





Ethics Policies & Procedures Review Guide

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	Effectivity Date:	Prepared by: Shane B. Herana
	Revision No: 001	Reviewed by: Frank Y. Sheng
Document Code:	Owner: Global Internal Audit	Approved by:

I. OVERVIEW

1. Policy Title

Ethics Policies & Procedures Review Guide

2. Document History

Section	Old	Revised
N/A – New Policy	N/A – New Policy	N/A – New Policy

3. Policy Statement/Overview

This document provides the guidelines that set out our overall commitments to the maintenance of the high level of effectiveness and efficiency of the Company's Ethics & Compliance Program.

4. Purpose


The objective of this guide is to formalize practices on the exercise of the Global Internal Audit, Global Legal and Ethics to maintain the Company's Ethics & Compliance Program and the relevant ethics policies/procedures in line with the most updated regulations and generally accepted best business practices. The behaviors advocated in the Company's ethics policies & procedures actually exist in practice.

5. Scope

This guideline applies to Jollibee Foods Corporation and Subsidiaries (the "JFC Group" or the Company).

Definition of Terms

Ethics Policies & Procedures ("Ethics P&P") refers to a set of policies and procedures implemented by Global Legal & Ethics under the supervision of the Global Ethics Council to meet the requirements of all applicable laws and regulations, as well as the Company's Audit Committee Charter, Manual on Corporate Governance, and all related Company policies and procedures related to ethics, with focus on core ethics requirements and with focus on (1) establishing and promoting standards of ethical behavior, (2) embedding ethics and compliance into our ways of doing business, (3) establishing mechanisms to alert management when breaches of such standards occur or at risk of occurring, (4) ensuring that breaches are responded to effectively and responsibly; and (5) meeting core compliance requirements based on relevant regulations.

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II. POLICIES AND PROCEDURES

1. Ethics Policies & Procedures review framework

A strong ethical culture is the foundation of good governance in the Company for the best interests of its shareholder and the general public and is created through a set of robust ethics policies and procedures through the Company's Ethics and Compliance Program and that sets expectations for acceptable behaviors in conducting business within the Company and with external parties. It includes effective board oversight at all different levels, a strong "tone at the top" with deep senior management involvement and support, organization-wide commitment, a set of code of conducts, timely follow up and investigation of reported incidents, consistent disciplinary action for offenders, ethics training, communications, ongoing monitoring systems, and an anonymous incident reporting system through the Company's worldwide whistleblower hot line.



Adopting the "Fraud Triangle" prevention mechanism, the Company has also developed and maintained various effective governance and controls to promote the ethical culture and identify strategies to continuously improve.

Various Ethics P&P are reviewed, enforced and consistently updated to be in line with regulations and best practices. Regular Ethics P&P review is undertaken to assess the Company's ethics standards and principles, and the effectiveness of its processes, policies and procedures to promote such standards and principles across all levels of the Company, the effectiveness to present the risks associated with the fraud triangle.



2. Annual Risk Assessment

Each year, as part of its audit planning, Global Internal Audit conducts a top-down risk assessment to ascertain these current business risks as a result of changes in organizations, business practices, and laws and regulations. Aligning with the Company's risk strategy and appetite, an annual audit plan is developed to ensure sufficient audits are executed over significant risks while moderate and low risks may be assessed on a rotational basis. Such plan shall be continuously optimized to reflect the changing business risks as well as the Company's appetite.

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Ethics P&P review shall be conjunct with the overall Global Internal Audit plan and leverage the cumulative audit knowledge obtained through the other current and prior audit projects. Such review shall be conducted, at a minimum, once every three years.

3. Types of the review

1) Routine risk based

Global Internal Audit shall collaborate Global Legal and Ethics and other relevant functions to access the emerging risks related to the Ethics P&P of the Company. Subsequently, the audit procedures shall be developed and executed to access the impacts on the Company's ethics culture and respective remediation is performed to improve further.

In addition to its annual financial audit and operational audit which may also help to detect unethical behavior or activities within the Company, additional procedures can be executed to access the effectiveness and efficiency of the Company's Ethics P&P and its success in creating an ethics culture.



- Ethics Awareness – Ethics awareness or mindset is the foundation of effective ethics culture. Such awareness assessment to evaluate whether the Company's Ethics P&P are communicated effectively to the employees through various mechanisms including employee onboarding & orientation, periodic update training and testing, leadership communication, ethics compliance reminder, etc.
- Compliance review
 - Collaborate with Global Legal & Ethics to evaluate whether the Company's Ethics P&P and the relevant training and awareness program are in compliant with the latest regulations. Furthermore, the industry best practices or benchmarking shall be also referenced.
 - To evaluate whether the Company's Ethics P&P are executed accordingly. Such as the timely execution of the onboarding process, proper training and update for ethical standards, declaration of gifts received or conflict of interest, etc.

2) Incident-based investigation and-follow up – Under the supervision of the Company's Audit Committee, the Company's Global Ethics Council has established an Ethics P&P to enhance the ethical culture and implemented worldwide hotline system for better coverage and reporting mechanism. The incident reported shall be evaluated and further investigation will be performed if necessary. The result of the investigation is communicated to the Company's Global Ethics Council and further reported to Audit Committee. Based on the nature of incidents, different disciplinary action for offenders to be undertaken. Business process and control are also optimized to prevent future recurrence if necessary.



4. Engagement Team

Global Internal Audit shall coordinate with Global Legal & Ethics, and such other units as Global Internal Audit may deem necessary in finalizing the scope of such audit. On the needed basis, an external third party may be engaged to perform the review.

5. Reporting mechanism

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The result of Ethics P&P review shall be reported to the Company's Global Ethics Council and further reported to the Audit Committee of the Company's Board of Directors on an annual basis. Remediation is planned and tracked to ensure the proper action is timely taken to remediate the potential risk and exposure to the Company. The progress of remediation shall follow the audit issue escalation process of the Global Internal Audit until the remediation is properly conducted and satisfactory results are achieved.

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6. Related Documents

This guideline is created to document compliance with all relevant and applicable laws and regulations, including the following:

- i. IIA - The International Professional Practices Framework (including mandatory and recommended guidance)
- ii. JFC Audit Committee Charter
- iii. JFC Manual on Corporate Governance
- iv. JFC Ethics & Compliance Program (including the relevant policies/procedures)
- v. The Forward Together – Code of Discipline

7. Privacy/Disclosure Agreement

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