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Company Telephone Number

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SUSTAINABILITY REPORT

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FORM TYPE

Month Day
Annual Meeting

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Amended Articles Number/Section

Total Amount of Borrowings

6 6

Total No. of Stockholders

Domestic

Foreign

[illegible]

LCU

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CROWN ASIA CHEMICALS CORPORATION[®]

Annual Sustainability Report 2020

MOVING FORWARD





About the Cover

The second Annual Sustainability Report of Crown Asia Chemicals Corporation (Crown) is all about Moving Forward, bravely holding the fort in a world disrupted by the Covid-19 pandemic.

The forward direction shows the paths by which management has chosen to take while the sunshine color represents the gold standard by which Crown Asia Chemicals Corporation measures all efforts being recognized for sound corporate governance, growth and resiliency.

Nurturing its vision and relentless in building up its own strength for 31 years, the company looks ahead and moves forward to face the challenges of change.



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About the Report

This is the second issue of Crown Asia Chemicals Corporation's Annual Sustainability Report (ASR). It embodies the economic, social, environmental and governance performance of the company for the year ended December 21, 2020.

For years now, a significant focus has been given on the impact of companies to the economy, society and environment. This led to the sustainability reporting in several countries across the world. This also initiated for the Securities and Exchange Commission (SEC) to require all publicly listed companies (PLC) in the Philippines to annually prepare their sustainability report. The SEC has set sustainability guidelines which aim to help PLC assess and manage their non-financial performances, economic, social and environmental. The SEC guidelines also provide framework for reporting contributions towards the attainment of Sustainable Development Goals of the United Nations (UN SDGs). This report has been prepared in accordance to SEC guidelines.

Information in this report is discussed in two parts namely, topic disclosures and management approaches. Topic disclosure provides an overview of the Company's financial and non-financial performance for the reporting period thru certain measures or parameters. On the other hand, management approaches explain how the Company manages its impact to the economy, society and environment thru policies, programs and initiatives.

Tita P. Villanueva

Investor Relations Officer



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Message from the Chairman and CEO



To our valued shareholders and stakeholders,

2020 was an unprecedented year with the Covid-19 pandemic, the enhanced community quarantine and lockdowns while the whole world and the Philippines suffered economically. Crown Asia Chemicals Corporation (CACC) likewise was not spared. We made the intentional decision to face the besetting difficulties with a dedicated Risk Mitigation Team to protect our human resource operations, - finance, sales, marketing, plant operations and stakeholders.

Unfazed by myriad challenges, CACC takes it all as opportunities to adopt more resilient measures, while focused on sustainability and moving onwards steadily to regaining growths in different fronts.

CACC community takes heart in knowing that we move in the same direction which is fuelled by our vision, mission, core values and creed. We sum it up in one word, FORWARD.

Thank you and God bless all of us.

A handwritten signature in black ink, appearing to read 'Walter H. Villanueva'.

Walter H. Villanueva
Chairman and CEO

Vision, Mission and Values

Crown Asia Chemicals Corporation (CACC) is a publicly listed manufacturing company engaged in the production of premium quality polyvinyl chloride (PVC) compounds, high quality pipes and fittings made of PVC, polypropylene (PP-R), high-density polyethylene (HDPE) and related products such as PVC thermal roofing, for the construction and telecommunication industries.

The company was registered with the Securities and Exchange Commission (SEC) on February 10, 1989, and had its initial public offering (IPO) on April 27, 2015 with the Philippine Stocks Exchange (PSE).

Imbued with a constancy of purpose and a strong commitment to quality and corporate governance, It has steadily grown into a major player in the construction industry.

The company's vision, mission and core values embody the commitment and aspirations of both management and its employees.

OUR VISION

To be the leading and preferred manufacturer and supplier of world class and innovative thermoplastic, industrial and chemical products.

OUR MISSION

To strive for market leadership by offering innovative thermoplastic, industrial and chemical products that meet or exceed both national and international standards ensuring quality, reliability, and value for money for our customers and upholding a nurturing environment for our employees, while managing the business professionally with integrity providing good return to our shareholders.

OUR CORE VALUES

These are the principles that guide our internal conduct, as well as our relationship with the external world:

Committed to integrity in generating profitable returns

Reputation for quality, reliability and value for money

Outstanding products that meet or exceed national and international standards

World-class products that are innovative and of the latest technology

Nurturing our employees to develop their full potential and work productively towards a common goal

Corporate Organization



Executive Officers

Walter H. Villanueva
President
General Manager-PVC Roof Division
Chief Risk Management Officer

Tita P. Villanueva
Senior Vice President
Chief Financial Officer

Nicasio T. Perez
Vice President
Treasurer

Derrick P. Villanueva
General Manager
PVC Pipes Division

Hans Joseph T. Perez
General Manager- PP-R /
HDPE Pipes Division

Allan V. Villanueva
General Manager
Compounds Division

Marie Grace N. Dalupan
AVP-Finance
Compliance Officer

Board of Directors

Walter H. Villanueva
Chairman of the Board

Bede Lovell S. Gomez
Chair,
Corporate Governance Committee
Lead Independent Director

Marie Therese G. Santos
Chair, Audit Committee
Independent Director

Ernesto R. Alberto
Chair,
Risk Management Committee
Independent Director

Tita P. Villanueva
Director

Eugene H. Lee Villanueva
Director

Nicasio T. Perez
Director

Derrick P. Villanueva
Director

Hans Joseph T. Perez
Director

Atty. Jason C. Nalupta
Corporate Secretary

Atty. Ann Margaret K. Lorenzo
Corporate Secretary



Product Value Chain in Action

Sourcing

Company sources resin from accredited local and foreign suppliers.

Manufacturing

Resins are transformed into different compounds for export and domestic sales or sold to other customers for various applications.

Compounds are used for production of pipes.

Distribution

Crown products are used for public and private infrastructure projects.

