

COMPANY NAME : THE PHILIPPINE AMERICAN LIFE AND GENERAL INSURANCE (PHILAM LIFE) COMPANY
 COMPANY STRUCTURE : CLASS 2
 FINANCIAL YEAR END : 2017
 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 |
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| | <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>Philam Life 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>Recognizing that the majority of Filipinos prioritize their health over other concerns in life, and moving beyond category convention, Philam Life extended the relevance of its brand promise "to make a positive difference" by launching Philam Vitality, an accessible platform that would deliver total wellness to our customers. Philam Life Vitality is a science-backed and global wellness programme that rewards its members for being healthy.</p> <p>Staying true to its brand promise of helping Filipinos live healthier, longer, and better lives, Philam Life and its Bancassurance channel, BPI-Philam launched seven new Vitality-integrated products that combined the elements of financial security, protection and wellness. The Vitality-infused insurance products provided access to a wide-range of rewards partners and online tools for total wellness.</p> <p>Philam Life also introduced the concept of active rewards to its members and the general public through Vitality Active, a free wellness mobile app that allowed users to track their weekly fitness goals and daily progress and connected them to communities that encourage them to achieve their health goals.</p> |

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| | | | <p>At Philam Life, customers are at the center of the business in the belief that building a strong relationship is a unique, sustainable advantage. In 2017, the Customer Strategy Team defined and cascaded the customer value proposition of Philam Life – that of being a reliable and caring partners; providing personalized financial and wellness solutions to help them live a better life. This statement reinforced Philam Life’s commitment to its customers – partnering with them so that they will have the confidence to live every stage of their life to the fullest. Customer centricity has since been the mindset that resonates from senior management trickling down to all levels of the organization.</p> <p>To deliver the promise of customer centricity, the local executive committee together with key senior executives across the Philam Group worked together to define the Desired Customer Experience Journey.</p> <p>Source Document: 2018 Annual Report, page 19, PHILAM VITALITY</p> |
| C.1.2 | Explains supplier/contractor selection practice? | Y | <p>Philam Life has a policy on supplier/contractor selection practice that is extensively covered by its Supplier Manual. Philam Life discloses the Supplier Manual together with other relevant information and key notes for suppliers in its Supplier Information Portal found in the "Doing Business with Philam Life" section of the Philam Life Website.</p> <p>Philam Life 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> |

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| | | | <p>Like AIA, Philam Life 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 Documents:</p> <ul style="list-style-type: none"> ▪ Company Website, About Us – “Doing Business with Philam Life” ▪ 2017 Annual Report, page 44 - SUPPLIER SELECTION |
| 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>Philam Life's policy on the matter is covered by the Company's Security and Safety Policy, as well as the Corporate Social Responsibility Policy and is disclosed in the Annual Report and Company Website.</p> <p>Philam Life is passionate about promoting the sustainable development, financial security and social well-being of the communities that it serves. Philam Life believes that the strength of the company hinges on how well it takes care of the community at large. To this end, Philam Life helps in building the future by aligning its core business with its corporate social responsibility.</p> <p>Philam Life continues to implement initiatives to support its advocacy on environment awareness and sustainable development. It has in fact dedicated a resource and office in pursuit of Environmental Protection and Compliance by applying the precautionary approach to environmental challenges, promoting greater environmental responsibility and encouraging the development and diffusion of environmentally friendly technologies.</p> <p>The company's commitment to caring for environment covers the following initiatives and programs: 1) Compliance to Pollution Control by ensuring that alternative power generators in various Philam Life owned properties are duly compliant to DENR regulation; 2) Preference to Green/LEED rated buildings in the construction of the new Philam Life Cebu Building and in the selection of third party office; 3) Introducing digital technology rather than paper dependent contracts</p> |

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| | | | <p>and forms; 4) Waste Segregation, Reduction, Recycling and Re-use; and 5) Compliance to Hazwaste disposal management.</p> <p>Source Document: 2017 Annual Report, pages 32, PHILAM FOUNDATION</p> |
| C.1.4 | Elaborates the company's efforts to interact with the communities in which they operate? | Y | <p>Philam Life's policy on the matter is covered by the Corporate Social Responsibility arm of the Company, which is Philam Foundation, Inc. The AIA Code of Conduct also provides the social and environmental responsibilities of Philam Life. Through Philam Foundation, Inc., Philam Life continues to build an educated nation empowered for the future. Philam Foundation conducts a consultation with the communities where it plan to establish a Philam Paaralan. Philam Life is passionate about promoting the sustainable development, financial security and social well-being of the communities that it serves. Philam Life is committed to bring about positive change in the lives of more Filipinos.</p> <p>In 2017, Philam Foundation continued with its Philam Paaralan Program, with the objective of addressing the classroom shortage problem in the public school system. To date, the program has built 133 classrooms nationwide. For 2017, Philam Foundation also began the implementation of two more programs that address issues that matter to the Philam Group: financial literacy and health.</p> <p>Source Document: 2017 Annual Report, page 32, PHILAM FOUNDATION</p> |
| C.1.5 | Describe the company's anti-corruption programmes and procedures? | Y | <p>Philam Life adopts the AIA Anti-Corruption and Bribery Policy, which provides guidance on giving and accepting gifts and entertainment. The Policy specified the roles, responsibilities and procedural controls for transaction involving government officials. The Policy prohibits all employees, agents, or independent contractors from providing bribes and other benefits to another person to obtain or retain business or unfair</p> |

