

SUSTAINABILITY REPORT

Contextual Information

Company Details	
Name of Organization	BANK OF COMMERCE (BankCom)
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	BankCom has no subsidiaries. As such, this Report discloses the sustainability performance indicators limited to BankCom.
Business Model, including Primary Activities, Brands, Products, and Services	<p>An affiliate of San Miguel Corporation (SMC) since 2008, Bank of Commerce is a publicly-listed universal bank focused on helping its clients, communities and conglomerate partners by delivering the best choice of financial services harnessing the strengths of the SMC Group. Bank of Commerce is identified by its logo bearing the SMC symbols of escudo and cloverleaf, and by the trademark license short name "BankCom" granted by the Intellectual Property Office (IPO) in 2020. BankCom traces its origins to the Overseas Bank of Manila which opened in Binondo, Manila in 1963.</p> <p>BankCom provides innovative banking solutions and a complete range of products and services in deposit, commercial loans, credit card services, consumer banking, transaction banking, corporate banking, treasury, investment banking, asset management, and trust and investments.</p> <p>The Bank has a network of 140 branches 242 automated teller machines (ATMs) as of 31 December 2023 strategically located nationwide.</p>
Reporting Period	January 1 to December 31, 2023
Highest Ranking Person responsible for this report	Antonio S. Laquindanum, EVP & Chief Financial Officer

Table of Contents

Contextual Information	1
Table of Contents.....	2
Materiality Process.....	3
ECONOMIC.....	5
Economic Performance	5
Direct Economic Value Generated and Distributed	5
Climate-related risks and opportunities	8
Governance.....	8
Strategy	9
Risk Management	10
Metrics and Targets	10
Procurement Practices	11
Proportion of spending on local suppliers.....	11
Anti-Corruption.....	13
Training on anti-corruption policies and procedures.....	13
Incidents of Corruption.....	13
ENVIRONMENT	17
Resource Management.....	17
Energy consumption within the organization	17
Water consumption within the organization	19
Materials used by the organization	20
Environmental Impact Management.....	21
Greenhouse Gas Emissions	21
SOCIAL	23
Employee Management.....	23
Employee Hiring and Benefits.....	23
Employee Training and Development.....	26
Diversity and Equal Opportunity	29
Occupational Health and Safety	31
Data Security / Customer Privacy.....	33
Consumer Financial Protection.....	35
Supply Chain Accreditation Policy	38
PRODUCT OR SERVICE CONTRIBUTION TO UN SDGS	40

Materiality Process

Explain how you applied the materiality principle (or the materiality process) in identifying your material topics.

In determining material topics, BankCom reviewed which topics could have positive and negative impacts to the realization of its Vision and Core Purpose. The Bank also considered which topics could be of interest to its primary and secondary stakeholders, particularly how risks and opportunities on each topic could affect the stakeholders. The Bank also studied specific material topics in the financial industry by reviewing international standards on sustainability reporting, publicly available methodologies of third-party rating providers, as well as local regulations, particularly the circulars issued by the Bangko Sentral ng Pilipinas (BSP) on Sustainable Finance and the Implementation of the Environmental and Social Risk Management System (ESRMS).

The Bank also identified topics that contribute to its Environmental, Social, Governance (ESG) Focus Areas as outlined in its ESG and Sustainability Framework (ESGSF) Manual:

- **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.
- **Human Capital** – We provide skills training and focus on employee engagement so we can develop and nurture an innovative, customer-focused and resilient team.
- **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.
- **Environment** – We responsibly manage resources and continue to improve our operational efficiency. With our improved operational efficiency, we minimize the impact of our internal processes to the environment.
- **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.

In addition, the Bank also considered the priority topics identified in the materiality analysis of its parent company, San Miguel Corporation.

This materiality process is managed by a cross-functional technical working group assigned to facilitate the Bank’s ESRMS. As BankCom continues to improve its processes, enhance its policies and develop responsive products and services, its materiality process and topics will be reviewed and updated accordingly.

List of Material Topics

Business Model and Innovation	Human Capital	Environment	Social	Leadership and Governance
<p>Direct economic value generated to stakeholders</p> <p>Products and Services Contribution to SDG</p>	<p>Diversity, Equal Opportunity and Anti-Discrimination</p> <p>Employee Hiring and Benefits</p> <p>Employee Training</p> <p>Occupational Health and Safety</p>	<p>Resource Consumption</p> <p>Environmental Impact Management</p>	<p>Community Involvement</p> <p>Customer Privacy</p> <p>Procurement Practices</p> <p>Consumer Financial Protection</p>	<p>Supply Chain Accreditation Policy</p> <p>Business Ethics and Anti-Corruption</p> <p>Climate Risk Management</p>

ECONOMIC

Economic Performance

Direct Economic Value Generated and Distributed

Disclosure	2022 (in million Pesos)	2023 (in million Pesos)
Direct economic value generated (revenue)	8,117	9,975

Direct economic value distributed:		
a) Operating costs, including payments to suppliers and third party service providers	5,484	6,159
b) Employee wages and benefits	1,905	2,258
c) Interest payments ¹	1,283	3,466
d) Taxes paid/remitted to the government ²	1,482	1,861

As a universal bank, BankCom plays a critical role in economic growth through its delivery of financial services across the country. 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, BankCom 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 with secure and efficient access to professionally designed and executed financial products.

Following the Bank's successful initial public offering (IPO) at the Stock Exchange and its remarkable performance in recent years, BankCom has created value for its investors by increasing value per share through record breaking profits. BankCom's continuous growth over the years has resulted in a number of employment opportunities across its business segments. BankCom contributes to the financial security of its employees by providing fair wages, as well as medical and retirement plans for regular employees.

The direct economic impact of BankCom transcends business-related contributions through its support to the economy through fair payment of taxes, implementation of a wide-range of corporate social responsibility programs, and supporting local suppliers including small and medium enterprises. For the past two years, BankCom has been recognized by the local government of Mandaluyong City for being among the city's top taxpayers. The Bank also provided monetary support to communities through its CSR program, sponsorships, and donations to schools, charity, and non-profit organizations.

Stakeholders Affected

- Employees
- Customers

¹ 2022 data updated to include the following: deposits, bonds and bills payable

² Provision for income tax, license payments and real property tax

- Shareholders
- Government
- Community

What are the risks identified?

Management Approach

<p>BankCom is exposed to external risk events that directly affect the financial system, such as but not limited to:</p> <ul style="list-style-type: none"> • Changes in financial consumer preferences, income level, and purchasing power; • Increases and changes in applicable taxes, taxation laws, tax incentives; • Fluctuations in foreign currency exchange rates and interbank interest rates (Fed and BSP); • Increases and changes in BSP reserve requirement ratio (RRR), ceiling on credit card interest rate, fund transfer fees, and other service fees. <p>Other major potential risks that may adversely affect BankCom’s ability to contribute to the economy include:</p> <ul style="list-style-type: none"> • Climate change risks in BankCom’s operations and value chain may result in increased costs due to physical risks³ and reduced revenue due to legal, technology, market, and reputation risks. • Failure of controls to identify and mitigate business ethics issues such as improper accounting practices, money laundering, bribery, aggressive and/or mis-selling of financial products and services may result in significant financial impact, not to mention long-term reputational damages. <p>Governance, environment, and social issues when not managed or mitigated also have an effect on BankCom’s capacity to directly contribute to the economy. These risks are part of the material topics to be discussed in the subsequent sections of the report.</p>	<p>BankCom maintains a strong risk management framework to identify, assess, and mitigate financial risks that may impact its core businesses. The Bank’s Risk Management Manual embodies this framework, outlining specific guidelines and processes on risk management. These are integrated into the operating policies of relevant units and undergo regular review by a designated Risk Management Officer. Additionally, BankCom formulates an annual Risk Appetite Statement to guide decision-making across various transactions.</p> <p>The Bank provides a monthly report to the Board Risk Oversight Committee (BROC) and the Board of Directors (BOD) which covers BankCom’s current exposure across various risk types, including financial risk, credit, market, liquidity, operational, and information technology risks. Based on this information, the BROC and BOD make decisions regarding additional controls needed to effectively manage these risks.</p> <p>Financial Risk Management Objectives, Structure, and Policies are outlined in the SEC 17-A Report.</p> <p>Climate change risks likewise form part of BankCom’s overall risk management framework through the ESRMS. This is outlined in the Climate-related Risks and Opportunities section of this report.</p> <p>BankCom implements a Compliance Program to ensure that any risk associated with non-compliance to laws and regulations, and business ethics are mitigated. It is implemented using a three-pronged approach: self-assessment by business units, independent compliance testing conducted by the Compliance Division, and validation by Internal Audit Division.</p> <p>BankCom’s compliance policies and programs are overseen at the high-level by the Board and its</p>
--	---

³ These refer to damage to property and assets arising from increased severity of extreme weather events; changes in precipitation patterns and extreme variability in weather patterns, as well as rising mean temperatures and sea levels, which affect operations and facilities, resulting in loss/lower value of certain assets and that of clients.

	<p>Board-level committees. The Corporate Governance Committee (CGCOM) ensures due observance of corporate governance principles and guidelines across the Bank. Along with the Anti-Money Laundering (AML) Committee, they are tasked to oversee the effective implementation of the Bank’s compliance with money laundering, proliferation financing and terrorist financing prevention program and policies. On the other hand, the BankCom’s Related Party Transactions committee ensures that transactions with related parties are conducted at arm’s length thereby ensuring instances of conflicts of interest are mitigated.</p>
--	--

What are the opportunities identified?

