

Sustainability Highlights

As we reflect on our sustainability journey, we take pride in the progress we have made—and remain firmly committed to continuing the initiatives that have brought us this far.

Each effort we pursue strengthens our responsibility to the environment, our people, and the communities we serve, which is also an indication of our collective commitment that drives us to uphold responsible, transparent, and future-focused practices across our operations.

This section highlights our ongoing efforts to strengthen and integrate sustainability across all areas of our organization—spanning operations, relationships with customers, employees, and communities. It details our economic, social, and environmental performance in comparison to the previous year and showcases the initiatives we've undertaken. These initiatives not only contribute to San Miguel Corporation's overall sustainability targets but also align with the United Nations Sustainable Development Goals (UNSDGs).



Entrance to Distileria Bago Inc., the country's largest distillery.

The metrics in this report are presented in accordance with the Global Reporting Initiative (GRI) standards. It covers the following domestic entities: Ginebra San Miguel Inc. (GSMI), Distileria Bago Inc. (DBI), East Pacific Star Bottlers Phils Inc. (EPSBPI), Agricrops Industries Inc. (Agricrops).

We remain committed to reinforcing our ongoing sustainability initiatives while introducing new programs that further integrate sustainable practices into our organizational culture.

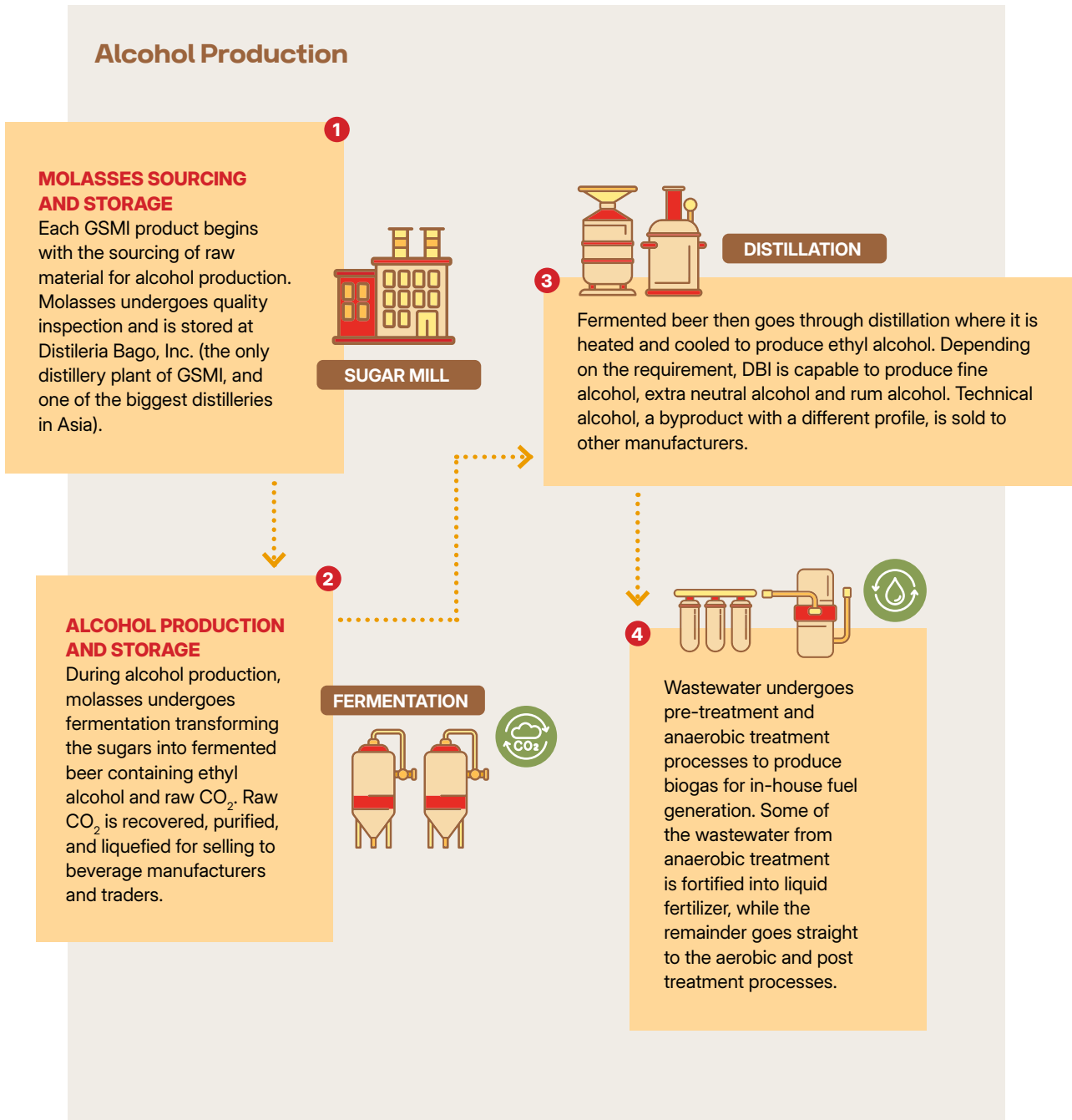
This report highlights key milestones and initiatives that demonstrate our dedication, including efforts in our plastic reduction, the launch of our GSM University, and the activation of our bottle retrieval program in Palawan. Together, these stories showcase how we are combining innovation, education, and community engagement to drive meaningful environmental and social impact.

