



people

URC is committed to enhancing the lives of the people in our workplace and in our communities. We support employee welfare by ensuring workplace safety and providing continuous training, as well as by conducting regular performance conversation and career development programs. We develop our local communities by determining their social needs first, before we implement any program. We also assess the impacts of our projects to make certain that we are able to truly make people's lives better. At URC, we believe that putting people first will be the key to our purposeful transformation.

**pg. 70 A Farmer's Partner
in Progress**

We treat our suppliers as our partners. This ensures that, as we grow together, we also bring up the economy in the process.

**pg. 72 Boosting Employee
Learning and
Development**

We are a learning company, ensuring that skills and knowledge are cascaded from our most experienced managers to our newest hires.

**pg. 74 Changing Lives
through Education
and Rehabilitation**

We will extend a hand to those who need our help, here and abroad. In our experience, a little kindness could make one person's life a whole lot better.

OUR EMPLOYEES

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We value our employees. Given the labor-intensive and demanding nature of our domestic and international operations, we find ways to ensure a safe, efficient, and engaging work environment for our employees. We take care of our people where it matters, focusing on training, career development, and workplace health and safety. URC also strives to maintain harmonious labor-management relations by upholding our employees' right to organize and associate freely. By building up our people where it matters, we empower them to lead our strategic shift to becoming a more sustainable company.

TRAINING & DEVELOPMENT

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URC retains and empowers its talent pool by providing our employees relevant training and education to further develop their technical and management skills.

We continuously strive to build a performance-driven organization with highly skilled and engaged employees. Dynamism and the passion to win define our entrepreneurial culture, which builds organizational capability in a proactive manner, driven by a collective sense of urgency and purpose.

URC's training policy cuts across all business units of the enterprise, which includes our international businesses and joint ventures. This policy is supported and managed by the Human Resources Group, which has the main responsibility for all items related to employee training and education.

Effective training and education is crucial as it will equip our employees with the right knowledge, skills, and attitudes to perform excellently. We build our company culture in line with the JG Summit Values and Leadership Attributes, and maintain a talent pipeline that prepares our people for continued success in the company.

We have developed different programs to upgrade the skills and competencies of our employees based on three key areas: technical expertise, leadership, and soft skills. As a leading food and beverage manufacturer in the region, URC needs to develop employees who not only have technical expertise, but also have the leadership and social skills to best represent the company wherever they may be assigned or deployed.

As part of the JG Summit family, URC employees also train under the John Gokongwei Institute for Leadership and Enterprise Development (JG-ILED), JG Summit's leadership platform for systemic and sustained career development programs. Established in 2005, JG-ILED is spurred

...every employee should have at least 32 to 40 hours of training per year, on average.

by the vision of our founder, John Gokongwei Jr., to demonstrate unwavering commitment to continued learning, organizational growth, and career development. Its mission is to enable the organization to facilitate the learning and development of all its employees through customized training and development programs.

JG-ILED continues to develop different training programs anchored on six crucial JG Summit leadership attributes, namely: competent, team player, entrepreneurial, innovative, passionate, and strategic. The programs of JG-ILED are crafted to help employees effectively manage themselves (personal leadership), manage teams (motivational leadership), and contribute significantly to the organization (strategic leadership).

JG-ILED has two types of programs: core programs, and management development programs. Core programs are basic programs under the JG-ILED curriculum designed to equip employees with a basic understanding of the standard ways of working in JG Summit.

Management development programs, on the other hand, are training programs designed to strengthen the leadership skills, functional competencies, and business acumen of all JG Summit employees.

Training is provided by JG-ILED certified facilitators, sometimes in partnership with organizations such as Kepner-Tregoe, through the Manila Execon Group, Inc., and the Asian Institute of Management (AIM).

All things considered, every employee should have at least 32 to 40 hours of training per year, on average.

URC is also part of JG Summit's Management Traineeship (MT) Program, which traces its roots to JG Summit's Junior Management Traineeship (JMT) Program. Today, the MT Program is the conglomerate's talent pipelining strategy to ensure that we have a steady stream of talents trained for supervisory and managerial positions.



**JOHN GOKONGWEI
INSTITUTE FOR
LEADERSHIP
AND ENTERPRISE
DEVELOPMENT
(JG-ILED)**

404-2

CORE PROGRAMS

- Achieving Customer Service Excellence
- Basic Management Program
- Effective Business Communication Program
- Problem Solving and Decision-Making
- Employee Discipline Program
- Professional Image and Demeanor
- My First 100 Days as a JG Summit Leader

MANAGEMENT DEVELOPMENT PROGRAMS

- Strategic Communication Program
- Executive Coaching Program
- Advanced Negotiation Skills Workshop
- Leading and Managing Change
- Strategy Planning and Execution
- Becoming People Leaders
- Finance for Senior Executives

* The Bicycle Logo of JG-ILED harks back to founder John Gokongwei Jr.'s roots as a bicycle peddler after World War II, and embodies the entrepreneurial spirit of the JG Summit companies. True to its nature as an integrated leadership platform, JG-ILED makes use of different colors in its logo, representing the core businesses of JG Summit Holdings Inc., including red for Universal Robina Corporation (URC).

JGS Thrusts

For 2017, URC has committed itself to the four following thrusts set forth by our parent company, JG Summit Holdings, Inc. (JG Summit). URC has anchored its employee training and development programs to these transitional thrusts, which aim to empower our people and ensure that our on-going transformational initiatives will permeate within the organization.

2017 People Thrusts

1. Leadership Stewardship and Sustainability. We will empower our leadership teams to cultivate an environment that stimulates continuous improvement and excellence. Our leaders will become stewards of their people and of upholding the welfare of the organization as a whole.

