

POLICY ON DANGEROUS DRUG USE AND ALCOHOL ABUSE IN THE COMPANY

I. POLICY STATEMENT

Pursuant to RA 9165, AAI shall prohibit the use, possession, distribution, selling or attempt to sell, toleration, or transfer of dangerous drugs and habit forming substances, narcotics, and alcohol by any of its employees or persons especially, within AAI premises.

II. POLICY

All officers, employees and contractors of AAI are expected to report to and remain at work to perform assigned duties in a condition free from the effects of alcohol and illegal drugs. Employees are prohibited from using, possessing, transferring, selling, purchasing, or being under the influence of alcohol or illegal drugs on company time and/or premises.

Illegal drug activity on or off the job will not be tolerated. Employees shall not be involved with the unlawful use, possession, sale, or transfer of drugs or narcotics in any manner. Alcohol influence or use during working hours and within AAI premises which could have an adverse effect on an employee's job performance or which could jeopardize the safety of other employees, the public, company property and equipment, or the Company's reputation in the community will not be tolerated.

III. OBJECTIVES

To set guidelines and procedures in the implementation of Article V of Republic Act No. 9165, otherwise known as the Comprehensive Dangerous Drugs Act of 2002, and its Implementing Rules and Regulations and Department Administrative Order No. 53 Series of 2003 or the "Guidelines for the Implementation of a Drug-Free Workplace Policies and Programs for the Private Section"

REFERENCES

- 3.1 Republic Act 9165 (Dangerous Drug Act of 2002).
- 3.2 DOLE Department Order No. 53-03 (Drug-Free Workplace Law).

IV. SCOPE

The provision of this policy shall apply to ALL employees of AAI, which, for purposes of this policy shall refer to AAI Worldwide Logistics Inc. and all other affiliate companies under AAI Holdings Inc., regardless of employment status, rank and position, including contractors, trainees & concessionaires of AAI Group of Companies.

V. RESPONSIBILITY

Management

1. The Management shall ensure that the workplace policies and programs on the prevention and control of dangerous drugs and alcohol abuse, including drug testing or alcohol breath test, shall be disseminated to all officers, employees, contractors and contractual employees, concessionaires, trainees. The employer shall obtain a written acknowledgement from the employees that the policy has been read and understood by them.
2. The Management shall be responsible for increasing awareness and education of their officers and employees on the adverse effects of dangerous drugs and alcohol abuse as well as the monitoring of employees susceptible to drug abuse. Topics which may be included in the orientation-education program shall comprise of, among others, the following:
 - a. Salient Features of RA 9165 (the Act) and its Implementing Rules & Regulations (IRR)
 - b. The Company policies and programs on Drug-Free workplace
 - c. Adverse effects of abuse and / or misuse of dangerous drugs on the person, workplace, family and the community.
 - d. Preventive measures against drug abuse
 - e. Steps to take when intervention is needed, as well as the services available for treatment and rehabilitation.
3. The Management is enjoined to display a billboard or streamer in conspicuous places in the workplace with standard message like ***"THIS IS A DRUG-FREE WORKPLACE; LET'S KEEP IT THIS WAY!"*** or such other messages of similar meaning.
4. The Management shall require their officials and employees to undergo a random drug test or alcohol content breathe test in accordance with the company's work rules and regulations for purposes of reducing the risk in the

workplace. Strict confidentiality shall be observed with regard to screening and the screening results.

5. All cost of drug testing or alcohol breath test, whether annual, random or prescribed shall be borne by the Company.

Employees

Employees shall participate and be actively involved in the drive for a Drug-free and Alcohol-free workplace.

Drug Assessment Committee

It shall be responsible for the formulation of workplace policies which shall be made integral to the company's occupational safety and health and related workplace programs. It shall establish and implement programs on awareness, prevention and control of drugs, abuse or misuse of alcohol and other controlled substances in coordination with the other agencies as required by law. The committee shall be composed of 6 members: MRC, Department Head, HR Head or HR Officer, Safety Officer, Company Nurse and Employee's Representative.