Together, we are not only sustaining what we have started—we are shaping a legacy of resilience, stewardship, and shared progress for generations to come.

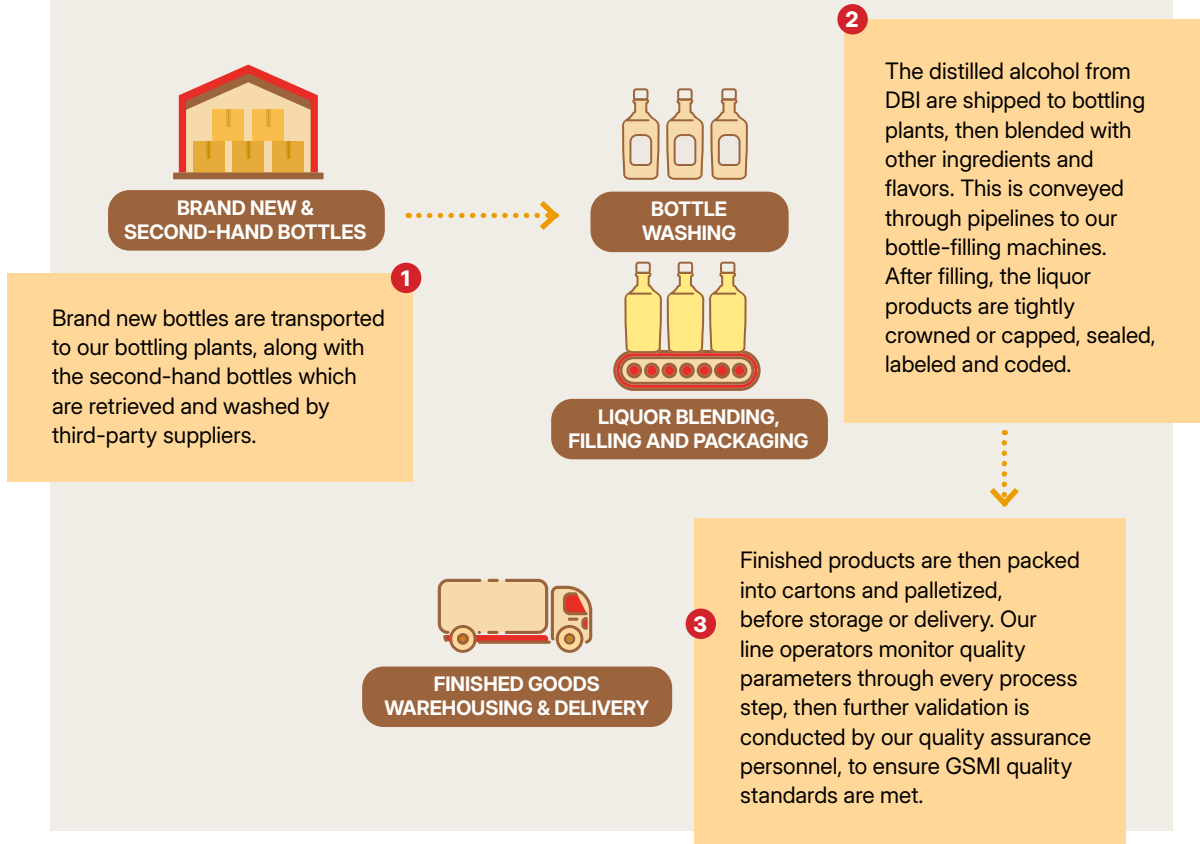
Our Value Chain

Our value chain represents the integrated processes that enable our company to create and deliver value to our customers and stakeholders. From the source of raw materials and efficient production processes to product distribution and customer channels, each stage plays a critical role in ensuring quality, sustainability, and operational excellence. By continuously strengthening every link in our value chain, we enhance efficiency, uphold our commitment to responsible business practices, and deliver products that meet the evolving needs of our consumers.

Alcohol Production



Bottle Sourcing and Liquor Production



Product Distribution

PRODUCT DELIVERY AND SELLING

Our products are transported from the bottling facilities by truckers or haulers to our warehouses, dealers and key accounts, and are eventually delivered by our longtime trade partners to various channels such as retailers, groceries, supermarket chains, convenience stores and on-premise outlets. To reach and better serve our end-consumers, we currently have 100 dealer sites that manage the distribution and sale of GSMI products, and 17 strategically located sales offices catering to around 147,717 outlets spread across the archipelago.



Materiality Assessment and Stakeholders Engagement

Scan to learn more about our Stakeholders Engagement



Over the past year, there have been no significant material changes in GSMI overall business environment. This stability allows us to confidently rely on our previous assessment, which remained relevant and suitable to the concerns of our stakeholders.

We remain dedicated to monitoring our business landscape closely, ensuring that the outcomes of our prior materiality assessment continue to be applicable as the industry progresses.

We are deeply committed in building a meaningful relationships with our stakeholders. We continue our ongoing engagement—strengthening awareness, nurturing collaboration, and continuously elevating the way we work.

We believe that every conversation is an opportunity to grow. By listening with sincerity, responding with purpose, and valuing every voice, we create a space where our customers and partners truly feel heard and supported. Through consistent and heartfelt communication, we safeguard the quality of our products and proudly uphold our enduring commitment to advocate our spirit of malasakit.



