

INTERACTION WITH THE COMMUNITIES

Corporate Social Responsibility

Pursuant to Section 2.9 of the PPMC's Manual of Corporate Governance,

2.9 Relations with Stakeholders. As an integral part of the National Government and of the GOCCs, PPMC is inherently mandated to be socially responsible, to act and operate as good corporate citizens. The Board of Directors shall thus recognize and perform the obligations that PPMC has towards the National Government, as well as its employees, suppliers, customers and other Stakeholders, and the community in which it operates.

The Board Officers and all its employees are required to abide by ethical policies as mandated by duly constituted authorities. The protection of the reputation and goodwill of PPMC is of fundamental importance, and the Board, Officers and employees should be aware of the disciplinary implications of breaches of policy.

The State. The owner of the all GOCCs is the primary stakeholder. PPMC has governmental and propriety activities as significant tool for commercial development within the economic program of government. The governance and management of PPMC strictly adhere to the time-honored principle of transparency in government service and fiduciary duties of the Board and officers who have the legal obligations and duty to always act in the best-interest of PPMC.

Locators/investors and private sector. Encourage the active and meaningful participation of the private sector in financing, managing and overseeing conversion projects. One could hardly imagine what will be done without business activity in the zone. PPMC and its locators play symbiotic role to each other. The former provides property or services to the latter which in turn use the prime property to its better operations. There are reciprocal duties and obligations of protection and support between PPMC and its locators.

Business enterprise duly registered in the zone enjoys incentives such as tax and duty free importation of raw materials and capital equipment. No local or national taxes shall be imposed on registered enterprise within the zone notwithstanding contrary provision existing laws and rules and regulations.

Regular meeting with locators are conducted quarterly as a means to engage them into productive synergy and feedback mechanism in the implementation of PPM Policy in the zone.

In this way, any and all complaints from locators and their customers are expeditiously addressed to by the zone management.

Local Government, PPMC is the implementing arm and exercise regulatory power in the zone affecting business enterprise. However, it likewise owes support and serves the interest of the city government of San Fernando and the provincial government of La Union and shall support projects identified by the host local government units and other agencies. Establish a mechanism of coordination with appropriate local government units to effect meaningful consultation with communities affected by development projects.

Coordination with local government units is important for their support and approval of multi-lateral projects in the zone. The host local government unit where the zone is geographically situated is entitled to 2% of the GIE of a registered enterprise.

Community, PPMC shall conduct regular dialogue and interactions with residents of adjoining barangays in the zone. Management sees to it that the phase of development in the zone should inure in one way or another to nearby residents who shall be benefitted. PPMC policy mandated the preference of local labor force in the operation of business in the zone. This will give impetus to the objective of special economic zones are proceeding according to national goals and principles. PPMC as a socially responsible corporate citizen, shall pursue community projects to improve the quality of life of the communities affected by the development of the Poro Point Freeport Zone.

Community projects are pursued through the “PPMC HELPS Program. HELPS stands for the various components of the program which are as follows: **H**ealth, **E**ducation and **E**nvironment, **L**ivelihood Program, **S**trengthening Linkages/**S**ports.

Various projects under each component which were undertaken are as follows:

| Components | Projects |
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| Health | Participation in the World Diabetes Day |
| | Participation in the Health & Wellness Program (PRC Run for Humanity, Philhealth Ready, Tsekap Go, PRC Dance Marathon, 3 rd Kahuna LU International Marathon, iRUNNERS Marathon, LINK Takbo para sa Kalikasan, NEDA Run for Transparency, LORMA Kidney Walk,, St. Thaddeus Walk for a Cause) |
| | Assistance in the Medical & Dental Mission of various partner agencies (La Union Medical Society, Saint Louis College, Philippine Dental Association, DZRD Sonshine Radio Movement) |
| | Assistance to “Dugong Bombo” - Bloodletting program |
| | Support in the Installation of Deep well |
| | Assistance in the National Child Sexual Abuse Awareness Week |
| | Support in the Gift giving & feeding program of partner agencies (Philippine Coast Guard, DZRD Sonshine Radio & DZNL Aksyon Radio) |
| | Support in the Community Health projects of partners from LOGOS Hope, Philippine Coast Guard, Philippine Air Force, Philippine Navy, Philippine National Police. |
| Education/Environment | Participation in the International Coastal Clean – up |
| | Support in the clean up drive program of various partner agencies (DZNL Operation Tulong Linis sa Barangay) |
| | Implement “ Love Mother Earth – Coastal Clean Up in the zone |
| | Support in the Barangay Against Drug Addiction Program of partner agencies in the government and private sector |
| | Assistance to the Environment Project of partner agency from the government & private sector–Marine Protected Area Project |
| | Assistance in the observance of National Maintenance |

