



CODE OF CONDUCT



This Code of Conduct applies to every employee and consultants of **Pepsi-Cola Products Philippines, Inc.** at all locations nationwide.



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OUR VISION

Be the premier Food and Beverage Company in the Philippines.

OUR MISSION

We will continue to market a portfolio of international and home-grown branded quality products at prices that provide good value to our consumers in key Food & Beverage categories.

We are committed to expand the business and provide healthy financial returns to our shareholders, opportunities for growth and enrichment to our employees, business partners and the communities where we operate.

OUR VALUES

Supporting the company's Vision and Mission is a set of identified values instilled in all PCPPI employees, creating and safeguarding an open, fulfilling work culture and environment.

We remain strong with our core values of:



PASSION

Think and act as if you own the business.



EXCELLENCE

Deliver superior results through quality execution and continuous improvement.



PROFESSIONALISM

Treat everyone with respect and value diversity.



SERVICE

Respond actively to the needs of internal and external customers, consumers, and business partners.



INTEGRITY

Do the right thing all the time in a transparent and trustworthy way.

RELATIONSHIP WITH EMPLOYEES

PCPPI's most important strength is its employees. We believe in treating each other with respect and fostering an atmosphere of caring open communications and candor.

We place a great deal of emphasis on personal integrity and believe long-term results from real accomplishments are the only fair way to judge performance.

We respect individual differences in culture, ethnicity and color. Subject to specific provisions of the Philippine labor and the other laws, PCPPI is committed to equal opportunity for all employees and applicants without regard to race, color, religion, gender, sexual orientation, age, marital status or national origin.

We are committed to providing a workplace free from all forms of discrimination, including sexual and other form of harassment. We respect the right of individuals to achieve professional and personal balance in their lives.

We relate to our employees fairly and equitably, providing them with a safe and sound work environment. This is concretely manifested by :

- Selecting, hiring, promoting personnel on the basis of capacity and competence without discrimination as regards to age, race, religion, nationality or gender, with due compliance to specific provisions of the Philippine Labor and other Laws.
- Providing fair employee remuneration according to their contribution to the business while taking into account existing policies and business exigencies;
- Negotiating Collective Bargaining Agreements (CBA) consistent with law, business philosophy on affordability and performance of market forces;
- Fostering a work environment where personal, career development and professional training are encouraged; and,
- Informing employees about PCPPI affairs that concern their welfare.

All employees are expected to maintain high standards of morality, integrity, professionalism and general good character in the conduct of their daily activities consistent with the Corporate Mission and Values, as well as policies, rules and regulations.





I. BUSINESS INFORMATION

Employees should not disclose intentionally to anyone outside of PCPPI (including family members) any information about the Company which is confidential or that could be deemed to constitute a “trade secret”.

Within PCPPI, employees should only discuss or disclose material on non-public information in the ordinary course of business and when they have no reason to believe that the information will be misused or improperly disclosed by the recipient.

In case of any doubt, employee must seek approval from his line manager/management before disclosing any information.

II. CUSTOMERS, SUPPLIERS, AND COMPETITORS

We are committed to the promotion of free enterprise. Therefore, we recognize the importance of laws which prohibit restraints of trade, predatory economic activities and unfair or unethical business practices. We will comply with such laws whenever they exist.

In all of its business dealings with suppliers, customers and competitor, PCPPI will:

- Compete vigorously and with integrity;
- Treat all customers and suppliers honestly, fairly, and objectively;
- Not discuss pricing or any matters affecting pricing with competitors;
- Avoid unfair or deceptive practice and always present our services and products in an honest and forthright manner;
- Never criticize a competitor’s product without a factual basis for such statements, or act in any manner design to exclude competitors from the marketplace; and,
- Make clear to all suppliers that we expect them to compete fairly and vigorously for our business, and we will select our suppliers strictly on merit.



III. ANTI-BRIBERY & ANTI-CORRUPTION

PCPPI adheres to indispensable standards of doing business legitimately, ethically and with integrity. Any and all forms of bribery and corruption are unacceptable and will not be tolerated, whether direct or indirect, by employees or by third party partners acting in PCPPI's behalf.

We shall under no circumstances offer, give permission, authorize, consent or accept any and all forms of bribes, which include facilitating payments or any other form of inappropriate payment with the intention of obtaining benefit or gain.

A . Dealing With Public Officers


PCPPI explicitly prohibits corrupt practices involving public officers. PCPPI recognizes that employees or third party partners involved in public officer bribery are made answerable in the same manner as public officer either as co-conspirator or for a separate offense of corruption of public officer.