Team Malasakit tree-planting activity at Mt. Puro Reserve, Antipolo.

Our Stakeholders	Engagement Channels
Customers (dealers, wholesalers & consumers)	<ul style="list-style-type: none"> • Customer care hotlines (phone, mailbox, messaging apps and email) • Social media platforms • Above-the-line marketing campaigns (TV, radio, Out-of-Home) • On-ground activations (Ginumanfest, sampling, market caravan, etc.) • National Sales and Marketing Convention, Area Sales kick-off events and official business reviews • Research and market studies with third-party providers
Suppliers	<ul style="list-style-type: none"> • Supplier performance evaluations • Coordination meetings with GSMI's procurement and finance departments
Employees	<ul style="list-style-type: none"> • Annual performance reviews and other assessment tools • Employee Engagement Survey • Health and wellness activities (team building activities, outings and learning sessions) • Company-wide townhall meetings – "Pulung pulong," Group Interaction and News-sharing with the General Manager (GIN with the GM) for managers • KB news • Use of multiple communication channels such as email, social media and internal publications • Regular labor management meetings • Use of multiple communication channels such as email, social media and internal publications • Regular labor management meetings
Investors & Shareholders	<ul style="list-style-type: none"> • Annual stockholders meeting • BOD meetings • Investor's briefings • Formal meetings and conference calls with investors and analysts • Annual Report and Sustainability Report publication • Securities and Exchange Commission (SEC) disclosures and press releases • GSMI corporate website • Investor Relations Hotline to address inquiries and concerns
Communities	<ul style="list-style-type: none"> • Corporate Social Responsibility (CSR) projects - health, education, and livelihood programs • Partnership with local cooperatives • Local fiesta activations • PBA games and other social events
Government & Regulators	<ul style="list-style-type: none"> • Attendance of seminars organized by the government as needed • Meetings with LGUs as needed • Participation in dialogues and hearings conducted by government and regulatory agencies
Media	<ul style="list-style-type: none"> • Media advisories • Press releases, briefing and interview • Social media updates • Event coverage

