



SAN MIGUEL
FOOD AND BEVERAGE, INC.

Code of Business Conduct and Ethics



Core Value

It is the fundamental belief of San Miguel Food and Beverage, Inc., formerly San Miguel Pure Foods Company Inc., that everything we have is loaned to us by our Creator, to grow and develop for the good of all. As such, we respect and take care of what has been entrusted to us. It is in the spirit of “Malasakit”, our core value, which is the deepest form of commitment, that we look after the welfare and interests of others and go beyond what is expected.

We delight our Customers with products and services of uncompromising quality, great taste and value, easily within their reach.

We create value and provide fair returns on our Shareholders’ investments.

We work hand-in-hand with our Suppliers and other Business Partners, helping them grow with us, and assure them of reasonable returns.

We develop and motivate our Employees to become best-in-class through cognitive and affective programs, competitive compensation and benefits, and diverse career growth opportunities.

We help improve the quality of life in Communities where we run our businesses.

Collectively, we give and do what is right and become proponents of good stewardship.

INTRODUCTION AND APPLICATION

San Miguel Food and Beverage, Inc., formerly San Miguel Pure Foods Company Inc. (“SMFB”), fully recognizes that adherence to the highest standards of business conduct is vital to its growth and success as a leader in the industry.

This Code of Business Conduct and Ethics (the “Code”) sets forth the fundamental standards of business conduct and values consistent with the principles of good governance and ethics to be observed by the employees and business partners alike of SMFB and its food subsidiaries (collectively, the “Company”). The Code does not intend to replace or supersede any applicable legal or regulatory requirement as it reads into it existing Company policies, procedures and the corresponding sanctions for non-compliance therewith, as well as those that may subsequently be adopted by the Company in response to prevailing business conditions.

Policies and/or procedures may further be promulgated or revised as the need arises, to give effect to this Code.

Thus, this Code shall henceforth be the foundation for all existing and future policies and procedures of the Company, such that these shall find basis in and supplement the provisions of this Code.

This Code shall be reviewed from time to time as may be deemed necessary by the Company.

OUR COMMITMENT

The Company is firmly committed to promote a culture that fosters and maintains the values of fairness, transparency, accountability and integrity, and “malasakit”.

- We conduct business with integrity and strive for “Profit with Honor” by complying with all applicable laws, rules and regulations governing the Company's businesses, in all jurisdictions where such are conducted and by delivering on the commitments that we make to our stakeholders.
- We develop mutually beneficial relationships with our Business Partners, founded on trust and respect, motivated by a shared desire to satisfy consumer needs.
- We seek to have a positive impact on the lives of our Employees, their families and the communities where we operate, and we expect individuals and companies in our business partner network to do the same.
- We develop the full potential of our Employees and Business Partners by sharing applicable knowledge, skills and best practices that will help them to meet and exceed expectations.

Note:

Employees

Employees include directors, officers, managers and staff directly hired or engaged by the Company to perform specific duties and responsibilities.

Business Partners

Business Partners include organizations and individuals who provide services, raw and packaging materials, ingredients, components, finished goods or other products to the Company.

OUR EXPECTATIONS

- We believe that what is expected in this Code is universal but cognizant of differences in culture and challenges in interpreting and applying the principles globally.
- We recognize that the methods for meeting these expectations may vary in order to be consistent with the laws, values and cultural expectations of the countries where we operate.
- The standards of conduct and values in this Code shall guide and define the actions and decisions of the Company.
- We expect all Employees to observe with zeal such values in the performance of their duties, in their relationships with fellow Employees and in all their dealings with shareholders, customers, suppliers, government and the general public.
- We expect all Business Partners to exhibit these values as a condition to their engagement, and for those existing at the time of effectivity hereof, and thereafter, to align and demonstrate compliance with the principles and standards stated in this Code at all times as a condition to their continued business relationship with the Company, as well as apply the Code to the parties with whom they work with in providing goods and services to the Company.

GUIDING PRINCIPLES

CUSTOMER FOCUS:

"Our customer is our reason for existence."