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| | Week – Brigada Eskwela (San Agustin (Poro) E/S & LUNHS) |
| | Host Poro Point Adventure Challenge – Disaster Circuit & Airsoft Training |
| | Support in the Disaster Preparedness and Safety Trainings and Dissemination Program |
| | Support in the Nationwide Debate Program |
| | Support in the skills and awareness program of schools such Arts and Painting Program, story telling sessions of partner schools, capability building of community partners(planning workshop), |
| | Support in the repair and construction of multipurpose hall cum day care center |
| Livelihood Program | Assistance to community livelihood enterprise projects(Livelihood Enterprise Building – catering service, Livelihood Training on Food Processing, Baking) |
| | <p>Employment opportunities inside the zone</p> <p>One of the major goals of the bases conversion and development program is the creation of jobs to benefit the local communities.</p> <p>Since the creation of Poro Point Special Economic and Freeport Zone and eventually the Poro Point Freeport Zone, livelihood opportunities have been generated for the impact areas. Thousands have been directly employed by the locators and contractors doing business inside the zone. In 2014, total direct employment inside the Poro Point Freeport Zone stood at 1,584, of which 1,488 or 93.94% were residents of La Union. In 2015, total direct employment stood at 1,239, of which 1,177 or 95% were residents of La Union. In addition thousands of workers were hired for arrastre and stevedoring services at the San Fernando Seaport.</p> |
| Strengthening Linkages/Sports | Support the host local government unit and other agencies in celebration of founding anniversary, festival and Christmas program |
| | Participation in the friendship cup, commanders cup, tournament |
| | Support the advertisement package of various media infrastructures |
| | Support the information dissemination program of partner agency (PIA) |
| | Support in the sports project of partner agency (Bowling tournament, Tennis Training) |

PPMC CSR PROGRAMS IMPLEMENTED

for the period January 2014 to December 31, 2014

| No. | TITLE OF PROJECT/ACTIVITIES |
|--------------------------------------|---|
| HEALTH PROGRAM | |
| 1. | JCI San Fernando City Saluyot LU Chapter - Installation of Deep Well |
| 2. | La Union Medical Society - 2014 World Diabetes Day |
| 3. | PRC Run for Humanity |
| 4. | 3rd Kahuna LU International 42 K Marathon |
| 5. | LINK - Takbo para sa Kalikasan |
| 6. | Bombo Radyo - "Dugong Bombo" Bloodletting |
| 7. | Sponsorship for the National Child Sexual Abuse Awareness Week |
| 8 | PNP ROI - "TULDOKAN -Tumakbo Laban sa Droga para sa Kabataan" in celebration of the Dangerous Drugs Awareness & Prevention Program |
| 9. | Bombo Radyo - Medical Mission |
| 10. | DZRD Sonshine Radio Medical Mission |
| 11. | Assistance to iRUNNERS Marathon run |
| EDUCATION/ENVIRONMENT PROGRAM | |
| 14. | DZNL Operation Tulong (Clean - Up Drive Project in the Community) |
| 15. | Philippine National Police ROI - Barangay Against Drug Addiction Program |
| 16. | Assistance to Poro Sea Lovers Association Environment Project |
| 17. | San Agustin E/S Brigada Eskwela |
| 18. | "Love Mother Earth - Coastal Clean Up" |
| 19. | Participation in the International Coastal Clean-up |
| 20. | Poro Point Adventure Challenge - Disaster Circuit & Airsoft |
| LIVELIHOOD PROGRAM | |
| 21. | Assistance to Poro Sea Lovers Livelihood Project |
| 22. | <p>One of the major goals of the bases conversion and development program is the creation of jobs to benefit the local communities.</p> <p>Since the creation of Poro Point Special Economic and Freeport Zone and eventually the Poro Point Freeport Zone, livelihood opportunities have been generated for the impact areas. Thousands have been directly employed by the locators and contractors doing business inside the zone. In 2014, total direct employment inside the Poro Point Freeport Zone stood at 1,584, of which 1,488 or 93.94% were residents of La Union. In addition thousands of workers were hired for arrastre and stevedoring services at the San Fernando Seaport.</p> |

| STRENGTHENING LINKAGES | |
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| 23. | La Union 165th Founding Anniversary Assistance for the Search for Mutia ti La Union- Miss Sillag 2015 |
| 24. | City Of San Fernando Anniversary Celebration |
| 25. | Gawad Kalinga Expo 2014 |
| 26. | Participation in the Day of Prayer in Honor of Our Lady of All Nations |
| 27. | Assistance to GK LU site, Underprivileged peacemaker society |
| 28. | Assistance to DMMMSU Anklung Performers |
| 29. | PIA - Kapihan sa Ilocos |
| 30. | Assistance to PPMC Employees - Freddie Trinidad |
| 31. | Saint Louis College Medical & Dental Mission |
| 32. | Assistance to Friendship Cup |
| 33. | Barangay Poro Sports Activities |
| 34. | 101.7 DWST Love Radio - Gift Hunt Program |
| 35. | Assistance to PPMC Employees - Antonio Marquez |
| 36. | Sponsorship to Santa FE Kalanguya Festival |
| 37. | Assistance to the Liga ng Mga Barangay City of San Fernando La Union Barangay Night |
| 38. | Participation in the PRC Annual Red Carpet Program |
| 39. | DZRD - Sonshine Philippines Movement, Inc.-9th anniversary |

