



Partners Through Generations

**Rizal Commercial Banking Corporation**

**Sustainability Report 2025**

## Contextual Information

Company Details	
Name of Organization	Rizal Commercial Banking Corporation
Location of Headquarters	Yuchengco Tower, RCBC Plaza, 6819 Ayala Avenue, Makati City
Location of Operations	Philippines
Report Boundary: Legal entities (e.g. subsidiaries) included in this report	Rizal Commercial Banking Corporation <a href="http://www.rcbc.com">www.rcbc.com</a>
Business Model, including Primary Activities, Brands, Products, and Services	Rizal Commercial Banking Corporation (RCBC or the Bank) is a universal bank in the Philippines that provides a wide range of banking and financial products and services. The Bank offers commercial, corporate, and consumer lending products, cash management products, treasury products, and remittance services. The Bank and its subsidiaries are engaged in all aspects of traditional banking, investment banking, retail financing (auto, mortgage/housing loans, credit cards, and microfinance loans), remittance, leasing, foreign exchange, and stock brokering.
Reporting Period	January 1, 2025 – December 31, 2025
Highest Ranking Person responsible for this report	July 01, 2025 – December 31, 2025 Reginaldo Anthony B. Cariaso President and Chief Executive Officer  January 01, 2025 – June 30, 2025 Eugene S. Acevedo President and Chief Executive Officer

Rizal Commercial Banking Corporation (RCBC or the Bank) is a pillar of the Philippines’ banking industry. Established in 1960, the Bank started its operations in the province of Rizal under the name Rizal Development Bank. In 1963, RCBC received approvals from the Bangko Sentral ng Pilipinas (BSP) to operate as a commercial bank under its current name and then as a universal bank in 1989. RCBC offers consumer, commercial and corporate lending products, deposits and cash management solutions, treasury products, remittance and mobile banking services among others.

RCBC is a member of the Yuchengco Group of Companies (YGC), a premier business organization in the Philippines covering over 60 businesses involved in a wide range of financial and non-financial services. YGC is recognized as one of the oldest and largest conglomerates in Southeast Asia. RCBC is a publicly-listed company (Stock Code: RCB) in the Philippine Stock Exchange (PSE).

As a diversified financial institution, RCBC serves corporate and individual banking needs through multiple customer channels offering innovative products and services to various markets. RCBC’s inclusive financial business model expanded in 2010 when it ventured into the microfinance business via Rizal MicroBank (RMB, the thrift bank subsidiary)<sup>1</sup> to serve the unbanked and underserved segments of the country’s population. RMB mainly provides loans to microenterprise and small business operators as

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<sup>1</sup> Effective January 2026, Rizal MicroBank Inc. – a Thrift Bank of RCBC changed its corporate name to RCBC Microbank – A Thrift Bank Inc.

well as agricultural value chain players.

RCBC is among the largest privately owned universal banks in the Philippines, posting a consolidated net income of PHP 10.6 billion in 2025 (versus PHP 9.5 billion in 2024) and total assets of PHP 1.4 trillion. The growth in consolidated net income reflects the 32% surge in net interest income and 25% rise in service fees.

RCBC aligns its business strategy to support the development needs of the environment and society, as articulated in the United Nations (UN) Sustainable Development Goals (SDGs) and the Paris Agreement on Climate Change. RCBC institutionalizes awareness of environmental and social (E&S) issues within the organization, with its clients, and communities served. The Bank believes that sustainable practices are a key pillar of responsible lending which delivers meaningful impact on the environment and communities. In December 2020, RCBC committed to cease funding of the construction of new coal power plants in the country or anywhere else in the world. The Bank's remaining exposure to coal-fired power projects will be zeroed out by 2031, as initially disclosed in RCBC's 2021 Sustainability Report.

RCBC remains a trailblazer in sustainability. In 2025, the Bank received the following awards: (i) second-time "Circle of Excellence Awardee for Sustainability Company of the Year" at the Asia CEO Awards 2025, (ii) four-peat Platinum Award at "The Asset Corporate Sustainability Leadership Awards 2025 (formerly The Asset ESG Corporate Awards)" and (iii) the "Best Sustainability Drive" at the 6<sup>th</sup> Bank Marketing Awards of the Bank Marketing Association of the Philippines (BMAP).

In the furtherance of its commitment to sustainability, the Bank's position as one of the Philippines' and Asia's leading digital challenger banks was also reaffirmed in 2025 with the Digital Enterprise and Innovations Group (DEIG) garnering the following recognitions:

- 6-Peat Best Bank for Digital (First in Asia), 2025 Euromoney Awards for Excellence
- 2-Peat Digital Bank of the Year, The Asset Triple A Digital Awards 2025
- Best Customer Experience Bank in ASEAN, ASEAN Fintech Awards 2025
- Best Institution for Digital CX, Digital CX Awards 2025
- Best Customer-Centric Product or Service – RCBC Pulz, 6th Bank Marketing Association of the Philippines Awards
- Outstanding Digital Innovation in SME Banking (Highly Acclaimed) – RCBC ATM Go, Global SME Banking Innovation Awards 2025
- 3-Peat Best Digital Disbursement Partner – RCBC DiskarTech, SSS 2025 Balikat ng Bayan Awards

## Materiality Process

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

Rizal Commercial Banking Corporation (RCBC or the Bank) is committed to empower generations of Filipinos through financial innovation. The mission includes meeting the demands of the times such as climate action and cyber security. Financial institutions provide critical services which support the country's journey toward a resilient and sustainable future. RCBC's operations provide cutting edge solutions fortifying its significant economic, environmental and social impacts. The Bank is among the country's leading private universal banks, upholding the following fundamentals in the conduct of its business:

- Focus on Digital and Customer Experience (CX)-first bank – RCBC continues to innovate and to use technologies such as Artificial Intelligence (AI) and Data Science to deliver products and services faster, more efficiently and with greater accessibility to meet the growing requirements of its customer while ensuring excellent CX. The Bank is among the first to implement AI across customer journeys.
- Strengthened Resilience against Cyber Attack and Fraud – RCBC further solidifies its systems and processes to protect the customers against unauthorized and fraudulent banking transactions. RCBC works with an ecosystem of trusted partners to reinforce awareness and promote the use of available legitimate protection systems.
- Ramping up Sustainable Financing and Climate Risk Management – To sustain the remarkable growth in RCBC's renewable energy (RE) portfolio and overall sustainable portfolio, the Bank has demonstrated unwavering commitment in taking action against climate change as espoused under the Bank's Sustainable Finance Framework. RCBC successfully raised USD 350 million from the issuance of a five-year Sustainability Bond (2.9x oversubscribed) in January 2025 and PHP 12.21 billion from its offering of Series F ASEAN Sustainability Bonds (4x oversubscribed) in July 2025, reflecting continued market confidence in RCBC and its credit.

This report covers the topics considered material to the Bank's operations with management approach to risks and opportunities detailed to the extent possible. The information provided substantively influences assessments and decisions of various stakeholders (including investors). Topics include the following:

- Compliance with BSP Circulars and applicable national and local regulations
- Bank policies on business ethics, code of conduct, supplier accreditation and vetting
- Information on data security, effective use of data science and AI, management against cyber security threats and fraudulent activities.
- Disclosures covering financial aspects (loan portfolio and concentration of credit), workforce readiness programs, talent acquisition and retention, training and development
- Strategies to invest in green, blue, and social projects, including support for Micro-, Small- and Medium-sized Enterprises (MSMEs)
- Products, programs and initiatives including relationship with communities

**Significant economic, environmental, and social impacts of the organization:** RCBC remains supportive of the country's growth and sustainable development progress. These are anchored on the following focus areas:

- **Delivering Excellent Customer Experience through Digital Strategies, Innovation and Inclusion.** RCBC continues to provide best-in-industry products with corresponding innovations that are able to make banking services more accessible and efficient for the customer. RCBC partners with leaders in financial technology and AI to deliver CX-first edge to the Bank's customers.

- **Keeping Ahead and Shielding from Cyber Security Threats.** RCBC maintains a rigorous oversight framework on cyber security and fraud-related issues with management reporting maintained on a regular basis. This high-level oversight ensures that security protocols remain agile in the face of evolving cyber threats, reaffirming the Bank's commitment to protecting the integrity of its customers' financial accounts.
- **Nurturing Sustainability in the Bank's operations and portfolio.** In line with the Bank's core value of "Nurturing", RCBC reinforces its commitment to being responsible stewards of the environment and communities while also encouraging social development and sustainability. The Bank continues to scale up its sustainable portfolio and to organically orchestrate initiatives to inculcate the practice of sustainability among its stakeholders (both internal and external).
- **Supporting 17 UN Sustainable Development Goals (SDGs).** The Bank contributes to all of the 17 UN SDGs through its Sustainable Finance Framework, products, services, and various projects that primarily promote environmental protection, financial inclusion, and social advocacies.

In this report, topics considered material are those relevant to and centered on the above significant impacts.

**Information that substantively influences the assessments and decisions of stakeholders, including investors:**

- **Information in fostering customer trust given the unabated dependence on digital banking.** Examples are data on customer engagement/customer satisfaction, business continuity, customer privacy, upholding the rights of the customer, data security, risk management of cyber security threats/fraud, and business ethics.
- **RCBC's transparency.** This includes all of the Bank's disclosures (e.g. financial results, workforce readiness program, talent acquisition, training and development, technological advancements, risk management strategies, implementation of Environmental, Social and Governance or ESG best practices). RCBC's disclosures are in accordance with the Sustainability Reporting Guidelines for Publicly Listed Companies under the Securities and Exchange Commission (SEC) Memorandum Circular No. 4 Series of 2019. The Guidelines prescribe the use of this report's template that adopts the Global Reporting Initiative's (GRI) Sustainability Reporting Standards, the International Integrated Reporting Council's (IIRC) Integrated Reporting (IR) Framework, the Sustainability Accounting Standards Board's (SASB) Sustainability Accounting Standards, and the recommendations of the Task Force on Climate-related Financial Disclosure (TCFD). Consistent with the SEC's guidelines on Sustainability Reporting, these four material topics are extensively discussed in this RCBC Sustainability Report: (i) Economic; (ii) Environment; (iii) Social; and (iv) Contributions of RCBC products and services to the UN SDGs.
- **RCBC's compliance.** This covers documents / processes to address the requirements of BSP Circulars (including all subsequent updates on such) and all relevant laws and regulations.

**Matters that substantively affect the organization's ability to create value over the short-, medium- and long-term:**

- Adapting to evolving environment, its economic results and financial well-being;
- Ensuring the welfare of employees and investments in human capital;
- Developing innovations to respond to customer needs and circumstances; and
- Ensuring sustainability across the value chain (including lending units, suppliers and partners).

## Material Topics

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# ECONOMIC

## Economic Performance

### Direct Economic Value Generated and Distributed

Disclosure (January 1 – December 31, 2025)	Amount (consolidated)	Units
Direct economic value generated (revenue)	2025: 63.277 Billion 2024: 53.408 Billion 2023: 49.997 Billion	PHP
Direct economic value distributed:		
a. Total operating costs	2025: 37.396 Billion 2024: 37.963 Billion 2023: 38.587 Billion	PHP
b. Employee wages and benefits	2025: 9.058 Billion 2024: 8.059 Billion 2023: 7.150 Billion	PHP
c. Payments to suppliers, other operating costs	2025: 16.640 Billion 2024: 16.219 Billion 2023: 18.099 Billion	PHP
d. Dividends given to stockholders	2025: 2.815 Billion 2024: 3.289 Billion 2023: 3.289 Billion	PHP
e. Taxes given to government	2025: 8.744 Billion 2024: 10.266 Billion 2023: 9.867 Billion	PHP
f. Investments to community (e.g. donations, CSR)	2025: 139 Million 2024: 130 Million 2023: 182 Million	PHP

### Which stakeholders are affected?

Stakeholder	Issues That Influence Their Assessments and Decisions (in relation to economic value generated & distributed by the organization)
Stockholders	<ul style="list-style-type: none"> <li>- Financial performance/health: Revenue, operating costs, remaining value retained in the company for liquidity and future investments</li> <li>- Fiscal and risk management to enhance profitability and bank operations</li> <li>- Regulatory compliance with BSP, SEC and PSE and international best practices</li> <li>- Economic contribution to the country</li> <li>- Dividends</li> <li>- Community investments</li> </ul>
Loan/Fund Providers & Creditors/Depositors	<ul style="list-style-type: none"> <li>- Equitable interest rates and sound financial advice</li> <li>- Value creation: financial contribution and impact to UN SDGs</li> </ul>
Customers/Clients	<ul style="list-style-type: none"> <li>- Evidence of financial capacity</li> <li>- Reliability and continuity of operations, unusual decline in financial results</li> <li>- Access to financial products and services</li> </ul>

Employees	- Equitable wages and benefits - Professional growth
Suppliers	- Payments made
Government	- Taxes paid
Community	- Corporate Social Responsibility - Community investments with positive impact - Periodic partnerships and sponsorships - Participation in and support of worthy causes

**What is the impact and where does it occur? What is the organization’s involvement in the impact?**

The impacts are the following:

- o Value generation for stakeholders
- o Assurance on financial well-being for customers, employees
- o Benefits to the environment and society through lending activities<sup>2</sup>
- o Promotion of fiscal growth through taxes contribution
- o Demonstration of resilience and stability in the banking sector

These occur in the primary business operations and supply chain, and are caused by the organization.

**Management Approach to Impact**

RCBC upholds an inclusive financial business model that effectively serves its stakeholders through:

- i) revenue generated;
- ii) economic value deployed through employee wages and benefits, payments made to suppliers, dividends for stockholders, taxes paid to the government;
- iii) investments in local communities as well as core industries supporting the country’s economic growth; and
- iv) expansion of banking access to the unbanked and underserved parts of the country

**What are the risks identified?**

Revenue generation may be challenged by the following risks:

- i. Climate change-related calamities, public health crises and macroeconomic environment which influence customer behavior, constrain access to financial services (especially for the unbanked and underserved communities), or adversely affect employee well-being.
- ii. Cyber security/ information security attacks, breaches and fraud as the financial system have significantly expanded through online banking and digital finance. More high profile fraud and more sophisticated scams have proliferated alongside the development of innovative electronic channels and services. These may pose risk on the overall consumer confidence in the banking system and may lead to diminishing trust on digitalization / online banking as a secure and sound means of transacting with banks, as recognized by BSP Circular 1140.
- iii. Financing support to sectors with elevated environmental risks. This leads to vulnerability toward transition risk, as acknowledged by BSP Circulars 1085 and 1128.

