

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. <i>As such, this Report discloses the sustainability performance indicators limited to BankCom.</i>
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 traces its origins to the Overseas Bank of Manila which opened in Binondo, Manila in 1963. It 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 of the Philippines (IPOP HL) in 2020. In April 2025, the Bank filed with the IPOP HL its 5th Year Declaration of Actual Use for the trade mark "BankCom."</p> <p>As of 31 December 2025, the Bank reported a new record net income of ₱3.54 billion, 17% higher than the ₱3.02 billion last year, and nearly double the ₱1.80 billion at end of IPO year. The full-year performance outpaced the previous year's, highlighting steady growth in the bank's core revenue streams, driven by net interest income and gains from trading and foreign exchange gains. This translated to a return on equity (ROE) and return on asset (ROA) of 10.14% and 1.28%, respectively.</p> <p>The Bank maintains a network of 142 branches (inclusive of the main office branch, 139 regular branches and 2 branch lites) and 278 Automated Teller Machines (ATMs) including Cash Kiosks strategically located nationwide as of 31 December 2025.</p>
Reporting Period	January 1 to December 31, 2025
Reporting Frameworks	<p>BankCom's annual Sustainability Report is guided by:</p> <ul style="list-style-type: none"> - The Securities and Exchange Commission (SEC) recommendations - The United Nations Sustainable Development Goals (UN SDGs) - Reference to the Global Reporting Initiative (GRI) Standards
Highest Ranking Person responsible for this report	Antonio S. Laquindanum, EVP & Chief Financial Officer

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MATERIALITY PROCESS

BankCom determined its material topics through a review of the banking industry's most significant impacts aligned with the realization of the Bank's Vision and Core Purpose. Along with a study of material topics in the financial industry, the Bank referenced international standards on sustainability reporting, publicly available methodologies of third-party rating providers, and 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). From there, the Bank considered which topics would be of interest and would likely affect its primary and secondary 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.

In 2024, BankCom engaged in a Sustainability Strategic Planning Session to discuss with BankCom's leadership the Bank's ESG priorities. During the said Session, five (5) focus areas were identified, as enumerated and defined below, together with a sustainability statement which ties them together: **'Harnessing BankCom's strengths, we envision a nation where our clients, people, and communities thrive together.'** The following year, the Bank's leadership convened another Strategic Planning Session, in which certain aspects were clarified, particularly on finance. Following are the 5 focus areas:

- Advancing Products Sustainably
BankCom will offer comprehensive, customer-centric products with expanded coverage, driving competitiveness through integrated solutions and seamless services that elevate the customer experience.
- Resilient and Efficient Operations
BankCom is committed to responsible and resilient operations, underpinned by strong corporate governance. The Bank will enhance operational efficiencies, assess its impact, and create an environment that benefits both the planet and its people.
- Responsible and Comprehensive Finance
BankCom will expand its portfolio, develop new sustainable products, and increase investments that drive sustainable growth. This is further defined in terms of two strategic objectives:
 - i. Through the leadership of our people and the support of our sponsor, we will drive responsible and comprehensive finance* aligned to our ambition to be an ESG ready unibank;
 - ii. BankCom will expand its portfolio**, develop new sustainable products, and increase investments that drive sustainable growth;

* The scope of comprehensive finance will be untapped entities within SMC Ecosystem.
** Refers to the core lending business.
- Working Towards Digitalization
BankCom will drive digital transformation by improving efficiencies, optimizing data, and enhancing cybersecurity, while streamlining digital solutions to ensure greater customer security and convenience.
- Championing People
BankCom will strengthen employee engagement, implement effective succession planning, foster career development, and provide capacity-building initiatives that lead to an effective and resilient team.

Material Topics

BankCom identified the following material topics:

<ul style="list-style-type: none">• Direct economic value generated to stakeholders• Products and Services Contribution to SDG• Diversity, Equal Opportunity and Anti-Discrimination• Employee Hiring and Benefits• Employee Training• Occupational Health and Safety• Community Involvement	<ul style="list-style-type: none">• Customer Privacy• Consumer Financial Protection• Resource Consumption• Environmental Impact Management• Procurement Practices• Supply Chain Accreditation Policy• Business Ethics and Anti-Corruption• Climate Risk Management
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ECONOMIC IMPACT

ECONOMIC PERFORMANCE

GRI 201-1, 201-2, 203-1, 203-2

As a universal bank, BankCom plays a vital role in driving economic growth by providing financial services across the country. The Bank has been instrumental to the viability and continued expansion of small and medium-sized enterprises, middle-market establishments, and large corporations across various sectors, including beverages, food, packaging, energy, fuel and oil, infrastructure, property development and leasing, cement, car distributorship, and related financial services.

BankCom enables Filipino individuals and businesses to achieve their financial goals to manage day-to-day transactional needs through a range of services, including deposit, consumer credit, and corporate lending, trade, investment banking, trust, treasury management and remittance facilities.

With a network of 142 branches – inclusive of the main branch, 139 regular branches, and 2 branch lite units – and 278 automated teller machines (ATMs) and cash kiosks, strategically located nationwide, as well as online banking channels. BankCom provides retail and institutional financial consumers with secure and efficient access to professionally designed and executed financial products.

Economic Impact and Financial Performance

Disclosure Requirements	2022	2023	2024	2025
	(in Php millions)			
Direct economic value generated (revenue)	8,117	9,975	10,756	12,609
Direct economic value distributed	10,154	13,744	18,153	16,640
Operating costs ¹	5,484	6,159	6,685	6,674
Employee wages and benefits ²	1,905	2,258	2,621	3,037
Interest payments	1,283	3,466	4,053	4,539
Taxes paid / remitted to the government ³	1,482	1,861	2,009	2,390
Community investments ⁴	-	-	2,785	0.630
Economic value retained⁵	(2,037)	(3,769)	(7,399)	(4,031)

¹ This includes payment to suppliers and third-party service providers

² The 2024 computation includes salaries and wages amounting to ₱2,060,310,187.68 and employee benefits amounting to ₱560,447,418.27.

³ Provision for income tax, license payments and real property tax

⁴ Investments to community involve donations and corporate social responsibility engagements conducted in 2025

⁵ Computed as direct economic value generated less direct economic value distributed

BankCom closed 2025 with an increase in gross revenue amounting to ₱12,609 million, a 17.2% increase from last year's ₱10,756 million. This is driven by the Bank's consistent identification of new ways to maintain significant and sustainable profitability and growth in its core business as well as trading and foreign exchange activities.

Further, the Bank's economic impact extends beyond traditional business-related contributions, reflecting its commitment to supporting the economy through implementing corporate social responsibility (CSR) initiatives and actively engaging with local suppliers, including small and medium enterprises.

For three straight years, BankCom has been recognized by the local government of Mandaluyong City as one of the city's leading taxpayers serving as key drivers of the city's sustained progress and economic resilience. Additionally, the Bank has continuously demonstrated its dedication to community engagement by providing financial assistance through CSR programs, sponsorships, and donations to schools, charities, and non-profit organizations.

The Bank actively explores new methods and ways to enhance shareholder value while ensuring sustainable profitability. BankCom's key strategies focus on strengthening core business income, optimizing cross-selling efforts, increasing participation in capital markets, innovating products and services, and developing the SMC ecosystem along with its affiliates to support loan expansion.

