

Jollibee Foods CORPORATION	JFC GROUP INTEGRATED ETHICS & COMPLIANCE PROGRAM FRAMEWORK	
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This document provides an overview of the integrated Ethics and Compliance Program (“E&C Program”)¹ for Jollibee Foods Corporation and subsidiaries (collectively, the “JFC Group”).

A. DEFINITION OF TERMS

CoBE – refers to the Code of Business Ethics of the JFC Group, as approved by the JFC Board of Directors on February 9, 2016. It is a statement of shared ethical standards within the JFC Group in the conduct of business worldwide. The purpose of the CoBE is to provide a framework to guide actions and decisions of the JFC Group and its directors, officers and employees as they exercise their judgment in the course of carrying out their day-to-day responsibilities, so that they consistently reflect JFC’s values in the course of doing business. The Code of Business Ethics emphasizes conducting business with integrity, treating everyone with respect, committing to lawful business practices, and safeguarding the Company’s resources and interests.

Compliance – refers to adherence to the standards set by law and regulations in the jurisdictions relevant to the business of the Jollibee Group of Companies. Compliance standards are based on laws and regulations in each relevant jurisdiction.

Ethics – refers to adherence to the standards set by the CoBE and related policies and procedures focusing on integrity, respect, lawful business practices and stewardship.

“**E&C**” refers to Ethics and Compliance

“**E&C Program**” – refers to this Ethics and Compliance Program outlined in this Memo

Governance – refers to the system of stewardship and control to guide organizations in fulfilling their long-term economic, moral, legal and social obligations towards their stakeholders, as further defined in Philippine Securities and Exchange Commission Memorandum Circular No. 10, S. 2016, the Code of Corporate Governance for Publicly Listed Companies.

B. ETHICS & COMPLIANCE ORGANIZATION

Ethics

Under Article 4, Section 5 of JFC’s Manual on Corporate Governance, the Board of Director’s duties include to implement and monitor compliance with its Code of Business Ethics and related policies which shall provide standards for professional and ethical behavior, as well as articulate acceptable and unacceptable conduct and practices in internal and external dealings; adopt an anti-corruption policy and program; and establish, supervise and ensure enforcement of

¹ Benchmarked on *Principles and Practices of High-Quality Ethics & Compliance Programs, Report of E&C’s Blue Ribbon Panel*, by the Ethics and Compliance Initiative and *Developing an Integrated Anti-Fraud, Compliance and Ethics Program* by the Association of Certified Fraud Examiners.

a suitable framework for whistleblowing that allows employees to freely communicate their concerns about illegal or unethical practices, without fear of retaliation and to have direct access to a unit created to handle whistleblowing concerns.

Since its inception in 2016, the Ethics Program, which is anchored on the CoBE, has been overseen by the JFC Board of Directors (“JFC Board”) through its Audit Committee, whose functions include oversight over the Global Ethics Council in the latter’s performance of its functions, reviewing reports of the Global Ethics Council to monitor disposition of any ethical violations, and assessing the effectiveness of the implementation of the Group’s global Ethics program.

The Global Ethics Council is chaired by a member of the JFC Board and of the Board’s Audit Committee, with the highest-ranking Human Resources, Audit, and Legal executives of the JFC Group – the Chief Human Resources Officer, Global Internal Audit Head, and Global General Counsel & Ethics Head - as its members. It is the approving body for all ethics-related initiatives, programs and policies of the JFC Group. Corresponding ethics councils have likewise been created at the regional level, under the Global Ethics Council’s oversight. The Ethics Program was designed, and its implementation is driven by, the Global General Counsel & Ethics Head.

Compliance

Under Article 4, Section 5 of JFC’s Manual on Corporate Governance, the Board of Director’s duties include: ensuring the Company’s faithful compliance with all applicable laws and regulations.

As required under the Revised Corporation Code of the Philippines and in accordance with the JFC Manual on Corporate Governance, JFC Board has elected a Compliance Officer with direct reporting responsibilities to the JFC Chairman of the Board.