VI. ADVOCACY, EDUCATION & TRAINING

In order to maintain a safe and healthy working environment free from use of illegal drugs or misuse of alcohol and other controlled substances, the following shall be implemented:

1. Educate employees on the adverse effects of the use of illegal drugs, abuse or misuse of alcohol on the person, workplace, family and the community through awareness programs.
2. Educate employees on AAI's Illegal Drugs and Alcohol Abuse Policy.
3. Make available counseling, treatment and rehabilitation for employees who voluntarily seek assistance.
4. Organize employee activities that will promote safe and healthy living such as sports and wholesome recreation activities.
5. Enforce the corresponding disciplinary action for violation.

VII. COMMUNICATION

1. Drug testing among employees whether for the annual or random or surprise test shall be unannounced to ensure accuracy of results and to prevent tampering. Only the Assessment Committee shall have knowledge of the schedule of the annual random drug test.
2. The tests and results shall be strictly confidential except when the information is essential in proceedings as required by law or when the divulgence of the information is authorized by the person concerned.
3. The Assessment Committee with the assistance of the Drug Testing Center representative shall inform the employees of the procedures to be undertaken during drug testing.
4. Employees who are taking prescribed medication shall inform the Drug Testing Officer and list down all medications for record purposes prior to specimen collection.
5. Drug test results shall be made known to the employees on an individual basis as soon as available. Utmost confidentiality is observed.
6. The same conditions apply to any alcohol test.

VIII. GUIDELINES AND PROCEDURES

1. DRUG TESTING

Passing a drug test is a pre-condition to employment with AAI and is a requirement for continued employment. An annual and random or surprise drug test shall be done to ensure that the workplace is maintained drug-free and for purposes of reducing risk in the workplace.

- AAI shall require all its officers, employees and contractors to undergo random drug testing consistent with applicable laws and regulations.
- The drug testing shall be administered by a licensed drug test center duly accredited and monitored by the Department of Health (DOH) to safeguard the quality of test results.
- The drug testing shall consist of both screening test and confirmatory test where the latter is done when the screening test turns positive. In which case, the employee, officer or contractor must be informed.
- The Assessment Committee shall facilitate the conduct of the drug testing and shall be responsible for keeping the results strictly confidential.
- The Assessment Committee is also tasked to assess the results of the screening and confirmatory tests and make recommendations to management on the necessary interventions that can be extended to affected employees.
- A drug test may be required in the event that any of the following occurs:
 - Annual

- Post work-related accidents, incidents or near misses.
- Post treatment and rehabilitation to determine fitness to perform work.
- Out of a clinical finding or when there is reasonable suspicion that an employee is under the influence of drugs.
- All cost related to the conduct of the drug test shall be shouldered by the Company.
- Contractual undertakings of contractors must indicate the inclusion of their workers to annual and random drug testing and specify that their passing the test is a condition to their continued engagement with AAI and its affiliates.
- The mandatory drug test is done separately from the employee's annual physical examination.

2. PROCEDURES FOR DRUG TESTING

2.1 Collection of Specimen

The collection of urine and blood specimen shall be consistent with the existing procedures, rules and regulations of the Dangerous Drugs Board, as follows.

- All employees shall comply with the requirements regarding removal of any outer and inner garments, which might conceal items or substances that could be used to tamper with or adulterate urine or blood specimen.
- The drug-testing officer shall be allowed to conduct a body search, including bags, wallets, and pockets, prior to urine or blood specimen collection.
- The drug-testing officer shall collect the required volume of urine or blood specimen from the employees. All urine or blood specimens shall be placed in a specimen bottle provided by the drug-testing officer. The bottle shall be labeled with the name of the examinee, specimen number and the time and date of collection.
- Where required by law, the drug-testing officer will escort the employee to the comfort room or any other room designated for collection of urine specimen to ensure that the urine sample will not be altered or tampered.
- The drug-testing officer reserves the right to defer any drug testing or to reject any urine or blood specimen for any valid reason, such as if the volume of urine is less than the requirement under regulations or if the drug testing officer suspects that the urine sample has

contaminants, or when the employee is under prescribed medication which may affect the accuracy of the results of the drug test, among others.

