

# VENDOR'S Code of Ethics

 AyalaLand





This Code of Ethics manual is a property of Ayala Land, Inc. No part of this manual may be reproduced or transmitted in any form or by any means, electronic or mechanical, including photocopying and recording without permission in writing from Ayala Land, Inc. Copyright 2022

# **VENDOR'S Code of Ethics**





# Table of Contents

<b>05</b>	Letter from Ayala Land, Inc. Officials
<b>06</b>	Overview
<b>07</b>	Compliance with the Code of Ethics
<b>07</b>	Compliance with Client's Code of Ethics
<b>07</b>	Self-monitoring by Vendors
<b>08</b>	Vendor's Code of Ethics
<b>08</b>	I. Labor
<b>10</b>	II. Health and Safety
<b>11</b>	III. Environment
<b>11</b>	IV. Management System
<b>12</b>	V. Ethics
<b>14</b>	VI. Data Privacy
<b>17</b>	Acknowledgement of Vendor's Code of Ethics

# PREAMBLE

Dear Business Partners,

Throughout the years, Ayala Land Inc. is honored to serve the community and participates in nation building, guided by its core values of Leadership, Integrity, Vision, Excellence, and Malasakit. We are proud that the Ayala Land group of companies have consistently demonstrated its commitment and fidelity to these values.

To further strengthen our corporate governance initiatives, we have implemented enhancements to promote a higher standard of business integrity during the conduct of our transactions. These initiatives include the guidelines enshrined in our Code of Ethical Behavior and Code of Ethical Procurement Conduct, which are meant to ensure that all of our directors, consultants, and employees adhere to our corporate values.


The Vendor Code of Ethics was developed to serve as a guide in your conduct of business with the Ayala Land group. We trust that you will find this document useful, and that you will adhere to and comply with the provisions set forth in this document.

Thank you for your continuous support, and we look forward to a mutually beneficial relationship in the years to come.



**Augusto D. Bengzon**

Chief Finance Officer, Treasurer,  
and Chief Compliance Officer  
Ayala Land, Inc.

	<b>VENDOR'S CODE OF ETHICS</b>	
Revision No. 2	<b>Procurement Division</b> Effectivity Date: March 18, 2022	
		Page 6 of 18

## OVERVIEW

Values have been the foundation of the Ayala Group of Companies over the last 175 years. What has defined Ayala has been not just strategic, operational, or financial success, but a continued insistence on and fidelity to doing things the right way, very often in the face of uncertainty. To that end, Ayala Land, Inc. (“ALI” or the “Company”) has established a Code of Ethical Behavior for all employees. In addition, all the members of the procurement organization in Ayala Land and its subsidiaries subscribe to the Principles and Standards of Ethical Supply Management Conduct set by the Institute for Supply Management and available for public viewing at this web link: ISM-Tools - Principles and Standards of Ethical Supply Management Conduct – with Accompanying Guidelines:

<http://www.ism.ws/tools/content.cfm?ItemNumber=4740&navItemNumber=15959>

ALI expects that its vendors will share and embrace the spirit of our commitment to these sets of standards and principles. By “vendor” it refers to any firm or individual that provides a product or service to ALI or indirectly to any of its clients. ALI recognizes the autonomy of its vendors, but it is cautious that its vendors’ business practices and actions shall not impact and/ or reflect upon the Company’s reputation and brand promise, which is one of its most important assets. Because of this, ALI expects all vendors and its employees, agents and subcontractors to adhere to this Vendor’s Code of Ethics while they are conducting business with and/or on behalf of ALI. All vendors should educate their representatives to ensure they understand and comply with this Code.

ALI is committed to the highest standards of quality and business integrity in dealing with its vendors and in ensuring that working conditions at its sites are safe, that workers are treated with respect and dignity, and that the Company’s real estate projects and properties are environmentally and socially responsible.

To ensure ALI’s relationships with vendors meet and support these sets of standards and principles, the Company is enforcing this Vendor’s Code of Ethics as documented.

	<b>VENDOR'S CODE OF ETHICS</b>	
Revision No. 2	Effectivity Date: March 18, 2022	Page 7 of 18

## COMPLIANCE WITH THE CODE OF ETHICS


Vendors are obliged to acknowledge, support and comply with standards and provision of this Code. Vendors are obliged to do all that is necessary to comply with this Code. Vendors are expected to be familiar with the business practices of their sub-contractors and ensure that these sub-contractors operate within the guidelines of this Code. Failure to comply with this Code may result in discontinuance of business relationships. It is imperative that in adopting this Code is the understanding that a business, in all of its activities, must operate in full compliance with the laws, rules and regulations. This Code encourages vendors to go beyond legal compliance, drawing upon internationally recognized standards, in order to advance social and environmental responsibility.

