

# RISK MANAGEMENT

## RISK MANAGEMENT FRAMEWORK

The Del Monte Pacific Group (DMPL) has an established enterprise-wide risk management framework that sets out the governance structure to proactively manage risks, including financial, operational, information technology, compliance and sustainability risks in all levels of the organization, and mitigate the potential impact on people, the environment, corporate governance and performance.

The framework provides the following considerations for the Board with respect to its risk oversight responsibilities: strategy and goal setting, performance and value creation, governance and policies, culture and practices, communication and reporting.

## RISK MANAGEMENT APPROACH

The Board, with the assistance of the Audit and Risk Committee (ARC), is responsible for the risk governance of the Group. The Board reviews the adequacy and effectiveness of the Group's risk management and internal controls system to safeguard shareholders' interests and the Group's assets. Internal controls are discussed under Principle 9, while the terms of reference of the ARC are outlined under Principle 10 of the Corporate Governance section of the Annual Report.

The Board reviews the principal risks as well as emerging risks. Based on their potential impact and probability, the top risks are mapped and categorized as critical, urgent or pre-emptive and are reviewed accordingly. The assessment of risks includes actions taken to date and further steps to mitigate the risks based on objectives, goals, strategies and measures, management concerned, timeline, an estimate of the potential impact, and an evaluation of whether the risks are rising or declining.

Risk assessment and mitigation are aligned with strategy and form an

integral part of the annual planning and budgeting process. Risks are identified and managed to reduce the uncertainty associated with executing business strategies and to maximize opportunities that may arise. The Board believes that risk management provides the framework for management to assess risk and embrace a mindset of mitigation and resilience.

## RISK MANAGEMENT AND INTERNAL CONTROLS

The Group maintains an effective system of risk management and internal controls addressing financial, operational, compliance and information technology (IT) controls, and risk management policies and systems established by Management. These controls are designed to provide reasonable assurance as to the adequacy, effectiveness and efficiency of operations, reliability of financial reporting, and compliance with applicable laws and regulations.

The adequacy and effectiveness of these controls are subject to a periodic review by the Group's Internal Audit department and monitored by the ARC. In addition, the Group's external auditors also review the effectiveness of the Group's key internal controls as part of their audit for the year with respect to financial reporting. Significant non-compliance in internal controls, if any, together with recommendations for improvement, is reported to the ARC. A copy of this report is also issued to the relevant department for follow-up action.

## FINANCIAL AUTHORITY LIMITS

The Board has adopted a set of internal guidelines specifying matters requiring Board approval. These include approval of annual budgets and major investment proposals. Management is also given clear directions on matters, including set thresholds for certain operational matters relating to subsidiaries that require the Board's

approval. Certain material corporate actions or material transactions that require the Board's approval include major transactions and investments exceeding certain thresholds and capital expenditure exceeding certain material limits, among others.

## CODE OF BUSINESS ETHICS

Del Monte Pacific Limited has a Code of Business Ethics in place which sets out the principles and policies upon which businesses are conducted. It asks that the Group conduct its businesses in a manner which, in all reasonable circumstances, is above reproach. In line with this, the Company expects from all officers and employees the highest standards of business and personal ethics. Company employees must act with the utmost fairness and according to the highest moral principles when dealing with the Company's stakeholders – co-employees, customers, suppliers, shareholders, the government and surrounding communities. Employees are asked not to engage in activities that could conflict with those of the Company and have to answer a Conflict of Interest questionnaire annually. The Company abhors any form of corruption and bribery by its employees and suppliers. The policy is available on DMPL's website. (<https://www.delmontepacific.com/corporate-governance/code-of-business-ethics>)

The Group has a Human Rights Policy which embodies the responsibility of business to respect human rights in all aspects of its operations. DMPL expects its employees, suppliers and contractors to adhere to the same human rights principles. The Group does not tolerate human rights abuses and violations and shall enforce this zero tolerance policy for any human rights violations that its operations might come across. Del Monte recognizes an opportunity to promote human rights in the various areas where

it makes positive contributions to society. The Group respects the legitimate role of civil society organizations and human rights defenders in promoting rights, and in working with businesses to prevent and mitigate human rights abuses.