**Management Approach to Risks**

**RCBC: A Domestic Systemically Important Bank (DSIB)**  
 As a DSIB, RCBC must demonstrate the capacity to maintain resilience against distress that will affect the financial system as a whole, and the economy at large. RCBC (like other DSIBs) needs to have higher loss absorbency (HLA). The HLA requirement is attained through the Bank’s Common Equity Tier 1 (CET1) which

<sup>2</sup> RCBC. Sustainability. <https://www.rcbc.com/sustainability>.

establishes a maximum degree of effective loss absorbing capacity. In the event of any breach in the HLA capital requirement, concrete and reasonable recovery plans shall be implemented as outlined in RCBC's Internal Capital Adequacy Assessment Process (ICAAP) and Recovery Plan documents. The implementation of recovery plans is aimed at improving capital position and restoring financial condition to viable levels in cases of significant deterioration under certain scenarios.

As of December 31, 2025, the Bank's CET1 ratio is 13.3% (solo) and 13.6% (consolidated), both of which are above the regulatory requirement.

### **Business Continuity Program**

RCBC has a Crisis Management Team (CMT) headed by the President and CEO. The CMT oversees the implementation of the comprehensive Crisis Management Framework which equips the Bank in responding to an event-led disruption in operations. The CMT's role is integral to the Bank's Business Continuity Program as it is responsible for synchronizing all measures for the Bank to contain losses, continue critical functions and recover operations as quickly as possible.

The Bank's Business Resiliency Department under the Risk Management Group (RMG) ensures preparedness for any disaster/crisis by coordinating with all teams in developing and maintaining a bank-wide Business Continuity Plan (BCP) and identifying critical products/services as well as required operational support to sustain operations. The BCP identifies the necessary resources (people, processes, IT systems, and other equipment) and includes contingency procedures to guide all units on how to respond, recover, resume, and restore operations following the disaster/crisis. The BCP complies with the BSP Circular 951 on Business Continuity and with Business Continuity Management (BCM) standards such as ISO 22301 and BS25999.<sup>3</sup>

### **The BIG ONE**

In a joint study, the Metropolitan Manila Development Authority (MMDA), the Japan International Cooperation Agency (JICA), and the Philippine Institute of Volcanology and Seismology (PHIVOLCS) looked at 18 earthquake scenarios to identify the greatest risk to Metro Manila. Three scenarios were identified to pose the highest risk as follows:

1. 7.2-magnitude earthquake from the West Valley Fault,
2. offshore 7.9-magnitude earthquake from the Manila Trench, and
3. 6.5-magnitude earthquake hitting Manila Bay.

The first scenario, popularly known as the "Big One", is predicted to traverse a 100-kilometer fault that runs through six cities in Metro Manila and nearby provinces. Should this scenario happen, it could result in a disaster of never-before-seen proportions.

The scenario is characterized by at least the following events:

- The collapse of 170,000 residential houses and the death of about 34,000 people. Another 114,000 individuals will be injured while 340,000 houses will be partly damaged;
- At least seven bridges will fall, while 10% of public buildings will be heavily damaged;
- The 4,615 kilometers of water distribution pipes will suffer 4,000 points of breakage. Thirty kilometers' worth of electric cables will be cut and 95 kilometers of communication cables will be disconnected. Cellular phone service will be congested and out of use;
- Several fires will originate from factories, hospitals and kitchens. The scenario, which is assumed to occur

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<sup>3</sup> ISO 22301 is the international standard for business continuity management, and builds on the success of British Standard BS 25999 and other regional standards. It is designed to protect business from potential disruption, which includes extreme weather, fire, flood, natural disaster, theft, IT outage, staff illness or terrorist attack. BS25999, the world's first British standard for BCM, has been developed to help minimize the risk of such disruptions.

at nighttime, predicts the fires will burn 1,710 hectares of land, claiming 18,000 lives;

- Ambulances will be unable to get through the streets and bodies will be lined along the road. The scenario is reminiscent of the horrors of Super Typhoon Yolanda in 2013; and
- The destruction, together with the losses that the economy will suffer, will constitute a national crisis.

As a preparation for the BIG ONE, the Bank inaugurated the Angeles Alternate Site (Angeles City, Pampanga) in 2023. This alternate site is strategically and safely situated in the north, away from the west valley fault. It will serve as the Bank's and subsidiaries' back-up for its critical functions in case the primary office in the National Capital Region (NCR) becomes inaccessible or unsafe.

### **Disaster Preparedness: RCBC Response to Natural Calamities and Cyber Attacks**

RCBC Senior Management has always been on top of disaster preparedness and response to natural, man-made, technological and pandemic threats and events. Comprehensive Disaster Recovery Plan, Crisis Management Plan and Institutional BCP are in place and readily available upon activation. BCP Teams and BCP Leaders are equipped with all the training and preparation strategies for any contingency. Alternate sites, Data Center back-up site outside of Metro Manila, IT redundancy infrastructure, Buddy Branch system and contingency procedures are annually tested in order to ensure that infrastructure and BCP Teams execute the plans and validate efficiency and effectiveness in preparation for any threat on cyber incident or disaster occurrence.

Incorporating Environmental and Social (E&S) risk in the Bank's BCP and disaster preparation helps the institution to formulate effective strategies to address its impacts.

### In-house Disaster Risk Dashboard

The Bank has created a risk assessment tool that meticulously tracks the vulnerabilities of its employees, its assets, as well as clients from escalating threats posed by climate-related disasters. This data-driven disaster risk dashboard serves as a centralized platform for visualizing, analyzing, and responding to disaster risks using up-to-date and historical data.

The risk assessment tool mitigates the impacts of climate change by monitoring key locations and assets in high-risk areas. The disaster risk dashboard tracks the vulnerabilities of the employees and various premises and offices across the country.

The Board of Directors and Senior Management of RCBC are committed to address climate change issues and range of disruptive events that will mitigate or reduce the immediate event impacts and restore the business activities to normal operations as early as possible.

This initiative allows the Bank to preemptively position its disaster recovery and emergency response teams in areas most susceptible to risks such as flooding, earthquakes, and volcanic activity.

### Applications of the Disaster Risk Dashboard

1. Emergency Preparedness: Helps planners identify high-risk areas and develop contingency plans.
2. Disaster Response: Facilitates coordination among responders by providing real-time updates and resource tracking.
3. Recovery and Resilience Building: Supports long-term recovery by analyzing post-disaster impacts and identifying opportunities to reduce future risks. Tabletop exercises on E&S risks have been conducted annually to gauge the BCP teams' knowledge, awareness and capacity in effectively managing an E&S incident. For the past two years, the scenario focused on La Niña weather pattern, where the country had its fair share of super typhoons and tropical cyclones such as Super Typhoons Nando (northern Philippines), Opong and Tino (central Philippines).

The tabletop activity prepares the Business Units to effectively manage extreme weather events with disruptions

such as super typhoons. The exercise was participated by selected BCP Leaders, Support Groups and Management Teams who are the drivers of business continuity and crisis management.

There were no major natural or technological catastrophes in 2025 that triggered a crisis management plan. However, awareness training, tabletop exercises and BCP testing are conducted annually to equip key people and responders on the updated guidelines and Bank strategies. BCP implementation is in place and effective as tested during the calamities experienced in 2025. Daily news alerts on weather forecast and volcanic movements are sent out to employees and subsidiaries twice during working days. The reports give an overview of bulletins published by reputable sources such as Philippine Atmospheric, Geophysical and Astronomical Services Administration (PAGASA) and PHILVOCS, respectively. Emergency go bags and survival kits are available at each employee's work station and offices. Earthquake and fire drills were conducted in all Bank premises nationwide to further train all employees to quickly respond during these emergencies. Crisis communication via call tree system is performed every after a super typhoon or earthquake event to account employees and extend further help and quick assistance as necessary. A mandatory E-learning on business continuity and disaster preparedness is in place for all employees (from senior management to rank and file).

## **Continuing Support for Financial Inclusion and Digitalization - Digital Products and Services**

### **RCBC Digital Enterprise and Innovation Group (DEIG)**

In 2025, RCBC accelerated its shift toward global digital banking, anchored on its commitment to serve Filipinos wherever they are. Through the DEIG, the Bank expanded access to secure, inclusive, and globally connected financial services, strengthening both domestic reach and cross-border capabilities.

### **RCBC Pulz**

Pulz is RCBC's flagship digital banking platform for the affluent and emerging affluent, designed for digitally savvy clients with more sophisticated, time-bound, and global banking needs. It offers the widest range of pioneering features among Philippine digital banking apps, including free bank transfers for Wealth and Hexagon clients and first-in-market capabilities such as in-app UITFs. In 2025, RCBC became the first bank in the Philippines to offer U.S. virtual accounts in partnership with Meridian, a leading US-based provider of real-time global payments networking. The joint innovation allows RCBC customers to open and manage a U.S. virtual account directly through the RCBC Pulz app; no U.S. address, social security number, or residency required.

### **RCBC ATM Go**

ATM Go reinforced RCBC's leadership in phygital (physical-digital) banking convergence. As Southeast Asia's first Manual Cash Withdrawal service, the Philippines' first Kapitbahay ATM expanded access to essential banking services for both local users and digitally savvy tourists. Its bank-agnostic infrastructure supports Mastercard and Visa cardholders while embedding ATM Go terminals within trusted community-based partners, particularly money service businesses. This ecosystem-driven approach extended RCBC's reach to rural and remote areas, making everyday financial services available in familiar, accessible locations.

### **RCBC DiskarTech**

DiskarTech continued to deliver measurable inclusion outcomes. It was selected as the subject of the first Mastercard whitepaper on digital banking solutions in Asia, highlighting its effectiveness in onboarding and activating newly banked Filipinos. In partnership with the Social Security System (SSS), RCBC launched the MySSS Card powered by RCBC DiskarTech, a first-of-its-kind solution that functions as both a valid government ID and a fully operational savings account. The card simplifies benefits disbursement and enables withdrawals, bill payments, and fund transfers, with digital microloans set for rollout.

## **RCBC Credit Cards**

In 2024, RCBC Credit Cards implemented straight through processing (STP) in credit card applications for specific segments through its Digital Onboarding platform. This technology-driven solution automates the end-to-end application, approval and card creation process, significantly reducing reliance on manual interventions. The platform allows customers to explore and select from a variety of card products tailored to fit their unique needs and lifestyle preferences.

By digitizing processes, customer experience is improved through instant decisioning and reduced use of resources and manpower.

### **Strengthened Resilience against Cyber Threats and Fraud**

RCBC prioritizes customer security through digital banking application equipped with robust features such as two-factor authentication, biometric support, and real-time transaction notifications. In addition, the Bank launched the #DontGetFooled cyber security awareness campaign in August 2022 to educate customers about various scams through online platforms, webinars, and media channels. This ongoing campaign aims to enhance customer awareness and promote heightened vigilance against fraudulent transactions, both online and offline. In support of BSP regulations (BSP Memorandum No. M-2022-015 and BSP Circular 1140) and to further strengthen its security measures, RCBC and RCBC Credit Cards have removed all clickable links from customer communications (emails or electronic direct mailers, SMS, and Viber).

The Cybersecurity Month Celebration found its footing in 2023, born out of a necessity for heightened awareness in an increasingly online world. This inaugural celebration was held entirely online, utilizing interactive digital platforms to bridge the gap between technical security teams and the broader employee base. It proved that cybersecurity training didn't have to be a lecture; it could be a shared virtual experience.

After two years of digital-only engagement, 2025 marked a significant milestone: the transition to a hybrid program. Apart from the weekly online activities prepared for other employees across the Bank nationwide, this was a landmark year as RCBC hosted its first-ever face-to-face event for the celebration. However, true to the Bank's innovative spirit, this wasn't the typical sit-down seminar. Instead of slide decks and long-form training, the office was transformed into a high-tech playground.

- **Interactive Security Games:** Gamified learning modules that tested employees' "cyber-reflexes."
- **Hands-on Challenges:** Real-world scenarios simulated through competitive play.
- **Social Engagement:** A festive atmosphere that fostered a "Security-First" culture through peer-to-peer interaction.

The Bank is also fully prepared to comply with the Anti-Financial Account Scamming Act (AFASA), or Republic Act No. 12010 to protect customers from the growing threats of financial scams and cybercrimes. To meet the law's evolving mandates, RCBC is actively investing in the next generation of its Fraud Management System (FMS). This planned upgrade will shift the Bank from traditional rule-based monitoring to AI-driven predictive analytics, capable of identifying high-risk anomalies such as behavioral inconsistencies or signs of social engineering in real-time. A key milestone in this roadmap is the implementation of Single-Device Login for the RCBC Pulz app, which went live in early 2026, binding each account to a unique hardware identifier to block unauthorized remote access. Furthermore, in direct alignment with AFASA, the Bank is refining its internal workflows and technical protocols to support the temporary holding of disputed funds for up to 30 days, ensuring a robust mechanism for investigation and the potential recovery of stolen assets.

In May 2025, RCBC officially partnered with Whoscall, a leading digital anti-scam application powered by a global

database of over 2.6 billion numbers. This collaboration provides RCBC customers with an extra layer of defense by identifying unknown callers and filtering out malicious SMS links in real-time. By integrating Whoscall's caller ID and URL scanning capabilities into the customer journey, RCBC empowers users to unmask potential scammers before any engagement occurs, directly supporting the AFASA goal of eliminating social engineering schemes.

This builds upon RCBC's 2023 agreement with Globe Telecom, a networking strategy that allows both parties to maintain a direct, 24/7 communication channel to report and block fraudulent activities. This networking strategy signifies the commitment of both parties to work together against online fraud, aiming to enhance joint capability to investigate and respond to financial scams and fraud, establish proactive measures, and promote a more integrated and collaborative approach to information and intelligence sharing against social and governance risks.

Additionally, during the 4th Quarter of 2024, RCBC Credit Cards and Mastercard have partnered to launch a Safety & Security Educational Campaign on social media platforms. The aim of the campaign is to raise awareness about fraud tactics and to educate cardholders on how to proactively protect their accounts and avoid becoming victims of cybercriminals. The campaign reached over 2 million people on Facebook and received active engagement from the RCBC Credit Card holders.

RCBC's management of digital risks is characterized by advanced and sophisticated cyber security tools and programs. In December 2025, RCBC partnered with TrustDecision to deploy a unified AI-powered fraud and AML platform. This system marks a shift from reactive to predictive risk identification, utilizing machine learning to analyze behavioral signals, device fingerprinting, and geolocation monitoring. By integrating behavioral biometrics, the system can detect anomalies—such as signs of user coercion or bot-like activity—allowing the Bank to flag and block suspicious transactions before losses occur.

