

SUSTAINABILITY REPORT

Contextual Information

Company Details	
Name of Organization	BANK OF COMMERCE
Location of Headquarters	San Miguel Properties Centre, 7 St. Francis Street, 1550 Mandaluyong City
Report Boundary: Legal entities (e.g., subsidiaries) included in this report	Bank of Commerce has no subsidiaries. As such, this Report discloses the Sustainability performance indicators limited to Bank of Commerce.
Business Model, including Primary Activities, Brands, Products, and Services	<p>BankCom is a publicly listed Universal bank, licensed by the BSP. The Bank has been operating since 1963 and traces its origins to the Overseas Bank of Manila with headquarters in Binondo, Manila. In 2008, BankCom became an affiliate of SMC and introduced its new logo bearing the SMC escudo. In December 2020, the Intellectual Property Office (IPO) granted the copyright license for "BankCom" as the Bank's official short name.</p> <p>The Bank has a network of 140 branches and 261 automated teller machines (ATMs) strategically located nationwide.</p> <p>As one of the country's growing banks, now armed with it a Universal Banking authority, BankCom will now be able to provide a wider range of products and services essential to individual Filipinos, corporations and small- and medium-scale enterprises (SMEs), particularly those expanding as the economy recovers from the pandemic.</p>
Reporting Period	January 1 to December 31, 2022
Highest Ranking Person responsible for this report	Antonio S. Laquindanum, EVP & Chief Financial Officer

Materiality Process

Explain how you applied the materiality principle (or the materiality process) in identifying your material topics.
<p>Bank of Commerce (BankCom or "the Bank") has identified topics which it has determined to be material because of its impact on the Bank's operations. Among major factors that contribute to BankCom's success are economic performance, environmental, human resources and service delivery, technological development, third party engagement practices, and customer management.</p> <p>Information on anti-corruption practices, customer privacy and data security, are also discussed as part of its legal obligations. These topics also directly affect the Bank's relationships with employees, shareholders, customers, counterparties, financial regulators, government, and communities.</p> <p>The projects and initiatives that align with the Sustainable Finance Framework and related circulars issued by the Bangko Sentral ng Pilipinas (BSP), as well as the United Nations (UN) Sustainable Development Goals have also been included, as these reinforce the Bank's values which highlight social contributions and not just financial performance.</p> <p>The Bank is providing disclosures for the first time having been listed in the Philippine Stock Exchange on March 31, 2022. The Bank ran a project led by the teams of Risk Management, Corporate Communications and Consumer Protection, and Compliance to achieve the objectives of a transition plan approved by the Board of Directors (BOD) in compliance with the transitory requirements under the BSP Circular 1085. The outcome of the project included the completion of the Bank's Environmental, Social, Governance (ESG) and Sustainability Framework Manual, and its approval by the BOD. To assist in determining material topics, the Bank also reviewed relevant standards for disclosure such as prescribed under BSP Memo M-022-042 or "Guidance on the Implementation of the Environmental and Social Risk Management (ESRM) System."</p>

After arriving at an initial set of material topics, BankCom’s ESG project heads compared them against the Philippine indicators, the ASEAN Sustainability-Linked Bond Standards, and the Bank’s strategic targets and risk appetite to come out with a table of economic sectors, and their corresponding materiality and key performance indicators.

As BankCom continues to improve its processes, enhance its policies and develop responsive products and services, the Bank’s materiality process and topics will be reviewed and updated accordingly. The Securities and Exchange Commission requires reporting on impacts, risks, opportunities, and the management approach. These are evaluated on a topical level, and disclosures cut across several metrics.

ECONOMIC

Economic Performance

Direct Economic Value Generated and Distributed

Disclosure	2022 Amount (in million Pesos)	Units
Direct economic value generated (revenue)	8,117	Php M
Direct economic value distributed:		
(a) Operating costs, including payments to suppliers and third party service providers	5,484	Php M
(b) Employee wages and benefits	1,905	Php M
(c) Interest payments to depositors	1,034	Php M
(d) Taxes paid/remitted to the government	666	Php M
(e) Investments to community (e.g., donations, corporate social responsibility (CSR))	9	Php M

What is the impact and where does it occur? What is the organization’s involvement in the impact?	Which stakeholders are affected?	Management approach
<p>As a universal bank, BankCom has been instrumental to the viability and continued expansion of small- and medium-scale industries, middle market establishments, and large corporates and conglomerates in various sectors, including beverages, food, packaging, energy, fuel and oil, infrastructure, property development and leasing, cement, car distributorship, and related financial services. Through its deposit, consumer credit, and corporate lending, trade, investment banking, trust, treasury management and remittance facilities, the Bank has enabled Filipino individuals and companies to achieve their financial goals and meet day-to-day transactional requirements. With a network of 140 branches located nationwide and online banking channels, BankCom provides retail and institutional financial consumers secure and efficient access to professionally designed and executed financial products.</p>	<ul style="list-style-type: none"> • Employees • Shareholders • Customers • Counterparties • Financial regulators • Government • Communities 	<p>BankCom’s Vision, Mission and Service Promise</p> <p><u>Vision</u></p> <p>Provider of exceptional financial services and solutions connecting consumer and business ecosystems that contribute to building the nation.</p> <p><u>Mission</u></p> <p>Our Mission is to deliver excellent banking experiences through competent and attentive professionals who put customers’ needs first.</p> <p><u>Service Promise</u></p> <p>With integrity and financial stability, we commit to deliver superior service to you, our discerning customers.</p> <p>Through competent and warm professionals who understand, anticipate, and fulfil your needs with a sense of urgency in a safe and guest-friendly environment,</p>

<p>For the year ended December 31, 2022, BankCom's gross revenue and net income were Php 8,117M and Php 1,800M respectively.</p>		<p>we promise you a meaningful banking experience.</p> <p><u>BankCom's 5 ESG Priority Areas</u></p> <ol style="list-style-type: none"> 1. Business Model & Innovation – Guided by our core values and service promise, we commit to deliver banking services through competent and attentive individuals, innovative digital solutions and segment-driven programs that put customers' needs first. 2. Human Capital – We provide skills training and focus on employee engagement so we can develop and nurture an innovative, customer-focused and resilient team. 3. Leadership & Governance – We remain vigilant in maintaining sound banking practices and methods through a rigorous system of checks and balances based on risk management programs that are continually reassessed and updated. 4. Environment – We responsibly manage resources and continue to improve our operational efficiency. With our improved operational efficiency, we minimize the impact to the environment of our internal processes. 5. Social – We strive to make banking inclusive, fair and accessible to financial consumers while ensuring that our products and services are developed and operated in the best interest of our depositors and other stakeholders.
What are the risk/s identified?	Which stakeholders are affected?	Management approach
<p>The following risks may have adverse impacts on BankCom's business operations and may affect the Bank's financial performance:</p> <ul style="list-style-type: none"> • COVID-19 pandemic • Disruption of operations • Digital banking technologies including expansion of fintechs 	<ul style="list-style-type: none"> • Employees • Shareholders • Customers • Counterparties • Financial regulators • Government • Communities 	<p>BankCom follows an institutionalized risk management framework for identifying, assessing, and addressing risk factors that affect or may affect its core businesses. The Bank's Risk Management Manual embodies this framework and the specific policies and procedures to execute the prescribed</p>