Further, Presidential Decree No. 46 makes it punishable for any public officer to receive, directly or indirectly, and for private person to give, or offer to give, any gift, present or other valuable thing to a public officer during any occasion, if given by reason of the official's position.

For this purpose, public officer shall mean to include officials and employees of all branches of government including the armed forces and the police; officials and employees of government owned or controlled businesses including charitable enterprises; officials, employees, and individuals working in an official capacity for or on behalf of governments or public international organisations whose officials are afforded diplomatic immunity.

As part of doing business PCPPI recognizes that engagements with government and its officers will always be present, however such engagements shall be made appropriately. Reasonable and bona fide expenditures involving public officer may include meals, gifts, sponsorships or charitable contributions provided:

- Consistent with generally accepted standards for professional courtesy;
- Must have bona fide and legitimate business purpose;
- Must be made in good faith;
- Approved by HR or Legal and Government Relations;
- Sponsorships and charitable contributions have been pre-approved under PCPPI's existing policies and guidelines.



Employees and third party partners acting in PCPPI's behalf must take special care since the gestures and actions maybe be interpreted as bribery.

B. Gifts

Employees and third party partners shall not accept or offer any gift, favor, loan, special service, payment or special treatment of any kind from any individual or organization which conducts or seeks to conduct business with the company, or which competes with PCPPI. Furthermore, employees and business partners acting in PCPPI's behalf should never offer give permission, authorize, consent or accept gifts and entertainment of any form where doing so might create a feeling of obligation, or give that impression or perception of corruption.

Except for reasonable, genuine, legitimate business purpose particularly made in good faith gifts may be accepted upon concurrence of the following conditions:

- It would be consistent with good business practice;
- It could not be considered a business inducement;
- The gift offered or to be accepted is not cash or cash equivalents, except if it is of nominal value (defined as P1,000.00 or lower);
- Approved by the HR or Legal and Government Relations before prior to the giving or acceptance of any gift;
- It is declared to the company.

However, even if such giving or accepting of gifts may be considered legally compliant, employees shall not give, offer or accept any and all forms of gifts if in doing so would violate any other PCPPI Policy or in any case create an impression of corruption or bribery.

C. Reporting

PCPPI encourages employees to report any concerns about corruption encountered. It is important that if suspicion arises reporting should be made immediately. Employee may raise such concerns via Speak Up , or thru HR or Legal and Government Relations.

PCPPI guarantees that any concerns will be handled with outmost sensitivity and due care ensuring the anonymity of the person who voluntarily gives information on the suspected misconduct.



D. Discipline

An employee or third party partner found to have violated this policy shall be subjected to appropriate disciplinary action(s).

IV. SOLICITATIONS

Employees are prohibited from engaging in personal and commercial solicitation with fellow employees during Company time and within the Company premises. However, company may endorse solicitations related to welfare, morale, charitable or civic programs.



V. CONFLICTS OF INTEREST

PCPPI's conflicts of Interest policy is straightforward:

- Do not compete with PCPPI businesses.
- Never let your business dealings on behalf of PCPPI be influenced, or appear to be influenced, by personal or family interest.

The following would constitute conflict of interest :

A. With Business Enterprises

Employees serving as directors, officers, consultants or employees of enterprises which conduct or seek to conduct business with the Company.

B. With Professional, Trade and Other Organization

Employees affiliating themselves with professional, trade or other organizations conducting activities in behalf of such organizations which interfere, conflict or are inconsistent with their status and responsibilities as employees of the Company. This does not apply to duly authorized membership in organizations mandated by law like the Integrated Bar for Lawyers and other professional organizations for professional growth in which the employee acts only as a member.

