

SECRETARY'S CERTIFICATE

I, **JESSIE R. REOTUTAR**, acting in my capacity as Corporate Board Secretary of the Small Business Corporation, a government-owned and controlled corporation created by virtue of R.A. 6977, as amended by R.A. 8289 and further amended by R.A. 9501, after being duly sworn to in accordance with law, hereby certify that in the 328th Meeting of the Board of Directors of the Corporation held on 20 August 2020 via video conference and at which a quorum was present, the following Resolution was duly passed, approved and confirmed:

BOARD RESOLUTION NO. 2020-08-2967

UPDATED SB CORPORATION CODE OF CONDUCT

"RESOLVED: That in compliance with the requirements of GCG and as endorsed by the Corporate Governance Committee, the updated Code of Conduct, a copy of which is attached as Annex "A" and made an integral part hereof be, as it is hereby approved and confirmed."

APPROVED.

Makati City, 16 September 2020.


JESSIE R. REOTUTAR
Corporate Board Secretary


OATH

REPUBLIC OF THE PHILIPPINES)
MAKATI CITY) S.S.

SEP 16 2020

SUBSCRIBED AND SWORN to before me this _____ at Makati City, affiant exhibited to me his UMID No. CRN-006-0083-3539-9.

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Small Business Corporation is an Attached Agency of the Department of Trade and Industry

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CODE OF CONDUCT

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Section 1. PREAMBLE

Small Business Corporation (SB Corporation) espouses the promulgation of a Code of Conduct (Code) throughout the organization that adheres to the spirit of the over-all governance framework of the government bureaucracy and upholds the highest standards of ethics in public service.

- 1.1. The main purpose of this Code is to guide SB Corporation officers, employees and Board of Directors in carrying out their duties and responsibilities according to high professional and ethical standards; and to ensure that SB Corporation conducts its business within the rules of law and the bounds of moral conscience.
- 1.2. The SB Corporation Board of Directors, officers and employees shall at all times be accountable to the people and shall discharge their duties with utmost responsibility, integrity, competence and loyalty, act with patriotism and justice, lead modest lives, and uphold public interest over personal interest.
- 1.3. This Code specifies and explains the rights and responsibilities of SB Corporation, its Board of Directors, officers and employees vis-à-vis the public and its stakeholders.
- 1.4. This Code emphasizes adherence to the principles of accountability, transparency, integrity and good faith, confidentiality and avoiding conflict of interest in every transaction that SB Corporation, its officers, employees and Board of Directors enter into. These same principles shall apply when SB Corporation complies with the reportorial requirements mandated by law and of regulatory agencies.
- 1.5. The provisions of Republic Act No. 6713 (Code of Conduct and Ethical Standards for Public Officials and Employees), Republic Act No. 3019 (Anti-Graft and Corrupt Practices Act), Republic Act No. 9485 (Anti-Red Tape Act of 2007), Civil Service rules and regulations, Bangko Sentral ng Pilipinas (BSP) Circulars and the Governance Commission on GOCCs (GCG) , insofar as they may be applicable, shall supplement the provisions of this Code.

Section 2. COVERAGE

- 2.1. This Code shall cover all officers and employees regardless of employment status (permanent, temporary, contractual, co-terminus, under contract of service or agency-hired) of SB Corporation and the members of the Board of Directors, whenever applicable.

Section 3. CORPORATE MISSION-VISION

3.1. OUR VISION

By 2025, we will be the leader in building financing alternatives for the Philippine MSMEs, putting them at the forefront of inclusive economic growth.

3.2. OUR MISSION

Our mission is to relentlessly champion the neglected business segments of the country to get them to access the capital needed to grow successfully.

Section 4. CORPORATE VALUES

SB Corporation adopts a three-part expression of corporate values which parallels the three persons embrace of its new logo

4.1. Matapat sa Bayan (Faithful and trustworthy service to the country)

4.2. Magaling at Maabilidad (Competent and Innovative)

Each member of the organization shall endeavor to be competent and innovative in his/her designated function, and together as a body deliver faithful service to the Philippine MSMEs out of love for country.

4.3. Bayanihan (Community in unity)

Section 5. SERVICE PLEDGE

We, the officials and employees of the Small Business Corporation, pledge and commit to deliver quality service and shall: Serve with utmost integrity, efficiency and courtesy; Demonstrate sensitivity and professionalism when dealing with clients; Provide adequate and accurate information; Comply with best banking and industry practices; Respond to complaints and feedbacks promptly; Observe strict government office hours, Mondays to Fridays, without noon breaks; Treat everyone equally and value every citizen's needs.

All these we pledge, because YOU deserve no less.

Section 6. NORMS OF CONDUCT

As public servants, SB Corporation officers, employees, including its Board of Directors shall observe the following norms of personal conduct in the performance and discharge of their duties:

6.1. Fidelity to Duty

- 6.1.1. **Commitment to Public Service.** To always uphold the public interest over and above personal interest
- 6.1.2. **Patriotism and Adherence to Democratic Principles.** To be loyal to the Republic and to the Filipino people and uphold the Constitution at all times, adhere to the democratic way of life and values, and manifest by deeds the supremacy of civilian authority over the military
- 6.1.3. **Fight against Corruption in Government.** Not to use their official position to secure unwarranted benefits, privileges or exemptions for themselves or for others, nor to act as dispensers or peddlers of undue patronage. In furtherance thereof, the following policies regarding loan recommendations are presented in Annex A.
- 6.1.4. **No to Fixers.** Not to engage in or promote fixing or deal directly or indirectly with fixers, which for purposes of this Code, are persons, who for a fee perform any act in behalf of a client which act intends to facilitate any business transaction pending in SB Corporation. The following, however, are not considered fixers: a) a lawyer who practices law before SB Corporation, or his authorized liaison officers; b) an SB Corporation client acting in his own behalf, or his attorney-in-fact; c) a person authorized to act on behalf of a Corporation or other juridical entity.
- 6.1.5. **Simple Living.** To lead modest lives appropriate to their positions and income and not indulge in extravagant or ostentatious display of wealth in any form. Modest living means maintaining a standard of living within the official or employee's visible means of income as correctly disclosed in his income tax returns, annual Statement of Assets, Liabilities and Net worth (SALN) and other documents relating to financial and business interests and connections.
- 6.1.6. **Neutrality.** Not to discriminate or manifest, by word or conduct, bias or prejudice based on age, race, religion, national or ethnic origin, gender/sexual orientation, physical ability, political belief or affiliation.
- 6.1.7. **Judicious Use of Resources.** To use the resources, properties and funds under their official custody in a judicious manner and solely in accordance with existing laws and regulatory guidelines or procedures to avoid wastage in public funds and revenues.
- 6.1.8. **Compliance to Reporting Requirements.** To conscientiously comply with the reporting requirements of regulatory bodies like performance reports and other documents required by law such as Statement of Assets and Liabilities and

Net Worth (SALN), Income Tax Returns and other public documents as may be required by SB Corporation.