<ul style="list-style-type: none"> • Changes in financial consumer preferences, income level, and purchasing power • Demand for credit, whether new or top-up • Ability of the largest shareholders to influence corporate actions • Cost of funds for lending activities • Increases and changes in applicable taxes, taxation laws, tax incentives • Increases and changes in BSP reserve requirement ratio (RRR), ceiling on credit card interest rate, fund transfer fees, and other service fees • Exposure to safety, health and environmental costs and liabilities • Greater competition within the financial services sector (banking, trust, non-bank financial institutions, fintechs) • Ability to distribute dividends • Fluctuations in foreign currency exchange rates and interbank interest rates (Fed and BSP) • Loss of experienced, skilled and qualified personnel and senior management if BankCom is unable to retain their services • Failure to comply with relevant regulations of BSP and other regulators, as well as national and local laws resulting in financial penalties or administrative or legal proceedings against the Bank, which may result in suspension or revocation of license or operation of its facilities • Continued compliance with safety, health, environmental, and zoning laws and regulations may affect the Bank's operations and financial condition. • Significant capital expenditures (e.g., IT projects), long-term investments, and expansion of distribution network (physical or virtual), which are subject to a number of risks and uncertainties • Arrangements with outsourced service providers (local and foreign), IT partners, remittance partners, 		<p>methodologies therein are incorporated in the operating policies of the concerned units and are reviewed by a Risk Management Officer.</p> <p>Every year or as may be required, the Bank formulates its Risk Appetite Statement to guide the decision-making on various transactions of the Bank.</p> <p>For each type of risk—credit, market, liquidity, operational, information technology—a dashboard showing the current risk exposure against approved limits or risk appetite is presented to the Board Risk Oversight Committee (BROC) and the BOD. Any mandates or directives from the BROC or the BOD are further tackled by the responsible Risk Management unit with the affected business or support unit. The outcome of these discussions may be further escalated to the Senior Executive Team (SET) if certain decisions are required.</p> <p>BankCom has a Business Continuity Management (BCM) Committee headed by the Branch Banking Group Head and composed of BankCom senior executives, managers, and employees in critical positions. The BCM Committee provides direction and decision-making on proposals for new or amended business continuity facilities and policies, disaster recovery (DR) testing activities, and IT infrastructure requirements. The Bank maintains and implements a Business Continuity Plan through its Risk Management Division (RSK) and Digital Services Group (DSG). The Bank constantly reviews its business impact analysis, risk assessments, and business continuity plans, and identifies opportunities for operational and policy improvements.</p> <p>For 2022, the accomplishment of the following BCP exercises was reported to the BCM Committee:</p> <ol style="list-style-type: none"> A. Call Tree Activity/Testing – two test scenarios B. DR Testing – 14 times involving 14 systems
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<p>and other counterparties, which are subject to the economic, health, financial and other risks in the country of their home base</p>		<p>Rapid exchanges of information on weather disturbances which occurred during the second half of the year were also done by the BCM team and BCM Committee representatives.</p> <p>DR Testing is performed for the applications and frequency indicated as follows:</p> <p>A. Major Criticality Applications – Annually as required by BSP Circular No. 808 Series of 2013 on “Guidelines on Information Technology Risk Management for All Banks and Other BSP Supervised Institutions”;</p> <p>B. New Application Promoted to Production – within six (6) to eight (8) months from Go-Live date or as specified by its Project Charter;</p> <p>C. Other Applications with provisioned DR components – as approved by the BCM Committee</p> <p>Likewise, the Bank’s Human Resources Management and Development Division (HRMDD) regularly reports to the SET the level of vaccination of employees. In its last report for December 2022, HRMDD reported that 99.9% of employees had been fully vaccinated, 84.8% had received the first booster, and 12% the second booster.¹ BankCom continues to schedule its employees for free onsite COVID-19 antigen surveillance testing in coordination with San Miguel Corporation (SMC).</p>
<p>What are the opportunities identified?</p>	<p>Which stakeholders are affected?</p>	<p>Management approach</p>
<p>In addition to revenues generated by BankCom, shareholder value creation is derived from many sources which include the development and roll-out of new products and services especially on its mobile app BankCom [Personal] and corporate internet banking or BankCom [Business] platform;</p>	<ul style="list-style-type: none"> • Employees • Shareholders • Customers • Counterparties • Financial regulators • Government • Communities 	<p>While the COVID-19 pandemic continues to affect the Bank’s customers and its own operations, good treasury management and effective execution of credit policies, collection activities, business continuity plans, operational and logistical improvements,</p>

¹ The percentages on vaccination are based on HRMDD’s report as compiled in the SET Minutes of November 7, 2022.

<p>efficiency improvements in its operations, growing brand and product visibility, enhancement of its branch and account management networks, expanding remittance partnerships, and technology transfers from its IT and payment network partners.</p> <p>The Bank also saw opportunities to further expand its relief and rehabilitation efforts targeted at helping communities affected by calamities and the pandemic. Through its CSR partners, the Bank has contributed to the professional implementation of community development activities targeting health management, sustainable livelihood, and financial literacy.</p> <p>With the expansion of the digital economy in response to pandemic-induced limitations, BankCom saw the opportunity to deploy virtual means to interact with customers, expand its customer contact points to Facebook, and release new security features in its mobile app BankCom [Personal] together with advisories to protect customers' accounts and transactions against rising cyber fraud.</p>		<p>and IT cost management helped mitigate its impact on the Bank's performance.</p> <p>BankCom continues to identify and develop new ways to enhance shareholder value and maintain significant and sustainable profitability and growth.</p>
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Climate-related risks and opportunities

Governance	Strategy	Risk Management	Metrics and Targets
<p>The BOD determines the overall ESG direction, implementation, and strategies of the Bank. This involves institutionalizing the adoption of sustainability principles, including those covering Environmental and Social (E&S) risk areas in the Bank, by incorporating the same in the corporate governance and risk management frameworks as well as in the Bank's strategic objectives and operations, risk strategy, risk appetite and risk management policies and procedure.</p>	<p>BankCom recognizes that due to climate change, its business and operations are subject to physical and transition risks which redound to financial risks. First, the risk of financial loss due to structural damage caused by flooding, extreme weather disturbances and earthquake is multiplied by 140 times, corresponding to its number of branches.</p> <p>Second, as a lending institution, its financial condition is at risk when borrowing clients and/or their collaterals are</p>	<p>The ESG TWG, with the guidance of the BOD, CGCOM and BROCOM, is working on the application of the ESRMS guidelines and methodology in loan application, credit evaluation and risk rating processes under corporate and consumer lending, evaluation of potential branch sites by BBG using hazard mapping, criteria for supplier accreditation, and selection of ESG-related projects such as on managing the Bank's consumption of paper, water and energy, among others.</p>	<p>BankCom has aligned its own sustainability approach to the United Nations Sustainable Development Goals, the national goals as provided by the Philippine Statistics Authority (PSA), and the sustainability agenda of the SMC Group.</p> <p>In the energy sector in particular, the Philippine National Government (NG) has declared that its targeted share of renewable energy in the power generation mix will be 35% by 2030 and 50% by 2040.</p>