Management Approach

<p>BankCom recognizes opportunities to further contribute directly to the economy:</p> <ul style="list-style-type: none"> • Expand its customer base particularly for Small, and Medium Enterprises; • Provide banking solutions, products and services that cater to a wide range of customers, including increasing service reach across sectors and communities; • Continue to make meaningful contributions beyond financial performance through increased investments in community development, financial literacy, and volunteerism; • Support the country’s financial inclusion agenda through utilizing technologies to further strengthen and expand its digital banking solutions. 	<p>BankCom continues to identify and develop new ways to enhance shareholder value and maintain significant and sustainable profitability and growth. Priority strategies include strengthening core business income, optimizing cross-selling activities, ramping up participation in capital markets, innovation of products and services, and developing SMC ecosystem and affiliates to support loans expansion.</p> <p>Digitalization and automation are key to BankCom’s growth agenda. This includes increased investments in information technology and financial technology infrastructure to improve customer service and touchpoints. The Bank’s IT roadmap includes combining cash recycling with a more robust ATM network, deploying automation projects to make business units run more efficiently, and building the infrastructure to expand stable sources of fee revenue streams. This also includes introduction and/or expansion of digital banking solutions, particularly on the mobile app BankCom [Personal] and corporate internet banking or BankCom [Business] platform, ensuring accessibility and ease-of use for clients.</p> <p>The Bank is continuously implementing programs to increase the efficiency of its operations, extend remittance partnerships, strengthen branch and account management networks, build brand and product visibility, and transfer technology from its IT and payment network partners.</p>
--	---

	<p>BankCom’s Corporate Social Responsibility (CSR) program has contributed to community development and environmental stewardship through events organized in partnership with San Miguel Foundation and partner-clients. For more information, see CSR under the Sustainable Development Goals (SDG) Contribution Section.</p>
--	---

Climate-related risks and opportunities

Governance

The role of governance bodies and senior management in assessing and managing climate-related risks and opportunities is captured in the Bank’s Environmental and Social Risk Management Framework, embedded in the Bank’s ESG and Sustainability Framework Manual (“ESG Manual”).

- The **Board of Directors (BOD)** determines the overarching direction, implementation, and strategies of the Bank on sustainability. The Board leads the Bank’s adoption of sustainability principles through incorporating them into the corporate governance framework as well as in the Bank’s strategic objectives and operations, risk strategy, risk appetite and risk management policies and procedures. The Board approves the BankCom’s ESRMS, keeps track of its progress in meeting its environmental and social (E&S) strategic objectives and targets, and ensures that issues and challenges are addressed.
- Two Board-level bodies, the **Corporate Governance Committee (CGCOM)** and the **Board Risk Oversight Committee**, oversee BankCom’s implementation of ESG regulations issued by the Securities and Exchange Commission (SEC) and the BSP. The CGCOM ensures that sustainability principles are integrated in the corporate governance framework, strategies, and operations of the Bank. One of the duties of the CGCOM is to oversee the reporting and disclosure of ESG information. This covers adherence with existing regulations and ethical obligations toward stakeholders. The BROC, on the other hand, oversees the Bank’s adherence to the risk appetite statement, risk policy, and ESG-related risk limits.
- The **Senior Executive Team (SET)** is responsible for managing the execution of the Board-approved strategies and policies in relation to BankCom’s sustainability objectives. They ensure that BankCom’s activities are aligned with the overall E&S strategic objectives and target and that methodologies and tools that will effectively identify, quantify/measure, monitor and control E&S risks are adopted.
- The **ESG Technical Working Group (TWG)** composed of heads and representatives of Risk Management Division, Corporate Communications and Consumer Protection Division (CCCPD), and Compliance Division executes the approved direction and strategies as well as facilitates the adoption of tools to identify and assess E&S risks in relevant business units. The TWG also oversees the formulation, approval, and implementation of policies, procedures, and processes, to monitor and control identified E&S risks. Its designated members apprise the BOD, CGCOM, and BROC on BankCom’s exposures to E&S risks and the status of implementation of BankCom’s sustainability program.

- **The Internal Audit Division and Compliance Division** are responsible for assessing the Bank's adherence to policies related to managing E&S risks and evaluating the effectiveness and relevance of said policies.

Strategy

BankCom is aware that environmental concerns and climate change could seriously jeopardize the long-term viability of its core businesses and financial stability. First, there is a chance that the company could suffer financial losses as a result of structural damage brought on by earthquakes, flooding, and other extreme weather events. Second, when climate, environmental, or social risk impacts borrowers and/or their collateral, the lending institution's financial stability is put at risk.

BankCom is cognizant that environmental risks translate to financial risks, as both physical and transition⁴ risks affect businesses, households and the economy. This will ultimately affect BankCom's level of exposure to financial, operational, and other types of risks.

Risk	
Acute Physical	Damage to property and assets arising from increased severity of extreme weather events
Chronic Physical	Changes in precipitation patterns and extreme variability in weather patterns, as well as rising mean temperatures and sea levels, which affect operations and facilities, resulting in loss/lower value of certain assets and that of our clients
Technology	Cost requirements to transition to lower carbon operations
Policy and Legal	Energy transition policies such as carbon tax, and enhanced disclosure requirements on emissions
Market	Shifting sentiment for high carbon companies, and increased cost of input materials which can affect borrowers
Reputation	Negative stakeholder feedback and/or increased investor concern/oversight

Opportunities	
Resource efficiency	Reduction of energy consumption
Energy Source	Use of green/low carbon sources resulting in energy efficiency and cost savings
Product and Services	Development of green products and services that cater to shifting consumer preferences and support sustainability initiatives of corporate clients

At the strategic level, both physical and transition risks are included in the formulation of BankCom's Risk Appetite Statement. It guides the decision making on various transactions of the Bank for each type of risk—credit, market, liquidity, operational, reputation, information technology. Further, climate considerations form part of the methodology of the stress testing activity under the internal capital adequacy assessment process (ICAAP). Credit stress test scenarios were applied to the high-risk industries in the Bank's portfolio that are particularly vulnerable to ESG factors such as climate change, social concerns and governance or reputational issues.

⁴ Transition risks (technology, policy, legal, market, and reputation risks) result from the global shift towards a more sustainable, net-zero economy.

Risk Management

The BSP has released a series of policies aimed at strengthening climate risk management of BSP-supervised financial institutions (BSFIs). In 2020, BSP issued Circular No. 1085 on the Sustainable Finance Framework. The Circular sets out the BSP's expectations on the integration of sustainability principles in the corporate governance and risk management frameworks and the strategic objectives and operations of banks. This was followed by Circular No. 1128 which provides specific guidance on how to integrate E&S Risk Management in the operational risk management and credit risk management of banks. BSP also issued Circular No. 1149 outlining the expectations on the integration of sustainability principles in the investment activities of banks. BankCom complies with the requirements of the BSP and has instituted an ESRMS. Through this, the identification, assessment, and management of climate risks are integrated in BankCom's credit risk and operational risk management system.

For its own operations, BankCom conducts physical hazard assessments in its branch site selection and monitoring and conducts the implementation of a supplier sustainability questionnaire (SSQ) to identify and understand sustainability risks in the supply chain. BankCom also regularly assesses and monitors climate risks through its Risk and Control Self-Assessment (RCSA) and Business Impact Analysis (BIA) Processes.

Physical risks from climate change are considered in the Bank's Business Continuity Plan. BankCom has a Business Continuity Management (BCM) Committee headed by the Branch Banking Group Head and composed of SET members, other 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.

On climate change impact on the Bank's lending portfolio, BankCom has already integrated ESG/climate consideration in the credit process through the updating of forms used in credit evaluation to identify, assess, measure and monitor ESG/climate risks. BankCom 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.

BankCom has started to identify which industries in its credit portfolio have an increased risk of climate change impacts. The portfolio exposures to high-emitting sectors are disclosed in its Annual Report.

BankCom's ESG Project Team monitors existing and emerging regulatory requirements as well as conducts reviews of best practices and industry trends and regular stakeholder engagement to monitor emerging E&S risks. The results of these monitoring activities are reported to the BOD and/or relevant Board committees.

Metrics and Targets

BankCom has set an initial emissions reduction target in its portfolio through setting limits in the financing of non-renewable energy sources. Starting 2023, the Bank measured the CO2 equivalent of its Scope 1 and 2 greenhouse gas emissions (See section on Greenhouse Gas Emissions). The Bank is preparing a climate change strategy starting with the collection of baseline data on the aggregate emissions and emissions intensity of its operations and value chain and the conduct of climate risk assessments.

Procurement Practices

Proportion of spending on local suppliers

Percentage of procurement budget used for significant locations of operations that is spent on local suppliers ⁵	2022	2023
(a) Construction	67%	43%
(b) Consumables	100%	100%

Percentage of local/Philippine-based suppliers that underwent the accreditation process in 2023	97%
---	-----

BankCom recognizes the importance of suppliers in the success of its operations. 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.

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.

The Bank of Commerce procures majority of its consumables from local businesses, contributing to the economy in areas where BankCom operates. Further, 97% of all accredited suppliers are local/Philippine-based. Information on the BankCom’s accreditation process is provided in the Supplier Accreditation Policy Section. The Bank also supports the growth of small and medium enterprises through its procurement activities.

Procurement from local suppliers also help support the environment through lower carbon footprint resulting from lower transportation costs, compared to procuring goods and services from foreign sources.

Stakeholders Affected

- Suppliers
- Communities
- Employees
- Management

What are the risks identified?

Management Approach

While local procurement mitigates certain risks compared to foreign sourcing, BankCom may still be exposed to certain risks that may affect the effectiveness and quality of the supply chain.	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.
Any material deviation from policies and	

⁵ The data 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.