**WHISTLEBLOWER POLICY**

The Company has a suitable framework for whistleblowing that allows employees to freely communicate their concerns about illegal or unethical practices without fear of retaliation or reprisal and has designated the ARC to oversee whistleblowing reports that are investigated by Internal Audit and other relevant departments. A Whistleblower Policy has been in place since 2004 to promote the highest standards of business and personal ethics in the conduct of the Group’s affairs. As representatives of the Group, officers and employees must uphold honesty and integrity, and strictly comply with all applicable laws, rules and regulations.

The said policy, with respect to which the ARC is responsible for oversight and monitoring, aims to deter and uncover corrupt, illegal, unethical, fraudulent practices or other conduct detrimental to the interest of the Group committed by officers and employees, as well as third parties, such as, but not limited to, suppliers and contractors. The Group encourages its officers, employees, suppliers and contractors to provide information about unsafe, unlawful, unethical, fraudulent or wasteful practices. The ARC and the officers who administer the policy do not disregard anonymous complaints.

This policy enables the Group to effectively deal with reports from whistleblowers in a manner that will protect the identity of the whistleblower and provide for the appropriate use of the

information provided. It also establishes policies for protecting whistleblowers against reprisal by any person internal or external to the Company, and provides for the appropriate infrastructure, including the appointment of a Whistleblower Protection Officer and a Whistleblower Investigations Officer, as well as alternative means of reporting.

The Board, together with the ARC Chairman, has appointed the Group CFO as the Protection Officer and the Head of Internal Audit as the Investigations Officer to administer the Company’s Whistleblower program.

For more information, please refer to the Corporate Governance section Principle 10 of this report.

**RISK APPETITE**

The risk appetite framework ensures that the Group’s risk profile remains within tolerable boundaries as it maximizes opportunities. The risk appetite sets out the nature and extent of risks the Group is willing to take and capable to manage as it seeks to achieve its strategic and business objectives.

- The Group is committed to delivering value to our shareholders through sustainable growth

- Markets where it has brand ownership and competitive advantage are the main focus of expansion
- Innovation initiatives and new investments are in line with the Group’s vision and strategic objectives
- Due diligence is undertaken for new investments to prevent potential losses that may have a significant impact
- Market, operational and technological risks are minimized
- Actions that may negatively affect reputation and brand image are avoided
- Compliance with laws and regulations, including those with respect to health and safety of people, the environment and good corporate governance, is a core principle
- Shareholder value creation is pursued while financial prudence is exercised

The risk appetite framework recognizes the importance of balancing risks and rewards to achieve the optimal level of risk that the Group can tolerate in its pursuit of its strategic, business and sustainability objectives.

The following are the principal risks and mitigation measures of the Group.

IMPACT	PROBABILITY			
		Low	Medium	High
	High	Urgent	Critical	Critical
	Medium	Pre-emptive	Urgent	Critical
	Low	Pre-emptive	Pre-emptive	Urgent

