

Policy on Child and Forced Labor

Purpose

San Miguel Food and Beverage, Inc. and its food subsidiaries (hereafter collectively referred to as “San Miguel Foods”) reiterate its commitment to comply with, and respect individuals’ rights under all relevant forced labor and child labor laws.

Policy Statement

San Miguel Foods adopts the **Policy on Child and Forced Labor** (this “**Policy**”) of San Miguel Corporation and its subsidiaries (San Miguel Corporation and its subsidiaries, together with San Miguel Foods, are hereafter collectively referred to as the “San Miguel Group”), which sets forth the San Miguel Group’s policy to value the dignity of every human person and guarantee the respect of individual rights, which includes children who shall be afforded special protection from all forms of exploitation and other conditions prejudicial to their development, including child labor.

In compliance with Republic Act No. 7610, otherwise known as the “Special Protection of Children Against Child Abuse, Exploitation and Discrimination Act”, as amended by Republic Act No. 9231, the San Miguel Group shall not engage in child labor except in accordance with law. The San Miguel Group shall ensure that its employees are of legal working age and shall comply with the conditions of the law on child employment, such as internships or apprenticeships.

Moreover, pursuant also to the mandate of the 1987 Constitution that no involuntary servitude in any form shall exist, the San Miguel Group shall not engage, tolerate or support forced or involuntary labor. To this end, San Miguel Foods shall respect its employees’ rights to voluntarily agree to the terms and conditions of employment without coercion and the right to terminate their employment in accordance with San Miguel Foods’ notice procedure.

Scope and Coverage

This Policy applies to the San Miguel Group and their respective business partners and suppliers.

Definitions

1. Child - a person below eighteen (18) years of age or one who is over eighteen (18) but is unable to fully take care of or protect himself/herself from abuse, neglect, cruelty, exploitation, or discrimination because of a physical or mental disability or condition;

2. Child Labor - The involvement in any services to be rendered for the San Miguel Group of a person less than the age of 18, or the minimum age as may be provided by law in applicable circumstances;
3. Forced Labor - the extraction of work or services from any person by means of enticement, violence, intimidation or threat, use of force or coercion, including deprivation of freedom, abuse of authority or moral ascendancy, debt-bondage or deception, including any work or service extracted from any person under the menace of penalty;
4. Involuntary Servitude – refers to a condition of enforced and compulsory service induced by means of any scheme, plan or pattern, intended to cause a person to believe that if he or she did not enter into or continue in such condition, he or she or another person would suffer serious harm or other forms of abuse or physical restraint, or threat of abuse or harm, or coercion including depriving access to employment documents and withholding salaries, or the abuse or threatened abuse of the legal process.

Implementation, Monitoring and Reporting

Engagement of Forced Labor and Child Labor, and disregard of human rights could undermine the reputation of the San Miguel Group. Any violation of these laws and regulations could lead to sanctions, penalties and legal liabilities. It can also affect employee productivity and disrupt overall operations.

The San Miguel Group shall strictly adhere to the Code of Conduct and Ethical Business Policy, which states that the San Miguel Group is firmly committed to the promotion of a culture that fosters and maintains the core values of fairness, transparency, accountability, and integrity in the conduct of its business. All directors, officers, and employees at all levels are expected to observe with zeal these core values in the performance of their duties. Therefore, all applicable laws, rules and regulations on Forced Labor and Child Labor shall be strictly implemented.

Complaints and/or incidents of violation of this Policy in San Miguel Foods shall be reported and filed with the San Miguel Foods' Human Resource Division and shall undergo due process to determine validity. Thereafter, appropriate sanctions and corrective actions shall be applied and administered accordingly.

As to San Miguel Foods' suppliers, San Miguel Foods shall be committed to comply with its supplier accreditation policy which requires that an accredited supplier shall abide by statutory requirements as well as standards set by the San Miguel Group. As such, each supplier's contract shall always include a clause that ensures adherence to laws on Forced Labor and Child Labor.

Violation

Proven violations of this Policy in San Miguel Foods shall be dealt with administratively in accordance with the San Miguel Foods' Code of Business Conduct and Ethics and criminally, as may be applicable, in accordance with all relevant laws and regulations.

Review of the Policy

This Policy shall be reviewed annually, or as San Miguel Foods deems necessary whenever there are updates to existing laws, to assess its effectiveness.

Commitment

The San Miguel Group will continue to comply with all applicable labor laws on Child Labor and Forced Labor and be vigilant against any violations thereto within the organization, including those involving its business partners and suppliers.