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I. PURPOSE & APPLICABILITY

The San Miguel Group of Companies (“**SMG**”) is committed to doing business in an ethical, legal, and socially responsible manner, and to maintaining the highest standards of honesty and integrity in all aspects of our business. SMG complies with the applicable laws of each country and jurisdiction where it operates and the industry codes of conduct of each country and jurisdiction where it operates.

This Code of Conduct applies to all SMG Suppliers and all employees, personnel, agents, subcontractors, and similar individuals or entities hired or engaged by the SMG Supplier or providing goods or services through the SMG Supplier. “**SMG Supplier**” shall refer to any person or entity that provides or is contractually obligated to provide, at any time, products and/or services to any company or entity within the San Miguel Group (the “**SMG Client**”).

This Code of Conduct for SMG Suppliers is issued to promote and ensure the integrity of business dealings between SMG and its Suppliers. It is intended to establish clear compliance standards and ethical principles that all SMG Suppliers are bound to observe. The relevant SMG Client reserves the right to, among others, refuse or withdraw the accredited status of an SMG Supplier, who is found to have breached any part of this Code of Conduct.

With the expectation that each SMG Supplier is aware of and complies with all applicable laws and regulations, SMG Suppliers shall adopt and practice the highest standards of business ethics and meet the following minimum requirements to be able to continually do business with SMG.


III. SUPPLIER CODE OF CONDUCT

Compliance with Laws, Regulations and Published Standards

SMG Suppliers must comply with applicable laws, codes, rules, or regulations of the countries, states, and localities in which they operate. This includes, but is not limited to, laws and regulations relating to environmental, occupational health and safety, labor practices, and data privacy.

Ethical Business Practices

SMG Suppliers shall conduct their businesses in accordance with the highest standards of ethical behavior. Towards this end, SMG Suppliers are expected to conform to and/or observe at all times each of the following:

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Fair Trade Practices

SMG Suppliers shall not enter into any anti-competitive agreement, abuse its dominant market position or engage in any unfair competition practices or activities, whether individually or in collusion with others. Typical examples of this conduct include, but are not limited to, practices that damage the rights and interests of end users, such as collusive bidding, price fixing, price discrimination, or other unfair trade practices in violation of antitrust laws.

Anti-Bribery

SMG Suppliers shall not offer, make, or receive any form of bribe in order to win or retain business, or seek to influence a business or regulatory decision inappropriately. This shall include offering or providing any bribe, kickback, contribution, gift, favor, hospitality, entertainment, secret commission, reward, employment or promise of employment, or anything of value to (i) compromise the objectivity of SMG or an SMG employee or representative or any foreign or domestic government official or employee in making decisions; or (ii) obtain an undue advantage or benefit from SMG or any foreign or domestic government official or employee. The SMG Supplier shall not pay, loan, or otherwise disburse in any manner any of its funds or assets or make any payments, whether direct or indirect, to any SMG employee, representative, consultant or to any third party, that may create the appearance of impropriety or constitute a violation of any law under any jurisdiction.

Anti-Fraud

SMG Suppliers shall not be involved in or facilitate any act of theft, fraud, falsification, embezzlement, or misappropriation of any SMG or SMG Client asset.


Conflicts of Interest

SMG Suppliers are expected to disclose to SMG any situation that appears as a conflict of interest or any situation where any SMG officer, employee, or representative may have an interest of any kind in the SMG Supplier's business or any kind of economic, familial or personal ties with the same, such as but not limited to being an owner, officer, or employee of such business, or a relative of its owner, partner, controlling stockholder, president/CEO, or senior officer within the **2nd degree** of consanguinity or affinity, or having any other type of close personal or social relationship with its owner, partner, controlling stockholder, president/CEO, or senior officer.

Other SMG Supplier Policies and Agreements

SMG Suppliers shall comply with the policies and procedures of SMG applicable to suppliers, including, but not limited to, policies on Conflict of Interest, Procurement Relationships, Supplier Management, and Supplier Acceptable Use Agreement, and these policies and procedures are subject to changes and interpretations by SMG from time to time and may be accessed through the SMC Portal.


SMG Suppliers shall regularly monitor and review their implementation of the abovementioned policies and procedures, and provide regular training on the same to their employees.

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Intellectual Property and Confidentiality

SMG Suppliers shall respect the intellectual property rights of others, including of SMG, its affiliates and business partners.