# RISK MANAGEMENT

Principal Risk	Specific Risk We Face	Mitigation
<b>Cost Increases and Inflationary Pressures</b>	Del Monte Pacific Group's subsidiaries have experienced cost increases in raw materials, packaging and other inputs, including tin plate, raw produce, fuel and labor. Geo-political conflict, inflation, and supply chain challenges put pressure on the company's margins and working capital.	<ul style="list-style-type: none"> <li>• Cost reduction initiatives, productivity improvements and price adjustment</li> <li>• Socialize inflationary cost increases with customers and private labels to mitigate the risk on price actions to address inflation</li> <li>• Expand plant direct shipment to minimize freight cost and explore giving incentives for customers who can pick-up their orders</li> <li>• Expand the global sourcing strategy</li> <li>• Collaborate value engineering initiatives with cross-functional teams</li> <li>• Renegotiate supplier contracts, vendor bidding and contracts by collaborating with a cross functional team and prioritize strategic sourcing</li> <li>• Rationalize trade spending where gross margins are not in accordance with strategy</li> <li>• Reduce conversion cost year-on-year</li> <li>• Optimize packaging base weight</li> <li>• Minimize increases in overhead spending</li> </ul>
<b>Leverage and Liquidity</b>	<p>The Group has availed loan facilities, resulting in a leveraged balance sheet.</p> <p>Risks arise if the Group is unable to service its interest and principal obligations in full and on time affecting its liquidity. This will also impact the Group's performance, cash flow and may breach the financial covenants set under the relevant loan facility.</p>	<ul style="list-style-type: none"> <li>• Improve cash flows through the following: <ul style="list-style-type: none"> <li>› Improve working capital by reducing inventory</li> <li>› Monitor sales and selling, production levels, productivity enhancements and operational efficiencies</li> <li>› Move out of over-packed and surplus items</li> <li>› Generate more cash flow</li> <li>› Conduct monthly working capital and cash flow review / forecast</li> <li>› Pay down debt</li> </ul> </li> <li>• Work with agent bank to increase the amount available to borrow under the Asset-Based Line of credit</li> <li>• Raise capital to repay debt</li> </ul>
<b>Supply Chain Optimization and Excellence</b>	<p>The Group entered into supply agreements with third-party co-manufacturers which are subject to a number of regulations.</p> <p>Unanticipated and unbudgeted cost increases on material, labor factory overheads, transportation, raw produce and tin plate cost exacerbate the risks.</p> <p>Lower cost may not be realized due to organization culture, resources and capabilities of co-manufacturers.</p>	<ul style="list-style-type: none"> <li>• Put in place new plant management with strong leadership and transformation skills in most locations</li> <li>• Implement a robust transformation program that instills ownership and accountability across the supply chain and support function to deliver the plans</li> <li>• Standardize and simplify processes and procedures where appropriate, and embed new processes and procedures to control supply and costs</li> <li>• Seek strategic partnerships with co-manufacturers to maximize production, introduce new capabilities, increase speed to market and find less seasonal options</li> <li>• Improve planning, forecasting and communication with Demand Planning and Sales to ensure products are at the distribution centers to meet customer demand</li> <li>• Address gaps during consolidation of production facilities and distribution centers</li> <li>• Optimize transportation rates through third parties</li> <li>• Maximize rail transportation to realize savings</li> <li>• Improve transportation planning and cross functional interaction between departments to optimize ocean freight</li> <li>• Monitor line losses, bill of material variances, and recovery yields</li> <li>• Conduct regular contract review to seek cost saving opportunities and assess creative ways to ensure labor availability during the pack season</li> <li>• Improve coordination and align deployment plans</li> <li>• Put in place a process with clear performance expectations and targets, and benchmarking per plant</li> </ul>