Among the responsibilities of the Compliance Officer under relevant regulations, are to monitor, review, evaluate and ensure the compliance by Jollibee Foods Corporation, its officers and directors, with the relevant laws, the Code of Corporate Governance for Publicly Listed Companies, rules and regulations, and all governance issuances of regulatory agencies; ensure the integrity and accuracy of all documentary submissions to regulators; collaborate with relevant departments to properly address compliance issues; and identify possible areas of compliance issues and work towards resolution of the same.

In addition to the foregoing which focus on compliance with law, the Compliance Officer has responsibilities in relation to activities of the JFC Board as well as in relation to Governance, including the implementation of the JFC Manual on Corporate Governance. The E&C Program as currently written in this Memo does not cover the JFC Board and Governance responsibilities of the Compliance Officer, which are subject of separate alignment with the JFC Chairman of the Board.

The Global General Counsel & Ethics Head is also the Compliance Officer. The E&C organization structure is summarized in Annex A (**E&C Organization**). However, all persons within the JFC Group share responsibility for E&C, with all leaders driving E&C forward as a routine part of doing business, and the E&C organization serving as an advocate and resource.

C. E&C PROGRAM

The objectives of the E&C Program are as follows:

1. Establish and promote standards of ethical behavior and legal compliance;
2. Embed E&C into our ways & standards of doing business;
3. Establish mechanisms to alert management when breaches of such standards occur or are at risk of occurring;
4. Ensure that breaches are responded to effectively and responsibly; and
5. Meet compliance requirements based on relevant regulations.

The Elements of the E&C Program of the JFC Group are:

1. Policies and Processes
2. Training
3. Whistleblower Protection
4. Enforcement and Corrective Actions
5. Communication
6. Monitoring
7. Activities specific to Compliance

1. *Policies and Processes*

- Determine policies and processes that are legally required to be issued, disseminated and implemented per jurisdiction, and address accordingly in collaboration with relevant units to ensure that each region has such legally required policies in place.
- Collaborate with HR to ensure issuance, dissemination and implementation of key E&C policies applicable throughout the JFC Group:
 - Code of Business Ethics
 - Policy on Gifts
 - Policy on Conflict of Interest
 - Anti-Bribery & Corruption Policy
 - Policy on Contract Review, Approval & Execution
 - Insider Trading Policy
 - Whistleblower Policy
 - Other policies as may be agreed based on business requirements
- Collaborate with HR to ensure that E&C safeguards are built into every stage of the employee life cycle, in all regions, including without limitation:
 - *Pre-Employment:*
 - Background checks
 - Ethics questions/criteria in interviews and assessment
 - *Onboarding:*
 - New Employee Onboarding Program
 - New Employee Onboarding Program Supplement for executive-level hires
 - Disclosure of outside interests as part of standard onboarding documentation
 - *Continuing Education:*

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- Values training
 - Annual E&C refresher courses with strict criteria for passing, and consequences for not passing;
 - requirement for third parties that provide services to the JFC Group to also train their employees in E&C in accordance with their own policies (that are not inconsistent with ours)
 - *Leadership:*
 - Inclusion in leadership brand proposition
 - Other programs to build ethics and compliance as second nature to leaders
 - *Performance and Advancement:*
 - Including ethical behavior and legal compliance as evaluation criteria for purposes of performance measurement; this includes assessing not only whether performance targets are met, but the manner in which these targets are met (to ensure that these are done ethically and legally)
 - Including leadership in E&C as evaluation criteria for purposes of advancement
 - Using E&C as a factor in entitlement to incentives; recognition of ethical and compliant behavior; generally incentivizing E&C.
 - *Managing/Monitoring:*
 - Encouraging regular communication and coaching on ethics and compliance;
 - Annual disclosures of Conflict of Interest and Gifts;
 - Documentation of requests for exemptions.
 - *Employee Programs:*
 - Employee support programs to support employees through personal situations that may lead to ethics lapses
 - *Investigations/Disciplinary Actions:*
 - Consistent communication and enforcement of our CoBE and related policies, as well as the relevant codes of conduct per business entity, across the JFC Group.
 - Collaborate with key functions in setting ethical expectations for their stakeholders:
 - Supplier Code of Conduct with Procurement
 - Ethical Expectations of Franchisees with Franchise Council and relevant business units
 - Collaborating with relevant business and support units to include E&C due diligence in assessment of prospective partners and business associates (franchisees, JV partners, M&A targets, etc.)
 - Other policies as may be agreed based on business requirements
 - Collaborate with HR, Internal Audit, Internal Controls, Process Engineering, and other controls-related functions to identify policy and process gaps, as well as opportunities to embed E&C in policies and processes.