The Bank's Information Technology and Fraud Risk Management System work together to ensure that the Bank's security systems are robust and that the protection of RCBC's account holders is constantly upheld. As early as June 2022, RCBC and its technology partner GBG, were recognized as the Best Fraud Technology Implementation under the Risk Technology Implementation Award of the Asian Banker. This attested to the reliability and soundness of RCBC's fraud risk management system, which is equipped with real-time monitoring capability to detect fraudulent transactions and automate counter measures 24/7 from the Bank's digital channels. RCBC has also partnered with other financial institutions, telecommunication companies and government agencies such as Cybercrime Investigation and Coordinating Center (CICC) and Philippine National Police – Anti-Cybercrime Group (PNP-ACG) to have a direct communication channel for efficient reporting of fraudulent activities for immediate investigation, blocking, and possible return of funds. To ensure continuous efficacy, RCBC maintains a rigorous oversight framework. Fraud-related issues and system performance are monitored daily, with comprehensive monthly reports submitted to the Risk Oversight Committee (ROC), a Board-level Committee, and the Board of Directors. These reports detail the frequency of fraud attempts, successful prevention rates, and the resolution status of disputed funds. This high-level oversight ensures that security protocols remain agile in the face of evolving cyber threats, reaffirming the Bank's commitment to protecting the integrity of its customers' financial accounts.

### **Sustainable Finance**

RCBC remains at the forefront of sustainability in the banking industry in support of the Philippines' drive for action against climate change. These are documented through the Bank's (1) Environmental and Social Management System (ESMS) Policy which requires the vetting of all lending relationships from an E&S perspective, and the (2) Sustainable Finance Framework which articulates the Bank's funding strategy to prioritize sectors that have clear E&S benefits, foremost of which is clean energy. Both initiatives fall under the Charter of the Bank's Risk Oversight Committee (ROC), a Board-level Committee, which is responsible for the integration of sustainability principles into the risk governance / risk management frameworks of RCBC. The

policies indicate the Bank's commitment to environmental protection and social responsibility in terms of its lending portfolio.

The ESMS Policy adheres to the International Finance Corporation (IFC) Exclusion List and incorporates RCBC's commitment to cease funding of new coal power plants. The Bank's coal exposure is expected to taper off to zero by 2031.

RCBC actively pursues fundraising and lending towards priority sectors which have clear E&S benefits as laid out in the Sustainable Finance Framework. Aside from establishing the Eligibility Criteria for projects with clear E&S benefits, the framework also has the Exclusionary Criteria for identifying ineligible projects for the use of proceeds. RCBC has taken the initiative to amend the Sustainable Finance Framework in February 2024 (initially issued in April 2019) to reflect updates in market best practices and in the governing principles of the International Capital Market Association (ICMA), the Loan Market Association (LMA) along with the incorporation of "blue financing" as a subset of eligible green projects. A Second Party Opinion (SPO) was issued by Sustainalytics affirming the credibility and impact of the framework. Both the revised framework and the SPO are available at the RCBC website<sup>4</sup>.

The Bank successfully raised USD 350 million from the issuance of a five-year Sustainability Bond in January 2025 and PHP 12.21 billion from the Series F ASEAN Sustainability Bonds offering in July 2025. Both issuances are oversubscribed – 2.9x and 4x respectively, signaling the strong support of investors to the Bank's sustainable financing activities.

Based on the updated end-2025 figures, RCBC has financed around 18,000 projects under its eligible green (with a subset of blue) and eligible social portfolio amounting to over PHP 130 billion<sup>5</sup>.

Through identified interoperability with its ESMS and Sustainable Finance Framework, starting December 2024, RCBC has initiated support for BSP Circular 1187 (Philippine Sustainable Finance Taxonomy Guidelines or SFTG) by expanding its assessment of sustainable value chains directed toward climate change mitigation and climate change adaptation. RCBC's Chief Sustainability Officer (CSO) and representatives have attended workshops and consultative discussions to understand the SFTG. Internal learning sessions with the Bank's lending units have also been conducted and considered as a continuing activity. In its application of the SFTG, the RCBC has identified borrowers that are able to contribute to climate change mitigation by avoiding or reducing greenhouse gas (GHG) emissions through the nature of their businesses. These align with the Eligible Green Categories under the Bank's Sustainable Finance Framework.

#### What are the opportunities identified?

The national government continues to urge the private sector to pursue digital innovations and human capital development for the economy. The government's call is aligned with RCBC's goal to be a leading financial institution in the field of digital and sustainable finance. RCBC continues to provide products and services which support the government's call to action in the areas of digital transformation, responsible lending, capacity building, and sustainable value chains, among others. Providing financial access to the underbanked is also seen as a promising pathway to significant banking opportunities.<sup>6</sup>

The national government is also keen on harnessing the responsible and ethical use of Artificial Intelligence (AI) as a tool for economic growth and development. Key to this is the country's development of the Philippine AI Program Framework as recently declared by the Philippine President.

#### Management Approach to Opportunities

<sup>4</sup> RCBC. Sustainability. <https://www.rcbc.com/sustainability>.

<sup>5</sup> Figures are under ongoing external review, in compliance with the reporting requirements of the Sustainable Finance Framework.

<sup>6</sup> [https://www.mastercard.com/news/media/virpdtj4/rcbc\\_white-paper\\_inclusionbydesign.pdf](https://www.mastercard.com/news/media/virpdtj4/rcbc_white-paper_inclusionbydesign.pdf)

## **Financial Inclusion Initiatives**

### **Updates on DEIG Digital Products and Services**

#### **RCBC Pulz**

Pulz offers a full suite of banking services through a streamlined, one-tap digital experience. Its onboarding process requires only one international mobile number and one valid ID, enabling Filipinos worldwide to open a digital bank account. Users can withdraw, deposit, and transfer funds; exchange access loans.

For affluent and emerging affluent Filipinos, Pulz is their digital hub of convenience - allowing them to manage their credit cards, apply for loans, grow their wealth through investments, and enjoy a wide-range of privileges and benefits as members of the Hexagon Club.

To deepen adoption among the specialized segment of global Filipinos, RCBC sustained partnerships with the Department of Migrant Workers and expanded collaboration with the Commission on Filipinos Overseas, delivering digital financial literacy programs and workshops that encourage account ownership and responsible digital banking among OFWs and Filipino migrants.

The U.S. virtual account feature addressed a long-standing gap for freelancers and remote workers serving U.S.-based clients. With an estimated 1.5 million freelancers in the Philippines, Pulz provided a cost-efficient, compliant, and accessible channel for receiving cross-border payments. Beyond freelancers, the service also benefited families of OFWs who regularly receive U.S. dollar remittances.

Performance highlights for Pulz include the following:

- 51% five-year Compound Annual Growth Rate (CAGR) in gross transaction value
- 59% surge in transaction volume
- 48% increase in transaction value
- 59% growth in InstaPay transaction volume
- 50% leap in InstaPay transaction value
- 26% rise in PESONet transaction value
- 538% growth in transaction volume of QR payments to merchants
- 264% increase in transaction value of QR payments to merchants
- Up to 2,184 U.S. Virtual Accounts created (end-2025), a month after the November 2025 launch

RCBC also expanded its digital lending capabilities to serve a broader range of financial needs across income segments. As Pulz adoption grew among emerging affluent and affluent users, the Bank scaled its Personal Loan, Salary Loan NOW, PayDay Now, and Digital Personal Loan offerings.

In scaling these loan products, RCBC's primary goal was to dispel the negative perception around 'utang' or loans, and enable Filipinos to apply for a wide-range of loans for their specialized needs and targeted lifestyle aspirations. The Personal Loan is crafted for every person's personal needs; the Salary Loan is offered to payroll account holders who need extra finances for their immediate needs; PayDay Now is offered to people who need to stretch the last few days before salary day; and Digital Personal Loan is aligned to personal short-term and long-term lifestyle aspirations.

Through accessible application channels online and on the Pulz app, as well as flexible payment options and easy documentary requirements, RCBC's suite of digital loans saw stronger performance and adoption among Filipinos.

Performance highlights for digital loans include the following:

- 87% increase in gross transaction value
- 39% increase in transaction volume
- 87% increase in loan portfolio growth
- 87% increase in digital lending volume
- 65% share of digital loans in the bank's total unsecured loans portfolio

### **RCBC ATM Go**

ATM Go is the country's largest bank-agnostic ATM network, providing cash withdrawals and deposits, remittance claims, government benefits disbursement, bill payments, mobile load purchases, and international card withdrawals. Operated by local merchants, the model generates additional income streams for community partners while extending banking access.

RCBC also collaborated with the Department of Tourism to enable Visa and Mastercard withdrawals through ATM Go, supporting domestic and international tourists in locations with limited banking infrastructure. This initiative will contribute to increased tourist spending and higher economic activity among rural MSMEs.

Performance highlights for ATM Go include the following:

- 100% nationwide presence in all Philippine provinces and cities
- 28% five-year CAGR in gross transaction value
- 21% increase in transaction volume
- 23% growth in gross transaction value

### **RCBC DiskarTech**

DiskarTech is the world's first multilingual financial app in Taglish and Cebuano. With minimal onboarding requirements, it expanded financial inclusion in rural and remote areas. Users gain access to a high-interest savings product, cash and digital payments, QR-based retail payments, remittances, rewards, and loans.

Its inclusion in Mastercard's Asia-focused whitepaper highlighted DiskarTech's impact in driving sustained usage and progression to broader RCBC products. A key differentiator is its ability to convert newly onboarded users into active, engaged digital banking customers.

Through its partnership with the SSS, RCBC extended DiskarTech to more than 42 million SSS members and pensioners. The MySSS Card integrates government services with digital banking, enabling cashless payments and access to RCBC financial products. Complementary loan offerings further expanded credit access for this segment. Performance highlights for DiskarTech include the following:

- 963% growth in average daily onboarded accounts (following the launch of MySSS card powered by RCBC DiskarTech in October 2025)
- 22% increase in combined transaction volume of DiskarTech's Basic Deposit Account (BDA) and Regular Savings Account (RSA)
- 45,097% increase in RSA transaction volume
- 10,362% leap in RSA gross transaction value
- 18,042% growth in RSA customer deposits
- 111% five-year Compound Annual Growth Rate (CAGR) in gross transaction value

### **Innovations and Partnerships on Financial Inclusion**

- The Bank was awarded the "Best Financial Inclusion Initiative" for two consecutive years by the Global Retail Banking Awards in Singapore given the following programs:

- 2025 - Kabalikat Cooperative Program is a transformative initiative aimed in fostering financial inclusion and empowering cooperatives to create sustainable growth. The program also opens opportunities for cooperatives to generate additional revenue streams. Through the ailment of featured bank products and services by their members, cooperatives can earn commissions, creating a sustainable source of income for their operations. These offerings include Auto Loans, RCBC Credit Cards, ATM Go, Sunlife Grepa and Malayan Insurance.
- 2024- Access Payroll Program. This is a revolutionary financial inclusion program which fosters a culture of shared financial growth for both the company and its employees. It aims to improve the overall payroll experience through quality solutions not only for the company but most especially for the underserved employees ensuring access to financial literacy workshops, savings options, life and property protection, loan facilities, investments and other essential financial benefits
- RCBC launched the Negosyo Bundle Plus program in January 2025. In this initiative, SME business owners are provided a holistic suite of financial solutions. RCBC aims to be the partner for these businesses, offering payment solutions, efficient payroll systems, and added value for their employees. The program includes low QRPh and tap-to-phone fees and no Average Daily Balance (ADB) requirement for OneAccount and Business and Payroll Service.
- RCBC is also the first commercial bank to partner with the Cooperative Development Authority under its Credit Surety Fund program intended to lend to qualified member cooperatives. This further validates the Bank's strong commitment to financial inclusion as part of nation building.

#### **Responsible Lending, Capacity-Building, and Embedding Sustainability in RCBC**

- RCBC has continually supported Renewable Energy (RE) projects, funding for which has dominated the Bank's eligible sustainable portfolio. As approved by the Bank's ROC in March 2023, RCBC targeted to increase its RE portfolio by 10% to 15% per annum (p.a.) for the succeeding 12 to 24 months. The Bank has attained this, surpassing the target through actual year-on-year RE portfolio growth of over 80% in 2024 and 26% in 2025.
- The Bank's headquarters – the RCBC Plaza in Makati City and the AT Yuchengco Centre (ATYC) in Taguig City have started being powered by RE sources from ACEN since August 2024<sup>7</sup> and September 2024,<sup>8</sup> respectively.
- Starting 2022, RCBC has integrated a mandatory Sustainability Key Result Area (KRA) into the performance evaluation of employees as advocated by BSP Circulars 1085 and 1128. The objective is to promote E&S responsibility among all employees, with the internally-developed Sustainability e-learning materials and infographics used as primary tools in attaining the KRA. In 2025, the Bank's Sustainability e-Learning was updated to consolidate the previous versions released in 2021 and 2022. Aside from showcasing Bank-wide sustainability initiatives, the e-Learning has a module dedicated on contributions to the UN SDGs through each employee's daily activities. Similar to the past e-learning materials, the 2025 Sustainable e-learning is part of the Bank's Sustainability KRA and hence required for all Bank employees (including executives) to take.
- RCBC continues to shift from paper-based correspondences to e-mail notifications. This project significantly lowers the paper consumption and waste along with less energy use in the transport and delivery of paper-based correspondences. Savings have also been realized due to lower postage and printing costs. These applies to the following implemented activities:
  - Cessation of sending paper-based Time Deposit (TD) Statement of Accounts (SOAs).
  - Reduction of paper usage by shifting paper-based notifications via registered mail to email

<sup>7</sup> <https://mb.com.ph/2024/8/15/rcbc-plaza-greens-power-supply-through-partnership-with-ayala-s-acen-res>

<sup>8</sup> <https://www.philstar.com/business/2024/09/11/2384307/atyc-switches-100-re-acen-res>

notifications for various account correspondences.