Principal Risk	Specific Risk We Face	Mitigation
<b>Cybersecurity and Optimization of Systems and Automation</b>	<p>Cyberattacks can disrupt operations by exploiting weaknesses in network devices and servers, corrupting information and stealing confidential data which can lead to financial losses, among others.</p> <p>New systems and systems enhancements are complex and resource intensive. Inability to realize return on investment on these new systems and system enhancements, security upgrades and management processes may hamper the Group's digitization and transformation.</p>	<ul style="list-style-type: none"> <li>• Address and monitor malicious activities identified by tools and routines that have been deployed by a dedicated Security Incident Monitoring and Operations Group</li> <li>• Provide alerts from applications and network hardware and put in place cadence and tools for security information and event monitoring</li> <li>• Conduct regular security patching for Windows, servers and computers</li> <li>• Put in place an incident response plan and team</li> <li>• Build and stabilize a high performance Information Technology organization and assess systems, processes, risks, and develop people resources</li> <li>• Initiate an IT Steering Committee to provide oversight</li> <li>• Implement weekly working sessions with business partner to improve coordination</li> <li>• Establish IT Governance to rationalize and prioritize systems enhancements and project demand funnel to focus on business value, protect the overall IT environment, and simplify and harmonize business processes</li> <li>• Implement digitization and transformation Initiatives and priorities: warehouse management system, sales and promotion planning, supply and demand planning, materials resource planning, procurement processes, raw produce and growers payables, supply chain metrics, and cybersecurity, among others</li> </ul>
<b>Efficient and Effective Processes</b>	<p>Efficient and effective processes ensure the Group makes sound business decisions, overcomes challenges and disruptions and sustains its growth and profitability.</p> <p>Certain processes are not reviewed and may be inconsistent and/or not optimized.</p>	<ul style="list-style-type: none"> <li>• Effective leaders were put in place in Sales, Operations, Information Technology, Supply Chain, Finance and plant management to drive results and improvements</li> <li>• Implement a more rigorous review process along with performance rating alignment to incentivize and reward results</li> <li>• Include cost reduction and improvement initiatives in employees' key objectives</li> <li>• Fix the basics, enhance process improvements and include functional goals in several departments</li> <li>• Adjust work flows to address changes in the organization</li> <li>• Use Information Technology and ERP functionality to drive process improvements</li> <li>• Reduce variations through a revised packaging strategy and assessment to eliminate complexity and waste</li> <li>• Update policies and responsibility assignment matrix</li> </ul>
<b>Product Supply</b>	<p>Insufficient product inventory to meet consumer demand may affect the Group's revenue and profitability.</p> <p>Permanent loss of shelf space and non-acceptance of new products are possible consequences.</p> <p>Adverse weather conditions and competing crops could limit raw product supply and increase prices.</p> <p>Pineapple tonnage brought about by climate change, pests and plant disease may affect our ability to meet our targets.</p>	<ul style="list-style-type: none"> <li>• Improve long run demand and supply planning capability</li> <li>• Improve weeks of supply to targeted levels</li> <li>• Supplement fresh pack supplies of certain vegetables with Individually Quick Frozen (IQF)</li> <li>• Develop alternate raw product sourcing and implement a global sourcing strategy</li> <li>• Extend the growing season to improve plant capacity and utilization</li> <li>• Identify alert pineapple fields</li> <li>• Intensify soil conservation measures</li> <li>• Sustain better root health thru Integrated Pest Management (IPM) Program</li> <li>• Install grub traps and fast-track alternative safe chemicals to control pest and disease</li> <li>• Implement plans to mitigate climate change and weather disturbances such as El Niño and La Niña</li> </ul>