- SMG Suppliers must take appropriate steps to safeguard and maintain confidential and proprietary information of SMG and shall use such information only for the purposes specified by SMG.
- SMG Suppliers shall not engage in any act that may infringe upon any SMG patent, trademark, or copyright, and shall comply with all requirements, under both law and contract or as may be established by SMG, as to their allowed use.
- SMG Suppliers shall not transmit confidential or proprietary information of SMG via the internet unless such information is secured (e.g., through encryption) in accordance with minimum standards established by SMG.
- SMG Suppliers shall comply with applicable laws and regulations on the collection, transfer, processing, and retention of all personal information and sensitive personal information. SMG Suppliers shall implement the appropriate and reasonable level of organizational, physical, and technical security measures in accordance with Supplier Relationship Security Policies and Guidelines and other relevant Information Security Policies as applicable to ensure the confidentiality and integrity of sensitive company information, and protect the same against accidental, unlawful or unauthorized processing.
- SMG Supplier will keep current a non-disclosure agreement with SMG to protect the integrity and proprietary nature of all SMG confidential information, it being understood that the SMG Supplier shall be responsible for all acts committed by employees, agents, and advisers, or its representatives or its subsidiaries and their employees, agents, advisers or representatives.
- SMG will retain the right to audit the supplier processes and controls related to the agreement, or to employ a mutually agreed independent party auditor for this purpose
- Where relevant, SMG Supplier shall show proof of having Information security requirements and procedures in place, through ISO 27001 or Security Operations Center (SOC) Certifications, such as incident management, screening of supplier’s personnel, training and awareness, decommissioning of accesses, and defect and conflict resolution.
- SMG Supplier shall implement proper management of information and accesses on its lifecycle (e.g., creation, use, handling, return, termination)
- In case of product deliveries, SMG Supplier shall provide a warranty that the product is free of errors and known vulnerabilities
- SMG Supplier shall implement relevant regulations for subcontracting, such as those controls that ensure that the subcontractor meets the regulatory and compliance requirements of SMC
- SMG Supplier shall provide, where applicable, relevant agreement partners, including a contact person for information security issues;
- When deemed necessary based on the results of the risk assessment, SMG Suppliers and SMG shall agree upon penalties that will apply in the event that security-related controls were not implemented at all, not implemented as per agreed specifications, or found to be deficient. The impact of the penalties should be greater than the cost of implementing and maintaining the given control, so as to ensure compliance with contractual commitments.

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Data Privacy

SMG Supplier shall comply with the applicable provisions of the Data Privacy Act of 2012, also known as Republic Act No. 10173, its implementing rules and regulations, the issuances and circulars of the National Privacy Commission (“NPC”), as well as other applicable personal data privacy and protection laws and regulations (collectively, "**Privacy Laws**").

At all times, SMG Supplier shall implement the appropriate and reasonable level of organizational, physical, and technical security measures to ensure the confidentiality, integrity, and availability of any personal information and sensitive personal information as defined under the Privacy Laws (collectively "**Personal Data**") that may be processed pursuant to this Contract and the Privacy Laws, and protect such against accidental, unlawful or unauthorized processing.


In the event that any Personal Data shall be disclosed by SMG Supplier in relation to any supply agreement, SMG Supplier consents to the processing of Personal Data which may be collected by SMG or which SMG Supplier may provide to SMG and shall ensure that the required consents under the Privacy Laws have been obtained from its relevant Data Subjects (as defined under the Privacy Laws).

SMG Supplier shall make available to SMG all information necessary to demonstrate compliance with the obligations laid down in the Privacy Laws, including but not limited to the submission of a valid Certificate of Registration with an applicable regulator such as the NPC, and updated contact details of the Data Protection Officer.

Environmental Practices

SMG Suppliers shall continually look for ways to minimize unnecessary consumption of energy and resources, and the production of unnecessary waste, greenhouse gas emissions, and environmentally damaging discharges in their operations, products, and services. SMG Suppliers shall foster and maintain a management culture and attitude that establishes a results-based system toward the continual improvement of their environmental, health and safety practices and performance. SMG Suppliers shall comply with environmental laws and regulations applicable to their operations worldwide. Such compliance shall include, among other things, the following items:

- Obtaining and maintaining environmental permits and timely filing of required reports
- Proper handling and disposition of hazardous materials
- Monitoring, controlling, and treating discharges generated from operations


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Occupational Health and Safety Practices

All business practices must comply with all relevant local and national laws, codes, and regulations.

The SMG Supplier must provide a safe and healthy working environment for all employees that includes appropriate controls, safety procedures, preventative maintenance, and protective equipment in order to prevent accidents and injury as a result of the operation of the SMG Supplier. SMG Suppliers shall, among other things, provide or observe the following:


- Occupational health and safety training
- A system for reporting injury and illness
- Worker exposure to physically demanding tasks, including manual material handling and heavy lifting, prolonged standing, and highly repetitive or forceful assembly tasks is to be identified, evaluated, and controlled.
- Medical treatment and/or compensation to injured/ill workers, where the injury or illness is a result of or in connection with undertaking work for the SMG Supplier.
- Worker exposure to chemical, biological and physical agents is to be identified, evaluated, and controlled. When hazards cannot be adequately controlled by engineering and administrative means, workers are to be provided with appropriate personal protective equipment.
- Machine safeguarding and other protective measures to prevent injuries/illnesses to workers
- Workers are to be provided clean and safe facilities including clean toilet facilities, access to potable water, and sanitary food preparation and storage facilities.
- Worker dormitories provided by the SMG Suppliers, if applicable, are to be clean, and safe, and provide emergency egress, adequate heat and ventilation, and reasonable personal space.
- Additional OSH requirements as part of the Supplier Accreditation process to ensure OSH compliance of suppliers/contractors to ESG standards in Sustainability Reporting.
 - Certificate of Compliance on Occupational Safety and Health Standards;
 - DOLE approved OSH/COSH program with the conduct of HIRAC;
 - Occupational safety and health practitioner;
 - Certified First Aider;
 - Certificate of attendance for all workers on the 8-hour mandatory safety orientation;
 - Certificate of competency of skilled workers; and
 - Appropriate business registration documents (i.e. Rule 1020)

