



MEMORANDUM

DATE : NOVEMBER 10, 2017

TO : LOGISTICS DIVISION

FROM : JONATHAN BUKUHAN – HEAD, PROCUREMENT DEPARTMENT
JOSELITO LONTOK – HEAD, AMWD / RETAIL LOGISTICS
MERCEDES L. VARGAS – HEAD, LOGISTICS DIVISION

SUBJECT : CODE OF ETHICS FOR SUPPLIER

In line with the company's commitment to sound ethical business practices and advocating the values of honesty, integrity and respect; a **Code of Ethics for Supplier** has been created. The intent of this Code is to impart our expectations from our suppliers in all business dealings in order to ensure adherence to it. Please refer to Annex A for further detail.

With this, Logistics personnel are expected to inform all our suppliers and in return assumes that they educate their respective employees, representatives, agents, and subcontractors of this Code of Ethics and ensure compliance.

Corollary, please be advised that effective immediately supplier's compliance to the said Code is expected.

For everyone's information and guidance.

A handwritten signature in black ink, appearing to read 'Jonathan BUKUHAN' with a date '11/10' written to the right.

JONATHAN BUKUHAN
Head, Procurement Department

A handwritten signature in black ink, appearing to read 'JOSELITO LONTOK'.

JOSELITO LONTOK
Head, AMWD / Retail Logistics

A handwritten signature in black ink, appearing to read 'MERCEDES L. VARGAS'.

MERCEDES L. VARGAS
Head, Logistics Division



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Annex A

CODE OF ETHICS FOR SUPPLIERS

PURPOSE: This Code of Ethics (the "Code") is an extension of ABS-CBN Corporation and its subsidiaries' (collectively, "ABS-CBN's") values, and reflects ABS-CBN's commitment to sound ethical business practices. It is meant to communicate ABS-CBN's expectations from its Suppliers in all transactions to ensure that procurement ethics are followed.

GENERAL RESPONSIBILITIES: This Code sets forth ABS-CBN's minimum requirements from its Suppliers, and Suppliers' personnel. Suppliers are required to conduct their business/es ethically and responsibly, and in full compliance with both the letter and the spirit of the law, this Code, and any other ABS-CBN policy and procedure that may be applicable. It is expected and assumed that all Suppliers shall educate their respective employees, representatives, agents, and subcontractors of this Code of Ethics and ensure compliance.

STANDARDS:

Below are standards that each Supplier is required to comply with:

Business Integrity

The highest standards of integrity shall be upheld in all business transactions. All forms of illegal or inappropriate activity, including, but not limited to, corruption, misrepresentation, extortion, embezzlement or bribery, whether committed or intended to be committed, directly or indirectly, are strictly prohibited.

Supplier shall comply with all rules, regulations, policies, and requirements relating to providing goods, products, and/or services to ABS-CBN. The Supplier shall ensure that it possesses the necessary capabilities and equipment, including sufficient capitalization as required under the law, related to the goods, products, and/or services being supplied to ABS-CBN. Supplier shall ensure its status as a legitimate, valid service provider, duly accredited and/or registered with the appropriate government agencies and/or societies or associations related to the goods, products or services to be supplied. Supplier shall ensure that all registrations and/or accreditations obtained to enable it to provide goods, products, and/or services to ABS-CBN are maintained for the duration of Supplier Agreement(s) with ABS-CBN. Supplier shall ensure it is a member in good standing of these associations or societies and. Suppliers shall further warrant that it will only supply goods, products, and/or services of satisfactory quality.

Supplier shall ensure that all records prepared for ABS-CBN, including records of work time and expenses, are accurate, correct, current and consistent with the standards and requirements of the industry and of ABS-CBN.



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Supplier shall not act in concert with other suppliers or agents, or with any officers, employees, personnel or representatives of ABS-CBN, when participating in any bidding by ABS-CBN for goods, products or services.