# RISK MANAGEMENT

Principal Risk	Specific Risk We Face	Mitigation
<b>Evolving Market Trends and Parameters of Commercial Excellence</b>	<p>The Group's results depend highly on the performance of our products in the categories where we compete. Inability to meet the plan may result to impairment of goodwill and the Group's ability to fund operations, manage obligations, and maintain its reputation.</p> <p>Volume loss due to price increases, reduced promotional and marketing activities, category growth assumptions, acceptance of new products, private labels, customer service and program execution are market challenges the Group needs to hurdle to deliver the objectives.</p> <p>Consumer preferences and purchasing habits have evolved after the pandemic. Dining trends are shifting to fresh, convenient products away from the center of store. Consumers have strong preference to healthy, nutritious and sustainably grown or produced products, especially the younger generation.</p> <p>E-commerce continues to grow even after the COVID-19 pandemic.</p>	<ul style="list-style-type: none"> <li>• Monitor and manage price gaps by tracking competitive price points</li> <li>• Implement SKU rationalization through brand recognition and quality to improve profitability and increase market share</li> <li>• Limit private labels to select strategic customers only in areas of excess capacity</li> <li>• Establish new capabilities to expand the Group's presence in growing channels such as e-commerce through online retail sites and convenience stores</li> <li>• Enhance relevance of existing portfolio and brands through consumer communication and marketing strategy</li> <li>• Increase trade funding to reinstate price gaps</li> <li>• Pursue profitable high margin bids</li> <li>• Enhance sales processes to improve forecasting and a new profit mindset to increase gross margin</li> <li>• Improve new products forecast accuracy from added knowledge from customers, velocities and marketing support needed</li> <li>• Monitor market trends and vaccine distribution leading to reopening of schools, offices and food service businesses</li> <li>• Implement a quarterly customer business review with executive management to address challenges</li> <li>• Identify categories and products that perform well</li> <li>• Minimize customer service issues</li> <li>• Drive distribution in new channels</li> </ul>
<b>Workforce Management</b> – Pack Planning – Employee Turnover	<p>In the U.S., seasonal labor is scarce and the minimum wage is high, especially in certain states. Capabilities and skills need to be sustainable. Wages including overtime and training cost increases need to be addressed.</p> <p>While there is an increase in the number of workers re-entering the workforce, challenges abound in keeping seasonal employees and work on the scheduled pack season.</p> <p>In some plants, the high turnover rate impacts the facility's ability to fully staff the operations especially during peak seasons.</p>	<ul style="list-style-type: none"> <li>• Provide standardized pack season incentives and help share recruiting resources</li> <li>• Implement seasonal labor wage increase and close the wage gap between certain facilities</li> <li>• Use of technology as part of pre-pack planning by sending out communication to engage with recall candidates and inform them of upcoming recall events</li> <li>• Explore housing options for seasonal employees instead of providing hotel rooms and monthly stipend</li> <li>• Collaborate with Talent Acquisition in holding recall events through various job fairs</li> <li>• Use of technology solution for a wider reach of candidates in addition to the in-house teams</li> <li>• Redesign the onboarding experience for seasonal employees</li> <li>• Put in place a retention strategy to address employee experience and create a Great Place to Work culture</li> <li>• Provide a structured training program</li> <li>• Automate packaging process, reallocate headcount to another production process to optimize productivity</li> <li>• Modify the production plan and use the demand to ensure productive continuity of the manufacturing facilities and ensure work is available all year round</li> </ul>

Principal Risk	Specific Risk We Face	Mitigation
<b>Recruitment and Retention of Talent</b>	<p>The Group's capability to recruit and retain diverse talents has an impact on the execution of the strategic plan and is critical in enhancing organization's success.</p> <p>Employees' demand for flexible work arrangements and work-life balance are key considerations especially with the Gen Z's.</p> <p>Organizational changes can cause employee fatigue, increase workload and job uncertainty.</p>	<ul style="list-style-type: none"> <li>Recruit and retain talents who can execute corporate strategies: <ul style="list-style-type: none"> <li>Continue to pull the New Employee Value Proposition through all internal and external channels</li> <li>Rebrand Careers Website as well as Talent Network to generate candidate pipelines</li> <li>Reduce usage of external recruitment search partners and agencies</li> <li>Enforce and monitor measurable functional goals</li> </ul> </li> <li>Continue the positive momentum on corporate inclusion and diversity <ul style="list-style-type: none"> <li>Increase frequency of Diversity, Equity and Inclusion events and recognitions through the employee resource groups</li> <li>Execute current Great Place to Work action plans, launch a new survey, communicate results and update action plans</li> <li>Create awareness, and improve work culture and retention</li> <li>Increase focus on recognition platforms</li> <li>Showcase employee resource groups in the careers website to encourage diverse candidates to apply</li> <li>Strengthen relationships to broadcast job openings to diversity groups and diversity job boards</li> <li>Launch the alumni page to encourage boomerang employees and promote an inclusive culture</li> <li>Maintain 100 score and ranking as a "Best Place to Work for LGBTQ+" in Human Rights Foundation's Corporate Equality Index</li> </ul> </li> <li>Manage the effects of the Great Resignation and gig economy impact <ul style="list-style-type: none"> <li>Register as an employer in additional states to find the right talent</li> <li>Consider Gen Z's preference for flexible work arrangements and work-life balance consideration</li> </ul> </li> </ul>
<b>Third Party Risks</b>	<p>The Group has strategic relationships with a number of key third parties, including certain large suppliers and trade customers, among others. The frequency and scale of use and sale by the company raises regulatory expectations as to how organizations manage third party risks.</p> <p>These third parties include packaging suppliers, co-manufacturers and co-packers, global sourcing partners, accounting and IT partners and outsourced transportation.</p> <p>The Group may not have the tools, guidance and time to effectively manage and monitor third-party risks. Ongoing monitoring, risk assessment and communication may not be effective to elevate third-party risks to the leadership.</p>	<ul style="list-style-type: none"> <li>Ensure secondary or back-up suppliers are in place or pursued where business continuity or relationship risks have a material impact to the Group</li> <li>Negotiate a win-win approach for long-term relationship</li> <li>Conduct regular contract review for opportunities to save on cost</li> <li>Perform a risk assessment of key strategic partners and communicate the risks and action plans</li> <li>Implement a robust due diligence process for new or significant third parties</li> <li>Consider a third party due diligence vendor for broader and deeper due diligence process</li> <li>Conduct quarterly business reviews with clear key performance indicators addressing our priorities</li> <li>Implement regular benchmarking to measure competitiveness</li> </ul>