2. Training

- Collaborate with HR on E&C training for new hires and annual E&C refresher training, as well as additional training programs
- Collaborate with HR on designing and implementing training reinforcement programs (coaching, etc.) if required. Coaching shall be required for employees that do not pass their E&C refresher training tests, before they will be allowed to retake.
- Training programs include:
 - Values training
 - Annual E&C refresher courses with strict criteria for passing, and consequences for not passing;
 - requirement for third parties that provide services to the JFC Group to also train their employees in E&C in accordance with their own policies (that are not inconsistent with ours)

3. *Whistleblower Protection*

- Establish and maintain the JFC Group Ethics Hotline
- Drive the resolution of issues reported to the hotline
- Evaluate E&C data gathered from the hotline and formulate appropriate recommendations
- Ensure the protection of whistleblowers

4. *Enforcement and Corrective Actions*

- Ensure that E&C policies are being complied with and consistently enforced throughout the organization, regardless of rank of employee involved. Ensuring compliance with, and enforcement of, E&C policies is a shared responsibility across the organization, and leaders across the organization are expected to champion and monitor E&C in their respective teams.
- Oversee investigations of breaches of E&C policies
- Formulate and lead the implementation of a comprehensive company response to E&C breaches.
- Determine any organization, policy, process and other improvements, and other corrective and/or mitigating measures and/or system enhancements, to minimize the risk of occurrence of similar breaches and/or mitigate potential impact thereof

5. *Communication*

- Present annual reports on Ethics to the Audit Committee of the JFC Board, and regular reports on Compliance to the Chairman of the Board and the Chief Executive Officer.
- Collaborate with key functions to communicate E&C principles of the JFC Group and the E&C Program

6. *Monitoring*

- With Internal Audit, regularly review of the effectiveness of the E&C Program and upgrade as necessary
- Represent the E&C function in the ESG Council to ensure that the E&C Program meets agreed benchmarks and find opportunities to enhance our ESG practices through E&C program initiatives, and ensure proper communication of our E&C Program

7. *Activities Specific to Compliance*

In addition to the components of the E&C Program that are common to E&C, the Compliance Officer shall undertake the following activities specific to legal compliance, in order to comply with the mandate under the JFC Manual on Corporate Governance to ensure compliance with legal and regulatory requirements:

- a. Assessment
- b. Monitoring
- c. Corrective Actions

a. *Assessment*

- Identifying all regulatory requirements applicable to the JFC Group and the owners of each compliance process and validating with each, to ensure that there are adequate processes to ensure legal compliance, and there is clear accountability for compliance with all legal requirements.
- This shall include identifying compliance risks, and ensuring that these identified risks are owned, managed, and mitigated.

b. Monitoring

- Regularly confirming with each identified process owner that compliance requirements have been met, in order to provide senior management and/or the Board with updated information on the JFC Group's compliance risk profile.
- This shall also enable the company to make appropriate representations and warranties in its contracts, as well as prepare the company for any due diligence activities that may be undertaken on the company.

c. Corrective Actions

- Collaborating with Legal and Compliance process owners to correct any actual compliance issues
- Collaborating with compliance process owners on a glidepath, aligned with business priorities and requirements, to address any needed compliance improvements.

ANNEX A
ETHICS & COMPLIANCE ORGANIZATION

