

## SEXUAL HARASSMENT POLICIES AND PROCEDURES

Pursuant to the provisions of Section 4, Republic Act No. 7877, An Act Declaring Sexual Harassment Unlawful in the Employment, Education or Training Environment, and For Other Purposes, the following policies and procedure are hereby issued by Payreto Services Inc. (herein referred as the "Payreto") to prevent sexual harassment in its workplace and to provide the procedure for the resolution, settlement and/or disposition of sexual harassment cases.

Payreto is committed to create and maintain a safe work environment for all its employees, free from any harassment of any kind, including sexual harassment. Payreto will operate a zero-tolerance policy for any form of sexual harassment in the workplace, treat all incidents seriously and promptly investigate all allegations of sexual harassment. Any person found to have sexually harassed another will face disciplinary action, up to and including dismissal from employment, regardless of the rank or position of the person who committed it.

### **I. COMPANY POLICY AGAINST SEXUAL HARASSMENT**

Payreto believes that employees should be afforded the opportunity to work in an environment free of sexual harassment. Sexual harassment is a form of misconduct that undermines the employment relationship. No employee, either male or female, should be subjected verbally or physically to unsolicited and unwelcome sexual overtures or conduct. Payreto will not tolerate any behaviour that amounts to sexual harassment and any officer or employee found to have committed sexual harassment shall be subjected to disciplinary action, up to and including dismissal.

#### **A. Definition of Sexual Harassment**

1. Payreto has adopted, and its policy is based on, the definition of sexual harassment set forth in Section 3 of R.A. 7877. It provides that sexual harassment in workplace is committed by an employer, employee, manager, supervisor, agent of the employer, or any other person who, having authority, influence or moral ascendancy over another in a work environment, demands, requires or otherwise requires any sexual favor from the other, regardless of whether the demand, requests or requirement for submission is accepted by the object of said Act.
2. Anyone can be a victim of sexual harassment, regardless of their sex and of the sex of the harasser. Payreto recognizes that sexual harassment may also occur between people of the same sex. What matters is that the sexual conduct is unwelcome and unwanted by the person against whom the conduct is directed.
3. Any person who directs or induces another to commit any act of sexual harassment as defined herein, or who cooperates in the commission thereof by another, shall also be liable under this Policy.
4. Sexual harassment can involve one or more incidents and actions constituting harassment. These acts may be physical, verbal, and non-verbal. The following acts are considered sexual harassment and are arranged according to the severity of their corresponding punishment. Note that the list is not exhaustive and is meant as a guide to approximate how certain acts will be punished. The severity and degree of punishment will still be left to the discretion of the Committee on Decorum and Investigation (the "CODI"), taking into consideration the totality, gravity, and extent of the offense.
5. In a work-related or employment environment, sexual harassment is committed when:
  - a. The sexual favor is made as a condition in the hiring or in the employment, re-employment, or continued employment of said individual, or in granting said individual favorable compensation, terms of conditions, promotions, or privileges; or the refusal to grant the sexual favor results in limiting, segregating or classifying the employee which in any way would discriminate, deprive or diminish employment opportunities or otherwise adversely affect said employee;
  - b. the above acts would impair the employees' rights or privileges under existing labor laws; or
  - c. the above acts would result in an intimidating, hostile, or offensive environment for the employee.

#### **B. Where Sexual Harassment is Committed**

1. Sexual harassment may be committed in any work or training environment. It may include, but are not limited to the following:



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- a. In or outside the office building or training site;
- b. at office or training-related social functions;
- c. in the course of work assignments outside the office;
- d. at work-related conferences, studies or training sessions; or
- e. during work related travel.

### C. Forms of Sexual Harassment

1. Sexual harassment may be committed in any of the following forms:
  - a. Unwanted and overt physical, verbal or visual sexual advances;
  - b. Unwelcome or improper gestures of affection;
  - c. Request or demand for sexual favours including but not limited to going out on dates, outings, or the like for the same purpose;
  - d. Other sexually oriented conduct which is offensive or objectionable to the recipient, including, but not limited to: epithets, derogatory or suggestive comments, slurs or gestures and offensive posters, cartoons, pictures, or drawings; and
  - e. Any other act or conduct of a sexual nature or for purposes of sexual gratification which is generally annoying, disgusting or offensive to the victim.