6.2. Confidentiality and Non-Disclosure of Information

6.2.1. Information is a major asset of the SB Corporation. As such, all officers and staff, including the Board of Directors are duty-bound and are responsible to the Corporation and all its stakeholders to protect this asset from unauthorized use, disclosure, access, modification and destruction.¹

6.2.2. The scope of SB Corporation's Information Security Policy applies to all officers, staff and the Board of Directors – including regulators and auditors, consultants, temporary staff and on-the-job trainees – who record, input, handle, store or otherwise come across information relating to the business of the SB Corporation and its stakeholders. The policy also applies to all SB Corporation equipment, software, mobile phones, other technology equipment and facilities, whether on or off site.

6.2.3. Information is defined as:

- Electronic data,
- Paper-based information including facsimiles,
- Visual or audio recorded information (e.g. CCTV recordings),
- Verbal and telephone conversations, and
- Photographs and other images.

6.2.4. All employees must take every precaution to protect the confidentiality specifically of client information and transactions or any confidential information acquired while employed in SB Corporation, whether such information came from authorized or unauthorized sources². To ensure confidentiality of information, the employee should always clear his/her table of all important business-related information/materials when he/she leaves his/her desk, and that the same are kept inside a locked cabinet or drawer;

Provided, that nothing in this definition shall be construed as preventing SB Corporation and its personnel from adhering to the reporting and disclosure requirements mandated by law, rule or administrative policy.³

6.2.5. Employees must refrain from discussing business affairs of SB Corporation clients with other employees of SB Corporation and external parties. Likewise, discussions of client information, sensitive corporate matters and management decisions even with co-workers in public places should be avoided.

¹ SB Corporation Manual on Information Security, 2014

² This is in compliance with the Data Privacy Act or R.A. No. 10173 which mandates the protection of certain personal information relative to their processing for various purposes

³ This is aligned with the BSP Manual of Regulations for Banks which requires confidentiality of credit information of loan/borrowings clients subject to certain exemption such as reporting to the Credit Information Corporation. Under AMLA rules, employees must not disclose to clients concerned and/or discuss with others the fact that a Suspicious Report (STR) or Report on Crimes and Losses (RCL) has been filed with the AMLC/BSP.

- 6.2.6. All SB Corporation personnel shall follow the Information Security Classification contained in the Information Security Manual in the dissemination/disclosure of corporate information as well as the mode of transmission. This is to avoid the loss, destruction or access by unauthorized persons of confidential or important corporate information due to employees' inappropriate handling, resulting in the loss of critical information. For security purposes, the disclosure of information particularly to external parties should be approved by the authorized approving authorities of SB Corporation.
- 6.2.7. Maintaining the confidentiality of information obtained during their employment shall be binding to all officers and employees, including the Board of Directors, even after their separation for whatever reason, including resignation, termination of contract, or dismissal, from SB Corporation.

6.3. Transparency

- 6.3.1. SB Corporation shall state its policies and procedures in a clear and understandable language, ensure openness of information, public consultation and hearings whenever appropriate, encourage suggestions, simplify and systematize policies, rules and procedures and avoid red tape, as contained in its Citizen's Charter.⁴
- 6.3.2. SB Corporation shall exercise transparency in transactions, contracts, relationships and all other matters involving public interest and observe the laws, rules and regulations relative to the disposition of assets and/or properties, and the procurement of materials, supplies and/or equipment.
- 6.3.3. SB Corporation shall comply with reporting and disclosure requirements of regulatory agencies such as the Bangko Sentral ng Pilipinas, Commission on Audit, Governance Commission for GOCCs and the Anti-Money Laundering Council. Internally, Management decisions and actions, especially those concerning benefits and personnel action, shall be made reasonably transparent to its officers and employees.
- 6.3.4. SB Corporation Board of Directors, officers and employees have an obligation to accomplish and submit declarations under oath of, their SALN and Disclosure of Business Interests and Financial Connections including those of their spouses and unmarried children below eighteen (18) years of age living in their households.

6.4. Unethical Acts

Except as otherwise provided below, the following acts are contrary to the policy of transparency espoused by SB Corporation and are considered unethical:

⁴ This is in compliance with the Anti-Red Tape Act of 2007 or R. A. No. 9485 to eliminate red tape and to simplify frontline. service procedures, formulate service standards to observe in every transaction, and others.

- 6.4.1. A loan approving authority engaging in one-on-one contact in any manner with an MSME loan applicant or an active borrower to discuss transactional details of the loan, except when made by the lending heads themselves or when the same is conducted on an official basis, in the presence of the lending head and with full documentation. The tape recording and minutes of the meeting shall be filed.
- 6.4.2. Except for the lending heads, a loan approving authority engaging in one-on-one contact in any manner with a field staff of the lending units to discuss transactional details of an MSME application or loan exposure under the direct lending program. Such contacts or any instruction or communication concerning such matters shall be addressed to the lending heads.
- 6.4.3. A loan approving authority engaging in the compilation of confidential details on MSME loan applicants and borrowers beyond those reported by lending heads and account officers as required in the credit approval process.
- 6.4.4. A loan approving authority making constant follow-ups or exerting extraordinary pressure and/or demanding the granting of special terms and conditions in behalf of a specific loan applicant or borrower under the direct lending program.
- 6.4.5. A loan approving authority organizing group meetings with direct lending clients without the involvement of the lending heads. Furthermore, the preparation and conduct of the meeting/forum shall be done on an official basis with full documentation.
- 6.4.6. A loan approving authority making commitments and announcements in behalf of the Corporation in public and private fora which may encourage dole out mentality among loan applicants and borrowers.