Conflict of Interest

ABS-CBN expects Supplier to exercise reasonable care and diligence to prevent any action or condition which may result in a conflict with ABS-CBN's interests, or which may compromise the exercise of independent judgment of ABS-CBN personnel during the delivery of goods or products or execution of work for ABS-CBN. As such, Supplier is required immediately to disclose any potential conflict of interest situation and to prevent such a situation from arising.

Conflicting business interests: During the term of any contract with ABS-CBN, Supplier shall not accept any offer of employment or engage in any activity that may create a conflict of interest situation with ABS-CBN, or which may in any way compromise the work that Supplier is contracted to perform. A conflict of interest situation may arise if there are interests that make it difficult for the Supplier to perform ABS-CBN – related work objectively and effectively. Examples include, but are not limited to, working with ABS-CBN regulators or ABS-CBN competitors.

Close Personal Relationships: Close personal relationships between Supplier personnel and ABS-CBN employees responsible for monitoring Supplier's performance shall be avoided in order not to compromise the exercise of independent judgment, or lead to claims of a conflict of interest.

To avoid these problems and foster a positive work environment, Supplier shall ensure that the data indicated in the Supplier Certificate of Disclosure are complete, accurate, and current.

Business Courtesies:

A Supplier is expected to compete solely on the merit of its goods, products, and services. As such, a Supplier, as well as its employees, **shall avoid giving or offering** any business courtesy that may constitute, or could reasonably be perceived as to constitute, unfair business inducements that would violate law, regulations, or policies of ABS-CBN, would cause embarrassment, or reflect negatively on ABS-CBN's goodwill, or its employees and personnel's reputation or work principles. Business courtesy includes gifts, meals, refreshments, entertainment, and other benefits of any kind or form, from any Supplier or its personnel, employees, or consultants.

A business courtesy as part of prevalent business practice, may be accepted only if it is occasional and nominal (**not more than \$50 or its Philippine Peso equivalent**). Consequently, a Supplier may, for legitimate business purposes, offer a business courtesy provided that they conform to all of the following criteria:

- It is unsolicited
- It is not a bribe, commission, rebate, or other illegal/illicit payment



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- It is not lavish or excessive, not frequent, and does not reflect a pattern of acceptance of business courtesies from the same person or entity
- It is not given in exchange for any business consideration
- It would not embarrass ABS-CBN if disclosed publicly
- It is not intended, nor likely to be perceived by others, to improperly influence business decisions
- It does not create the appearance (or an actual or implied obligation) that the gift giver is entitled to preferential treatment, an award of business, better prices, or improved terms.

In addition, Suppliers shall be allowed to give or offer business courtesies, which should be limited to:

- Gifts of nominal value/simple promotional items and tokens (e.g. calendars, pens, mugs, caps, t-shirts).
- Flowers, food and drinks, gift baskets, and other modest presents that commemorate a special occasion or during holidays.
- Invitation to attend business events such as inaugurations, trade fairs, product launches, and exhibits.
- Infrequent lunch or dinner with ABS-CBN personnel, provided that the latter's immediate superior is properly notified.

The following business courtesies are prohibited under this Code, regardless of amount:

- Cash, gift cards, lines of credit, instruments of ownership (e.g. stock certificates) or any other thing of value redeemable for cash
- Jewelry
- Holiday trips, whether for ABS-CBN employees, or any of their family members
- Food and drinks for company sponsored excursions or personal/family use
- Use of service vehicles and/or venue for excursions
- Hospitalization assistance
- Loan/cash advance
- Invitation to act as sponsor in wedding/baptism unless the employee is related to the Supplier-sponsor.

A Supplier shall use good judgment, discretion, and moderation when offering business courtesies to ABS-CBN employees. With this, Suppliers shall not offer bribes, commissions, rebates, goods, or services and/or any other incentive to an ABS-CBN employee to obtain improper advantage or retain business.

COMPLIANCE:

A Supplier is required to familiarize itself with this Code, to ensure successful working relations with ABS-CBN. It is the responsibility of the Supplier to ensure that its employees, agents, representatives, and subcontractors understand and comply with this Code.