At the heart of BankCom's growth strategy are digitalization and automation, which are crucial for

navigating today's technological and financial landscape. The Bank's agenda includes increased investment in information technology and financial technology infrastructure to significantly enhance customer service and touchpoints. BankCom's IT roadmap includes the integration of cash kiosks with a more robust and efficient ATM network, expanding a more stable source of fee revenue streams. Moreover, the Bank is undertaking introductions and/or expansions of digital banking solutions, particularly on the BankCom [Personal] mobile app and web platform for retail users, and the BankCom [Business] platform for corporate users, ensuring accessibility and ease-of use for clients.

The Bank is relentlessly pursuing programs aimed at improving operational efficiency, expanding remittance partnerships to foster greater connectivity, strengthening branch and account management networks, and amplifying brand and product visibility in an increasingly competitive financial marketplace.

Beyond business pursuits, BankCom's CSR program has contributed to community development and environmental stewardship through events organized in partnership with the San Miguel Foundation and partner clients.

Key risks identified	Stakeholders affected	Management approach
Changes in financial consumer preferences, income level, and purchasing power;	Employees Customers Shareholders Government Community	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. 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.
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.		
Climate change risks in BankCom's operations and value chain may result in increased costs due to physical risks and reduced revenue due to legal, technology, market, and reputation risks.	Employees Customers Shareholders Community	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. 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.
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.	Government Shareholders	BankCom's compliance policies and programs are overseen at the high-level by the Board and its 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.

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 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 obligations toward stakeholders. The BROCOM, 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 Project Team**, led by the Chief Risk Officer, Chief Compliance Officer, and the Corporate Communications and Consumer Protection Division Head, 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 and oversee the formulation, approval, and implementation of policies, procedures, and processes to monitor and control identified E&S risks. The designated members apprise the BOD, CGCOM, and BROCOM on the Bank’s exposures on E&S risks and status of implementation of the Bank’s sustainability program.
- **Management-level Committees and Process Owners** integrate E&S risks into the relevant risk management frameworks, operating policies, and procedure manuals, conducting proper identification, assessment, monitoring and mitigation of E&S risks.
- **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 transition 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.

ICAAP: ESG-Related Stress Test

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 issues. The following industries were identified to have material risks in terms of portfolio size and ESG factors.

- **Agriculture:** The agriculture sector is vulnerable to environmental risks including extreme weather events, water scarcity and soil degradation. Severe climate events can negatively impact the production of agricultural crops leading to lower revenue and increase in credit losses.
- **Mining:** The mining industry in the Philippines is a significant producer of minerals and it is highly exposed to environmental risks (soil erosion, deforestation) as well as social risks (displacements of local communities, loss of livelihood, health risks, etc.). ESG risks could lead to regulatory fines and disrupt operations, which can negatively impact cash flow and increase credit losses.
- **Manufacturing:** The manufacturing industry contributes significantly to the economy. However, it is linked to environmental risks such as air and water pollution as well as social risks associated with labor abuses and poor working condition.
- **Energy and Utilities:** This sector could be heavily impacted by environmental factors, such as severe climate change, air pollution and water supply.
- **Real Estate:** The real estate sector is exposed to environmental risks and social risks related to displacement and access to affordable housing.
- **Transportation and Storage:** As economies transition to a low-carbon future, the transportation sector faces a wide range of transition risks¹. These might range from rising policy pressures to the phase-out of traditional carbon-intensive vehicles through the implementation of carbon prices and a shift in consumer preferences. Technological advancements in electric vehicles (EVs) and alternative fuels will also have a substantial impact on traditional firms in the sector. Along with transition risks, the transportation sector will also be exposed to physical risks as the impacts of climate change intensify. These physical risks, which include severe storms and flooding, sea level rise, and droughts, can impact the supply chains and operations of the sector.

¹ United Nations Environment Programme (2024). Climate Risks in the Transportation Sector. Geneva. Retrieved from <https://www.unepfi.org/wordpress/wp-content/uploads/2024/05/Climate-Risks-in-the-Transportation-Sector.pdf> (accessed 16 February 2025)

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.

Additional regulatory policies have been issued by BSP such as Circular No. 1187 in February 2024, which introduces the adoption of the Philippine Sustainable Finance Taxonomy (SFTG) for banks. This was followed by a series of Memorandums clarifying key aspects of the Taxonomy, as follows:

- BSP Memorandum M-2024-028 re "Frequently Asked Questions on the Financing of Excluded Activities and Coal-Fired Power Plant Projects"
- BSP Memorandum M-2024-035 re "User Guide for Circular No. 1187 on the Adoption of the Philippine Sustainable Finance Taxonomy Guidelines"
- BSP Memorandum M-2025-025 re "Philippine Sustainable Finance Taxonomy Guidelines Frequently Asked Questions Series 1.2"
- BSP Memorandum M-2025-033 re "Philippine Sustainable Finance Taxonomy Guidelines: Sample Climate Adaptation-related Projects and Activities"

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 the impact of climate change 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 a 30% limit to funding non-renewable energy sources (in Peso amount) that is aligned with the Department of Energy projections under a Clean Energy Scenario. Since 2023, the

Bank measures the CO2 equivalent of its Scope 1 and 2 greenhouse gas emissions (See *Environmental Impact Management section for more information*). 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 spent on local suppliers	2022	2023	2024	2025
(a) Construction	67%	43%	59%	55%
(b) Consumables	100%	100%	100%	100%

Percentage of local* suppliers that underwent the accreditation process in 2025	96.89%**
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*Philippine-based

**A number of renewal applicants were unable to complete the process within the year due to isolated case-to-case issues.

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 procures majority of its consumables from local businesses, contributing to the economy in areas where BankCom operates. BankCom acknowledges that procurement from local suppliers also helps support the environment through lower carbon footprint resulting from lower transportation costs, compared to procuring goods and services from foreign sources.

Among its local or Philippine-based suppliers, 96.89% underwent BankCom's accreditation process in 2025. (For more information, refer to *Supply Chain Management section*.)

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. Further, the implementation of an 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. 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.

Key risks identified	Stakeholders affected	Management approach
<p>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.</p> <p>Any material deviation from policies and 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 / 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>Suppliers Communities</p>	<p>BankCom has an established procurement process as well as an accreditation process for new suppliers. This ensures that the sourcing of services and materials is fair, cost-effective, and consistent with standards for quality and track record.</p> <p>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>

ANTI-CORRUPTION

GRI 205-1, 205-2, 205-3, 206-1, 415-1

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. 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.

Training on anti-corruption policies and procedures

Disclosure Requirements	2022	2023	2024	2025
Percentage of employees to whom the organization's anti-corruption policies and procedures have been communicated to ¹	1,920 (100%)	1,976 (100%)	2,034 (100%)	2,113 (100%)
Percentage of business partners to whom the organization's anti-corruption policies and procedures have been communicated to ²	100%	100%	100%	100%
Percentage of directors and management that have received anti-corruption training	18 SET, 15 BOD (100%)	18 SET, 15 BOD (100%)	15 BOD, 5 Advisors, 20 SET (100%)	15 BOD, 5 Advisors, 19 SET (100%)
Percentage of employees that have received anti-corruption training	1,920 (100%)	1,976 (100%)	2,034 (100%)	2,113 (100%)

¹Included in the New Employees' Orientation (NEO) as part of the Human Resources (HR) Module for Code of Discipline and Annual e-Learning Refresher Course for Anti-Money Laundering

²Policy is required to be signed by all existing/active suppliers and service providers - Part of the accreditation requirement is signing of bank form "Exhibit No. 2 BankCom Policy on Solicitation and Acceptance of Gifts."

