

San Miguel Corporation and Its Subsidiaries Policy On Child and Forced Labor

Purpose

The purpose of this policy is to reiterate the commitment of San Miguel Corporation (the “**Company**”), together with its subsidiaries, to comply with, and respect individuals’ rights under all relevant forced labor and child labor laws.

Policy Statement

The Company, together with its subsidiaries, values the dignity of every human person and guarantees 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 Company and its subsidiaries shall not engage in child labor except in accordance with law. The Company and its subsidiaries 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 Company and its subsidiaries shall not engage, tolerate or support forced or involuntary labor. The Company 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 the Company’s notice procedure.

Scope and Coverage

This Policy applies to the Company and its subsidiaries, 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 Company 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 and Child Labor, and disregard of human rights could undermine the reputation of the Company. 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 Company and its subsidiaries shall strictly adhere to the Code of Conduct and Ethics, which states that the Company 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 strictly be implemented.

Complaints and/or incidents shall be reported and filed with the Company's 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 the Company's suppliers, the Company 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 Company. 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 shall be dealt with administratively in accordance with the Company's Code of Conduct 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 it deems necessary whenever there are updates to existing laws, to assess its effectiveness.

Commitment

The Company and its subsidiaries 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.