<p>The BROC and the Corporate Governance Committee (CGCOM) are the two Board-level committees that oversee the Bank's implementation of ESG regulations issued by the Securities and Exchange Commission (SEC) and the BSP.</p> <p>The status of the ESG Project, vis-à-vis the Board-approved Transition Plan in compliance to BSP Circular 1085, is reported monthly to the CGCOM. Likewise, the Bank's Chief Risk Officer (CRO) reports to the BROC matters concerning the Bank's Environmental and Social Risk Management System (ESRMS).</p> <p>The SET is responsible for the overall implementation of the Board-approved strategies and policies in relation to the sustainability objectives of the Bank.</p> <p>The ESG Technical Working Group (TWG) composed of heads and representatives of Risk Management Division, Corporate Communications and Consumer Protection Division, and Compliance Division executes the approved direction and strategies as well as develops and implement tactical plans to achieve objectives through the functional teams.</p> <p>Furthermore, Internal Audit Division and Compliance Division have embedded the Bank's ESG Framework in their audit and compliance program, respectively, for the year.</p>	<p>affected by environmental risk.</p> <p>To mitigate these risks, the Bank is in the process of incorporating hazard mapping tools in its policy documents relating to branch site selection as well as credit assessment.</p> <p>The Bank is also requiring its borrowers, whose projects have material environmental impact, to provide a copy of the Environmental Clearance Certificate (ECC) as one of the requirements to secure a loan facility with the Bank.</p>	<p>The Bank's Occupational Safety and Health (OSH) Program affirms the Bank's commitment to provide for the orientation and training of its employees on OSH, provision and dissemination of prescribed materials on safety and health, provision of Personal Protective Equipment (PPE) when necessary and other OSH-related requirements and activities, to ensure protection for the Bank's employees against injuries, illnesses and death through safe and healthy working conditions and environment.</p> <p>BankCom believes that mitigating climate change will deliver favorable impacts to its stakeholders and result in operational excellence.</p>	<p>Guided by its core values, BankCom shall embed ESG principles by:</p> <ol style="list-style-type: none"> 1) Establishing policies, standards, guidelines, procedures and a roadmap to support the bank's commitment to sustainable development; 2) Developing and implementing risk measurement tools and systems that shall help the bank in ESG-related decision making; 3) Incorporating a governance structure to drive ESG in the organization; 4) Providing products and services which integrate ESG criteria; 5) Building internal capability of employees to promote a culture that fosters environmentally and socially responsible business decisions throughout support units and operations; 6) Communicating our sustainability efforts and initiatives with transparency and consistency across all channels.
<p>Recommended Disclosures</p>			

	<p><i>(a) Describe the climate-related risks and opportunities the organization has identified over the short, medium and long term</i></p> <p>In line with the NG's target of 35% share of renewable energy in the power generation mix, since 2021, BankCom has already been providing financing for non-coal power generation projects such as hydropower, bio-ethanol, natural gas, and other clean and renewable power projects.</p>		
<p><i>(b) Describe management's role in assessing and managing climate-related risks and opportunities</i></p>	<p><i>b) Describe the impact of climate-related risks and opportunities on the organization's businesses, strategy and financial planning</i></p>	<p><i>b) Describe the organization's processes for managing climate-related risks</i></p>	<p><i>b) Describe the targets used by the organization to manage climate-related risks and opportunities and performance against targets</i></p>
<p>The role of management in assessing and managing climate-related risks and opportunities is captured in the Bank's ESG and Sustainability Framework Manual ("ESG Manual").</p> <p>The ESRMS, which is embedded in the ESG Manual, aligns with the BankCom's existing enterprise risk management framework. The ESRMS is composed of 1) Board and senior management oversight, 2) processes, policies and procedures, 3) monitoring and management information system, and 4) internal controls and audit.</p> <p>The ESRMS adheres to the guidelines prescribed by the BSP under BSP Circular No. 1128 on "Environmental and Social Risk Management Framework" issued in 2021, and BSP Memorandum No. M-</p>	<p>The Philippines has experienced a number of climate-related catastrophes in recent years, including typhoons, tsunamis, mudslides, fires, droughts and floods.</p> <p>BankCom recognizes that climate change and environmental hazards could pose significant risks to the continued viability of its core businesses and its financial soundness in general.</p> <p>BankCom is cognizant that environmental risks, i.e., physical and transition risks, translate to financial risks, as both transition and physical risks affect businesses, households and the economy. This will ultimately affect the level of exposure of the Bank to financial, operational, and other types of risks.</p>	<p>The Bank is currently integrating hazard mapping methodology in assessing potential branch sites, and climate-related risk evaluation procedure in credit rating. These procedures are in the process of being integrated in existing operating policy and procedures manuals.</p>	<p>The Bank's approach to target-setting uses a combination of NG's targets, SMC Group priorities, and the Bank's chosen UN SDGs.</p> <p>For one, the Bank is currently reviewing NG's targets on the share of renewable energy in the power generation mix and is studying how to align its annual targets for affected business or support units.</p> <p>These specific targets should fall within the SMC Group's sustainability targets as prescribed by its Core Sustainability Office (CSO).</p> <p>The targets are further fine-tuned according to the economic sectors identified as "high risk" based on their materiality level as provided in the "Illustrative KPIs Registry" of the International Capital</p>

2022-042 on "Guidance on the Implementation of the Environmental and Social Risk Management (ESRM) System."			Market Association (ICMA) cited in the Draft "Guidelines on the Issuance of Sustainability-Linked Bonds under the ASEAN Sustainability-Linked Bond Standards in the Philippines" from SEC.
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Procurement Practices

Proportion of spending on local suppliers

Disclosure	Quantity	Units
Percentage of procurement budget used for significant locations of operations that is spent on local suppliers		
(a) Construction	67%	%
(b) Consumables	100%	%

The procurement budget covers both capital expenditure such as for branch renovations/repairs including updating of signages and other branding elements, and operating expenses such as replenishment of pre-printed forms and other transaction media used in branch over-the-counter transactions.

In general, furniture, fixtures and equipment (FFEs) for new and newly-renovated branches are from NCR. For other branches, the replacement of minor FFEs (chairs, lateral cabinets) that does not affect the overall look and feel standards are purchased locally. Consumables for branches are also purchased locally. For construction, the Bank has started engaging local contractors. Two out of three on-going renovation projects were awarded to a local contractor.