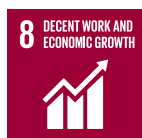


Doing our part toward the UN Sustainable Development Goals

Our company is committed to contributing to the United Nations Sustainable Development Goals (UNSDGs) by aligning our business strategies, operations, and sustainability initiatives with globally recognized development priorities. We focus our efforts on areas where we can create the most meaningful impact, integrating responsible environmental practices, social responsibility, and strong governance across our value chain. Through these initiatives, we aim to support sustainable development while delivering long-term value to our stakeholders and the communities in which we operate.



GSMI supports SMC group's Water for All initiative, which aims to reduce water consumption across the group. Currently, we achieved a 43% reduction in our water program initiatives. We are also committed to comply with the Clean Water Act and ensuring that our water discharges are lower than the set limits.



GSMI prioritizes employee health and safety by implementing policies and regulations across all its facilities to foster a safe and healthy work environment. The company's operation extend beyond its primary sector, generating indirect economic benefits for other companies and industries.



GSMI ensures the high quality of its products. This commitment is maintained through continuous innovation in its production processes and ongoing investment in research and development to broaden the range of its product portfolio. The company's numerous awards and accreditations serve as further evidence of its dedication to quality and innovation.



GSMI fosters a non-discriminatory workplace by guaranteeing equal opportunities for all applicants, employees, and business partners. This commitment involves ensuring impartiality against race, gender, age, cultural, religious beliefs, and any other forms of preferences.



GSMI engages in a collaborative effort with TESDA to establish a bartending academy to assist students in developing their skills in bartending and flairtending, and providing them with better job opportunities.



Deeply aware of the impact of climate change, GSMI constantly innovates and find ways on its processes to reduce its contribution through the use of renewable energy, improve operations efficiency and waste management.



GSMI implements a range of initiatives aimed at promoting the conservation of aquatic life and protection of endangered species. Regular river and coastal cleanup operations are also being done all throughout the facilities in collaboration with community partners.



GSMI undertakes tree planting activities in collaboration with local government units and has continued to strengthen its long standing mangrove reforestation project, which began in mid 1990's. The project has since expanded to cover 14 hectares of mangrove forest. Beyond restoring coastal ecosystems, the initiative contributes to shoreline protection, reduces erosion, enhances biodiversity and supports local fisheries.



GSMI's workforce is predominantly male, largely due to the operational and technical nature of its core business. Nevertheless, GSMI actively fosters an inclusive work environment that ensures fair treatment, equal access to career advancement, and a workplace culture grounded in respect and diversity.

Environmental Stewardship

Ginebra San Miguel Inc. maintains a strong commitment to environmental stewardship through the continuous integration of sustainability principles across its operations. Our environmental strategy focuses on reducing greenhouse gas emissions, conserving natural resources, and strengthening responsible waste management practices. These initiatives support the reduction of our environmental impacts while contributing to long-term business sustainability.