- In 2025, RCBC employees participated in community engagements such as tree planting activities in their respective areas, namely:
  - Davao City (November 2025) – At least fifty (50) employees from various units of the Bank gathered in Brgy Tambobong, Baguio District, Davao City through the activity coordinated by the Davao City Water District’s Watershed Protection and Rehabilitation Division. With shovels in hand and spirits high, the RCBC employees set to work planting native trees of Lawaan, local Davao variety of Cacao and Durian, essential for restoring the local watershed. Guided by representatives from the Davao City Water District, participants learned about the ecological significance of these trees in preventing soil erosion, enhancing water quality, and providing habitats for diverse wildlife. The practical experience in planting trees illustrated the tangible steps being taken towards environmental restoration and sustainability.
  - Clark, Pampanga (June 2025) – A total of sixty (60) mango trees were planted by Bank employees from the North Luzon 2 District of the Operations Group and participating units of the Retail Banking Group (RBG). Despite the inclement weather, the RCBC team was steadfast in their commitment to environmental stewardship and lasting contribution to the community.
  - The Bank engaged in thought leadership sustainability programs for the benefit of its stakeholders, clients, and employees, through sustainability knowledge sharing events in 2025:
    - January and June 2025: RCBC’s CSO was one of the speakers in the capacity building programs of the BSP, furthering the Regulator’s sustainable finance initiatives.
    - April 2025: RCBC’s Wealth Management Group organized the NextGen Wealth Summit Event for the children of RCBC Wealth Management clients, considered the next generation leaders (aged 20s to early 30s). RCBC’s CSO made a presentation, encouraging the event’s participants to integrate sustainability into their core strategies when running their respective businesses.
    - June 2025: In a session hosted by RCBC’s DEIG, RCBC’s CSO presented the Bank’s Sustainable Finance Framework to international exchange students participating in the Asian Institute of Management’s (AIM) Global Network Week program.
    - November 2025: The Bank’s Sustainable Finance Division released RCBC’s Sustainable Finance Playbook, a practical reference material designed to empower Relationship Managers (RMs) in the Bank’s Institutional Banking Group. Going beyond policy dissemination, the Playbook provides helpful narratives in connecting the Bank’s core value of “Nurturing” with the RM’s role in supporting RCBC’s ESMS, Sustainable Finance Framework, and SFTG processes.

#### **Strengthening Client Relationships in Sustainability – External Sustainability Drive**

In April 2025, RCBC launched a partnership with the Haribon Foundation for the Conservation of Natural Resources, Inc. (HARIBON) to promote biodiversity conservation through customer engagement. HARIBON is the pioneer organization in environmental conservation in the Philippines, well known for its initiatives towards biodiversity conservation such as the Forests for Life Movement. Under this partnership, RCBC Hexagon Club members are given the opportunity to support HARIBON by donating directly or redeeming their credit card points for donations.

By the end of the year, the partnership yielded donations equivalent to 133% higher than the expected financial support to HARIBON – a portion was used to plant at least twenty (20) seedlings at HARIBON’s Maragondon site in the province of Quezon, one of HARIBON’s environmental conservation forests. HARIBON’s Chief Operating

Officer, Arlie Jo Endonila aptly describes this development: “Haribon and RCBC share the belief that protecting our forests and planet is a shared responsibility. Through this partnership, we are working with RCBC and its communities - especially Hexagon members - to turn sustainability commitments into concrete action and grow a new generation of biodiversity champions.” This collaboration makes RCBC’s commitment to the creation of environmental awareness and pursuit of environmental protection more meaningful.

#### **Reinforcing Employee Awareness in Sustainability – Internal Sustainability Drive**

In 2025, RCBC’s Sustainable Finance Division launched a monthly awareness and information campaign called “Sustainability Matters”. Distributed in the form of an e-newsletter, “Sustainability Matters” is circulated to all employees of the Bank to promote a communal understanding of sustainable finance developments within the organization and in the industry. In this regular awareness campaign, the Bank created a focal character that addresses RCBC employees as “Partners” underscoring the RCBC community’s solidarity in sustainability, while also nurturing knowledge that is relevant and neighborly.

This internal sustainability drive together with the HARIBON partnership were recognized as the Best Sustainability Drive in the 6<sup>th</sup> Bank Marketing Awards of the Bank Marketing Association of the Philippines (BMAP) held in November 2025.

#### **Use of AI as Engine for Enhancing Bank Processes – Oversight and Opportunities**

Throughout the year, RCBC advanced its digital transformation by integrating data-driven strategies and AI to drive sustainable economic growth, support local enterprises, and foster deep financial inclusion. These initiatives, underpinned by ethical governance and continuous learning, ensure responsible innovation that creates long-term value for our customers and communities.

#### **Upholding Ethical AI Governance and Future-Proofing the Workforce**

To ensure the responsible, bank-wide adoption of new technologies aligns with our core sustainability principles, RCBC has established governance practice and educational framework:

- Ethical and Strategic Oversight: The Bank’s AI strategy is directed by the AI Oversight Council, chaired by the President & CEO. The council includes group heads from senior management who provide comprehensive oversight across Risk, Compliance, IT, Models, and Digital domains, ensuring that AI initiatives align to the Bank’s strategic goals and ethical principles.
- Responsible Usage: RCBC instituted formal AI Usage Policy and Guidelines that emphasize human-in-the-loop and safety principles in using AI for workforce productivity. Responsible AI checkpoints are integrated into the internal model development process to promote fair and human-centric practices.
- Sustainable Workforce Development: Prioritizing technological fluency and the future-proofing of RCBC employees, the Bank ensured that all staff completed training on AI fundamentals, best practice use cases and responsible AI usage. Furthermore, Senior Management spearheaded learning relevant AI and code development to effectively lead the organization’s ongoing, sustainable digital transformation.

#### **Driving Social Impact and Economic Resilience**

RCBC’s data and AI driven initiatives have significantly advanced economic inclusion by expanding access to vital financial services. By utilizing AI/machine learning (ML) models, Salary and Digital Loan offers are extended to qualified leads, providing essential support that empowers the payroll mass market to achieve personal milestones and build small businesses. Similarly, AI/ML help streamline credit line renewals for commercial clients. This proactive approach ensures that local SMEs maintain the continuous capital necessary to scale operations, sustain local employment, and contribute to broader economic resilience.

Furthering RCBC’s commitment to social responsibility and inclusive banking, an advanced vehicle appraisal

model is utilized to facilitate a compassionate, structured approach to auto loan restructuring. This empathetic framework enabled customers facing financial hardships to meet their obligations while retaining the vehicles essential to their daily lives and livelihoods.

To complement these efforts, strategic outreach successfully transitioned offline customers to the Pulz digital platform, fostering greater digital inclusion, reducing the environmental footprint of physical branch visits, and ensuring banking services remain highly accessible for all clients.

#### Opportunities Tapped

- Aimed at streamlining credit approvals for the Bank's consumer loans, RCBC has applied AI and ML models to shorten processing times and strengthen operational efficiency. Developed by RCBC's in-house data science team, the use of agentic AI makes possible faster decision-making and response time to the Bank's clients, making their dreams more accessible when availing of RCBC's housing and auto loans<sup>9</sup>.
- As an avenue to better facilitate real estate investments and home financing for overseas Filipinos, RCBC has partnered with Talino Venture Studios for the use of an AI-powered property technology platform. Equipped with the capability to align the overseas Filipino's buyer preferences with relevant property data, the platform is designed to make the overseas Filipino's financing experience simpler, faster, and more accessible<sup>10</sup>.
- To further improve employee experience within RCBC, the Bank has extended its long-standing partnership with Adrenalin by adopting the advanced human capital management (HCM) Adrenaline Max 2.0 powered by AI<sup>11</sup>. This HCM platform reinforces the RCBC employee's journey through its enhanced capabilities in automation and personalized web-based HCM system<sup>12</sup>.

### **Climate-related Risks and Opportunities**

The BSP, through its Guidance on the Implementation of Environmental and Social Risk Management (ESRM) System, "recognizes that climate change and environmental hazards could pose significant risks to the safety and soundness of individual financial institutions and the entire financial system." BSP encouraged banks to evaluate their assets and portfolios "based on their potential impact on the environment" in order to identify necessary "changes in policies, litigations, technological developments and shifts in market sentiment in line with global and national climate objectives and SDGs. This will also inform the development of appropriate and sound risk management and portfolio reallocation strategies in response to potential transition risks."

#### **Governance**

RCBC affirms its commitment in Environmental, Social and Governance (ESG) principles as part of the Bank's Risk Governance Framework (RGF). The RGF follows a top-down approach whereby the Board of Directors (BOD) takes ultimate accountability for the risks taken and for setting the tolerance level for these risks. The BOD constitutes committees for decision-making in various functions affecting the Bank's over-all business. The ROC is the Board-level committee which provides oversight and management of risk exposures of RCBC and its subsidiaries. RMB and RCBC Leasing and Finance Corporation (RCBC subsidiaries) have been implementing E&S policies which essentially adopt the principles embedded in RCBC's E&S Risk Management. More information on the Bank's corporate governance policies can be accessed from the RCBC website<sup>13</sup>.

<sup>9</sup> <https://www.philstar.com/business/2025/12/06/2492179/rcbc-automates-loan-approvals>

<sup>10</sup> <https://business.inquirer.net/562936/ai-powers-new-real-estate-platform>

<sup>11</sup> <https://uptech-media.com/rcbc-enhances-employee-experience-with-advanced-hr-technology-integration/>

<sup>12</sup> <https://www.rcbc.com/rcbc-advances-employee-experience>

<sup>13</sup> RCBC. Corporate Governance. <https://www.rcbc.com/corporate-governance>

## Strategy and Risk Management

### RCBC Sustainable Finance Strategy

RCBC strongly supports the BSP's call for financial institutions to be enablers of environmentally and socially responsible business decisions. The Bank has implemented its ESMS as part of the Bank's lending process as early as 2011, almost a decade ahead from the issuance of BSP 1085, while the Bank's Sustainable Finance Framework was initially published in April 2019 (a first in the Philippine banking industry) and was updated in February 2024:

- A. The ESMS Policy is a declaration of the Bank's commitment to sustainable development and management of E&S issues (environmental management system). It subscribes to the IFC Exclusion List and the IFC's eight Performance Standards - a global benchmark for identifying and managing E&S risks. A monitoring mechanism for addressing potential E&S concerns has proven to be an effective tool in engaging clients to take appropriate action, thereby establishing a shared commitment with RCBC toward sustainable practices. The ESMS is similarly aligned with DENR requirements providing industry-based reference for the borrowers. Unresolved concerns (including environmental issues) over an established monitoring period (if any) are escalated to the ROC for proper guidance / oversight discussions. The Policy was updated in September 2022 (approved by the ROC and the Board of Directors) to incorporate relevant provisions under BSP Circular 1128 (ESRM Framework). This followed discussions among various teams and Senior Management on the continued commitment to implement the ESMS before the revised Policy was approved by the ROC.
- The ESMS Policy requires all lending relationships or credits, both pipeline and portfolio, to be vetted from an environmental and social risk perspective;
  - The implementation of RCBC's ESMS Policy involves Risk Management, Credit Management, Treasury, and Lending Units.
  - The ESMS assessment takes place before a lending decision is made, and continues during the life cycle of the loan agreement with the client. RCBC's implementation of the ESMS policy supports the Bank's commitment to consult with stakeholders on E&S issues, with RCBC able to share its sustainability principles to help clients stay compliant with E&S regulations.
  - RCBC has continually adhered to its commitment of monitoring the Bank's environmental performance through monthly ESMS updates submitted by the Risk Management team to the ROC. The Bank's commitment to report regularly on E&S issues is also covered through the E&S portfolio developments and highlights in the monthly Chief Risk Officer (CRO) Report to the ROC.

Certain ESMS Policy tools were recalibrated in 2024 given their interoperability with the SFTG assessment. Similar to earlier updates made on the ESMS Policy and tools, consultations among various teams and Senior Management were conducted, with the SFTG implementation (synergized with the ESMS process) approved by the Bank's ROC.

In accordance with BSP Cir 1149 (Guidelines on the Integration of Sustainability Principles in Investment Activities of Banks), RCBC's Investment Policy includes sustainability principles in its objectives as well as risk monitoring process in consideration of E&S factors.

- B. The RCBC Sustainable Finance Framework (updated February 2024) articulates the Bank's strategy to prioritize fundraising for specific sectors. Under this Framework, RCBC can issue Sustainable Financing Instruments (SFIs) to fund loans and projects that have clear environmental and/or social benefits. SFIs include Green Bonds, Blue Bonds, Social Bonds, Sustainability Bonds, Green Loans, Blue Loans, and other debt financing instruments which fund Eligible Green (with subset of Blue) and Social Assets. RCBC's Sustainable Finance Framework subscribes to the global bond standards<sup>14</sup> which are continually updated to remain relevant and connected with global ESG practices:

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<sup>14</sup> International Capital Market Association ("ICMA") Green Bond Principles 2021 ("GBP"), Social Bond Principles 2023 ("SBP"), Sustainability Bond Guidelines 2021; ASEAN Capital Markets Forum ("ACMF") ASEAN Green Bond Standards 2018, ASEAN Social Bond Standards 2018, ASEAN Sustainability Bond Standards 2018; Loan Market Association ("LMA"), Asia Pacific Loan Market Association ("APLMA") and Loan Syndications and Trading Association ("LSTA") Green Loan Principles 2023 and Social Loan Principles 2023

- RCBC’s Framework obtained a Second Party Opinion (SPO) from Sustainalytics which opined that the eligible green and social projects and lending activities defined in the Framework contribute to the decreasing environmental footprint of the Philippines, advancing employment generation, and improving access to essential services of vulnerable groups in Philippines. Under the SPO, Sustainalytics cited RCBC’s Framework as “credible and impactful.” These documents are published in RCBC’s website<sup>15</sup>.
- The Framework prescribes an Exclusionary Criteria which identify certain projects as ineligible for the use proceeds from the SFIs. Foremost of this is fossil fuel power generation – an exclusionary criterion consistent with the ASEAN Green Bond Standards and ASEAN Sustainability Bond Standards.
- RCBC allocates the proceeds of SFIs to finance and/or refinance loans to customers or its own operating activities. RCBC’s Allocation Report discloses the Bank’s Eligible Sustainable Portfolio and Sustainable Funding. The allocation report covering 2024 data underwent limited assurance procedures by RGMabat and Co. (KPMG Philippines). KPMG has confirmed that RCBC’s application of funds from its sustainability bond issuances and Peso Green Time Deposits are in accordance with the Eligibility Criteria described in its Sustainable Finance Framework. The allocation of the proceeds is as follows:
  - Proceeds of RCBC’s Green Bond or Green Loan go to Eligible Green Categories
  - Proceeds of RCBC’s Social Bond or Social Loan go to Eligible Social Categories
  - Proceeds of RCBC’s Sustainability Bond go to Eligible Green Categories and Eligible Social Categories
- RCBC provides disclosures on the benefits of its green and social assets through the issuance of the Impact Report which follows ICMA’s Harmonised Framework for Impact Reporting. This Impact Report is supplemented by a video which provides an effective visualization of the contribution of the Bank’s lending activities to the environment and the society, effectively combatting climate change. Both the annual Allocation Report and Impact Report are published on RCBC’s website<sup>16</sup>.
- RCBC successfully raised USD 350 million from the issuance of a five-year Sustainability Bond (2.9x oversubscribed) in January 2025 and PHP 12.21 billion from its offering of Series F ASEAN Sustainability Bonds (4x oversubscribed) in July 2025, reflecting continued market confidence in RCBC and its credit. RCBC’s total sustainable portfolio consisted of around 18,000 projects as of 31 December 2025<sup>17</sup>. These projects contribute to 12 of the 17 UN SDGs. Funding for RE accounted for nearly half of the Bank’s total sustainable portfolio surpassing the remaining exposure to coal-fired power projects by almost three times.