<p>processes in supplier selection, negotiation, and delivery of materials and services concerned may severely affect BankCom’s reputation and profits. Such could be the result of fraud and corruption, lack of fairness and transparency in third-party dealing, or lack of capacity to select and manage contracts.</p> <p>For example, 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. These may affect the safety of BankCom’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 in requiring rework which entails additional time and cost. This may result in customer dissatisfaction, an increase in customer complaints, and potential negative publicity. In turn, this may result in customer attrition.</p>	<p>A Bids and Awards Committee (BAC) executes the Bank’s standards and policies on vendor accreditation and selection. BankCom’s procurement and evaluation process for third party service providers, including the approval process, are documented in operating manuals and desk manuals which are reviewed regularly and updated accordingly.</p> <p>For example, proposals for branch repairs, renovations, and relocations are presented to the SET for approval. This includes a comparison of cost estimates submitted by candidates and remarks about previous engagements with them. Depending on the total cost, the proposal may be endorsed further to the BOD for approval.</p> <p>Another example is that every year, third party service providers are subject to 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> <p>Moreover, suppliers and employees are expected to abide by BankCom’s policy on solicitation or acceptance of gifts, favors and entertainment, including sponsoring of non-company activities and events.</p>
---	--

What are the opportunities identified?

Management Approach

<p>BankCom continues to explore qualified local contractors and third-party service providers who have a track record with other banks or banking associations, and which can meet the Bank’s requirements according to its standards.</p> <p>Further, the implementation of an Environmental and Social Risk Management System (ESRMS) covering the operations of the Bank created the opportunity to ensure sustainability considerations are extended to the Bank’s supply chain, covering the suppliers’ human rights, labor, and environmental management, among others, along with the sustainability elements of the products they offer.</p>	<p>Suppliers are required to submit a SSQ. The SSQ is a tool that helps the Bank understand the environmental and social practices of suppliers and how they manage sustainability-related risks in their business activities. More information is provided in the Supplier Accreditation Policy section.</p>
--	--

Anti-Corruption

Training on anti-corruption policies and procedures

Disclosure	2022		2023	
Percentage of employees to whom the organization's anti-corruption policies and procedures have been cascaded	100%	1920 qualified employees	100%	1976 qualified employees
Percentage of directors and management that have received anti-corruption training	100%	18 SET 15 BOD	100%	18 SET 15 BOD
Percentage of employees that have received anti-corruption training	100%	1920 qualified employees	100%	1976 qualified employees
Percentage of business partners to whom the organization's anti-corruption policies and procedures have been cascaded	100%	Policy is required to be signed by all existing/active suppliers and service providers	100%	Policy is required to be signed by all existing/active suppliers and service providers

Incidents of Corruption

Indicator	2022	2023
Number of incidents in which directors were removed or disciplined for corruption	0	0
Number of incidents in which employees were dismissed or disciplined for corruption	0	0

Bribery and corruption have an adverse effect on the stability and legitimacy of financial institutions, translating to adverse impacts to the economy and society. Serious misconduct and unethical practices could lead to long-term reputational damage due to loss of confidence of stakeholders, particularly regulators, clients, and employees, in the Bank.

Similarly, criminal financial practices such as money laundering and proliferation financing compromise the financial sector, threaten economic development, and destabilize peace, law and order. Strict regulations are implemented by governments worldwide to prevent banks from facilitating such illicit transactions.

BankCom believes that banking is a public trust. BankCom, as a financial institution, places the interests of its customers and the public at the forefront of its existence. It firmly believes that maintaining public trust necessitates unwavering integrity, proven expertise, and dedicated effort. The BankCom's core values revolve around enhancing the lives of its stakeholders, keeping their trust, striving for excellence, while ensuring prudence. BankCom does not tolerate bribery and corruption and is seriously committed to prevent money laundering, terrorist financing and proliferation financing. The Bank upholds the highest moral standards in the way it conducts business and makes sure it does not become a channel for illicit

funds or a victim of money laundering. The Bank’s policy commitments are backed by strong risk management and compliance programs against such unethical and illegal activities. These topics are a key focus of the Bank’s corporate governance, risk management, compliance and human resource management programs.

Stakeholders Affected

- Shareholders
- Depositors
- Customers
- Employees
- Government
- Public

What are the risks identified?

Bribery and corruption can occur during interactions or transactions between the Bank’s employees and the parties they deal with, such as when securing decisions from government officials, clients, procurement, or hiring. Charitable and political donations and receiving and accepting gifts and entertainment can also be construed as bribery and corruption when proper procedures and designed limits are not followed.

Conflicts of interest can occur in situations when self-serving interests by individuals become a factor in their professional actions and decisions. This could include providing preferences to personal connections in hiring and procurement or exploiting their position or authority for personal gain such as self-dealing and distribution of non-public information.

Money laundering, terrorism financing, and proliferation financing can occur when there is an ill-intent from individuals or entities to process monetary proceeds or accounts obtained from illegal sources and/or failure of processes to prevent and to detect their use, or attempted use, for money laundering or terrorist financing purposes or funds or financial services which are used for the proliferation of weapons of mass destruction.

Management Approach

The Bank has various policies in place to ensure that its actions and decisions comply with high standards of integrity and follow ethical and legal approaches.

- **Trust Investment Guidelines** for BankCom employees, including portfolio managers and traders covers instances of processing transactions belonging to the employee, relatives and related entities. BankCom employees are prohibited to use Bank proprietary information and other non-public information to advance their own interest.
- **Related Party Transactions Policy** ensuring that certain transactions involving Related Parties, which present a heightened risk of conflicts of interest or the perception thereof, are entered into on arm’s length bases and are consistent with the Bank’s and its stakeholders’ best interests.
- **Policy on interlocking positions and secondment of Director and Officers**
- **Code of Professional and Ethical Standards for Treasury Personnel** covering responsible marketing and sales, insider trading, fair dealing, disclosure of conflicts of interest, among others.
- **Policy on solicitation or acceptance of gifts** prohibit soliciting and accepting gifts, favors and entertainment, including sponsoring of non-company activities and

	<p>events.</p> <ul style="list-style-type: none">• The Bank’s Code of Conduct reiterates that employees should exercise responsible and ethical business practices, including avoiding conflict of interest. New employees are required to acknowledge the Code of Conduct during onboarding. <p>The Bank regularly reviews its policies, updates them whenever necessary, and communicates them to all its officers and employees through regular advisories and an annual training program.</p> <p>The Bank has a Whistleblowing Policy that 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. The Bank provides confidential channels for reporting persons and has a policy against reprisal or retaliation.</p> <p>To prevent the risk from AML, the Bank has a Money Laundering and Terrorist Financing Prevention Program (MTPP) ensures compliance with the Anti-Money Laundering law, rules, and regulations that is approved by its Board of Directors. It is regularly updated or as need arises to reflect the constantly evolving regulations, the emerging money laundering/terrorist financing risks, and global best practices.</p> <p>The Corporate Governance Committee, a board-level committee, receives monthly reports on AML compliance and monitoring from the Anti-Money Laundering Management Department (AMLMD) of the Compliance Division. AML concerns are escalated to the AML Committee, a management group whose main duty is to oversee the Bank’s effective and correct compliance with relevant laws and the Bank’s MTPP. The AML Committee, which consists of representatives from Compliance Division, Risk Management Division, Operations Group, Treasury Group, Trust Services Group, Legal Services Group and Branch Banking Group, meets monthly or more frequently as needed.</p>
--	---

	<p>The AMLMD is in charge of ensuring that the Bank's MTPP is implemented correctly and efficiently. This involves using a risk-based approach to implement customer due diligence policies and procedures, record retention policies, a system for promptly capturing and reporting covered transactions, investigating suspicious alerts and reporting as necessary upon approval of the AML Committee, and creating and conducting regular and special training to Bank personnel.</p> <p>In addition, the Compliance Division of the Bank also conducts independent testing of branches and head office units, and is able to identify the segment in the operational process where money laundering, proliferation financing and terrorist financing risks are higher.</p> <p>The Bank's policies, processes, and procedures on preventing financial crime are outlined in the Bank's Wolfsberg Questionnaire available on the BankCom website.</p>
--	--

What are the opportunities identified?	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>	<p>The Bank continues to promote awareness and accountability on anti-corruption and anti-bribery through its E-Learning Training Program and New Employees Orientation (NEO) for employees, and Corporate Governance training for the BOD and SET.</p> <p>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. These are included in training courses on Corporate Governance, Anti-Money Laundering (AML), NEO, and those intended for branch officers and staff members. Training on AML is implemented bank wide and on a regular basis. Employees are required to reach a minimum score of 80% to pass.</p> <p>The Bank's Compliance Division, in partnership with HRMDD, constantly enhances the Bank's training program to equip bank personnel with appropriate knowledge to achieve the Bank's goal of promoting effective implementation of the AML/CFT policies and procedures in the entire organization.</p>

ENVIRONMENT

Resource Management

Energy consumption within the organization

Indicator	2022	2023
Total electricity consumption (in kwh)	6,162,541	5,429,641
(a) Head Office	1,600,987	1,648,431
(b) Manila TAT Building	499,314	472,232
(c) Branches	4,062,240	3,308,978
Electricity use intensity (kwh/employee)	3,304.31	2,747.79

Indicator	2022	2023
Percentage of LED, CFL, and other energy-saving lamps to total electric lighting devices (%)		
(a) Head Office	LED (20%); CFL (80%)	LED (30%); CFL (70%)
(b) Manila TAT Building	LED (10%); CFL (90%)	LED (10%) - CFL (90%)

Indicator	2022	2023
Total energy consumption (gasoline and diesel) (in liters)	28,420.25	182,942.57
(a) Head Office	17,871.45	8,627.72
(b) Manila TAT Building	2,300.00	750.00
(c) Branches	8,248.80	173,564.85

BankCom’s direct environmental impact is through its business operations, primarily in the resources consumed for the effective functioning of offices, branches, data centers, and other information technology and physical facilities. BankCom uses grid electricity to power its facilities and uses fuel for bank-assigned cars used for official business activities (i.e motor pool) as well as for the regular testing/maintenance of generator sets and use during power interruptions.

The data for 2023 is higher compared to 2022 due to improved data collection on fuel usage with the issuance of Petron cards to branch officers for official business use such as client and marketing-related travel.