6.5. Conflict of Interest

- 6.5.1. SB Corporation officers and employees including the Board of Directors should avoid conflict of interest in performing their official duties, conduct their own financial affairs in a prudent manner and avoid financial situations that could reflect unfavorably on themselves, SB Corporation or its clients.
- 6.5.2. A conflict of interest exists when:
 - a) The SB Corporation Board of Directors, officials and employees' objectivity or independence of judgment in performing official duties is impaired or may reasonably appear to be impaired, or:
 - b) The SB Corporation Board of Directors, officials and employees, their immediate family, common-law relations or business or other financial interest, would derive pecuniary or material benefit because of his/her official act. The term "immediate family" shall include the following whether

related by blood or adoption: (i) spouse, (ii) children, (iii) brother/sister, (iv) parent, (v) grandparent, (vi) grandchildren and all other relatives within the fourth civil degree.

6.5.3. Possible occasions when conflict of interest is committed:

a) Acceptance of Gifts

- i. SB Corporation implements a “No Gift” Policy⁵. Gifts received worth more than P 500.00 which are not feasible and impractical to return shall have to be officially turned over to Administrative Services Unit for recording of how the gift was used by the Corporation;
- ii. Gifts in cash or in the form of check/gift certificate/check must not be accepted and must be returned immediately;
- iii. Likewise, the solicitation of gifts of any kind during birthdays, anniversary, Christmas holidays from clients and/or suppliers whether for the use of the office is strictly prohibited.

b) Dealing with Clients, Supplier, Consultants, Service Providers

- i. All employees should reject any attempt to influence business decisions including procurement, disposal and/or delivery of services by way of any compensation, commission, paid vacation, special discount on a product or service, entertainment or any form of gift or gratuity;
- ii. Employees should be very cautious and refrain from purchasing goods or services from clients or suppliers of SB Corporation at discounted prices;
- iii. While patronizing of goods and services of clients is encouraged at the institution level, employees should not use the SB Corporation-client relations in getting special terms and/or discounts as this can influence decision making and give rise to conflict of interest;
- iv. Employees are likewise prohibited from accepting or handling cash payment representing loan/property amortization or rental of acquired properties. The proper protocol is for the client to pay to the SB Corporation Cashier or deposit the cash to the SB Corporation account.

6.5.4. SB Corporation personnel shall not:

- a) Enter into any contract with SB Corporation for services, lease or sale of property, delivery of supplies, apart from the employment contract relating to the personnel’s position; nor use that position to assist any member of the personnel’s immediate family in securing a contract with SB Corporation.
- b) Receive tips or other remuneration for assisting or attending to parties engaged in transactions or involved in actions or proceedings with SB Corporation;
- c) Participate in any official action involving a party with whom either the SB

⁵ Pursuant to Mancom Resolution No. 2019-0717-010 and Office Order No. 017, Series of 2019

Corporation personnel or any member of the personnel's immediate family member is negotiating for future employment;

- d) Solicit or accept, directly or indirectly, any gift, gratuity, favor, entertainment, loan or anything of monetary value from any person which in the course of SB Corporation personnel's official duties or in connection with any transaction which may be affected by the function of their office: Provided, that this prohibition shall not include (i) unsolicited gifts of nominal or insignificant value not given in anticipation of, or in exchange for, a favor from SB Corporation officer or employee or given after the transaction is completed, or service is rendered; (ii) gifts from a member of his/her family or relative on the occasion of a family celebration, and without any expectation of pecuniary gain or benefit; (iii) nominal and/or humanitarian donations from persons or entities with no regular, pending or expected transactions with SB Corporation without any expectation of pecuniary gain or benefit; (iv) gifts or grants from foreign governments; and, gift given to officers or employees during a speaking engagement⁶;
- e) Obtain financial and material interest whether directly or indirectly in any transaction requiring the approval of his/her office. Financial and material interest is defined as a pecuniary or proprietary interest by which a person will gain or lose something;
- f) Own, control, manage or accept employment as officer, employee, consultant, counsel, broker, agent, trustee or nominee in any private enterprise assisted by his/her office;
- g) Recommend any person to any position in a private enterprise which has a regular or pending official transaction with his/her office.

6.5.5. Nothing in the aforementioned provisions shall be construed to prohibit SB Corporation personnel from:

- a) Accepting invitations to, or attending social functions in relation to the personnel's official duties;
- b) Accepting a public award presented in recognition of public services;
- c) Receiving a commercially reasonable loan made as part of the ordinary transaction of the client-lender's business; or
- d) Accepting donations for the benefit of a group of personnel (e.g. all the personnel of an office or unit of SB Corporation): Provided, that appropriate disclosure of the herein mentioned activities shall be made to and approved by Management.

⁶ Subject to DBM Circular No. 2007-01: Guidelines on the Grant of Honoraria to Lecturers, Resource Persons, Coordinators and Facilitators

- 6.5.6. The full-time position in SB Corporation of every personnel shall be the personnel's primary employment. For purposes of this Code, "primary employment" means the position that consumes the entire normal working hours of the personnel and requires the personnel's exclusive attention in performing official duties.
- 6.5.7. All SB Corporation officers and employees who belong to a regulated profession and who practice their profession as part of their employment shall strictly abide by their respective codes of professional responsibility. The practice of one's profession outside of SB Corporation is generally prohibited except on a limited basis subject to the expressed permission given by the Head of Agency and provided that:
- a) The practice of profession does not require or induce the SB Corporation officials and employees to disclose confidential information acquired while performing official duties.
 - b) The practice of profession shall not be in favor of, or shall not be under an existing employment with any other government agency.
 - c) The practice of profession shall not in any way be contrary to the matters affecting the operations of SB Corporation; neither shall the practice pertain to any matter, proceeding or application pending with SB Corporation.
 - d) The practice of profession shall in no way use directly or indirectly any resource of SB Corporation or any government property.
 - e) The practice of profession shall not in any way interfere with the responsibilities and duties of the personnel.
 - f) The practice of profession shall be subject to the provisions of RA 6713 and such other relevant Civil Service Rules.

