



EAGLE CEMENT CORPORATION

Head Office: 155 Brgy. Wack Wack, EDSA, Mandaluyong City, Philippines

Plant: Bgy. Akle, San Ildefonso Bulacan, Philippines

Tel. No.: +632-301-3453

www.eaglecement.com.ph

EAGLE CEMENT CORPORATION CODE OF CONDUCT AND ETHICAL BUSINESS POLICY

Eagle Cement Corporation, together with its subsidiaries (collectively, the “Company”), adopts the Code of Conduct and Ethical Business Policy (the “Code”) of San Miguel Corporation.

The Company is committed to conduct its business affairs fairly, honestly, impartially, in good faith and in an uncompromising ethical and proper manner. Any conduct which may raise questions as to the honesty, integrity, impartiality or reputation of the Company or activities that could cause embarrassment or damage to its reputation are prohibited.

The highest possible standards of ethical and business conduct are required of directors, officers, and employees of the Company in the performance of their duties and responsibilities. It is the responsibility of every director, officer, and employee of the Company to encourage directors, officers, and employees to ask questions, seek guidance, and report suspected violations of this Code.

Any individual having information or knowledge of any prohibited act shall promptly report such matters to the Department Head, any Vice President, the Human Resources and Organizational Department, the Internal Audit Department or the Compliance Officer.

1 Employees

The Company respects the human rights of its directors, officers and employees and treats them with dignity and respect.

The Company provides safe work conditions and promotes the development and best use of employee talent (including through the conduct of outside and in-house trainings) and equal employment opportunity.

The Company protects the confidentiality of employee records and uses them in accordance with applicable data privacy laws.

Every director, officer and employee shall deal with professionalism, honesty, and integrity and uphold high moral and ethical standards. Such conduct shall be fair and transparent.

Every director, officer and employee shall be responsible for the implementation of and compliance with this Code in his/her professional environment. The failure to adhere to this Code may result in the most severe consequences, including termination of one’s appointment or employment.

2 Customers, Suppliers, Joint Venture Partners, Creditors

The Company will deal openly and honestly with its customers, dealers, suppliers, vendors, contractors, creditors, financial institutions, and joint venture participants and observe its contractual obligations.



The ability to effectively promote the integral elements of the Company's business principles and code of ethics in these relationships must be weighed as an important factor in the decision to pursue, enter into, or remain in such relationships.

Transactions with customers, dealers, suppliers, vendors, contractors, creditors, financial institutions, and joint venture participants must be carried out on an arm's length basis. Conditions should exist for competitive, willing buyer and willing seller transactions. Competitive bidding shall be undertaken in accordance with applicable internal policies and procedures of the Company. Decisions should be made on the basis of quality, price, availability, and service.

All customers, dealers, suppliers, vendors, contractors, creditors, financial institutions, and joint venture participants should be dealt with fairly, honestly, and openly.

The Company shall maintain at all times its good credit standing and assure its creditors of its continuing credit-worthiness.

In addition, if the representative of any customer, dealer, supplier, vendor, contractor, creditor, financial institution, or joint venture participant is a former employee, family member or close personal friend, the Company representative directly involved in the same transaction or dealing should disclose the information to his/her supervisors.

Personal relationships are an inherent aspect of doing business. The development of personal relationships is both expected and desirable as it leads to relationships based on understanding and trust. Business decisions must not, however, be influenced by anything other than what is in the best interest of the Company. It is important that all employees closely monitor the nature of relationships with customers, dealers, suppliers, vendors, contractors, creditors, financial institutions, and joint venture participants to ensure that personal friendships do not develop that would result in decisions not in the Company's best interest.

3 Quality of Products and Services

The Company is committed to supply goods and services of the highest quality standards, backed by efficient after sales service consistent with the requirements of its customers to ensure their total satisfaction. The quality standards should at least meet the required national and applicable international standards.

4 Health, Safety and Environment

The Company commits to conduct its business affairs in a manner that preserves the environment and protects the health and safety of all its employees, customers, suppliers, contractors, its other stakeholders, and the general public.

It strives to provide a safe and healthy working environment and comply with all applicable regulations regarding occupational safety and health, and the preservation of the environment. The Company is



committed to preventing the wasteful use of natural resources and minimize any hazardous impact of the development, production, use and disposal of any of its products and services on the ecological environment.

5 Business Integrity

The directors, officers, and employees are, at all times, guided by the Company's mission and vision which highlight professionalism, integrity, fairness, commitment to excellence, and care of the environment as the core values of the Company. The Company observes these values in all aspects of business and expects the same in its relationship with all those with whom it does business.