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Labor Practices

SMG expects its suppliers to adopt sound labor practices and treat their workers fairly in accordance with applicable laws and regulations. In addition, SMG Suppliers must comply with the following standards:

- **Freely Chosen Employment:** SMG Suppliers must not utilize or benefit in any way from forced or compulsory labor, nor utilize factories or subcontractors that utilize forced or compulsory labor. SMG Suppliers must support and respect the protection of internationally proclaimed human rights and not willingly or knowingly assist in any violation of human rights, nor benefit from human rights abuses committed by another party, nor remain silent when human rights violations are being committed.
- **Human Trafficking and Slavery:** SMG is opposed to slavery and human trafficking and is committed to complying with applicable laws prohibiting such exploitation. SMG Suppliers are held to the same level of commitment and are expected to fully comply accordingly.
- **No Child Labor:** SMG Suppliers shall comply with local minimum working age laws and requirements and not employ child labor. SMG Suppliers must only employ workers who meet the applicable minimum legal age requirement. SMG Suppliers are also expected to comply with all other applicable child labor laws. SMG expects our Suppliers to support and participate in industry efforts aimed at the elimination of such practices wherever they exist in the supply chain.
- **Minimum Wages:** SMG Suppliers shall provide wages for regular and overtime work and benefits that meet or exceed legal requirements.
- **Working Hours:** SMG Suppliers shall not require workers to work more than the maximum hours of daily labor set by local laws.
- **No Harsh, Inhumane Treatment or Abuse:** SMG Suppliers shall treat each employee with dignity and respect. SMG Suppliers shall prohibit threats of violence, physical punishment, confinement or any other form of physical, sexual, psychological, or verbal harassment or abuse and all other forms of intimidation or harassment in the workplace.
- **No Discrimination:** SMG Suppliers shall not discriminate in its employment practices on the basis of race, color, religion, sex, gender, gender identity, sexual orientation, age, disability, national origin, creed, maternity, political opinion or membership, familial status, social class, or any other basis prohibited by law.
- **Freedom of Association:** SMG Suppliers shall recognize and respect the rights of its workers to join or to refrain from joining associations of their own choosing and the right to collective bargaining in accordance with local labor laws and established practices.

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Responsible Sourcing

SMG Suppliers shall exercise appropriate due diligence in selecting their own suppliers and subcontractors in order to ensure responsible sourcing throughout the supply chain. Suppliers shall not source raw materials or components from persons or entities linked with illegal activities, human rights abuses or terrorism.

Export Sanctions/Terrorism Activities

- SMG Suppliers must abide by all economic sanctions, trade embargoes, or export controls that the Philippines has adopted, whether the same applies to other countries, or any political or particular foreign individual and entity.
- SMG Suppliers must not directly or indirectly engage in or support any terrorist activity.

Financial Integrity


SMG Suppliers shall disclose their financial performance clearly and accurately in accordance with accounting principles appropriate to the size, nature, and form of their business. All commercial dealings of an SMG Supplier shall be performed transparently and recorded truthfully in its books and records. SMG Suppliers shall establish suitable information security controls to ensure that no confidential information in the SMG Supplier’s possession related to SMG or the SMG Client is used to engage in or support insider trading. Neither any SMG Supplier nor any of its employees shall participate in money laundering.

III. CONSEQUENCES OF ANY VIOLATION OF THIS CODE OF CONDUCT

Breach of the Code of Conduct may result in actions being invoked against that SMG Supplier, in addition to any contractual or legal remedies available to SMG or the SMG Client. The actions applied will depend on the nature and seriousness of the breach and on the degree of commitment shown by the SMG Supplier in breach of its obligations under the Code of Conduct.

IV. DEMONSTRATING COMPLIANCE

SMG Suppliers must be able to demonstrate compliance with this Code upon request of SMG or the SMG Client. Said compliance may be established via sworn self-certifications of the SMG Supplier or via the conduct, through internal departments or independent third parties, of audits, on-site evaluations, and inspections of relevant facilities and locations. SMG Suppliers shall cooperate with said audits and inspections in all respects.

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V. VERSION UPDATE

SMG shall post this Code of Conduct on SMG's Supplier Portal at www.sanmiguel.com.ph. SMG reserves the right to supplement and change this Code of Conduct at any time. SMG Suppliers are expected to monitor the website regularly for changes to this Code of Conduct.

VI. SUBMITTING QUESTIONS OR REPORTING VIOLATIONS

If SMG Suppliers have any question about this Code of Conduct or become aware of any violations of this Code of Conduct that is believed in good faith to be either an actual or potential violation of this Code of Conduct, please send an email to customer care@sanmiguel.com.ph. Please submit the questions or report any suspicious behavior which may constitute a violation with your contact details.