Despite improvements in increasing clean energy capacity, the Philippines’ source for energy generation is still mainly coal and natural gas. The burning of fossil fuels results in greenhouse gas emissions that directly contribute to worsening global warming. The Bank aims to manage its environmental impacts by identifying and pursuing ways to reduce operational carbon footprint through instituting resource management policies, evaluating the use of green technologies, and participating in activities to create positive environmental impacts.

Stakeholders Affected

- Employees
- Management

- Shareholders
- Customers
- Communities

What are the risks identified?

Management Approach

<p>As the government’s policy gradually shifts towards promoting the use of energy-efficient technologies and boosting renewable energy use, BankCom may be affected in the following ways:</p> <ul style="list-style-type: none"> • Higher energy costs due to the use of outdated and inefficient technologies • Reputational risk when benchmarked with other organizations with more pronounced sustainability initiatives within their operations • Regulatory penalties for failing to comply with potential/upcoming environmental regulations promoting low-carbon operations 	<p>BankCom is mindful of its usage and looks for ways to reduce energy consumption.</p> <p>The Bank’s General Services Division (GSD), which is part of the Operations Group, monitors the energy consumption of the Bank’s physical facilities. The ESG TWG works with GSD to come up with recommendations on how to manage energy consumption, e.g., shifting to LED lights, solar panels, and similar devices, and ultimately, to contribute to the achievement of the National Government’s goals on energy.</p> <p>As early as 2005, BankCom had already issued a policy on cost management. The policy prescribes specific measures to manage the usage of the lighting system, air-conditioning system, electric fans and office appliances, and water conservation. The ESG TWG is studying expanding this policy into a more comprehensive environmental management framework.</p> <p>The Bank also conducts regular preventive maintenance of generator sets and Bank-assigned vehicles. The Bank also continues to utilize online platforms to conduct meetings and webinars, which contributes to the reduction of fuel consumption for travel.</p>
--	---

What are the opportunities identified?

Management Approach

<p>Shifting to energy-efficient technologies and/or renewable energy can have benefits for the organization such as lower energy costs and improved operational efficiency, differentiation from competition, and attracting and retaining environmentally conscious customers and employees.</p>	<p>The Bank is currently reviewing suggestions for streamlining different branch and transaction banking operations, through its Operations Committee, which may result in better management of working hours and physical facilities.</p> <p>The Bank sees the adoption of modern technologies and energy-saving architectural designs for branch and head office operations. These include replacing desktops and old servers with more efficient laptops and IT hardware, and hard phones with virtual IP phones; designing branches with LED fixtures, right-sized air-</p>
---	---

	<p>conditioning systems, and readiness for possible installation of net metering systems in the future.</p> <p>ESG education for employees has started in 2023. The ESG team is developing communication materials/infographics to encourage employees to be more conscious in using resources. The ESG Team, together with GSD and Branch Operations Division (BBG-BOD) will explore applicable solutions and best practice recommendations to further improve sustainability in own operations.</p>
--	---

Water consumption within the organization

Disclosure	2022	2023
Water consumption (in m ³)	23,733.40	25,992.89
(a) Head Office	7,206.00	8,685.00
(b) Manila TAT Building	2,533.00	763.00
(c) Branches	13,994.40	16,544.89
Water intensity (m ³ /employee)	12.72	13.15

Water is used in BankCom’s premises primarily to ensure cleanliness and upkeep of the facilities and maintain sanitation and hygiene for the health and safety of employees. BankCom is committed to ensure that uninterrupted and clean water supply is available to all its employees in its Head Office and Branches, while at the same time ensure water use is kept to a reasonable volume so as not to create water stress in the areas where it operates.

Stakeholders affected

- Employees
- Management
- Shareholders
- Customers
- Communities

What are the risks identified?

Since banking is not a water-intensive business, the main risk for BankCom is the possibility of water unavailability or shortages particularly in water-stressed regions where it operates, which will impact the health and safety of its employees. This risk may be exacerbated by effects of climate change, such as drought and damage to water sources from extreme weather events and flooding, as well as increased demand from growing populations and economic facilities.

This risk may result in additional financial costs as well as the inability to deliver access to clean and safe water, a basic human right.

Management Approach

Water conservation has been on the management’s agenda since 2005. An operations memorandum is in place which prescribes measures alongside other initiatives. These measures include immediately reporting to the building maintenance or GSD any faucet and other water fixtures found to be defective. Reminders on water conservation are also placed in washrooms and pantries with water facilities.

The Bank’s GSD and BBG-BOD 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 a 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. To better control the Bank's water use, the ESG TWG will investigate appropriate solutions and best practice recommendations in collaboration with GSD and BBG-BOD.
--	---

What are the opportunities identified?

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 as well as evaluate the use of water recycling technologies.	Water conservation continues to be a part of the agenda for designing and constructing new branches and other physical facilities with water connection.
--	--

Materials used by the organization

Disclosure	2022	2023
Paper consumption* in kg	36,060	22,950
Paper intensity (kg/employee)	19.33	11.61

*bond/computer papers/folders

BankCom uses paper for communication with customers, issuance of statement of accounts, as well internal documents such as account statements, loan agreements, and other legal documents required to be retained by the Bank. Automation and digitalization are at the core of the innovations that the Bank is currently implementing, and these activities are expected to result in lesser need for paper.

Stakeholders affected

- Employees
- Management
- Shareholders
- Customers
- Communities

What are the risks identified?

Management Approach

Paper production is associated with environmental impacts such as water stress, greenhouse emissions, and forest degradation. As BankCom commits to reducing environmental impact, measures are undertaken to limit paper consumption and paper waste.	BankCom has started to roll out programs to reduce the need for paper. One example is the decision to replace paper brochures in the branches with QR-based, PDF versions which can be downloaded from the Bank's website. The Bank is also utilizing electronic statement in lieu of paper statements for trust management clients and credit card customers. Everyone is encouraged to use collaborative workspaces for business purposes, including general document review and approval, to
--	--

	minimize the amount of paper used internally.
--	---

What are the opportunities identified?

Management Approach

While paper use is inherent for banks, continued improvements in digital banking offers opportunities to reduce the need for paper through digitization and automation.	BankCom continues to enhance its existing electronic banking delivery channels such the BankCom [Personal] mobile app and BankCom [Corporate] to reduce client paper requirements.
---	--

Environmental Impact Management

Greenhouse Gas Emissions

Disclosure	2023
Direct (Scope 1) GHG Emissions (in MT CO2e)	441.95
Energy indirect (Scope 2) GHG Emissions (in MT CO2e)	3,887.73
Emissions intensity (MTCO2/employee)	2.19

In 2023, BankCom has started to calculate its greenhouse gas emissions from within its own operations. The Bank’s emissions arise from the use of diesel and gasoline for bank-issued vehicles and the purchase of grid electricity. Increased levels of GHG emissions emitted from the burning of fossil fuels contributes to the worsening of changes in the climate, translating to substantial negative impacts, losses and damages.

Stakeholders affected

- Employees
- Management
- Shareholders
- Customers
- Communities
- Regulators

What are the risks identified?

Management Approach

The risks from GHG emissions are linked to climate change risks (See Section on Climate-related Risks and Opportunities – Strategy). The risk to the Bank’s own operations include policy and regulatory changes (i.e., pricing of emissions and additional climate reduction/transparency requirements), reputation (i.e., climate controversies), and physical risks (i.e., damage to assets, disruption of operations due to extreme weather events).	As part of BankCom’s climate risk management, the ESG TWG together with GSD and BBG-BOD monitors the emissions coming from the Bank’s own operations. It is also in charge of preparing a strategy for integrating sustainability in the Bank’s own operations, including the mechanism to reduce energy use and transition to low-carbon technologies. BankCom also conducts physical hazard assessments in its branch site selection and monitoring. The Bank also regularly assesses and monitors climate risks through its Risk and Control Self-Assessment (RCSA) and Business Impact Analysis (BIA) Process.
--	---

What are the opportunities identified?

Management Approach

<p>As discussed under Energy Consumption, opportunities arising from implementing low-carbon technologies include lower energy costs and improved operational efficiency, ability to differentiate itself from competition, and attract and retain environmentally conscious customers and employees.</p> <p>As a financial intermediary, there is an opportunity to tap into a market of consumers/corporate clients who wish to transition to energy-efficient and renewable energy technologies.</p>	<p>The topic of climate change and its risks to the organization is part of the ESG and Sustainability Module of the NEO. Furthermore, the ESG team issues advisories on ways to reduce individual carbon footprint.</p> <p>With regard to the environmental impact of the Bank's IT equipment, 99% of the Bank's laptop and desktops are covered under the IT equipment provider's carbon offset program.</p> <p>BankCom's cost management policy prescribes specific measures to manage the usage of the lighting system, air-conditioning system, electric fans and office appliances, and water conservation.</p> <p>BankCom will explore developing sustainable products and services as committed in the Bank's ESRM Framework.</p>
---	---

SOCIAL

Employee Management

Employee Hiring and Benefits

Employee Data

Disclosure	2022	2023
Total number of employees	1,865	1,976
• Female	1,160 (62.20%)	1,210 (61.23)
• Male	705 (37.80%)	766 (38.76)
Attrition rate (in %)	17.28%	15.73%
Ratio of lowest paid employee against minimum wage		
• Probationary employee	111%	106%
• Regular employee	120%	102%

Employee Benefits

List of Benefits	2022		2023	
	Number of male employees who availed for the year	Number of female employees who availed for the year	Number of male employees who availed for the year	Number of female employees who availed for the year
SSS (Loans)	139	265	116	236
PhilHealth (Certifications)	11	49	33	75
Pag-Ibig (Loans)	59	128	56	127
Solo Parent Leave	2	17	2	22
Maternity Leave	-	61	-	51
Paternity Leave	35	-	32	-
Vacation Leaves	642	1073	439	647
Sick Leaves	394	681	301	455
Medical Benefits (aside from Philhealth), SSS Sickness & Maternity	34	87	41	124
Housing Assistance (aside from PAGIBIG)	285	492	323	508
Retirement Fund (aside from SSS)	49	112	50	110
Further Education Support	4	2	2	2
Company Stock Options	Not offered		Not offered	
Telecommuting	Not offered		Not offered	
Flexible-working Hours	Not offered		Not offered	
Others				
Life Insurance	1	0	1	1

Accident Insurance	0	0	2	0
Emergency Leaves	327	580	335	532
Rice Subsidy	322	563	317	574
Clothing Allowance (in Kind / in Cash)	667	1108	725	1132
Burial Assistance (Employees / Dependents)	12	31	19	49

To ensure that BankCom operates at an optimum level and delivers outstanding performance, there is a need for talented and highly skilled individuals with a strong work ethic and professionalism as well as skills in client relations, strategy, communication and critical thinking. Beyond attracting the right individuals, it is also critical to sustain the Bank's capacity to operate and perform at a high level through cultivating and retaining committed and loyal employees.