# RISK MANAGEMENT

Principal Risk	Specific Risk We Face	Mitigation
<b>Operations</b>	As an integrated producer of packaged, frozen and fresh fruit products for the world market, the Group's earnings are inevitably subject to certain other risk factors, which include general economic, market and business conditions, change in business strategy or development plans, international business operations, production efficiencies, input costs and availability, disruption of logistics and transportation facilities, obsolescence, litigious counterparties, insurgent activities, virulent disease, and changes in government regulations, including environmental regulations.	<ul style="list-style-type: none"> <li>• Execute a long-term strategic plan and Annual Operating Plan with clear targets and accountabilities, supported by a BCP, risk management and a corporate sustainability program</li> <li>• Enhance relevance of existing products across key brands and segments through marketing strategy and consumer communication</li> <li>• Implement price adjustments to cover cost inflation</li> <li>• Rationalize low margin products</li> <li>• Optimize packing operations, procurement, logistics and transportation cost</li> <li>• Pursue productivity-enhancing and efficiency-generating work practices and capital projects</li> <li>• Continue to comply with new legislations on the environment, taxation and labor that affect operations and proactively develop strategies to reduce the impact of these regulations</li> <li>• Manage security risks in operating units by strengthening security measures and improving stakeholder relations in local communities</li> </ul>
<b>Environmental Risks</b>	<p>Production output is subject to certain risk factors relating to weather conditions, calamities, crop yields, crop diseases, contract growers and service providers' performance, leasehold arrangements and changes in regulations.</p> <p>There is no assurance that climate change and/or weather disturbances will not materially disrupt the Group's business operations in the future or that the Group is fully capable to deal with these situations with respect to all the damages and economic losses resulting from these risks.</p> <p>New regulations in packaging format, recyclability of materials or packaging taxes may increase product cost.</p>	<ul style="list-style-type: none"> <li>• The Group develops and executes a long-term strategic plan and Annual Operating Plan, supported by risk mitigation measures</li> <li>• The Group also has disaster recovery plans and a Business Continuity Plan in place</li> <li>• The Group has Good Agricultural Practices and Rainforest Alliance certification, and complies with agricultural standards</li> <li>• Develop initiatives to mitigate climate change, weather disturbances and changing weather patterns</li> <li>• Implement carbon emissions reduction strategies and projects <ul style="list-style-type: none"> <li>› Increase renewable energy projects by implementing solar power</li> <li>› Conduct soil conservation initiatives</li> <li>› Adopt regenerative, and sustainable farming and manufacturing practices</li> <li>› Harness technology to increase farm yields, productivity and safety</li> <li>› Reduce practices that could adversely affect the environment and biodiversity</li> </ul> </li> <li>• Develop a strategic plan to address possible changes in regulations on sustainable packaging</li> <li>• Implement phase-out program for hazardous materials through replacement with alternative sustainable materials</li> <li>• Conduct safety training drills and chemical handling training which covers earthquake, firefighting, evacuation, medical response and chemical response drills</li> <li>• Work with insurance brokers to assess the risk exposure and secure adequate insurance coverage, if cost effective</li> </ul>
<b>Innovation Challenges</b>	<p>The Group's branded business in the US, the Philippines and the Indian subcontinent through Del Monte and other brands, and in Asia and the Middle East through the S&amp;W brand, is affected by evolving consumer preferences and trends.</p> <p>Product innovation is one of the Group's strategic pillars. The success of new product launches is a major driver to achieve the Group's strategic plan.</p>	<ul style="list-style-type: none"> <li>• Develop new products that capitalize on category trends, especially health and wellness, and generate sales</li> <li>• Ensure new product launches and platform criteria are met to improve likelihood of new product success and breakthrough by implementing the following measures: <ul style="list-style-type: none"> <li>› Shift to branded, value-added and packaged products and limit private label business</li> <li>› Leverage brand heritage for growth and position new products that address consumer needs and preferences</li> <li>› Fast track innovation projects that have oversight from the Executive Leadership Team</li> <li>› Prioritize effective execution and project management to improve margins, profitability and cash flow</li> </ul> </li> </ul>