What is the impact and where does it occur? What is the organization's involvement in the impact?	Which stakeholders are affected?	Management approach
<p>BankCom's branches operate in strategic locations nationwide. In order to ensure the safety and convenience of its customers, proper, timely and cost-effective maintenance of these facilities is essential. This requires a dependable source of construction services and materials that meet the Bank's standards and criteria.</p> <p>Moreover, in the course of fulfilling over-the-counter transactions at these branches, certain consumables need to be constantly replenished, such as account opening forms, transaction media, passbooks, and checkbooks. Particularly for materials which have stringent security requirements, such as checks, these require sourcing from local suppliers which are already accredited within the banking industry.</p>	<ul style="list-style-type: none"> • Employees • Shareholders • Customers • Counterparties • Financial regulators • Government • Communities 	<p>BankCom has an established procurement process as well as an accreditation process for new suppliers. This ensures that the sourcing of services and materials is fair, cost-effective, and consistent with standards for quality and track record.</p> <p>In particular, proposals for branch repairs, renovations, and relocations are presented to the SET for approval. Depending on the total cost, the proposal may be endorsed further to the BOD for approval.</p> <p>On a yearly basis, third party service providers undergo a performance evaluation conducted by the concerned business or support unit. The results of the performance evaluation are used in making decisions when new requests for materials or services are submitted for canvassing.</p>
What are the risk/s identified?	Which stakeholders are affected?	Management approach
<p>Any material deviation from policy in so far as supplier selection, negotiation, and delivery of materials and services are concerned may severely affect the Bank's reputation and profits.</p> <p>The use of substandard materials and contractors or service providers with documentary deficiency (e.g., updated licenses) or known history of poor performance will negatively impact workmanship and actual cost, timeliness and quality of deliverables, and the Bank's reputation or compliance.</p> <p>These may affect the safety of the Bank's customers and employees, assessment of investors and stock analysts, and the image of its brand. In addition, failure to meet quality standards may result to requiring rework which entails additional time and cost. This may result to customer dissatisfaction, increase in customer complaints and potential negative publicity. In turn, this may result to customer attrition.</p>	<ul style="list-style-type: none"> • Employees • Shareholders • Customers • Counterparties • Financial regulators • Government • Communities 	<p>BankCom has a Bid and Awards Committee (BAC) which executes the Bank's standards and policies on vendor accreditation and selection. The Bank's procurement and third party service provider evaluation process are documented in operating manuals and desk manuals which are reviewed regularly and updated accordingly. The approval process is documented in these manuals as well.</p>

What are the opportunities identified?	Which stakeholders are affected?	Management approach
<p>BankCom continues to explore qualified local contractors and third party service providers who have track record with other banks or banking associations, which can provide the Bank's requirements according to its standards.</p> <p>The Bank also sees opportunities to enhance its ESG accountability through:</p> <ul style="list-style-type: none"> • Integrating ESG criteria in supplier/vendor evaluation; • Embedding ethical values in procurement processes; • Promoting the use of technology to streamline branch transactions and reduce paper usage; and • Increased participation of stakeholders in determining optimal and efficient procurement strategies. 	<ul style="list-style-type: none"> • Employees • Shareholders • Customers • Counterparties • Financial regulators • Government • Communities 	<p>The Bank's Operating Policies Committee (OPCOM) reviews and renders decisions on proposals for new or amended provisions in the Bank's operating policy manuals, process improvements, and related matters.</p> <p>OPCOM's decisions are formally minuted and routed to its Members for review and sign-off.</p> <p>For proper documentation of the approved new or amended provisions in the pertinent manuals, the Methods and Standards Department manages an established process of drafting, review, finalization and official issuance of the new or amended manual or circular. The process of review covers all affected units, be they business or support, and is completed with the sign-offs from these reviewers and concurrence or notation from the control units.</p> <p>In particular, the Bank's General Services Division is currently consolidating comments and inputs from concerned units on the enhancement of the existing vendor/supplier evaluation form, whereby ESG criteria are to be considered.</p>

Anti-Corruption

Training on anti-corruption policies and procedures

Elements of anti-corruption or anti-bribery e.g., on conflict of interest, are included in the Bank's current training programs delving on anti-money laundering, financial consumer protection, and corporate governance.

Disclosure	Participants	2022 Quantity	Units
Percentage of employees to whom the organization's anti-corruption policies and procedures have been cascaded	1920 qualified employees	100	%
Percentage of directors and management that have received anti-corruption training	18 SET 15 BOD	100	%
Percentage of employees that have received anti-corruption training	1920 qualified employees	100	%
Percentage of business partners to whom the organization's anti-corruption policies and procedures have been cascaded*		100	%

*Note: Advisory on the No Gift Policy is communicated verbally to existing/active suppliers and service providers (for couriers, record safekeeping, maintenance, messengerial and contractors).

What is the impact and where does it occur? What is the organization's involvement in the impact?	Which stakeholders are affected?	Management approach
<p>Banking is a public trust. The lifeblood of a bank flows from individuals who entrust money and property because of their confidence that the institution will keep faith with them.</p> <p>BankCom therefore upholds the interest of its publics as the primary reason for its existence. Believing that public trust requires the highest degree of integrity, tested skills, and best effort, the Bank's foundation and focus are anchored on values, which enhance the lives of its publics. Thus, BankCom roots its basic relationships as persons on dignity; with others on trust; towards work on excellence, and resources on prudence.</p>	<ul style="list-style-type: none"> • Employees • Shareholders • Customers • Counterparties • Financial regulators • Government • Communities 	<p>Anti-corruption is essentially included in trainings on Corporate Governance, Anti-Money Laundering, New Employees Orientation (NEO), and those intended for branch officers and staff members.</p> <p>The Bank has in place the following policies which touch on the anti-corruption and anti-bribery:</p> <ul style="list-style-type: none"> • Whistleblowing Policy • Conflict of Interest Policy • Insider Trading Policy • Related Party Transactions Policy • Financial Consumer Protection Manual
What are the risk/s identified?	Which stakeholders are affected?	Management approach
<p>Corruption can occur during interactions or transactions between the Bank's employees and the parties they deal with, be they fellow employees, customers, or vendors/service providers.</p>	<ul style="list-style-type: none"> • Employees • Shareholders • Customers • Counterparties • Financial regulators • Government • Communities 	<p>The Bank's abovementioned policies are implemented to ensure transactions are arms-length and situations of conflict of interest are avoided.</p> <p>The Bank's policies also enable the protection of "whistleblowers" and conduct of due process in case of reports by employees and third parties on the commission of fraud, criminal offenses, corruption and bribery, serious danger, disregard of Bank policy, or deliberate concealment of the foregoing, by an employee or unit of the Bank.</p> <p>Training on Anti-Money Laundering is implemented bankwide and on a regular basis. It comes with an examination and a minimum score of 80% to be considered "Passed".</p>
What are the opportunities identified?	Which stakeholders are affected?	Management approach
<p>Further training on anti-corruption and anti-bribery, supplemented by more frequent advisories and awareness campaigns about the Bank's policies related to anti-corruption and anti-bribery can be developed and rolled out.</p>	<ul style="list-style-type: none"> • Employees • Shareholders • Customers • Counterparties • Financial regulators • Government • Communities 	<p>The Bank continues to promote awareness and accountability on anti-corruption and anti-bribery through its E-Learning Training Program and NEO for employees, and Corporate Governance training for the BOD and SET.</p>