6.6. Performance of Duties

- 6.6.1. The SB Corporation Board of Directors shall foster the long-term success of the Corporation and secure its sustained competitiveness in a manner consistent with its powers as stipulated in its Charter, which the Board shall exercise in the best interest of the Corporation and its stakeholders. The Board shall conduct itself with utmost honesty and integrity in the discharge of its duties, functions and responsibilities.⁷
- 6.6.2. SB Corporation officials and employees shall carry out their responsibilities as public servants in a courteous and respectful manner, perform official duties properly and diligently and expeditiously enforce rules and implement order of SB Corporation within the limits of their authority. They shall commit themselves exclusively to the business and responsibilities of their office

⁷ SB Corporation Manual of Corporate Governance – General Responsibilities of the Board

during working hours unless, otherwise properly allowed under existing laws, rules and regulations.

- 6.6.3. SB Corporation officials and employee shall not alter, falsify, destroy or mutilate willfully any official record within their control, or cause or allow any other person to do so. This provision does not prohibit amendment, correction or expungement of records or documents pursuant to an order of SB Corporation.
- 6.6.4. Concerned SB Corporation officials and employees shall acknowledge the receipt and act on a written request, petition, or motion, whether verbal or written, immediately, and in no case beyond three (3) working days in the case of simple transactions, seven (7) working days in the case of complex transactions and twenty days (20) working days for highly technical transactions from receipt of the request, petition, or motion subject to the rules on Confidentiality of this Code.
- 6.6.5. SB Corporation officials and employees have the basic right to freedom of expression, belief, association and assembly, but in exercising such rights, they shall always conduct themselves in such manner as to preserve the dignity and impartiality of SB Corporation.
- 6.6.6. SB Corporation recognizes the well enshrined right of every employee to freedom of speech and expression, thus corporate strategies and policies are disseminated and discussed to promote and foster a harmonious work environment. As such, officers and employees are encouraged to express their comments and opinions on these matters through proper channels and venues in a professional manner.
- 6.6.7. All officers and employees are discouraged from airing complaints or disputes arising from disagreements in the workplace through the social media and instead, to resolve these through the proper process and venue in consonance with applicable Civil Service rules and other related laws.⁸

6.7. Gender Sensitivity and Neutrality

- 6.7.1. SB Corporation officer and employees shall promote gender neutrality in all facets of business. No employee, applicant for employment, client or others with whom SB Corporation does business with shall be treated in a discriminatory manner because of gender. All officers and employees shall at all times respect the dignity and integrity of both men and women in the workplace.

6.8. Sexual Harassment

- 6.8.1. Sexual harassment or sexist behavior, is an act or series of acts, including unwelcome advances, requests or demand for sexual favors, or other verbal or physical conduct of sexual nature, especially where such conduct interferes

⁸ ManCom Resolution No. 2018-09-19-143 Policy Statement on: Posting of Work-Related Grievances and Workplace Disputes/Disagreements on Social Media

with an individual's work performance and morale or creates an intimidating, hostile or offensive working environment shall not be tolerated.⁹

- 6.8.2. Complaints of this nature shall be handled according to the Rules of Procedure Governing Disciplinary Administrative Cases Filed Against SB Corporation's Officers and Employees.¹⁰

6.9. Complaints and Grievances

- 6.9.1. All efforts, complaints and grievances against SB Corporation Management or any person in particular shall in the first instance be addressed through SB Corporation's proper internal authorities in a professional manner to ensure that SB Corporation's name, image and interests are not prejudiced, including its officers and employees. It shall be the responsibility of SB Corporation officers and employees to exhaust internal SB Corporation mechanisms to address these grievances.
- 6.9.2. The complaints and grievances between or among the officials and employees of SB Corporation shall be handled in accordance with SB Corporation's formal Grievance Procedure and Grievance Machinery as approved by the Civil Service Commission.

6.10. Officers and Employee Discipline and Accountability

- 6.10.1. It is the duty of all SB Corporation officials and employees, including its Board of Directors to adhere to this Code and report violations thereto. SB Corporation shall impose strict implementation of policies to ensure employee discipline.
- 6.10.2. For the members of the Board of Directors, sanctions on any violation or non-performance of their duties and responsibilities, e.g., absence or non-participation for whatever reason in more than 50% of all meetings resulting in their temporary disqualification, are addressed in the Manual of Corporate Governance.
- 6.10.3. The Corporate Governance Committee consisting of the members of the Board shall set the ethics policy of SB Corporation. SB Corporation officers and employees are expected to adhere to the provisions of this Code as a matter of personal responsibility. As part of the monitoring process, SB Corporation officers and employees are also enjoined to report to the disciplining authority violations of the provisions of the Code.
- 6.10.4. To strictly observe and implement the provisions of this Code, appropriate actions, penalties, and sanctions shall be undertaken, imposed in accordance with existing policies, more particularly the *Rules of Procedure Governing Disciplinary Administrative Cases Filed Against SB Corporation's Officers and Employees* and all existing laws on the matter.

⁹ CSC Resolution No. 01-0940 (Administrative Disciplinary Rules on Sexual Harassment Cases)

¹⁰ Board Resolution No. 2018-11-2651

Section 7. DUTIES AND OBLIGATIONS

7.1. The Duties and Obligations of SB Corporation towards its Stakeholders, who possess a continuing professional interest in SB Corporation.

7.1.1. Officers and Employees

- a) SB Corporation's most important assets are its people. The Corporation is thus committed to enhance the quality of life of its officers and employees by providing a competitive compensation package following the provisions of the Charter. SB Corporation shall always consider foremost the needs of its officers, employees and their families.
- b) SB Corporation shall provide its officers and employees with comprehensive career development program, including opportunities for training and formation, and at the same time assist them in their progression through a career path. SB Corporation shall provide reasonable facilities and working conditions for better productivity. SB Corporation shall also promote and nurture a strong corporate culture anchored on Filipino values as its contribution towards a national culture of excellence. SB Corporation shall conduct value development programs, workshops and seminars for its officers and employees with the end in view of strengthening their commitment to excellence in public service, promoting ethical and moral values, and cultivating their environmental awareness, nationalism and social awareness.
- c) Promotion shall be strictly performance-based. SB Corporation Management is to adhere to the rule of merit and fitness.
- d) The active involvement of all sectors and openness to suggestions shall be practiced in SB Corporation. Accordingly, SB Corporation Management shall, at every opportune time, hold meetings or dialogues with officers and employees to announce, discuss and cascade important decisions on issues and other matters affecting them.
- e) The SB Corporation commits to provide a clean and safe work environment to promote the health and wellness of all its employees. Toward this end, the Corporation shall:
 - i. Adopt and implement a set of Occupational Safety and Health Standards to protect SB Corp personnel from the hazards of injury, sickness or death through safe and healthy working conditions to assure the conservation of life, prevention of loss of resources and damage to properties through the following measures¹¹:

