

POLICY ON EMPLOYEES' SAFETY, HEALTH AND WELFARE

Occupational safety, health and welfare are top priority of the Company. We will strive to ensure safe working conditions, equipment and work sites. The Company promotes employee involvement and accountability in identifying, preventing and eliminating hazardous conditions and the risks of employee injury.

Safety, health and welfare in the working environment, product quality and operating efficiency are inseparable.

The Company will ensure continuous improvement in health and safety performance through close cooperation among management, employees and unions, which will contribute to the health and safety of employees and the success of the organization.

The Company is committed to:

- *make employee health and safety a priority in all aspects of management practices;*
- *establish, communicate and enforce, with the employees' involvement, work site-specific rules and safe work methods;*
- *promote and develop the awareness, leadership and accountability of employees in health and safety through their involvement in continuous improvement processes;*
- *measure its health and safety performance in accordance with established standards, and communicate the results to the employees; and*
- *conduct health and safety seminars and audits to confirm that its management practices meet policy objectives, legislation and the principles of sound management.*

Programs Relating to Safety, Health and Welfare of Employees

The following programs were organized and were conducted for employees' health, safety and welfare:

1. *Safety Re-Orientation for Construction Workers, Plantation, and Mill Employees*
2. *Wellness Seminar*
3. *Basic Training Course for Pollution Control*
4. *Basic Occupational Safety and Health Seminar*
5. *Seminar on Pollution Control & Hazardous Waste Management*
6. *Employees' Re-Orientation Seminar*

A health and safety program is also given to each company belonging to the Group. The safety manual contains the health and safety elements of the organization, objectives which make it possible for the company to achieve its goal in the protection of its workers at the work place. Each company has its own separate safety manual that corresponds to safety and health needs of the workers.

A Safety and Health Committee is also organized in each project and for the whole company in order to protect every working man against the dangers of injury, sickness or death through safe and healthful working conditions. The committee also assures the conservation of valuable manpower resources and the prevention of loss or damage to lives and properties.

Training and Development Programmes For Employees

The training and development program implemented by the company and its subsidiaries are identified through the Seminar/ Training Need form, which is accomplished by the department heads and through interview. The trainings and seminars are then classified based on the following criteria: Knowledge, Skills, Behavioral/Attitude and Safety & Health.

Performance-enhancing mechanisms for employee participation

Quality is important to our business because we value our customers. We strive to provide our customers with products and services which meet and even exceed their expectations.

We are committed to continuous improvement and have established a Quality Circle and Productivity Programs to improve quality:

We have the following systems and procedures in place to support us in our aim of total customer satisfaction, productivity & continuous improvement throughout our business:

- 1. Regular Quality Circle Meetings*
- 2. Regular gathering and monitoring of customer feedback*
- 3. A customer complaints procedure*
- 4. Selection and performance monitoring of suppliers against set criteria*
- 5. Training and development for our employees*
- 6. Regular audit of our internal processes*
- 7. Measurable quality objectives which reflect our business aims*
- 8. Management reviews of audit results, customer feedback and complaints*

Our internal procedures are reviewed regularly and are held in a Manual which is made available to all employees.

Though the Management has ultimate responsibility for Quality, all employees are empowered through these Quality Circle and Productivity programs mechanism to have a responsibility within their own areas of work so helping to ensure that Quality is embedded within the whole of the company.

Reward/Compensation Policy Related to Company's Performance

BONUS- The bonus of the members of the Board of Directors, the officers and employees of the corporation will be given upon the recommendation of the Compensation and Remuneration Committee and shall not exceed ten (10) per centum of the net income of the corporation (excluding the unrealized equity in the net earnings of affiliated and subsidiary corporations) before this bonus and taxes of the preceding year or preceding years if in a cumulative basis. Twenty-five (25%) per centum of the entire bonus shall be distributed to the Directors and the balance thereof shall be distributed to the Officers and Employees in such amounts and manner as may be recommended by the Compensation and Remuneration Committee and as may be approved by the Board of Directors.

A performance evaluation is given twice a year, every semester. The allowable increase given to an employee will be based on the Adjectival Rating of the direct supervisor or head. The following are the corresponding allowable increase for each adjectival rating:

<i>Excellent-</i>	<i>15%</i>
<i>Above Average-</i>	<i>12%</i>
<i>Average-</i>	<i>10%</i>

Anti-Corruption Programmes and Procedures

	<i>Policy</i>	<i>Activities</i>
Anti-corruption programmes and procedures?	<i>Under the Employee Code of Conduct Article III - Offenses Against Company Interest and Policy, seeks a behaviour that manifests Love for Truth. This includes the practice of such virtues as honesty, concern and loyalty towards our company</i>	<i>In order for the company to promote its corporate values to its officers and employees, the human resource department conducts re-orientation seminar for the employees discussing the company's vision, mission and core</i>