Resource efficiency remains our key priority. Ginebra San Miguel Inc. maximizes the use of input materials and actively identifies opportunities to repurpose manufacturing by-products. Environmental programs include water-reduction initiatives, the use of second-hand bottles, and ongoing efforts to reduce plastic component in our packaging materials.

Our distillery operations apply circular economy principles, including the generation of biogas and the production of liquid fertilizer through waste treatment processes. These initiatives contribute to

improved resource recovery and reduced waste sent to landfills.

Through these resource management program, we attained the following:

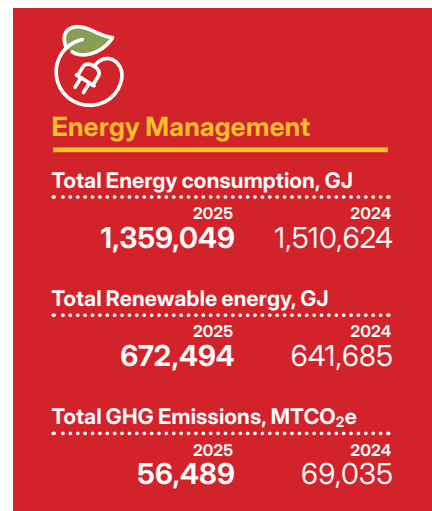
- Our Water For All program has reduced utility water usage by 43% based on 2016 baseline year
- On bottle retrieval, we achieved a second-hand bottle usage ratio of 58%
- Plastic reduction, 7.5% decrease through modification and partial elimination of plastic packaging
- Energy conservation, we reduced our green house gas emission by 18%

Through a holistic approach to sustainability across the production lifecycle—from raw material sourcing to packaging—GSMI has achieved measurable environmental and operational outcomes, including a reduced carbon footprint and decreased manufacturing costs. These results demonstrate the integration of environmental responsibility with operational efficiency and long-term value commitment.

Energy Management

In 2025, our total energy consumption decreased by 10% compared with 2024, despite increased production volumes. This improvement was driven by the implementation of various energy efficiency initiatives and process improvements across our facilities.

Our use of renewable energy increased by 5%, supported by improved biogas generation through an enhanced operations protocol as



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well as the renewable energy mix in the power supplied to our distillery. As a result of these combined efforts, our overall greenhouse gas (GHG) emissions were reduced by 18% compared with the previous year.

Water Management

Water withdrawal decreased by 4% compared to 2024. This is mainly attributed to various water recovery and water conservation programs implemented in all our facilities such as rainwater collection, reuse of rinse water, recycling of effluent water, rehabilitation of equipment and operations optimization. For 2025, we achieved a 43% reduction in our SMC Water for All program from a baseline year of 2016.

Solid Waste Management

We continue to implement waste segregation in all our facilities. Solid waste was diverted through reused, recycled, and other recovery operations. We maintained a 98% solid waste diversion and will continue to pursue further initiatives to reduce the waste we generate.


Materials Management

Total materials used decreased by 2% compared to previous year despite increase in production volume. We maintained our use of renewable materials in production which includes alcohol, sugar, cartons, molasses, and second-hand bottles.




Solid Waste Management

Solid waste generated, MT		
	2025	2024
	14,204	12,365
% Solid waste diverted from disposal		
	2025	2024
	98%	98%



Materials Management

Total materials used, MT		
	2025	2024
	700,984	716,015
% Renewable materials used		
	2025	2024
	82%	82%
% of recycled input materials used to manufacture		
	2025	2024
	10%	11%



Water Management

Water withdrawal, ML		
	2025	2024
	2,936	3,059
Water discharged, ML		
	2025	2024
	2,577	2,480
Water consumption, ML		
	2025	2024
	359	579
Water recycled/reused, ML		
	2025	2024
	232	284





Moving Toward Reducing Plastic Waste



GSMI has gradually eliminated plastic pourer caps from its products; below: smaller cap seal for Vino Kulafu has helped reduce plastic use.