It is in this context that a key focus of the sustainability program of BankCom is human capital development. BankCom is committed to investing in its human resources and constantly assessing and improving every step of the employee life cycle process (talent recruitment, onboarding, engagement, development and training, and retention). A key factor particularly in recruitment, engagement, and retention is the quality and competitiveness of the Bank's benefits program. BankCom offers its employees a comprehensive remuneration and benefits package that is regularly reviewed to ensure competitiveness with the industry.

Stakeholders affected

- Employees
- Management
- Shareholders
- Customers

What are the risks identified?

The risk of high attrition due to dissatisfaction with the Bank can have several impacts to the company:

- recruiting, onboarding and training new individuals requires both financial and human resources;
- for specialized positions where a certain level of knowledge and experience is needed, new employees may not be as proficient and thus this may lead to lower productivity from affected business units in the short run.;
- the burden of work is delegated to remaining individuals which may result in burnout and dissatisfaction due to the increased workload, which in turn may lead to further attrition.

Attractive packages from other institutions may likewise affect the Bank's ability to recruit and/or retain employees.

Management Approach

The Human Resource Management and Development Division (HRMDD) leads key initiatives in recruitment, organization development, and compensation and benefits.

For its recruitment strategy, HRMDD utilized several approaches to attract talented individuals such as an employee referral program, online job fairs, and job search platforms and social media to increase reach of job postings. The Bank allows applicants to come from within the organization as a way to develop one's abilities in other areas within the Bank. Internal candidates, if qualified, are prioritized over external candidates. Meanwhile, for branch postings, local hiring is preferred.

On the area of compensation and benefits, BankCom provides its employees competitive

	<p>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>BankCom’s compensation package goes beyond salary and statutory benefits. BankCom’s benefits package, depending on position and rank, includes various affordable financing programs; health management organization (HMO) program for employees and qualified dependents; life insurance, medical and optical allowance; study leave and scholarship reimbursement, as well as food allowances/free lunch. The Bank also maintains a retirement program which is managed professionally.</p>
--	--

What are the opportunities identified?

Management Approach

<p>As competition for talent in the finance industry is growing, it gives the Bank an opportunity to look into other forms of remuneration such as in the areas of work-life balance, employee training and development, welfare, and supporting advocacies. Examples include support for dependent care, health management, and community involvement.</p>	<p>The Bank also looks into upskilling/capacity building and employee engagement as ways to retain employees. HRMDD has launched 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 masters education; regular job evaluation to recognize expanded roles; employee engagement activities such as appreciation month; and various medical and mental health awareness programs. This will be further discussed in the succeeding section.</p> <p>Finally, HRMDD continues to maintain good relations with the BankCom Employee Union (BCEU) through regular engagement meetings with HR Leaders. The BCEU represents Rank and File employees (781 personnel or 40% of all employees). In 2023, HRMDD conducted 6 monthly meetings with the BCEU and 1 Labor Management Council Meeting. As of the end of the year, no outstanding employee grievance was reported.</p> <p>HRMDD organizes employee appreciation activities. The Bank’s senior leaders and HRMDD provided snacks and took the opportunity to have direct informal conversations with the employees.</p>
---	---

	<p>Other events involved a free movie screening, as well as various awards ceremonies for the frontline employees of the Bank.</p> <p>BankCom also cultivates a strong company culture that aligns to the core value of Malasakit of the SMC Group. In cooperation with San Miguel Foundation (SMF), CCCPD led BankCom employees in life-enriching corporate social responsibility (CSR) activities conducted at various locations during the year. These activities included reforestation/seed potting and coastal cleanup drives.</p>
--	--

Employee Training and Development

Disclosure	2023
Total training hours ⁶	60,614 hours
Average Training Hours per Employee	31 hours
Percentage of Employees Receiving Performance Reviews and Career Development Reviews	100% of eligible employees

Disclosure	2022	2023
Percentage (%) of Employees Offered E-Learning Training on:		
a. Information Security Awareness	100%	100%
b. Financial Consumer Protection	100%	100%
c. Business Continuity Management	100%	100%
d. Anti-Money Laundering	100%	100%

BankCom advocates training and employee development to meet the objectives of providing employees with skills and competencies to be future-ready, and at the same time enabling the Bank as an organization to deliver on its mission and purpose for its customers and other stakeholders. Providing training and development opportunities is also part of employee engagement as it communicates the Bank’s intention to support the career advancement and well-being of employees.

BankCom employs a strategic training management approach whereby 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).

On another note, The BSP requires Philippine banks to conduct annual mandatory trainings on the areas

⁶ Training refers to all types of trainings: all types of vocation training and instruction, trainings on specific topic, including paid trainings or education pursued externally and paid for in whole or in part by the organization

of anti-money laundering, information security risk, financial consumer protection, and data privacy to ensure employee's continuous awareness of rules, standards and processes pertaining to these key risk topics in the banking industry.

Stakeholders affected

- Employees
- Management
- Shareholders
- Customers

What are the risks identified?

Without continuous efforts to engage employees and upgrade their competencies through training:

- Skills may stagnate, and motivation may plateau, leading to a decline in productivity.
- Employees may 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 (i.e. Occupation Health and Safety).

Failure to conduct training sessions mandated by the BSP could result in legal and compliance issues. Further, the lack of knowledge of employees on topics of anti-money laundering, information security risk, financial consumer protection, and data privacy that could potentially expose BankCom to risks due to human errors or failure to comply with regulations.

Management Approach

BankCom, through HRMMD's leadership, conducted several trainings directed to advancing employees' technical and functional competencies:

BRANCH BANKING GROUP (BBG) STAFF:
 Fundamentals of Branch Operations

BBG OFFICERS:
 Branch Officership Training Program

JUNIOR OFFICERS AND RANK & FILE
 Signature Verification and Forgery Detection
 Fraud & Forgery Detection and Prevention
 Effective Business Writing Workshop
 Effective Presentation Skills
 Presentation Skills Workshop

EXECUTIVES AND JUNIOR OFFICERS
 Strategic Planning
 Civility in the Workplace
 Corporate Banking and Development Bootcamp
 Coaching for Managers Workshop
 Managing the Multigenerational Workforce Workshop
 Keys to Leadership

INTERNAL AUDIT DIVISION – EXECUTIVES, JUNIOR OFFICERS AND RANK & FILE
 Root Cause Analysis and other Internal Audit Related Matters Workshop

TRANSACTION SERVICES GROUP – RANK & FILE
 The Keys to Performance

In addition, Members of the Board of Directors, Senior Executives, Junior Officers and Rank and File Employees had attended over 150 external

	<p>trainings sponsored by the Bank. 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) such as covering banking industry topics: AML/CTF, auditing, accounting, risk management, cybersecurity, data privacy and sustainability among others.</p> <p>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>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 training courses prepared by professionals from around the world.</p> <p>HRMDD also partnered with Branch Banking Group to conduct specialized programs through online facilities such as Zoom and Microsoft Teams. These provided essential training on Bank operating policies, regulations and customer requirements.</p> <p>For its part, HRMDD together with the SMC Corporate Affairs Office (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>HRMDD also partnered with CCCPD to conduct ESG Training for ESG TWG members. Together with SMC Corporate Sustainability Office (CSO) and</p>
--	--

	<p>CAO, HRMDD and CCCPD facilitated the attendance of BankCom’s BOD and SET Members in the Sustainability Management Workshop of the San Miguel Group.</p> <p>For all types of trainings (internal, external, mandatory), the HRMDD requests feedback/evaluation form from attendees on the quality of training content, resource persons, and additional training needs thereby ensuring that the trainings are improved and/or training gaps are addressed.</p>
--	---

What are the opportunities identified?

Management Approach

<p>Realizing the benefits of using online platforms in training, such as 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>With the implementation of an ESRMS, BankCom saw an opportunity to introduce awareness raising activities on sustainability and providing training solutions on incorporating ESG and sustainability considerations in its operations and core business.</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 ESG project team leads, HRMDD rolled out the Bank’s first hybrid training on ESG using these tools.</p> <p>The ESG Team, together with HRMDD, has incorporated a Sustainability and ESG Module in the NEO. The ESG Team likewise participates in external trainings and workshops and in doing so, has gathered information on ESG frameworks and best practices for banks that can be integrated into BankCom either through capacity building/training or technical solutions. The Team is expected to roll out a specialized training plan on ESG and sustainability for existing employees.</p>
---	--

Diversity and Equal Opportunity

Disclosure	2022	2023
Workers in the workforce (%)		
• Male	37.80	38.77
• Female	62.20	61.23
Rank and File (%)		
• Male	36.64	36.21
• Female	63.36	63.79
Junior Officers (%)		
• Male	36.87	38.82
• Female	63.13	61.18
Senior Officers (%)		

• Male	50.00	57.47
• Female	50.00	42.53
Senior Executive Team (%)		
• Male	73.68	68.42
• Female	26.32	31.58
Board of Directors (%)		
• Male	73.33	73.33
• Female	26.67	26.67

Promoting diversity, equality and inclusivity (DEI) at work has been recognized as an important aspect of the modern workplace due to its positive benefits for both the company and its employees. Promoting fair treatment and equal opportunities for employees from all walks of life allows the company to benefit from ideas and innovations coming from diverse perspectives and uncover skilled and talented employees that may be otherwise overlooked. Further, implementing DEI principles in all stages of the employee cycle communicates to employees that they are respected, treated fairly, and protected against discrimination and harassment by the company.