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.

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.

The Bank's Compliance Division, in partnership with HRMDD, constantly enhances the Bank's training program to equip BankCom 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.

Incidents of corruption

Disclosure Requirements	2022	2023	2024	2025
Number of incidents in which directors were removed or disciplined for corruption	0	0	0	0
Number of incidents in which employees were dismissed or disciplined for corruption	0	0	0	0
Number of incidents when contracts with business partners were terminated due to incidents of corruption	0	0	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. BankCom has zero tolerance for solicitation and acceptance, directly or indirectly, of any gift, gratuity, commission or any form of payment from clients, business partners, suppliers and third-party service providers in connection with the Bank's leaders or employees' decision making in exchange of unnecessary favorable treatment.

In 2025, there are **no monetary losses** resulting from corrupt practices brought by any entities against BankCom. Similarly, there are no cases arising from termination of contracts due to corruption.

Key risks identified	Stakeholders affected	Management approach
<p>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.</p> <p>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.</p>	<p>Shareholders Depositors Customers Employees Government</p>	<p>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.</p> <ul style="list-style-type: none"> • Trust Investment Guidelines for BankCom employees, including portfolio managers and traders, cover 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 events. • 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>

Key risks identified	Stakeholders affected	Management approach
<p>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.</p>	<p>Shareholders Depositors Customers Employees Government</p>	<p>The Bank has a Whistleblowing Policy that enables 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) that 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>

Whistleblowing

BankCom builds a transparent, open and accountable work environment where employees are provided with the Guidelines on Whistleblowing. This manual is the formal mechanism for employees and third parties to report issues concerning integrity, human rights and labor rights, such as discriminatory acts, which shall protect employees from reprisal or retaliatory action, as well as to not be subjected to disciplinary actions.

ENVIRONMENTAL IMPACT

RESOURCE MANAGEMENT

Energy Consumption within the organization

Electricity Consumption	2022	2023	2024	2025
Total electricity consumption (in kwh)	6,162,541	5,429,641	5,739,031	4,570,707.55
Head Office	1,600,987	1,648,431	1,702,042	1,650,909
Manila TAT Building	499,314	472,232	501,040	460,480
Branches	4,062,240	3,308,978	3,535,949	2,459,318.55
Electricity use intensity (kwh/employee)	3,304.31	2,747.79	2,821.55	2,163.14

Energy Saving	2022	2023	2024	2025
Percentage of LED, CFL, and other energy-saving lamps to total electric lighting devices				
Head Office	LED (20%); CFL (80%)	LED (30%); CFL (70%)	LED (90%); CFL (10%)	LED (100%); CFL (0%)
Manila TAT Building	LED (10%); CFL (90%)	LED (10%); CFL (90%)	LED (100%); CFL (0%)	LED (100%); CFL (0%)

Fuel Consumption	2022	2023	2024	2025 ³
Total fuel consumption (in liters)	28,420.25	182,942.57	336,690.29	445,761.14
Head Office	17,871.45	8,627.72	140,441.00 ²	241,956.88
Manila TAT Building	2,300.00	750.00	550.00	485.00
Branches ¹	8,248.80	173,564.85	195,699.29	209,319.26

¹2024 data is based on sample data with averages applied across branches.

²Large difference is due to increase in number of samples in 2024

³2025 data are actual consumption instead of sample

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.

Despite improvements in increasing clean energy capacity, the Philippines' source for energy generation is still mainly coal but actively capitalizes on its renewable energy (RE) sources like wind, geothermal, solar and hydro, alongside natural gas as transition fuel to support integration of RE.² 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. In 2025, the Bank saw a decrease in the generator sets (gensets)' energy consumption in both the Head Office and Manila TAT Building. This is likely due to the transition to energy-saving activities by the Bank. Further, the increase of Head Office consumption in 2025 is due to the methodology used, reflecting the total fuel consumption for both diesel and gasoline.

One of the opportunities BankCom is looking at is shifting to energy-efficient technologies and/or renewable energy, which 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. The Bank is currently reviewing suggestions for streamlining different branch and transaction banking operations, through the Operations Committee, which may result in better management of working hours and physical facilities.

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

² Based on the latest Philippine Energy Plan (https://doe.gov.ph/articles/group/plans-2?category=Energy%20Policy%20and%20Planning&display_type=Card)

and IT hardware, and hard phones with virtual IP phones; designing branches with LED fixtures, right-sized air-conditioning systems, and readiness for possible installation of net metering systems in the future.

Similarly, ESG education for employees has been part of the new employee orientation since 2023. The ESG team has developed communication materials and infographics to encourage employees to be more conscious in using resources. The ESG team, together with the Operations Group, will explore applicable solutions and best practice recommendations to further improve sustainability in its own operations.

Key risks identified	Stakeholders affected	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 environmental regulations promoting low-carbon operations 	<p>Regulators Employees Management</p>	<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 Project Team 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.</p> <p>The ESG Project Team has initiated the expansion of this policy into a more comprehensive framework on conceptualizing and classifying projects which fulfill the sustainability strategic objectives under the Bank's Sustainability Strategic Plan approved in 2024.</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>

Water Consumption

Disclosure Requirements	2022	2023	2024	2025
Total water consumption (in m³)	23,733.40	25,992.89	25,136.00	22,610.67
(a) Head Office	7,206.00	8,685.00	10,433.00	11,482.00
(b) Manila TAT Building	2,533.00	763.00	1,434.00	1,804.00
(c) Branches	13,993.40	16,544.89	13,269.00	9,324.67
Water intensity (m³/employee)	12.72	13.15	12.36	10.70

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 and customers. BankCom is committed to ensure that uninterrupted and clean water supply is available 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.

The continuing risk of a water shortage gives justification to the plans of the installation of water-saving fixtures, such as self-closing faucets. Water conservation continues to be a part of the agenda for designing and constructing new branches and other physical facilities with water connection.

Key risks identified	Stakeholders affected	Management approach
<p>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.</p>	Employees	<p>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.</p> <p>The Bank's Operations Group 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 Project Team will investigate appropriate solutions and best practice recommendations in collaboration with the Operations Group.</p>

Circularity

Materials used by the organization (Paper)

Weight of Paper (kg)	2022	2023	2024	2025
Paper Consumption (bond, computer papers, folders, etc)	36,060	22,950	N/A	27,372
Paper intensity (kg/employee)	19.33	11.61	N/A	12.95

BankCom uses paper for communication with customers, issuance of statements of account, as well as for the management of internal documents such as account statements, loan agreements, and other legal documents required to be retained by the Bank. However, given the current technological landscape, automation and digitalization are at the core of the innovations that the Bank is currently implementing, and these activities are expected to decrease the need for paper in the future.

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 [Business] to reduce client paper requirements.