Ginebra San Miguel Inc. recognizes its responsibility in minimizing its environmental impact. Reducing the use of plastic remains one of the company’s key initiatives as part of our ongoing sustainability commitment.

Since 2021, we have taken meaningful steps toward adopting more eco-friendly packaging practices. One of our early initiatives involved transitioning our Ginebra San Miguel “Hari” product (1 liter) from plastic caps to aluminum caps, helping reduce plastic usage while maintaining product quality.

By 2023, we further strengthened our efforts by gradually eliminating plastic pourer caps from our GSM Blue and Primera Light Brandy. In May 2024, our Vino Kulafu — the Philippines’ No. 1 Chinese Wine —

made another significant stride in reducing plastic in its packaging with the launch of a smaller cap seal.

Through these initiatives, we successfully reduced our overall plastic footprint by 7.5% as of 2025.

Moving forward, we will continue to explore innovative solutions that minimize plastic waste and promote responsible packaging across our product lines, while maintaining the exceptional quality that consumers have come to enjoy from our brand.



Social Engagement

Malasakit is fundamental to GSMI's values and serves as a basis to our approach to social responsibility. It guides our actions with care, accountability, and respect in our relationships with employees, business partners, and the communities where we operate.

Social sustainability is embedded across our operations and decision-making processes. We engage regularly with stakeholders to understand their perspectives, assess social risks and impacts, and respond through targeted initiatives and policies.

Our social engagement programs focus on fostering an inclusive and diverse workplace, promoting fair and equitable treatment, supporting

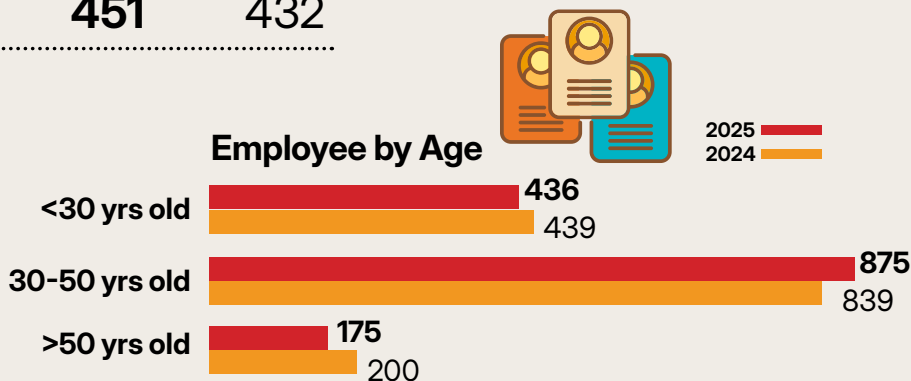
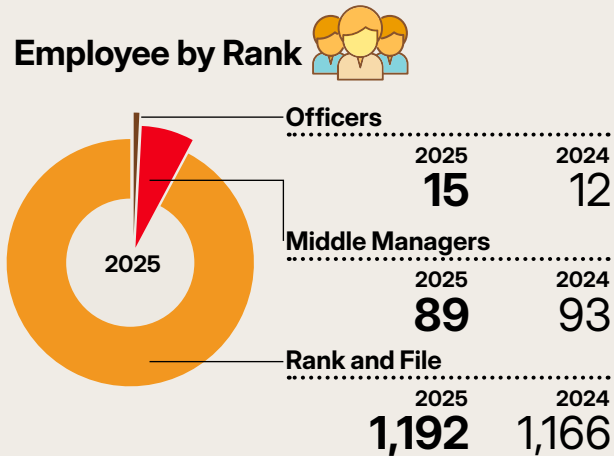
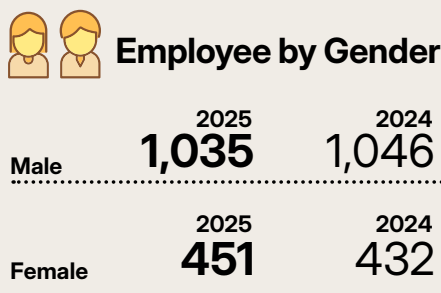
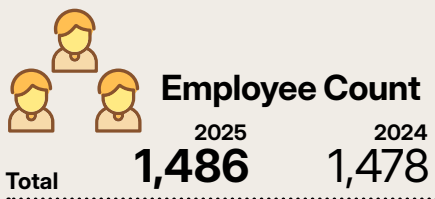
employee health, safety, and well-being, and contributing to community development. Through these efforts, we create shared long-term benefits for our stakeholders and our company.