	<p><i>which should go beyond self-interest. This hopes to instill a true spirit of service with a high sense of responsibility.</i></p>	<p><i>values, the employee code of conduct and manual on corporate governance. The HRD initiates the seminar on AVID I to VI with topics about Attitude, Values, Insights and Development; virtues talk every Monday during flag ceremony, and monthly talk with religious flavour.</i></p> <p><i>The company also sponsors employees' who need retreat and recollection for them to have time for renewal and regeneration of spirit, mind and body, looking closely and reflect on their thoughts, feelings, beliefs, and motivations.</i></p>
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Procedures for Handling Complaints By Employees Concerning Illegal (including Corruption) and Unethical Behavior and Protection from Retaliation

The Employee Code of Conduct provides the procedures for handling complaints by employees concerning illegal and unethical behavior.

Procedure in Handling Administrative Cases

- 1. All administrative cases must be reported formally to the employee's immediate superior*
- 2. The immediate superior of the reported employee will review, study and validate the report submitted to him within forty eight (48) hours.*

NOTE: In checking the validity of the report submitted, the 5 Ws (Who, What, Where, When, Why) and 1 H (How) fact finding method is a proven effective guide.

- 3. After establishing the validity of the submitted report, the immediate superior must determine whether or not the case merits preventive suspension. If so, the immediate superior must issue the same. Preventive suspension must not exceed 30 working days. However, should the company decide to extend beyond 30 working days because more time is needed for investigation, extension can be made but with pay.*
- 4. Immediate superior must issue a Notice to Explain (NTE) to the reported employee stating clearly the charges, purpose, reason and basis of such.*
- 5. The employee must receive and submit his response to his immediate superior within the allowable time provided as stated in NTE.*
- 6. Upon receipt of the employee's explanation, the immediate superior studies it and makes his recommendation to the department manager either to excuse or impose Disciplinary Action (DA) on the reported employee. The basis of his recommendation must always be in consonance with the Code and the Philippine Labor Laws.*
- 7. Where the immediate superior recommends the imposition of the DA and such recommendation is approved by the department manager, the decision will be issued to the reported employee, and explained to him or her.*
- 8. Where the immediate superior recommends to excuse the impositions of the DA and the same is approved by the department manager, the employee will receive a copy of the decision.*
- 9. In case where the recommendation of the immediate superior is disapproved, the decision of the department manager shall prevail.*
- 10. The employee, after receiving the copy of the decision approving the imposition of disciplinary action imposed upon him must review his or her stand about the matter. Should he or she feel aggrieved about the decision, he or she may appeal and elevate the matter to the Division head. The Division head may opt to consult the HRD in reviewing the case. The decision of the Division head will be final and executor. However, offenses that will impose dismissal may be appealed to the President.*

Reporting of any Illegal or Unethical Behavior

Any Employee who is aware of any illegal or unethical behavior or who believes that an applicable law, rule or regulation or the Code has been violated, must promptly report the matter as follows:

- *To the Chief Compliance Officer of the Company, or*
- *In accordance with the Company's Policy and Procedures for the Submission of Complaints Pertaining to Accounting, Internal Accounting Controls, Auditing and Other Matters (Whistleblower Protection Policy).*

The Company's whistleblowing policy when in place will provide guidelines on handling employee disclosure or complaints of violation of the corporate governance rules, protects whistleblower from retaliation and ensures confidentiality and fairness in the handling of a disclosure or complaint.