Key risks identified	Stakeholders affected	Management approach
<p>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.</p>	Communities	<p>BankCom continues its 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.</p>

ENVIRONMENTAL IMPACT MANAGEMENT

GHG Emissions

Disclosure Requirements	2023	2024	2025
Direct (Scope 1) GHG Emissions (in MT CO2e)	441.95	1,089.69	1,365.37
Energy indirect (Scope 2) GHG Emissions (In MT CO2e)	3,887.73	4,109.50	5,523.48
Emissions intensity (MT CO2e/employee)	2.19	2.56	2.65

In 2023, BankCom 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.

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. 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.

Key risks identified	Stakeholders affected	Management approach
<p>The risks from GHG emissions are linked to climate change risks</p> <p>(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).</p>	<p>Management Shareholders Customers Communities Regulators</p>	<p>As part of BankCom's climate risk management, the ESG Project Team, together with the Operations Group, 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.</p> <p>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</p>

SOCIAL IMPACT

EMPLOYEE MANAGEMENT

GRI 401-1, 2-7, 2-8, 2-9, 401-2, 401-3, 405-2

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.

BankCom's Workforce

Disclosure Requirements	2022	2023	2024	2025
Attrition Rate¹	17.28%	15.73%	15.39%	13.76%
Total Number of Employees	1,865	1,976	2,034	2,113
By Age Group				
Under 30 years old	-	-	612	598
30 – 50 years old	-	-	1,070	1,145
Over 50 years old	-	-	352	370
By Gender				
Female	1,160 (62.20%)	1,210 (61.23%)	1,258 (61.85%)	1,315 (62.23%)
Male	705 (37.80%)	766 (38.76%)	776 (38.15%)	798 (37.77%)
By Level				
Rank and File	-	-	984	1,013
Junior Officers	-	-	907	945
Senior Officers	-	-	143	155

¹Attrition rate is calculated as the (no. of new hires – no. of turnover) / (average of total no. of employees of previous year and total no. of employees of current year)

To improve the culture and decrease the attrition rate of the company, HRMDD organizes employee appreciation activities. The Bank's senior leaders and HRMDD often create awards for employees to show their gratitude in the exemplary performances of BankCom employees. In 2025, there is a decrease in the attrition rate from 2024, with 13.76%.

BankCom also cultivates a strong company culture that aligns to the core value of Malasakit of the SMC Group. In partnership with San Miguel Foundation (SMF), CCCPD led BankCom employees in life-enriching CSR activities conducted at various locations during the year. These activities included reforestation/seed potting and coastal cleanup drives.

The Bank also provides upskilling programs, capacity-building and employee engagement activities 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.

Ratio of the lowest paid employee against the minimum wage¹

Disclosure Requirements	2022	2023	2024	2025
Probationary Employee	111%	106%	103%	103%
Regular Employee	120%	102%	103%	103%

¹Computation is as follows: $\text{Lowest Salary} / ((\text{Minimum Wage} \times 261 \text{ days}) / 12 \text{ months})$

BankCom affirms its adherence to the 'Pay for Performance' philosophy wherein the structure is designed to uphold equality, providing both men and women with identical compensation for those of comparable roles and responsibilities. Gender does not play a role in the job offers or salary increases. The Bank's commitment to its philosophy, which emphasizes individual performance metrics, promotes fairness and encourages a high level of dedication and productivity among the workforce.

Diversity in governance bodies and workforce

Governance Bodies	By Gender		By Age Group		
	Male	Female	under 30	30-50	over 50
SET Members	12	7	0	4	15

Employees (by category)	By Gender		By Age Group		
	Male	Female	under 30	30-50	over 50
Rank and File	349	664	512	425	76
Junior Officers	364	581	86	669	190
Senior Officers	85	70	0	51	104

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.

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 8972 Solo Parents' Welfare Act, RA 10911 Anti-age Discrimination in Employment Act, RA 7277 Magna Carta of Disabled Persons.

Employee Benefits

List of Benefits*	2022		2023		2024		2025	
	Male	Female	Male	Female	Male	Female	Male	Female
SSS (Loans)	139	265	116	236	220	413	153	281
PhilHealth (Certifications)	11	49	33	75	31	56	7	19
Pag-Ibig (Loans)	59	128	56	127	111	224	87	163
Parental Leave	37	78	34	73	1	24	2	20
Vacation Leaves	642	1073	439	647	780	1,262	801	1,307
Sick Leaves	394	681	301	455	509	861	553	935
Medical Benefits ¹	34	87	41	124	7	71	8	65
Housing Assistance ²	285	492	323	508	N/A	N/A	N/A	N/A
Retirement Fund ³	49	112	50	110	45	71	29	52
Further Education Support	4	2	2	2	2	1	1	1
Others								
Life Insurance	1	0	1	1	2	2	3	0
Accident Insurance	0	0	2	0	0	0	4	0
Emergency Leaves	327	580	335	532	398	660	447	755
Rice Subsidy	322	563	317	574	664	1,124	677	1,186
Clothing Allowance	667	1108	725	1132	776	1,258	675	1,187
Burial Assistance	12	31	19	49	26	23	24	47

*Those who availed the employee benefits

¹aside from PhilHealth, SSS Sickness & Maternity

²aside from PAGIBIG

³aside from SSS

All regular employees are given various benefits. 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. 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.

Key risks identified	Stakeholders affected	Management approach
<p>High attrition rate due to dissatisfaction leading to impacts on:</p> <ul style="list-style-type: none"> 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. 	Employees Management	<p>The Human Resource Management and Development Division (HRMDD) leads key initiatives in recruitment, organization development, and compensation and benefits.</p> <p>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.</p> <p>On the area of compensation and benefits, BankCom provides its employees competitive remuneration—with base pay, healthcare benefits and bonuses comprising its overall compensation package. Staff (rank-and-file) compensation is aligned to the collective bargaining agreement.</p> <p>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>

EMPLOYEE TRAINING AND DEVELOPMENT

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).

Training Hours

Disclosure Requirement	2023	2024	2025
Total training hours provided to employees	60,614 hours	92,296 hours	96,585 hours
Female	-	55,504	62,301
Male	-	36,792	34,284
Average Training Hours per Employee¹	31 hours	45 hours	46 hours

¹Computation is as follows: 96,585 total training hours / 2113 headcount as of December 2025.

Disclosure Requirements	2022	2023	2024	2025
Percentage (%) of Employees Offered E-Learning Training on:				
a. Information Security Awareness	100%	100%	100%	100%
b. Financial Consumer Protection	100%	100%	100%	100%
c. Business Continuity Management	100%	100%	100%	100%
d. Anti-Money Laundering	100%	100%	100%	100%

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

BankCom continues to update its E-Learning Module and explore tools available in Microsoft Office 365 to disseminate relevant information. HRMDD manages limited subscriptions to selected employees in LinkedIn Learning and engages these learners to discover what these facilities have to offer.

The ESG Team, together with HRMDD, has continuously provided new employees with an introduction to ESG and Sustainability. 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.

Performance Review

In BankCom, every employee participates in a formal performance evaluation and career development review, guaranteeing that 100% of its workforce receives constructive feedback and guidance. These reviews are conducted annually and involve a comprehensive assessment of the employee's contributions, goals, and opportunities for skill enhancement. The Bank is committed to fostering employee growth that is aligned with BankCom's objectives.