Installation, Use & Maintenance

Crown pipes and roofing are marketed and sold to direct customers- trade partners of wholesalers and dealers and DIY construction depot.

Premium compounds are supplied to export and domestic clients for various product applications.

Recycling

Scrap and/or discarded pipes and roofing are recycled into different products intended for low impact uses.

Crown Asia Chemicals Through the Years

1989

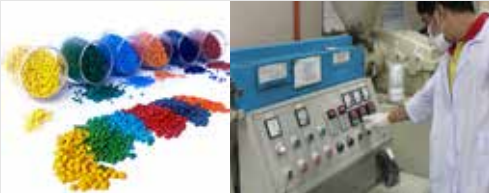


Crown Asia Chemicals Corporation, formerly known as Crown Asia Compounders Corporation, was registered with the Securities and Exchange Commission (SEC) in February 1989 as a manufacturer of plastic compounds and other plastic products.

1990

Commercial operations began in June 1990 at the Guiguinto Plant in Bulacan with 22 employees and an annual production capacity of 1,800 metric tons.

1994



The company's polyvinyl chloride (PVC) compounds was accredited and recognized under the U.S. Underwriters Laboratories (UL) Label for export and indirectly, to wire and cable companies in the United States. The company began exporting its PVC compounds in the same year.

1998

Compounds Division was granted the ISO 9002:1994 Certification by QMS International for its commitment to maintain the highest level of product quality. Crown Asia started its Pipes Division and manufacture of Crownflex uPVC flexible electrical pipes under the umbrella brand of "Crown Pipes".

2000



The Company introduced Crown Electrical Conduit Pipes with Crown Supreme thick wall pipes and Crown Hi-Tech thin wall pipes. It also began manufacturing and distribution of Crown Blue potable water pipes.

2002



Crown Sanitary (drain, waste and vent pipes) were introduced with the distinction of having the built-in ultraviolet (UV) protection for superior and longer-lasting durability, preventing leaks and unwanted repairs thus, more economical.

2003

Product application of Crown PVC compounds was expanded for use in packaging, integrated circuit (IC) tubes, film and bottles, doors and window profiles.

2006

The company started manufacturing telecom and pressure main pipes and introduced high-density polyethylene (HDE) pipes.

2009

Certification International awarded Crown Asia's Pipes Division with an ISO 9001:2000 Certification on June 26, 2009 for quality management systems covering the scope of manufacturing and distribution of uPVC electrical, sanitary, multi-purpose, blue potable water and pressure main pipes and fittings.

Crown Asia Chemicals Through the Years

2010

Compounds Division received its ISO 9001:2008 Certification on April 7, 2010 for its quality management system in the manufacture and distribution of thermoplastic compounds. Pipes Division was similarly upgraded to ISO 9001:2000 Certification on July 16, 2010.

2014

Crown Asia celebrated its 25 successful years in the business. The SEC approved the change of company's name from Crown Asia Compounders Corporation to Crown Asia Chemicals Corporation on September 29, 2014.



2015

Crown Asia was publicly listed in the Philippine Stocks Exchange (PSE) on April 27, 2015, the first in the PVC piping industry. By August 2015, the Company started manufacturing polypropylene (PP-R) and added the PP-R/HDPE pipes division.

2016

Compounds Division expanded its production capacity by 1,500 metric tons per year in January 2016 for a total of 3300 metric tons. Pipes production capacity of 600 metric tons, brings a total new capacity of 3900 metric tons for Crown. Pipes Division launched its new Enduro product line in February 2016.



2017

Production of PVC roofing commenced in October 2017 and the business unit started supplying projects by December 2017.

FINANCIAL TIMES
2018 TOP 1000
HIGH-GROWTH COMPANIES
IN THE ASIA PACIFIC REGION

2018

Crown Asia Chemicals secured its ISO 9001:2015 Certification for Compounds Division on March 19, 2018 and for Pipes Division on July 9, 2018. Cited by the SEC as a Sharia-compliant listed firm and ranked among the Top 1000 High-Growth companies in the Asia Pacific region by the Financial Times of London.



2019

The company set up its sales depot in Mandaue, Cebu. SEC listed Crown as a Sharia-compliant company for the second consecutive year. The Crown Septic-Tech septic system was added to its product portfolio.

2020 Forbes Asia
'200 Best Under a Billion'
in Asia Pacific Region

2020

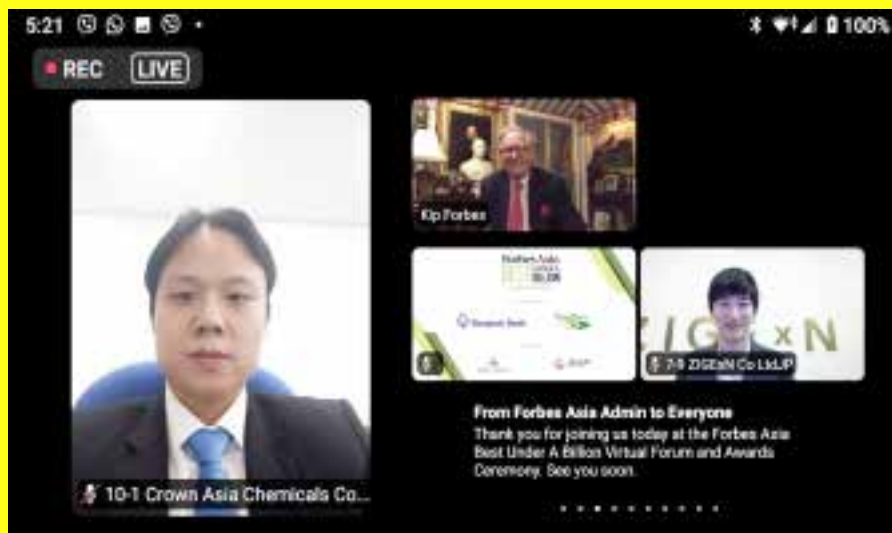
Crown Asia held its Annual Stockholders Meeting in a virtual set-up on July 9, 2020. Sharia-listed for the third consecutive year. Recognized by Forbes Asia in its list of '200 Best Under A Billion' public corporations in the Asia Pacific Region.