- We strive to be the customer's preferred choice.
- We listen to our customers to understand and anticipate their needs.
- Customers choose us because we provide them with products and services that exceed their expectations.

INNOVATIVENESS AND CONTINUOUS LEARNING:

"There is always a better way of doing things."

- We encourage creativity and ingenuity in our processes and systems, products and services, continuously looking for better ways to do things, always striving to be the first to deliver something better.
- We create an environment that encourages learning, not only to deliver expectations but also to grow in knowledge and abilities.

MERITOCRACY AND PASSION FOR SUCCESS:

"We are responsible for our success. What we get is commensurate to how much we put in."

- We constantly strive for excellence. We aspire to be the best we can be and create value in everything we do. We are proactive and entrepreneurial, propelled by a sense of urgency and competitiveness, with speed and precision in execution, and total dedication to results.
- We recognize and reward individuals and organizations on the basis of performance and results.

ACCOUNTABILITY FOR ACTIONS:

"With trust come great expectations. We are accountable for our actions and decisions."

- We take full responsibility for all our actions and decisions, and discharge our duties conscientiously, honestly and efficiently.
- We uphold and regard as paramount the Company's interest in the undertaking of business strategies, opportunities and endeavors, with deliberate and full evaluation and management of attendant risks and the end view of enhancing and maximizing shareholder value.
- We comply with and respect all applicable laws, rules and regulations governing the Company's businesses, in all jurisdictions where such is conducted.

INTEGRITY AND MENTAL HONESTY:

"Character and reputation will always precede us."

- We say what we mean and mean what we say.
- We conduct business in a manner which is ethical, fair and right, and in all reasonable circumstances, above reproach.
- We compete fairly and honestly. Each one of us believes in profit with honor and is committed to good governance and the highest moral standards in the performance of our duties and responsibilities.

- We ensure the integrity of our records, books and accounting, and endeavor to fully, fairly, timely and accurately report and disclose material information in accordance with applicable laws and regulations.
- We build and strengthen business relationships on the basis of merit, mutual interest, candor and fair competition, and avoid profit or gain of competitive advantage through manipulation, abuse of privileged or non-public information, concealment, misrepresentation and other illegal or unethical practices.
- We exercise utmost discretion in accepting personal favors or gifts from persons seeking or doing business with the Company, and refuse to grant personal favors, or decline any gift or benefit that may compromise the independence of the Company, create a sense of obligation on its part or potentially influence its business judgment.
- We avoid circumstances and positions that actually or potentially conflict with the interest of the Company or interfere with loyalty and objectivity in business dealings and relationships.

TEAMWORK AND OPEN COMMUNICATION:

"Everyone has his own strength and intelligence. No one has the monopoly of greatness. We can achieve more when we do things together."

- We work toward shared aspirations, transcending boundaries along functional and organizational lines with trust and respect for each other and with unity in purpose.
- We enable Employees to feel free to express opinions, voice concerns, and offer suggestions to their superiors and peers.

RESPECT FOR PEOPLE, AUTHORITY AND PROPERTY:

"We are responsible for everything that is entrusted to us."

- We recognize each other as individuals and commit to nurturing each other's individual capabilities.
- We commit to uplift the dignity of labor by encouraging each other to be the best in their fields.
- We respect and shall preserve the Company's assets and resources by ensuring that they are used efficiently and solely for legitimate business purposes, and accord the same to the assets and properties of others.
- We safeguard and maintain the confidentiality of knowledge or proprietary information on the Company's products, formulations, trade secrets, business strategies, technologies, processes and systems.

SOCIAL RESPONSIBILITY:

"We are citizens of a bigger society. We give back and take care of our community."

- We strive towards good corporate citizenship and pursue pro-active volunteerism.
- We contribute positively to the promotion of social responsibility in the community in which we live and work by supporting activities and programs geared towards community welfare and environmental protection.

HEALTH, SAFETY AND ENVIRONMENT

The Company and its Business Partners value the health and safety of human beings and the protection of the environment.

WORKER PROTECTION

We shall have programs in place to ensure the safety of our workers. Programs must include 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 safety.