Key risks identified	Stakeholders affected	Management approach
<p>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.</p> <ul style="list-style-type: none"> • 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. • Failure to conduct training sessions mandated by the BSP could result in legal and compliance issues. • 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. 	<p>Employees Management</p>	<p>BankCom, through HRMMD’s leadership, conducted several trainings directed to advancing employees’ technical and functional competencies:</p> <p>BRANCH AND HEAD OFFICE OFFICERS: Officership Training Program</p> <p>JUNIOR OFFICERS (JOs) AND RANK & FILE (RF) Signature Verification and Forgery Detection Fraud & Forgery Detection and Prevention Effective Business Writing Workshop Effective Presentation Skills Workshop</p> <p>EXECUTIVES AND JOs Strategic Planning Civility in the Workplace Corporate Banking and Development Bootcamp Coaching for Managers Workshop Managing the Multigenerational Workforce Workshop Keys to Leadership</p> <p>INTERNAL AUDIT DIVISION – EXECUTIVES, JOs, RF Root Cause Analysis and other Internal Audit Related Matters Workshop</p> <p>TRANSACTION SERVICES GROUP – RF The Keys to Performance</p> <p>In addition, Members of the Board of Directors, Senior Executives, JOs and RF Employees had attended over 150 external 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>

LABOR-MANAGEMENT RELATIONS AND STANDARDS

Hiring Guidelines

In relation to recruitment and selection, BankCom is dedicated to achieving its employment objectives through a proper and comprehensive screening process, from pre- to post-employment. The Bank exercises fairness in selecting applicants based on their overall qualifications. Aligned with its commitment to fostering an inclusive workplace, BankCom’s hiring guidelines explicitly prohibit any form of discrimination on the basis of gender, status, age, or religion.

Collective Bargaining Agreements

BankCom has a collective bargaining agreement with the BankCom Employee Union (BCEU) where the purpose is to foster good labor-management relations, enforcing discipline and exacting efficiency and honesty in the performance of the employees’ duties to ensure maximum productivity, peaceful adjustment and settlement of grievance disputes and differences which may arise.

Disclosure Requirements	2024	2025
% of employees covered with Collective Bargaining Agreements (CBA)	All regular rank-and-file employees of the Bank* 984 Rank and File employees (793 BCEU members)	All regular rank-and-file employees of the Bank* 936 Rank and File employees (803 BCEU members)
Number of consultations conducted with employees concerning employee-related policies	Zero	Zero

**Regular rank-and-file employees” mean employees of the bank who, not being probationary, managerial or supervisory employees as defined by law, have been engaged to perform activities which are usually necessary or desirable in the usual business or trade of the Bank.*

Health and Safety

Occupational Health and Safety

Disclosure Requirement	2023	2024	2025
Employees covered by an Occupational Health and Safety (OSH) System	100%	100%	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 and Department of Labor and Employment (DOLE) Department Order 198-18, acknowledging the company’s obligation and responsibility to implement an OSH system to ensure the protection of workers and employees against injuries, illnesses, and death through safe and healthy working conditions and environment.

Labor Laws and Human Rights

Disclosure Requirement	2024	2025
No. of legal actions or employee grievances involving forced or child labor	0	0

Drug-Free Workplace Policy

Employee health is highlighted by BankCom's initiatives in the workplace. The Bank strongly advocates for the safety and well-being of its employees, bearing in mind the adverse effects of dangerous drugs on its employees, the workplace, their family and the community. In this regard, the Bank implements a drug-free workplace policy to ensure alignment with its commitment as well as RA 9165 or the Comprehensive Dangerous Drugs Act of 2002.

Sexual Harassment Policy

BankCom recognizes the mutual respect, cooperation and understanding necessary for a working environment. It is the full support and recognition to the dignity and self-esteem of individuals that the Bank has created a Sexual Harassment Policy and Procedure in 2002. This policy shows commitment to a work environment that is free of sexual harassment and all forms of sexual intimidation and exploitation of its employees by their officers or co-workers.

CUSTOMER MANAGEMENT

At the core of BankCom's mission is customer satisfaction. Ensuring that every interaction is smooth, efficient and beneficial, the Bank prioritizes customer management through its financial education initiatives and proactive problem resolution.

Customer Satisfaction

In December 2025, the Branch Banking Group (BBG) conducted a short survey, gathering insights from 4,979 respondents. The participants rated their experiences with the Bank from a scale of 1 to 5, with 5 being the highest score. The Bank achieved a score of 4.87, reflecting a strong commitment to customer service and a high level of trust among its clients.

Complaint Management

In 2025, there were a total of 25,127 complaints logged, with 95% addressed, and 77% addressed within the normal 5-day turnaround time.

Marketing and labelling

There were no complaints and non-compliance in relation to marketing and labeling in 2024.

Disclosure Requirements	2023	2024	2025
No. of substantiated complaints on marketing and labeling	0	0	0
No. of complaints addressed	0	0	0

Customer Privacy

In maintaining trust, BankCom acknowledges the importance of customer privacy, ensuring the security of sensitive financial information.

Disclosure Requirements	2023	2024	2025
No. of substantiated complaints on customer privacy*	0	0	0
No. of complaints addressed	0	0	0

**Substantiated complaints include complaints from customers that went through the organization's formal communication channels and grievance mechanisms*

CONSUMER FINANCIAL PROTECTION

In 2025, BankCom ramped up its Financial Literacy Programs with the different branches leading the sessions to teach different sectors such as employees, students, women and other beneficiaries. With 8 CSR activities and 6 financial literacy sessions coordinated with the San Miguel Group ecosystem and different branches, BankCom has reached a total of 812 stakeholders.

The Bank also conducted series of Financial Literacy Programs to educate participants on the aspects of basic financial management (financial planning, saving, proper use of credit and basics of investing), digital literacy as well as cyber security (e-safety). BankCom collaborates with schools, community organizations, and businesses to ensure that those who will benefit most from the program are included. We identify the particular demographic categories—such as students (grade school, high school, and college), low-income individuals, working professionals, or retirees in order to customize the modules.

For working professionals and/or retirees, the Bank usually conducts surveys to determine the FinLit requirements of potential participants. This also helps in customizing the program to address specific knowledge gaps.

DATA SECURITY

BankCom implements robust security measures to safeguard customer data from unauthorized access and cyber threats. Likewise, compliance with strict regulatory standards and data protection laws further reinforces the Bank's commitment to ensure personal and financial details are handled with utmost care and confidentiality.

Disclosure Requirement	2023	2024	2025
No. of data breaches, including leaks, thefts	0	0	0

COMMUNITY ENGAGEMENT

CSR in Bank of Commerce (BankCom) is deeply aligned with our parent company, San Miguel Corporation's (SMC) core value of "Malasakit" and vision of building a better world. For BankCom, our commitment to delivering superior service goes hand-in-hand with our commitment to bringing positive impact to our employees, clients and partners, and to supporting SMC's nation-building initiatives. The Bank adheres to the concept of giving back through willingness to dedicate time, effort and resources, and showing up when it matters the most.

BankCom ramped up its involvement on initiatives and causes which are anchored on the Bank's CSR pillars of community development, financial literacy and social responsibility in 2025. From various donation drives, environmental protection activities, community outreaches, and financial literacy sessions, BankCom volunteers strategically partnered with reputable organizations and proactively participated in San Miguel Foundation-led initiatives. These enabled our employees to be part of something purposeful and gave them a sense of meaning, connection and purpose aside from the work that they do.