RCBC’s Sustainable Finance Framework is structured with the following key pillars:

- **Use of Proceeds:** RCBC will allocate proceeds to finance and refinance RCBC’s loans to customers in Eligible Green (and its subset of Eligible Blue) Categories and/or Eligible Social Categories.
- **Project Evaluation & Selection:** The green (and its subset of blue) and social assets will be selected following the eligibility criteria and evaluated by the Sustainable Finance Committee.
- **Management of Proceeds:** The proceeds will be managed in a portfolio approach.
- **Reporting:** RCBC will report on the allocation of the net proceeds to the Eligible Green (and its subset of Eligible Blue) and Social Portfolio, and their environmental and social impact.

**Metrics for Climate-Related Risks and Opportunities**

RCBC is the first local bank to adopt quantitative global climate risk analyses tools which will enable the Bank to contribute to the Philippine climate action commitment to the Paris Agreement. The use of climate risk tools discussed below (PACTA and PCAF) was approved by the ROC, a Board level Committee.

**A. Quantitative Tool for E&S Stress Testing**  
 RCBC entered into an advisory engagement with IFC and 2DII in January 2021 (as approved by the ROC) for the use of the Paris Agreement Capital Transition Assessment (PACTA) tool and the climate stress testing modules developed by 2DII. This was the first advisory engagement to be conducted by IFC and 2DII in Asia,

<sup>15</sup> RCBC. Sustainability. <https://www.rcbc.com/sustainability>.

<sup>16</sup> *Ibid*

<sup>17</sup> Figures are under ongoing external review, in compliance with the reporting requirements of the Sustainable Finance Framework.

with RCBC Senior Management representatives included in the presentation of initial results generated by the PACTA and climate stress testing tools. These tools enable RCBC to:

- Generate a comparison of the Bank’s power generation portfolio versus globally-accepted climate reference scenarios covering short- to long-term time horizons (up to year 2040).
- Perform climate scenario analysis and stress testing to determine the impact of transition risk on the power generation borrowers’ probability of default (PD) and the corresponding Expected Credit Loss for the Bank.

RCBC also has a Credit Framework for Physical Risks and Calamity Response which is the basis for account monitoring in terms of physical risks and natural calamities. The Bank identifies the most affected areas (e.g. typhoon, earthquake, etc.) and the potentially impacted clients who are located in the identified areas.

The sensitivity/scenario analyses of both transition and physical risks results have been included in RCBC’s annual ICAAP submission since 2023.

### B. Quantitative Tool for E&S Risk Monitoring Through GHG Emission Reporting

RCBC became the first Philippine bank to participate in the Partnership for Carbon Accounting Financials (PCAF), an initiative among financial institutions worldwide to enable harmonized assessments and disclosures of GHG emissions financed by loans and investments<sup>18</sup>. RCBC completed the PCAF on-boarding training program in early October 2021. RCBC’s participation in PCAF is a decisive step in understanding the climate risk arising from the businesses that the Bank supports, hence providing a baseline assessment of the Bank’s indirect climate impact, with a view to establishing GHG emission reduction targets. As a PCAF participant, RCBC has started to disclose its financed emissions in the 2022 Sustainability and Impact Report (ahead of the Bank’s commitment to PCAF). As indicated in RCBC’s disclosures, the financed GHG emissions mostly emanate from lending to the Energy Sector. It is expected that RCBC’s coal exit strategy by 2031 will significantly reduce RCBC’s financed GHG emissions.

The PCAF results are discussed with and presented to the Sustainable Finance Committee, for further submission to the ROC, before being published as part of the Bank’s annual disclosures.

## Financial Intermediation

### Loan Portfolio

The industry concentration of credit as of December 31, 2025 is as follows<sup>19</sup>:

Economic Activity	Amount (PHP M)	%
Credit Cards	145,797	19%
Housing	118,005	16%
Real estate, renting and other related activities	92,015	12%
Auto	88,115	12%
Electricity, gas and water (mainly loans extended to renewable energy projects) <sup>20</sup>	81,372	11%
Wholesale and retail trade	60,655	8%
Transportation and communication	52,283	7%
Financial intermediaries	47,774	6%

<sup>18</sup> GHG emission assessment is advocated under BSP Circular 1149.

<sup>19</sup> Notes to Financial Statements, December 31, 2025

<sup>20</sup> Around 68% from renewable energy

Manufacturing (various industries)	39,442	5%
Consumer <sup>21</sup>	12,565	2%
Mining and quarrying	4,490	1%
Agriculture, fishing, and forestry	4,291	1%
Hotels and restaurants	3,718	-
Other community, social and personal activities	3,143	-
Others	7,572	1%
<b>Total</b>	<b>761,237</b>	<b>100%</b>

#### Which stakeholders are affected?

Stakeholder	Issues That Influence Their Assessments and Decisions (in relation to loan portfolio)
Management	<ul style="list-style-type: none"> <li>- Credit risk of the portfolio</li> <li>- Profitability of the portfolio</li> <li>- Transition risk of the portfolio</li> </ul>
Stockholders	<ul style="list-style-type: none"> <li>- Credit risk of the portfolio</li> <li>- Profitability of the portfolio</li> </ul>
Customers/Clients	<ul style="list-style-type: none"> <li>- Support for financing</li> </ul>
Government/Regulators	<ul style="list-style-type: none"> <li>- Credit risk of the portfolio</li> <li>- Compliance with laws and regulation</li> </ul>
Community, Including environmental NGOs	<ul style="list-style-type: none"> <li>- Reduction of environmental and social impacts from the Bank's clients' operations</li> </ul>
Public, Including media	<ul style="list-style-type: none"> <li>- Reduction of environmental and social impacts from the Bank's clients' operations – potential reputational impact</li> </ul>

#### What is the impact and where does it occur? What is the organization's involvement in the impact?

Indirect E&S impacts may arise from the nature of businesses that RCBC supports through its lending activities.

#### Management Approach to Impact

In accordance with the ESMS Policy, all credit proposals for loans and other credit accommodations from RCBC need to go through E&S risk initial screening, due diligence and impact assessment. Only activities or projects which pass the E&S risk and impact assessment shall be eligible for financing.

#### What are the risks identified?

The operations of borrowers supported by RCBC may have negative E&S impacts.

#### Management Approach to Risks

The implementation of RCBC's ESMS Policy involves Risk Management, Credit Management, Treasury, and Lending Units. The ESMS requires that all lending relationships/credits, both pipeline and portfolio, are vetted from an E&S risk perspective. The ESMS is implemented to safeguard lending operations from exposure to activities with identified E&S risks. The ESMS Policy goes through a comprehensive review process on a regular basis to ensure its alignment with relevant BSP Circulars and E&S regulations. Policy updates were implemented in September 2022 to primarily incorporate certain requirements of BSP Circular 1128. Certain ESMS Policy tools were recalibrated in 2024 given their interoperability with the SFTG assessment which expands the assessment through the identification of sustainable value chains directed toward climate change mitigation and climate change adaptation. The ESMS Policy is published on the Bank's Online Library and is accessible to all employees.

In accordance with the ESMS Policy, all credit proposals (from the Institutional Banking Group – Corporate and

<sup>21</sup> Includes personal and salary loans

Business Banking, and Treasury Group) are screened using the applicable requirements – the IFC Exclusion List (for environmentally and socially sensitive sectors), relevant national (DENR-EMB sector-specific guidelines) and international laws / IFC Performance Standards which include:

- Environment such as biodiversity, deforestation, marine environment, water risk (Philippine Clean Water Act), pollution prevention (Philippine Clean Air Act);
- Social such as indigenous peoples (The Indigenous Peoples Rights Act), protection of cultural heritage, health, human and labour rights, safety and other social issues, and any standards established therein;
- Governance such as the implementation of Environmental and Social Management Systems for the assessment and of monitoring E&S risks, and requirement of Philippine Contractors Accreditation Board (PCAB) for construction companies.

Environmental Risk Categories (ERCs) are assigned to accounts, and credit approvals obtained in accordance with requirements depending on the confirmed ERC. Based on the initial assessment of relationship managers (first line of defense), an account is risk-classified as ERC A (high), B (medium), or C (low) in consideration of the type and scale of potential impacts of the respective account's operations. The ERC classification is validated or confirmed by the Environmental and Social Risk Officer (ESRO), the second line of defense, who has the authority to override first line E&S risk assessment, if warranted. The confirmed ERC is a required component of the credit application approval.

- Similar to past years, RCBC's ERC-confirmed portfolio has been dominated by ERC C or Low Risk projects, comprising more than 50% of the Bank's corporate lending portfolio. As of the end of 2025, the Bank's sustainable portfolio is also almost two times higher than all of the ERC A or High Risk exposures.
- Validated ERC assessments are eventually included in the regular review of Internal Audit (third line of defense). The ERC assessment takes place before a lending decision is made, and continues during the life cycle of the loan agreement with the client. Applicable environmental covenants are also incorporated in the loan/credit agreement and these are periodically evaluated and monitored for compliance.

To ensure faithful compliance with the ESMS Policy, the Bank has ESROs equipped with the expertise to conduct appropriate E&S review and assessments. The ESRO function is part of RCBC Sustainable Finance Division<sup>22</sup> (headed by the CSO) that oversees the effective implementation of the ESMS Policy. The ESROs conduct learning sessions on the ESMS Policy implementation to ensure that the updates are communicated to the internal stakeholders. ESMS trainings are conducted every year for the Bank's relationship managers (four ESMS trainings were conducted in 2025).

The ESMS Policy subscribes to IFC's 8 Performance Standards, as follows, to benchmark projects or business activities on. These are applied in the assessment of medium- and high-risk accounts as measures of enhanced due diligence:

- |  |   |
|--|---|
| 1. Assessment and Management of Environmental and Social Risks and Impacts | 5. Land Acquisition and Involuntary Resettlement                                    |
| 2. Labor and Working Conditions  | 6. Biodiversity Conservation and Sustainable Management of Living Natural Resources |
| 3. Resource Efficiency and Pollution Prevention                            | 7. Indigenous Peoples   |
| 4. Community Health, Safety, and Security                                  | 8. Cultural Heritage  |

Environmental and social due diligence (ESDD) conducted through site visits or desk reviews by the ESRO is integral to the assessment of high risk accounts. RCBC explains the importance of the ESDD process to clients and other stakeholders, and requires them to engage in activities that meet the Bank's sustainability standards. By means of RCBC's follow-through ESDD with its clients (18-24 month cycle), the Bank is able to validate the closure of previous ESDD findings by the next cycle of RCBC's evaluation, hence providing a proper monitoring mechanism for addressing potential E&S concerns. The actions taken by the clients affirm the development of the clients' shared commitment with RCBC toward sustainable practices.

<sup>22</sup> SFTG assessment is being handled by a separate team within the Sustainable Finance Division

Transactions which may be complex or have potential E&S concerns as well as those with unresolved matters over an established monitoring period are escalated for higher level review and discussion. The implementation of the Bank’s ESMS and the continual monitoring required under the Policy help create long-term solutions to E&S issues – mitigating negative effects on the environment and affected communities, and enhancing sustainable development impacts.

**What are the opportunities identified?**

RCBC is committed to promoting sustainable business practices and furthering sustainable finance.

**Management Approach to Opportunities**

RCBC’s sustainable portfolio is growing and continues to be ahead of the Bank’s erstwhile investments in coal and other fossil fuel energy assets. The Bank’s Eligible Sustainable Portfolio accounted for approximately 16% of total loan portfolio as of end-Dec 2025, surpassing the share of coal exposures and of ERC A accounts. Moreover, RCBC ended the year 2025 with its power generation loan portfolio dominated by RE financing. The Bank’s RE portfolio settled at over 7% of total loan portfolio, continuously surpassing the Bank’s remaining exposure to coal power generation projects.

Regular monitoring and reporting of eligible green and eligible social assets through the accomplishment of the Allocation Report is undertaken by the Sustainable Finance Officers who are part of RCBC’s Sustainable Finance Division. Periodic Allocation Reports are submitted and presented to the ROC, the Asset and Liability Committee, and to the Sustainable Finance Committee (SFC). The SFC is headed by the Chief Sustainability Officer with certain members of the Senior Management also comprising the Committee. These reports provide regular tracking of opportunities to further asset growth and/or fundraising through SFIs.

In its application of the SFTG, RCBC has identified borrowers that are able to contribute to climate change mitigation by avoiding or reducing GHG emissions through the nature of their businesses. These align with the Eligible Green Categories under the Bank’s Sustainable Finance Framework

**Procurement Practices**

Proportion of Spending on Local Suppliers

Disclosure (January 1 – December 31, 2025)	Quantity	Units
Percentage of procurement spending (actual payments) used for significant locations of operations that is spent on local suppliers	87.92	%

**Which stakeholders are affected?**

Stakeholder	Issues That Influence Their Assessments and Decisions (in relation to proportion of spending on local suppliers)
Management	- Local sourcing can be a strategy to help ensure supply
Community	- Payments to locally-based suppliers – economic inclusion as positive impact - Local sourcing can support a stable local economy and maintain community relations - By supporting local suppliers, an organization can indirectly attract additional investment to the local economy

**What is the impact and where does it occur? What is the organization’s involvement in the impact?**

The impact of our practice of spending on local suppliers is economic inclusion. This occurs in the supply chain and local community. This is caused by the organization, and is linked to impacts through the Bank’s business relationship with local suppliers.

**Management Approach to Impact**

RCBC supports the local economy and community. The Bank selects locally-based suppliers and promotes economic inclusion when selecting suppliers.

<b>What are the risks identified?</b>
Limiting procurement to only local suppliers may not necessarily result in lower costs; other suppliers must be considered to validate market prices.
<b>Management Approach to Risks</b>
RCBC follows a standard procurement procedure in purchasing the best resources at reasonable prices. This procedure is reviewed and revised as necessary.
<b>What are the opportunities identified?</b>
Supporting local suppliers can indirectly attract additional investments to the local economy, making their prices lower and supply readily available. In addition, it could lead to job generation. The creation of new businesses could be a potential source of new clients for the Bank and could help bolster the Philippine economy as a whole.
<b>Management Approach to Opportunities</b>
RCBC supports the local economy and community. The Bank selects locally-based suppliers and promotes economic inclusion in its procurement practices.