## COMPLIANCE WITH CLIENT'S CODES OF ETHICS

ALI expects that a vendor hired by the Company on behalf of a client, will comply with all the applicable rules, policies, procedures, or codes of conduct maintained by the client, even if they are more restrictive than the provisions of this Vendor's Code of Ethics. If a vendor believes that a client rule conflicts with anything in this Code and the vendor is unsure of what to do as a result, the vendor is expected to resolve the situation in a mutually satisfactory manner with his/her primary Company contact and the client.

## SELF-MONITORING BY VENDORS

It is the responsibility of the vendor to ensure that its representatives understand this Vendor's Code of Ethics and to inform its ALI contact (or a member of Company management or ALI's designated office) if any situation occurs that leads vendor to being a part of the violation of this Code. ALI vendors are expected to self-monitor their compliance with this Code. In addition to any other rights ALI may have under agreement with vendor, ALI may request the immediate removal of any representative that shall behave in a manner that is unlawful or inconsistent with this Code or any Company policy.

	<b>VENDOR'S CODE OF ETHICS</b>	
Revision No. 2	Effectivity Date: March 18, 2022	Page 8 of 18

## VENDOR'S CODE OF ETHICS

This Code is composed of five sections. Sections I, II, and III outline standards for Labor, Health and Safety, and the Environment, respectively. Section IV outlines the elements of a minimally acceptable system to manage conformity to this Code. Section V adds standards relating to business ethics. For the purposes of this document, "Vendor" means any company, corporation, an individual or other entity that sells, or seeks to sell goods or services, to ALI including the vendor's employees, agents and other authorized representatives.

### I. LABOR

Vendors shall recognize and shall be committed to upholding the human rights of workers and to treating them with dignity and respect as understood by the international community.

#### *1.1 Freely Chosen Employment*

ALI expects its vendors to prohibit any practice of forced, bonded or indentured labor or involuntary prison labor. All work, including overtime work, shall be voluntary and workers shall be free to leave upon reasonable notice. Workers shall not be required to hand over government-issued identification, passports or work permits as a condition of employment.

#### *1.2 Child Labor*

ALI shall not engage with or support a vendor that practices child labor. Vendors are expected to comply with applicable local child labor laws and employ only workers who meet the applicable minimum legal age requirement.

Child labor shall not be practiced in any way. The term "child" refers to any person under the age of 18, or under the age for completing compulsory education, or under the minimum age for employment. In any case, the use of legitimate workplace for apprenticeship programs shall be supported by legal requirements and shall comply with all laws and regulations. Apprentice under the age of 18 shall not perform hazardous work and may be restricted from night work with consideration given to educational needs.



***1.3 Discrimination***

ALI supports diversity and equal opportunity in employment. Unlawful discrimination in the workplace shall not be tolerated. Vendors are expected to comply with all applicable local laws concerning discrimination in hiring and in employment practices. There shall be no discrimination based on race, color, age, gender, sexual orientation, ethnicity, disability, religion, political affiliation, union membership or marital status in hiring and in employment practices such as promotions, rewards and access to training

***1.4 Harsh or Inhumane Treatment***

There shall be no harsh and inhumane treatment, including any sexual harassment, sexual abuse, corporal punishment, mental or physical coercion or verbal abuse of workers.

***1.5 Freedom of Association and Collective Bargaining***

ALI expects its vendors to recognize and respect the rights of employees to freely associate, organize and bargain collectively in accordance with the laws of the Republic of the Philippines. ALI recognizes the importance of open communication and direct engagement between workers and management and vendors are to respect the rights of workers to associate freely and communicate openly with management regarding working conditions without fear of harassment, intimidation, penalty, interference or reprisal.

***1.6 Wages and Benefits***

ALI expects its vendors to comply, at a minimum, with all wage and hour laws and regulations, including those pertaining to minimum wages, overtime wages, piece rates, other elements of compensation and to provide legally mandated benefits.