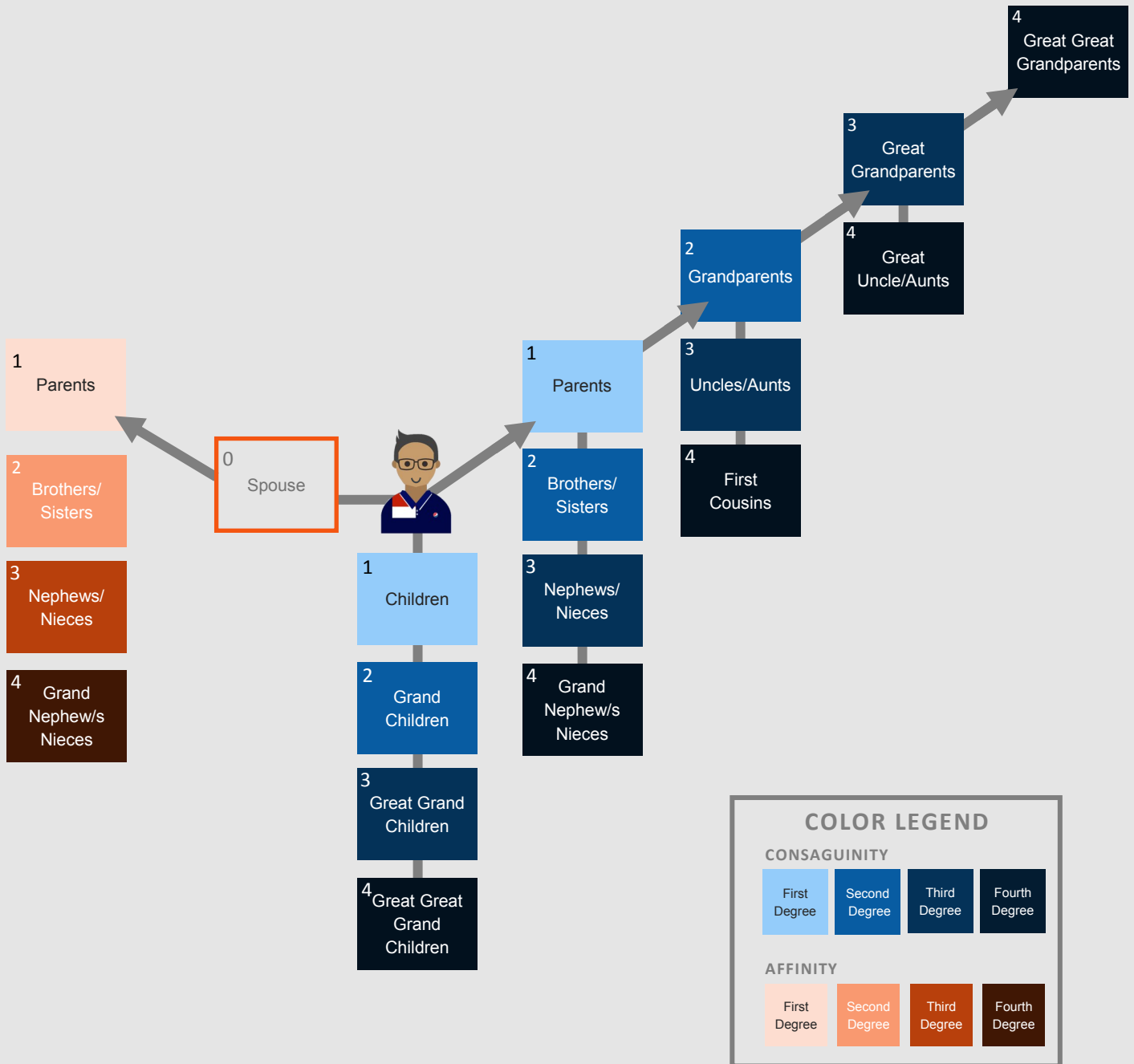
C. Running For, and Holding Elective or Appointive Positions

Employees holding office in the government, other than those provided in the Company policies, while fulfilling their duties as a fulltime Company employee.

These rules do not cover relationships which were known to PCPPI prior to hiring of the employee concerned and were disclosed in writing during the application and negotiation for their hiring for which there is an expressed approval and specifically referred to in the employment contract.

A deliberate action not to disclose any and all conflicts of interest as provided and required by the herein policy shall subject the concerned employee to appropriate management action which if proven will result to the imposition of appropriate sanction(s).

DEGREES OF RELATIONSHIPS



Note : Step relationships (step-brother, step-father, etc.) are considered to be the same as blood relationships.

VI. EMAIL, INTERNET, AND INTRANET

PCPPI's E-mail, Internet and Intranet systems are to be used for Company business only. In no event may the systems be used for sending and/or receiving: discriminatory and harassing messages, materials which are unprofessional and obscene which would violate this Code and materials for personal interest.

The E-mail system, including all equipment, information and messages is the sole property of PCPPI. Subject to legal restrictions specifically provided for by the constitution and laws and regulations on the principle of personal privacy, PCPPI will monitor employees' message transactions and will provide stored message information accordingly in case of litigation or any appropriate government inquiry.



VII. SAFETY AND ENVIRONMENTAL PROTECTION

Pursuant to the provision of books III and IV of the Labor Code and the other laws, PCPPI is committed to providing a safe and healthy work environment and to being an environmentally responsible corporate citizen.