- After checking the urine, the drug-testing officer shall seal the specimen bottle in front of the employee.
- The employee shall affix his signature on the specimen bottle for the purpose of certifying that it is the specimen collected from him or her.
- The drug-testing officer shall seal the specimen bottle and endorse the same for storage and transportation to the laboratory for urine or blood analysis.
- The drug-testing center shall give the results of the drug test to Assessment Committee or any duly authorized officer of AAI within 3-5 days.
- A positive result shall be verified by means of a second, confirmatory testing. Should the confirmatory test yield a negative result, the employee will be deemed to have passed the test.

2.2 Employees found positive for Drug-Use

- The Company shall not hire job applicants who tested positive for drug abuse.
- An employee who tested positive for drug abuse shall be subjected to confirmatory test using the same specimen to determine the kind of substance present in his system.
- An employee who tested positive in the Confirmatory Test shall undergo Drug Dependency Evaluation (DDE) to DDE Accredited Physician to determine the appropriate intervention. The cost of DDE and Mandatory Drug Testing and Monitoring is for the personal account of the employee.
- If the employee concerned is confirmed to be abusive to illegal drugs, he is required to rehabilitate himself/herself. Rehabilitation is a responsibility of both the employee and the employer. As such, rehabilitation shall be:
 - i. Voluntary in nature;
 - ii. If not voluntary, initiated by the department manager through a counseling session with the employee;
 - iii. From a period of three (3) to six (6) months for which the employee shall be on sick leave; if sick leave has been exhausted, vacation leave shall apply, if vacation leave has been exhausted, leave without pay shall take effect; and,
 - iv. Cost is for the personal account of the employee.

- HR and Medical section staff shall further assist the employee by facilitating the rehabilitation with an accredited rehabilitation center. Medical section staff shall monitor the progress of the employee's rehabilitation.
- An employee who underwent rehabilitation shall undergo another drug testing before returning to work. His/her fitness to return to work shall be certified by the physician or health care provider, which shall be assessed by committee.

2.3 Employees found to be in possession, distributing, selling or attempting to sell dangerous drugs of habit forming substances.

- Employees caught within the company premises having in their possession, distributing, selling or attempting to sell dangerous drugs or habit forming substances will be turned over immediately to the proper government authorities by the company's Security Officer, after informing his/her immediate Supervisor/Dept. Manager, the HR Manager or HR Officer and Senior Manager.
- The HR Manager or HR Officer will see to it that the family of the concerned employee is immediately informed of the incident.
- Employees caught inside and outside the company premises to have committed a crime related to dangerous drugs or habit-forming substance, and/or violated the provisions of Republic Act 9165 or the Dangerous Drugs Act of 2002 shall be sanctioned with the appropriate penalty in accordance with the provisions stated in the policy.

3. ALCOHOL TESTING

All officers, employees and contractors of AAI are expected to report to work free from the influence of alcohol.

3.1 AAI and its affiliates shall require all its officers, employees and contractors to undergo alcohol breath test when there is reasonable suspicion of being under the influence of alcohol while at work. The breath test shall be done by the guard-on-duty and witnesses by the HRD or the Supervisor based on the smell of breath with alcohol and the coherence of the employee when answering questions.

3.2 An employee or contractor suspected to be under the influence of alcohol but who shall pass the breath test may be allowed to report for work on that day but shall be closely monitored.

3.3 An employee or contractor who shall test positive for alcohol use or under the influence of alcohol must not be allowed to report to work

and shall be unpaid for the day whether the employee still have available leave credits.

- 3.4 An employee who shall test positive for alcohol use or under the influence of alcohol upon reporting for work shall be sanctioned accordingly in addition to his absence without pay for the day.
- 3.5 A contractor who tests positive for alcohol use shall be asked to immediately leave the workplace and shall forever be banned from engaging in any form of work with the Company.
- 3.6 All costs related to the conduct of alcohol testing shall be shouldered by the Company.
- 3.7 An alcohol breath may be required in the event that any of the following occurs:
 - When the general appearance is suspicious to be under the influence of Alcohol (red eyes, groggy, haggard, smell of alcohol, etc.)
 - Post work-related accidents, incidents or near misses.
 - Post treatment and rehabilitation to determine fitness to perform work.
 - Out of a clinical finding or when there is reasonable suspicion that an employee is under the influence of alcohol.