### D. What is NOT Sexual Harassment

1. Sexual harassment does not refer to occasional compliments of a socially acceptable nature. Sexual harassment refers to behaviour that is not welcome, that is personally offensive, that debilitates morale, and that, therefore, interferes with work effectiveness.

### E. Employer's Responsibility

1. Payreto undertakes to provide its officers and employees a work environment free of sexual harassment by management personnel, by co-workers and by others with whom officers and employees must interact in the course of their employment in Payreto. Sexual harassment is specifically prohibited as unlawful and as a violation of Payreto's policy. Payreto is responsible for preventing sexual harassment in the workplace, for taking immediate corrective action to stop sexual harassment in the workplace and for promptly investigating any allegation of work-related sexual harassment.

### F. Payreto Gender Sensitivity Officer

1. Two (2) HR Managers, preferably one male and one female, shall be designated to receive and review sexual harassment complaints. They are tasked with the following duties:
  - a. Receive formal and informal sexual harassment complaints.
  - b. Facilitate informal discussion between the complainant and the alleged harasser.
  - c. Keep confidential records of the informal discussions.
  - d. Monitor compliance with the resolution agreed upon in the informal discussion.
  - e. Joint review of formal sexual harassment complaints.
  - f. Sending of Letters Requesting Explanation to the alleged harasser.
  - g. Convening of the Committee on Decorum and Investigation (CODI).
  - h. Coordination with Management on the action to be imposed on the respondent.

### G. Committee on Decorum and Investigation (the "CODI")

1. The CODI shall be composed of a Manager, a rank and file employee, and an HR Manager who is not a Gender Sensitivity Officer. In the event that any member of the CODI is part of the complaint, either as a complainant, respondent, or accomplice to the incident, he/she shall inhibit himself from hearing and investigating the case. Immediately upon approval of this Policy, HR shall organize the CODI. The CODI is tasked with the following duties:
  - a. Develop its own rules in the settlement and disposition of sexual harassment cases.
  - b. Develop and implement programs to increase understanding and awareness about sexual harassment.
  - c. Conduct gender sensitivity and sexual harassment orientations to increase understanding and prevent incidents of sexual harassment;
  - d. Conduct investigation of alleged cases constituting sexual harassment; and
  - e. Submit reports on investigations conducted to Management.



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### II. PROCEDURES ON SEXUAL HARASSMENT CASES

#### A. Complaint Procedure

1. Any officer or employee, who experiences or witnesses any act of sexual harassment in the workplace, shall report the same immediately to the Committee on Decorum and Investigation. They may also report acts of sexual harassment to any other member of Payreto's Management or ownership. All allegations of sexual harassment will be quickly investigated. To the extent possible, the identity of the officer or employee shall remain confidential and that of any witnesses and the alleged harasser will be protected against unnecessary disclosure. When the investigation is completed, all parties will be informed of the outcome of the investigation.
2. It is recommended that any individual who believes that he or she has been or is being harassed, should make personal written notes of relevant events, as soon as possible after the incident(s) has (have) occurred, noting date(s), place(s), a short description of what happened, and the names of any witnesses and/or of any third parties to whom the incident might have been mentioned. The complainant shall have two options to commence the grievance procedure:
  - a. Informal Complaints Mechanism
    - i. Anyone who is subject to sexual harassment should, if possible, inform the alleged harasser that the conduct is unwanted and unwelcome. Payreto recognizes that sexual harassment may occur in unequal relationships (i.e. between a supervisor and his/her employee) and that it may not be possible for the complainant to inform the alleged harasser. If the complainant cannot directly approach an alleged harasser, he/she can approach any Gender Sensitivity Officer.
    - ii. The Gender Sensitivity Officer shall then facilitate a discussion with the alleged harasser within three (3) days from receipt of the complaint to achieve an informal resolution that is acceptable to the complainant.
    - iii. The Gender Sensitivity Officer shall ensure that a confidential record is kept of what happens.
    - iv. The Gender Sensitivity Officer shall then follow up with the complainant to ensure that the behavior has stopped.
    - v. If no resolution can be reached in the informal discussion, or if the behavior has not stopped, the complainant may opt to file a formal complaint against the alleged harasser.
  - b. Formal Complaints Mechanism
    - i. At the option of the complainant or when no acceptable resolution has been reached in the informal discussion, a formal sexual harassment complaint may be initiated by the complainant by filing a written letter-complaint addressed to a Gender Sensitivity Officer within twenty (20) calendar days from the happening of the incident or from the last informal discussion. The complaint must be written and signed by the complainant. In case the complaint originated from a failed informal discussion, the confidential records of the meeting shall be attached to the complaint.
    - ii. Upon receipt of the complaint, the Gender Sensitivity Officers will immediately send a Notice to Explain memo (the "NTE") to the respondent. The respondent will be given five (5) days to submit a written response ("Response") to the NTE. The Response shall be submitted to the Gender Sensitivity Officers. If the case stemmed from an informal discussion, the Gender Sensitivity Officers shall immediately forward the Response to HR and the CODI.
3. Investigation.
  - a. If originally filed as a formal complaint:
    - i. The Gender Sensitivity Officers shall jointly review the complaint and decide, within five (5) business days from the receipt of the Response, if there is sufficient ground for violation of the policy. If there are sufficient grounds, HR will convene the CODI within five (5) business days from the finding of sufficient grounds.
  - b. In case the complaint originated from an informal discussion:



