

COMPANY NAME : BPI-PHILAM LIFE ASSURANCE (BPLAC) CORPORATION
 COMPANY STRUCTURE : CLASS 3
 FINANCIAL YEAR END : 2019
 SECTOR : INSURANCE

C. Role of Stakeholders

C.1	The rights of stakeholders that are established by law or through mutual agreements are to be respected.	Y/N	Reference/Source Document
<i>Does the company disclose a policy that:</i>			
C.1.1	Stipulates the existence and scope of the company's efforts to address customers' welfare?	Y	<p>BPI-Philam complies with the AIA Code of Conduct, which provides for the ethical guidelines for conducting business. It specifies, among others the Company's commitment to conduct the business in a manner that protects the health, safety and security of the employees, customers and other stakeholders.</p> <p>The Treating Customers Fairly Policy demands that customers are treated fairly at all times and that products, services, and advice are appropriate to meet customer needs.</p> <p>BPLAC also recognizes its responsibilities in protecting personal data and sensitive information of all its stakeholders, including its customers. The Board of Directors, Management and Staff of BPI-Philam commit themselves to adopt and adhere to the Policy guidelines to ensure protection of personal information and sensitive data collected by and shared with the Company.</p> <p>Source Document:</p> <ul style="list-style-type: none"> ▪ 2019 Annual Report, page 37, Treating Customers Fairly ▪ 2019 Annual Report, page 42. Data Privacy
C.1.2	Explains supplier/contractor selection practice?	Y	<p>BPI-Philam has a policy on supplier/contractor selection practice that is extensively covered by its Supplier Manual.</p> <p>BPI-Philam also complies with the AIA Code of Conduct, which provides that the Company select suppliers and vendors on the basis of performance and merit in accordance with a fair and transparent process. Appropriate due diligence is performed regarding potential agents, consultants and independent contractors prior to engaging their services.</p> <p>Like AIA, BPI-Philam seeks supplier partnerships with diverse businesses and values suppliers that share the Company's dedication and commitment to diversity and social responsibility.</p> <p>Source Document:</p> <p>2019 Annual Report, page 43, SUPPLIER SELECTION</p>

C.1.3	<p>Describes the company's efforts to ensure that its value chain is environmentally friendly or is consistent with promoting sustainable development?</p>	<p>Y</p> <p>BPLAC adheres to the AIA Code of Conduct, which provides a Policy on Social and Environment Responsibilities, where the Company is committed to contribute positively to the social and economic development of the communities in which it operates, and reduce the impact of its operations on the environment and raising awareness about sustainability by taking part in activities that highlight these issues.</p> <p>BPLAC adheres to AIA's Policy that Ensures Environment-Friendly Value Chain. For 100 years, AIA has provided protection to individuals and families when they have needed it most. As a market leader, AIA focuses on the sustainability of our financial results, but it also focuses on helping to address the challenges faced by the markets. We believe that this focus on sustainability is integral to our long-term growth and the sustainable and inclusive development of our communities.</p> <p>BPLAC also acknowledges the direct impact of the environment on the health and well-being of its customers, our employees and the communities, the reason it values and strives to influence positive environmental practices within the country.</p> <p>AIA has released its ESG Report 2019, which sets out in detail the ESG priorities and the commitments it is making toward its promise of enabling Healthier, Longer, Better Lives across the Asia Pacific region. The report is a milestone in AIA's journey to further improve and report on our environmental, social and governance performance and impact. The ESG Report has been structured to demonstrate how we manage our impact and address priority sustainability issues. The Report includes, unless otherwise indicated, ESG data from operations in the Philippines, Hong Kong, Thailand, Singapore, Malaysia, China, Korea, and Australia, among others.</p> <p>Source Document:</p> <ul style="list-style-type: none"> ▪ AIA Code of Conduct, page 24. Social and Environment Responsibilities. ▪ AIA Website, ESG Report 2019 (https://www.aia.com/content/dam/group/en/esg/HAR20020050_E_AIA_ESG19(1550)F .pdf)
-------	--	---