Compliance with this Code may be subject to an audit at ABS-CBN's discretion. By becoming an ABS-CBN supplier, vendors or suppliers agree to comply with this Code and to be subjected to audit. Failure to comply with this



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Code may result in the suspension and/or permanent revocation of a Supplier's accreditation (including the accreditation of its subsidiaries or affiliates) with ABS-CBN, without prejudice to any right, benefit or remedy which may have accrued in favor of ABS-CBN prior to the effectivity of the termination or suspension of accreditation.

Existing laws, statutes, ordinances, rules or regulations of the Republic of the Philippines shall be suppletory to this Code, and any violation thereof shall be subject to sanctions in accordance with said laws, statutes, ordinances, rules or regulations, and ABS-CBN's policies.



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ACKNOWLEDGEMENT AND ACCEPTANCE

This is to certify that I have read and understood ABS-CBN's Code of Ethics for Suppliers. I hereby commit myself and the Company to which I belong, to fully comply with the principles, provisions and requirements of ABS-CBN's Code of Ethics.

I also certify that I am authorized by my Company to sign and accept this document in its behalf.

Supplier/Company Name: _____

Address: _____

Name of Representative: _____

Designation: _____

Signature: _____

Date: _____



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ANNEX A

The ethical standards required of an ABS-CBN Supplier include, but are not limited to, compliance of the following:

ETHICAL STANDARDS	SPECIFIC LAW, RULES OR REGULATION
1. Anti-Bribery (Government)	<ul style="list-style-type: none"> • Republic Act No. 3019 – Anti-Graft And Corrupt Practices Act
2. Anti-Discrimination Policy	<ul style="list-style-type: none"> • Republic Act No. 10911 – An Act Prohibiting Discrimination Against Any Individual In Employment On Account Of Age And Providing Penalties Therefor
3. Compliance With Environmental Laws	<ul style="list-style-type: none"> • Presidential Decree 1586 – Philippine Environment Impact Statement System • Republic Act No. 8749 – Clean Air Act of 1999 • Republic Act No. 9275 – Philippine Clean Water Act of 2004 • Republic Act No. 6969 – Philippine Toxic Substances & Hazardous and Nuclear Waste Act • Republic Act No. 9003 – Philippine Ecological Solid Waste Management Act of 2000 • Republic Act No. 9729 – Climate Change Act of 2009
4. Compliance With Labor Laws	<ul style="list-style-type: none"> • Presidential Decree No. 442 – The Labor Code of the Philippines
5. Dangerous Drugs Law	<ul style="list-style-type: none"> • Republic Act No. 9165 – The Comprehensive Dangerous Drugs Act of 2002
6. Data Privacy / Confidentiality	<ul style="list-style-type: none"> • Republic Act No. 10173 – Data Privacy Act Of 2012
7. Existence Of Labor Union / Collective Bargaining/ Freedom Of Association	<ul style="list-style-type: none"> • Republic Act No. 875 – An Act To Promote Industrial Peace And For Other Purposes
8. Machinery For Employee Grievances	<ul style="list-style-type: none"> • Republic Act No. 875 – An Act To Promote Industrial Peace And For Other Purposes
9. Policy On Health And Safety Of Employees	<ul style="list-style-type: none"> • Presidential Decree No. 442 - The Labor Code of the Philippines - Book 4: Health, Safety, and Social Welfare Benefits
10. Solicitation of donations and voluntary contributions	<ul style="list-style-type: none"> • Commonwealth Act 4075 / Presidential Decree No. 1564 - Solicitation Permit Law
11. Use Of Child Labor	<ul style="list-style-type: none"> • Republic Act No. 7610 – Special Protection Of Children Against Abuse, Exploitation, And Discrimination Act,
12. Use Of Forced Labor	<ul style="list-style-type: none"> • Republic Act No. 9208 – Anti-Trafficking In Persons Act Of 2003