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| | | | <p>advantage in any business interaction involving AIA and Philam Life, its customers and employees.</p> <p>Bribery and corruption of any form is not acceptable. Employees are prohibited from offering, paying, any bribe or any form of payment with corrupt intent.</p> <p>Source Document:</p> <ul style="list-style-type: none"> ▪ 2017 Annual Report, pages 46 to 47, OPERATING PHILOSOPHY, Anti-Corruption and Bribery |
| C.1.6 | Describes how creditors' rights are safeguarded? | Y | <p>Philam Life 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, Philam Life 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 Philam Life much more in the AIA Group.</p> <p>It is the policy of Philam Life to uphold creditor's rights by honoring 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, Philam Life 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 ▪ 2017 Annual Report, page 48 - OPERATING PHILOSOPHY, Fair Dealing |

| | <i>Does the company disclose the activities that it has undertaken to implement the above mentioned policies?</i> | | |
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| C.1.7 | Customer health and safety | Y | <p>Recognizing that the majority of Filipinos prioritize their health over other concerns in life, and moving beyond category convention, Philam Life extended the relevance of its brand promise “to make a positive difference” through increased communication about our newly launched Philam Vitality proposition; as an accessible platform to deliver total wellness to our customers and as a strong point of differentiation for Philam Life. Philam Life Vitality is a science-backed and global wellness programme that rewards its members for being healthy.</p> <p>Staying true to its brand promise of helping Filipinos live healthier, longer, and better lives, Philam Life and its Bancassurance channel, BPI-Philam launched seven new Vitality-integrated products that combined the elements of financial security, protection and wellness. The Vitality-infused insurance products provided access to a wide-range of rewards partners and online tools for total wellness.</p> <p>Philam Life also introduced the concept of active rewards to its members and the general public through Vitality Active, a free wellness mobile app that allowed users to track their weekly fitness goals and daily progress and connected them to communities that encourage them to achieve their health goals.</p> <p>At Philam Life, customers are at the center of the business in the belief that building a strong relationship is a unique, sustainable advantage. In 2017, the Customer Strategy Team defined and cascaded the customer value proposition of Philam Life – that of being a reliable and caring partners; providing personalized financial and wellness solutions to help them live a better life. This statement reinforced Philam Life’s commitment to its customers – partnering with them so that they will have the confidence to live every stage of their life to the fullest. Customer centricity has since been the mindset that resonates from senior management trickling down to all levels of the organization.</p> |

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| | | | <p>To deliver the promise of customer centricity, the local executive committee together with key senior executives across the Philam Group worked together to define the Desired Customer Experience Journey.</p> <p>Source Document: 2017 Annual Report, pages 18 to 20, MARKETING, BRANDING AND COMMUNICATIONS, PHILAM VITALITY AND PRODUCT DEVELOPMENT</p> |
| C.1.8 | Supplier/Contractor selection and criteria | Y | <p>In its commitment to improve the way it does business with the suppliers, Philam Life, together with AIA Group Limited, has implemented an online procure-to-pay (P2P) solution. The solution simplifies and standardizes the purchasing, contracting, and invoicing activities within the Group. It changes the trading experience of Philam and its strategic suppliers - allowing improvements in the operational and administrative efficiencies for both parties. Key notes for suppliers and other relevant information are located at the Supplier Information Portal of the Company's Website. The portal will enable our suppliers to participate in this new trading exchange.</p> <p>Source Document: Company Website. About Us, "Doing Business with Philam Life"</p> |
| C.1.9 | Environmentally-friendly value chain | Y | <p>Philam Life is committed to reduce the impact of its operations on the environment and raise awareness about sustainability by taking part in activities that highlight these issues. Philam Life's new digital service platforms, aside from improving operational efficiency, also helps the environment as majority of the transactions with customers become paperless.</p> <p>Philam Life has likewise constituted an Environment, Health and Safety Security Committee to ensure that the Company complies with all environmental, health and safety security requirements of the regulators.</p> |