Awards and Recognitions

Forbes Asia 200 Best Under A Billion

Crown Asia made it to the list of 2020 Forbes Asia 200 Best Under A Billion public companies selected from over 18,000 firms in the Asia Pacific Region. Only 3 companies from the Philippines were included in this year's awardees who were screened for their overall track record measured for debt, sales and earnings growth over the most recent fiscal year and 3-year period and one year and 5-year average returns on equity. These companies had to go through qualitative evaluation of merits and excluded companies with serious corporate governance issues, questionable accounting, environmental concerns, management and legal issues. Geographic diversity of the awardees was also considered.

2020 Forbes Asia '200 Best Under a Billion' in Asia Pacific Region



Virtual Awards Ceremony, November 23, 2020

Asia Pacific Region's top performing listed companies in the annual Forbes Asia 200 Best Under A Billion attended the Virtual Forum and Awards Ceremony on November 23, 2020. Derrick P. Villanueva, Director and General Manager for PVC Pipes Division received the award in behalf of Crown Asia Chemicals Corporation.

Sharia-Compliant

The Philippine Stocks Exchange has listed Crown Asia among the 53 Shariah-compliant public firms for 2020. Thus, CACC has been recognized as Shariah-compliant for the last 3 consecutive years. A quarterly evaluation is made to determine who should be in the list to ensure that these companies conform to the Islamic Law and Finance Standards aimed to encourage trade and investments.

Company Name	Stock Symbol	Sector	Subsector	Listing Date
Sanitary Properties Group, Inc.	SPG	Property	Property	Jun 16, 1975
Global Logistics and Infrastructure Holdings Corp.	GIL	Logistics	Transportation Services	Aug 16, 2017
Global Industries of the Philippines, Inc.	GIP	Industrial	Chemicals	Nov 24, 1986
China Banking Corporation	CMB	Financial	Banking	May 01, 1957
Asia Holdings Philippines Corporation	AHC	Industrial	Electronic Components & Equipment	Nov 16, 2015
City & Land Development, Incorporated	CLD	Property	Property	Nov 15, 1988
United Therapeutics Corporation	UTP	Pharmaceuticals	Pharmaceuticals	Aug 10, 1989
Global Banking Bank, Inc.	GBB	Financial	Banking	Jul 13, 2002
Global Asia Holdings Incorporated	GAA	Industrial	Other	Nov 16, 2015
Investment Services Corporation	ISC	Financial	Financial Services & Equipment	Nov 17, 2015
Global Logistics and Infrastructure Holdings Corp.	GIL	Logistics	Transportation, Infrastructure & Other Services	Aug 16, 2017
Global Logistics and Infrastructure Holdings Corp.	GIL	Logistics	Transportation and Technology	Aug 16, 2017
Global Logistics and Infrastructure Holdings Corp.	GIL	Logistics	Transportation	Aug 16, 2017
Crown Asia Chemicals Corporation	CACC	Chemicals	Chemicals	Apr 27, 2015

Moving Forward

Year 2020 started auspiciously for Crown Asia Chemicals Corporation with a promising growth in sales. However, the momentum was disrupted towards the end of the 1st quarter with the imposition of lockdown followed by enhanced community quarantine due (ECQ) to the Covid-19 pandemic.

Like most businesses, the company experienced temporary slowdown in operations, but was spared of a major and dire consequences as Crown continued to supply essential export requirements and infrastructure projects. This paved the way for Crown to vigorously service priority requirements despite the restrictions and constraints. It strengthened management's resolve to be more responsive to the needs of its various stakeholders---shareholders, customers, suppliers, employees.

In the course of the unusual year, the company voluntarily reached out and responded to help communities affected by the pandemic and natural disasters. Crown PVC thermal roofing was donated to help build a quarantine center in Marikina. Truckloads of lumber were provided to Guiguinto Bulacan, Virac in Catanduanes and Marikina City to help repair and rebuild destroyed homes

The 2020 Annual Sustainability Report signifies Crown Asia's resolve to move forward towards a better and more sustainable future.

Sustainability at Crown Asia Chemicals

We aspire for the advancement of our long-term sustainability by implementing policies, programs and work processes that help promote best practices. A Sustainability Technical Working Group (TWG) from different groups within the company will be established to pursue sustainability initiatives.

Our first report was guided by the simplified framework provided by the Securities and Exchange Commission. Crown Asia will eventually develop its own sustainability reporting framework, tailored-fit to our core values and specific needs and expectations of our stakeholders.



Rising to the challenges of Post Pandemic



A company's sustainability depends to a large extent, on its ability to rise to the challenges of the times. Driven by its vision and a keen sense of adaptability, Crown Asia Chemicals continues to forge ahead, harnessing initiatives from different organizational, community, environmental involvement.

Pre-lockdown Well-being Initiatives

Safeguarding our employees' welfare was of paramount importance. Prior to the imposed community quarantine, safety protocols were implemented in all work locations to instill awareness among employees and as preventive measures. Poster-banners were posted in offices and plant premises even before the general lockdown.

Safety Protocols

The extended quarantine status in the country requires continuous observance of safety protocols to prevent the spread of the virus. Daily checking of body temperatures and disclosure of health conditions were required in all offices. Masks were used in workplaces while social distancing is observed even for meetings.

At the plant, employees and visitors are required to fill up the contract tracing forms upon checking of body temperature. A misting tent has been installed including disinfecting of vehicles. Supply of alcohol was provided in different work departments and social distancing stickers were placed at designated production sites, biometric areas and visitors' entrances.

Economic Security for Employees

Mustering enough strength to withstand the winds of uncertainty, management decisively acted firmly to sustain gainful employment and ensure a steady income for employees.