## Business Ethics

### Training on Anti-corruption Policies and Procedures

<b>Disclosure (January 1 – December 31, 2025)</b>	<b>Quantity</b>	<b>Units</b>
Percentage of employees to whom the organization’s anti-corruption policies and procedures have been communicated to	100 <sup>23</sup>	%
Percentage of business partners <sup>24</sup> to whom the organization’s anti-corruption policies and procedures have been communicated to	100	%
Percentage of management that have received anti-corruption training	100 <sup>25</sup>	%
<b>Disclosure (January 1 – December 31, 2025)</b>	<b>Quantity</b>	<b>Units</b>
Training: Percentage of employees that have received anti-corruption training	100	%

### Incidents of Corruption

<b>Disclosure (January 1 – December 31, 2025)</b>	<b>Quantity</b>	<b>Units</b>
Number of incidents in which directors were removed or disciplined for corruption	0	#
Number of incidents in which employees were dismissed or disciplined for corruption	0	#
Number of incidents when contracts with business partners were terminated due to incidents of corruption	0	#

<b>Which stakeholders are affected?</b>	
<b>Stakeholder</b>	<b>Issues That Influence Their Assessments and Decisions (in relation to business ethics and anti-corruption)</b>
Stockholders	<ul style="list-style-type: none"> <li>- How the company ensures that it has the necessary capability to fight against corruption</li> <li>- How serious the organization is on combating corruption</li> <li>- Advocate of transparency and accountability</li> <li>- Timely and transparent disclosures on governance</li> <li>- Enforcement of policies on anti-corruption, Anti-Money Laundering Act (AMLA) and Fraud</li> </ul>

<sup>23</sup> Conducted via regular and compulsory e-Learning courses and examinations for all employees and those with direct contracts with RCBC

<sup>24</sup> In this context, the term ‘business partners’ includes suppliers and customers/clients.

<sup>25</sup> Conducted via regular and compulsory e-Learning courses and examinations for all employees and those with direct contracts with RCBC

Loan/Fund Providers & Creditors/ Depositors	<ul style="list-style-type: none"> <li>- How the company ensures that it has the necessary capability to fight against corruption</li> <li>- How serious the organization is on combating corruption</li> <li>- Protection of deposits and loans/credits provided</li> </ul>
Customers/Clients	<ul style="list-style-type: none"> <li>- How the company ensures that it has the necessary capability to fight against corruption</li> <li>- How serious the organization is on combating corruption</li> <li>- Protection of deposits</li> </ul>
Employees	<ul style="list-style-type: none"> <li>- How the company ensures that it has the necessary capability to fight against corruption</li> <li>- How serious the organization is on combating corruption</li> <li>- Protection of employees</li> </ul>
Government/ Regulators	<ul style="list-style-type: none"> <li>- Transparency and accountability of the Bank</li> <li>- Compliance with rules and regulations set by BSP, SEC and PSE</li> <li>- Regular conduct of internal and external audits</li> <li>- Monitoring of ethics and compliance of the Bank</li> <li>- How the company ensures that it has the necessary capability to fight against corruption</li> <li>- How serious the organization is on combating corruption</li> </ul>
Public, Including media	<ul style="list-style-type: none"> <li>- How the company ensures that it has the necessary capability to fight against corruption</li> <li>- How serious the organization is on combating corruption – potential reputational impact for public legal cases regarding corruption</li> </ul>

**What is the impact and where does it occur? What is the organization’s involvement in the impact?**

RCBC’s cultivation of corporate culture is strongly founded on honesty and integrity. The Bank’s training programs on anti-corruption policies and procedures as well as disclosures on the Bank’s response to incidents of corruption result to the following:

- Increased capacity to prevent and combat corruption
- Awareness of how serious the organization is on combating corruption

**Management Approach to Impact**

RCBC conducts regular training and examinations to ensure that all employees (from senior management to rank and file) and those with direct contracts with RCBC are familiar with the Bank’s anti-corruption policies and procedures. The RCBC Board, as endorsed by the AML Board Committee approved the Bank’s Anti-Bribery and Corruption Policy on September 26, 2022. To ensure that it is disseminated to all employees, the Bank includes its Anti-Bribery and Corruption policy in the mandatory annual Code of Conduct eLearning.

New employees are apprised about the Bank’s anti-corruption policies during their New Employee Orientation Program.

The Bank has implemented action plans as a result of the Risk-Based audit performed since 2023 that includes releasing of periodic advisory to all employees, to update and declare more information on their immediate family members. Quarterly Assessment is likewise being performed by the Deputy Compliance Officers (DCO) as part of the Continuous Monitoring Plan Master Procedure.

**What are the risks identified?**

The risk of employees engaging in corrupt activities cannot be completely eliminated. Actual incidents of corruption may harm the Bank’s reputation.

**Management Approach to Risks**

RCBC strictly implements anti-corruption policies to prevent any corruption incident. The YGC Group does not tolerate any form of bribery and corruption. The Bank conducts training and examinations to ensure that all employees (from senior management to rank and file) and those with direct contracts with RCBC are familiar and reminded of the Bank’s

anti-corruption policies and procedures. From the first day that an employee is hired, RCBC discusses with the employee the Bank's Code of Conduct, including the anti-corruption policies and procedures. With this, Management ensures that all employees know and understand the policies and procedures, which should be followed throughout their tenure with the institution.

Regular corporate announcements remind employees of warning signs associated with illegal, unethical, or questionable activities/transactions. Employees are reminded to immediately report (confidentially and without risk of reprisal) any suspicious behavioral traits, warning signs, and other legitimate concerns through the whistleblowing channel of the YGC. Sanctions are imposed on erring employees. If an employee violates the company's anti-corruption policies, Management will take Legal action against them.

YGC Group maintains a zero-tolerance stance against all forms of bribery and corruption, particularly in its dealings with vendors, contractors, and service providers. The Group is committed to upholding the highest standards of integrity, transparency, and ethical conduct across the entire procurement lifecycle.

Fair dealing is consistently practiced throughout the end-to-end procurement process, from vendor pre-qualification and sourcing to contract award and performance management. Clear governance structures and defined approval authorities are in place to prevent conflicts of interest and ensure objective, merit-based decision-making. Compliance with applicable laws, internal policies, and ethical standards is strictly enforced, with expectations clearly communicated to all third-party partners.

Through these measures, the YGC Group promotes a culture of accountability and trust, safeguards the integrity of its procurement activities, and fosters responsible and sustainable partnerships with its suppliers and service providers.

#### **Adherence to the Code of Conduct:**

All employees are governed by the Bank's Code of Conduct, which revolves around the following Core Values of the Bank.

- **Customer Obsession.** We prioritize our customers in all decisions and actions, ensuring that our services meet their diverse needs.
- **Loyalty.** We pursue corporate interests as our own, speaking well of the company and taking pride in its achievements.
- **Integrity.** We uphold the highest standards of discipline, accountability, and ethical conduct in all interactions, building trust with customers and stakeholders.
- **Excellence.** We strive to be great, deliver quality results promptly, and improve our results continuously.
- **Nurturing.** We are responsible stewards of our environment and communities, encouraging social development and sustainability.
- **Teamwork.** We collaborate toward our shared goals and tap areas of synergy actively to deliver the best possible outcomes for the customers and communities we serve.

RCBC's Code of Conduct is designed to serve as a guide to employees on how they should conduct themselves within and outside the Bank premises and in dealing with clients/customers and co-associates. The document is published on the Bank's website<sup>26</sup>.

Adherence to this Code is the responsibility of each and every associate. It is administered uniformly throughout the Bank and is independent of the practices of other banks. It is a condition for continuous employment. Any breach of this Code may result in disciplinary action ranging from reprimand to termination of employment, depending on the gravity of the offense, after the observance of due process. The Code of Conduct is divided into five parts as follows:

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<sup>26</sup> RCBC. [https://www.rcbc.com/uploads/media/Code-of-Conduct-\(Rev\).pdf](https://www.rcbc.com/uploads/media/Code-of-Conduct-(Rev).pdf).

- |                             |  |
|-----------------------------|--|
| A. Treatment of Clients     | D. Conflict of Interests                 |
| B. Treatment of Bank Assets | E. Knowledge, Understanding & Compliance |
| C. Treatment of Others      |  |

Under Treatment of Clients and Treatment of Others, the Code of Conduct indicates the Bank's zero tolerance policy for improper behavior in dealing with clients and the Bank's adherence to a work environment that is healthy and safe, free from discrimination, harassment, and intimidation. RCBC further ensures that consumer protection standards and practices defined in its Financial Consumer Protection Framework are strictly observed and integrated into business operations. This strengthens the corporate culture and reinforces commitment to fair treatment of customers throughout every stage of their relationship with the Bank.

**Anti-Corruption Policies:**

Under Part D of the Code of Conduct, to avoid conflict of interest, employees are to conduct business transactions for the Bank in accordance with Bank policy and avoid direct or indirect use of the Bank's goodwill, reputation, funds and property or other resources for personal gain. This involves, among other things, accepting gifts, entertainment or favors from customers or suppliers; outside employment; outside directorship; and receiving commissions or benefits from customers or suppliers.

- *Gifts and Entertainment.* The Bank does not allow solicitation of gifts, directly or indirectly, from customers or suppliers. Under no circumstance do employees accept, directly or indirectly, payments, loans, kickbacks, special privileges or services in exchange for favors.
- *Favors.* The Bank does not buy business. This is obtained on the merits of the Bank's products, services and people. It does not bend rules nor offer money, illegal or inappropriate favors of unusual value to obtain or retain business. In this regard, any and all significant donations or contributions to or through a customer for whatever purpose using Bank property or funds should be with the prior authorization of the concerned Group Head. Should said donation or contribution be through the purchase of a raffle or lottery ticket, any prize or winnings therefrom, regardless of whether the ticket is in the employee's possession or in the employee's name, must be turned over to the Bank.
- *Receiving Commissions or Benefits.* Employees must avoid situations which may unduly influence the relationships with customers or suppliers in a position to transact business with the Bank. Employees must make sure that the procedures laid down in providing customer services or in purchasing goods and services are strictly followed. Employees who have a direct hand in choosing companies from which purchases of the Bank's business requirements are to be made, are discouraged to use said authority to obtain commissions or leverage to purchase the same item/s for personal interests at terms not otherwise available to his/her colleagues or the public. Suppliers and customers are chosen based on merit and not on what can be gained from them.

The Code of Conduct is a main topic included in the Bank's Employee Orientation Program which is held on a regular basis. The Bank's Code of Discipline provides penalties for violations of its Code of Conduct. Administrative cases are handled in accordance with the Bank's Administrative Cases Procedure and existing laws. The Personnel Evaluation and Review Committee (PERC) acts as an independent body in the evaluation and review of cases involving dishonesty, fraud, negligence or violation of any internal Bank policy, rule or procedure committed by an RCBC employee and ensures that the appropriate preventive, corrective and disciplinary measures are imposed on cases involving dishonesty, fraud, negligence or violation of any internal Bank policy, rule or procedure committed by an RCBC employee.

The Code of Conduct is being reviewed every year with an annual eLearning required for all employees. There are no reported incidents of bribery or corruption.

**Use of Insider Information:**

There are laws that prohibit the use of inside information when buying, selling or trading publicly traded securities, including RCBC securities. Inside information can take many forms, but always includes information which is not available to the public and which might influence an investor's decision to buy, sell or hold securities in a company.

Under the Code of Conduct, employees are prohibited from buying, selling or trading RCBC securities or the securities of other companies about which employees have inside information, until that information becomes public. In addition, this information should not be shared with anyone else, including family members or friends or anyone about trading in any securities based on this information.

**Whistleblowing Policy:**

The Bank's Whistleblowing Policy is a key element in safeguarding the Bank's integrity. It aims to enhance the Bank's transparency and system for combating practices that might damage its activities and reputation. Protecting the integrity and reputation of the Bank requires the active support of its stakeholders, particularly its employees. The following are the basic principles and system protection of the Bank's Whistleblowing Policy:

1. Employees and other stakeholders must be provided with alternative and sufficient channels for whistleblowing and communication. In certain instances, they must be able to bypass the main channels for whistleblowing if these prove inappropriate;
2. Employees and other stakeholders making the report in good faith should at all times be protected against reprisals;
3. Identity of the whistleblower making the report in good faith should remain confidential and anonymous;
4. Reported incidents shall be verified in an appropriate manner, and if confirmed, the Bank must take the necessary actions;
5. The rights of any person implicated in any report must be respected.

Reports of any actual or suspected criminal activities, unlawful acts or omissions, fraud, violations of the Code of Conduct and other bank policies, danger to health and safety, improprieties or malpractice in the workplace, including those relative to matters of financial reporting, internal control and/or auditing may be sent through the YGC Open Communication system<sup>27</sup> - a confidential and anonymous reporting system for the YGC.

The Bank's Human Resources Group (HRG) monitors all Whistleblowing reports and shall report potential fraud cases to the Corporate Governance Committee – a Board-level Committee. The Whistleblowing Policy provides that the HRG shall monitor all reported cases, and shall make a quarterly report to the Corporate Governance Committee on the number of reports received, corrective actions taken and the latest status of each case. The administration of the Whistleblowing Policy is handled by the HRG and the Compliance Group (formerly Regulatory Affairs Group)<sup>28</sup>.

**Anti-Money Laundering Act (AMLA):**

The Bank's Money Laundering and Terrorist Financing Prevention Program (MTPP) is a comprehensive and risk-based policy geared toward the promotion of high ethical and professional standards and the prevention of the Bank being used, intentionally or unintentionally for money laundering and terrorist financing. The MTPP is consistent with the Anti-Money Laundering Act of 2001, as amended, The Terrorism Financing Prevention and Suppression Act of 2012, and BSP Circular No. 706, as amended. The MTPP is updated at least once every two years or as often as necessary. This covers policies on Know Your Customer procedures, Record Keeping and Retention, Training, Risk Profiling and Covered and Suspicious Transaction Alerts Management. Central to improving the Bank's compliance with AML/ Counter-Terrorism Financing (CFT) related regulations is the periodic and trigger-based review and revision of the MTPP.

Another crucial component of the Bank's MTPP is the conduct of training and knowledge sharing. This is done for all new and current employees, including Directors and members of the Senior Management. The training is done via different platforms, i.e., online, web-based e-learning, or in-person. Furthermore, relevant officers attend external training and seminars conducted by industry experts and peers. Aside from periodic and regular training, the Bank ensures that new AML/CFT laws, regulations and policies are communicated to all relevant employees in the form of circulars, bulletins or advisories that implement the general policies of the MTPP.