Financial Literacy Program

BankCom's Financial Literacy (FinLit) Program is a core pillar of the Bank's CSR initiative. Through its Consumer Protection and ESG Department (CPED), the Bank regularly rolls out FinLit sessions that focus on equipping various segments in society such as parents, students, micro and small entrepreneurs, women, and others with knowledge on financial planning, budgeting, saving and avoiding scams.

In 2025, the program was able to successfully reach a total of 100 high school teachers from President Corazon "Cory" C. Aquino National High School (PCCCANHS), a total of 101 women entrepreneurs who are Better World Community members or being supported by the Helping Hands Livelihood Group

or the Petron Foundation, 30 parents and officials in Brgy. Pingit, Baler, Aurora, and 100 youth plus parents around the area of the Sto. Domingo Church in Quezon City.

Aside from the Bank's CPED, different branches in Metro Manila also conducted the different sessions, ensuring a wider reach.

School kit packing

With an aim to support after-school programs in education and active citizenship, BankCom partnered with a non-profit organization, Sikat-Aurora, who help underserved communities in the province of Aurora. The Bank sponsored one cycle in August 2025 of Abot Ko Ang Libro (ABKL), a mobile library cart program that brings books closer to learners in remote areas in the province. In this program, student volunteers did storytelling sessions for 5 consecutive Saturdays to 50 kids from Brgy. Pingit. On the fifth Saturday, BankCom turned over 50 school kits with reading materials to these kids who completed attending all 5 Saturdays of the ABKL program. These school kits were packed through the assistance of 24 head office-based volunteers.

A total of 56 volunteers from the different branches of the Metro Manila South and North Areas also joined in the school kit packing activities. Their participation produced a total of 135 school kits donated to students of Lawang Elementary School and Lawang West Elementary School in the Municipality of Dilasag.

Box It Fresh

The Bank's Human Resources Management & Development Division (HRMDD) implemented a Nutrition Month Engagement Program called "Box It Fresh" in July 2025 at the head office where employees can buy fresh produce from Better World Tondo Nanays. 19 BankCom volunteers dedicated their time in effectively managing the program and in ensuring the activity was implemented in an orderly manner.

Outreach and support

Philippine Cancer Society, Inc.

BankCom's Transaction Banking Group (TBG) visited the Philippine Cancer Society, Inc. (PCSI) at San Miguel, Manila to generously share their monetary and in-kind donations, spend some time to cheer up and bring a glimmer of hope to the patients assisted by PCSI. Senior Vice President and TBG Head Mary Assumpta Gail Bautista together with 17 volunteers from the group generously donated their cash prize of PHP 50,000 from winning the Charity Raffle during BankCom's 2024 Year-end Party. The volunteers also organized a special program with fun games and shared inspirational messages to 20 cancer patients.

Chosen Children Village Foundation

11 volunteers from different branches in the Metro Manila South Area visited the Chosen Children Village Foundation which houses children with disabilities. The visit was filled with joy and meaningful interactions through fun games, storytelling, and special bag painting activity that allowed the children to express their creativity. As part of this initiative, the volunteers also extended their support through cash and in-kind donations.

Missionaries of Charity for the Elders

Initiated by the Metro Manila East Area branches, a total of 70 elders being cared for by the Missionaries of Charity were visited by 16 volunteers from BankCom. The volunteers spent time to entertain the "lolos and lolas" through songs and meaningful interactions. The volunteers also donated hygiene kits and essential supplies. Through these special visit, the volunteers were able to let the elderlies feel the warmth of human connection as some of these elderlies no longer have families to care for them.

Virlanie Foundation

BankCom branches in the Makati Area came together to partner with Virlanie Foundation to support the nine (9) female teenagers in Elizabeth Home, 20 persons with disabilities in Aime Home and 15 kids ages 5 to 12 years old in Masaya Home. From teaching confidence and useful soft skills to donations of school kits, the volunteers spent two (2) Saturdays to ensure that they were able share valuable lessons and materials that would equip them further in life.

Manila Boys, Girls and Kids Town

From elderlies to young ones, the Metro Manila East branches visited the Manila Boys, Girls and Kids Town to distribute loot bags containing snacks and spend quality time with the beneficiaries. The volunteers also hosted a game and donated clothes and hygiene kit to ensure that these children feel love and support.

Overtaken Church

The Bank's Cash Management Sales Department under Transaction Banking Group partnered with Overtaken Church to collect monetary and in-kind donations in the relief operations for those affected by fire in Brgy. Catmon, Malabon last October. A total of 50 individuals were the beneficiaries of this donation drive.

Team Malasakit activities

BankCom's unwavering support of Team Malasakit (TM) activities was clearly visible with the Bank's active participation in San Miguel Foundation's (SMF) TM 10th Anniversary activations in 2025. From Better World community activities to environmental initiatives, blood donation and relief operations, BankCom volunteers were ready to support.

Tutor Kita Program

Seven (7) volunteers from BankCom dedicated their time and expertise to help bridge learning gaps for Filipino students as part of SMF's Tutor Kita Program in partnership with AHA Learning Center, a non-profit organization that helps Filipino students in their studies. The volunteers participated in both face-to-face and online trainings to prepare them for the task of tutoring learners at the Better World Smokey Mountain in Tondo, Manila. For two consecutive Saturdays in February and March, they shared their knowledge on one of the four (4) subjects: Filipino, English, Math and Science within an hour and half-long class structure. After each session, the students took post-tests to evaluate their learnings and ensure reinforcement of academic and social skills.

The program provided after-school learning support to K-12 students, focusing on academic reinforcement, emotional growth, and self-confidence.

Blood Donation, and Health and Wellness

BankCom volunteers understand the importance of having available safe supply of blood in saving lives. The Philippines approximately requires one (1) million units of blood annually to support the requirements of various patients in the country according to the Philippine Red Cross. Heeding to the call for blood donors, 21 BankCom employees in the head office signed up for the nationwide blood donation drive facilitated by SMF in cooperation with the Philippine Red Cross.

On the other hand, 19 employees volunteered in two (2) different sessions of Health and Wellness activities at Better World Cubao. The volunteers led Zumba sessions which truly energized the "kumares". They also shared tips on how stay healthy while trying to lose weight through a talk facilitated by Mr. Michael Angelo Quinto from the Bank's Digital Services Group who was also declared Champion of BankCom's Biggest Loser 2025 engagement activity.

Fur Partner Day

20 pet-loving BankCom volunteers joined SMF's Fur Partner Day with Animal Kingdom Foundation

(AKF) in Capas, Tarlac. They assisted in feeding, petting, bathing plus getting to know the rescued cats and dogs at the shelter. There were also monetary and in-kind donations such as pet wipes, treats, collar and other useful items. These donations were then turned over to AKF.

Tree planting, Backyard Bukid and Agriskwela and Coastal Cleanup

The Bank's strong commitment to environmental protection was visible in its participation to different conservation efforts. Nine (9) volunteers planted saplings at the Mount Purro Nature Reserve (MPNR) in Brgy. Calawis, Antipolo City along with other SMC business unit volunteers. These saplings were the grown seedlings potted by BankCom volunteers in the previous years.