Sustained Salaries

Management provided salaries via advances of the 13th month pay, sick and vacation leave entitlements during the initial lockdown. This assured employees of earnings to support living sustenance of their families.

Subsidy Assistance

The company was able to make use of subsidy assistance program for qualified employees from the Department of Labor and Social Security System.

Continued Employment

Management's thinking was for long-term survival of employees through continuous work employment when the company could have cut expenses and saved funds by implementing alternative work schedule schemes during the extended quarantine. Understanding the anxiety over the pandemic crisis was needed to avoid drastic adjustment measures when the situation eases.



Service to Clients and Customers

Resumption of Product Deliveries

Crown Asia Chemicals resumed work operations as soon as it can facilitate deliveries to customers included in the “Build, Build, Build” and PPP infrastructure projects and to meet compounds requirements for exports. Products were delivered to project sites in timely manner to accelerate completion of work needed and help alleviate the economic crunch.

Compliance with Pandemic Protocol

Delivery personnel had to comply with Covid 19 rapid tests and personal protection provisions required by clients as safety measures along with adjustments based on various local government restrictions.

Adjusted Work Schedule

Work schedule in offices and at the plant were adjusted to fall within the curfew restrictions implemented by different local government units. Living quarters options were likewise offered to employees who reside far from work.

Shuttle Service and Transport Assistance

In the absence of public transport, the company devised car-pooling assistance and shuttle services for employees to avoid tasks disruption and work processes.

Sales and Client Servicing

Given the restrictions, sales personnel continued to visit clients in order to service their projects and facilitate product stock requirements. Crown Asia Chemicals supported industry activities which were held virtually and on limited scale.



Corporate Governance

Amid the imposed quarantine, curfews, public transport and travel restrictions, there was organizational alignment of operating units and management spent substantial time to revisit and update on corporate policies, data security, data privacy, code of conduct and other areas of corporate governance.

The Annual Shareholders Meeting (ASM) was moved from May to July 9, 2020 as approved by the Securities and Exchange Commission. It was conducted in a virtual set-up for the first time and successfully carried out with a quorum and complete attendance of board of directors and executives.

Company financial and market highlights as well as on-going involvement in infrastructure projects were shown during the virtual ASM. The Chairman assured distribution of cash dividends during the Q&A portion. Coming from another growth year in 2019, the Board decided that regardless of the pandemic, Crown Asia would still continue to be an assuring investment partner.

A corporate governance webinar was held in October 2020 for board directors, management officers and key personnel. Topics discussed were on Whistle Blowing Policy, Risk Management, Strategic IT Governance and Strategy to Govern Efficiently. These topics were selected in line with our objective to further enhance governance programs rightfully and more efficiently.



Company Defers Expansion in Davao City

Crown Asia disclosed on December 4, 2020 the postponement of the opening of its Davao manufacturing plant due to the delay in the shipment of production machines and non-availability of foreign technicians to supervise the installations during the pandemic. The temporary setback does not directly affect sales and market reach in Davao as Crown sales depot in the city remains in operation along with our Sales Depot in Cebu. Original plans will be pursued for Crown Pipes to expand its presence in the region when the pandemic is over. Other partnership arrangements are also being explored to broaden market reach to other Mindanao provinces.

Crown partners remain established in strategic parts of the country to serve the general public. The brand continues to forge trade ties with its partners regardless of the adversities and logistic challenges.



Crown Davao Sales Depot



Crown Cebu Sales Depot (Mandaue City)



Crown Marketing Goes Digital

Prior to the pandemic lockdown, the Crown brand had embarked on initial digital efforts with updates on its website content, digital greetings/emails to clients and social media posts on Facebook, Instagram and Twitter. The imposition of the Covid-19 lockdown disrupted normal flow of activities and curtailed even Crown sponsorship activities but were gradually resumed in the succeeding months thereafter. Marketing focused on social media activities. Digital video materials were produced and posted primarily on Facebook. Digital static and video materials were internally prepared to escalate the Crown brand and product promotions in social media. Being the most widely used platform and boosted by enormous

mobile access, Facebook was the main avenue to reach our market, the professionals and households in continuously building the brand and corporate image of Crown Asia Chemicals Corporation as a public company.

Digital presentations were used in virtual meetings and webinars of various industry associations, particularly among architects and engineer groups. The Annual Shareholders Meeting was likewise held in a virtual setting. Crown's own You Tube channel was opened by December to present the brand's Christmas and season's greetings and to thank its trade partners for years of cooperation.

The collage features several Crown brand promotional materials and social media icons. At the top left is a Facebook icon. Below it is a YouTube icon. In the center, there are four smartphone screens displaying different people: a man in a hard hat and safety vest, a man in a hard hat and safety vest, a woman in a business suit, and a man in a hard hat and safety vest. Below the screens are four Crown brand product advertisements: 'CROWN PIPES WORLD CLASS PIPES AND FITTINGS' featuring 'CROWN SANITARY' pipes, 'CROWN HDPE FLEXIBLE DURABILITY AT ITS BEST' featuring 'CROWN FUERZA' and 'CROWN SIGMA' pipes, 'CROWN PP-R HOT & COLD PIPES AND FITTINGS GUARANTEED TO LAST' featuring 'CROWN FUERZA' and 'CROWN SIGMA' pipes, and 'CROWN PVC THERMAL ROOFING' featuring 'EXTRA STRONG' roofing. At the bottom center is a red banner with the text 'NAKASANDAL TAYO SA "QUALITY"'. At the bottom right is a Twitter icon. The background is yellow with green leaves and a white heart.

Modern Trade



Increased brand and product awareness on top of generating additional sales for the company is important in today's highly competitive market. Crown Asia has embarked on partnerships with modern retailers – building/construction depot and DIY stores to expand its presence in the market.

All Home carries Crown PVC, PP-R pipes and fittings in 34 outlets nationwide, providing accessibility and convenience to households and consumers. Robinsons Builders has at least 8 branches that carry Crown PVC Thermal Roofing and Crown Septic-Tech septic solutions.