<sup>27</sup> RCBC. Talk to Us. [www.rcbc.com/TalktoUs](http://www.rcbc.com/TalktoUs)

<sup>28</sup> RCBC. Corporate Governance – Company's Policies. <https://www.rcbc.com/corporate-governance>

**Internal Audit:**

RCBC is fundamentally committed to upholding sound internal controls, recognizing the internal audit function as essential to its governance and operational framework. The bank's Internal Audit is critical to this commitment, providing an independent, objective assurance and advisory service. Its primary mandate is to examine, evaluate, and continuously improve the effectiveness of the Bank's internal control systems – including controls over safeguarding assets, comprehensive risk management practices, and overall governance structures and processes.

To ensure the audit effort is strategically focused on the areas of highest risk exposure, RCBC adopts a robust risk-based methodology for developing its annual audit work plan. This systematic process is designed to:

1. **Risk Assessment:** The methodology systematically identifies all auditable areas within the Bank and evaluates their risk levels. This comprehensive assessment considers factors such as complexity of operations, significance of financial impact, and past audit findings, etc. The audit universe shall be composed of business units, processes or information technology systems, as well as the automated financial models used for internal control or decision making, which collectively contributes to the achievement of the bank's strategic objectives. The annual audit planning follows a three-year cycle to audit the whole audit universe.
2. **Prioritization:** Based on the risk assessment, a clear prioritization framework is established. This ensures that resources are allocated effectively to audit the most critical and high-risk areas first, thereby maximizing the value and impact of the audit function.
3. **Plan Development and Approval:** The resulting detailed annual audit work plan is developed and formally submitted to the Audit and Compliance Committee for approval. This ensures that the plan aligns with the Bank's strategic priorities and risk appetite.
4. **Reassessment and Alignment with Strategic Objectives:** The operational environment of a financial institution is dynamic, necessitating a periodic reassessment of the audit plan. Consequently, the mid-year reassessment is undertaken to confirm that the audit plan remains consistently aligned with the evolving goals, overarching strategies, and operational objectives of the Bank. This approach allows the Internal Audit function to respond proactively to emerging risks and significant changes in the operations and business landscape.

In recognition of the escalating importance of technology and the persistent threat of cyber risk, RCBC has implemented an IT Audit Framework for Cybersecurity. This framework is a critical component of the overall internal control structure and serves a vital purpose:

1. **Assessment of Policies and Effectiveness:** It provides management with an independent assessment of the Bank's established cybersecurity policies, along with a detailed evaluation of their operating effectiveness in practice.
2. **Identification of Control Concerns:** The framework is instrumental in proactively identifying security control concerns, weaknesses, or gaps that could potentially compromise the reliability, accuracy, integrity, and security of the Bank's enterprise data, systems, and core operations.

To maintain robust security posture, major units and systems that are pivotal in implementing the Bank's overall cybersecurity program are subject to audits on an annual basis. This ensures continuous oversight and necessary remediation in one of the Bank's most critical risk areas.

**Related Party Transactions :**

To align with the SEC Memorandum Circular No. 10, series of 2019 or the "Rules on Material Related Party Transactions (RPTs) for Publicly-listed Companies" issued on April 27, 2019, RCBC has updated the its Policy on Related Party Transactions on September 2025. The said policy defines "related party transactions" as transactions or dealings with related parties of the Bank, regardless of whether or not a price is charged. These shall include, but not limited, to the following:

- On- and off-balance sheet credit exposures, claims and write-offs;
- Investments and/or subscriptions for debt/equity issuances;
- Consulting, professional, agency and other service arrangements/contracts;
- Purchases and sales of assets, including transfer of technology and intangible items (e.g. research and development, trademarks and license agreements)
- Construction arrangements/contracts;
- Lease arrangements/contracts;
- Trading and derivative transactions;
- Borrowings, commitments, fund transfers and guarantees;
- Sale, purchase or supply of any goods or materials;
- Establishment of joint venture entities.

Likewise, the policy interprets RPT broadly to include not only transactions that are entered into with related parties but also outstanding transactions that were entered into with an unrelated party that subsequently becomes a related party. The term “related parties” under the Bank’s updated RPT Policy has been expanded in scope as it broadens the definition of “close family members” to include relatives of the Bank’s Directors, Officers and Stockholders<sup>29</sup> within the 4<sup>th</sup> degree of consanguinity or affinity, legitimate or common-law. Related parties also include corresponding persons in affiliated companies, those with direct or indirect linkages with the Bank, members of the Bank’s Advisory Board and subsidiaries of related parties.

To ensure efficient and proportionate governance, the Bank divided the review and approval of RPTs based on materiality between the RPT Committee and the RPT Management Committee. Both committees enforce the Bank’s policy that RPTs are conducted on arm’s length terms, i.e., it must be conducted in the regular course of business (fair process) and strictly not undertaken on more favorable economic terms than those offered to non-related parties under similar circumstances (fair terms). Mechanisms such as comparability analysis and benchmarking, alternative price discovery, and independent fairness opinions are required from the proponents to ensure effective oversight. Moreover, audit reports are periodically reported to both committees to ensure consistency of the RPTs with Board-approved policies and to flag any exceptions or breaches in exposure limits.

The RPT Committee (a Board-level Committee) is tasked to review material RPTs to ensure that they are conducted in the regular course of business and not undertaken on more favorable economic terms (e.g., price, commissions, interest rates, fees, tenor, and collateral requirement) versus similar transactions with non-related parties under similar circumstances. On favorable review, the RPT Committee endorses material RPTs to the Board for approval.

All material RPTs shall be approved by at least two-thirds (2/3) vote of the Board of Directors, with at least a majority of the independent directors voting to approve the material RPT. In case that a majority of the independent directors’ vote is not secured, the material RPT may be ratified by the vote of the stockholders representing at least two-thirds (2/3) of the outstanding capital stock. Material RPTs approved by the Board shall be submitted to the Stockholders for confirmation during the Annual Stockholders Meeting.

The RPT Management Committee is authorized to review and approve proposed RPTs below the materiality threshold or those that do not require Board approval, to ensure that said RPTs are conducted in the regular course of business and not undertaken on more favorable economic terms to such related parties than similar transactions with non-related parties under similar circumstances. On favorable review, the RPT Management Committee approves the non-material RPT and submits the same to the Board for confirmation.

Transactions with related parties involving amounts of at least Ten Million Pesos (PHP 10,000,000.00) are considered as material RPTs. The said threshold shall not apply to DOSRI loans and other credit accommodations and guarantees, and other transactions requiring Board approval under the regulations, i.e., cross-selling, outsourcing, etc., which are always considered “material” regardless of amount. Where the amount involved in the transaction is at least 10% of the combined assets of the RCBC Group, the transaction shall be accompanied by a fairness opinion issued by an external independent party to be appointed by the Board of Directors. Excluded transactions are RPTs that, regardless of the amount involved, are exempted from vetting, approval and reporting but still subject to other RPT requirements, such

<sup>29</sup> For stockholders, close family members refer to relative’s 2<sup>nd</sup> degree relatives of consanguinity and affinity.

as:

- 1) Deposit operations;
- 2) Investment in bonds issued by the Government of the Philippines, its political subdivisions and its instrumentalities.

The Bank's RPT policy shall be reviewed by the RPT Committee and approved by the Board every three (3) years or as necessary whenever there are any related amendments. The latest version of the Bank's RPT policy has been reviewed and approved in September 2025 to incorporate key changes on exemption of the sale of bank properties from prior vetting and endorsement by the RPT Committee. This updates the following list of transactions exempted from the vetting, approval and reporting requirements of RPTs provided that the amount involved in the transaction is less than the SEC Material RPT threshold (10% of the combined assets of the RCBC Group, based on the latest audited financial statements):

- 1) Regular trade transactions involving purchases and sales of debt securities traded in an active market. However, subject to post-reporting to the RPT Committee;
- 2) Pre-approved Treasury Transactions covered by the Policy on Related Party Transactions covering Treasury Deals<sup>30</sup>;
- 3) Credit card availments, except those with credit card lines with amounts falling under the definition of "material transactions";
- 4) Availments under the BSP-approved fringe benefit program;
- 5) Transactions that do not present a real risk of potential abuse, i.e. sale of fully depreciated assets; and
- 6) Sale of bank properties (e.g., repossessed cars and real estates) to related parties done through competitive/public bidding or auction. It is emphasized that the loan component of the sale, if any, is NOT covered by this amendment.

To ensure that conflict of interest is managed, interested directors and officers shall abstain from discussion, approval and management of such transaction or matter affecting the Bank. In case they refuse to abstain, their attendance shall not be counted for purposes of assessing the quorum and their votes shall not be counted for purposes of determining majority approval.

The Bank recognizes that transactions with related parties can generate financial, commercial and economic benefits not only for the Bank but for the entire group to which it belongs. At the same time, such transactions may give rise to material or heightened risks, including the potential for abuse that could adversely affect the Bank and its stakeholders. To address these risks, the Board, through the RPT Committee, exercises effective oversight over the design and implementation of the Bank's systems and internal controls for identifying, monitoring, measuring, controlling, and reporting RPTs, including periodic review of RPT policies and procedures. These mechanisms ensure that all RPTs are conducted strictly on an arm's length basis, thereby safeguarding the interests of the Bank and preventing any undue disadvantage to its stakeholders. While the absolute monetary value of RPTs has recently trended upwards as part of regular group synergies, these exposures remain strictly within the Bank's defined risk appetite and have not breached any internal or regulatory thresholds. The Bank monitors these exposures through continuous quarterly exposure tracking ensuring that any quantitative increase in RPT exposure is fully matched by a qualitative independent RPT Committee and RPT Management Committee oversight.

The Bank empowers both internal and external stakeholders to report concerns through established formal channels. The Bank's governance framework ensures that any potential abuses are identified and addressed through a dual-track grievance mechanism

**Employee Whistleblowing.** The Bank strictly implements a Whistleblowing Policy that encourages employees to communicate legitimate concerns regarding any illegal, unethical, or questionable RPTs. It is designed to be highly secure, guaranteeing confidentiality and protecting reporting employees from any risk of reprisal.

<sup>30</sup> For stockholders, close family members refer to relative's 2<sup>nd</sup> degree relatives of consanguinity and affinity.

**Stockholder Grievance Procedure.** To protect the interests of investors, particularly minority shareholders, the Bank enforces a dedicated grievance procedure outlined in the Corporate Governance Manual. This channel allows stockholders to formally report and express legitimate concerns regarding potentially abusive RPTs.

No significant issues, complaints, or cases of abusive RPT have been raised through these mechanisms to date. This validates the effectiveness of the vetting process of the RPT Committee and RPT Mancom Committee and demonstrates the robustness of the Bank’s strict pre-execution controls as discussed above.

The Compliance Group conducts regular employee training (at least annually) to enable bank associates to fully comply with their obligations and responsibilities under relevant RPT regulations and the Bank’s RPT Policy. The Compliance Group works with the Human Resources Group in ensuring that the training program and materials on RPTs are updated and relevant. The latest Policy on RPT including its Annexes, RPT Cover Sheets, Database of Related Parties, and Committee Charters are available in RCBC’s internal Library: Compliance Officer Library (COOL) and may be accessed by all Bank employees. The RPT eLearning was recently updated and all employees (including executives) must complete by 1H2026.

The Bank affirms its commitment to comply with all applicable RPT regulations and standards. Through effective Board oversight, and dedicated RPT Committee and RPT Management Committee, the Bank ensures that transactions with related parties are subject to appropriate review and approval processes, are conducted on fair and arm’s-length terms, and do not result in undue advantage or disadvantage to any party.

**What are the opportunities identified?**

RCBC’s profound adherence to business ethics has provided the Bank with a solid foundation for consistent growth, stakeholder confidence, and competitive edge. The internal audit activity, in particular, adds value to the Bank through the audit reports which summarize the risk exposures and control issues and provides recommendations in order to improve the governance, risk management, and control processes which will contribute to the achievement of the Bank’s overall objectives.

**Management Approach to Opportunities**

The internal auditors have free and full access to all the Bank’s records, properties, and personnel relevant to the internal audit activity. The Bank’s internal audit function has its continuing professional development policy which encourages and supports internal auditors to be continually abreast with relevant skills, knowledge and information through trainings and certification programs to adequately equip them in carrying out their duties and responsibilities. The Internal Audit Group conducts regular assessment and monitoring of the team’s competencies and coordinates with the Human Resources Group for its training and/or certification requirements. The Bank continuously conducts training and provides “eLearning” courses to ensure that all employees (from rank-and-file to senior management) and those with direct contracts with RCBC are familiar with and reminded of the Bank’s anti-corruption policies and procedures. Management reiterates via corporate announcements the importance and significance of the Bank’s Code of Conduct, including ethical standards and anti-corruption policies.

**ENVIRONMENT**

**Resource Management**

**Energy Consumption Within the Organization**

Disclosure (January 1 – December 31, 2025)	Quantity	Units
Energy consumption (renewable sources)	0	GJ
Energy consumption (gasoline)	0	GJ
Energy consumption (LPG)	0	GJ

Energy consumption (diesel)	1,413 <sup>31</sup>	GJ
Energy consumption (electricity)	RCBC Plaza: 473,620 <sup>32</sup> A.T. Yuchengco Centre: 1,369,644 Branches: 10,489,399	kWh

### **Reduction of Energy Consumption**

<b>Disclosure (January 1 – December 31, 2025)</b>	<b>Quantity</b>	<b>Units</b>
Energy reduction (renewable sources)	0	GJ
Energy reduction (gasoline)	0	GJ
Energy reduction (LPG)	0	GJ
Energy reduction (diesel)	663	GJ
Energy reduction (electricity)	- <sup>33</sup>	kWh

### **Which stakeholders are affected?**

<b>Stakeholder</b>	<b>Issues That Influence Their Assessments and Decisions (in relation to energy consumption)</b>
Management	- Efficiency of managing resources
Stockholders	- Profitability of the organization - Efficiency of managing resources
Suppliers	- How much energy is used by the organization - Suppliers' actions can affect the organization's ability to operate, implement its strategies, and achieve its objectives
Community, including environmental NGOs	- Extent of energy consumption alongside scarcity of supply
Public, including media	- Extent of energy consumption alongside scarcity of supply – potential reputational impact

### **What is the impact and where does it occur? What is the organization's involvement in the impact?**

Efficient energy consumption within RCBC's operations can translate to energy savings and effectively reduce emissions. This, in turn, can contribute to possible reduction in the country's significant reliance on fossil fuel-based energy.