ENVIRONMENT

Resource Management

Energy consumption within the organization

Disclosure	2022 Quantity	Units
Energy consumption (electricity):	6,162,541.00	kWh
(a) Head Office	1,600,987.00	kWh
(b) Manila TAT Building	499,314.00	kWh
(c) Branches	4,062,240.00	kWh
Percentage of LED, CFL, and other energy-saving lamps to total electric lighting devices		
(a) Head Office	LED (20%); CFL (80%)	%
(b) Manila TAT Building	LED (10%); CFL (90%)	%
(c) Branches	LED/CFL (29%); Other (71%)	%
Energy consumption (gasoline and diesel)	28,420.25	Liters
(a) Head Office	17,871.45	Liters
(b) Manila TAT Building	2,300.00	Liters
(c) Branches	8,248.80	Liters

What is the impact and where does it occur? What is the organization's involvement in the impact?	Which stakeholders are affected?	Management approach
<p>BankCom uses grid electricity in its head office units and branches and other physical facilities.</p> <p>The Bank also maintains a fleet of vehicles to transport frontliners to clients, branches, business facilities, government offices, and the like. Some vehicles are assigned directly to senior officers while others are leased to junior and middle managers. Depending on the position, an officer may be entitled to fuel allowance availed through Petron stations.</p> <p>The country's supply of power is highly dependent on non-renewable energy sources, which can deplete. Non-renewable energy sources generate air pollutants that have a negative impact on people and the environment, as well as greenhouse gasses responsible for global warming.</p>	<ul style="list-style-type: none"> Employees Shareholders Customers Communities 	<p>The Bank's General Services Division, which is part of the Operations Group, monitors the energy consumption of all the Bank's physical facilities. They are empowered to present recommendations to SET on ways and means to manage energy consumption or contribute to the achievement of NG goals in terms of shifting to LED lights, solar panels, and similar devices.</p> <p>As early as 2005, BankCom had already issued its policy on Cost Management. This policy manual prescribes specific measures to manage the usage of the lighting system, airconditioning system, electric fans and office appliances, and water conservation. Updating of the policy manual is ongoing.</p>
What are the risk/s identified?	Which stakeholders are affected?	Management approach
<p>Non-renewable energy sources are associated with the following risks:</p> <ul style="list-style-type: none"> Erratic price movements in the world market due to geopolitical dynamics and conflicts 	<ul style="list-style-type: none"> Employees Shareholders Customers Communities 	<p>BankCom's approach begins with setting policy and direction on resource management. Alongside the updating of its cost management policy, the Bank is currently enhancing its vendor/supplier evaluation criteria to include ESG. On a larger scale, the Bank through its OPCOM continues</p>

<ul style="list-style-type: none"> Expected depletion of the Malampaya gas fields by 2024, which accounts for 30% of Luzon's energy supply. Ban on coal as fuel in compliance with the Montreal Protocol. 		<p>to review proposals on improving various branch and transacting banking processes, which bring about streamlining and better management of working hours and physical facilities.</p> <p>ESG education started in 2022 for employees and will continue in 2023 for external audiences. Subsequent to the issuance of the abovementioned policy amendments, infographic materials are planned to be released to echo the principles behind these policies and enjoin employees towards greater consciousness on resource management.</p>
What are the opportunities identified?	Which stakeholders are affected?	Management approach
<p>The Bank sees the adoption of modern technologies and energy-saving designs for branch and head office operations. These include replacing desktops and old servers to more efficient laptops and IT hardware, hard phones with virtual IP phones, designing branches with LED fixtures, right-sized airconditioning systems, and readiness for possible installation of net metering systems in the future.</p>	<ul style="list-style-type: none"> Employees Shareholders Customers Communities 	<p>The Bank through its GSD and Digital Services Group (DSG) continues to monitor and assess technologies and workflow designs to improve the efficiency of the Bank's head office and branch facilities and 24-hour network operations.</p> <p>The Bank also evaluates options for outsourcing certain processes, such as in the first level maintenance (FLM) and second level maintenance (SLM) of its ATM network to, in order to streamline its operations and reduce the need for prolonged working hours in the branches or head office.</p> <p>As a lender, the Bank continues to support clients who have funding requirements in the renewable energy sector.</p>

Water consumption within the organization

Disclosure	2022 Quantity	Units
Water consumption	23,733.40	m ³
(a) Head Office	7,206.00	m ³
(b) Manila TAT Building	2,533.00	m ³
(c) Branches	13,994.40	m ³

What is the impact and where does it occur? What is the organization's involvement in the impact?	Which stakeholders are affected?	Management approach
<p>As a financial services entity with physical offices, BankCom uses water for typical applications of employees, clients, and visitors in</p>	<ul style="list-style-type: none"> Employees Shareholders Customers 	<p>Water conservation has been in the management's agenda since 2005. An operations memorandum is in place</p>

within a corporate facility. Due to the population of employees based in the head office, the combined utilization of water within a single location is highest in the head office and therefore has the highest impact to a community. However, the number of branches, currently at 140, also contributes to the wider geographical area in which the impact of the Bank's water consumption can be felt.	<ul style="list-style-type: none"> Counterparties Communities 	<p>which prescribes measures alongside other initiatives.</p> <p>These measures include immediately reporting to the building maintenance or GSD any faucet and other water fixtures found to be defective.</p> <p>Reminders on water conservation are also placed in washrooms and pantries with water facilities.</p>
What are the risk/s identified?	Which stakeholders are affected?	Management approach
<p>Among the risks are:</p> <ul style="list-style-type: none"> Water shortage when the rise in population and commercial establishments is not matched by the development of new water sources; and Climate change, including prolonged drought, extreme weather disturbances, and flooding. 	<ul style="list-style-type: none"> Employees Shareholders Customers Counterparties Communities 	<p>The Bank's GSD and BBG will continue to make concerted efforts to identify and launch projects to manage water consumption of its branches and head office. This will include selecting building contractors with good track record in terms of the durability and appropriateness of materials used for installing the water connection, plumbing, and water fixtures in branches and head office facilities.</p> <p>The Bank will ensure its water conservation measures embedded in the cost management policy is continually updated.</p>
What are the opportunities identified?	Which stakeholders are affected?	Management approach
The continuing risk of a water shortage gives justification to the procurement and installation of water-saving fixtures, such as self-closing faucets and urinals that automatically flush after use.	<ul style="list-style-type: none"> Employees Shareholders Customers Counterparties Communities 	<p>Water conservation continues to be a part of the agenda for designing and constructing new branches and other physical facilities with water connection. On the part of employees, adherence to the Bank's policy on cost management which tackles water conservation among others, is expected.</p>