5.1 Conflict of Interest

All directors, officers and employees must avoid any conflict between their personal interest and the interest of the Company.

A director, officer or employee shall not engage in any business relationship or activity which might detrimentally conflict with the interest of the Company or in any manner influence his/her ability to exercise objectivity or act in the best interests of the Company, its shareholders and its other stakeholders.

A conflict of interest, actual or potential, may arise where, directly and indirectly: (a) a director, officer or employee engages in a business relationship or activity with the Company or with anyone who is party to a transaction with the Company; (b) a director, officer or employee is in a position to derive a personal benefit or a benefit to any of his/her relatives by making or influencing decisions relating to any transaction; (c) an independent judgment of the Company's best interest cannot be exercised; or (d) a director, officer or employee has close relative(s) employed by another organization engaged in a business that is directly in competition with any of the businesses of the Company.

It is incumbent upon every director, officer or employee to make a full disclosure of any business interest which he/she, his/her immediate family or close relatives and friends may have with the Company. If an officer or employee fails to make a disclosure as required and the Management, on its own accord, becomes aware of an instance of conflict of interest that ought to have been disclosed, Management would take a serious view of the matter and consider suitable disciplinary actions against the officer or employee or propose to the Board of Directors suitable disciplinary actions against the director.

An employee shall inform his/her department head in case he/she will occupy a position of responsibility (such as a consultant or director) with any other company or organization.

5.2 Anti-Bribery and Anti-Corruption



The Company is committed to doing business with integrity by avoiding corruption and bribery of all kinds and by observing all applicable laws and regulations and internal policies on anti-bribery and anti-corruption laws in every jurisdiction in which it does business.

The Company prohibits the direct or indirect bribery of or other improper payments to any employee, officer or agent of the government, commercial entity or person in connection with any business or activity of the Company. The Company and its directors, officers, and employees shall neither solicit or receive nor offer or make, directly or indirectly, any illegal or improper payments, remuneration, gifts, favors, commission, donations or other comparable benefits which are intended or perceived to obtain business or uncompetitive favors in the conduct of the business of the Company.

5.3 Business Entertainment, Gifts, Gratuities

The purpose of business entertainment and gift in a commercial setting is to create goodwill and sound working relationships, and not to gain unfair advantage with customers, suppliers, dealers, contractors, and vendors, among others.

Soliciting and accepting gifts, favors and/or services from any current or potential third-party provider are strictly prohibited. For purposes of this Code, a “third party provider” refers to an individual, entity, organization and/or its representatives that have existing and/or intended business dealings with the Company. This includes, but shall not be limited, to prospective or existing contractors, providers, suppliers, buyers, dealers, customers, and all other business partners who are or may be similarly situated.

Lending money to, or borrowing money from, any customer, dealer, contractor, vendor or supplier is strictly prohibited.

Under no circumstances should directors, officers or employees of the Company accept or give gifts in monetary form from or to a customer, dealer, contractor, vendor or supplier of the Company, other than official gifts approved by the Management to be given to everyone in general.

Payments by a third party provider for meals or entertainment (such as at social or sporting events) is acceptable, provided all of the following conditions are present: (i) they are not excessive in frequency or amount; (ii) they do not create an appearance of impropriety; (iii) the acceptance to such offer or invitation will not obligate the recipient to make biased or subjective decisions; (iv) such offer or invitation is generally available to others in the same industry or community; and (v) the acceptance to such offer or invitation is cleared with and approved by the superior.

Any gift or gratuity allowed under company rules must have a clear business purpose. If an officer or employee is concerned about the nature of a gift or gratuity offered or requested, the



offer should be declined and advice should be sought by the employee from any of his/her superiors.

Anyone who is offered or receives an inappropriate gift must refuse it in a tactful and dignified manner, advising the giver of the Company's policy that prohibits acceptance of such gifts.

5.4 Confidentiality of Information

A director, officer or employee must maintain the confidentiality of Confidential Information entrusted to them by the Company or its customers or business partners or as required by law or regulation, except when disclosure is authorized by a Senior Manager, Vice President, or Department Head, or required by laws, regulations or legal orders. Whenever feasible, officers and employees should first consult Legal and Compliance Department if they believe they have a legal obligation to disclose Confidential Information.

“Confidential Information” includes, but is not limited to, all non-public business, financial, personnel, proprietary or technical information, processes or systems, whether or not in electronic form, related to any portion of the business operations of the Company (including those of its customers, suppliers, contractors, financial institutions and joint venture participants) that have been learned, generated or acquired, or access to which has been obtained, during one's tenure in or employment with the Company.