4. PROCEDURES FOR ALCOHOL TESTING

- 4.1 Using a calibrated breathalyzer, and randomly, the guard-on-duty designated to conduct the alcohol breath test shall conduct the alcohol breath test to employees or other persons entering the premises when required.
- 4.2 The same procedure shall be done by the designated personnel to employees under suspicion of alcohol use or intoxication when working, operating, driving or performing tasks inside or outside the company premises during office hours.
- 4.3 After checking, authorized and designated personnel shall record the alcohol content displayed in the breathalyzer in a logbook duly witnessed by the person tested and another disinterested person present during the test.
- 4.4 The designated personnel shall submit the test results to the HRD for records purposes and for appropriate action.
- 4.5 The employee shall affix his signature on the logbook for the purpose of certifying the accuracy of the test result.
- 4.6 A positive result shall be verified by means of a second, confirmatory testing. Should the confirmatory test yield a negative result, the employee will be deemed to have passed the test.

5. ENFORCEMENT / PROHIBITIONS

In the application of this policy, the following acts constitute work misconduct and shall be subject to appropriate disciplinary action based on the Schedule of Penalties of the Code of Business Conduct and Ethics (CBCE):

- 5.1 Use, possession or storing, manufacturing, distribution, dispensation or sale of illegal or unauthorized drugs or controlled substances, or drug paraphernalia whether inside or outside Company premises.
- 5.2 Use of alcohol any time or work premises, when operating vehicles or equipment owned by the Company, or while on duty.
- 5.3 Reporting for work under the influence of illegal drugs, controlled substance, or alcohol.
- 5.4 Switching or adulterating any urine sample submitted for drug testing, or commission of any acts or employment of any devices for the purpose of altering the results of any drug or alcohol testing procedures.
- 5.5 Refusal to submit to a urine or alcohol breath test when lawfully requested by the Company.
- 5.6 Refusal or non-adherence to the requirements of any drug and/or alcohol misuse treatment or counseling program that has been required due to a positive drug or alcohol test.
- 5.7 Unauthorized use, purchase, sale, manufacture, distribution of any legal prescription drug on Company premises, Company-supplied vehicles, during work hours or anytime while on duty.
- 5.8 Non-adherence to the requirements of any Company mandated drug and/or alcohol misuse treatment or counseling program.
- 5.9 Failure to advise immediate supervisor of an employee's use or administration of legal drugs prescribed by a physician or any health care provider which may affect the performance by an employee of his/her regular functions.
- 5.10 Any conviction under any criminal drug statute.
- 5.11 Failure to pass the confirmatory drug test as prescribed by law.

6. TREATMENT, REHABILITATION AND REFERRAL

- 6.1 AAI and its affiliates shall include treatment, rehabilitation and referral procedure to be provided by the company staff or by an external provider. It shall also include a provision for employee assistance and counseling programs for emotionally stressed employees.
- 6.2 The Assessment Team shall determine whether or not an officer or employee found positive for drugs or alcohol would need referral for treatment and/or rehabilitation in a DOH accredited center.

- 6.3 This option is given only to officers and employees who are diagnosed with drug dependence or alcohol addiction for the first time, who turn to the Assessment Team for assistance, or who would benefit from the treatment and rehabilitation.
- 6.4 Following rehabilitation, the Assessment Team, in consultation with the head of the rehabilitation center, shall evaluate the status of the employee and recommend to the employer the resumption of the employee's job if he/she poses no serious danger to his/her co-employees and/or the workplace.
- 6.5 Repeated drug use even after ample opportunity for treatment and rehabilitation shall be dealt with the corresponding penalties under this policy.
- 6.6 All the expenses incurred during the treatment and/or rehabilitation shall be borne by the employee.
- 6.7 An updated list of drug treatment and rehabilitation centers accredited by the DOH shall be disseminated through the OSHC website (www.oshc.dole.gov.ph). A list of alcohol rehabilitation centers shall also be posted.