C.1.4	Elaborates the company's efforts to interact with the communities in which they operate?		<p>Y</p> <p>BPI-Philam continues its commitment of giving back to the community by allocating a portion of its income annually to Philam Foundation, AIA Philam Life's and BPLAC corporate social responsibility (CSR) arm. The annual donation to Philam Foundation helps fund programs that focus on education, health and financial well-being, including Philam Paaralan, Philam Savings Awareness and Values Education Sessions (SAVES), and Alliance for the Philippines' Health and Advocacy (ALPHA Initiative).</p> <p>In 2019, BPI-Philam presented a cash donation worth Php3.4 million to Philam Foundation to reinforce our commitment to support its financial literacy and healthcare initiatives for the underprivileged youth. We also handed over 200 iPads to Philam Foundation to equip students with the tools they need for technopreneurial skills and knowledge.</p> <p>Through Philam Foundation, we will continue to work towards making better lives possible among our countrymen, making each Filipino "Healthy, Wealthy, and Wise".</p> <p>Source Document: 2019 Annual Report, page 18 - CORPORATE SOCIAL RESPONSIBILITY</p>
C.1.5	Describe the company's anti-corruption programmes and procedures?		<p>Y</p> <p>BPI-Philam adheres to the Company's Anti-Corruption & Bribery Policy, which is applied alongside the AIA Code of Conduct.</p> <p>The Anti-Corruption & Bribery Policy provides guidance on giving and accepting gifts and entertainment. The Anti-Corruption Guidelines specifies the roles, responsibilities and procedural controls for transactions involving government officials. All relevant laws countering bribery and corruption is upheld. If local laws and regulations require higher compliance standards vis-a-vis the guidelines of the AIA Code of Conduct, then BPI-Philam is required to meet the higher standards.</p> <p>The Anti-Corruption & Bribery Policy basically prohibits all employees, agent, or independent contractor in providing bribes or other benefits to another person in order to obtain or retain business or unfair advantage in any business interaction involving AIA and BPI-Philam, its customers and employees.</p> <p>Source Document: 2019 Annual Report, page 37, Anti-Corruption and Bribery & Gifts and Entertainment</p>

C.1.6	Describes how creditors' rights are safeguarded?		Y	<p>BPI-Philam adheres to its Fair Dealing Policy, which ensures that businesses with the customers, service providers, supplier and competitors are conducted in a fair manner.</p> <p>Following AIA's model, BPI-Philam seeks competitive advantages only through legal and ethical business practices. Every employee must conduct business in a fair manner with customers, service providers, suppliers and competitors. Disparaging competitors or their products and services is discouraged. Improperly taking advantage of anyone through manipulation, concealment, abuse of privileged information, intentional misrepresentation of facts or any other unfair practice is not and will not be tolerated at BPI-Philam much more in the AIA Group.</p> <p>It is the policy of BPI-Philam to uphold creditor's rights by honouring its contractual obligations with all its creditors and counterparties, in accordance with the provisions of their contracts and the law. In the conduct of its business dealings with third parties, BPI-Philam undertakes to honour all its commitments, stipulations and conditions set forth in their binding agreements.</p> <p>Source Documents:</p> <ul style="list-style-type: none"> ▪ AIA Code of Conduct, page 15 – Fair Dealing ▪ 2019 Annual Report, page 38 - Fair Dealing & Creditor's Rights
<i>Does the company disclose the activities that it has undertaken to implement the above mentioned policies?</i>				
C.1.7	Customer health and safety	OECD Principle IV (A) & Global Reporting Initiative	Y	<p>In 2019, we strengthened customer loyalty through 5 major programs, namely: Premium Collection Campaign which encouraged timely payment of premiums for continued insurance protection; Reinstatement Campaign which provided a hassle-free opportunity for customers to reactivate their lapse or discontinued policies; Transitioned Customer Nurture Programs to new service providers; Repurchase Programs through dynamics leads approaches; and (5) Customer Experience focus on BPLAC's alternative channels.</p> <p>For the second year in a row, we reached a premium collection rate of 90% which is 10 basis points higher than industry standard. This achievement was a result of our robust our retention campaigns which influenced consistent and on-time payment of premiums and shifting of pay methods from over-the-counter to Automatic Debit Arrangement (ADA). We also developed a special program during</p>

identified months with lowest collection activities. During these relaxed months, we rewarded clients who paid their premiums on time with “Quick Win Tokens”.