We shall protect workers from undue exposure to chemical, biological and physical hazards. In case it is necessary to deal with any hazardous material, safety information relating to these must be provided to educate, train and safeguard workers.

EMERGENCY PREPAREDNESS

We shall identify, assess and prepare for potential emergency situations in the workplace and minimize their impact through prevention and readiness to implement emergency plans and response procedures. In case such an emergency occurs, we must immediately inform the proper authorities of the Company.

ENVIRONMENTAL AUTHORIZATIONS

We shall comply with all applicable environmental regulations. All required environmental permits, licenses, authorizations, registrations and clearances must be obtained and their operational and reporting requirements followed.

WASTE AND EMISSIONS

We shall have 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 must be appropriately managed, controlled and treated prior to release into the environment.

HAZARDOUS MATERIALS

We shall have 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.

MANAGEMENT SYSTEMS

The Company and its Business Partners adhere to effective and efficient management systems to meet contractual obligations, facilitate continual improvement, and uphold the image and brands of the Company at all times.

COMMITMENT AND ACCOUNTABILITY

We shall demonstrate commitment to the concepts described in this Code by allocating appropriate resources to fulfill the requirements. We express accountability by taking immediate corrective action in accordance with our contractual obligations.

BUSINESS CONTINUITY

We shall be responsible for the development and implementation of appropriate business continuity plans for operations supporting the businesses of the Company.

COMPETENCY DEVELOPMENT

We shall have training programs that would enable the appropriate level of knowledge and skills among management team and workers necessary to meet our commitments.

RISK ASSESSMENT AND MANAGEMENT

We shall have mechanisms to identify and mitigate risks in all areas of our operation that may affect our products and services.

CONTINUAL IMPROVEMENT

We shall continually improve by setting performance objectives, executing implementation plans and taking necessary corrective actions for deficiencies identified by internal and/or external assessments, inspections and management reviews.

LEGAL AND CUSTOMER REQUIREMENTS

We shall identify and comply with applicable laws, rules and regulations, and relevant customer requirements and standards, and address identified gaps in a responsible and timely fashion.

DOCUMENTATION

We shall maintain documentation necessary to demonstrate conformance with the expectations set out in this Code, as well as compliance with applicable regulations.

LABOR AND HUMAN RIGHTS

The Company and its Business Partners support and respect the internationally recognized human rights principles and practices and ensure that we are not complicit in human rights abuses.

FREELY CHOSEN EMPLOYMENT

We shall not use forced or involuntary labor.

CHILD LABOR AND YOUNG WORKERS

We shall not use child labor. Employment of young workers shall only occur in accordance with the law.

FAIR AND HUMANE WORKING ENVIRONMENT

We shall provide 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 shall not be tolerated.

Discrimination for reasons of race, age, gender, gender-orientation, ethnicity, disability, religion, political affiliation, union membership or marital status shall not be condoned.

WAGE, BENEFITS AND WORKING HOURS

We shall comply with applicable wage laws, including minimum wage, overtime hours and mandated benefits.

PRIVACY AND DATA PROTECTION

We shall respect individuals in a manner consistent with the rights to privacy and data protection. Information about people shall be used appropriately for necessary business purposes and shall be 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.

ETHICAL BUSINESS PRACTICES

The Company and its Business Partners conduct business with integrity and always in an ethical manner.

BUSINESS INTEGRITY

Any form of corruption, extortion and embezzlement shall be prohibited. We shall not offer, pay nor accept bribes or participate in other illegal inducements in business or government relationships. We shall work against corruption in all its forms.

FAIR COMPETITION

We shall conduct our business consistent with fair and vigorous competition and in compliance with applicable laws. We shall employ fair business practices including accurate and truthful advertising.

TRADE COMPLIANCE

We shall comply with all applicable import and export controls, sanctions and other trade compliance laws of the Philippines and applicable laws of country(ies) where transaction(s) occur.

