

COMPANY NAME : PHILAM EQUITABLE LIFE ASSURANCE COMPANY, INC.  
 COMPANY STRUCTURE : CLASS 1  
 FINANCIAL YEAR END : 2018  
 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>OECD Principle IV (A):            The rights of stakeholders that are established by law or through mutual agreements are to be respected. In all OECD countries, the rights of stakeholders are established by law (e.g. labour, business, commercial and insolvency laws) or by contractual relations. Even in areas where stakeholder interests are not legislated, many firms make additional commitments to stakeholders, and concern over corporate reputation and corporate performance often requires the recognition of broader interests.</p> <p>Global Reporting Initiative: Sustainability Report (C1.1 - C.15) International Accounting Standards 1: Presentation of Financial Statements</p> <p>PELAC 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>It is fundamental policy for both AIA and Philam Companies that customers are treated fairly at all times. The Company's products, services, and advice must be appropriate to meet customer needs. Thus, The Company always ensure that marketing, advertising and sales related materials and services must always be truthful and accurate, and product solutions and advices offered to customers must be based on their needs.</p> <p>PELAC also values its customers' privacy and data security. The Company ensures that it carefully handle and safeguard the business and the customers' personal information. The Company never compromises a customer's trust by disclosing their information, and undertakes to always strictly observe the country's Data Privacy Law, and AIA's Data Privacy Policy and Guidelines.</p> <p><b>Source Document:</b>  <a href="#">2018 Annual Report, page 18-19, Customer Welfare and Data Privacy</a></p>
C.1.2	Explains supplier/contractor selection practice?	Y	<p>PELAC 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, PELAC seeks supplier partnerships with diverse businesses and values suppliers that share the Company's dedication and commitment to diversity and social responsibility.</p> <p><b>Source Document:</b>  <a href="#">2018 Annual Report, page 21. Supplier Selection</a></p>

C.1.3	Describes the company's efforts to ensure that its value chain is environmentally friendly or is consistent with promoting sustainable development?		Y	<p>The Company's policy on the matter is sufficiently covered by its Security and Safety Policy, as well as the Corporate Social Responsibility Policy of the Company.</p> <p><b>Source Document:</b>  <a href="#">2018 Annual Report, page 22, Social and Environmental Responsibilities</a></p>
C.1.4	Elaborates the company's efforts to interact with the communities in which they operate?		Y	<p>PELAC is a member of Philam Foundation, the corporate social responsibility arm of the Philam Group. It is our aim to promote Healthy Education through its flagship project, Philam Paaralan. With the said project, the company helps the Department of Education in classroom building in underserved and/or calamity stricken areas in the country.</p> <p><b>Source Documents:</b>  <a href="#">2018 Annual Report, page 25. Corporate Social Responsibility</a></p>
C.1.5	Describe the company's anti-corruption programmes and procedures?		Y	<p>PELAC adheres to the Company's Anti-Corruption &amp; Bribery Policy, which is applied alongside the AIA Code of Conduct.</p> <p>The Anti-Corruption &amp; 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 PELAC is required to meet the higher standards.</p> <p>The Anti-Corruption &amp; 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 PELAC, its customers and employees.</p> <p><b>Source Documents:</b>  <a href="#">2018 Annual Report, page 20. Anti-Corruption &amp; Bribery &amp; Gifts and Entertainment</a></p>
C.1.6	Describes how creditors' rights are safeguarded?		Y	<p>It is the policy of PELAC 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, PELAC undertakes to honour all its commitments, stipulations and conditions set forth in their binding agreements.</p> <p><b>Source Documents:</b></p>

				<a href="#">2018 Annual Report, page 22. Creditor's Rights</a>
<b>Does the company disclose the activities that it has undertaken to implement the above mentioned policies?</b>				
C.1.7	Customer health and safety	<b>OECD Principle IV (A) &amp; Global Reporting Initiative</b>	Y	In 2018, Philam Group has streamlined its operational processes to promote the core strategy of customer centricity.  Source Document: <a href="#">Customer Centricity Activities</a>
C.1.8	Supplier/Contractor selection and criteria		Y	In October 2018, Philam Group has 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.  <b>Source Document:</b> <a href="#">2018 Annual Report, page 19. Contract Management</a>
C.1.9	Environmentally-friendly value chain		Y	Philam Group has implemented various activities to promote an environment-friendly value chain and sustainable development.  <b>Source Document:</b> <a href="#">Environment-Friendly Value Chain Activities</a>
C.1.10	Interaction with the communities		Y	The Company regularly discloses the activities it has undertaken to implement the above-mentioned policies through various company announcements and CSR Report.  <b>Source Document:</b> <a href="#">2018 Annual Report, page 25. Corporate Social Responsibility</a>
C.1.11	Anti-corruption programmes and procedures		Y	AIA / PELAC's Anti-Corruption Policy sets a high standard that is observed across operations. Anti-corruption training is compulsory for all employees. Reviews and assessments are conducted from time to time to monitor compliance with the Policy. Other activities to promote and implement the Anti-Corruption Programmes and Procedures, such as internal website reminders and annual certifications are also being done. 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.  <b>Source Document:</b>