¹¹ CSC, DOH DOLE Joint Memorandum Circular No. 1, s. 2020 Occupational Safety and Health Standards for the Public Sector

- Good housekeeping shall be maintained at all times.
 - Sanitary facilities, i.e., separate male and female comfort rooms, shall be provided
 - Indoor air quality management;
 - Regular sanitizing and disinfection of all office premises;
 - Provision of a nook where employees can take their break or meals; and
 - Standard safety signages (fire, emergency or danger signs) placed in conspicuous places as reminders.
- ii. Adopt an emergency preparedness or Business Continuity Plan which shall be communicated to all personnel to prepare them for emergency situations within and outside the Corporation. Emergency supplies such as medical first aid kits and fire extinguishers shall be made available at all times. Protective gears and sanitizers shall likewise be made available to all personnel to prevent the spread of infection.
- iii. Implement Health and Wellness programs to promote the physical, mental and psychological fitness of all its personnel.

7.1.2. Government

As a government financial institution, SB Corporation commits itself to support government's thrust of ensuring the continuing viability and inclusive growth of MSMEs and thereby attain countryside industrialization. It commits itself to the fulfilment of its developmental role for the furtherance of the MSME sector in the country at the same time maintaining financial sustainability.

7.1.3. Clients

SB Corporation shall provide high quality, fast and reliable service through excellent customer relations. SB Corporation shall provide its borrowers with an efficient system in loan processing, project management and servicing. In deciding loan applications, SB Corporation shall balance all the risks involved, the developmental contribution of the borrower and the return targets.

7.1.4. Funders

SB Corporation shall always administer the resources entrusted by its funders in a manner befitting their trust and respecting the lending conditions established. SB Corporation shall carry out financing programs with due diligence and efficiency and in conformity with sound banking, administrative, financial, and environmental and business practices under the supervision of competent and experienced management and personnel.

7.1.5. Stockholders

SB Corporation shall provide investors with competitive investment alternatives that judiciously balance risks and returns. SB Corporation also endeavors to provide as much information to investors as maybe relevant.

7.1.6. Regulatory Agencies

SB Corporation commits to provide timely and accurate reports on its operations, and disclose to the appropriate regulatory agencies and bodies including, but not limited to, the Bangko Sentral ng Pilipinas, COA, CSC and GCG all relevant information as required by law. Relative thereto, SB Corporation shall maintain an effective record management system, internal controls and system of managing and mitigating its major risks.

7.1.7. The General Public

SB Corporation also establishes relationships with other individuals or corporate bodies which do not qualify, strictly speaking, as its stakeholders. These include providers of contracted services, suppliers of office equipment and materials, project consultants, cause-oriented non-government organizations, and other institutions in the financial sector. Excellence in these sorts of relationships is measured fundamentally in terms of fairness and transparency.

- a) SB Corporation shall establish ways and means to gather feedback and suggestions from the transacting public in order to gauge their satisfaction level and continually improve on the quality of services rendered by SB Corporation, its officials and employees.
- b) Pursuant to Republic Act No. 9485, SB Corporation shall establish service standards to be known as the Citizen's Charter in the form of information billboards which should be posted at the main entrance of offices or at the most conspicuous place, SB Corporation website and in the form of published materials written either in English, Filipino, or in the local dialect, that detail the; (i) procedure to obtain a particular service; (ii) person/s responsible for each step; (iii) maximum time to conclude the process; (iv) document/s to be presented by the customer, if necessary; (v) amount of fees, if necessary and (vi) procedure for filing complaints.
- c) SB Corporation shall actively participate in environmental and civic undertakings in the spirit of social responsibility and environmental activism. In keeping with this commitment, SB Corporation shall actively promote environment-friendly projects. It shall also cooperate with agencies which espouse legitimate and worthy causes such as humanitarian endeavors, education, culture and the arts, sports and conservation of the Philippine heritage and the environment.

7.2. Duties and Responsibilities of the SB Corporation's Board of Directors¹²

7.2.1. General Responsibility of a Board of Director

A Director shall act in a manner characterized by transparency, accountability and fairness and shall assume certain responsibilities to different constituencies and stakeholders, e.g., the Corporation itself, the Government, customers, creditors, employees, and the public at large, who have the right to expect that the Corporation is run in a prudent and sound manner.

7.2.2. Specific Duties and Responsibilities of the Board

- a) Conduct fair business transactions with SB Corporation and ensure that personal interest does not bias the Board decision. A Director should avoid a situation that give rise to conflict of interest or compromise his impartiality. A Director shall not use his position to make profit or to acquire benefit or advantage for himself and/or his related interest;
- b) Act always in good faith with the care which an ordinary prudent man would exercise under similar circumstances, with loyalty and in the best interest of SB Corporation and its stakeholders;
- c) Devote time and attention necessary to properly discharge his/her duties and responsibilities. A Director shall familiarize him/herself with SB Corporation's business, be aware of the Corporation's conditions, contribute meaningfully to the Board's work, attend and actively participate in Board and committee meetings, request and review meeting materials;
- d) Act judiciously. Before deciding on any matter, a Director shall thoroughly evaluate the issues, ask questions and seek clarifications when necessary;
- e) Exercise independent judgement. A Director shall view each problem or situation objectively. When disagreement with others occurs, he/she shall carefully evaluate the situation and state his position, he/she shall not be afraid to take a position even though unpopular, and he/she shall support plans and ideas that he/she thinks will be beneficial to SB Corporation;
- f) Have a working knowledge of the statutory and regulatory requirements affecting SB Corporation, including the contents of its Charter and the requirements of government regulatory agencies. A Director shall also keep him/herself informed of the industry developments and business trends in order to safeguard SB Corporation's competitiveness.
- g) Observe confidentiality. A Director shall observe the confidentiality of non-public information acquired by reason of his position as Director, and shall not disclose such information without authority of the Board;

¹² Manual of Corporate Governance of Small Business Corporation

- h) Ensure the continuing soundness, effectiveness and adequacy of SB Corporation's control environment.

7.3. Duties and Obligations of Officers and Employees towards SB Corporation

SB Corporation officers and employees shall strive to render service to the best of their abilities, e.g. cooperation, teamwork. They shall not hesitate to go beyond what is strictly demanded of them for the good of the Corporation. Toward this end, they shall strictly adhere to specific policies in the daily performance of their duties.