2. Metrics and Scorecards. We will employ the right metrics and scorecards to ensure that business and employee performance remains measurable. This also means that we have an adequate gauge of business performance.

3. Risk Prevention and Mitigation / Business Continuity. We will appraise our systems and processes to identify areas that are susceptible to risks. We will employ strategies to prevent or mitigate risks to safeguard our critical resources.

4. Fulfilling Employee Experience. Through our collective efforts, we will provide an inspiring, empowering, and caring work environment to ensure that our employees will have a fulfilling experience as they journey with us in the organization. We will enforce the implementation of health and safety measures that will proactively protect the interests and the well-being of our people.

For 2018, JG Summit will shift to the following imperatives to better address changes and disruptions in the different areas of its business operations. URC recognizes the need for this shift as it intends to build a more agile workforce to better adapt with a technology-driven workplace, a more competitive international market, and heightened customer expectations.

2018 People Thrusts

1. Simplification of Organization Processes. We will develop leaders with the capability to simplify the core processes of the organization, driven by the need to add value for our customers. Through the Company's digital transformation, we will enable our leaders to simplify our organization design and processes by removing extraneous activities and redundancies.

2. Quality and Safety as Ways of Life. We will embed quality and safety into the cultural fabric of our company culture. We will strive to deliver superior products and services, created under the strictest standards of quality. We will also

ensure that JG Summit Holdings, Inc., as well as its Subsidiaries and Affiliates, are safe places of work for our employees, third parties, and other stakeholders in the value chain.

3. Regulatory Compliance and Risk Prevention. We will anticipate trends in the Philippine regulatory environment to quickly assess and address their potential impact on the organization. We will also continue to assess our existing systems and processes, and ensure implementation of initiatives, to help mitigate risks and exposures in the different stages of our operations.

4. Promulgation of the Culture of Courage. We will cultivate a culture of courage to bolster innovation and creativity in the organization. We will empower our employees to take smarter risks, seize opportunities in fast-changing markets, and discuss unpopular ideas and opinions.

5. Leadership Stewardship and Accountability. We will espouse a culture of leadership responsibility and accountability across all levels of the organization through Balanced Scorecards. We will set and communicate performance standards and metrics to ensure alignment, accountability, and achievement of results.

The Corporate Resources Group will work with respective functional heads and key employees to ensure that these thrusts are effectively carried out within the organization.



JGS

C

Communication.

Initiatives that foster open communication between management and employees, and among employees

A

Advocacy.

Initiatives that promote awareness on national or community-wide issues that impact the workplace

R

Recognition.

Initiatives that reinforce desired standards of performance by rewarding exceptional behaviors

E

Engagement.

Initiatives that contribute to the holistic growth of employees

S

Social Responsibility.

Initiatives that give back to the community and promulgate a spirit of volunteerism among employees

Guided by the JGS CARES employee engagement philosophy, URC is committed to creating an engaged and productive community where all aspects of employee welfare are promoted through programs that do not discriminate between organized and unorganized groups.

EMPLOYMENT



URC strives to hire and retain the best talents here and abroad. As of December 2016, our workforce consists of 8,554 employees in the business units and JVs. In addition, we also have 6,235 employees in our international operations, as of September 2016. On top of which, we also have third-party hires and additional manpower from partner agencies (see Graphs).

The quest for the best talent starts with our compliance with existing labor laws and requirements set forth by the Department of Labor and Employment (DOLE), which are necessary to properly manage employment in the organization. Compliance ensures that we observe fair labor practices while upholding equal opportunity and workforce diversity.

We enforce several internal policies that govern how we manage employment in the company. These policies, which apply to all URC employees, inform our hiring practices, compensation and benefits, transfer, regularization, promotion, career development, separation, pay/merit increase, manpower planning and budget, job evaluation, and performance management.

For all of our hiring decisions, we follow the URC Hiring Approval Matrix, which has the relevant standards and guidelines to assess our potential hires. The standard contracts and pre-employment requirements are specified in detail under the job descriptions.

We also have internal policies that govern how we contract third parties and hire seasonal employees. URC has a dedicated corporate outsourcing group that handles the accreditation

of third-party suppliers every two to three years. Similar to our employees, we also make sure to engage with our third-party manpower.

To manage and further develop our pool of talent, URC implements SuccessFactor, a company-wide talent management platform for all our employees. To promulgate employee engagement, we also conduct Annual Pulse Surveys where employees can voice their concerns and provide feedback on their employee experience.

LEGEND

Business Unit (BU):