On the other hand, BankCom volunteers also joined the efforts for maintaining the Backyard Bukid and learned about basic agricultural skills at the SMC Head Office Complex.

BankCom has been actively participating in coastal cleanups since 2018 and has supported SMF's cleanup campaigns since 2019. 2025 is no different with more BankCom volunteers from the Head Office and branches participating in the cleanup drive: 45 joined the Metro Manila leg at the SM Mall of Asia and 10 joined the regional activation at Brgy. Jubay, Liloan, Cebu. Held last September 20, these cleanup drives were part of San Miguel Corporation's (SMC) unified efforts to help collect wastes that affect our rivers and seas. This is the biggest coastal cleanup campaign yet by SMC targeting 55 sites nationwide and hundreds of volunteers from the group. BankCom volunteers collected a total of 55 sacks of plastics, aluminum cans, wood debris, rubbers and other wastes at the Manila Bay. While in Liloan, our volunteers collected 2 sacks of non-biodegradable wastes such as plastics, metals and glass.

Various donation drives

As part of Team Malasakit's initiative to bring smiles to Better World Communities in time for the Christmas season, One Good Deed Day is annually activated where different San Miguel business units can support. For BankCom, a total amount of PHP 37,861 and three (3) in-kind donations from 36 donors were turned over to SMF last December 16, 2025.

One of the highlights of Team Malasakit activities for 2025 is the Kasalang Bayan where a total of 47 couples in Smokey Mountain, Manila tied the knot in July. City of Manila Mayor Francisco "Isko" Moreno Domagoso presided over the wedding ceremonies. A total of 37 BankCom donors graciously bestowed white dresses, long sleeves, shoes and other wedding items that these couples used.

In 2025, different calamities also struck the nation; typhoons, earthquakes and fires affected our countrymen. The call for "malasakit" was even greater and BankCom was one of those who heeded this call. A total amount of PHP 29,900 from 31 donors from the Bank assisted in the relief operations of SMF those affected by Typhoon Tino and Uwan in Luzon and Visayas. On the other hand, a total of 116 BankCom donors shared clothes, beddings/blankets, towels and hygiene kits to the Better World Tondo community members who were victims of the big fire in September.

Sponsorships for a Cause

The Bank continued its active involvement in sponsoring initiatives aimed at supporting various social causes including education, healthcare, and sports among others. A total amount of PHP 590,000 was donated by BankCom to various reputable organizations and institutions. Among those were Pinget Elementary School, Money Market Association of the Philippines, Alumni Association of the Asian Institute of Management (AAAIM), Bank Security Management Association of the Philippines (BSMAP), International Care Ministries (ICM), Sikat-Aurora, Foundation for Economic Freedom, Tanging Yaman Foundation, Inc., HERO Foundation, Inc. and President Corazon "Cory" C. Aquino National High School (PCCCANHS).

SUPPLY CHAIN MANAGEMENT

GRI 204-1, 414-1, 308-1

Supplier 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

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.

In its commitment to responsible and efficient operations, BankCom conducts supplier orientation on sustainability. The orientation involves providing an overview of sustainability in the Bank, the regulations aligned with the questionnaire, and an introduction on how to accomplish the supplier sustainability questionnaire. 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. 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.

ESG Factors in Credit Analysis

BankCom is slowly integrating ESG into its operations, with the credit analysis process as one of them. ESG considerations are seamlessly integrated into the initial credit analysis process, which thoroughly identifies and assesses environmental and social (E&S) risks. This integration involves the use of specific templates designed to address these risks comprehensively. This documentation includes borrower disclosures that pertain to corporate governance, sustainability, and environmental compliance, alongside property hazard assessments. By connecting these elements, the evaluation process not only adheres to financial metrics but also reflects a strong commitment to integrating environmental and social governance throughout operations, fostering a culture of responsibility and sustainability.




Key risks identified	Stakeholders affected	Management approach
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<p>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.</p> <p>The consequences of climate change on suppliers, including physical and transition hazards, are another significant risk to the supply chain that could have a knock-on effect on the business.</p>	<p>Suppliers Communities Customers</p>	<p>BankCom has updated the supplier vendor accreditation process to include requirements for ESG disclosures:</p> <ul style="list-style-type: none"> • 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. • 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 all suppliers undergoing accreditation by the Procurement Management Department. 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>
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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 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 • ElitePlus 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>

Products and Services	Societal Value / Contribution to UN SDGs	Potential Negative Impact of Contribution / Management Approach to Negative Impact
<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>Products:</p> <ul style="list-style-type: none"> • SikapPinoy OFW Savings Account 	 <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>

Products and Services	Societal Value / Contribution to UN SDGs	Potential Negative Impact of Contribution / Management Approach to Negative Impact
<ul style="list-style-type: none"> • 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 [Business], ATMs, Cash Kiosks, 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>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 focuses on making meaningful contributions to the development of the nation and welfare of the larger society. The Bank's 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: 462 	 <p>BankCom employees volunteered in various coastal clean-ups organized by Team Malasakit of SMF where team members across all business units, BankCom included, volunteered to clean up coastal area across Metro Manila and Visayas.</p> <p>BankCom team members demonstrated their commitment to the community by participating in san Miguel Foundation-led tree planting</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 of CSR activities. BankCom's CSR activities focus on expanding its financial literacy activities, supporting community development, and promoting environmental sustainability.</p>

Products and Services	Societal Value / Contribution to UN SDGs	Potential Negative Impact of Contribution / Management Approach to Negative Impact
<ul style="list-style-type: none"> Total volunteer hours: 1,397.95 Total number of donors of in-kind donations: 161 Total value of cash donations: 659,261 (including sponsorships) 	<p>activity and Backyard Bukid.</p>  <p>BankCom partnered with Sikat-Aurora in providing 185 school kits to elementary and highschool students in the province of Aurora. The bags include pencils and a pencil case, sharpener, eraser, scissors, notebook and pad paper, crayons, and story books.</p>	
<p>Corporate Loans</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>Electricity and Gas including renewable energy (RE) reflecting 12% of the outstanding portfolio</p>   <p>Real Estate (commercial and residential)</p> 	<p>BankCom'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>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 <p>Water supply, sewerage, waste management and remediation activities</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>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>

Products and Services	Societal Value / Contribution to UN SDGs	Potential Negative Impact of Contribution / Management Approach to Negative Impact
<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>	

GRI CONTENT INDEX

Statement of Use	Bank of Commerce has reported the information cited in this GRI Index for the period January 1, 2024 to December 31, 2024 with reference to the GRI Standards.
GRI 1 Used	GRI 1: Foundation 2021