Section 8. SPECIFIC POLICIES

8.1 Work Schedule

8.1.1. Work Hours

- a) Attendance shall now be counted in the Individual Performance Scorecards of personnel up to the rank of Department Managers.¹³
- b) The normal work schedule is from 8:00 A.M. to 5:00 P.M. although flexi-time is allowed from 7:30 to 9:00 a.m. time in the morning and 4:30 to 7:00 p.m. time out in the afternoon.¹⁴ A 30-minute grace period on the 9:00 a.m. ceiling for start of official working hours shall be allowed under the following conditions: (i) coming in at 9:30 shall not be considered late for purposes of performance rating, CSC-related sanctions and other related personnel/benefit mechanisms, (ii) but a corresponding salary deduction shall be imposed for coming in beyond 9:00 a.m.
- c) An employee has to render not less than eight (8) hours of work a day, five (5) days a week, equivalent to forty (40) work hours per week, except Saturdays, Sundays and Holidays. The number of working hours may be reduced, however, when the employees' health and safety are at risk, i.e., during a pandemic, pursuant to CSC guidelines.
- d) However, in the exigency of service, Management may require additional work hours/days and shall compensate the employee(s) for the extra hour(s) or day(s) of work in accordance with relevant CSC and DBM rules and regulations.
- e) All employees must be at their respective workstation at the start of his/her work schedule and must be performing his/her official function during those times.
- f) All officers and employees are entitled to take a non-compensable one (1)

¹³ Office Order No. 006, s. 2020

¹⁴ Memorandum from the President/CEO 19 December 2018

hour break per day for lunch break between 11:30 Noon to 1:00 P.M., and two (2) fifteen (15) minutes coffee breaks in the morning and afternoon.

- g) Any period of time that an employee spends outside of the office without a travel authority or authorized official business or beyond the allowable break times shall be deducted in the computation of work time rendered. The concerned employee should then extend his/her working hours but not to exceed 7:00 p.m., otherwise the time spent beyond the allowable breaks or time spent outside of the office without the proper authorization shall be considered as undertime.¹⁵
- h) Employees are prohibited from taking extended lunch breaks and spending office hours doing unauthorized and non-work-related activities outside the office.
- i) SB Corporation observes the “No Noon Break” policy. As such, lunch break shall be scheduled and taken on staggered basis to avoid disruption of service delivery and accommodate clients who are only free to transact during lunch time.

8.1.2. Attendance and Punctuality

- a) All employees must strictly adhere to his/her chosen work schedule otherwise, he/she shall be rendered tardy or late or in some cases, under time.
- b) Unscheduled absences must be avoided at all times. An employee who will not be able to report for work or will be late on a particular day must inform (call or text) his/her immediate supervisor at least prior to his/her work schedule. Upon report for work, the employee has to accomplish the Leave Form for the unscheduled absence/ leave, as the case may be, to be signed/approved by his/her immediate supervisor.
- c) All employees shall accomplish the required Leave Application Form and secure the approval of his/her immediate supervisor prior to availing of the planned leave.
- d) The salary of an employee may be adjusted according to the actual number of work hours/days rendered due to tardiness and absences without leave. Habitual tardiness and absences may be a ground for administrative sanction.

8.1.3. Overtime Work

- a) As a general rule, all SB Corporation officers and employees are expected

¹⁵ ManCom Resolution No. 2018-06-21-064 Ensuring Organization Compliance to Working Hours

to accomplish their work assignments during and within the regular working hours. In the exigency of service, however, employees may be required to extend their working hours. Overtime work during regular working days may be permitted on an exception basis, not more than twice a week per employee, to be requested by the Group Heads or higher officers. Overtime work on Saturdays may be allowed only when in support of a special requirement of the Board, the Office of the President or the OEVP/COO. Overtime requests shall be subject to the approval of the Controllership Group Head and the President/CEO.¹⁶

- b) Only rank and file employees shall be compensated for overtime work.¹⁷ Employees who are on travel status are not authorized to render overtime services with pay or compensation.
- c) Remuneration for overtime services shall be through Compensatory Time Off (CTO) credits which is a non-monetary benefit in lieu of pay for overtime services rendered.¹⁸ The payment in cash of overtime (OT) services through Overtime Pay may be authorized only in exceptional cases.¹⁹ For example, to encourage higher productivity among SB Corporation's regular drivers and messengers, as well as, to alleviate their financial condition, they shall be entitled to cash payment for overtime service rendered.²⁰
- d) Employees may avail of their earned CTO credits, i.e., the number of hours or days an employee is excused from reporting for work with full pay and benefits, in blocks of four or eight hours, equivalent to a half or full day leave from work, and may be used continuously up to a maximum of five consecutive days per single availment or on staggered basis within the year.²¹
- e) Offsetting of overtime work rendered on a weekend or holiday, especially during out-of-town official travels, against work day(s) may be allowed subject to the approval of authorized approving authorities and their workload.

8.2 Personal Responsibilities

An SB Corporation employee must be fully aware and conscious of his/her actions and image within and outside of the office. As an SB Corporation and a government employee, he/she must always be guided by good ethical and moral standards in the conduct of his/her personal affairs.

¹⁶ Office Order No. 020, s. 2018

¹⁷ Office Order No. 001, s. 2004

¹⁸ CSC DBM Joint Circular No. 2, s. 2004 Non-Monetary Remuneration for Overtime Services Rendered

¹⁹ CSC DBM Joint Circular No. 1, s. 2015 Policies and Guidelines on Overtime Services and Overtime Pay for Government Employees

²⁰ Office Order No. 028, s. 2019

²¹ CSC DBM Joint Circular No. 2, s. 2004 Non-Monetary Remuneration for Overtime Services Rendered

8.3 Appearance and Office Attire

- a) All employees are required to report for work neatly groomed and properly attired.
- b) Rank and file employees are provided with office uniforms, which they are required to wear based on approved schedule.
- c) While Fridays are dress-down days, employees are still required to dress appropriately. Worn-out/distressed/ripped jeans or denims, shorts, tank tops, slippers, sportswear, revealing clothes are prohibited. Reprimand may be given for wearing improper and/or inappropriate office attire.
- d) Wearing of SB Corporation ID is part of the office attire and must be worn at all times during office hours within the office premises.
- e) All employees are required to maintain a hairstyle and facial hair befitting that of a professional and any unusual hairstyle or color must be avoided.
- f) Wearing of earrings for male personnel and visible body piercings are likewise not allowed including tattoos particularly those who have regular and face-to-face customer interactions.