PRODUCT QUALITY AND FOOD SAFETY

We, and any party involved in the supply, manufacturing, packaging, testing, storage and distribution of materials/products on behalf of the Company, shall uphold compliance with quality and food safety standards, as well as applicable recognized quality regulations, standards and practices (e.g., Quality and Food Safety Regulations, Good Manufacturing Practices, Good Laboratory Practices, etc.) that are required in the markets where our products are registered and distributed.

ANIMAL WELFARE

Animals shall be treated humanely. Efforts shall be exerted to refine procedures in order to minimize pain, stress, and distress, which shall be scientifically valid and acceptable to regulators.

ACCURACY OF BUSINESS RECORDS

All our financial books and records shall conform to generally accepted accounting principles, and shall be accurate, legible, transparent, and reflect actual accounts of events, transactions, payments and other relevant facts about the business.

PROTECTING INFORMATION

We shall protect confidential and proprietary information, including personal information collected for or from the Company.

We shall prevent information loss, misuse, theft, fraud, improper access, wrongful disclosure or alteration, including unauthorized communication and/or publication of information acquired from or on behalf of the Company.

We shall make sure that any unauthorized use, disclosure or loss of the Company's confidential or proprietary information is reported immediately to concerned authorities of the Company.

INTELLECTUAL PROPERTY

We shall respect intellectual property rights. The use of Company trademarks, copyrights, industrial designs, patents and other intellectual property rights, and the transfer of technology and know-how, shall be done in a manner that strengthens the equity and protects intellectual property rights of the registered owners thereof, to maximize value and drive growth and innovation of our products and services.

CONFLICT OF INTEREST

Employees and Business Partners have a duty to act in the best interests of the Company and shall avoid any action which may involve, or may appear to involve a conflict of interest with the Company.

Employees, while employed with the Company, shall:

- Not seek employment or be engaged in outside business activities when such employment or activities prevent employees from fully performing work, including overtime assignments for which they are employed, unless otherwise agreed by prior consent.
- Not act as members of boards of directors of companies with conflicts of interest or participate in competitive business activities.
- Not have any financial or other business relationship with suppliers, customers or competitors that might impair, or even appear to impair the independence of any judgment they may need to make in the best interests of the Company.

Business Partners shall:

- Avoid any interaction with any Employee or competitor that might conflict, or appear to conflict with that Employee or Business Partner acting in the best interests of the Company.

In the event that the personal interests of an Employee or a Business Partner appear to conflict with the interests of the Company, proper disclosure by such Employee and/or Business Partner shall be made in order for the appropriate authorities to resolve the conflict.

GIFTS, MEALS, ENTERTAINMENT

We shall not solicit nor accept gifts in any situation that may influence, or appear to influence decisions in relation to Business Partners.

Modest gifts, meals or entertainment may be accepted provided they are consistent with San Miguel Corporation's policy on Solicitation and Acceptance of Gifts.

RAISING CONCERNS

We encourage everyone to report concerns or questionable activities of Employees and Business Partners without fear of reprisal, intimidation or harassment.

The Company will not tolerate any retaliation in any form against anyone who, in good faith, raises a concern or reports a possible legal or ethical violation of this Code. We will investigate and take corrective actions if needed.

Employees and Business Partners (including their employees and stakeholders) who believe that an Employee, or anyone acting on behalf of the Company, has engaged in improper conduct must report the matter promptly to the Compliance Committee of the Company, using the following resources:

Website	http://www.sanmiguelfoods.com/page/concerns
Email	ebay@sanmiquel.com.ph
Phone /Mobile	Office: +63 2 5317-5914 Mobile: +63 917 832-7200

The above link sets out the procedure in reporting concerns, consistent with the other policies and procedures implemented by the Company, as applicable.

The Committee will sort and direct the concerns it receives to the proper channels for necessary action, and shall oversee their resolution.

The Head of the Compliance Committee, if not the Compliance Officer of the Company, shall coordinate at all times with the Compliance Officer, to ensure the observance of the Code and implementation of all relevant policies, including the imposition of all appropriate penalties under such policies, if any, in case of violation.

The Code and the Committee shall not be used for taking up personal grievances.

This Code shall be effective as of August 8, 2013.