Work weeks shall not exceed the maximum set by law. Further, a work week should not be more than 60 hours per week, including overtime, except in emergency or unusual situations. Workers shall be allowed at least one day off per seven-day week.

Workers shall be paid on time, and the basis on which workers are being paid must be properly communicated to them in a timely manner.

	<b>VENDOR'S CODE OF ETHICS</b>	
Revision No. 2	Effectivity Date: March 18, 2022	Page 10 of 18

### ***1.7 Human Rights***

ALI expects its vendors to support and respect the protection of internationally proclaimed human rights and to ensure that they are not complicit in human rights abuses.

## **II. HEALTH AND SAFETY**

ALI is committed to the safety and health of its employees and conducts its operations in compliance with applicable laws and regulations. Vendors are expected to provide a safe working environment that supports accident prevention and minimizes exposure to health risks.

Vendors are expected to comply with all applicable safety and health laws and regulations. Vendors shall take adequate steps to minimize the risk and danger inherent in the working environment. While on an ALI-owned, leased or managed property, vendors shall comply with all rules and regulations concerning the operation of the property and the interaction with other individuals within the property, whether ALI, its clients, or other vendors, employees or guests.

### ***2.1 Occupational Safety***

Every vendor shall be committed to the safety and health of its employees, and shall ensure that these personnel has completed necessary training prior to any work activity. The vendor shall have or shall subscribe to a written safety and health program. Vendors shall be responsible in addressing and controlling workers' exposure to hazardous work environment in conformance with all applicable standards and/or regulations and by utilizing suitable means, e.g., design, engineering and administrative controls, preventative maintenance, training, work procedures, and appropriate personal protective equipment.

### ***2.2 Emergency Preparedness***

Vendors of ALI shall have emergency plans and response procedures to comply with all applicable laws and regulations regarding emergency preparedness, addressing emergency reporting, notification and evacuation procedures, training and drills, appropriate hazard detection and suppression equipment, and adequate exit facilities from job sites.

	<b>VENDOR'S CODE OF ETHICS</b>	
Revision No. 2	Effectivity Date: March 18, 2022	Page 11 of 18

### ***2.3 Occupational Injury, Illness and Accidental Death***

Vendors of ALI shall have procedures and systems to manage, track and report occupational injuries and illnesses, accidental death, exposure of workers to chemical, biological and physical agents, and motor vehicle incidents. Such procedures and systems shall comply with all applicable laws and regulations, and include provisions to: a) encourage worker reporting; b) classify and record injury and illness cases; and c) investigate cases and implement corrective actions. The vendor shall provide its workers with appropriate treatment and insurance (for disability and accidental death).

## **III. ENVIRONMENT**

ALI respects the environment and conducts its operations in compliance with applicable laws and regulations. Vendors are expected to conduct their operations in a way that protects the environment. Vendors are expected to comply with all applicable environmental laws and regulations covering the following: a) Chemical and Hazardous Materials; b) Wastewater and Solid Waste; c) Air Emissions and d) Waste Disposal (Minimize Waste, Maximize Recycling).

## **IV. MANAGEMENT SYSTEM**

Vendors shall manifest their commitment in implementing this Code by establishing an appropriate management system to address compliance with the set standards and principles and to detect and correct any non-compliance. Where appropriate, vendors shall establish a management system whose scope is in line with this Code.

The management system shall be designed to ensure the following:

- a) Compliance with applicable laws, regulations and customer requirements related to the vendor's operations and products
- b) Conformance with this Code
- c) Identification and mitigation of operational risks related to this Code.
- d) Continuous improvement.

The management system may contain elements such as: company commitment and policy towards corporate social and environmental responsibilities; identification of the management accountability and responsibility; performance objectives with implementation plan and measures; training programs; compliance assessment; documentation and records; etc.

## **V. ETHICS**

Highest standards of integrity shall be expected from vendors at all times in all business interactions. All forms of corruption, extortion and embezzlement shall be strictly prohibited resulting to an immediate termination and legal actions. In any event, no vendor shall offer a bribe, kickback, bartering arrangement for goods or services and/or any other incentive to ALI's employees in order to obtain or retain a business with the Company.

### ***5.1 Disclosure and Privacy of Information***

Means to effectively safeguard information regarding business activities, structure, financial situation, performance, and alike, unless authorized or specified within any agreed upon non-disclosure agreement between ALI and vendor, and within the guidelines of all related laws and regulations. Vendors shall comply with all ALI requirements for maintenances of passwords, confidentiality, security and privacy procedures as a condition in receiving access to ALI internal corporate network, systems and buildings.