It's our policy to comply with all applicable environmental, safety and health laws and regulations. Furthermore, each employee must comply with the Company policies concerning violence in the workplace, alcohol, and substance abuse.

We believe that protecting the environment is an important part of good corporate citizenship. We are committed to minimizing the impact of our businesses on the environment with methods that are socially responsible, scientifically-based and economically sound. We encourage conservation, recycling and energy use programs that promote clean air and water and reduced landfill waste.



VIII. POLITICAL AND COMMUNITY ACTIVITIES AND CONTRIBUTIONS

PCPPI believes in contributing to society and encourages employees to participate in community activities. Employees are allowed to support community and non- government organization activities consistent with PCPPI's business and social policies, subject to the written approval of:

- Employee's immediate superior
- Human Resources Policies and Procedures related to this subject.

We will continue to communicate information and opinions on issues of public concern which may affect PCPPI. Decisions by our employees whether or not to contribute time, money or resources of their own to any political or community activity are entirely personal and voluntary and as long as they do not otherwise cause an infringement of this Policy.

We will comply with the laws of the Philippines in promoting the Company's position to government authorities and in making political contributions, since these may be prohibited or regulated. Any such contribution requires the approval of PCPPI's Board Directors, through the Chief Executive Officer (CEO), as this involves fundamental business policy.



IX. ACCOUNTS AND RECORD-KEEPING

We will continue to observe the most stringent standards in keeping of company records (financial, sales or operating records) in order and in accordance with the Philippine Generally Accepted Accounting Principles and other professional and industry standards.

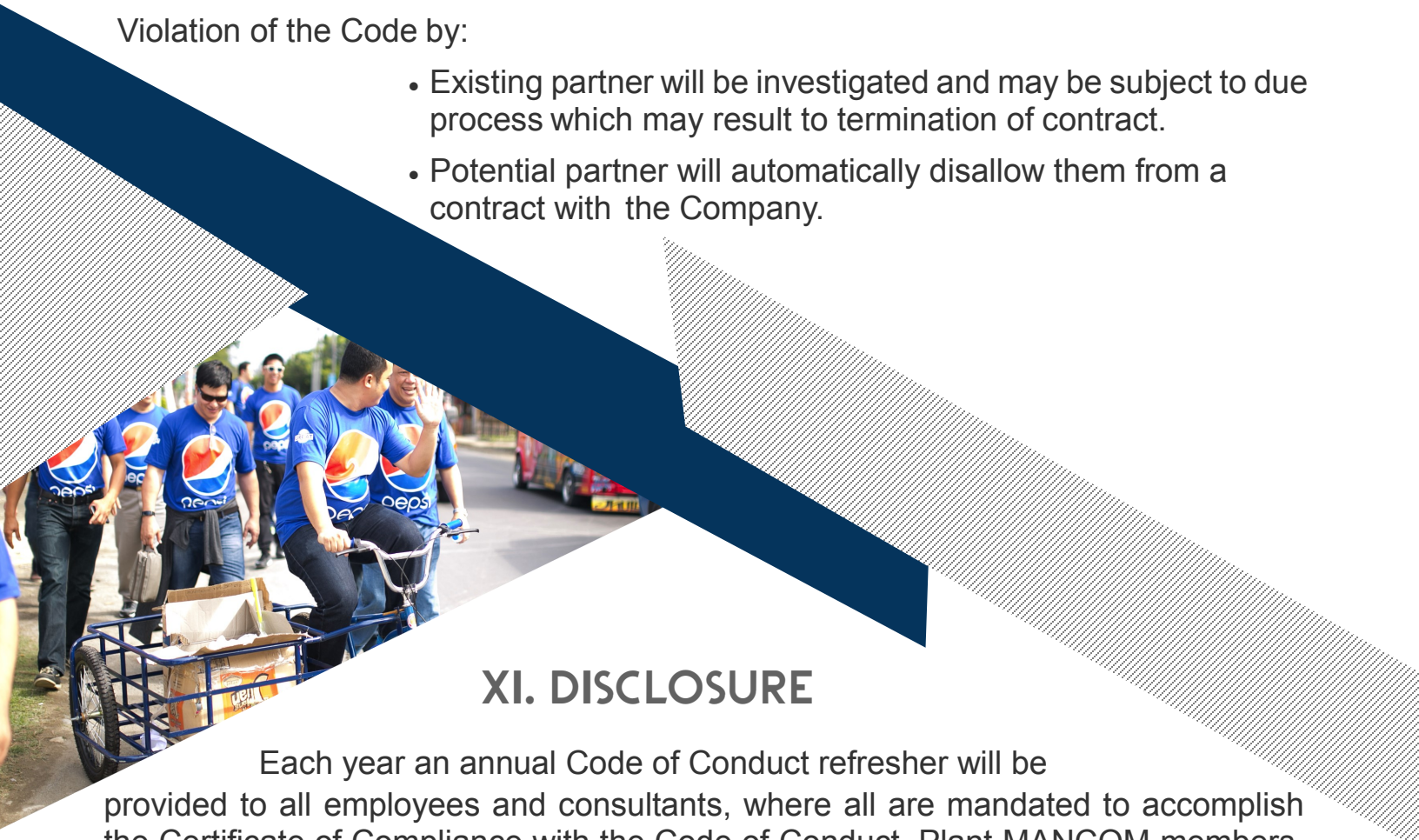
Our books will reflect all components of transactions, as well as our company standards of honest and forthright presentation of the facts.