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| | | | <p>Source Document: 2017 Annual Report, pages 21 and 22 – INFORMATION TECHNOLOGY and INSURANCE OPERATIONS</p> |
| C.1.10 | Interaction with the communities | Y | <p>Philam Foundation discloses these through photo/press releases of the ground-breaking and turnover ceremonies of our school building project. These are also disclosed in the Annual Report.</p> <p>Through Philam Foundation, Inc., Philam Life continues to build an educated nation empowered for the future. Philam Life is passionate about promoting the sustainable development, financial security and social well-being of the communities that it serves. Philam Life is committed to bring about positive change in the lives of more Filipinos. At the celebration of its 20th Founding Anniversary, the Foundation received an institutional donation in the amount of P35 Million from the Philam Group of Companies to support the Foundation in implementing its programs for health, education and financial literacy.</p> <p>To date, Philam Foundation’s Philam Paaralan Program has built 133 classrooms nationwide. The Foundation also began the implementation of two more programs that address issues that matter to the Philam Group: financial literacy and health, bringing life to the three pillars, Healthy, Wealthy, and Wise.</p> <p>Philam Life also strengthened the backbone of the program by incorporating the Financial Literacy Sessions for adults with the assistance of our Financial Advisors. Philam Life was able to conduct eight sessions, attracting and educating more than 400 schoolchildren and 300 adults.</p> <p>Source Document: 2017 Annual Report, page 32, PHILAM FOUNDATION</p> |

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| C.1.11 | Anti-corruption programmes and procedures | Y | <p>Philam Life adopts the AIA Code of Conduct and Anti-Corruption Guidelines that specifically provides to conduct business in an honest and ethical manner. Bribery and corruption of any form is not acceptable. Employees are prohibited from offering, paying, any bribe or any form of payment with corrupt intent. In addition, the company conducts due diligence on third party vendors to ensure they are reputable, honest, and they adhere to the spirit of the Anti-Corruption Policy. The Company monitors payment to government officials and Compliance approval is required before making these payments. Annual Certification Program is also being conducted to confirm employees' knowledge and understanding about the rules and guidelines written in the Code</p> <p>Source Document: 2017 Annual Report, page 46, OPERATING PHILOSOPHY, Anti-Corruption and Bribery and page 47, Annual Certification Program</p> |
| C.1.12 | Creditors' rights | Y | <p>Philam Life 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 Philam Life much more in the AIA Group.</p> <p>It is the policy of Philam Life 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, Philam Life undertakes to honour all its commitments, stipulations and conditions set forth in their binding agreements. As of to date, Philam Life does not have outstanding loans from banks/credit institutions.</p> |

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| | | | <p>Source Document: 2017 Annual Report, page 48 – FAIR DEALING POLICY AND CREDITORS RIGHTS</p> |
| C.1.13 | Does the company have a separate corporate responsibility (CR) report/section or sustainability report/section? | 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: 2017 Annual Report, page 32 - PHILAM FOUNDATION</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? | Y | <p>Philam Life 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. Link to the Company Website contact us page: http://www.philamlife.com/en/help-support/contact-us.html#get-in-touch.html.</p> <p>Any employee (or anyone else) may also raise concerns of misconduct or wrongdoing within AIA and Philam Life 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.</p> <p>Source Document: 2017 Annual Report, pages 49 and 66 – Contact Details</p> |

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| 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? | Y | <p>Philam Life explicitly discloses the health, safety, and welfare policy for its employees through the AIA Code of Conduct and Physical Examination Policy. Philam Life is committed to conducting business in a manner that protects the health, safety and security of its employees and customers.</p> <p>Philam Life is all about helping people take charge of their health so they can live life to the fullest and enjoy more quality time with their loved ones. Similarly, Philam Life employs the same philosophy with its employees. Philam Life wants its employees to live longer, healthier & better, which is why the Company has implemented a broad range of wellness initiatives that encourage employees to embrace an active lifestyle. Philam Life cares about their health, thus, every year, its employees take their annual physical exam and compliment this with wellness programs all throughout the year such as Flu Vaccination Day, Blood Donation Drive, Zumba days and many more. Philam Life encourages its employees to attend company sponsored tournaments such as Badminton, Basketball, Bowling and Volleyball to not only maintain an active lifestyle but to also promote a culture of collaboration & teamwork. Medical benefits offered to employees include a group life insurance, a health care plan, and an in-house clinic to provided immediate medical assistance.</p> <p>Source Document: 2017 Annual Report, page 27 - PROMOTING HEALTH AND WELL BEING</p> |
| C.3.2 | Does the company publish relevant information relating to health, safety and welfare of its employees? | Y | Philam Life, through its internal web platform, the PhilamWebmaster, regularly updates the employees about various policies and developments relating to employee welfare. Philam Life has been investing in the physical well-being and the safety of its employees through its various programs and initiatives. Philam Life has also |