7. MONITORING AND EVALUATION

The implementation of the drug-free workplace policies and programs shall be monitored and evaluated periodically by the Company to ensure that the goal of a drug-free workplace is met. The Health and Safety Committee may be tasked for this purpose.

8. ROLES, RIGHTS AND RESPONSIBILITIES OF EMPLOYERS AND EMPLOYEES

- 8.1 AAI and its affiliates shall ensure that the workplace policies and programs on the prevention and control of dangerous drugs, including drug testing, shall be disseminated to all officers and employees. The Company shall obtain a written acknowledgement from the employees that the policy has been read and understood by them.
- 8.2 The Company shall maintain the confidentiality of all information relating to drug tests or to the identification of drug users in the workplace; exceptions may be made only where required by law, in case of overriding public health and safety concerns; or where such exceptions have been authorized in writing by the person concerned.
- 8.3 All officers and employees shall enjoy the right to due process, absence of which will render the referral procedure ineffective.

9. CONSEQUENCES OF POLICY VIOLATIONS

- 9.1 Any officer or employee who uses, possesses, distributes, sells or attempts to sell, tolerates, or transfer dangerous drugs or otherwise commits other unlawful acts as defined under Article II of RA 9165 and its Implementing Rules and Regulations shall be subject to the pertinent provisions of the said ACT.
- 9.2 Any officer or employee found positive for use of dangerous drugs shall be dealt with administratively in accordance with the provisions of Article 282 of Book VI of the Labor Code and under RA 9165.

IX. DEFINITION OF TERMS

Dangerous Drugs – As defined in Republic Act 9165

- a. **Alcohol** – Any form of drink or beverage that contains alcohol or other intoxicating agents.
- b. **Controlled Substance** – As defined in republic Act 9165.
- c. **Abuse / Misuse** – The incorrect, improper or excessive use of a substance drug and/or alcohol.
- d. **Screening Test** – An initial test performed to establish potential/presumptive positive result.
- e. **Confirmatory Test** – Refers to the second or further analytical procedure to more accurately determine the presence of dangerous drugs in the specimen.

Accredited Drug Testing Center – Any drug testing center which is recognized by the Department of Health (DOH) to be capable of administering drug testing procedures and qualified to performing such.

Administer – Any act of introducing any dangerous drug into the body of any person, with or without his/her knowledge, the injection, inhalation, ingestion or other means, or of committing any act of indispensable assistance to a person in administering a dangerous drug to himself/herself unless administered by a duly licensed practitioner for purposes of medication;

Advocacy – Refers to the support given by the management to those who are found to be under the influence of dangerous drugs.

Assessment Team – Will be composed of the safety and health committee including occupational safety and health personnel, human resource personnel, employers and workers' representatives trained to address all aspects of prevention, treatment and rehabilitation.

Confirmatory Test – An analytical test using a device, tool or equipment with a different chemical or physical principle that is more specific which will validate and confirm the result of the screening test. It refers to the second or further analytical procedure to more accurately determine the presence of dangerous drugs in a specimen;

Dangerous Drugs – Include those listed in the Schedules annexed to the 1961 Single Convention on Narcotic Drugs, as amended by the 1972 Protocol, and in the Schedules annexed to the 1971 Single Convention on Psychotropic Substances as enumerated in the attached annex which is an integral part of this Act. (Annex A)

DOLE – Refers to the Department of Labor and Employment.

Drug Test – Refers to the laboratory procedure being conducted on an individual to determine whether he is positive of using dangerous drugs at the moment of testing.

Drug Testing Center – Refers to the institution capable of executing and performing drug-testing procedures.

Drug Free Policy – Refers to the set of rules, guidelines and procedure to be followed in cases where an issue regarding the use of dangerous drugs arises in the workplace.