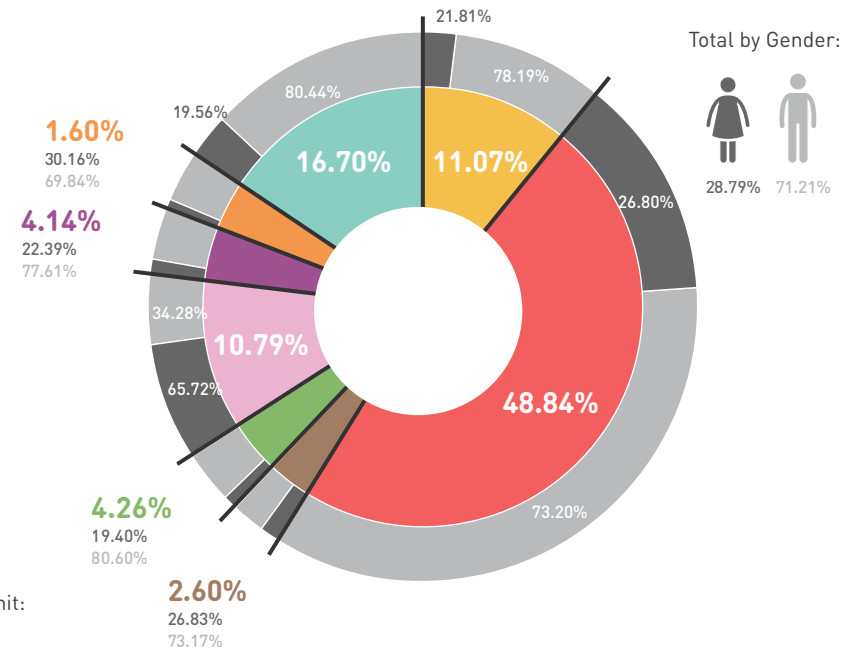
- Agro-Industrial
- Branded Consumer Foods
- Joint Ventures
- Packaging (UFLEX)
- Corporate
- Flour and Pasta Division
- Packaging (BOPP)
- Sugar and Renewables

Male and Female Employees per Business Unit:

- Female
- Male

Permanent Full-time Employees (PFTE)

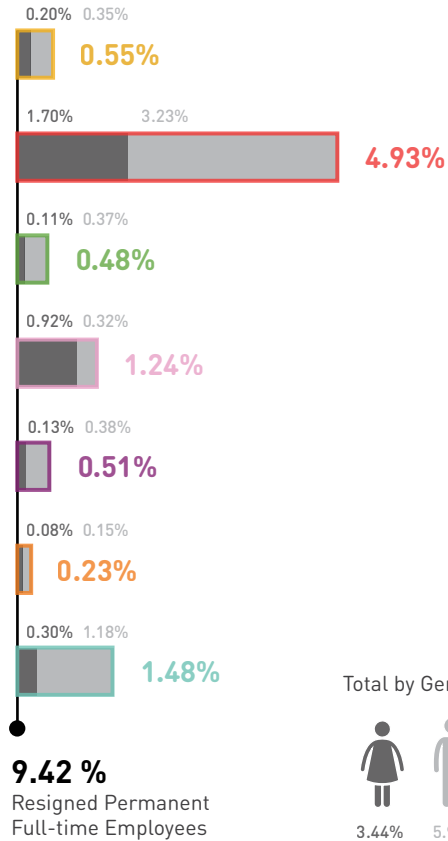
Active Headcount, as of December 2016



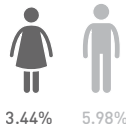
* Employee data includes Joint Ventures, but excludes Branded Consumer Foods International
 ** Permanent full-time employees (PFTE) include regular and probationary employees

Resigned Permanent Full-time Employees (PFTE)

Turnover Rates, as of December 2016



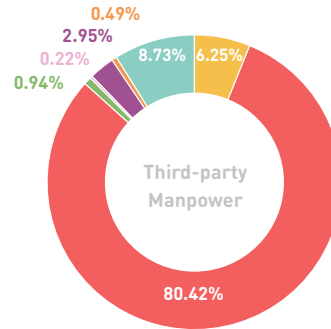
Total by Gender:



* Employee data excludes Joint Ventures and Branded Consumer Foods International

** Formula:

PFTE turnover rates = $\frac{\text{Number of PFTE who resigned}}{\text{Average Total PFTE for 2016}}$



* Third-party manpower is composed of agencies and cooperatives. This includes manpower tasked with purchasing, sales and marketing; ground maintenance and cleaning; engineering and maintenance; production; agriculture (AIG, Sugar, and Flour and Pasta); and security

** Third-party manpower in Joint Ventures is included in the BCFG Philippines data

LEGEND

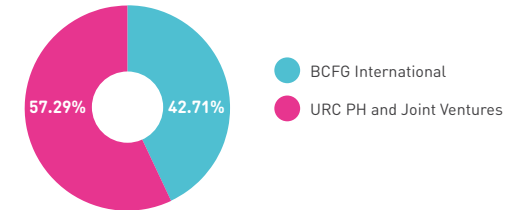
Business Unit (BU):

- Agro-Industrial
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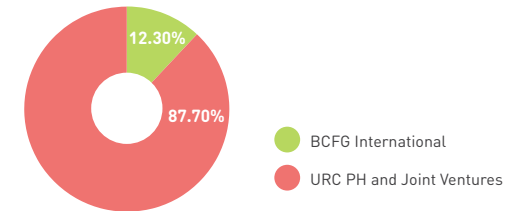
Male and Female Employees per Business Unit:

- Female
- Male

Total BCFG International vs. Philippines and JVs Permanent Full-time Employees (September 2016)



Total BCFG International vs. Philippines and JVs Third party Manpower and Others (September 2016)



* Permanent and full-time employees (PFTE) include regular and probationary employees

** International employees as of September 2016 include employees in Thailand, Vietnam, Indonesia, Malaysia, Singapore, China, Hong Kong, Myanmar, and New Zealand

***Branded Consumer Foods Group (BCFG) International

Due to our growing multinational presence, URC taps third-party service providers for different stages of our operations. Throughout years of partnership, we have improved our relationship with these suppliers, ensuring that the latter grow alongside URC. As the Company continues to expand, particularly in the case of strategic joint venture formations in our Branded Consumer Foods Group (BCFG), we also expect to grow our manpower.