On the same period, we enhanced governance through the creation of the Total Weighted Premium Income (TWPI) Task Force and the Persistency Task Force, composed of SMEs from Customer Experience, Distribution, Segments, Business Quality, and Shared Services Management. The team reviewed and established additional controls and improvements on premium collection systems and processes including the conduct of collaborative steps with internal stakeholders and bank partners. Part of the team’s mandate is to closely monitor the company’s persistency, collection and reinstatement rates on a weekly basis.

We further improved the nurturing and customer communication campaign programs through partnerships with outsource giants. First, we shifted to another global communications platform provider where we were able to personalize and track our direct communication materials to customers. Second, to leverage on economies of scale plus combined expertise in call center outsourcing, we transitioned our after sales servicing with Teleperformance, where we observed an increase in contact activity for both our Welcome and Anniversary Call Programs.

Taking off from the results of the Customer Journey Mapping of 2018, we redesigned our leads management approach through: (a) Improved qualified leads deployment, where leads are profiled on segmented persona and high propensity to repurchase life insurance; and (b) our customized leads management system (LMS).

The LMS platform tracks assigned leads per sales activity. This also meant that leads without activity movement are redistributed to another sales personnel so that there is leads opportunity utilization.

Another major initiative was the revival of the Customer Relationship & Voice of Distribution Surveys. Understanding the significance of research, this initiative aimed to improve the company’s relationship with both our customers and distribution channels. We conducted a whole day workshop with different SMEs to analyze the survey results

			<p>and diagnose the improvement areas that, when addressed, will eventually drive service excellence and increase customer loyalty.</p> <p>Lastly, we have refocused customer experience support to BPLAC's alternative channels. We conducted Customer Journey Mapping activities with our Citi-CFSI bank partners and the Corporate Solutions' Business Banking Group of BPI. Part of the activities was to pinpoint appropriate customer voyage designed for these specific clientele base. We also initialized client journey reviews with our Direct Marketing channel in preparation as we prepare for upcoming undertakings for digital and telemarketing sales.</p> <p>Source Document: 2019 Annual Report, pages 15 to 16 – CUSTOMER EXPERIENCE AND EASE OF DOING BUSINESS</p>
C.1.8	Supplier/Contractor selection and criteria	Y	<p>BPI-Philam also complies with the AIA Code of Conduct, which provides that the Company select suppliers and vendors on the basis of performance and merit in accordance with a fair and transparent process. Appropriate due diligence is performed regarding potential agents, consultants and independent contractors prior to engaging their services.</p> <p>Like AIA, BPI-Philam seeks supplier partnerships with diverse businesses and values suppliers that share the Company's dedication and commitment to diversity and social responsibility.</p> <p>Business partners serve as extensions of BPI-Philam to the extent that they operate within contractual relationships. Business partners are expected to adhere to the spirit of the AIA Code of Conduct and to any applicable contractual provisions.</p> <p>Business partners must not act in a way that is prohibited or considered improper for a BPI-Philam employee. Employees must ensure that customers, agents, and suppliers do not exploit their relationship with BPI-Philam or use BPI-Philam's name connection with any fraudulent, unethical or dishonest transaction.</p> <p>Suppliers and vendors are selected on the basis of performance and merit in accordance with a fair and transparent process. Requirements for suppliers and vendors to follow the standards in the Code must be included in the vendor management programme.</p>