### ***5.2 No Improper Advantage***

ALI expects vendors to adhere to the highest standard of moral and ethical conduct, to respect local laws and not engage in any form of corrupt practices, including extortion, fraud, or bribery, at a minimum. Bribes or other means of obtaining undue or improper advantage shall not be offered or accepted. No vendor, or its representatives or employees, shall offer to any ALI employee a kickback, favor, gratuity, entertainment or anything of value to obtain favorable treatment from ALI employees. ALI employees shall similarly be prohibited from soliciting such items. This prohibition extends to immediate family members of both vendors and ALI employees.

### ***5.3 Protection of Physical and Intellectual Property***

Intellectual property rights shall be respected. Transfer of technology and know-how shall be done in a manner that protects intellectual property rights. Vendors shall handle confidential or proprietary information with due care and proper consideration for governmental regulations and ethical and legal ramifications. Vendors shall protect and responsibly use both the physical and intellectual assets of ALI, including its property, supplies and equipment when authorized by the Company to use such assets. Use ALI-

provided information technology and systems (including email) only for authorized Company business-related purposes. ALI strictly prohibits vendors and their representatives from using Company-provided technology and systems to create, access, store, print, solicit or send any material that is intimidating, harassing, threatening, abusive, sexually explicit or otherwise offensive or inappropriate; and/or send any false, derogatory or malicious communications using Company- provided information assets and systems.

#### ***5.4 Monitoring and Evaluation***


ALI may conduct on-site evaluations and inspections of its vendor's facilities and those of their subcontractors to review their adherence towards these standards and principles. It is the expectation of ALI that vendors, at a minimum, shall establish clear goals toward meeting the standards set forth in this Code.

ALI reserves the right to assess and monitor its vendor's practices in compliance with this Code. ALI and/or its professional advisers and auditors may conduct onsite audits of selected vendor facilities. ALI onsite visits and audits may include a review of relevant vendor records, policies and work practices. In case ALI observed that there is non-compliance with this Code, vendor will take all reasonable measures to meet the standards defined in this Code in a diligent manner.

#### ***5.5 Conflict of Interest***

Vendors shall avoid the appearance of or actual improprieties or conflicts of interests. Vendors or their representatives shall not deal directly with any ALI employee whose spouse, domestic partner or other family member or relative holds a significant financial interest from the vendor. Vendors shall avoid any personal business or professional activity that would create a conflict between personal interests and the interests of ALI. Vendors are expected to disclose to ALI any situation that may appear as a conflict of interest, such as a Company officer or any employee having an economic tie with the vendor. Dealing directly in the course of negotiating the vendor's agreement or performing the vendor's obligations with a spouse, domestic partner or other family member or relative who is employed by ALI is also prohibited.



	<h1 style="text-align: center;">VENDOR'S CODE OF ETHICS</h1>	
	<h2 style="text-align: center;">Procurement Division</h2>	
Revision No. 2	Effectivity Date: March 18, 2022	Page 14 of 18

### ***5.6 Gifts and Hospitality***

ALI does not accept any type of gift or any offer of hospitality beyond that of nominal value. ALI will not accept any recreational trips to sporting or cultural events, theme parks

or offers of holidays, transportation, or invitations to extravagant lunches or dinners. ALI requests that vendors respect its policy of not accepting gifts. Vendors shall use good judgment, discretion and moderation when offering gifts or entertainment to ALI employees. In doing so, the vendor and/or its representatives shall refrain from giving ALI employees an individual gift or a combination of gifts, or providing any entertainment, that would violate the ALI's employees Code of Ethical Behavior and the ISM principles and standards.

We encourage vendors to communicate any suggestion to improve ALI's business practices and to fully practice and implement the principles set out in this Code.

### ***5.7 Insider Trading***

Vendors shall avoid insider trading by buying or selling ALI or another company's stock when in possession of information about ALI or another company that is not available to the investing public and that could influence an investor's decision to buy or sell stock.