**PPMC CSR PROGRAMS IMPLEMENTED
for the period January 2015 to December 31, 2015**

| No. | TITLE OF PROJECT/ACTIVITIES |
|-----------------------|--|
| HEALTH PROGRAM | |
| 1. | Philhealth: Ready, TsekaP, Go |
| 2. | JCI LU Chapter International 42K Marathon |
| 3. | PRC Dance Marathon |
| 4. | PCG - Gift giving & feeding program to the Orphanage |
| 5. | PMEA -NEDA Region I Run for Transparency |
| 6. | Philippine Dental Association LU Health Program |
| 7. | LORMA Kidney Walk |
| 8. | Logos Hope Community Health Projects |

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| 9. | St. Jude Thaddeus Walk for a Cause |
| 10. | PRC Annual Benefit Events & Million Volunteer Run 3 |
| EDUCATION/ENVIRONMENT PROGRAM | |
| 11. | DZNL Operation Tulong (Clean - Up Drive Project in the Community) |
| 12. | Bombo Radyo - La Union Nationwide Debate Program |
| 13. | Disaster Preparedness and Safety Trainings and Dissemination by PRC |
| 14. | LUNHS Brigada Eskwela |
| 15. | LUNHS Special Program - Artworks/painting |
| 16. | San Agustin E/S Brigada Eskwela |
| 17. | Bayani Challenge - Barangay Walang Iwanan for the repair of GK Sibol (multi-purpose hall) in GK Soledad, San Juan |
| 18. | Bayani Challenge - Barangay Walang Iwanan for the repair of two -units GK House in GK Indiana, Bauang |
| 19. | Participation in the International Coastal Clean-up |
| 20. | Bayani Challenge 2015 - Barangay Walang Iwanan - Paraisong Pambata Session |
| 21. | Support in the Marine Protected Area Project in partnership with the City Environment and Barangay Poro |
| LIVELIHOOD PROGRAM | |
| 22. | Livelihood Enterprise of Poro Sea Lovers Association, Inc. |
| 23. | Preparation of Livelihood Training on Food Processing & Baking for PPFZ Impacted Barangays & PPMC Employees |
| 24. | <p>One of the major goals of the bases conversion and development program is the creation of jobs to benefit the local communities.</p> <p>Since the creation of Poro Point Special Economic and Freeport Zone and eventually the Poro Point Freeport Zone, livelihood opportunities have been generated for the impact areas. Thousands have been directly employed by the locators and contractors doing business inside the zone. In 2015, total direct employment stood at 1,239, of which 1,177 or 95% were residents of La Union. In addition thousands of workers were hired for arrastre and stevedoring services at the San Fernando Seaport.</p> |

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| STRENGTHENING LINKAGES/SPORTS | |
| 25. | La Union 165th Founding Anniversary Assistance for the Search for Mutia ti La Union- Miss Sillag 2015 |
| 26. | City Of San Fernando Anniversary Celebration |
| 27. | Ulirang Ina Ama Awards Foundation, Inc. Community Project |
| 28. | PCG Commander's Cup 2015 |
| 29. | PRC 68th Chapter Anniversary Celebration |
| 30. | Barangay Poro Annual Fiesta |

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| 31. | PIA - Kapihan sa Ilocos |
| 32. | Sillag Festival 2015 Advertisements |
| 33. | Bago Tribe National Cultural Society National Congress - Souvenir Program |
| 34. | San Fernando Tennis Sports Training Program |
| 35 | Kapihan Sa Ilocos - Philippine Information Agency |
| 36. | Bago Tribe National Cultural Society National Congress |
| 40. | Gawad Kalinga Northern Luzon Kapitbahayan Planning Workshop |
| 41. | AREX Region I - Bowling Tournament 2015 |
| 42. | PPMC Participation in AREX ROI 2015 Bowling Tournament |
| 43. | PAF St. Michael the Archangel's Festival |
| 44. | Philippine Coast Guard -Commander's Cup 2015 |
| 45. | NCIP Indigenous Month |
| 46. | AREX ROI Bowling 2015 Awarding Ceremony |
| 48. | PPMC Assistance to Engr. Saturnino Buccat, Jr. |
| 49. | PPMC Assistance to Mr. Jovito Valido |
| 50. | St. Jude Thaddeus Parish Festival |
| 51. | PPMC Assistance to the bereaved family of Mr. Robert Bautista |
| 52. | PAF Skills Development (Inter - Agency Top Shot Challenge) |
| 53 | 101.7 DWST Love Radio - Gift Hunt Program |
| 54 | Barangay San Agustin Christmas Program |
| 55. | Barangay Poro Christmas Program |
| 56 | DZRD - Sonshine Philippines Movement, Inc. Christmas Program |
| 54 | PAF - Christmas Program |
| 55. | Atrium Travel and Tours - "Tour for a Cause" |
| 56 | Amianan Tribune - Christmas Special Issue |
| 57 | PNP ROI - Thanksgiving Program |