COMPENSATION & BENEFITS

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In line with our purposeful transformation, URC is committed to improving employee retention and talent attrition by offering competitive employment and retirement benefits. We have standardized the implementing guidelines for the following benefits per BU:

On top of the government-mandated benefits, URC also provides the following benefits to full-time employees:

1. Health Maintenance Organization (HMO);
2. Group life insurance;
3. Medicine allowance;
4. Company loans for emergencies and education;
5. Subsidies for motivational programs such as company outing, Christmas party, sports fest, and family day, among others; and
6. Christmas package.

In addition, URC also has a funded, non-contributory benefit plan that provides retirement, separation, disability, and death benefits to all our regular employees. Retirement benefits are provided to regular employees who are 60 years old and above. Early retirement benefits, on the other hand, are provided to regular employees who

have at least 10 years of tenure, and are at least 45 years old for non-managers and at least 50 years old for managers.

However, URC reserves the right to change the rate and the amount of its contribution at any time on account of business necessity or adverse economic conditions. The retirement costs charged to operations, including the net interest cost, amounted to Php 152 million, Php 143 million, and Php 153 million for fiscal years 2016, 2015, and 2014, respectively.

LABOR RELATIONS & FREEDOM OF ASSOCIATION

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As captured in the JGS CARES philosophy, we aim to have a productive and engaged workplace, where there is no discrimination between organized and non-organized groups. At URC, we deem it important to maintain harmonious labor-management relations and to respect our employees' right to organize and associate — working together toward a more efficient work environment.

We have taken measures to support the rights of our employees to exercise their freedom of association and collective bargaining, such as the provision of union leaves, memberships

LAW-MANDATED LEAVES



Service Incentive Leave



Solo Parent Leave



Maternity Leave and Paternity Leave



Leave Entitlements under Republic Act No. 9262, or the "Anti-Violence Against Women and their Children Act of 2004"



Special Leave Benefits for Women under Republic Act No. 9710, or "An Act Providing for the Magna Carta of Women"

COMPANY-PROVIDED LEAVES



Vacation Leave



Sick Leave

SPECIAL LEAVES SUCH AS:



Emergency Leave



Nuptial Leave

in union federations, and attendance to federation-initiated events.

As such, URC duly follows the Labor Code of the Philippines and enforces internal policies and guidelines with respect to labor unions. These policies include the Code of Discipline, and other guidelines on confidentiality, corporate governance, information technology (IT) security, non-competition, special leave benefits for women (as per Republic Act No. 9710, or the Magna Carta of Women), sexual harassment (as per Republic Act No. 7877), and maintaining a drug-free workplace (as per Republic Act No. 9165).

URC also upholds industrial peace through the following goals and targets:

1. To conclude Collective Bargaining Agreements (CBAs) between labor unions and the management in a peaceful manner (i.e., no strike, no lock-out);
2. To conduct Labor-Management Council meetings; and
3. To have pre-negotiation meetings and "talakayan" sessions.

Through what we jointly call the Labor Management Cooperation, both the labor unions and the management can work in coordination with each other for labor matters.

Outside of Corporate, URC's BUs that have CBAs include: Branded Consumer Foods Group-Philippines (BCFG PH), Agro-Industrial Group (AIG), URC Flour and Pasta Division, and URC Sugar and Renewables (SURE). The CBAs are with 26 different unions as of fiscal year 2016. In total, union members participating in CBAs comprise 38% of active regular and probationary employees.

After each negotiation, a CBA usually has a five-year term until evaluation, which is documented to serve as reference for the next cycle. We conduct a periodic review of our internal policies and of our salary structure, when there are regional wage increases, to further evaluate the effectiveness of our management approach.

Further, URC also strives to leverage on performance-based rewards, enhance recognition programs, and to intensify employee engagement initiatives.

Employees and their elected representatives are usually provided one month's (30 working days) notice prior to the implementation of significant operational changes that can substantially affect them. For BCFG, this notice period and the provisions for consultation and negotiation are specified in the collective agreements, with written notifications duly noted and signed by both the labor unions and management.

WORKPLACE HEALTH & SAFETY

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Understanding the high-risk and labor-intensive nature of our domestic and international operations, workplace health and safety (WHS) is crucial to promote employee wellness, prevent work-related accidents, and maintain full compliance with regulatory requirements and industry standards. A healthy and safe working environment increases workplace satisfaction and productivity among employees. Thus, our overarching goal across all our BUs is to reduce the number of work-related accidents and, ultimately, to attain zero accidents.

At URC, we value the health and safety of our employees. Our workers are represented in formal joint management-worker health and safety committees at different levels across our different domestic and international BUs.

Aside from providing a safe working environment and facilities, annual premium subsidy for hospitalization services provided by a health maintenance insurance company is also granted.

Since URC is in the business of manufacturing food, beverages, and packaging materials, our working environment is considerably high-risk. We proactively instill measures to mitigate risks or incidences of workplace diseases. For example, URC Flexible Packaging ensures that all employees are given Personal Protective Equipment (PPE). The conduct of Work Environment Measurement (WEM) annually in the plants ensures that critical parameters meet WHS standards.

Across BUs, in all our plant operations and facilities, we implement URC's Safety, Health, and Environment Policy. This policy reinforces a culture of health and safety within URC through full regulatory compliance, the provision of adequate resources, the adoption of proven technologies and innovations, and appropriate health and safety training to empower our employees. We also conduct regular safety and emergency drills, such as fire and earthquake drills, as mandated by regulatory requirements.

Across the BUs, we regularly monitor work-related accidents and check the WHS factors in our operations, and conduct hazard identification and risk assessment (HIRA) aligned to the development and establishment of Occupational Health and Safety Assessment System (OHSAS 18001). This is in compliance with the policies of the Department of Labor and Employment's Bureau of Working Conditions (DOLE-BWC).