8.4 Health and Welfare

- a) SB Corporation promotes a healthy lifestyle for all its employees. For this purpose, all must undergo the Annual Physical Examination (APE)/check-up with the accredited health provider/HMO.
- b) Together with the accredited health care provider, SB corporation shall implement health and wellness programs, information on lifestyle induced diseases, food and dieting and other relevant health issues for the benefit of all employees;
- c) Results of medical examination/check-up shall be directly given by HRMDG to the concerned employee once it is made available by the accredited health provider/HMO. The employee concerned is required to seek further medical advice or examination based on the specific findings or diagnosis.
- d) As much as possible, employees who are “under the weather”/not feeling well due to suspected communicable disease should refrain from reporting for work to contain the spread of the suspected disease. In such a case, a medical certificate shall be obtained from a medical doctor that the employee is fit to work before reporting for work.
- e) All hirees are required to undergo medical examination as the last stage in recruitment. Those with medical conditions/issues which will endanger/ prejudice not only the hiree but other employees and may not be given a “clean bill of health/fit to work” certificate will not be considered for employment.

8.5 Drug and Alcohol

- a) SB Corporation supports the government campaign against the use, distribution and manufacture of illegal drugs²²;
- b) SB Corporation is a drug- and alcohol-free institution. Use of illegal drugs and alcohol within office premises is strictly prohibited;
- c) Officials and employees under the influence of drugs and/or alcohol are strictly prohibited from entering office premises²³;
- d) Alcoholic drinks shall only be allowed when part of an official function or event.

8.6 Smoking

- a) SB Corporation supports and promotes a smoke-free²⁴, healthy and clean air working environment. As such, smoking within the office (including inside service vehicles) and building premises is prohibited.

8.7 Safety and Security

- a) SB Corporation employees are required to protect all properties, documents, files and information he/she has under his/her care against loss, damage or unauthorized reproduction;
- b) Any program, study or research done by an officer or employee during his/her employment or by a third party created and designed for the use of SB Corporation shall be deemed as the intellectual property of SB Corporation. Unless authorized, the officer/employee is prohibited from taking out, using, replicating, sharing in part or in full to any outside party during or after his/her employment with SB Corporation;

8.8 Deadly Weapons and Explosives

- a) Carrying or possessing firearms and/or other deadly weapons inside SB Corporation premises at any time and even while in the performance of his/her duties outside of the office is strictly prohibited.
- b) Likewise, carrying or possessing explosives and/or explosive device(s) inside SB Corporation premises at any time or while in the performance of his/her duties is strictly prohibited.

²² CSC Resolution No. 17000653 dated 15 March 2017 Guidelines in the Mandatory Random Drug Test for Public Officials and Employees and for Other Purposes, as amended by CSC Resolution No. 19000238 dated 08 March 2019.

²³ CSC Memorandum Circular No. 04, Series of 2011 Policy Guidelines on the Prohibition on the Consumption of Alcoholic Beverages Among Government Officials and Employees

²⁴ CSC Memorandum Circular No. 17, Series of 2009 (Smoking Prohibition Based on 100% Smoke-Free Policy)

8.9 Gambling²⁵

- a) Gambling inside SB Corporation offices is prohibited;
- b) Government officials and employees are likewise prohibited from entering, staying and playing in gambling casinos²⁶ and other places where gambling takes place and/or engage in online gambling.

8.10 Personal Finances

- a) As responsible individuals, all officers and employees must carefully manage their personal financial affairs, should not as much as possible incur excessive debts, contracting loans or making excessive instalment purchases (credit cards) that are beyond one's ability to repay as it would reflect unfavorably upon oneself and SB Corporation;
- b) Officers and employees should avoid entering directly or indirectly into any unlawful contract of guaranty or surety nor unlawfully guarantee interest or principal of any obligation of a person, partnership, association or other entity to any bank, credit institution or person. They must be careful not to be involved in litigations involving these kinds of transactions.
- c) Employees are prohibited from contracting loans from clients.

8.11 Relationship with Co-Workers

Members of the Board of Directors, officers and employees are expected to treat one another with the same dignity, professional respect and courtesy it expects from others regardless of differences in opinions, positions, ranks, ages, gender preferences and other types of distinction.

8.12 Use of Office Equipment, Supplies and Social Media Networks/Sites

- a) All equipment, supplies, materials and official forms/documents available for use of the employee shall be for official use only.
- b) Extra care and precaution must be exerted by all employees for the judicious use of office supplies, materials and equipment to prevent wasteful use, reduce impact on the environment and preserve their economic life.
- c) Use of service vehicles shall always be for official use only and as such shall conspicuously bear the "For Official Use Only" stickers on both sides of the vehicle.
- d) Access to social media network/sites for personal use during office hours is strictly

²⁵ Republic Act No. 9287 An Act Increasing the Penalties for Illegal Numbers Games, Amending Certain Provisions of Presidential Decree (P.D.) No. 1602, and for Other Purposes

²⁶ Memorandum Circular No. 06 dated 20 September 2016 Enjoining All Government Officials and Employees to Strictly Observe and Comply with the Prohibition Against going to Gambling Casinos

prohibited.

- e) Communication between groups within the office and other area offices should make use of the official emails, computer apps, Outlook chat box and toll-free communication systems.

8.13 Selling and Solicitations

- a) Employees are prohibited from selling any merchandise to clients, suppliers, consultant, service providers and others who do business with SB Corporation;
- b) Employees may sell to co-workers outside of the office hours;
- c) Outsiders are strictly prohibited from selling merchandise or soliciting inside SB Corporation office premises. Corporate sellers may be allowed subject to the clearance from the Administrative Service Group Head and provided that the selling activity shall be done in a designated area and not during office hours.