Discrimination is defined as the prejudicial treatment based on a person’s protected attributes such as race, religion, age, gender and sexual orientation, disability, family status, among others. These manifests in denial of opportunities, exclusion, isolation, or harassment.

BankCom recognizes the immense value of DEI in driving success and fostering a positive work environment. A strong DEI culture promotes fair treatment and empowers employees, thereby fostering a sense of belongingness which has an observed impact on performance and commitment from employees, generating significant benefits for the organization.

Stakeholders Affected

- Employees
- Management
- Shareholders
- Customers

What are the risks identified?

A risk related to non-consideration of DEI in the Bank’s employee strategy is the potential reputation impact should there be cases filed regarding discrimination and/or discriminatory practices.

Feeling unsafe or unheard in their work environment due to discrimination could result in turnover of skilled and competent employees.

There is a risk of missing out on highly skilled talents during recruitment and promotions if personal bias or discrimination is apparent in applicant selection.

Management Approach

The Bank provides equal employment opportunities to employees and applicants. Recruitment, compensation, training and development are based on the personal skills, knowledge, and capabilities of each candidate. Selection in key positions, promotions, and transfers is open to all qualified candidates and employees and is based solely on merit and aptitude.

BankCom does not condone discrimination. BankCom abides by related Philippine laws such as the RA 6725 Prohibition of Discrimination Against Women, RA 7877 Anti-Sexual Harassment Act, RA

	<p>8972 Solo Parents' Welfare Act, RA 10911 Anti-age Discrimination in Employment Act, RA 7277 Magna Carta of Disabled Persons.</p> <p>BankCom has a Sexual Harassment Policy since 2002. This states the types of harassment covered, the investigation process, as well as education and training provisions.</p> <p>BankCom's Whistleblowing Policy applies to criminal offences and acts that pose serious threat to the wellbeing and safety of any persons, covering incidents of discrimination and sexual harassment.</p>
--	---

What are the opportunities identified?

Management Approach

<p>Encouraging diversity, equity, and inclusion can benefit the company and its workers in a number of ways, including enhancing the organization's reputation as an inclusive workplace, fostering innovative problem-solving from a range of backgrounds and experiences, and increasing employee retention.</p>	<p>BankCom will look into opportunities to increase awareness of DEI among its management and employees. This includes diversity training programs and workshops on identifying and managing unconscious bias.</p> <p>BankCom offers equal opportunities to deserving employees, regardless of locality or affiliation, to join leadership and career development programs</p> <p>BankCom will stay informed about relevant labor laws and explore opportunities to support the government and local community in promoting workplace diversity and equal opportunities.</p>
--	--

Occupational Health and Safety

Disclosure	2023
Employees covered by an Occupational Health and Safety (OSH) System	100%

As a recognized human right, initiatives that safeguard employees' health, safety, and well-being are prioritized at BankCom. Beyond national regulations requiring companies to institute an Occupational Health and Safety System, BankCom actively works beyond the prevention of harm but also in promoting and securing physical and mental health for employees. BankCom's commitment to health and safety is integrated in its policies and programs on internal communications, risk management and employee engagement.

BankCom is compliant with Republic Act (RA) 11058 (title) and Department of Labor and Employment (DOLE) Department Order 198-18 and acknowledges the company's obligation and responsibility to implement an OSH to ensure the protection of workers and employees against injuries, illnesses, and death through safe and healthy working conditions and environment.

Stakeholders Affected

- Employees
- Management
- Shareholders
- Customers
- Regulators

What are the risks identified?

The mismanagement or disregard for health and safety in the workplace has a negative risk for BankCom and its employees. This includes:

- Loss of productive man-hours
- Legal implications due to non-compliance with OSH regulations
- Damage in Bank’s reputation due to accidents or controversies

Management Approach

BankCom implements an annual Occupational Health and Safety Program covering its Head Office and all branches. It conducts a hazard and risk assessment to identify health and safety hazards and risks and corresponding control measures.

All employees are required to undergo annual medical examination, including drug testing to support the early detection and management of occupational and work-related diseases.

The Bank provides first-aid, medicines, and healthcare facilities through an in-house clinic and a health management organization insurance covering emergency medical service. The Bank has trained safety officers and first aiders deployed in its Head Office and branches. The Bank has a data management system regularly monitoring work accidents and illness exposure.

The Bank has policies in place to cover promotion, prevention and control:

- Drug-free Workplace Policy and Program in compliance to RA 9165
- Workplace Policy and Program Human Immunodeficiency Syndrome (HIV/AIDS) in compliance to (RA 8504) RA 11166
- Workplace Policy and Program on Tuberculosis in compliance to EO 187-03
- Workplace Policy and Program on Hepatitis B in compliance to DOLE Advisory No. 05 Series of 2010
- Covid-19 Prevention & Control Policy

The Bank, through its designated Health Maintenance Organization (HMO), provides regular employees a medical insurance and healthcare plan covering emergency, outpatient and in-patient care. The healthcare plan also covers direct dependents.

	<p>All new employees are required to undergo an Occupational Health and Safety training, as part of the NEO. Safety drills for fire and earthquakes and other emergency incidents are also conducted. Seven (7) drills were conducted in 2023.</p> <p>HRMDD regularly issues Safety and Health Bulletins to heighten employee awareness on common health concerns and provides advice on how to live a healthy lifestyle.</p>
--	---

What are the opportunities identified?

Management Approach

<p>Prioritizing health, safety, and wellbeing can enhance productivity, reduce absenteeism and building a positive reputation. Health and safety are more relevant for employees now more than ever due to the rise of diseases such as COVID-19 as well as the increase in awareness on the importance of mental health.</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. Until January 2024, surveillance antigen testing for employees was provided by BankCom for free through SMC’s facilities. BankCom also monitors any movement in cases of infection among its own employees and those of its third party service providers.</p> <p>HRMDD regularly sends out infographics related to physical, mental and emotional health. Upon request of employees, HRMDD also arranges counseling services through its wellness partners, to ensure their well-being are prioritized.</p>
---	---

Data Security / Customer Privacy

Disclosure	2023
No. of data breaches, including leaks, thefts and losses of data	0

Data security, along with customer privacy, are among the top material risks for financial institutions. It refers to the risks that could lead to the unauthorized collection, use, disclosure, or access of personal data. It includes the risks that the confidentiality, integrity, and availability of personal data will not be maintained, or the risk that the processing of data will violate the rights of data subjects or the privacy principles such as transparency, legitimacy, and proportionality. Financial institutions are frequently targeted by cybercriminals because they hold sensitive and private client data. Financial losses may arise from data breaches and consumer data losses as a result of reputational harm and legal and regulatory repercussions.

BankCom is constantly implementing programs to ensure the security of its information technology and data management systems, covering prevention, monitoring, and incident response. The Bank ensures that the principles of confidentiality, integrity and availability are considered in the selection, use, and maintenance of computer hardware, software, devices, systems, applications and networks.

Stakeholders Affected

- Employees
- Management
- Shareholders
- Customers
- Communities
- Regulators

What are the risks identified?

Information technology is one of the key risks monitored under the Bank’s Risk Appetite Statement. Mismanagement of data and IT systems, such as lack of monitoring, controls, upgrades, or human errors particularly through non-compliance with existing laws, regulations and/or other voluntary standards regarding the protection of customer privacy can result in long-term reputational damage leading to loss of customers and expose banks to regulatory scrutiny in addition to heavy penalties.

Management Approach

BankCom is committed to protecting clients’ personal data and fully complies with the requirements of RA 10173 or the Data Privacy Act of 2012. The Bank’s [Privacy Policy](#) provides consumers guidance on the Bank’s use of personal data, including approach for collection, sharing, and retaining data. BankCom’s Data Privacy Officer under the Compliance Division is in charge of monitoring the Bank’s compliance with regulatory rules and regulations of the National Privacy Commission (NPC) and BSP, among others. BankCom’s DPO and Data Privacy Statement are registered with the NPC.

BankCom implements an IT security program composed of policies and processes to protect its information assets and IT resources. The program includes physical and technical safeguards covering topics such as, but not limited to, physical security, software and hardware controls, backup, storage, disposal and disaster security, internet and network security. This also covers personnel responsibilities such as IT asset management, information security training and incident management.

The program is complemented by an IT risk management system. The strategies to implement BankCom’s IT security policies and procedures include conducting risk assessments, vulnerability assessments, monitoring, and logging IT activities, and developing and implementing disaster recovery plans.

Digital Services Group (DSG) leads in the enhancement of the Bank’s IT systems and processes to ensure compliance with data security regulations, expand the Bank’s financial technology solutions, and ensure efficient service to our customers.

At the Board level, BankCom’s Information Technology Steering Committee (ITSC), is tasked

	<p>to oversee the Bank’s IT functions. It cohesively monitors IT performance and formulates appropriate measures to ensure that the Bank’s IT strategy and significant IT investments support its business needs, strategies, and objectives.</p> <p>Security training sessions are conducted for employees annually and are part of the Bank’s NEO. Continuous Security consciousness is continuously instilled in employees through internal advisories and special audits such as phishing tests.</p>
--	--

What are the opportunities identified?

