

Policy Relating to Health, Safety and Welfare

San Miguel Food and Beverage, Inc., formerly San Miguel Pure Foods Company Inc. (“SMFB”) and its subsidiaries (SMFB and its subsidiaries each a “Company”), is committed to its employees’ safety, health and welfare, and to nurture their individual capabilities.

Programs are in place to ensure the safety of the workers. These programs, particularly in the operating companies under SMFB’s Food, Beer and Spirits Divisions, include the elimination of occupational hazards in the workplace, provision of protective wear and/or equipment, proper training in the handling and use of machinery and materials, safety reminders and other measures that may be necessary to maintain their safety. Employees are protected from undue exposure to chemicals, biological and physical hazards, and in the event exposure to these are inevitable, safety information is provided to educate, train and safeguard employees.

The Company identifies, assesses and prepares for potential emergency situations in the workplace, and minimizes their impact through prevention and readiness to implement emergency plans and response procedures. In case such an emergency occurs, the proper authorities are informed immediately.

The Company complies with all applicable environmental regulations. All required environmental permits, licenses, authorizations, registrations and clearances are obtained and their operational and reporting requirements followed.

The Company has systems in place to ensure the safe handling, movement, storage, recycling, reuse or management of waste, air emissions and waste water discharges. Any waste, waste water or emissions with the potential to adversely impact human or environmental health are appropriately managed, controlled and treated prior to release into the environment.

The Company has systems in place that will ensure safety in handling, storage and releasing of hazardous materials, as well as procedures to manage and contain accidental spills and releases of such materials.

The Company provides comprehensive health care services directed at prevention of disease, protection from health hazards and maintenance of health. Programs are implemented to identify personal risks to health and to detect diseases in the early and most treatable stages.

The Company is committed to improve the quality of life of its employees through healthy living and piloting of wellness initiatives to encourage employees to maintain active and healthy lifestyles. The Company provides regular information on health to assist employees in making better decisions regarding their health, as well as the health of their dependents.

The Company is committed to promote a work place that is free from drug abuse as it is detrimental to the health, safety and work performance of employees and poses risks to operations and product quality.

The Company strives to protect its employees from harassment of any form. The Company provides a workplace free of harassment, discrimination, harsh and inhumane treatment. Any abusive behavior such as sexual harassment, corporal punishment, mental or physical coercion, or verbal abuses or threats among workers is not tolerated. Discrimination for reasons of race, age, gender, gender-orientation, ethnicity, disability, religion, political affiliation, union membership or marital status is not condoned. The Company actively implements mechanisms for dealing with such occurrences and ensures that it will act justly, swiftly and decisively in addressing such complaints.

The Company respects individuals in a manner consistent with the rights to privacy and data protection. Information about people are used appropriately for necessary business purposes and is protected from misuse to prevent undue harm to individuals such as discrimination, stigmatization or other damage to reputation and personal dignity, impact on physical integrity, fraud, financial loss or identity theft.

Permanent regular employees of SMFB and a majority of its subsidiaries are further entitled to a funded, non-contributory retirement plan.

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The Company initiates a variety of activities centered on the safety, health and welfare of its employees.

Upon regularization, employees of the Company are entitled to Group Personal Accident Insurance, Group Life Insurance, Work Connected Accident Insurance, medical benefits through HMO coverage consisting of annual physical examinations, physician consultations, diagnostic procedures, medicines and hospitalization.

In particular, SMFB and its subsidiaries have the following programs to promote the health, safety and welfare of its employees.

- i. All facilities have clinics that provide medical consultation and diagnostic services, and dispense accredited doctor-prescribed medicines;
- ii. Free hospitalization for employees with sick leave credits;
- iii. Annual Health and Wellness Day, where the Company provides free disease screening, consultation, discounted vaccines/immunization, and various fitness activities for employees and their dependents;
- iv. Well-being events and other seminars or workshops on health awareness;
- v. Sports and aerobics;

- vi. Employee bonding initiatives such as Team building, Summer Outings and Christmas parties;
- vii. Formation of Health and Safety Committee tasked to lead in the risk and hazard assessment and eradication in the workplace;
- viii. Activation of Emergency Response Teams that are trained to lead during emergency situations like fires and earthquakes; and
- ix. Annual conduct of fire drills.

Moreover, SMFB and majority of its subsidiaries have funded, non-contributory, defined benefit retirement plans covering all of their permanent employees (collectively, the "Retirement Plans"). These Retirement Plans pay out benefits based on final pay. Contributions and costs are determined in accordance with the actuarial studies made for the Retirement Plans. Annual cost is determined using the projected unit credit method. The relevant Company's annual contribution to the retirement plans consists of payments covering the current service cost and amortization of unfunded past service liability.