Drug-Free Workplace – Refers to the working environment wherein the employees are not under the influence of dangerous drugs because they are well aware of the consequences of being into it.

Due Process – Refers to the steps by steps procedure in investigating the validity of an offense made by an employee against the implementing rules and regulations of the company. The employee being accused should be allowed to defend himself through written report in answer to the accusation against him.

Emotionally Stressed – Refers to the instability of the employee's emotion due to stress or other problems, whether work-related or personal.

Employee – Shall mean any person hired, permitted or suffered to work by an employer. The term employee includes permanent, regular, temporary, casual, part-time, and contractual workers.

Employer – Includes any person or entity acting directly, or indirectly in the interest of the employer, in relation to an employee and shall include non-profit private institutions or organizations.

Health and Safety Committee – Refers to a group of employees being given the responsibility by the management to look after the health and safety conditions in the workplace.

Implementing Rules and Regulations – Refers to a set of guidelines formulated by the company to ensure order and healthy relationship between management and employees, and between employees themselves.

Instrument – Anything that is used or intended to be used, in any manner, in the commission of illegal drug trafficking or related offenses;

Interested Party – Refers to the courts, law enforcement agencies or the employer, and worker's representatives.

Monitoring – Refers to the periodic observation/checking of the employee who has been suspected of using dangerous drugs or for those who have just discharge from the rehabilitation centers.

Near Miss – An incident arising from or in the course of work which could have led to injuries or fatalities of the workers and/or considerable damage to the employer had it not been curtailed.

Negative Results – Refers to the result of the drug test which indicates that the employee being tested is not under the influence of dangerous drugs at the time of testing.

Policy – Refers to the set of standards rules, guidelines and procedures.

Policy Violation – Refers to an act which is in contradiction to the given policy imposed by the management.

Positive Result – Refers to the result of the drug test which indicates that the employee being tested is under the influence of dangerous drugs at the time of testing.

Prevention – Is the promotion of drug-free lifestyle thru strategies such as advocacy, information dissemination, and capability building through training.

Private Sector Organizations – Refers to privately owned companies, corporations, associations, foundations, and the like.

Random Drug Test – Refers to unannounced schedule of testing with each employee having an equal chance of being selected for testing. The policy on the conduct of random drug test should be known to both employers and employees.

Rehabilitation Center – Refers to an institution whose main objective is to help drug dependent individuals.

Screening Test – A rapid test performed to establish potential/presumptive positive result. It refers to the immunoassay test to eliminate a “negative” specimen, i.e. one without the presence of dangerous drugs, from further consideration and to identify the presumptively positive specimen that requires confirmatory test.

Sell/Sale – Any act of giving away any dangerous drug and/or controlled precursor and essential chemical whether for money or any other consideration.

Treatment, Rehabilitation and Counseling – The dynamic process, including after-care and follow-up treatment, directed towards the physical, emotional/psychological, vocational, social and spiritual change/enhancement of a drug dependents to enable him/her to live without dangerous drugs, enjoy the fullest life compatible with his/her capabilities and potentials and render him/her able to become a law-abiding and productive member of the community;

Use – Any act of injecting, intravenously or intramuscularly, of consuming, either by chewing, smoking, sniffing, eating, swallowing, drinking or otherwise introducing into the physiological system of the body, any of the dangerous drugs.

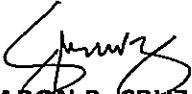
Work Accident – Shall mean an unplanned or unexpected occurrence that may or may not result in personal injury, property damage, work stoppage or interference or any combination thereof of which arises out of and in the course of employment.

Workplace – Means the office, premises or worksite, where the workers are habitually employed and shall include the office or place, where the workers who have no fixed or definite worksite regularly report for assignment in the course of their employment. It shall also include venues used by the employer for company functions.

X. EFFECTIVITY


This policy shall take effect on 02 July 2018.

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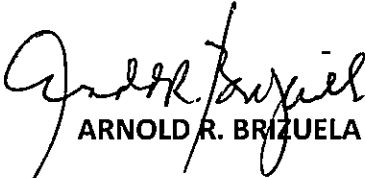
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