Principal Risk	Specific Risk We Face	Mitigation
Occupational Health and Safety	Lost work days due to accidents in the workplace can have a huge impact on the business. DMPL may experience loss of productivity, reduction of sales, low staff morale and loss of reputation.	<ul style="list-style-type: none"> <li>• Comply with the Department of Labor and Employment regulation on Occupational Health and Safety of employees by promoting health and safety programs to prevent accidents in the workplace <ul style="list-style-type: none"> <li>› Monitor recordable injuries, work-related illnesses, high-consequence injuries, and fatalities especially those who are considered as high risks</li> <li>› Conduct safety training to all workers and ensure safety officers are on site to monitor any incidence of unsafe acts or unsafe conditions in the workplace</li> <li>› Comply with government regulation on setting-up a properly equipped medical clinic based on the number of employees in a facility</li> <li>› Procure the services of a third-party nurse and/or doctor who can provide first-aid and attend to employees' medical emergencies and condition</li> <li>› Provide first aid training to key personnel</li> </ul> </li> <li>• Implement safeguards and protocols to minimize operational disruption, due to infectious diseases while adhering to government regulations on health and safety: <ul style="list-style-type: none"> <li>› Implement guidelines of global and national health agencies, including the Department of Health (DOH) and Department of Labor and Employment (DOLE) to protect our employees</li> <li>› Mandate annual physical examination for all employees</li> <li>› Partner with third party medical providers to conduct health examinations and monitor employee health</li> <li>› Monitor new and emerging infectious disease and its health risks</li> <li>› In case of medical outbreaks, implement various health and safety protocols as required by the DOH and/or the DOLE</li> <li>› Provide hybrid work arrangement and technology support for employees to have continuous access to the ERP network, videoconferencing facilities, online applications, emails and files</li> </ul> </li> <li>• Promote health, wellness and nutrition to employees to provide added health protection, increase resistance and immunity when medical outbreaks occur <ul style="list-style-type: none"> <li>› Conduct learning sessions and training programs for employees to attain a healthy lifestyle</li> <li>› Encourage consumption of a healthy and nutritious diet</li> </ul> </li> </ul>
	The effects of medical outbreaks of infectious diseases, such as the coronavirus, could affect business and results of operations. The Group may experience volatility in demand for and supply of our products due to supply chain challenges, lockdown restrictions, closing of businesses and unemployment, among others.	
	Accidents and infectious diseases pose a risk to our employees' health and well-being and may reduce employee productivity due to lost work days, illness and government restrictions.	