Our people are at the heart of our organization's success. Due to the nature of our operations, GSMI's workforce is composed of 70% male and 30% female employees. The majority of our employees are in rank-and-file positions at 92%, while 9% hold officer and managerial roles, reflecting the operational focus of our business.

Our workforce also reflects a healthy mix of experienced and emerging talent. While the younger number is growing, employees aged 30 to 50 continue to represent the largest

segment at 59%. This balance supports knowledge continuity while fostering the development of new skills and perspectives within the organization.

We continue to strengthen our workforce through training and development initiatives. In 2025, total training hours increased by 32%, reflecting our strong commitment to employee growth. This achievement was made possible through various training programs delivered by GSMI training schools, which are now integrated under the newly launched Ginebra San Miguel University (GSMU). We remain responsive to the evolving training needs of our employees to ensure a competent and resilient workforce.





Our commitment to maintaining a safe and healthy workplace remains a core organizational priority. We continue to strengthen our Occupational Safety and Health (OSH) programs through regular training and the conduct of emergency preparedness drills. These activities are carried out in collaboration with our local government partners to ensure that our employees are well-equipped to respond effectively in the event of emergencies, reinforcing a culture of safety and resilience across the organization. Two of our six facilities have been certified under the Occupational Health and Safety Management System (ISO 45001), while the remaining sites are actively progressing toward certification. All facilities have successfully passed the annual Department of Labor and Employment (DOLE) inspection on Occupational Safety and Health standards.



Total Training Hours

2025	2024
78,857	59,587



Safe Man-hours

2025	2024
9,993,064	8,587,991



Average Training Hours

Average hours, total	
2025	2024
60.8	46.9
Average hours, male	
2025	2024
54.6	43.8
Average hours, female	
2025	2024
75.0	54.5

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THE GINEBRA SAN MIGUEL UNIVERSITY Empowering People Through Learning

In June 2025, the Ginebra San Miguel University (GSMU) was formally launched, marking a significant milestone in our commitment to learning and growth.

The GSMU is a learning institution that delivers high-quality programs through its eight functional schools, providing targeted training aligned with the evolving needs of our workforce. It aims to enhance knowledge and skills to address the dynamic changes in the industry, while also supporting the company's specific requirements as part of our succession planning strategy.

The eight functional schools are:

1. Logistics School
2. Alcohol and Liquor Technology Institute
3. Manufacturing School
4. Distileria Bago, Inc. Technical School
5. Human Resources School
6. Ginebra School of Sales and Marketing
7. Finance School
8. Procurement Learning School

At the core of GSMU is our value of "Malasakit," which serves as our guiding principle that underscores the company's commitment to fostering successful careers for employees while building a sustainable future.

With focus on holistic development, GSMU programs are designed to equip employees with the knowledge and skills needed to effectively support GSMI operations. These programs also help ensure business

continuity by developing a pool of competent talent as part of our succession planning strategy.

In addition to learning opportunities, some schools offer Continuing Professional Development (CPD) units that learners may use toward the renewal of their professional licenses. These are recognized for Chemists, Chemical Engineers, Mechanical Engineers, Electrical Engineers and Electronics Engineers. Participants are also given the flexibility to choose courses aligned with their competency requirements, as identified in their individual training plans.

The University tagline "Grow Our People, Build Our Future," reflects its mission to help every employee reach their full potential while advancing the company's vision and sustainability commitment.