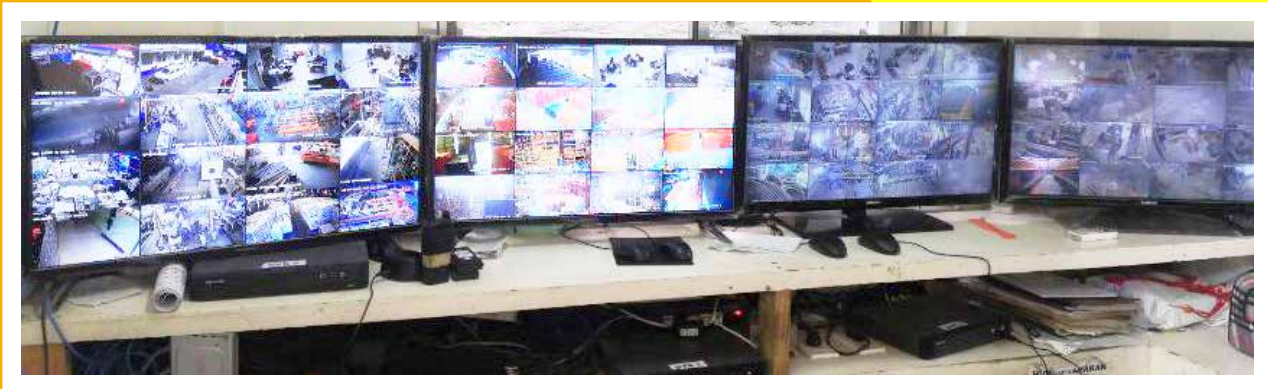
Modern Trade operations is continuously exploring partnership possibilities with other major names in the field to further boost Crown's market presence and availability.

IT Security

Knowing fully well the importance to protect financial and operational systems, Crown Asia adopted redundancy for critical systems, - to ensure efficient system and data recovery which will translate to prevention of business stoppage and financial loss.

IT Policies and Contingency Plans are in place to address hardware malfunction, human error, system malfunction, mismanagement and capacity error.

Company IT network and system is secured further with compliance to best practices, internet monitoring, access level management, server and computer maintenance and other measures to ensure hardware protection and IT premises security such as temperature control, fire detection and alarm system, and CCTV monitoring.



CCTV Monitoring System

Data Security

Knowing that company financial and operational data is its competitive asset, Crown Asia invested in the top-of-the-line hardware and softwares. Several IT measures were put in place and appropriate security tests were conducted and still on-going to detect IT deficiencies. Preventive measures were installed and adopted to protect against unwelcomed intrusions and disruptions. Additional IT Policies were likewise implemented. The Code of Conduct was updated to give more teeth to IT violations.

Data Privacy Policies

Crown Asia introduced Policies to enhance compliance to the Data Privacy Law (RA 10173). The Data Privacy Officer ensured that an enhanced awareness environment is created.



IT Network and System Vulnerability

Monitors are in place to identify potential weaknesses that may expose operation systems to external risk.

Good Corporate Citizenship Through CSR's

Corporate social responsibility (CSR) initiatives help define what a company is and gives the public a good glimpse of its worth and corporate identity.

Crown Asia Chemicals previously undertook community outreach and blood donation drives as well as contribution to the care and welfare of schoolchildren, orphans and other marginalized sectors, sports fund raising drives and extended support to environment programs like Green Architecture initiatives, tree-planting activities and habitat-rehabilitation for an endangered species like the Philippine Eagle.

This pandemic crisis further opened many windows of opportunities for companies to exercise their humanitarian spirit and reach out where needed. In September, Crown Asia supported the Marikina City's project to set up a local quarantine facility for Covid-19 related cases. Crown PVC Thermal Roofing was donated to the facility with the help of UAP Marvalley Chapter.



Lumber distribution in Guiguinto, Bulacan



Crown Thermal Roofing Turnover in Marikina City

Later in the year, two strong typhoons namely Rollie and Ulysses, hit Luzon in succession and caused devastating floods, affected thousands of families and left many homes destroyed. Crown Asia lost no time to coordinate with the municipality of Guiguinto, Bulacan where the main plant is located. The company donated over 18,000 pieces of lumber to help affected residents in 14 barangays to repair their destroyed homes.

Crown Asia turned over similar quantity of lumber to the cities of Marikina and Virac in Catanduanes. These 3 cities were among the harder hit and heavily flooded areas of the said typhoons. Compassion and charity go beyond city borders to touch the lives of fellowmen in need.

Our Economic Performance

Companies across the country and all over the world face the challenge of generating profitable growth while controlling and managing costs brought about by the Covid-19 pandemic. Crown Asia stands strong amidst these challenges and remains committed in contributing to the sustainability in the local and national economy.

Crown Asia remains to be one of the leading manufacturers and suppliers of world class and innovative thermoplastic, industrial and chemical products.

The company continuous to manufacture PVC compounds for exports and the local markets. The company managed to maintain our bottom line in the black. A testament to our efficient financial operation systems in place, management accumen and the cooperation and commitment of the men and women in the organization.

For 2020 revenues was generally expected to drop across several industries. Crown Asia Chemicals experienced a year-on-year drop of 22.03% in sales under exacerbating uncertain business climate and sentiment.