SOCIAL

Employee Management

Employee Hiring and Benefits

Employee Data

Disclosure	2022 Quantity	Units
Total number of employees	1,865	#
a. Number of female employees	1,160	#
b. Number of male employees	705	#
c. Percentage of female workers in the workforce	37.80%	%
d. Percentage of male workers in the workforce	62.20%	%
Attrition rate	17.28%	%
Ratio of lowest paid employee against minimum wage		Ratio
a. Probationary employee	111% versus Minimum Wage	Ratio
b. Regular employee	120% versus Minimum Wage	Ratio

Employee Benefits

List of Benefits	Y/N	% of female employees who availed for the year	% of male employees who availed for the year
SSS	Y	49%	30%
PhilHealth	Y	6%	4%
Pag-Ibig (loans)	Y	11%	9%
Parental leaves	Y	7%	5%
Vacation leaves	Y	97%	96%
Sick leaves	Y	63%	61%
Medical benefits (aside from PhilHealth)	Y	97%	97%
Housing assistance (aside from Pag-IBIG)	Y	43%	40%
Retirement fund (aside from SSS)	Y	17%	16%
Further education support	Y	2%	3%
Company stock options	N		
Telecommuting	N		
Flexible-working Hours	N		
(Others)			
Life Insurance	Y	0%	0%
Accident Insurance	Y	0%	0%
Emergency Leaves	Y	50%	46%
Rice Subsidy	Y	48%	45%
Clothing Allowance (in Kind / in Cash)	Y	96%	95%
Burial Assistance (Employees / Dependents)	Y	3%	3%

What is the impact and where does it occur? What is the organization's involvement in the impact?	Management approach
<p>As BankCom continues to grow its core businesses under a universal bank environment, ensuring that properly skilled human resources are continually provided while implementing policies and programs become even more challenging.</p> <p><u>Talent retention</u> Due to the high level of sophistication of banking functions, talent acquisition and retention are critical to the Bank's success. Ensuring that the Bank attracts the right talent equipped with the appropriate skill sets, as well as retaining employees who are already experienced in its processes and systems, and whose loyalty and service are a major advantage, is a continuing challenge.</p> <p><u>Compensation and benefits</u> BankCom provides its employees competitive remuneration—with base pay, healthcare benefits and bonuses comprising its overall compensation package. Staff (rank-and-file) compensation is aligned to the collective bargaining agreement.</p> <p>In spite of this, attrition remains a risk due to a number of factors, some of which go beyond the Bank's control.</p> <p>Two reasons for attrition which were often cited in 2022 were the higher compensation and option for working from home (WFH) offered by another organization.</p> <p><u>Disruption of operations due to loss of key personnel</u></p>	<p>The Bank's Human Resources Management and Development Division (HRMDD) works together with the SET and the Nominations and Compensation Review Committee (NCRCom).</p> <p>The NCRCom is responsible for the selection process for vacancies in Senior Officer positions and the review of the Bank's compensation policies, succession plan and HR-related manpower outsourcing activities.</p> <p>BankCom's benefits package, depending on position and rank, includes various affordable financing programs; health management organization (HMO) program for employees and extended dependents; fringe benefits; continued supply of free hygiene products, PPE and surveillance antigen testing. The Bank maintains a retirement program which is managed professionally.</p> <p>Flexi-time work arrangements had been accommodated by HRMDD based on meritorious cases since the past. During the pandemic and until last year, the Bank had put in place guidelines for WFH arrangement and travel expense-related requests. DSG ensured that qualified employees had laptops for WFH or stable access connections if they chose to work at the branch nearest their residence.</p>

<p>Attrition is a constant concern, especially for positions that are specialized or are in short supply in the market, as it can cause significant disruption of operations.</p>	
<p>What are the risk/s identified?</p>	<p>Management approach</p>
<p>Attrition of employees is tied to a number of reasons including:</p> <ul style="list-style-type: none"> • dissatisfaction with their current compensation package vis-à-vis the attractiveness of an offer they received from another organization; • perception of lack of career growth; • workplace conflicts, etc. • option for a hybrid work arrangement <p>Those conditions or situations pose the following risks:</p> <ul style="list-style-type: none"> • Resignation of trained and tenured key personnel and, along with it, the shift of clients loyal to the individual; • Redistribution of work to the remaining employees, while a vacancy is not yet filled up, who may not necessarily be exposed to or fit for the job; and • Spread of dissatisfaction sentiment among peers of the resigned employees, leading to further attrition. 	<p>HRMDD has been launching programs aimed at employee development and retention including free virtual, onsite, and offsite training for all levels of employees; management development programs for senior executives at the country's prestigious business-oriented academies; tuition reimbursements for employees taking up masteral education; regular job evaluation to recognize expanded roles; employee engagement activities such as appreciation month; and various medical and mental health awareness programs.</p> <p>The Bank also cultivates a strong company culture that aligns to the core value of <i>malasakit</i> of the SMC Group. In cooperation with the Bank's Corporate Communications and Consumer Protection Division (CCCPD) and San Miguel Foundation (SMF), BankCom employees were provided opportunities to participate in life-enriching corporate social responsibility (CSR) activities conducted at various locations during the year, including reforestation and coastal cleanup drives. For its part, HRMDD together with the SMC CAO have brought in participants to workshops that deal with development of corporate programs catering to upliftment of the poor, inculcating greater awareness of gender-related issues and diversity within the workforce, and sustainability simulation sessions, to name a few.</p> <p>BankCom maintains a professional recruitment process expected of any financial institution supervised by the BSP. Besides onsite recruitment activities, the Bank also utilizes online platforms including its own website and Facebook Page to generate applicants for job postings. The Bank allows applicants to come from within the organization as a way to develop one's abilities in other areas of the Bank. Internal candidates, if qualified, are prioritized over external candidates. Meanwhile, for branch postings, local hiring is preferred. However, in cases where identified personnel with specific skills need to be relocated, the employee is given the option to decide and is provided additional assistance.</p>
<p>What are the opportunities identified?</p>	<p>Management approach</p>
<p>Aligned to the guidelines set forth by SMC's Corporate Human Resources group (CHR) and in light of the continuing health risks and rising concerns about traffic congestion in major urban areas as more and more workers need to physically report for work, the Bank can conduct regular reviews of existing policies as regards allowing qualified employees to extend their stay in branches and other offices of the Bank located near their residence; encouraging flexi-time work arrangements for employees whose functions are not required to be fixed to trading hours or other schedules or who need to attend masteral classes; and expanding available loan</p>	<p>BankCom continues to adopt the standard health safety protocols within its premises to ensure the protection of its employees and clients against COVID-19 infection. Through SMC's facilities, the Bank continues to provide free surveillance antigen testing to its employees, monitors any movement in cases of infection among its own employees and those of its third party service providers.</p> <p>HRMDD will also continue to implement its various programs catering to employees' medical and mental health, mastery of skills, future-readiness, compliance</p>

amounts for employees to purchase or acquire their own residential units within proximity to their work base.	to regulations, and overall career advancement within the organization.
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Employee Training and Development

