operations require the establishment of a special work schedule.
- b) Regular work schedule per week is Monday to Saturday but alternating Saturday weekly.
- c) Regular work schedule is 8:00 AM to 5:00 PM while for working schedule with Saturday rest day is 8:00 AM – 6:00 PM on Monday to Thursday and 8:00 AM to 5:00 PM on Friday.

### Wage and Salary Administration

The company pays the salary of all employees every 15th and 30th of the month including overtime rendered, holiday pay and night differential in accordance with the provisions of the Labor Code.

### Benefits

The company provides the following benefits to employees:

1. Government mandated benefits
2. Salary increase based on annual performance evaluation and company performance
3. Company Incentives
4. Maternity Assistance
5. Bereavement Assistance
6. Health Card Provision
7. Insurance provision

The company also extends emergency assistance to employees due to calamity, hospitalization of immediate family member and other necessity.

### Leave Benefits

The company provides leave benefits to qualified employees, such as sick leave, vacation leave, maternity leave, paternity leave, bereavement leave and birthday leave.

### Non-cash Benefits

The company grants the following non-cash benefits: Group Life / Accident Insurance, Group Hospitalization Insurance, free use of mobile phone, free uniforms, staff house. Shuttle service and birthday celebration.

### Annual Performance Evaluation

The company conducts annual performance evaluation of all employees and grants salary increase based on the result of the evaluation according to the performance of the company, economic or inflation rate.

### Seniority/Loyalty Incentive

The company grants Seniority/Loyalty Incentive to qualified employees who have rendered a continuous service starting from the 3rd year of employment.

### Sales Incentive

The company gives incentive to employee based on Sales achievement on deliveries to customers (from rank & file up to the management team).

### Humane Treatment and Respect for Co-Employee

The company instills respect to all employees and does not tolerate harsh and inhumane treatment, sexual harassment, sexual abuse, corporal punishment, mental or physical coercion or verbal abuse of employee. Disciplinary policies and procedures are in place and communicated to employees.

### Non-Discrimination

The company practices non-discrimination of any employee because of race, color, nationality, age, gender, sexual orientation, expression ethnicity or national origin, disability, pregnancy, religion, political affiliation, membership in legal organization like union or mental status in hiring and employment practices such as promotions, rewards and trainings.

### Magna Carta of Women

The company respects the rights of women and abides by the provisions of Republic Act 9710 on leave benefits during surgery caused by gynecological disorders and non-discrimination on employment.

### Freedom of Association

The company respects the rights of employee to join labor organization or seek representation in accordance with local laws. Employees and their representative shall be able to openly communicate and share ideas and concerns with management regarding working conditions and management practices without fear of discrimination, reprisal, intimidation or harassment.

### Measurement of outcomes

- Description of how the company monitors and evaluates performance.
- Since 01 January 2019 to 31 Dec 2019, OMON Group Inc. (OGI) had no incidents of any legal case or human rights violation.
- For work related accident/illness incidents, see attached submitted report to local government (PEZA, EMB & DENR and DOLE – OGI Q1-Q4 SMR Report / Annual Work Accident/Illness Exposure Data Report).

## Environment & Health & Safety

- Assessment, policy and goals
- 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.
- OGI has established Environmental Policy and Objective which includes commitment to continual improvement and prevention of pollution and compliance to applicable environmental legal requirements.
- Description of concrete actions to implement environmental policies, address environmental risks and respond to environmental incidents.
- Compliance Monitoring related to Environmental, Health and Safety requirement submitted to local government through EMB, DENR & PEZA (for PEZA locators). Please refer to the attached OGI 2019 Sem 1 & 2 CMR Report).
- For 2019 , OGI was able to achieve some of its environmental objective and target as follows :
  - Compliance with Phils. DENR Air emission standards.
  - Zero complaints by nearby locators.
  - Compliant to Phils. Clean Air Act of 1999 R.A. 8749 and and Clean Water Act of 2004 R.A. 9275.
- OGI 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 OGI 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
  - Annual Waste Water Effluent Testing
  - Annual Ambient Air/Noise measurement
- OGI 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.
- Measurement of outcomes
- Environmental performance is monitored quarterly and submitted to top management.
- Description of how the company monitors and evaluates performance.
- 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.
- Engage the external providers to be compliant with the environmental requirement with regards to responsible sourcing of minerals that has huge impact to the environment.

## 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

FASTENING YOUR CREATIONS



LINKING TO INNOVATIONS

- OGI is committed to support UN Global Compact in its undertakings in the area of Anti -Corruption.
- Likewise, OGI adheres and support Philippine government initiatives in combating corruption through practicing Philippine Anti-Graft and Corrupt Practices Act Republic Act No. 3019.