Date	Title	Classification	No. of Participants
January 8, 2013	Final Phase of Planning Session for 2013	Knowledge	56
January 25, 2013	Employee's Re-Orientation Seminar	Knowledge	44
January 30, 2013	2 nd Writeshop for KAISA e-Newsletter	Skills	22
February 9, 2013	PMAP Learning Session	Knowledge	3
February 28, 2013	Employees' Compensation Program (ECP) Seminar	Knowledge	3
March 13-17, 2013	The 18 th Philippine World Building & Construction Exposition (World Bex)	Knowledge	1
March 20, 2013	ECC on Site Seminar	Knowledge	23
March 21, 2013	Resilience & Workforce Productivity Workshop	Skills	21
March 20-21, 2013	Basic Training Course for Pollution Control Officers	Skills	4
March 23, 2013	Safety Re-Orientation for Construction	Skills	5
April 11-12, 2013	Job Evaluation and Pay Structure Seminar	Skills	1
April 22, 2013	2 nd Quarter Employee's Re-Orientation Seminar	Knowledge	23
April 23, 2013	Healthy Lifestyle and Hypertension Seminar	Knowledge	30
April 26, 2013	HLURB's Resolution 890 Series of 2012 and their implementing circulars and PAG-IBIG Funds Borrower's Evaluation System and the Online Housing Loan Application (OHLA)	Knowledge	5
May 3, 2013	7 Habits of Highly Effective People (1 st Session)	Attitude	22
May 6-7, 2013	Plant Visit at Kenram Oil Plantation	Knowledge	3
May 16, 2013	Risk Management Briefing	Knowledge	8
May 15, 2013	Orientation about Productivity Improvement Program (MAQ)	Knowledge	10
May 24, 2013	7 Habits of Highly Effective People (2 nd Session)	Attitude	17
May 24, 2013	Labor Relations Update PMAP Webinar	Knowledge	8
May 25, 2013	Re-echo re: Job Evaluation and Pay Structure	Knowledge/ Skills	5
June 5, 2013	Orientation on Employee Suggestion Program	Knowledge	16
June 7, 2013	7 Habits of Highly Effective People (3 rd Session)	Attitude	14
June 19, 2013	PMAP-IR Summit – "IR 2013: Responding to the Challenges of Globalization"	Knowledge	3
June 25-26, 2013	Seminar on Advance Course for Pollution Control Officers	Safety and Health	2
July 12, 2013	2 nd Quarter's Managers' Forum – "Creative Thinking as a Tool in Improving Sales, Revenues, Productivity and Processes"	Knowledge/ Skills	54
July 17, 2013	Tax Updates Seminar	Knowledge	3
July 17, 2013	3 rd Quarter Employees' Re-orientation Seminar	Knowledge	42
July 17, 2013	Economic Briefing	Knowledge	4
July 22, 2013	7 Habits of Highly Effective People (4 th Session)	Attitude	13
July 27, 2013	Personality Development Training	Attitude	13
August 2, 2013	Orientation for Supervisors Contracting/Sub-Contracting of Workers	Knowledge	13
August 7, 2013	7 Habits of Highly Effective People	Attitude	5
August 12-13, 2013	AVID 3 & 4 (Work Ethics & Corporate Image)	Attitude	44
August 16-17, 2013	Wind and Earthquake Engineering Seminar	Skills	2
August 19-20, 2013	Competency-based Career Development and Planning	Skills	1

August 22, 2013	<i>7 Habits of Highly Effective People</i>	<i>Attitude</i>	10
September 5, 2013	<i>Re-echo- Competency-based Career Planning and Development</i>	<i>Skills</i>	8
September 7, 2013	<i>7 Habits of Highly Effective People</i>	<i>Attitude</i>	14
September 10, 2013	<i>Workshop on Computer Basic s and Google Apps</i>	<i>Skills</i>	17
September 11, 2013	<i>Fire Prevention Seminar</i>	<i>Safety and Health</i>	45
September 12, 2013	<i>Men's Talk</i>	<i>Attitude</i>	9
September 12-13, 2013	<i>3rd Tax Updates Seminar</i>	<i>Skills</i>	27
September 23, 2013	<i>7 Habits of Highly Effective People</i>	<i>Attitude</i>	13
September 27-28, 2013	<i>20th National Public Relations Congress – From Ripples to Waves: PR as Agents of Sustainable Change”</i>	<i>Knowledge</i>	1
October 4, 2013	<i>Re-orientation on the Good Practices in the Plantation</i>	<i>Knowledge</i>	11
October 9, 2013	<i>4th Quarter Managers' Forum</i>	<i>Knowledge</i>	32
October 11, 2013	<i>Faith Sharing Series 1: Salvation</i>	<i>Attitude</i>	51
October 14, 2013	<i>Inspirational Talk</i>	<i>Attitude</i>	11
October 21, 2013	<i>Faith Sharing Series 2: Mary</i>	<i>Attitude</i>	36
October 21-22, 2013	<i>First Aid Training for Industrial Employees</i>	<i>Safety and Health</i>	32
October 23, 2013	<i>First Aid Training for Plantation Workers</i>	<i>Safety and Health</i>	15
October 29, 2013	<i>Faith Sharing Series 3: Confession</i>	<i>Attitude</i>	32
October 30, 2013	<i>Re-orientation on Procurement & Warehousing policy Procedures for CDO-based employees</i>	<i>Knowledge</i>	32
November 4, 2013	<i>Faith Sharing Series 4: Marriage</i>	<i>Attitude</i>	26
November 11, 2013	<i>Faith Sharing Series 5: Purgatory</i>	<i>Attitude</i>	30
November 16, 2013	<i>Re-orientation on Procurement & Warehousing policy Procedures for Butuan-based employees</i>	<i>Knowledge</i>	5
November 18, 2013	<i>Faith Sharing Series 6: Final Judgment</i>	<i>Attitude</i>	18
December 10, 2013	<i>4th Accounting & Tax Update</i>	<i>Knowledge</i>	19