8.14 Guests/Visitors

- a) Access to the office premises to guests/visitors is limited. For security reasons, visitors shall be allowed to enter the office premises when accompanied by an officer or employee. The protocol is the security guard on duty to call the officer or employee to accompany the visitor inside the office or just meet within the visitor's lounge.
- b) Guests/Visitors shall be required to indicate in the log book the following information: i) his/her name, ii) the company he/she works for, iii) the person he/she is meeting or visiting, iv) the purpose of the meeting/visit, v) time and vi) signature. The visitor has to display the visitor's ID given at the Reception Desk at the ground floor;
- c) The officer or employee being visited shall be directly responsible for action and demeanor of his/her visitor(s). Any untoward incident, misbehavior, unnecessary disturbance or commotion, loss or damage to property, injury to any person attributable to the guest/visitor shall be the responsibility of the concerned officer or employee.

8.15 Reporting of Impropriety and Malpractices

- a) Employees must report immediately to their immediate supervisors or directly to HRMDG any or all noted impropriety and malpractices committed by other employee(s) or officer(s);
- b) For the protection of the informant(s), his/her identity shall be kept in utmost confidentiality. Details and procedures are outlined in the Whistle Blowing Policy of SB Corporation.

8.16 Financial Consumer Protection

- a) BSP Circular No. 847 dated 21 November 2014 “BSP Regulations on Financial Consumer Protections” provides for the minimum standards of consumer protection in the areas of disclosure and transparency, protection of client information, fair treatment, effective recourse, and financial education that must be adhered to at all times in dealing with customers in order to prevent regulatory violations and protect consumers from non-compliance and associated harms and/or losses.
- b) The following are considered as consumer offensive behavior, acts, and practices which are prohibited:
 - i. Making false, misleading, or deceptive statements that may materially and/or adversely affect the decision of the customer to avail of a service or acquired a product such as in selling, presenting/marketing, advertising and distributing promotional/marketing materials;
 - ii. Engaging in unfair, abusive or deceptive acts or practices in connection with any transaction with a consumer for a financial consumer product or services,
 - iii. Providing advices to consumers merely to meet origination targets;
 - iv. Employing “hard-sell” techniques;
 - v. Forcing customers to sign contracts;
 - vi. Lending to persons who are already over-indebted without observing policies, rules and procedures in establishing the applicant’s repayment capacity;
 - vii. Exposing or revealing client data to third parties without the prior consent of the client
- c) Applying unfair collection practices and/or tolerating the same in case collection functions is outsourced to collection agents, to wit:
 - i. Use or threat of violence or other criminal means to harm the person physically, his/her reputation or property;
 - ii. Use of obscenities, insults, or profane language which amount to a criminal act or offense under applicable laws;
 - iii. Disclosure of the names of borrowers who allegedly refuse to pay debts, except as allowed under existing laws, rules and regulations;
 - iv. Threat to take any action that legally cannot be taken;

- v. Communicating or threat to communicate to any person the credit information which is known to be false including failure to communicate that a debt is being disputed;
 - vi. Any false representation or deceptive means to collect or attempt to collect any debt or to obtain information concerning borrower, and,
 - vii. Making contact at unreasonable/inconvenient times or hours which shall be defined as contact before 6:00 A.M. or after 10:00 P.M., unless the borrower has given express permission or said times are the only reasonable or convenient opportunities to contact the borrower.
- d) Seizing collateral property without respecting customer's rights; and,
 - e) Giving price to buyers that is unfair to others when selling foreclosed/ repossessed or used/disposable assets.

8.17 External Activities

- a) Officers and employees of SB Corporation, as government employees, are prohibited from engaging, directly or indirectly, in any electioneering or partisan political activity, except to vote.
- b) As public servants, all officers and employees of SB Corporation are prohibited from accepting outside employment without the approval of the President/CEO and clearance from the Civil Services Commission

Section 9. PROVISION FOR MORE STRINGENT STANDARDS

Nothing in this Code shall be construed to derogate from any law, or any regulation prescribed by proper authorities, which provides for more stringent standards for government officials and employees.

Section 10. EFFECTIVITY

This Code takes effect on _____. All provisions of law, Civil Service rules, administrative issuances governing or regulating the conduct of public officials and employees applicable to SB Corporation, including all standing policies and work rules not inconsistent herewith are deemed incorporated into this Code.²⁷

²⁷ Board Resolution No. 2020-08-2967

(Previous versions: Board Resolution No. 1646, series of 2009 and Board Resolution No. 2131, series of 2014)

CODE OF CONDUCT COMPLIANCE CERTIFICATE

I certify that I have received a copy of the Code of Conduct of Small Business Corporation on _____ and that I have completely read and thoroughly understood its provisions.

I agree to abide by its terms and will immediately report any violation of the Code.

I understand that violation of the Code's provisions may be subject to sanctions under the law and the rules and regulations of Small Business Corporation.

Signature over printed name

Group/Department/Unit

Witnessed by: _____
Signature over printed name

Note: A compliance certificate following the foregoing format shall be submitted by the employee upon his/her employment to SB Corporation's Human Resources Department. Incumbent employees shall submit the Code of Conduct Compliance Certificate within ten (10) calendar days from receipt of the Code.

Annex A – Guidelines in Loan Endorsement

a) Definition of Terms

For purposes of this Code of Conduct, the term “loan endorsement” pertains to any act of referring for approval a specific loan applicant or private sector partner seeking a loan tie-up. It is transactional in character and may be made in any manner, whether oral or written. It includes written communication officially addressed to the Corporation or any such endorsement to any member of the Corporation made verbally or via electronic means (e.g. electronic mail, text messages). Constant and frequent follow-ups are also covered by the term.

b) Guidelines

- i. Loan endorsements shall not serve as basis for discriminating against the loan applicant for as long as approval of the application is on an arms-length basis (i.e. regular credit evaluation and loan implementation processes are observed) and at terms not less favorable to the agency than if such application were considered a regular transaction.
- ii. A policy of full disclosure and transparency on loan endorsements shall be followed. Loan endorsements shall be disclosed in the loan approval memorandum for information/guidance of the loan approving authority.
- iii. Loan application follow-ups by loan endorsers or by parties other than the loan applicant or borrower shall be handled by the lending head or more senior lending managers. Lending heads or more senior loan approving authorities may also opt to elevate for committee level approval other credit applications involving strong endorsements from parties outside of the loan approving authorities.
- iv. Loan applications endorsed by any of SB Corporation’s loan approving authorities shall be for the approval (or disapproval) at the Credit Committee level; or by the Board of Directors in case the loan endorser is any of its member-directors. Any undue or extraordinary pressure exercised by the loan endorser shall strictly be prohibited.