

ENTERPRISE RISK MANAGEMENT

The Company's Enterprise Risk Management system begins with a comprehensive analysis of items that will have the biggest impact and highest probability. For each, action plans are prepared outlining what to do and who to do it, if and when such risks occur. Preparations emanate from the Business Operating Units, with control and audit functions delegated to Senior Management and the Audit Committee of the Board of Directors.

The Company's success depends largely upon consumers' perception of the quality of its products. The Company has policies and procedures to ensure that customers' welfare are protected and questions are addressed. It invests in quality control systems and procedures that span the entire supply chain to ensure product safety.

The Company's activities also expose it to a variety of financial risks. The Company's overall risk management seeks to minimize potential adverse effects on the financial performance of the Company.

The Company engages in a periodic review of its risk management policies and procedures.

COMPANY'S POLICIES

Whistle-Blowing Policy

The company is committed to integrity and ethical behavior. It aims to foster and maintain an environment where employees can act appropriately, without fear of retaliation. Employees are strongly encouraged to discuss with supervisors, managers or other appropriate personnel, when in doubt, about the best and ethical course of action in a particular situation. Furthermore, an employee cannot be compelled by a supervisor or a company official to violate any law or the company's policies, rules and regulations.

In the interest of the company, employees who have knowledge of specific acts, which he or she reasonably believes violate the rules and regulations, must disclose those acts to the Corporate HR Director. Acts of wrongdoing may be disclosed in writing, through telephone, email or text messages and/or in person.

The Corporate HR Director / Ethics Hotline is: **(632) 633-8555 local 262**

or email to: **cpgethics@centurypacific.com.ph**

Conflict of Interest Policy

All employees should avoid situations that present a potential conflict between their interests and the interests of the company. Any activity that may give the appearance of conflict of interest should be avoided at all times.

All employees are to exercise sound judgment guided by honesty and integrity in all matters affecting the company. They are expected to promote only actions consistent with the company's Code of Business Standards and Ethics.

Insider Trading Policy

Employees of the company are expected to promote primarily the best interest of its stakeholders and ensure that no person is disadvantaged by lack of access to material information.

As a component of the company's Corporate Governance program, the company restricts the purchase and sale of the company's securities by covered persons during the blackout periods.

The Office of the Compliance Officer shall be responsible to oversee and enforce the policy and report the required disclosures.

Related Third Party Transactions Policy

It is the policy of the company to ensure fairness and transparency in related party transactions (RPTs) between the corporation and its parent company, joint ventures, subsidiaries, associate, affiliates, major stockholders, principal officers and directors, including their spouses, children, and dependent siblings and parents and of interlocking director relationships by members of the Board.

The terms and conditions of all RPTs must be equivalent to those that prevail in arm's length transactions and shall be subject to appropriate corporate approvals and actions of the corporation and of related parties, with the best interest of the company in mind. The Audit Committee shall be responsible to oversee and review the propriety of RPTs and their required reporting disclosures.

Policy on Health, Safety and Welfare of Employees

It is the company's policy to furnish each employee a place of employment free from hazardous conditions causing or likely to cause death or serious physical harm through

safe and healthful working conditions and in compliance with the requirements of the *Occupational Safety and Health Standards (OSHS)* as mandated by the government through the Department of Labor and Employment (DOLE).

There shall be a Health and Safety Committee in every CNPF and in its subsidiaries and affiliates' place of employment. The principal duties of the Health and Safety Committee are:

- (1) Plans and develops accident prevention program.
- (2) Inspect workplace to detect unsafe conditions.
- (3) Review Inspection Reports, results of accident investigations and implementation of accident prevention programs.
- (4) Conducts safety meetings at least once a month.
- (5) Submit reports to the Manager on its meetings and activities.
- (6) Provides necessary assistance to government inspecting authorities.
- (7) Train employees in safe work habits and procedures by providing safety lectures or trainings.
- (8) Develop and maintain a Disaster Contingency Plan and organizes the Emergency Response Team (ERT) to handle various crises such as Fire, Earthquake, Flood, Typhoon, Bomb Threat, Civil Disturbance and other manmade and natural disasters.

Employee Training and Development Policy

It is the policy of the company to carry out continuous training and development programs for all its regular employees. Employees may avail of both in-house training programs and external programs to build competencies in order to ensure maximum efficiency in the performance of functions, duties, and responsibilities and to support business needs. The programs also seek to ensure the career growth and advancement of employees.