GRI STANDARD	DISCLOSURE	LOCATION
General Disclosures		
GRI 2: General Disclosures 2021	2-1 Organizational details	Contextual Information, p.1
	2-2 Entities included in the organization's sustainability reporting	Contextual Information, p.1
	2-3 Reporting period, frequency and contact point	Contextual Information, p.1
	2-6 Activities, value chain and other business relationships	Contextual Information, p.1
	2-7 Employees	Social Impact: Employee Management, pp.21 – 24
	2-19 Remuneration policies	Social Impact: Employee Management, pp.21 – 24
	2-22 Statement on sustainable development strategy	Materiality Process, p.4
	2-23 Policy commitments	Economic Impact: Anti-Corruption, pp.12 – 15
	2-30 Collective bargaining agreements	Social Impact: Labor-Management Relations and Standards, pp. 27 – 28
Material Topics		
GRI 3: Material Topics 2021	3-1 Process to determine material topics	Materiality Process, p.4
	3-2 List of material topics	Materiality Process: Material Topics, p.4
Direct economic value generated to stakeholders		
GRI 3: Material Topics 2021	3-3 Management of material topics	Economic Impact: Economic Performance, pp. 5- 7
GRI 201: Economic Performance 2016	201-1 Direct economic value generated and distributed	Economic Impact: Economic Performance, pp. 5- 7
	201-2 Financial implications and other risks and opportunities due to climate change	Economic Impact: Economic Performance, pp. 5- 7
GRI 202: Market Presence 2016	202-1 Ratios of standard entry level wage by gender compared to local minimum wage	Social Impact: Employee Management, pp. 21 - 24
Procurement Practices		
GRI 3: Material Topics 2021	3-3 Management of material topics	Economic Impact: Procurement Practices, pp. 10 - 12
GRI 204: Procurement Practices 2016	204-1 Proportion of spending on local suppliers	Economic Impact: Procurement Practices, pp. 10 - 12
Business Ethics and Anti- Corruption		
GRI 3: Material Topics 2021	3-3 Management of material topics	Economic Impact: Anti-Corruption, pp. 12-15
GRI 205: Anti-corruption 2016	205-1 Operations assessed for risks related to corruption	Economic Impact: Anti-Corruption, pp. 12-15
	205-2 Communication and training about anti-corruption policies and procedures	Economic Impact: Anti-Corruption, pp. 12-15
	205-3 Confirmed incidents of corruption and actions taken	Economic Impact: Anti-Corruption, pp. 12-15

GRI STANDARD	DISCLOSURE	LOCATION
GRI 417: Marketing and Labeling 2016	417-2 Incidents of non-compliance concerning product and service information and labeling	Social Impact: Customer Management, pp. 28 - 30
	417-3 Incidents of non-compliance concerning marketing communications	Social Impact: Customer Management, pp. 28 – 30
Resource Consumption		
GRI 3: Material Topics 2021	3-3 Management of material topics	Environmental Impact: Resource Management, pp. 16 - 19
GRI 302: Energy 2016	302-1 Energy consumption within the organization	Environmental Impact: Resource Management, pp. 16 — 19
	302-3 Energy intensity	Environmental Impact: Resource Management, pp. 16 — 19
	302-4 Reduction of energy consumption	Environmental Impact: Resource Management, pp. 16 — 19
GRI 303: Water and Effluents 2018	303-5 Water consumption	Environmental Impact: Resource Management, pp. 16 — 19
GRI 306: Waste 2020	306-3 Waste generated	Environmental Impact: Resource Management, pp. 16 — 19
Environmental Impact Management		
GRI 3: Material Topics 2021	3-3 Management of material topics	Environmental Impact: Environmental Impact Management, pp. 19 – 21
GRI 305: Emissions 2016	305-1 Direct (Scope 1) GHG emissions	Environmental Impact: Environmental Impact Management, pp. 19 – 21
	305-2 Energy indirect (Scope 2) GHG emissions	Environmental Impact: Environmental Impact Management, pp. 19 – 21
	305-3 Other indirect (Scope 3) GHG emissions	Environmental Impact: Environmental Impact Management, pp. 19 – 21
	305-4 GHG emissions intensity	Environmental Impact: Environmental Impact Management, pp. 19 – 21
Supply Chain Accreditation Policy		
GRI 3: Material Topics 2021	3-3 Management of material topics	Social Impact: Supply Chain Management, pp. 31 - 33
GRI 308: Supplier Environmental Assessment 2016	308-1 New suppliers that were screened using environmental criteria	Social Impact: Supply Chain Management, pp. 31 — 33
GRI 414: Supplier Social Assessment 2016	414-1 New suppliers that were screened using social criteria	Social Impact: Supply Chain Management, pp. 31 - 33
Employee Hiring and Benefits		
GRI 3: Material Topics 2021	3-3 Management of material topics	Social Impact: Employee Management, pp. 21 – 24
GRI 401: Employment 2016	401-1 New employee hires and employee turnover	Social Impact: Employee Management, pp. 21 - 24
	401-2 Benefits provided to full-time employees that are not provided to temporary or part-time employees	Social Impact: Employee Management, pp. 21 – 24
	401-3 Parental leave	Social Impact: Employee Management, pp. 21 – 24
GRI 407: Freedom of Association and Collective Bargaining 2016	407-1 Operations and suppliers in which the right to freedom of association and collective bargaining may be at risk	Social Impact: Labor-Management Relations and Standards, p.27

GRI STANDARD	DISCLOSURE	LOCATION
GRI 408: Child Labor 2016	408-1 Operations and suppliers at significant risk for incidents of child labor	Social Impact: Labor-Management Relations and Standards, p.27
GRI 409: Forced or Compulsory Labor 2016	409-1 Operations and suppliers at significant risk for incidents of forced or compulsory labor	Social Impact: Labor-Management Relations and Standards, p.27
Occupational Health and Safety		
GRI 3: Material Topics 2021	3-3 Management of material topics	Social Impact: Labor-Management Relations and Standards, pp. 27 - 28
GRI 403: Occupational Health and Safety 2018	403-1 Occupational health and safety management system	Social Impact: Labor-Management Relations and Standards, pp. 27 - 28
Employee Training		
GRI 3: Material Topics 2021	3-3 Management of material topics	Social Impact: Employee Training and Development, pp. 24 – 26
GRI 404: Training and Education 2016	404-1 Average hours of training per year per employee	Social Impact: Employee Training and Development, pp. 24 – 26
	404-2 Programs for upgrading employee skills and transition assistance programs	Social Impact: Employee Training and Development, pp. 24 – 26
	404-3 Percentage of employees receiving regular performance and career development reviews	Social Impact: Employee Training and Development, pp. 24 - 26
Diversity, Equal Opportunity and Anti-Discrimination		
GRI 3: Material Topics 2021	3-3 Management of material topics	Social Impact: Employee Management, pp. 21 – 24
GRI 405: Diversity and Equal Opportunity 2016	405-1 Diversity of governance bodies and employees	Social Impact: Employee Management, pp. 21 – 24
	405-2 Ratio of basic salary and remuneration of women to men	Social Impact: Employee Management, pp. 21 – 24
GRI 406: Non-discrimination 2016	406-1 Incidents of discrimination and corrective actions taken	Social Impact: Employee Management, pp. 21 – 24
Community Involvement		
GRI 3: Material Topics 2021	3-3 Management of material topics	Social Impact: Community Engagement, pp. 30 – 31
GRI 413: Local Communities 2016	413-1 Operations with local community engagement, impact assessments, and development programs	Social Impact: Community Engagement, pp. 30 – 31
Customer Privacy		
GRI 3: Material Topics 2021	3-3 Management of material topics	Social Impact: Customer Management, pp. 28 - 29
GRI 418: Customer Privacy 2016	418-1 Substantiated complaints concerning breaches of customer privacy and losses of customer data	Social Impact: Customer Management, pp. 28 - 29