Direct Economic Value Generated and Distributed

DIRECT ECONOMIC VALUE GENERATED AND DISTRIBUTED (in Php millions)			
Indicator	Year 2020	Year 2019	% Change
Direct economic value generated			
Revenue	1,117.69	1,433.40	▼ 22.03 %
Direct economic value distributed			
Operating costs	159.98	185.10	▼ 13.57 %
Employee wages and benefits	85.28	106.90	▼ 20.22 %
Payments to suppliers, and other operating cost	647.34	960.00	▼ 32.57 %
Interest payments to loan providers	1.33	2.41	▼ 44.81 %
Taxes given to government, which includes all taxes incurred and/or paid to the government	70.29	73.01	▼ 3.73 %

REVENUES PER QUARTER (in Php millions)			
Quarter	Year 2020	Year 2019	% Change
Quarter 1	320.75	338.52	▼ 5.25 %
Quarter 2	151.22	379.76	▼ 60.18 %
Quarter 3	318.40	381.98	▼ 16.64 %
Quarter 4	327.32	333.15	▼ 1.75 %
Total	1,117.69	1,433.41	▼ 22.03 %

REVENUES PER QUARTER (in Php millions)			
Quarter	Year 2020	Year 2019	% Change
Compounds	570.58	826.05	▼ 30.93 %
Pipes	432.02	480.31	▼ 10.05 %
PPR / HDPE	102.68	110.34	▼ 6.94 %
Roof	12.41	16.70	▼ 25.69 %
Total	1,117.69	1,433.40	▼ 22.03 %

For the past several years, the Company has been consistently growing its business across all divisions. It ended FY2019 with a sales growth of 21% and started year 2020 with promising revenues and profits.

The pandemic suddenly disrupted the momentum with 2 months having limited to zero operations in some divisions starting March 17, 2020. As a result, the Company generated an overall revenues and profits of Php 1,117.69M and Php 121.25M, respectively. A decline of 22.03% in revenues and 11.12% in profits from 2019 resulting from the slow economic trade activities and the negative sentiments in the market.

Our Economic Performance

After Metro Manila and other regions of the country were placed in enhanced community quarantine, the Company bounced back from pre-pandemic revenue performance through aggressive sales, new products and increased digital marketing efforts. Sales agents in NCR and in the provinces carried out sales directions to achieve set performance objectives. Thus the Company in Quarters 3 and 4 was able to minimize the sharp drop in Quarter 2. Although 2020 revenues dropped, the Company was still able to achieve profitability.

Crown Asia Chemicals doesn't only create economic value for itself but also to its stockholders and Filipinos in general. Amidst the pandemic, the Company issued and paid P24.44M dividends to its stockholders. It is a decision made by the Board of Directors to indicate Company's financial strength and retain the trust and confidence of stockholders.

Indirectly, it created jobs for Filipinos by the sheer volume of material purchases from suppliers. In fact, P664.40M of the total direct economic distributed were made to suppliers.

Proportion of Spending on Local Suppliers

PROPORTION OF SPENDING ON SUPPLIERS FOR RAW MATERIALS PURCHASED (in Php millions)				
Purchases	Year 2020	Proportion	Year 2019	Proportion
Local	495.28	76.51%	574.41	60.62 %
Imported	152.06	23.49%	373.19	39.38 %
Total	647.34	100.00 %	947.60	100.00 %

76.51% of P647.34M of the Company's raw material purchases was sourced locally. This volume gives the Company ease in doing business, - faster supplier communication and delivery of goods at reduced supply chain cost.

On the other hand, it also supports economic growth especially in the area where the local suppliers are located. Purchasing from them help boost their customer confidence in Crown Asia Chemicals which in turn increases their profits and eventually creating more jobs for Filipinos.

Steady Crown Asia Stock Market Performance



Graph illustrates the stability of Crown Asia as a wise investment. Its price never fell below its IPO price for the last 5 years.

Crown Asia was not spared by the pandemic. The Company's share price dropped to P1.74 in April and May. During lockdown, people were more conscious of their spending, allocating their budgets to essentials such as food, water, utilities, etc. As the market slowly opened in May, the Company's sales and revenues started to increase as well. Shareholder's confidence started to improve thereby increasing the share price to P1.87 by the end of 2020.

Considered by the market as a Value Stock, CROWN brand continues to maintain above its IPO price. Coupled with consistent dividends and pay outs over the years, including in 2020, the company's CROWN shares have lived up to be a Value Stock.

Our Social Performance

Employee Management

Being an industrial manufacturer, Crown Asia Chemicals Corporation has a labor force composed of 69.72% male and 30.28% female. While female staff are outnumbered by male employees, a considerable number holds key positions and play significant roles in company operations, even in the previously male-dominated positions in warehousing and logistics.

Majority of CACC employees are dedicated to their work and belong to the 25-35 age bracket. This makes the organization relatively young and augurs well in sustaining company's future operations as it embarks on corporate expansion and product diversity. Crown Asia has its share of long-standing employees who spent 10 years and beyond, striking a healthy workforce balance of youth and experience.

Employee Benefits

As mentioned earlier in the report, management advanced the 13th month bonus and leave conversions during the pandemic lockdown. This measure was a move to assure employees of their well-being and survival in times of uncertainty, serving as a major morale-booster for employees and their families.



Employee Training and Development

Substantial and continuous growth can only be achieved when learning does not stop. Training programs consists of educational seminars and technical sessions for employees across the board with the necessary knowledge, update and skills by which to effectively carry out their duties and responsibilities. On site training and mentoring were done to motivate personnel with management potentials and cross training was implemented to ensure effective execution of tasks and prevent work disruption. Resource speakers conducted several training programs for different department clusters as planned.

Our Social Performance

Occupational Health and Safety

Company has a safety committee to manage all safety and health programs that include accident prevention, hazard recognition and preventive measures, safety officers and training.



Customer Management

Dedicated Sales Administration Department beefed up their team to handle the growing customer transactions and facilitate project requirements of clients. Thru the years, customer satisfaction rated 96-97% concerning facets of securing sales orders and delivery, coordination with transport and delivery arrangements.



Sourcing

The company maintained open communication with suppliers of quality goods and services for assurances of continued business partnerships with fairness and transparency.

Our Environmental Performance

Environmental Initiatives

Crown Asia is committed to protect the environment by implementing its own environment-preservation and protection initiatives. The Company owns and manages operational sites in Guiguinto, Bulacan and Valenzuela City. These are not adjacent to any protected areas and those of high biodiversity value. As such, our operations do not affect the habitats of vulnerable and endangered species.