We also conduct the following specific actions to promote WHS across all our BUs:

1. Issuance of Personal Protective Equipment (PPE);
2. Formation of Health and Safety Committee;
3. Orientation on Workplace Health and Safety;
4. Formation of emergency response training teams;
5. Knowledge transfer and education for all employees on the importance of safety, as conducted by the Quality Assurance departments; and
6. Conduct of annual physical examination for all employees.

As part of our approach to WHS, URC also provides health education for all our employees. We conduct educational awareness activities on the prevention and risk control of serious diseases. Counseling and post-traumatic therapy are also provided to our employees on a per need basis. We extend our health education programs to our local communities as well. URC provides medical missions and home safety orientations to children in schools.

Respective BUs have created structures in addressing the requirements for health and safety. However, the responsibility and accountability rests in the respective leaders of each site.





For example, the Plant Managers for BCFG have appointed Plant Environmental, Health, and Safety (EHS) Engineers to facilitate the programs and initiatives for WHS. Full-time Safety Officers were established per site as mandated by law, and additional Safety Officers, like the frontline leaders such as Supervisors and Managers, were appointed to ensure flawless execution of required compliance requirements and programs. The designated on-site Safety and Security Officers from the Engineering department, and frontline leaders such as the Operations Manager, Factory Manager, and Plant Manager, are all in charge of managing WHS in all our plants and facilities.

BCFG's Operational Governance and Sustainability Group also conducts regular visits, validation, and assessments in our plants and facilities, to ensure effective and efficient achievement of objectives and performance results. Our Technology and Operations Group also makes regular rounds in our plants and facilities.

DIGITAL HR

We have also made significant advances on Human Resources Information Systems with the adoption of SAP Human Capital Management (HCM) core modules: Organizational Management, Personnel

Administration, Timekeeping, and Payroll Management. These modules have been rolled out in all the business units of URC. Workforce-related processes and data are now standardized and consolidated into a single platform, while ensuring adherence to company policies and government regulations.

SAP HCM was also a prerequisite to successfully transition to Shared Services. This approach has allowed the business units to focus on their core activities, reduce costs, and improve process quality and service levels. The services include handling of timekeeping administration, updating of employee records, administration of company-initiated and government-mandated benefits, loan applications, clearance and final pay processing, 201 file records management, employment verification, processing of utilities payment, and mobile phone management, among others.

URC has started shifting from paper to digital data, and from manual processes to digital and automated workflows. Beyond simple digitization, we now create an environment for digital business. We provide new opportunities for the workforce to engage differently while adopting new technologies.

OUR COMMUNITIES

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We aspire to harmonious and mutually beneficial relationships with the communities in proximity to our operational sites. Embedded within our values at URC is the promise to make life better, including creating positive impact in the areas where we operate. Guided by the JGS CARES philosophy, we take social responsibility to heart by giving back to our local communities and by instilling the spirit of volunteerism among our employees. Through training, knowledge transfer, and livelihood opportunities, we empower the people in our local communities toward a purposeful transformation.

> 100% of URC operations have local community engagement and development programs

MAKING OUR PRESENCE COUNT

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To give back to our local communities and instill the spirit of volunteerism among our employees, the different BUs organize various Corporate Social Responsibility (CSR) initiatives catering to the social needs of our local communities.

URC is now taking a more strategic and integrated approach to CSR. Each BU coordinates with JG Summit to integrate local community development into the different priority or opportunity areas of

the business, such as safety, waste management, water management, energy conservation, and livelihood generation. Close coordination across the conglomerate and the BUs is also required to strategically align our community engagement initiatives.

Thus, all of our BUs are working on community engagement and development programs. Due to our more strategic and integrated approach to CSR, the initiatives of our BUs cover a wide range of community development programs, focusing on responsible manufacturing or environmental

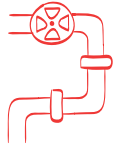
stewardship, well-being, inclusive business or livelihood, and education-to-employment.

Guided by our sustainability strategy of purposeful transformation, we will redefine our business strategies to arrive at a more integrated approach to CSR that can best develop our initiatives and our local communities.

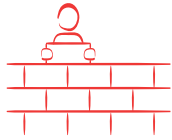
THE 4 PILLARS OF URC'S COMMUNITY DEVELOPMENT PROGRAMS

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RESPONSIBLE MANUFACTURING OR ENVIRONMENTAL STEWARDSHIP



Waterworks



Multipurpose Hall construction



Tree Planting and Nurturing

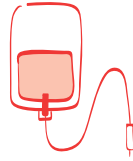


Street Sweeping and Clean-ups



River Clean-ups

WELL-BEING



Blood Donations



Medical and Dental Missions



Feeding Programs



Day Care Center Rehabilitation

INCLUSIVE BUSINESS OR LIVELIHOOD



Training in hog and poultry raising



Training in vegetable growing



Tie-ups with government for livelihood promotion



Other livelihood programs

EDUCATION TO EMPLOYMENT



Brigada Eskwela,
or Back-to-School Clean-up Drives



Adopt-A-School Program

COMMUNITY DEVELOPMENT PROGRAMS PER BUSINESS UNIT

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URC BCFG

URC BCFG has been the most active business unit in terms of community development programs. Its CSR initiatives, managed by its Human Resources and Marketing departments, cover education, medical and dental assistance, livelihood programs, and environmental conservation.

Different plants under BCFG regularly participate in the annual *Brigada Eskwela*, a nationwide voluntary effort of teachers, parents, students, community members, and other organizations to repair and clean up schools in preparation for the start of the school year.