Disclosure	2022 Quantity	Units
Percentage of Employees Offered E-Learning Training on:		
a. Information Security Awareness	100%	%
b. Financial Consumer Protection	100%	%
c. Business Continuity Management	100%	%
d. Anti-Money Laundering	100%	%
Percentage of Employees who Completed Executive Management Development Program		
a. Female senior officers	40%	%
b. Male senior officers	60%	%
Percentage of Employees who were Enlisted in Executive Management Development Program (new batch)		
c. Female senior officers	25%	%
d. Male senior officers	75%	%

What is the impact and where does it occur? What is the organization's involvement in the impact?	Management approach
<p>BankCom advocates training and employee development to meet the two-pronged objectives of providing employees with skills and competencies to be future-ready, and at the same enabling the Bank as a whole to deliver on its mission and purpose for its customers and other stakeholders.</p> <p>Training and employee development require tools, content, and platforms or channels wherein employees can learn and communicate freely, whether studying as a group or individually.</p>	<p>High-potential and high-performing employees are determined through an appraisal system that measures performance in the areas of achieving financial goals, strengthening internal business processes, and enhancing visibility and relevance to customers. Based on these areas, an employee's strengths and potentials are identified and matched against a career path to determine gaps that can be addressed through external training, on-the-job mentoring, and other forms of management interventions. These are articulated in a Development Action Plan (DAP).</p> <p>Examples of external trainings are those which touch on areas of operations, compliance and all other relevant areas of knowledge in Banking which are offered through the Bank Administration Institute of the Philippines (BAIPHIL). For the Senior Executive Team and selected officers, the Bank through HRMDD has also arranged leadership programs as well as executive training such as the Executive Management and Development Program of the Asian Institute of Management through the auspices of San Miguel Corporation's Corporate Human Resources (SMC Corporate HR).</p> <p>Besides skills training, HRMDD also rolled out an online program targeting employees' mental wellness, dubbed "Mindfulness Talks".</p> <p>For mandatory trainings required by BSP, such as on anti-money laundering, information security risk, financial consumer protection, and data privacy, HRMDD has rolled out the E-Learning Module, a browser-based training platform with post-training exam. The Bank through HRMDD also invests in online training platforms such as LinkedIn Learning and Udemy to provide employees identified through the DAP a wealth of banking and non-banking related</p>

	training courses prepared by professionals from around the world.
What are the risk/s identified?	Management approach
<p>Without continuous efforts to engage employees and upgrade their competencies through training:</p> <ul style="list-style-type: none"> • Skills may stagnate, and motivation may plateau, leading to a decline in productivity. • Employees have low morale due to lack of employee development. • Employees may feel unhappy and dissatisfied, which can result in reduced productivity and increased staff turnover. • Lack of employee development or training can also result in an unsafe working environment. 	<p>BankCom has launched the following targeted training programs and continues to roll them out.</p> <p>A. STAFF TRAININGS</p> <ul style="list-style-type: none"> • Presentation Skills Workshop (3 offerings) • Intentional Communication: An Effective Business Writing Workshop <p>B. OFFICER TRAININGS</p> <ul style="list-style-type: none"> • Presentation Skills Workshop (3 offerings) • Coaching for Managers Workshop (3 offerings) • Managing the Multigenerational Workforce Workshop (3 offerings) • Intentional Communication: An Effective Business Writing Workshop (2 offerings) <p>C. DEPARTMENT AND DIVISION HEAD TRAINING</p> <ul style="list-style-type: none"> • Communicating with Confidence: An Effective Presentation Skills Workshop] • Ateneo Leadership and Management Development Program • Developing the GM Mindset in the New Normal <p>D. SENIOR EXECUTIVE TEAM TRAINING</p> <ul style="list-style-type: none"> • Basic Corporate Governance (BAIPHIL) • AML/CFT/CPF (BSP Cir. No. 1022) for Directors & Senior Management (BAIPHIL) • Basic Business Finance (FINEX) • Leadership Mindset Series <p>E. ALL EMPLOYEE AUDIENCES</p> <ul style="list-style-type: none"> • Data Analytics for Business and Finance (De La Salle University) • Intermediate Excel Training for Bankers • Go Further with Excel (Advanced Functions, Pivot Tables) • IT Security in Banking Operations (BAIPHIL) • Accounting for Non-accountants with FS Analysis (BAIPHIL) • Enterprise Risk Management (BAIPHIL) • Accounting, Valuation and Risk Management (BAIPHIL) <p>F. SESSIONS TARGETING SOCIAL*</p> <ul style="list-style-type: none"> • Tipon & Tugon: A Conversation on Gender • Tai-Chi and Qi-Gong Class • Mindfulness Talk <p>*in partnership with SMC CHR</p> <p>Responding to the spread of the Omicron variant of COVID-19 in the early part of the year, HRMDD ensured that standard health and safety protocols were observed in the workplace. The Omicron risk did not deter its efforts in advancing employees' skills and fulfilling its Learning and Development objectives. Throughout the year, HRMDD enabled employees through the Bank's proprietary E-Learning online facility to attend anti-money laundering, information security risk, business continuity, financial consumer protection, and data privacy training programs which the BSP requires. HRMDD also partnered with Branch Banking Group to conduct</p>

	specialized programs through online facilities such as Zoom and Microsoft Teams. These provided essential training on Bank operating policies, regulations and customer requirements.
What are the opportunities identified?	Management approach
<p>With the existing health safety protocols and realizing the cost effectiveness and efficiency of conducting training online for large audiences or for participants from different geographical locations, such as branches, the Bank foresees training using online platforms to continue to be relevant both for employees as well as for the Bank as a whole.</p> <p>Opportunities to conduct hybrid training and to develop better presentation materials using software and tools coming out in the market will enable the Bank to more effectively roll out professional development campaigns and strategies.</p>	<p>BankCom continues to update its E-Learning Module and explore tools available in Microsoft Office 365 to disseminate relevant information.</p> <p>HRMDD manages subscriptions of identified employees in LinkedIn Learning and Udemy, and engages these learners to discover what these facilities have to offer. In partnership with the project team leads for Environmental, Social and Governance (ESG), HRMDD shall be rolling out the Bank's first hybrid training using these tools.</p>

UN SUSTAINABLE DEVELOPMENT GOALS

Product or Service Contribution to UN SDGs

Key products and services and its contribution to sustainable development.