X. THIRD PARTY PARTNERS

Third party partners, consultants, agencies and their employees should be aware of this Code and is expected to comply with all provisions with respect to their work for the Company. This will be part of their contract of service.

Violation of the Code by:

- Existing partner will be investigated and may be subject to due process which may result to termination of contract.
- Potential partner will automatically disallow them from a contract with the Company.



XI. DISCLOSURE

Each year an annual Code of Conduct refresher will be provided to all employees and consultants, where all are mandated to accomplish the Certificate of Compliance with the Code of Conduct. Plant MANCOM members, Head Office personnel, and all employees holding positions that can directly influence the Company business decisions are asked to complete and regularly update Statement of Outside Employment and Financial Interest.

This certification signifies that the employee and/or consultant have:

- Read and understood these documents.
- Compliant with the Code, except as otherwise indicated; and,
- Matters needing disclosure have been disclosed accordingly to immediate superior and HR.

If, in between sign-off periods, a change happens which puts the employee in a situation where he is no longer in compliance with the Code, he/she should promptly disclose with his superior and file a new certification describing the matter.

XII.

RESOLUTION OF CONFLICT OF INTEREST OR VIOLATIONS TO THIS CODE

If an employee's statement contains any instance of conflict of interest or a violation of this Code, plan of action should be taken in accordance with the Progressive Discipline and Corrective Action Program (PD CAP) and the Code of Conduct Issues Resolution

Guidelines. The plan of action shall be formulated by the following review committees:

Employees Holding Sensitive Positions – Head Office Review Committee:

- Head Office HR Manager
- VP – Legal and Government Relations
- SVP - HR
- SVP-CFO

The Head Office Review Committee shall be responsible in formulating the plan of action concerning employees holding sensitive position, as defined. The plan of action shall be presented to the President for approval.

Other Employees – Plant Review Committee:

- General Manager
- Local HR Manager
- Finance Manager

The Plant Review Committee shall be responsible in formulating the plan of action concerning other employees. The plan of action shall be presented to the Plant General Manager for approval.

The Line Manager, Local HR Manager and Finance Manager shall be responsible in implementing the plan of action and reporting the result to the Head Office Review Committee. These should be properly documented and should form Part of 201 file of employee.

XIII. PROGRESSIVE DISCIPLINE

The Company believes that the disciplinary action meant to correct rather than to punish employees violating this Code. Disciplinary actions are imposed, as much as possible, in progressively increasing weights.

With regard to the annual accomplishment of the “**Certificate of Compliance with the Code of Conduct**” and the “**Statement of Outside Employment and Financial Interest**” (“**Forms**”), any subsequent violation shall be considered habitual violation of this Code, in which case certain number of days of suspension, 10 days at the minimum, or dismissal, may be imposed on top of the applicable corrective action.

The enumeration of above offenses is not all-inclusive. Other offenses/violations of this Code not provided for herein shall subject the employee concerned to appropriate corrective action.

The decision to dismiss is always cleared with Corporate HR, EIR & Legal Departments so as to ensure there is full-compliance with laws and jurisprudence.

Penalties:

1. Late submission of at least 10 days of the duly accomplished COC Certification Form without valid reason – Written Reprimand to a Maximum of 30 days suspension
2. Deliberate incomplete declaration of the information required in the Forms – From at least 10 days Suspension to Dismissal
3. Verbal or implied refusal to accomplish the Forms - From at least 10 days Suspension to Dismissal
4. False declaration of information required in the Forms – From at least 15 days Suspension to Dismissal
5. Deliberate non-disclosure of conflict of interest- From at least 30 days suspension to Dismissal.
6. Violation of Anti Bribery and Anti-Corruption Policy- From at least 60 days suspension to Dismissal.



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