For the environment, BCFG also conducts regular tree-planting and tree-nurturing activities, and coastal and river clean-up drives, in partnership with local government units (LGUs), the City Environment and Natural Resources Office (CENRO), and the Department of Environment and Natural Resources (DENR).

Aside from regular medical and dental missions to local communities, BCFG also holds regular blood donation drives in partnership with the Philippine Blood Center (PBC) and the local chapters of the Philippine Red Cross (PRC).

BCFG, in partnership with non-governmental organizations (NGOs), also gives donation in kind, such as rice and survival kits, to those affected by natural calamities. During the Christmas season, URC BCFG conducts regular gift-giving to children in need, particularly orphaned children who have been victims of abuse.

URC BOPP PACKAGING AND FLEXIBLE PACKAGING

URC BOPP Packaging and URC Flexible Packaging each have CSR initiatives, managed by a CSR supervisor, that cover education, safety, health and well-being, and the environment. One of its more notable activities for the environment is the planting of mangrove trees along the banks of the Calumpang River in Batangas.

The unit also has strong community involvement through medical missions, the construction of multipurpose areas for local communities, and the rehabilitation of schools, as seen in the repair of the waterworks and the day care center in Barangay Simlong, Batangas City.

URC FLOUR AND PASTA DIVISION

URC Flour and Pasta Division's CSR activities are managed by its Human Resources and Marketing departments. The unit leverages its products for its feeding programs by providing El Real pasta products to the disabled children of Tahanang Walang Hagdanan to improve their body weight and augment their carbohydrate and protein needs.

The unit conducts regular blood donation drives in partnership with the PBC. During the Christmas season, URC Flour and Pasta also gives gifts to disabled children.

URC SURE

URC SURE's CSR activities, managed by its Human Resources Group, include education programs, medical and dental assistance, livelihood programs, and environmental conservation through tree-planting activities and the maintenance of planted trees.

Through its Adopt-a-School Program, SURE provides scholarships, school supplies, and feeding programs to the students of its adopted schools. The unit participates in the annual *Brigada Eskwela*, and also holds activities in its adopted schools, such as the

Nutrition Month Cooking Contest in Sagrada Elementary School.

SURE also provides livelihood opportunities to its local communities through the development of vegetable gardens, and through livelihood programs developed in partnership with the Department of Labor and Employment (DOLE) and the Technical Education and Skills Development Authority (TESDA).

Moreover, SURE works with the Sugar Regulatory Administration (SRA) to establish dialogue between the planters, millers, and the workers. We encourage our partner farming communities to plant sugar cane through community-building campaigns.

We offer financial support to our farmers, especially Agrarian Reform Beneficiaries (ARBs). We also offer logistical support, where we haul their harvest from their farms; free warehousing, where we store the processed and refined sugars at no cost to them; and marketing support, where we help them sell their processed sugar to different buyers.

The unit also conducts regular medical and dental missions in partnership with the Sugar Industry Foundation, Inc. (SIFI), and blood donation drives in partnership with the local chapters of the PRC.

URC AIG

URC AIG's CSR initiatives, which are managed by its Human Resources and Marketing team, primarily leverage on the unit's hog and poultry raising expertise. Through the *Kabalikat* Program, AIG promotes an inclusive business model by generating livelihood opportunities for local residents through proper hog and poultry raising.

Employees of AIG also regularly join the annual *Brigada Eskwela*. In 2016, the unit also participated in the municipal-wide river clean-up in Teresa, Rizal, and in tree-planting activities in Tanay, Rizal in support of the provincial government's "*Kawayanihan*" project.

Health-wise, AIG is also an active partner for various projects of the Philippine Red Cross (PRC) in Regions III and IV, and is consistently recognized as an "Outstanding Blood Services Partner." AIG has also been instrumental in protecting nearby host communities from rabies. The respective anti-rabies vaccination programs started in Bulacan in 2010, and in Antipolo the following year. In Bulacan, AIG partnered with the barangay officials in Patong Patong and Calumpang, and the Department of Agriculture's Bureau of Animal Industry (BAI), which donates the vaccines for the annual drive. Farm veterinarians

administer the vaccinations. They expect to have a rabies-free province by 2020. In Antipolo, AIG has partnered with the City Veterinarian and the Barangay Chairman. The annual vaccination activities are conducted house-to-house. As of last count, around 400 dogs and cats have been given anti-rabies shots. The City Veterinary Office provides the vaccines, whereas AIG assists in the listing of domesticated animals for vaccination. The business unit also shoulders the meal/snack allowance and tokens for partners. In the future, AIG shall also be donating samples of its products, including dog food, as giveaways to participating pet owners.



CREATING POSITIVE IMPACT**103-1****103-2****413-1**

With our growing presence and performance as a leading Philippine FMCG (fast-moving consumer goods) multinational, URC operates in diverse locations throughout the ASEAN and Oceania. Recognizing the reach of our operations, we strive to ensure that our presence creates a positive impact on our communities by providing employment and livelihood opportunities. This also means developing our smallholders through training, knowledge transfer, and empowerment activities in the areas where we operate.

URC's economic benefits are cascaded down the line to the people we work with. All the while, we generate employment opportunities for our communities, including distributors, suppliers, and other service providers. Engaging businesses within the local area, we recruit dealers and help provide either a business opportunity or technical assistance as a means for them to grow their own business.

Hiring from the local community is preferred to maintain an accessible pool of qualified talent. URC promotes direct or indirect hiring of local residents, especially for contracted services such as trucking service, shuttle service, and food service in canteens, among others. This is reinforced by our group-wide Procurement Policy in order to optimize the sourcing of materials and services.