Management Approach

<p>To maintain resilience of information technology and data security in the long-run, the continuous updating and evolution of IT systems are necessary.</p>	<p>DSG is currently implementing a five-year roadmap for the modernization of the Bank’s IT systems, part of which are improvements to ensure the Bank’s continuous resilience against new threats to data security.</p> <p>The Bank keeps abreast of developments in the market, consumer behavior, industry regulations, and industry trends. Digital strategies for innovation and transformation will be shaped by matching this data with the Bank’s business objectives and strategic direction.</p>
---	--

Consumer Financial Protection

Disclosure	2023
Percentage of complaints lodged in the Consumer Assistance Management System resolved within turnaround time ⁷	95%

BankCom is committed to protecting consumers’ right to access accurate, and complete information regarding the products and services they avail from the Bank. Consumer protection principles are considered in product development and design, labelling and advertising, as well as in customer interactions. Aggressive selling practices, including the use of misleading or deceptive statements that hinder customers from making informed decisions are not condoned by the Bank.

BankCom ensures it complies with BSP regulations on financial consumer protection: BSP Circular Nos. 857 and 1048 or BSP Regulations on Financial Consumer Protection (FCP), and the recent release of BSP Circular No. 1160 (Regulations on Financial Consumer Protection to implement Republic Act No. 11765, also known as the "Financial Products and Services Consumer Protection Act"). BankCom’s business activities are guided by FCP standards on protecting the rights of consumers to equitable and fair treatment, disclosure and transparency of financial products and services, protection of consumer assets against fraud and misuse, data privacy and protection and timely handling and redress of complaints.

⁷ The Consumer Assistance Mechanism System provides support and resolution for consumer issues and complaints related to products or services. It typically involves a process for consumers to report grievances, seek assistance, and receive resolutions from relevant business units. The Bank is required to notify the clients of the investigation result within 3-5 banking days.

Stakeholders Affected

- Employees
- Management
- Shareholders
- Customers
- Communities
- Regulators

What are the risks identified?

Non-compliance with marketing and labelling regulations, including consumer protection policies will negatively impact the Bank. Complaints related to mis-selling and use of deceptive practices in sales will not just result in penalties but also affect the public’s perception of the Bank’s integrity, resulting in loss of existing and potential customers.

As the use of digital technologies in personal banking has become more mainstream, this exposed consumers to bad actors who deceive customers using the name of the Bank through fraud and scams. BankCom understands its responsibility to protect consumers from such incidents.

Management Approach

BankCom’s implements a Manual operationalizing the FCP standards in all relevant areas in banking such as corporate communications and promotional materials, employee training, information security, product development, selling, client suitability assessment, assistance management, risk management and compliance.

The Bank ensures that all print and digital communication materials, particularly those related to product marketing, advertising and promotions complies with the Bank’s product marketing policies, as well as those required by the BSP, BancNet, DTI, Philippine Deposit Insurance Corporation (PDIC), and SEC among others.

BankCom implements principles of responsible sales and marketing. It commits to disclosing information that is balanced, easily understandable, comprehensive, and accurate:

- When offering products to customers, both benefits and risks are disclosed;
- Marketing and communication with customers consider language literacy and limitations;
- All information on costs (interest, fees charges and penalties) and conditions (warning, waiver of rights and limits of liability, consequences of not meeting obligations, responsibility of the Bank, cancellation, profitability).

BankCom complies with fair treatment and non-discrimination in providing products and services while ensuring suitability by gathering sufficient information to offer appropriate products or services aligned with the needs and risk profile of consumers.

The FCP Manual is consistently reviewed to ensure alignment with new policies and standards on FCP. BankCom’s FCP framework also includes a Consumer Protection Risk Management System, composed of Board and Senior Management

	<p>Oversight, Compliance and Internal Audit Program, and Trainings.</p> <p>BankCom’s Consumer Assistance Management System (CAMS) includes a customer complaint handling and redress mechanism. Consumer assistance channels available for consumers include a hotline, email, and designated officers in Head Office/branches. Under the CAMS, complaints are analyzed whether they are an isolated issue or a more widespread issue for consumers. Such complaints are escalated to Compliance Division and Risk Management and corrective action (e.g., change in policy) is undertaken as necessary.</p> <p>BankCom also works on ensuring customer privacy and security by sending out advisories and tips regarding fraud prevention and cybersecurity via email and through social media and website.</p> <p>As an integral part of the BankCom’s customer onboarding process, the Bank ensures that clients have undertaken a pre-requisite consumer education course or program via Electronic Services Consumer Awareness Program (ESCAP) on the safe and secure use of electronic payment and financial services (EPFS), including the associated risks.</p>
--	---

What are the opportunities identified?

Management Approach

<p>BankCom recognizes that financial consumer protection goes beyond transactions and client management but also helps clients and even the general public take control of their finances, such as making informed decisions on spending and investing with the goal of securing their financial future.</p> <p>BankCom acknowledges the importance of sustaining financial education and awareness to financial consumers in order to help them protect their financial health, especially during these economically challenging times.</p>	<p>BankCom's Financial Literacy Program is a comprehensive initiative designed to empower individuals with essential financial knowledge and skills. Through interactive workshops, educational resources, and tailored courses, the program aims to enhance understanding in budgeting, investing, and responsible financial management. It equips participants with practical tools to make informed decisions, fostering a more financially knowledgeable client base.</p> <ul style="list-style-type: none"> • Number of Financial Literacy Sessions: 25 • Number of Financial Literacy Locations 20 • Number of Financial Literacy Student Participants: 496 • Total Number of Financial Literacy Participants: 1,945
--	--

Supply Chain Accreditation Policy

Topic	Reference in supplier accreditation policy
Environmental Performance	Suppliers are required to submit information on policy and management programs focusing on the environmental impact of their operations/products
Forced Labor	Suppliers are required to provide information on their labor policies
Child labor	Suppliers are required to provide information on their labor policies
Human rights	Suppliers are required to provide information on how respect for human rights is integrated in their policies
Bribery and corruption	Suppliers are required to acknowledge the Bank's no-gift policy

Impacts

BankCom's commitment to sustainability in its own operations is two-pronged: (1) ensuring resource efficiency and managing direct environment and social impacts and (2) implementing responsible sourcing and supply chain management practices. BankCom recognizes that organizations may have indirect environmental impacts through its business relationships, particularly through its supply chain. Beyond ensuring the quality or technical capability of products and services offered, it is now critical to ensure that vendors and third-party service providers are aware and are transparent about their environmental and social impacts, and to encourage them to start taking steps to manage these impacts by integrating sustainability into their own operations.

Sustainable and responsible sourcing and supply chain management starts with understanding the extent of environmental and social impact of suppliers and encouraging them to rethink unsustainable practices through raising awareness on sustainability. These steps are integrated in the supplier accreditation process of BankCom.

Stakeholders Affected

- Suppliers
- Employees
- Management
- Shareholders
- Customers
- Communities

What are the risks identified?

Disruptions in the supply chain may limit BankCom's ability to provide its services. These disruptions, which include labor disputes, environmental compliance, and production stoppages, can be caused by environmental and social problems that the supplying firm does not handle or manage, such as health and safety, labor disputes, and reputational concerns.

The consequences of climate change on suppliers, including physical and transition hazards, are another significant risk to the supply chain that

Management Approach

BankCom has updated the supplier vendor accreditation process to include requirements for ESG disclosures:

- Suppliers are required to submit a supplier sustainability questionnaire (SSQ). The SSQ is a tool that helps us understand the environmental and social practices of our suppliers and how they manage sustainability-related risks in their business activities.

<p>could have a knock-on effect on the business.</p>	<ul style="list-style-type: none"> Suppliers are also required to acknowledge the Bank's no-gift policy which prohibits all employees and their immediate families from soliciting gifts, favors, and services starting any current or potential third-party provider. <p>The Bank's SSQ and No-Gift Policy are communicated to <u>all</u> suppliers undergoing accreditation by the Procurement Management Department.</p> <p>Suppliers are required to provide documents such as a Business Continuity Self-Assessment and a Risk Profile Self-Assessment which requires information on risk topics such as human capital, information security and physical hazards.</p>
--	--

What are the opportunities identified?





Management Approach


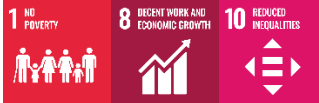
<p>BankCom has a unique opportunity to extend its commitment to sustainability by raising awareness to suppliers and encourage them to rethink the ways they do business, particularly small and medium enterprises.</p> <p>It will allow BankCom to extend beyond its walls its commitment to sustainability and position itself as a leader in driving positive change within the industry.</p>	<p>BankCom conducts an orientation for suppliers on ESG and sustainability, the Bank and SMC Group's commitments, and provides guidance on how to accomplish the SSQ.</p> <p>Further supplier engagement and communication initiatives will be planned such as additional awareness training and/or regular sustainability-related advisories.</p>
---	--




UN SUSTAINABLE DEVELOPMENT GOALS


PRODUCT OR SERVICE CONTRIBUTION TO UN SDGS


Key products and services and their contribution to sustainable development.