Key Products and Services	Societal Value / Contribution to UN SDGs	Potential Negative Impact of Contribution	Management Approach to Negative Impact
<p>Transform and Family Academy Programs with Meal-packing Activity (International Care Ministries Foundation)</p>	<p>Goal No. 2 <u>ZERO HUNGER</u></p> <p>This corporate social responsibility (CSR) project in partnership with International Care Ministries (ICM) Foundation strengthens families living in ultrapovertry—empowering them to make measurable progress in their struggle out of ultrapovertry and establishing them on trajectories of success. The Family Academy is aimed to provide educational, sanitary, parent-child coaching, and livelihood trainings. The Family Academy runs for 4-8 months. Transform is an intensive 16-week, adult life-skills capacity-building course for families living in ultrapovertry. BankCom employees are invited to volunteer in a Meal-packing Activity wherein employee-volunteers repack the dry, uncooked ingredients of the nutritious meals for distribution to our beneficiary communities.</p> <p>This program also supports</p>	<p>Reach may become limited to communities identified by partner institution which implements the program.</p>	<p>Starting with the meal-packing event, the Bank is exploring organizing the same across the country, in line with its branch-based sales activities.</p>

Key Products and Services	Societal Value / Contribution to UN SDGs	Potential Negative Impact of Contribution	Management Approach to Negative Impact
	<p>UN SDG 8: Decent Work and Economic Growth</p>		
Masungi Georeserve Scholarship Fund	<p><u>Goal No. 4</u> <u>QUALITY EDUCATION</u></p> <p>Masungi Georeserve is a protected landscape in the Upper Marikina Watershed in Rizal. The foundation behind the conservation and rehabilitation of this area employed nearby communities to serve as forest rangers, gardeners, security personnel and tour guides. The suspension of donation-generating tree-planting and mountaineering activities affected the household income of these employees. Children, studying at surrounding public elementary schools, are in need of financial assistance to sustain their education. The Bank provides financial assistance to the said foundation for the abovestated purpose</p> <p>This program also supports</p> <p>UN SDG 15: Life on Land</p>	<p>Assistance for higher education may still be needed as the children graduate from elementary education.</p>	<p>Corporate Communications and Consumer Protection Division (CCCPD) is preparing a new set of CSR criteria based on certain parameters.</p>
BankCom Education Refund Program	<p><u>Goal No. 5</u> <u>GENDER EQUALITY</u></p> <p>The Education Refund Program of BankCom supports employees, regardless of gender and whether rank-and-file or officer, to pursue masteral education in a university of choice, both for personal development and in order to achieve a higher level of proficiency in his/her chosen career in the Bank. Each semester or trimester as the case may be, the employee may accomplish a form to request for reimbursement of tuition and/or purchase of textbooks.</p>	<p>An employee with very little financial means may find it difficult to enroll, since the program is on a reimbursement basis, not advance support.</p>	<p>The Bank can provide financial assistance through an affordable multi-purpose loan facility based on certain criteria.</p>
Operation Quench	<p><u>Goal No. 6</u> <u>CLEAN WATER AND SANITATION</u></p> <p>In partnership with AISEC Alumni Philippines (AAP), the</p>	<p>The set of filters is enough to last for only 12 months and thus, they need to be replaced with a new set afterwards. Without continuous</p>	<p>CCCPD is preparing a new set of CSR criteria based on certain parameters.</p>

Key Products and Services	Societal Value / Contribution to UN SDGs	Potential Negative Impact of Contribution	Management Approach to Negative Impact
	<p>Bank through one of its Board Advisers extended financial assistance to Operation Quench for sets of water purifiers and filters to be provided to families in Olango Island in Cebu whose community was among those severely affected by calamity. Families in the said community were in dire need of potable water for drinking, cooking and for other basic requirements.</p> <p>This program also supports</p> <p>UN SDG 11: Sustainable Cities and Communities</p>	<p>financial support to purchase new filters, the purifiers may not be usable and the community will not have potable water.</p>	
Project Finance	<p><u>Goal No. 7</u> <u>AFFORDABLE AND CLEAN ENERGY</u></p> <p>In terms of sustainable finance, besides providing financing to a number of companies dealing in non-coal power generation projects such as hydropower, bio-ethanol, natural gas, and other clean or renewable power projects, BankCom is now also into solar power.</p>	<p>The Bank's Risk Appetite Statement for ESG, which has been recently approved, may impact on future credit evaluations depending on the limits it will set based on Philippine targets.</p>	<p>The Bank is in the process of formulating the limits and guidelines to operationalize the envisioned new ESG-linked credit processes.</p>
WEAVEE (WE Assist Villages towards Economic Empowerment) Project (World Vision)	<p><u>Goal No. 9</u> <u>INDUSTRY, INNOVATION AND INFRASTRUCTURE</u></p> <p>The Bank through its CSR program has partnered with World Vision Development Foundation, Inc. to support a project managed by SOGOD Inc (Sustainable Opportunities for Genuine Optimistic Development Inc.). In order to scale-up the project reach and beneficiaries, Sogod Inc. and World Vision work closely with the Municipal Local Government of Tabogon, Cebu in order to train local residents in basket weaving. This provides alternative livelihood opportunities for families, especially the most vulnerable.</p>	<p>As handicraft manufacturing relies heavily on market demand for indigenous products, the risk of customers shifting preferences to another type of native product may affect the long-term viability of this livelihood program.</p>	<p>CCCPD is preparing a new set of CSR criteria based on certain parameters.</p>
BankCom [Personal] online banking	<p><u>Goal No. 12</u> <u>RESPONSIBLE CONSUMPTION AND PRODUCTION</u></p>	<p>Cyber threats are a risk when using any online or internet-based platform.</p>	<p>BankCom has integrated several security features into the BankCom [Personal] mobile and</p>

Key Products and Services	Societal Value / Contribution to UN SDGs	Potential Negative Impact of Contribution	Management Approach to Negative Impact
	<p>BankCom [Personal] is an online banking platform for individual clients of Bankcom to manage their bank accounts and perform various routine banking transactions such as fund transfer, bills payment, balance inquiry, or transaction history without using paper bank forms, checks, and manual procedures. BankCom [Personal] can be accessed through a mobile phone or personal computer.</p>		<p>web versions, aside from stringent password policies, to protect its users against cyber threats.</p>
<p>BankCom's policies on anti-corruption and anti-bribery:</p> <ul style="list-style-type: none"> • Whistleblowing Policy • Conflict of Interest Policy • Insider Trading Policy • Related Party Transactions Policy • Financial Consumer Protection Framework 	<p><u>Goal No. 16</u> <u>PEACE, JUSTICE AND STRONG INSTITUTIONS</u></p> <p>As an institution of trust, the Bank ensures that its employees, service providers and counterparties are aware of its policies which touch on anti-corruption and anti-bribery. Through trainings on Corporate Governance, Anti-Money Laundering, Financial Consumer Protection, New Employees Orientation (NEO), HRMDD together with Compliance, Risk and Audit divisions provide employees with the information to identify situations that could lead to corruption and integrity issues.</p>	<p>When new suppliers or service providers are engaged, there's a risk that not all of their staff members are fully aware of the Bank's anti-bribery policies.</p>	<p>The Bank has designed a Supplier Sustainability Questionnaire which will be used for both accreditation of new suppliers as well as evaluation of existing suppliers' performance. This will contribute to keeping these suppliers aware of the Bank's policy.</p>