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- i. There is no need for the joint review of the complaint by the Gender Sensitivity Officers. The CODI shall be convened within five (5) business days from the receipt of the Response.
- c. The CODI shall investigate the matter and submit an investigation report within five (5) business days from the date they were convened, or if the complaint originated from an informal discussion, within five (5) days from receipt of the Response.
- d. The CODI shall examine all documents presented and may conduct an interview of the complainant and the respondent separately. They may also interview other relevant third parties separately.
- e. While the complaint is being investigated by the CODI, the respondent may be put under preventive suspension for ten (10) working days or depending upon the discretion of the CODI. The respondent shall be notified of the date of commencement of his or her preventive suspension through a letter from the CODI.
- f. The CODI shall keep a record of the matter. This record shall be kept confidential. It shall also keep a confidential record of all actions taken on each sexual harassment complaint.
- g. The CODI shall submit the investigation report and recommended action to Management, within ten (10) days from convening, or from the receipt of the Response, whichever is later.
4. Management, in coordination with the Gender Sensitivity Officers and the CODI, shall decide on the action to be taken on the complaint. These actions done under this Policy shall be without prejudice to other actions that management may take under existing labor law, rules and regulations, as well as company policies.

### B. Retaliation

1. Payreto will permit no employment-based retaliation against anyone who brings a complaint of sexual harassment or who speaks as a witness in the investigation of a complaint of sexual harassment.
2. It shall also be considered a violation of this Policy to retaliate against a person who reports an alleged incident of sexual harassment or who testifies, assists, or participates in any proceeding, investigation, or resolution of a sexual harassment report. Retaliation includes, but is not limited to, threats, intimidation, reprisals, and/or any adverse action related to employment or a business decision.

### C. Written Policy

1. All officers and employees of Payreto shall receive a copy of the company's sexual harassment policy upon assumption of their respective offices. If at any time an officer or employee would like another copy of the policy, please contact the Office of the Committee on Decorum. If Payreto should amend or modify its sexual harassment policy, all officers and employees will receive an individual copy of the amended or modified policy.

## III. IMPLEMENTATION AND MONITORING

The Human Resource Department, together with the Health and Safety Committee or its counterpart shall periodically monitor and evaluate the implementation of this Policy. Moreover, The HR Department, together with the Unit Heads and the Health and Safety Committee, shall be responsible in disseminating this Policy and shall ensure that it is easily accessible to all relevant persons. All new employees must be oriented on the content of this Policy as part of their induction into the company. The provisions of R.A. No. 7877 are hereby incorporated to form an integral part of this Policy.

## IV. EFFECTIVITY

This Policy shall take effect immediately and shall be made known to all employees.

  
DONWABEL CASTILLO

Owner /Manager

  
LEA MAY D. SANTOS  
Employees' Representative

DATE: \_\_\_\_\_