The unauthorized use and/or disclosure of any information that might be of use to competitors of the Company or harmful to the Company or its customers or business partners if disclosed is prohibited. Some examples of information which are considered confidential and proprietary include, but are not limited to:

- pricing
- bid or quotations information
- cost sheets formulas and/or process information
- design information
- organizational plans, goals and strategies
- profit information
- asset information
- wage and salary scales
- personal information about employees, officers, and directors
- supply sources, supplier information or computer software programs

Directors, officers and employees should not solicit, receive or use any confidential or proprietary information or trade secrets belonging or relating to any supplier, vendor, contractor, consultant, former employee or other person or entity, except as may be lawfully received from the owner or an authorized third party.



Each director, officer and employee should endeavor to deal fairly with the Company's suppliers, contractors, competitors, officers and employees. No one should take unfair advantage of anyone through manipulation, concealment or abuse of privileged information, misrepresentation of material facts or any other unfair dealing practice.

5.5 Company Property

Equipment, tools, materials, supplies, employee time and other company resources are to be used only for the legitimate business interests of the Company. Company property or any property in its possession must not be borrowed, loaned, or disposed of, except in accordance with the appropriate policies and requirements of the Company.

Directors, officers and employees are responsible for the protection of all corporate information and intellectual property of the Company, such as copyrights, patents, trademarks and technology. As the Company may license intellectual property from other persons, all directors, officers and employees must also ensure that property of this nature is protected in accordance with the agreements giving the Company the right to use such property.

5.5.1 Books and Records

The Company shall prepare and maintain its accounts fairly, timely, accurately, and reliably in accordance with the accounting and financial reporting standards which represent the generally accepted guidelines, principles, standards, laws and regulations of each jurisdiction or location in which the Company conducts its business affairs. The company books and records should be maintained in confidence, safeguarded from loss or destruction, and subject to internal and external control and audit procedures. All required information shall be accessible to the Company auditors and other authorized parties and government agencies pursuant to internal policies and applicable laws and regulations.

There shall be no willful omission of any company transaction from the books and records, no advance income recognition, and no hidden bank account and funds. Any willful material misrepresentation of and/or misinformation in the final accounts and reports shall be regarded as a violation of this Code, without prejudice to appropriate civil or criminal liability under the relevant laws and regulations.

Records should always be retained or destroyed according to the Company's records retention policies. If an officer or employee is or becomes aware of an imminent or ongoing investigation, audit or examination, he/she should retain all documents (including computer records) in his/her custody or control. The destruction or falsification of a document in order to impede a governmental investigation may lead to a prosecution for obstruction of justice and other criminal offense, in addition to liabilities under applicable internal manual and rules of the Company.

5.5.2 Company Assets



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The company assets owned, leased or otherwise in the possession of the Company should not be misused but employed for the purpose of conducting the business of the Company for which they were procured. Company assets include, but are not limited to, tangible assets such as equipment and machinery, systems, facilities, materials, and resources as well as intangible assets such as proprietary information, intellectual property, and relationships with customers, dealers and suppliers.

The company property, whether tangible or intangible, may be sold, loaned, used, given away or disposed of in accordance with applicable internal corporate approvals.

The company property must be safeguarded from loss, damage or theft. Abusing, destroying, damaging, misusing or defacing company assets, property, tools, and equipment is prohibited.

The company cars, service vehicles, computers, and other equipment should be used with care and diligence as though they were employees' own.

5.5.3 Company Funds

Funds should be spent for valid business purposes only and at prices representing the best value to the Company. Approval of payment should be obtained before funds are spent.

All monies coming into one's possession in trust for other persons or the Company such as escrows, advances for expenses, payments for products and/or services, fee advances and other similar items should be properly accounted for, remitted to the company as early as possible and administered in accordance with applicable internal rules and corporate approvals.

5.5.4 Company Products and Services

Each director, officer and employee has an obligation to strengthen and protect the trademarks and other intellectual property of the Company and its subsidiaries. Likewise, everyone is expected to patronize the use of the Company products and services.

5.5.5 Regulatory Reports

Filings with, or submissions to, any agency or any government institution or to any exchange where securities of the Company are registered (e.g., the Securities and Exchange Commission) must be accurate and timely. The pertinent officer or employee may be called upon to provide necessary information to ensure that the public reports and disclosures of the Company are complete, fair, and understandable.

6 Information Technology

Computer, networking and electronic mail facilities and services are offered by the Company in support of its thrust to provide better service to its customers.