...we strive to ensure that our presence creates a positive impact on our communities by providing employment and livelihood opportunities.

Across the BUs, we also promote education for our stakeholders in partnership with the Technical Education and Skills Development Authority (TESDA), an agency of the Philippine government under the Department of Labor and Employment (DOLE) and Office of the Cabinet Secretary. Through on-the-job training, graduates can be provided employment in URC, in coordination with third-party service providers.

Each BU has specific livelihood programs, all of which are guided by the thrust to develop the business acumen of local residents. URC AIG has the *Kabalikat* Program, a flagship livelihood development program, which is managed by the BU's Human Resources and Marketing team. In 2016, the program helped increase the number of hog raisers from 50,000 to 70,000.





Iskolar ni Juan

203-2

A scholarship program born out of the partnership between Universal Robina Corporation (URC) and the Gokongwei Brothers Foundation (GBF), *Iskolar ni Juan* holds a significant and positive impact as it provides scholarships with direct employment opportunities for our stakeholders.

The program offers deserving high school graduates fully-subsidized one-year Technical-Vocational Education and Training certificate courses on Mechatronics Servicing (NC II) and Instrumentation and Control Servicing (NC II) from the Technical Education and Skills Development Authority (TESDA), an agency under the Department of Labor and Employment (DOLE). The training will prepare our scholars for future employment as technicians or operators in one of the facilities of URC, in coordination with third-party service providers.

Iskolar ni Juan is open to single Filipinos aged 16 to 25 years old, at least a High School or an Alternative Learning System graduate, with good scholastic record and moral character, and belonging to a household with an annual income of less than Php 200,000.

As of 2016, *Iskolar ni Juan* has more than 61 graduates, all of whom have been deployed to the different manufacturing and packaging facilities of URC.

Currently on board are our third, fourth, and fifth batches of scholars, for a total of 139 students.

“*Kabalikat sa Pag-Unlad*” A Farmer’s Partner in Progress

203-2

URC’s Agro-Industrial Group (AIG), consolidated under Robina Agri Partners (RAP), initiated the *Kabalikat* Program in a bid to transform the lives of people in our host communities. The program leverages on AIG’s expertise in farming operations to teach locals proper hog raising and other farming practices. It is part of URC’s thrust to promote training, lifelong learning, and livelihood opportunities.

RAISING STANDARDS IN PIG FARMS

AIG’s *Kabalikat* Program, which started in June 2014 with the Uno+ *Kabalikat* Farms (Kfarms), provides farmers, especially hog raisers, knowledge on the latest farming technology and management practices.

The program hinges on the principles of being a “*kabalikat*” (partner), both to our consumers through the promise of “*kalidad*” (quality), and to our partner farmers through “*kita*” (profit).

Through the *Kabalikat* Program, we demonstrate that AIG is not just an ordinary supplier of quality feeds and veterinary medicine, it is also a “*kabalikat sa pag-unlad*” (partner in progress).

Managed by the Marketing Team of AIG, the program was initially conceptualized as a brand-building program which, through community engagement, created positive learning experiences for the farmers and their local communities. Through their testimonials, our partner farmers themselves become AIG’s brand ambassadors.

Our partner farmers are chosen based on their openness to accept and share best practices to improve the productivity and profitability of their pig farms. We impart end-to-end knowledge about hog raising: from breeding (i.e., selection of breeders, insemination systems), to fattening (i.e., feeding program, cleaning management, record-keeping system), down to the appropriate meat production standards.

*We leverage
our expertise in
farming operations
to forward
URC’s thrust of
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lifelong learning,
and livelihood
opportunities.*

We also teach our partner farmers bio-security systems so that they can protect their animals against diseases or harmful biological agents; this, in turn, also ensures that their meat products are clean and safe for human consumption.

Knowledge transfer is done through lectures and discussions with AIG personnel, and through hands-on training and on-site practice in AIG farms. AIG technicians also conduct weekly monitoring to ensure the continuous learning of our partner farmers, and to also motivate them to implement the best practices they just learned.

HELPING FARMERS NATIONWIDE

By 2016, the program has grown to include almost 200 Kfarms, and has helped increase the number of hog raisers nationwide. This nationwide reach was made possible through the Barangay Uno+ Hog Farms, the Barangay Supremo Gamefowl Farms, and the *Kabalikat* Poultry Farms, with plans to further expand the program's reach through partners for Top Breed Dog Meal and Robina Farms Premium Farm Products.

Over the course of three years, the program has helped improve the performance of its partner farms. Majority of the Kfarms has since expanded their farm population, and improved their productivity in terms of their animals' growth rate and mortality. Overall farm health of

the Kfarms has also improved, which in turn promoted health and sanitation practices within the local communities.

Since AIG personnel had a direct hand in implementing the program, it also helped AIG improve its own farming operations and practices. For one, AIG can now better monitor its quality and cost parameters. The AIG's response time to changes in products, services, and even field conditions, such as in the cases of disease outbreaks or competitor activities, has also significantly improved thanks to knowledge gleaned from our partner farmers.

Ultimately, the greatest contribution of the *Kabalikat* Program is the improved lives of hog raisers nationwide. Thanks to the wide distribution network of the AIG nationwide, hog raisers all over the country now have access to an inclusive, replicable, and sustainable learning and livelihood opportunities.



Ultimately, the greatest contribution of the Kabalikat Program is the improved lives of hog raisers nationwide.

Boosting Employee Learning and Development at URC Flour and Pasta

203-2

As one of the top flour millers in the country, we at the URC Flour and Pasta Division actively develop training programs and establish talent pipelines for succession in order to retain the best talent in the industry. We enhance our workplace by investing in long-term training programs such as the Cadetship Program and the Skills Enhancement Program, both of which are geared toward the purposeful transformation of our employees' knowledge and skills.