Recycling

Recycled PVC materials are converted to useful and affordable products. PVC Compounds production overruns are channelled to non-precision plastic products manufacturers.

In place in our manufacturing plants are cooling systems that ensure machines do not overheat. It is also Crown Asia's way to help lessen water wastages especially during the season when heat index is on the rise.



Recirculating Water System at the Crown PVC Thermal Roofing Plant

Total Solid Waste Generated

Type	Unit	Compounds Division	PVC Pipes & PP-R/HDPE Division
Recycled	kg	5,680	4,900
Composted (Garbage)	kg	10,000	11,000
Total	kg	19,680	27,900

Water Consumption Within the Organization

Type	Unit	Compounds Division	PVC Pipes & PP-R/HDPE Division
Water withdrawal	cubic meters	1,301.39	3,264.99
Water consumption	cubic meters	1,301.39	3,264.99
Water recycled and reused	cubic meters	1,041.11	2,611.90

Effluents

Type	Unit	Compounds Division	PVC Pipes & PP-R/HDPE Divisions
Total volume of water discharges	cubic meters	171.41/month	361.75/month
Percent of wastewater recycled	%	80%	80%

Consumption Data shown above are for Guiguinto, Bulacan Plant

Our Environmental Performance

Energy Consumption within the Organization

Crown Asia has several production lines to cater to the demands from our existing and new customers. This entails consumption of electricity to run each of the machineries in the plant.

As part of the company's contribution to sustainability, machineries undergo regular preventive maintenance. They are being checked for potential issues to ensure that they work properly and efficiently as well as not to consume more energy.

Crown Asia Chemicals has a pool of vehicles including delivery trucks and for shuttle service. The company has its own Motorpool Department to service company vehicles and to make sure these do not contribute to air pollution. Each company vehicle undergo regular checks and immediate repairs as often as needed.

Being used in the offices and plants are light-emitting diodes (LED) lights and inverter air conditioners which help reduce power consumptions.

We adhere to applicable local environmental laws:

Energy Consumption Within the Organization			
Type	Unit	Compounds Division	PVC Pipes & PP-R/HDPE Division
Gasoline	liters	3,100.00	1,350.00
Diesel	liters	28,123.12	35,045.00
Electricity	kWH	5,479.00	4,066.00

Consumption Data shown above are for Guiguinto, Bulacan Plant

Presidential Decree No. 1586

Establishing an Environmental Impact Statement System

Republic Act No. 6969

Toxic, Hazardous and Nuclear Waste Act

Republic Act No. 8749

Philippine Clean Air Act

Republic Act No. 9275

Philippine Clean Water Act

Republic Act No. 9003

Ecological Solid Waste Management Act

Solid and Hazardous Wastes

As we perform our daily production in the plant and daily routine in the offices, we also produce wastes. As a responsible company, we ensure that these are properly disposed.

PVC resin by itself is not a toxic material unless burned. It is a strictly-enforced company policy that PVC falldowns should not be burned or incinerated.

In the plant, our over-runs and falldowns are recycled into other affordable products, never incinerated. Sacks are re-used to store fittings in the warehouse and/or during deliveries to customers. Emptied drums, IT defective/faulty devices and paper wastes are sold to scrap buyers for recycling to functional economic products.

In the offices, used papers are a large portion of the wastes it yields. Using them as scratch and/or printing on the clean side or paper are being practiced as part of employees' initiatives to minimize paper consumption. Papers containing confidential information on the other hand are shredded and sold as scrap and recycled into other reusable paper products.

Infrastructure partnerships for mobility and progress



Skyway Stage 3



MRT-7 Project



Cavite-Laguna Expressway



North-South Railway Project



Manila-Cavite Expressway



NAIA Expressway (Phase 1)

Rising to evolving renewable energy challenges and opportunities



Solar Power Plant-Bacolod



Solar Power Plant-Bataan



Solar Farm-Batangas



Solar Power Plant-Davao



Isabela Biomass Energy Plant



Coal Power Plant-Quezon

Providing gateways for domestic travelers and international visitors



Bicol International Airport



Clark International Airport

Enhancing academic environment for diverse learning and personal development



UP Resilience Institute Building



Notre Dame of Greater Manila Caloocan



De La Salle Manila



Ateneo de Zamboanga University



De La Salle Dasmariñas



UST Espana Senior High School



Philippine Bible Society



Ateneo de Manila University

Responding to mixed-used urban development and lifestyles



Circulo Verde-Ortigas



Nuvali-Laguna



Las Casas Filipinas De Acuzar-Bataan



SM Prime-Pasay



Azure Century Properties-Parañaque



The 30th Mall-Pasig

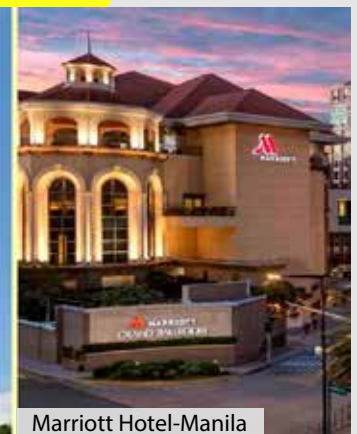
Impacting global tourism with great hotel and up-to-par hospitality facilities and services



Shang Properties Shangri-La At the Fort



Grand Hyatt



Marriott Hotel-Manila



Gohotels Hotels-Quezon City



Venice Grand Canal Mall-BGC

Building premium condominiums and residences for comfortable, modern living and expectations



Urban Deca Homes-Manila



The Signature-Quezon City



81 Newport Boulevard Condominium



100 West-Makati



Victoria De Morato-Quezon City



Victoria Sports Tower-Quezon City



Marco Polo-Pasig City



Acacia Escalades-Pasig City



The Grand Midori-Pasig City

Experiencing pleasurable shopping and convenience in malls and retail destinations