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Users must not browse, access, copy, or change company and private files without authorization or change public files without authorization. Users must not attempt to modify the computer systems or software in any unauthorized manner. The use of invasive software, such as “worms” and “viruses” destructive to computer systems is unethical and illegal. Copyrighted software must only be used in accordance with its license or purchase agreement. Users shall not receive and/or use unauthorized copies of software or make unauthorized copies of software for themselves or others.

Sending rude, obscene or harassing materials via any electronic means (e.g., electronic mail, bulletin boards, news groups, internet, and text messages) is forbidden. Random mailings, chain letters, and general mailing of messages of commercial, religious, or political nature are also disallowed. Messages with philanthropic content are allowed only if sanctioned by the Company.

Terminals, manuals, printed paper, and all other computer resources may not be used or removed from their intended locations without authorized permission.

7 Corporate Opportunity

Except as may be permitted by the Board of Directors, officers and employees are prohibited from: (a) taking for themselves a business or financial opportunity which they know, or could reasonably anticipate, the Company would have an interest in pursuing; (b) using company property, information or position for personal gain; and (c) competing with the Company.

Directors, officers and employees owe a duty to the Company to advance its legitimate interests when the opportunity to do so arises.

8 Compliance with Laws and Company Rules

All directors, officers, and employees should know, respect, and comply with the letter and spirit of applicable laws, rules and regulations of jurisdictions and locations in which the Company conducts its business or those applicable to the Company.

All directors, officers, and employees should likewise know, respect, and comply with the policies, procedures, rules and guidelines of the Company.

9 Corporate Citizenship

The Company is committed to be a good corporate citizen, not only by complying with all relevant laws and regulations, but also by actively assisting in the improvement of the quality of life of the people in the communities in which it operates, with the objective of enhancing their quality of life. The Company also encourages volunteerism amongst its employees. An employee shall, in his/her private life, be free to pursue an active role in civic affairs on his/her own personal account without associating or representing the Company.

10 Public Representation of the Company



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The Company honors the information requirements of the public and its stakeholders. In all its public appearances, such as those with the media, financial community, employees, shareholders, regulatory bodies, and government agencies, the Company shall be represented only by specifically authorized personnel. It will be the sole responsibility of these authorized representatives to disclose information of the Company.

Parties which have business dealings with the Company but are not the pertinent officers or employees of the Company (such as consultants, agents, distributors, dealers, contractors, haulers, and suppliers) are not authorized to represent the Company.

11 Fair Competition

The Company seeks to compete fairly and ethically within the framework of applicable competition laws. The Company will not prevent others from competing freely with it.

Directors, officers and employees must abide by anti-trust and anti-competition laws and regulations and other laws and regulations intended to ensure and maintain competition in the market place and deal with prohibited trade practices.

12 Political Activities

The Company does not make payments or contributions to political parties, organizations, or their representatives or take part in partisan politics. When dealing with the national and local governments, the Company has the right and responsibility, in the pursuit of its legitimate commercial objectives, to make its positions known on any matter which affects the Company or its employees, customers, shareholders and other stakeholders. The Company also has the right to make its position known on matters affecting the community where it has a contribution to make.

While directors, officers, and employees may be free to participate in the political process, any involvement should be kept separate from or not affect their role and responsibilities as directors, officers, and employees of the Company. They must ensure that statements made in their political activities are clearly delivered as a personal opinion and not to be construed as the position of the Company.

13 Professional Competence

Each director, officer, and employee is expected to maintain an on-going program of professional development, a willingness to share knowledge with others, and a conformance to the highest standards of ethical behavior. He/she must not participate in conduct which causes him to tarnish the image of the Company or be convicted, adjudged or otherwise recorded as guilty by any court of any offense involving fraud, drugs, or any other serious crime.

14 Discipline for Violation



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A failure by an officer or employee to comply with this Code will subject such officer or employee to disciplinary measures that may include counseling, reprimand, suspension and/or termination under applicable company rules and policies, in addition to any civil or criminal liability under existing laws and regulations. Likewise, a failure by a director to comply with this Code will subject the director to disciplinary actions under applicable company rules and policies and laws and regulations. Disciplinary measures will depend on the circumstances of the violation. Due process will be followed.

15 Applicability of Other Policies, Manuals and Procedures

The directors, officers, and employees of the Company are further subject to other manuals, policies, rules, guidelines, procedures and instructions which are adopted by or made applicable to the Company and which provide additional requirements or guidelines in the discharge or performance of their respective functions, including, but not limited to, the Company's Manual on Corporate Governance and the Company Policy on Solicitation or Acceptance of Gifts, as each of such manuals, policies, rules, guidelines, procedures and instructions may be adopted or made applicable to the Company, or amended, from time to time.