Products and Services	Societal Value / Contribution to UN SDGs	Potential Negative Impact of Contribution / Management Approach to Negative Impact
<p>Bank Accounts</p> <p>BankCom provides various types of banking accounts:</p> <ul style="list-style-type: none"> • Savings Account with Debit Card (Mastercard) • Savings Account with Passbook • Savings Account Plus • Checking Account • Complete Checking Account • Executive Payroll Account • US Dollar Savings Account • Euro Savings Account • Yuan Savings Account • Junior Smart Savers Savings Account • One Passbook Investment Account 	<div style="display: flex; justify-content: space-around; align-items: center;"> <div style="text-align: center;">  <p>1 NO POVERTY</p> </div> <div style="text-align: center;">  <p>8 DECENT WORK AND ECONOMIC GROWTH</p> </div> </div> <p>BankCom supports customers in building financial resiliency through savings by offering easily accessible, low maintenance savings and deposit accounts that cater to different populations, such as employees, students, and business owners. This helps the company contribute to SDG 1. It also helps achieve SDG 8 since it gives small enterprises the financial credibility and savings they need to make capital expenditures that will grow their operations and eventually lead to the creation of jobs.</p>	<p>BankCom diligently fulfills its fiduciary obligation to safeguard the money entrusted to it by these depositors. The Bank's risk mission and objective is to consistently and accurately measure risks, to always consider risk and return in evaluating transactions and exposures while preserving and maintaining adequate risk-based capital and to ensure adequate returns on such capital. Risk mitigation strategies form an integral part of risk management activities.</p> <p>BankCom employs its ESRMS to proactively address environmental and social risks. This system ensures that any such risks, which may intersect with financial risks, are effectively managed both in the bank's core business transactions and in the management of its internal operations.</p>
<p>Consumer Loans</p> <p>BankCom also provides home, automobile, and salary loans for individual customers around the country. The Bank maintains partnerships with real estate developers as well as automobile dealers through its account officers to capture the market.</p>	<div style="display: flex; justify-content: space-around; align-items: center;"> <div style="text-align: center;">  <p>1 NO POVERTY</p> </div> <div style="text-align: center;">  <p>8 DECENT WORK AND ECONOMIC GROWTH</p> </div> </div> <p>These products align with SDG 1 as it contributes to improvement in living standards through homeownership and increased mobility options for individuals. Salary loans foster economic resilience by reducing the reliance on predatory lending options. These accessible and fair financial solutions contribute to social equality and stability which is aligned with the goal of SDG 8.</p>	<p>The Bank ensures that potential clients are properly informed of costs and conditions and diligently reviews and evaluates potential borrowers (know-your-customer, credit risk assessments) to ensure affordability and sustainability of the product for them. The Bank employs processes to prevent over-indebtedness and actively works out solutions for clients who are in or at risk of default. These policies are covered by BankCom's FCP Framework</p>

<p>Branches</p> <p>With a network of 140 branches, BankCom provides a consistent and comprehensive financial experience for individual and business clients.</p>	 <p>For clients who transact with merchants or other customers, these branches service their deposits to fund their personal or operating accounts, facilitate withdrawal through over-the-counter (OTC) or onsite ATMs, accept check clearing and encashment, and fulfill various account-related requests. BankCom also services the needs of business customers through its check releasing counters, deposit pickup facilities, and account maintenance for auto-credit and auto-debit arrangements performed by branches.</p> <p>By facilitating other products and services such as deposit and savings account and consumer, BankCom's branch networks support relevant SDGs 1 and 8.</p>	<p>BankCom implements training for Branch Staff on Fundamentals on Branch Operations and a Branch Officers Training Program. BankCom also ensures that all branch employees are aware and follow the Bank's FCP Framework ensuring quality delivery of service to branch clients.</p>
<p>Remittance</p> <p>BankCom develops and manages tie-ups with various partners to facilitate remittances from overseas Filipino workers (OFWs) mostly from the Middle East through its SikapPinoy Asenso program.</p> <p>An all-in-one service to help OFWs and their families handle their hard-earned money in the most convenient, secure, and smart way possible towards establishing a business of their own. Beyond providing a savings account and accessible remittance channels, SikapPinoy Asenso Program includes assistance to access business franchising opportunities (e.g. U-Franchise and Potato Corner for qualified BankCom OFW account holders).</p>	 <p>This program helps Filipinos living abroad and their families manage their remittances, save money, and make investments. This primarily supports SDG 1 as it makes it easier for money to be transferred to OFW families in need and promotes saving and investing, which helps the OFW and their families become financially resilient over the long term and end poverty cycles. Remittance channels support the macroeconomic growth and stability of the Philippine economy by facilitating the transfer of capital (SDG 8). Remittance schemes help OFWs and their families, especially the unbanked, become more integrated into the financial system (SDG 10).</p>	<p>BankCom diligently fulfills its fiduciary obligation to safeguard the money entrusted to it by the depositors. BankCom's risk mission and objective are to consistently and accurately measure risks, to always consider risk and return in evaluating transactions and exposures while preserving and maintaining adequate risk-based capital and to ensure adequate returns on such capital. Risk mitigation strategies form an integral part of risk management activities.</p>

<p>Products:</p> <ul style="list-style-type: none"> • SikapPinoy OFW Savings Account • SikapPinoy Domestic Remit • SikapPinoy International Remit • E-Government Payments of OFWs 		
<p>Digital Channels</p> <p>BankCom’s electronic banking channels consist of a mobile app and online banking channel designed for retail or individual customers, i.e., BankCom [Personal], a web-based channel specially made for corporate or institutional accounts, i.e., BankCom [Corporate], ATMs (and soon, Cash Recycling Machines or CRMs), and point-of-sale (POS) terminals.</p>	 <p>The objective of strengthening domestic financial institutions to increase access to banking, insurance, and financial services is supported by BankCom's digital banking channels (SDG 8). These channels guarantee easy, quick, and accessible access to BankCom's services.</p>	<p>BankCom implements an IT security program composed of policies and processes to protect its information assets and IT resources. The program includes physical and technical safeguards covering topics such as, but not limited to, physical security, software and hardware controls, backup, storage, disposal and disaster security, internet and network security. This also covers personnel responsibilities such as IT asset management, information security training and incident management.</p> <p>See Data Security/Customer Privacy for more information</p>
<p>Financial Literacy Program</p> <p>BankCom's Financial Literacy Program is a comprehensive initiative designed to empower individuals with essential financial knowledge and skills. Through interactive workshops, educational resources, and tailored courses, the program aims to enhance understanding in budgeting, investing, and responsible financial management.</p>	 <p>In order to reduce poverty and increase financial resilience (SDG 1), BankCom works to empower adults with greater financial literacy, which in turn helps them make better financial decisions. By giving people from all backgrounds access to financial information and skills (SDG 4), financial literacy also helps to reduce inequality (SDG 10).</p>	<p>BankCom regularly reviews its Financial Literacy Program to ensure that updates in finance and banking (threats/risks, new products/services, standards) are incorporated.</p>
<p>Corporate Social Responsibility (CSR) Program</p> <p>The Bank not only prioritizes its financial performance, but also</p>	 <p>BankCom employees volunteered during the International Coastal Clean-up Day event organized by Team</p>	<p>BankCom ensures that its CSR activities are strategic and aligned with its core values. BankCom has instituted a CSR policy framework that will serve as a guiding document on the implementation</p>

<p>focuses on making meaningful contributions to the development of the nation and welfare of the larger society. The Bank's Corporate Social Responsibility (CSR) efforts are geared toward fulfilling its long-standing commitment to community development, promoting financial literacy, and championing volunteer work</p> <ul style="list-style-type: none"> • Total volunteers: 95 • Total volunteer hours: 1,045 • Total number of donors of in-kind donations: 42 • Total value of cash donations: 162,900 	<p>Malasakit of SMF where team members across all business units, BankCom included, volunteered to clean up coastal area in Navotas.</p>  <p>BankCom team members demonstrated their commitment to the community by organizing a seed potting activity at Mt. Purro in Antipolo. During a two-part event, employees and SET Members participated in potting seeds as a symbolic gesture of their dedication to the community they are a part of. The team collectively potted around 150 seedlings.</p> <p>BankCom also joined Team Malasakit nationwide activation in December in observance of the One Good Deed Day. Team members across business units, BankCom included, were given an opportunity to show kindness in whatever means, may it be through monetary or in-kind donations.</p>  <p>BankCom demonstrated support for the Department of Education's initiative to institutionalize a child safety program for schools. This included a donation to Pinget Elementary School, a public school in Baguio City, for the purchase of materials for the school's "Project ARAYAT" as well as sponsoring a child safety orientation for Diliman Preparatory School in Quezon City.</p> <p>Likewise, BankCom supported the Brigada Eskwela through a donation to San Roque National High School in Antipolo City. This was the third year that BankCom had participated as education stakeholder under its CSR program.</p>	<p>of CSR activities. BankCom's CSR activities focus on expanding its financial literacy activities, supporting community development, and promoting environmental sustainability.</p>
<p>Corporate Loans</p>	<p>Electricity and Gas including</p>	<p>BankCom's risk mission and</p>

<p>BankCom extends loans and other credit facilities to corporate institutional, and middle market clients to support their working capital and/or capital expenditure requirements. Corporate lending may be in the form of term loans, credit lines, or project finance.</p> <p>The Bank's financing portfolio includes, among others:</p> <ul style="list-style-type: none"> • Electricity and Gas including renewable energy (hydropower, solar, battery and other energy storage systems) • Real Estate (commercial and residential) • Construction • Manufacturing (e.g. Food and Beverage, Textile, Apparel, Furniture) • Agriculture and Fishing • Water supply, sewerage, waste management and remediation activities 	<p>renewable energy (hydropower, solar, battery and other energy storage systems)</p>  <p>Real Estate (commercial and residential)</p>  <p>Construction</p>  <p>Manufacturing (e.g. Food and Beverage, Textile, Apparel, Furniture)</p>  <p>Agriculture and Fishing</p>  <p>Water supply, sewerage, waste management and remediation activities</p> 	<p>objective is to consistently and accurately measure risks, to always consider risk and return in evaluating transactions and exposures while preserving and maintaining adequate risk-based capital and to ensure adequate returns on such capital. Risk mitigation strategies form an integral part of risk management activities.</p> <p>BankCom employs its ESRMS to proactively address environmental and social risks. This system ensures that any such risks, which may intersect with financial risks, are effectively managed both in BankCom's core business transactions and in the management of its internal operations.</p> <p>This includes integration of ESG/climate information in credit forms used in credit evaluation to identify, assess, measure and monitor ESG/climate risks at the borrower level. BankCom is also requiring its borrowers, with material environmental impact, to provide a copy of the Environmental Clearance Certificate (ECC).</p>
<p>Loans for small enterprises</p> <ul style="list-style-type: none"> • Small Business Loan – Term Loan • Small Business Loan – Business Credit Line 	 <p>By offering loans to small businesses, BankCom advances the national financial inclusion strategy. It also promotes SDGs 1 and 8, which aim to reduce poverty by fostering the expansion of small businesses and the generation of jobs they generate. Because it gives small businesses access to capital, it also advances SDG 10's objective.</p>	