Mall of Asia



Fishermall



Puregold

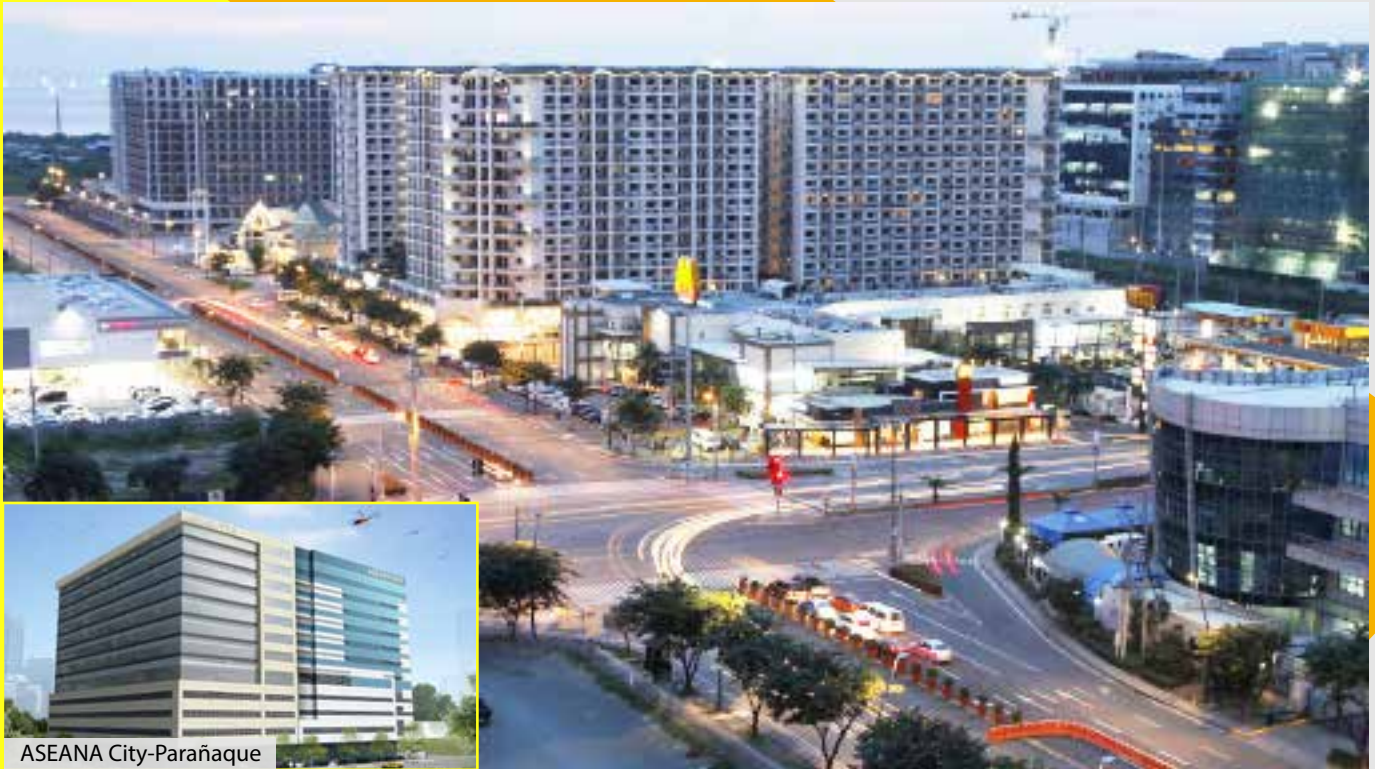


Unimart



Tiendesitas

Enhancing connectivity and data monitoring facilities



Promoting wellness, enhancing patient-care programs and medical services



Allied Care Expert Medical Center
-Quezon City



QualiMed Hospital-Bulacan



Unihealth Hospital-Parañaque



The Medical City-Iloilo



UST Hospital-Manila

Sustainability for Stakeholders

Employees

- Employee Management
 - Career Planing
 - Perfomance Evaluation
 - Merit Promotion
- Employee Benefits
- Training and Development
- Economic Security

Customers

- Resumption of Product Deliveries
- Compliance with Pandemic Protocol
- Sustained Commitment to Quality
- Sales and Client Servicing
- Backroom Support Team Dedicated to designated Costumer Groups

Investors

- Issued Dividends
- Steady Stock Price Performance
- Value Stock
- Governance

Environmental

- Environmental Compliance
- No pollutant
- Recycling
- Waste Disposal

Suppliers

- Commitment to Sustained Partnerships
- Suppliers Diversification
- Suppliers' Compliance to Environment and Regulatory Laws

Communities

- Outreach Programs
- Reponding to Calamities
- Observance of Safety Protocol

Leadership Transformation



Time flies so fast indeed and Crown Asia Chemicals Corporation has enough reasons to be thankful in the span of 31 years. What started as simple beginnings have accumulated a wealth of manufacturing operation acumen and experiences that helped mould the public company to what it is now. It remains to be the first and only publicly listed corporation in the country's PVC Pipe Industry.

The distinctive awards and recognition the company has earned from the prestigious 2018 Financial Times of London "Top 1000 High Growth Companies" and the 2020 Forbes Asia "200 Best Under A Billion" in the Asia Pacific Region attest to how far it has gone.

The company expanded its product lines from premium compounds to world class PVC pipes, PP-R and HDPE, PVC Thermal Roofing, distribution of environment-safe septic tanks and another set of new product essentials that will support and nurture the building and construction industry.

The company has evolved into a major ISO 9001:2015 certified manufacturer and has become one of the leading players in the field. Consistent adherence to quality has made the name "Crown" synonymous with superior standards which in turn help develop the market and raise consumers' own consciousness and preference for better quality products.

Having realized many goals of its growing years, Crown Asia Chemicals Corporation remains determined to pursue its vision and for the future.