As GSMI continues to lead in the industry, GSMU stands as a testament to its dedication to its people and their professional growth.



The GSMU was launched in June 19, 2025, coinciding with the birth of National Hero Dr. Jose Rizal. It highlights GSMI's commitment to learning and growth.

BOTEful Palawan

Collaboration boosts sustainable impact of second-hand bottle exchange initiative



Sustainability initiatives thrive through collaboration. At Ginebra San Miguel Inc. (GSMI), programs such as BOTEful Philippines demonstrate that meaningful environmental impact can be achieved through strong partnerships across sectors.

Since its launch in October 2017 in Aparri, BOTEful Philippines has not only supported GSMI's bottle retrieval efforts but also promoted a culture of recycling in communities nationwide. In July 2025, the program expanded its reach with the successful rollout of BOTEful Palawan, implemented in collaboration with the Provincial Government of Palawan, San Miguel Foundation, and the SMC Government Affairs and Advocacy Group.

The launch highlighted the importance of multi-stakeholder engagement in advancing sustainability goals. Local leaders, including Congressman Jose "Pepito" Alvarez of Palawan's second district, underscored the role of initiatives like BOTEful in empowering communities while addressing environmental challenges. The active participation of the local government unit reflected a shared commitment to building cleaner, more resilient communities.

Central to the program is community involvement. Residents are encouraged to participate in the collection and return of used bottles through an incentive-based system, promoting both environmental awareness and a sense of shared responsibility. This approach strengthens local ownership of sustainability efforts while contributing to waste reduction.



To date, BOTEful Philippines has successfully collected and recycled over 260,000 bottles, diverting significant waste from landfills and reinforcing circular economy practices within partner communities.

The Palawan rollout demonstrates how collaboration enables scale and sustainability. By aligning the efforts of government, private sector, and community stakeholders, BOTEful continues to create measurable environmental impact while promoting long-term behavioral change.

With sustained support from its partners, GSMI remains committed to further strengthening BOTEful Philippines as a platform for collaborative action, while advocating for a cleaner, more sustainable future for communities nationwide.



Moving Forward

In the past year, GSMI has continued to advance its environmental, social, and governance (ESG) commitments through the implementation of targeted programs and strategies.

We have strengthened our efforts to reduce environmental impact by improving resource efficiency across our facilities, including energy, materials, water, and waste management, while sustaining circular economy practices that have contributed to measurable emissions reductions and improved cost efficiency.

Beyond environmental stewardship, we have prioritized our social responsibilities by fostering a safe, inclusive, and engaging workplace, supporting our communities through our CSR programs, and aligning our initiatives with evolving stakeholder expectations.

At the same time, we have reinforced strong governance practices by implementing corporate policies that enhanced transparency, accountability, and ethical standards across our operations.

Through continuous innovation and by strengthening our brand, we remain responsive to customer expectations and resilient in an increasingly dynamic and changing market.

As we move forward, our focus will be on :

- Operationalization of our mechanized second-hand bottle washer facility, which will strengthen our second-hand bottle operation
- Additional solar panel installation in our facilities and gradual transition of our fleet to EV which will reduce GHG emission (scope 1 and 2) by utilizing renewable energy



- Further innovation in our product packaging through removal of plastic seal for our Vino Kulafu 350ml product, which will further reduce our plastic footprint
- Developing and launching new products that respond to evolving customer needs and preferences, thereby reinforcing our market leadership
- Strengthening our community engagement by designing programs that will sustain our community needs
- Developing our people through trainings, cross posting, immersion and developmental assignment which will strengthen our workforce for sustainable operations

We will continue to build on our efforts and push forward with greater purpose. As part of strengthening our

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sustainability culture, we will launch the GSMI Sustainability logo, which will be used across our campaigns to reinforce and reaffirm our commitment to sustainability.

With transparency and responsibility at the core, we aim to work closely with our stakeholders, and cultivate stronger partnerships, deliver meaningful impact, and advance initiatives that support long-term environmental, social, and economic resilience.