				<a href="#">2018 Annual Report, page 20. Anti-Corruption &amp; Bribery &amp; Gifts and Entertainment</a>
C.1.12	Creditors' rights		Y	It is the policy of PELAC 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, PELAC undertakes to honour all its commitments, stipulations and conditions set forth in their binding agreements.  <b>Source Document:</b> <a href="#">2018 Annual Report, page 22. Fair Dealing Policy and Creditors' Rights</a>
C.1.13	Does the company have a separate corporate responsibility (CR) report/section or sustainability report/section?	<b>OECD Principle V (A):</b> Disclosure should include, but not be limited to, material information on: (7) Issues regarding employees and other stakeholders.  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.	Y	The Annual Report contains the Corporate Responsibility Report of Philam Foundation, the corporate social responsibility arm of Philam Group.  <b>Source Document:</b> <a href="#">2018 Annual Report, page 25. Corporate Social Responsibility.</a>
<b>C.2</b>	<b>Where stakeholder interests are protected by law, stakeholders should have the opportunity to obtain effective redress for violation of their rights.</b>			
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?	<b>OECD Principle IV (B):</b> Where stakeholder interests are protected by law, stakeholders should have the opportunity to obtain effective redress for violation of their rights.  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.	Y	PELAC ensures that all its stakeholders (i.e. customers, suppliers, general public etc.) are given a venue to voice their concerns and/or complaints. In its Contact Us section in the Company Website, Philam Life provides its stakeholders different channels through which stakeholders can get in touch with the Company, such as phone and email. For those who want the Company to call them in case they have inquiries, they are asked to fill up a form with their details.  Any employee (or anyone else) may also raise concerns of misconduct or wrongdoing within AIA and PELAC 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 1010-5511-00 + 800-245-4179.  <b>Source Document:</b> <a href="#">2018 Annual Report, pages 23 to 24 The Whistleblow Program</a>
<b>C.3</b>	<b>Performance-enhancing mechanisms for employee participation should be permitted to develop.</b>			
C.3.1	Does the company explicitly disclose the health, safety, and welfare policy for its employees?	<b>OECD Principle IV (C):</b> Performance-enhancing mechanisms for employee participation should be permitted to develop. In the context of corporate	Y	The Company explicitly discloses the health, safety, and welfare policy for its employees. PELAC explicitly discloses the health, safety, and welfare policy for its employees through the AIA Code of Conduct and Physical Examination

		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.		Policy. PELAC is committed to conducting business in a manner that protects the health, safety and security of its employees and customers.  <b>Source Document:</b> <a href="#">AIA Code of Conduct, page 8</a>
C.3.2	Does the company publish relevant information relating to health, safety and welfare of its employees?	Firm specific skills are those skills/competencies that are related to production technology and/or organizational aspects that are unique to a firm.  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.	Y	The Company publish the health, safety, and welfare policy of its employees through its Company Website and intranet facility accessible only to employees of the Company. In the Intranet, the Company regularly updates the employees about various policies and information, such as those pertaining to employee training and development, health, safety, welfare and security.  <b>Source Document:</b> <a href="#">Email Announcement</a>
C.3.3	Does the company have training and development programmes for its employees?		Y	The Company provides various training and development programs for its employees. Aside from the Company Website, it has an intranet facility accessible only to employees of the Company. In the Intranet, the Company regularly updates the employees about various policies and information, such as those pertaining to employee training and development.  <b>Source Document:</b> <a href="#">Email Announcement on Employee Training</a>
C.3.4	Does the company publish relevant information on training and development programmes for its employees?		Y	PELAC regularly updates the employees about various policies and information, such as those pertaining to employee training development, through Webmaster, Yammer, and E-mail Announcements. A calendar for available trainings during the whole year is also provided to its employees.  <b>Source Document:</b> <a href="#">Email Announcement on Employee Training</a>
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	The Philam Group 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

				<p>grant of Restricted Share Units (RSU) and Share Option (SO) Schemes. This means that their contributions to AIA's sustained and profitable performance mean that there is also the potential for the awards to be financially rewarding for them.</p> <p><b>Source Document:</b>  <a href="#">2018 Annual Report, pages 22 to 23. Rewarding Performance</a></p>
<b>C.4</b>	<b>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.</b>			
C.4.1	Does the company have procedures for complaints by employees concerning illegal (including corruption) and unethical behaviour?		Y	<p>PELAC has and follows its procedures for complaints concerning illegal and unethical behaviour. Employees in PELAC are required to report any illegal and unethical behaviours including corruption. The procedures are disclosed in the AIA Code of Conduct and the Whistleblower Protection Policy.</p> <p><b>Source Document:</b>  <a href="#">2018 Annual Report, pages 23 to 24, Whistleblow Program</a></p>
C.4.2	Does the company have a policy or procedures to protect an employee/person who reveals illegal/unethical behavior from retaliation?		Y	<p>PELAC 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 PELAC. 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.</p> <p><b>Source Document:</b>  <a href="#">2018 Annual Report, pages to 23 to 24, Whistleblow Program</a></p>