## **VI. DATA PRIVACY**

To ensure that ALI's relationship with the vendor meets and supports the sets of standards and principles embodied in this Code, ALI has the prerogative to enforce the terms of this Code and to conduct audits. For this purpose, and upon signifying its conformity to this Code, the Vendor shall participate in the enforcement process and audit/s relative to the Code, subject to the **compliance by each of the Parties with the terms and conditions of this Agreement and the requirements of the Data Privacy Act of 2012.**

In the course of the said enforcement process and audit relative to the Code, information, whether personal, sensitive personal, or privileged, pertaining to the Vendor, its employees, representatives and agent, may be collected, recorded, organized, stored, updated, used, consolidated, blocked, erased or otherwise processed by ALI and/or its professional advisers and auditors for the **following purposes** in relation to this Agreement:

	<b>VENDOR'S CODE OF ETHICS</b>	
	<b>Procurement Division</b>	
Revision No. 2	Effectivity Date: March 18, 2022	Page 15 of 18

- a) Assessing potential violations of the Vendor's Code of Ethics and the relevant supply or services agreement/s between ALI and the Vendor;
- b) Conduct of appropriate due diligence checks;
- c) Evaluation of vendor's proposal and conduct of corresponding background checks;
- d) Assessing vendor's viability as a vendor and processing of its accreditation;
- e) Communicating to it matters related to ALI's required products and services;
- f) Performing other actions necessary or desirable in the implementation and enforcement of the Code; and
- g) Ensuring the vendor's commitment to widely accepted good governance framework and principles, including anti-bribery / corruption programs, among others.

By signifying its conformity to and acceptance of this Code, the Vendor gives **full consent to ALI to collect, record, organize, store, update, use, consolidate, block, erase or otherwise process information, whether personal, sensitive personal, or privileged, pertaining to the Vendor** and the transactions subject hereof which will be used for the implementation of their agreement and/or for the purposes stated herein.

In this connection, the Vendor acknowledges that it has **read, understood and/or have been duly informed of the terms and conditions pertaining to the data privacy practices of ALI as reflected in the ALI's Data Privacy Policy at <https://www.ayalaland.com.ph/privacy-policy/>** and the Vendor hereby expresses its full conformity thereto.

# Rights

## ***THIRD PARTY RIGHTS***

This Vendor's Code of Ethics does not confer, nor shall it be deemed to confer, any rights on the part of third-parties, including any third-party beneficiary rights. For example, no employees of any vendor shall have any rights against the Company by virtue of this Vendor's Code of Ethics, nor shall such employees have any rights to cause the Company to enforce any provisions of this Vendor's Code of Ethics, the decision with respect to any such actions being reserved by the Company in its sole discretion.

## ***AYALA LAND INC.'S RIGHT***

ALI expressly reserves the right to reject any or all bids, proposals, quotations and accept such as it may consider most advantageous to them; to annul the bidding process, and/ or to call for new bids or proposals under amended rules for whatever reason they may deem proper.

## ***REPORTING IMPROPER CONDUCT***

Vendors have the right and obligation to bring to the attention of ALI management any possible or observed violation of this Code, Company policy and Philippine Laws. Vendors are encouraged to work with the Company contact in resolving a business practices' issues. A compliance concern or any question related to this Code can be addressed to the Head of Procurement, Supply Chain Management Division of Ayala land, Inc.

ALI shall not tolerate any retribution or retaliation taken against any individual who has in good faith sought out advice or has reported questionable behavior or a possible violation.

	<b>VENDOR'S CODE OF ETHICS</b>	
	<b>Procurement Division</b>	
Revision No. 2	Effectivity Date: March 18, 2022	Page 17 of 18

## ACKNOWLEDGEMENT OF VENDOR'S CODE OF ETHICS

Having carefully examined the Vendor Code of Ethics, the undersigned agrees to the guidelines stated.

SUPPLIER NAME \_\_\_\_\_

ADDRESS \_\_\_\_\_

CITY, MUNICIPALITY, ZIP \_\_\_\_\_

TELEPHONE NUMBER \_\_\_\_\_

FAX NO. \_\_\_\_\_

E-MAIL ADDRESS \_\_\_\_\_

AUTHORIZED SIGNATURE \_\_\_\_\_

TYPED/PRINTED NAME \_\_\_\_\_

POSITION WITH COMPANY \_\_\_\_\_

Completed acknowledgements should be returned to:

***Procurement Division – Vendor Relationship Management***

Procurement Division

2<sup>nd</sup> flr. MDC Corporate Center Radian Street  
Arca South Western Bicutan Taguig City 1630

[www.ayalaland.com.ph](http://www.ayalaland.com.ph)