DEVELOPING FUTURE LEADERS WITH THE CADETSHIP PROGRAM

In order to develop URC's own talent pool and improve employee retention, the Human Resources Group and the Manufacturing Group of URC Flour and Pasta Division designed a comprehensive Cadetship Program. This two-year training program is intended for engineering graduates or new employees who want to develop their competencies in flour and pasta manufacturing.

We enhance our workplace by investing in long-term training programs such as the Cadetship Program and the Skills Enhancement Program...



Owing to the improved skills of our employees, URC Flour and Pasta Division produced 105% more in FY2016 than our original target production for the year.

The first stage of the program consists of a month-long series of classroom lectures, with the supervisors and managers serving as subject matter experts (SMEs) and overseeing weekly evaluation examinations.

For the second stage, the program participants, called Cadet Engineers, undergo job rotations in the engineering, technical services, supply chain, technology, flour milling, and pasta production departments of the Manufacturing Group. Thus, the Cadet Engineers are able to learn the processes, functions, and activities of each department. Prior to employment regularization, the Cadet Engineers must complete a *revalida* study (i.e., an evaluation of skill and knowledge) focused on an innovation or renovation topic related to the Manufacturing Group.

For the third stage, or after their employment regularization, the Cadet Engineers then undergo job immersion to the same departments to expose them to a wider variety of skills and experiences.

Along with this, the Cadet Engineers are asked to complete individual *revalidas* every six months for the duration of the training. A thorough evaluation is done prior to their final deployment to the different departments of the Manufacturing Group.

In 2016, the Cadetship Program's first batch of graduates has been deployed to critical positions such as project engineers, maintenance and production planners, and process specialists. The training program has also generated 19 internal SMEs for both flour and pasta operations. With the success of their first batch of Cadet Engineers, URC Flour and Pasta Division continued the program by hiring the second and third batch of Cadet Engineers.

CONTINUOUS LEARNING WITH THE SKILLS ENHANCEMENT PROGRAM

To further instill a learning culture among its employees, URC Flour and Pasta Division also created a Skills Enhancement Program that

provides hands-on learning experience in flour and pasta production. The program aims to enhance the skills and develop the competencies of the Manufacturing Group's engineers in order to improve their ability to operate and handle maintenance activities.

With its framework geared toward consistency in the implementation of skills development, the program is designed to cater both to the training needs of employees and to the urgent needs of the business. It equips employees to fill up certain positions in case of vacancies, thereby ensuring that the business will still run smoothly even during the transition.

To begin with, all employees of the Manufacturing Group assess their skills and submit their self-assessment to immediate supervisors for validation. The Department Managers and Supervisors identify the skills required for specific positions, and select employees who can become subject matter experts (SMEs) in a specific field or topic. The Technical Training Officer then assesses the skills gap of employees, and then prepares a training plan and schedule for the year to address the identified skills gaps.

In 2016, 143 employees were trained under the program, with a total of 55 trainings and seminars conducted inside and outside the plant. Owing to the improved skills of our employees, URC Flour and Pasta Division produced 105% more in FY2016 than our original target production for the year.

Changing Lives through Education and Rehabilitation

413-1

Snack Brands Australia (SBA), a recent acquisition of URC, actively engages local communities in Australia, New Zealand, and Fiji through its social support programs geared toward education and rehabilitation. Now, under the leadership of URC, SBA will continue to engage and empower local communities with its global reach, especially as the company pursues its purposeful transformation through sustainability.

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Nadi, Fiji

MAKING A DIFFERENCE IN THE SABETO DISTRICT SCHOOL

Despite its limited resources and rudimentary facilities, the Sabeto District School has done an outstanding job of catering to the educational needs of more than 200 students from four rural villages in Nadi, Fiji.

As part of our annual business conference activities, SBA decided to help the school upgrade its resources and facilities. Conference attendees

painted and renovated eight classrooms, and also painted and donated 230 new desks and chairs to the school.

Thanks to the generous contributions of some SBA employees, most of whom did not even attend the conference, we were also able to distribute 260 gift bags to the students of the school. The gift bags, prepared by SBA employees in Australia before being shipped to Fiji, contained school supplies and some of the Company's well-loved snacks.

As per the contract, SBA will donate AUD 250,000 to ONE80TC over the course of the next five years.

SUPPORTING ONE80TC'S WOMEN'S CENTER

For the past five years, SBA has been a strong supporter of ONE80TC, a Christian-based not-for-profit organization that provides long-term residential treatment and rehabilitation services for men who want to overcome drug and alcohol addiction. Since 1974, ONE80TC has provided assistance to over 5,000 young men aged 18 to 35 years old through its rehabilitation center in Hawkesbury, New South Wales, which houses 45 beds and 25 staff members.

Now, with further support from SBA, ONE80TC's long-held vision to provide the same level of rehabilitation assistance to women is coming to fruition. SBA recently signed a five-year contract with ONE80TC to provide funding for a female case worker in its soon-to-open Women's Center in Kurmond, New South Wales. As per the contract, SBA will donate AUD 250,000 to ONE80TC over the course of the next five years.

This shows SBA's long-term commitment toward the development of the Women's Center, in addition to the work it is already doing with ONE80TC through fundraisers. Aside from drug and alcohol rehabilitation services, the Women's Center will also offer emergency housing and support for women who are victims of domestic violence.

ONE80TC's Women's Center in Kurmond, New South Wales is expected to be operational in 2018.



Nadi, Fiji