			<p>The total expenditure on goods and services from third party suppliers form a significant part of BPI-Philam’s operating cost. Any activity by a line of business to acquire goods/services must be undertaken in a professional manner to ensure BPI-Philam is able to maximize the value and manage risks associated with use of external suppliers.</p> <p>The local Sourcing Policy, which took effect in November 2013, sets out the framework within which BPI-Philam must engage external suppliers for goods/services and is supplemented by BPI-Philam’s Sourcing Practice Guide. This provides BPI-Philam the standard processes and document templates in engaging suppliers that should be read in conjunction with the policy document.</p> <p>The BPI-Philam Sourcing Policy, with the AIA Group Sourcing Policy as a model, was defined with the primary objective to establish standardized sourcing procedures.</p> <p>As set out in the AIA Group Sourcing Policy, a Local Sourcing Lead (LSL) or a designate is appointed and will be responsible for ensuring implementation, execution, update and compliance of the local policy. This person should closely work with the AIA Group Sourcing (GS) team.</p> <p>Source Document: 2019 Annual Report, page 43 – Relationship with Vendors</p>
C.1.9	Environmentally-friendly value chain	Y	<p>Similar to Philam Life, BPLAC has also implemented various activities to promote an environment-friendly value chain and sustainable development.</p> <p>Source Document: Environmentally Friendly Value Chain Activities</p>
C.1.10	Interaction with the communities	Y	<p>BPI-Philam continues its commitment of giving back to the community by allocating a portion of its income annually to Philam Foundation, AIA Philam Life and BPLAC’s corporate social responsibility (CSR) arm. The annual donation to Philam Foundation helps fund programs that focus on education, health and financial well-being, including Philam Paaralan, Philam Savings Awareness and Values Education Sessions (SAVES), and Alliance for the Philippines’ Health and Advocacy (ALPHA Initiative).</p> <p>In 2019, BPI-Philam presented a cash donation worth Php3.4 million to</p>

			<p>Philam Foundation to reinforce our commitment to support its financial literacy and healthcare initiatives for the underprivileged youth. We also handed over 200 iPads to Philam Foundation to equip students with the tools they need for technopreneurial skills and knowledge.</p> <p>Through Philam Foundation, we will continue to work towards making better lives possible among our countrymen, making each Filipino “Healthy, Wealthy, and Wise”.</p> <p>Source Document: 2019 Annual Report, page 18, CORPORATE SOCIAL RESPONSIBILITY</p>
C.1.11	Anti-corruption programmes and procedures	Y	<p>The Policy is applied alongside the AIA Code of Conduct. It provides guidance on giving and accepting gifts and entertainment. The Anti-Corruption Guidelines specifies the roles, responsibilities and procedural controls for transactions involving government officials. All relevant laws countering bribery and corruption must be upheld. If local laws and regulations require higher compliance standards vis-a-vis the guidelines of the AIA Code of Conduct, then BPI-Philam must meet the higher standards.</p> <p>The Anti-Corruption & Bribery Policy prohibits all employees, agents, or independent contractors in providing bribes or other benefits to another person in order to obtain or retain business or unfair advantage in any business interaction involving AIA and BPI-Philam, its customers and employees.</p> <p>The company is not allowed to use improper means to influence another person’s business judgement. All employees and officers are required to report to the Compliance Officer any gift/entertainment provided to Government organizations and/or any of its officials.</p> <p>Philam Group conducts a Code of Conduct Annual Certification Program, which requires all employees to confirm and certify their knowledge of, and compliance to the AIA Code of Conduct, which includes the Policy on Anti-Corruption and Bribery Policy.</p> <p>Source Document: 2019 Annual Report, page 37, Anti-Corruption & Bribery & Gifts and Entertainment</p>
C.1.12	Creditors' rights	Y	<p>It is the policy of BPI-Philam to uphold creditor’s rights by honouring its contractual obligations with all its creditors and counterparties, in</p>