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| | | | <p>engaged in various corporate partnership and activities to promote fitness in its employees. Philam Life wants its employees to live longer, healthier & better, which is why the Company has implemented a broad range of wellness initiatives that encourage employees to embrace an active lifestyle. Philam Life cares about their health, thus, every year, its employees take their annual physical exam and compliment this with wellness programs all throughout the year such as Flu Vaccination Day, Blood Donation Drive, Zumba days and many more. Philam Life encourages its employees to attend company sponsored tournaments such as Badminton, Basketball, Bowling and Volleyball to not only maintain an active lifestyle but to also promote a culture of collaboration & teamwork. Medical benefits offered to employees include a group life insurance, a health care plan, and an in-house clinic to provided immediate medical assistance.</p> <p>Source Document:</p> <ul style="list-style-type: none"> ▪ 2017 Annual Report, page 27 - PROMOTING HEALTH AND WELL BEING ▪ E-mail announcements |
| C.3.3 | Does the company have training and development programmes for its employees? | Y | <p>Philam Life provides various training and development programs for its employees and follows the 70-20-10 training framework. Philam Life also implements a CDP Policy, Employee Training and Development Policy, and Educational Incentive Program.</p> <p>Philam Life’s culture is shaped by its leaders who embrace the three essentials of leadership – Clarity, Courage, and Humanity. Leaders should possess (a) clarity of vision, purpose and business direction, (b) demonstrate courage in their actions, and (c) consider the human element in everything they do because the insurance is a people business. When these elements are brought to life everyday, Philam Life employees experience a high-performing culture that cares and respects its people.</p> <p>Philam Life subscribes to a comprehensive and holistic development in the belief that each employee can make a difference. The organization’s holistic</p> |

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| | | | <p>development opportunities ensure a proportionate way for employees to make the best out of their learning journey.</p> <p>Source Document: 2017 Annual Report, page 24 – OUR PEOPLE</p> |
| C.3.4 | Does the company publish relevant information on training and development programmes for its employees? | Y | <p>Philam Life 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. Philam Life values its people and wants them to grow professionally and personally during their time in the Company. As The Real Life Company, Philam Life is not only truly engaged in its customers’ lives, but is equally committed to helping each individual develop the skills and capabilities they will need to succeed as a Philam Life employee. This is why Philam Life makes sure to regularly update its employees about opportunities and training and development programmes prepared for them.</p> <p>Some of the programs implemented by the organization to support the different developmental needs of its employees include: 1) New Employee Orientation Program; 2) Your Role in Safeguarding AIA’s Interest; 3) Manage Base Camp; 4) The Best of Me Program; 5) The AIA Manager Program; 6) People Manager Acceleration Program; 7) Performance Development Dialogue Series; and 8) the AIA Manager as Coach Program.</p> <p>Source Document:</p> <ul style="list-style-type: none"> ▪ 2017 Annual Report, pages 24 to 26 – OUR PEOPLE ▪ E-mail announcements |
| 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>Philam Life has a reward/compensation policy that accounts for the performance of the Company beyond short-term financial measures.</p> <p>Philam Life’s Rewards Philosophy is built upon the principles of providing an</p> |

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| | | | <p>equitable, motivating and market-competitive remuneration package to foster a strong performance-oriented culture. Its strong pay-for performance culture is aligned with its Operating Philosophy of Doing the Right Thing, The Right Way with the Right People. It aims to ensure that individual rewards and incentives relate directly to the performance of individuals, functions in which they work and the overall performance of the business. Philam Life also strongly believes in making its employees stakeholders of the company through its Employee Share Purchase Plan (ESPP). The Company also provides other share plans to its employees, such as Restricted Share Unit (RSU) Scheme and the Stock Option (SO) Plan.</p> <p>Source Document: 2017 Annual Report, page 27 – 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>Philam Life has and follows its procedures for complaints concerning illegal and unethical behaviour. Employees in Philam Life 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>Source Document: 2017 Annual Report, pages 48 to 49 – OPERATING PHILOSOPHY, The Whistleblow Program</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>The AIA Code of Conduct 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</p> |

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| | | <p>the protection program including protection from retaliatory acts from the alleged erring employee. Speak up culture is being encouraged and widely promoted in the company. Posters are displayed, brochures are distributed to promote reporting whenever employees see or suspect potential misconduct or fraud. A hotline and a link is made available and the employee may choose to be anonymous.</p> <p>Source Document:</p> <ul style="list-style-type: none"> ▪ 2017 Annual Report, pages 48 to 49 – OPERATING PHILOSOPHY, The Whistleblow Program ▪ AIA ethics and Compliance Hotline: www.aiaethicsline.com |
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