				<p>accordance with the provisions of their contracts and the law. In the conduct of its business dealings with third parties, BPI-Philam undertakes to honour all its commitments, stipulations and conditions set forth in their binding agreements. As of to date, BPI-Philam does not have outstanding loans from banks/credit institutions.</p> <p>In October 2018, the Company has also adopted its Guidelines on Contract Management, which aims to support the Philam Group in developing a sound, consistent and effective approach to manage its diverse range of contracts. It deliberately focuses on the activities associated with the operational phase of the contract from negotiations period up to after the contract has been awarded and is up and running. To facilitate proper implementation, the Guidelines was cascaded to our records coordinators and contract managers.</p> <p>Source Document:</p> <ul style="list-style-type: none"> ▪ 2019 Annual Report, page 38 – FAIR DEALING POLICY AND CREDITORS RIGHTS ▪ 2019 Annual Report, pages 43 to 44 – CONTRACT MANAGEMENT
C.1.13	Does the company have a separate corporate responsibility (CR) report/section or sustainability report/section?	<p>OECD Principle V (A): Disclosure should include, but not be limited to, material information on: (7) Issues regarding employees and other stakeholders.</p> <p>Companies are encouraged to provide information on key issues relevant to employees and other stakeholders that may materially affect the long term sustainability of the company.</p>	Y	<p>The Annual Report contains the Corporate Responsibility Report of Philam Foundation, the corporate social responsibility arm of Philam Life.</p> <p>Source Document: 2019 Annual Report, page 18 – CORPORATE SOCIAL RESPONSIBILITY</p>
C.2	Where stakeholder interests are protected by law, stakeholders should have the opportunity to obtain effective redress for violation of their rights.			
C.2.1	Does the company provide contact details via the company's website or Annual Report which stakeholders (e.g. customers, suppliers, general public etc.) can use to voice their concerns and/or complaints for possible violation of their rights?	<p>OECD Principle IV (B): Where stakeholder interests are protected by law, stakeholders should have the opportunity to obtain effective redress for violation of their rights.</p> <p>The governance framework and processes should be transparent and not impede the ability of stakeholders to communicate and to obtain redress for the violation of rights.</p>	Y	<p>BPI-Philam makes sure that all its stakeholders (i.e. customers, suppliers, general public etc.) have the avenue to voice their concerns and/or complaints. In its Contact Us section in the Company Website, BPI-Philam provides its stakeholders different channels through which stakeholders can get in touch with the Company. The contact details include an e-mail address, the head office telephone number, and each branch's address and telephone number. There is also a form, which the stakeholder can fill out.</p>

				<p>Any employee (or anyone else) may also raise concerns of misconduct or wrongdoing within AIA and BPI-Philam through multiple means provided in the AIA Code of Conduct. The report may also be made by using the AIA Group Ethics and Compliance Hotline Hotline 1010-5511-00 + 800-245-4179.</p> <p>Source Document:</p> <ul style="list-style-type: none"> • 2019 Annual Report, page 60 – Contact Details • https://www.bpi-philam.com/en/help-support.html
C.3	Performance-enhancing mechanisms for employee participation should be permitted to develop.			
C.3.1	Does the company explicitly disclose the health, safety, and welfare policy for its employees?	<p>OECD Principle IV (C): Performance-enhancing mechanisms for employee participation should be permitted to develop. In the context of corporate governance, performance enhancing mechanisms for participation may benefit companies directly as well as indirectly through the readiness by employees to invest in firm specific skills.</p> <p>Firm specific skills are those skills/competencies that are related to production technology and/or organizational aspects that are unique to a firm.</p>	Y	<p>BPI-Philam conducts its business in a manner that protects the health, safety and security of its employees and customers. The Company thus not only promotes health and well-being of its employees, but a safety and healthy workplace as well.</p> <p>Source Document:</p> <ul style="list-style-type: none"> ▪ 2019 Annual Report, page 44 – SAFE, HEALTHY AND SECURE WORKPLACE ▪ 2019 Annual Report, pages 17 to 18 – PROMOTING HEALTH AND WELL BEING
C.3.2	Does the company publish relevant information relating to health, safety and welfare of its employees?	<p>Examples of mechanisms for employee participation include: employee representation on boards; and governance processes such as works councils that consider employee viewpoints in certain key decisions. With respect to performance enhancing mechanisms, employee stock ownership plans or other profit sharing mechanisms are to be found in many countries.</p>	Y	<p>BPI-Philam, thru its internal web platform, the PhilamWebmaster, regularly updates the employees about various policies and developments relating to employee welfare. The Company thus not only promotes health and well-being of its employees, but a safety and healthy workplace as well.</p> <p>Source Document:</p> <ul style="list-style-type: none"> ▪ 2019 Annual Report, page 44 – SAFE, HEALTHY AND SECURE WORKPLACE ▪ 2019 Annual Report, pages 17 to 18 – PROMOTING HEALTH AND WELL BEING ▪ E-mail Announcement
C.3.3	Does the company have training and development programmes for its employees?		Y	<p>We have introduced the AIA Leadership Essentials to all People Managers through a workshop during the Partnership Distribution Leaders Congress. The workshop emphasized how leadership exists at every level of the organization and people managers can embody the Leadership Essentials of Clarity, Courage, and Humanity in our day to day activity.</p> <p>In the same event, people managers were provided with learning sessions such as Value Proposition Canvas, Accountability Framework, My Digital</p>

				<p>Habits, Digital Leadership Coaching, Building Influential Relationships, Data Storytelling and Business Writing. All designed to equip people managers to lead their teams better.</p> <p>Source Document: 2019 Annual Report, page 16 – Building The Right Capabilities For The Future</p>
C.3.4	Does the company publish relevant information on training and development programmes for its employees?		Y	<p>BPLAC provides relevant information on the training and development programmes for its employees.</p> <p>We have introduced the AIA Leadership Essentials to all People Managers through a workshop during the Partnership Distribution Leaders Congress. The workshop emphasized how leadership exists at every level of the organization and people managers can embody the Leadership Essentials of Clarity, Courage, and Humanity in our day to day activity.</p> <p>In the same event, people managers were provided with learning sessions such as Value Proposition Canvas, Accountability Framework, My Digital Habits, Digital Leadership Coaching, Building Influential Relationships, Data Storytelling and Business Writing. All designed to equip people managers to lead their teams better.</p> <p>Source Document:</p> <ul style="list-style-type: none"> ▪ 2019 Annual Report, page 16 – Building The Right Capabilities For The Future ▪ E-mail Announcements on Employee Training
C.3.5	Does the company have a reward/compensation policy that accounts for the performance of the company beyond short-term financial measures?		Y	<p>The Company also has long-term incentive programs that provides executives certain rewards depending on the performance of the company. The Long Term Incentive (LTI) Plan is a discretionary scheme provided by AIA to motivate and reward executives who have not only made a significant contribution to AIA’s and Philam Life’s performance and success, but also have the potential to contribute more in the future. It operates through the grant of Restricted Share Units (RSU).</p> <p>Source Document: 2019 Annual Report, page 31 – REWARDING PERFORMANCE</p>
C.4	Stakeholders including individual employee and their representative bodies, should be able to freely communicate their concerns about illegal or unethical practices to the board and their rights should not be compromised for doing this.			
C.4.1	Does the company have procedures for complaints by employees concerning illegal (including corruption) and unethical behaviour?		Y	<p>BPI-Philam has and follows its procedures for complaints concerning illegal and unethical behaviour. Employees in BPI-Philam are required to report any illegal and unethical behaviours including corruption. The procedures are disclosed in the AIA Code of Conduct and the</p>

				Whistleblower Protection Policy. Source Document: 2019 Annual Report, page 40 – The Whistleblow Program
C.4.2	Does the company have a policy or procedures to protect an employee/person who reveals illegal/unethical behavior from retaliation?		Y	BPI-Philam complies with the AIA Code of Conduct, which provides for the general provision regarding the protection extended to employees who reported or is going to report any illegal or unethical behaviour. It specifically pointed to the AIA Group Whistleblower Protection Policy. To reinforce the AIA Code of Conduct, there is also the AIA Group Compliance Whistleblower Programme Standard Operating Procedure which particularly mentions the protection program including protection from retaliatory acts from the alleged erring employee. Speak up culture is being encouraged and widely promoted in BPI-Philam. Posters are displayed and brochures are distributed to promote reporting whenever employees see or suspect potential misconduct or fraud. An AIA Ethics line was developed to support the program wherein an employee may choose to be anonymous. It is an independently managed website and hotline (telephone) service, receiving reports in local language, 24 hours a day, and 7 days a week. Source Document: 2019 Annual Report, page 40 – The Whistleblow Program