### **Management Approach to Impact**

- RCBC continues to support the principles behind its Leadership in Energy and Environmental Design (LEED) certification (RCBC Plaza in Makati is a LEED-certified Gold-level building<sup>34</sup>). Energy conservation measures are applied in the Bank's day-to-day operations. RCBC ensures that it maintains its LEED Gold certification by spending on annual LEED consultation fees to comply with the climate adaptation requirements of the building.
- The Bank's headquarters – the RCBC Plaza in Makati City and the AT Yuchengco Centre (ATYC) in Taguig City have been powered by RE sources from ACEN since August 2024 and September 2024, respectively. As RE technology emits minimal GHG emissions, the use of RE for RCBC's head offices supports the Bank's move toward reducing its over-all GHG emissions.
- In 2025, the Bank's Sustainability e-Learning was updated to consolidate the previous versions released in 2021 and 2022. Similar to the past e-learning materials, the 2025 Sustainable e-learning is part of the Bank's Sustainability KRA and hence required for all Bank employees (including executives) to take. Aside from showcasing Bank-wide sustainability initiatives, the e-Learning has a module dedicated on contributions to the UN SDGs through each employee's daily activities. This includes practical and useful ways of promoting efficient energy consumption practices in line with UN SDG 7 (Affordable and Clean Energy).
- Starting 2025, the Bank's ATM systems have provided optional printing functions. In the credit cards business, RCBC

<sup>31</sup> This pertains to generator sets which make use of diesel.

<sup>32</sup> Data as of reporting date for RCBC Plaza has been updated to reflect only the RCBC banking floors with direct meter measurements.

<sup>33</sup> Aggregate consumption for all the branches. Energy reduction from electricity for further verification

<sup>34</sup> US Green Buildings Council Inc. RCBC Plaza. <https://www.usgbc.org/projects/rcbc-plaza>

has been promoting the use of electronic Statement of Account (SOA) to reduce printing of paper SOA. Most of monthly SOAs generated are sent via electronic mail. The reduced paper consumption resulting from these initiatives decreases the use of energy and other resources needed for transporting and discarding paper.

**What are the risks identified?**

GHG emissions from the generation of electricity contribute to global warming and climate change. Inefficient management of energy use can lead to higher operating costs, revocation of LEED certification, and inability to be benchmarked against other banks that have set sustainability goals and programs on energy conservation.

**Management Approach to Risks**

- Efficient energy consumption is one of the underlying objectives of cost control measures, as espoused by the Bank’s Budget Committee. These include guidelines on containing operating expenses through commitments on environmental responsibility and resource efficiency. The initiatives in support of these guidelines include switching to LED lighting systems and the application of energy-saving mechanisms in the office elevators. As more RCBC branches open in the country, it is necessary to continue monitoring overall consumption in a way that energy efficiency is practiced.
- The objective of reducing global warming is ingrained in a larger scale within RCBC's Sustainable Finance Framework which supports investments in RE. This is aligned with RCBC’s declaration to cease funding for the construction of new coal-fired power plants, with coal technology known to release more GHG per unit of energy produced (and hence increased global warming) compared to other electricity sources. The quantitative tool (PACTA and Climate Stress Test Model) also equips RCBC in measuring transition risk associated with lending to fossil fuel power generation projects.

**What are the opportunities identified?**

- Redesigning of offices / branches to further promote energy efficiency practices
- Continued knowledge-dissemination / awareness program on the relevance of efficient energy consumption to the Bank’s operations and to one’s day-to-day activities
- Development of understanding of carbon footprint and its relation to energy consumption

**Management Approach to Opportunities**

RCBC continues to adhere to its commitment to use energy more efficiently. The Bank implemented action towards operational efficiency leading to conservation of energy, reduction of emissions and use of other energy efficient technologies.

Starting 2022, RCBC has integrated a mandatory Sustainability Key Result Area (KRA) as part of the performance evaluation of all Bank employees (from executive level to staff posts). This KRA has been embedded in RCBC’s core value of “Nurturing” where the Bank commits to being responsible stewards of the environment and communities, and to encourage social development and sustainability. The internally-developed 2025 Sustainability e-Learning fosters this culture of immersion and training in Sustainability by including modules that emphasize the importance of reducing GHG emissions and of contributing to the UN SDGs through each one’s mindful use of energy and other vital resources.

**Water Consumption Within the Organization**

Disclosure (January 1 – December 31, 2025)	Quantity	Units
Water withdrawal	0	Cubic meters
Water consumption	RCBC Plaza: 141,375 <sup>35</sup> A.T. Yuchengco Centre: 10,692 Branches: 92,735	Cubic meters
Water recycled and reused	0	Cubic meters
Which stakeholders are affected?		
Stakeholder	Issues That Influence Their Assessments and Decisions (in relation to water consumption)	

<sup>35</sup> Water consumption data pertains to the entire premise of the building not just the RCBC-occupied floors.

Management	- Efficiency of managing resources
Stockholders	- Profitability of the organization - Efficiency of managing resources
Suppliers	- Changes in the organization’s water consumption versus supply availability
Community, including environmental NGOs	- Extent of water consumption alongside scarcity of supply
Public, including media	- Extent of water consumption alongside scarcity of supply – potential reputational impact

**What is the impact and where does it occur? What is the organization’s involvement in the impact?**

Efficient water consumption in the Bank’s operations can translate to savings, thereby contributing to preserving water as a limited resource.

**Management Approach to Impact**

- RCBC continues to support the principles behind its LEED certification (RCBC Plaza in Makati is a LEED-certified gold building). Water conservation measures are applied in the Bank’s day-to-day operations.
- The updated 2025 Sustainability e-Learning has a module dedicated on contributions to the UN SDGs through each employee’s daily activities. This includes reminders and prudent measures for conserving water in line with UN SDG 6 (Clean Water and Sanitation).

**What are the risks identified?**

The inefficient and improper use of water can lead to negative environmental impacts, in light of water being recognized as a limited resource. It can also lead to higher operating costs, revocation of LEED certification, and inability to be benchmarked against other banks that have set sustainability goals and programs on water conservation.

**Management Approach to Risks**

- Responsible water consumption is one of the underlying objectives of cost control measures as espoused by the Bank’s Budget Committee. These measures provide guidelines on containing operating expenses through commitments on environmental responsibility and resource efficiency. The initiatives in support of these guidelines include proper use of faucets and responsible consumption of drinking water.
- The objective of promoting responsible water consumption is ingrained in a larger scale within RCBC’s Sustainable Finance Framework which supports investments in Sustainable Water Management for clean water infrastructure, wastewater treatment, consumption, sustainable urban drainage systems, and other forms of flooding mitigation under the Eligible Blue Projects.

**What are the opportunities identified?**

- Continued knowledge-dissemination / awareness program on the relevance of responsible water consumption to the Bank’s operations and to one’s day-to-day activities
- Development of understanding social responsibility and its relation to preservation of natural resources

**Management Approach to Opportunities**

- RCBC continues to adhere to its commitment to use natural resources more efficiently. The Bank has implemented action towards operational efficiency including responsible water utilization and conservation.
- Starting 2022, RCBC has integrated a mandatory Sustainability KRA as part of the performance evaluation of all Bank employees (from executive level to staff posts). This KRA has been embedded in RCBC’s core value of “Nurturing” where the Bank commits to being responsible stewards of the environment and communities, and to encourage social development and sustainability. The internally-developed 2025 Sustainability e-learning fosters this culture of immersion and training in Sustainability by including modules that highlight the value of water conservation and of contributing to the UN SDGs through each one’s treatment of water as a vital and limited resource.

## Materials Used by the Organization

Disclosure (January 1 – December 31, 2025)		Quantity	Units
Materials used by weight or volume <sup>36</sup>			
<ul style="list-style-type: none"> <li>Renewable</li> </ul>		115,678	kg
<ul style="list-style-type: none"> <li>non-renewable</li> </ul>		1,070	kg
Percentage of recycled input materials used to manufacture the organization's primary products and services <sup>37</sup>		89.3	%
<b>Which stakeholders are affected?</b>			
Stakeholder	Issues That Influence Their Assessments and Decisions (in relation to materials used by the organization)		
Management	- Efficiency of managing resources		
Stockholders	- Profitability of the organization - Efficiency of managing resources		
Suppliers	- Changes in the organization's resource consumption versus supply availability		
Community, including environmental NGOs	- Environmental effects of materials used and practices employed by suppliers		
<b>Which stakeholders are affected?</b>			
Public, including media	- Environmental effects of materials used and practices employed by suppliers - potential reputational impact		
<b>What is the impact and where does it occur? What is the organization's involvement in the impact?</b>			
There is indirect impact brought about by RCBC's relations with its suppliers.			
<b>Management Approach to Impact</b>			
RCBC ensures that suppliers uphold sustainability standards and practices including compliance with Philippine laws. The supplier's environmental performance is observed during site visits. RCBC is able to influence suppliers to be sustainable through the supplier accreditation processes.			
<b>What are the risks identified?</b>			
The adverse environmental effects of a supplier's operations can impact the cost of its output and may be detrimental to the continuity of its operations. Aside from this, any negative impacts may lead to public outcry and/or government-initiated stoppage/revocation of business license. These cost implications and possible disruption will ultimately affect the Bank's operations as receiver of the supplier's services / products.			
<b>Management Approach to Risks</b>			
Due diligence prevents and mitigates negative impacts in the supply chain. Suppliers are assessed for a range of criteria. RCBC initiates due diligence as early as possible in the development of a new relationship with a supplier. Impacts may be prevented or mitigated at the stage of structuring contracts or other agreements, as well as via on-going collaboration with suppliers. The assessment of vendors includes their sustainability initiatives, inspection of facilities and policies relating to the vetting of vendors.			
<b>What are the opportunities identified?</b>			
Opportunities relate to improvements in RCBC's existing supply chain management as well as the avoidance of negative environmental and reputational impacts on the supply side. These can include changing the organization's procurement practices, adjusting performance expectations, capacity building, training, changes to processes, as well as terminating supplier relationships with those that are non-compliant.			
<b>Management Approach to Opportunities</b>			

<sup>36</sup> This includes printed forms, check books, and check vouchers, envelopes, and tempus calendars procured from suppliers.

<sup>37</sup> Data provided and collated from various suppliers.

RCBC continues to improve its existing supply chain procedure to avoid negative environmental and reputational impacts. The Bank employs sustainability-related questionnaires in the accreditation/vetting process of vendors. Furthermore, the YGC holds information campaigns geared towards vendors regarding YGC's sustainability initiatives.

RCBC pioneered the use of recycled materials for the Bank's credit cards in 2023, thereby reducing the use of virgin plastic in the Bank's operations. In 2025, around 4 tons of recycled plastics were used for personalized credit cards.

### Ecosystems and Biodiversity (Whether in Upland/Watershed or Coastal/Marine)

Disclosure (January 1 – December 31, 2025)	Quantity <sup>38</sup>	Units
Operational sites owned, leased, managed in, or adjacent to, protected areas and areas of high biodiversity value outside protected areas	None	
Habitats protected or restored	-	ha
IUCN <sup>39</sup> Red List species and national conservation list species with habitats in areas affected by operations	None	

#### Which stakeholders are affected?

Stakeholder	Issues That Influence Their Assessments and Decisions (in relation to ecosystems and biodiversity)
Government – DENR	<ul style="list-style-type: none"> <li>- Compliance with environmental laws and regulations</li> <li>- Reduction of environmental impacts</li> <li>- Concern for environmental protection</li> </ul>
Community, including environmental NGOs	<ul style="list-style-type: none"> <li>- Reduction of environmental impacts</li> <li>- Concern for environmental protection</li> </ul>
Public, including media	<ul style="list-style-type: none"> <li>- Reduction of environmental impacts and concern for environmental protection – potential reputational impact</li> </ul>

#### What is the impact and where does it occur? What is the organization's involvement in the impact?

RCBC's operational sites are not in, or adjacent to, protected areas, areas of high biodiversity value, protected or restored habitats, or areas where IUCN Red List species and national conservation list species have habitats. The operational sites of the Bank's clients, however, may be such, and the clients' operations may have negative environmental impacts.

#### Management Approach to Impact

In accordance with the ESMS Policy, all credit proposals for loans and other credit accommodations from RCBC need to go through E&S risk and impact assessment. Only activities or projects which pass the E&S risk and impact assessment shall be eligible for financing. The ESMS Policy is aligned with the requirements of the Department of Environment and Natural Resources (DENR) and provides industry-based requirements that take into account on the nature of the clients' business operations.

#### What are the risks identified?

The operational sites of RCBC's clients may be in, or adjacent to, protected areas, areas of high biodiversity value, protected or restored habitats, or areas where IUCN Red List species and national conservation list species have habitats. This may lead to negative environmental impacts.

#### Management Approach to Risks

The ESMS Policy adheres to the guidelines of the DENR-EMB. In addition, the ESMS Policy of RCBC subscribes to IFC's Performance Standards which include the evaluation of the impact of a borrower's business on ecosystems and biodiversity (IFC Performance Standard 6 Biodiversity Conservation and Sustainable Management of Living Natural Resources).

#### What are the opportunities identified?

<sup>38</sup> Refer to the discussion on Impact

<sup>39</sup> International Union for Conservation of Nature

Adhering to the protection of ecosystems and biodiversity promotes sustainable business practices.
<b>Management Approach to Opportunities</b>
RCBC's Sustainable Finance Framework supports financing for environmentally sustainable management of living natural resources and land use under its Eligible Green Project Categories.

## Environmental Impact Management

### Air Emissions: GHG

Disclosure (January 1 – December 31, 2025)	Quantity	Units
Direct (Scope 1) GHG Emissions <sup>40</sup>	Stationary <sup>41</sup> : 105 Mobile sources <sup>42</sup> : 1,634	Tonnes CO <sub>2</sub> e
Energy indirect (Scope 2) GHG Emissions	8,737 <sup>43</sup>	Tonnes CO <sub>2</sub> e
Emissions of ozone-depleting substances (ODS)	0	Tonnes
<b>Which stakeholders are affected?</b>		
Stakeholder	Issues That Influence Their Assessments and Decisions (in relation to management of GHG emissions)	
Stockholders	- Compliance with environmental laws and regulations – potential reputational impact that may lead to divestment	
Government – DENR	- Compliance with environmental laws and regulations - Reduction of environmental impacts - Concern for environmental protection	
Community, including environmental NGOs	- Reduction of environmental impacts - Concern for environmental protection	
Public, including media	- Reduction of environmental impacts and concern for environmental protection – potential reputational impact	
<b>What is the impact and where does it occur? What is the organization's involvement in the impact?</b>		
GHG emissions result from RCBC's energy consumption and emissions relating to diesel generators and fuel consumption in bank-owned vehicles.		
<b>Management Approach to Impact</b>		
Refer to details on Energy Consumption Within the Organization		
<b>What are the risks identified?</b>		
In addition to the details under Energy Consumption Within the Organization, the ESMS Policy of RCBC subscribes to IFC's Performance Standards which include due diligence inquiries on the borrowers' GHG emission quantification and reduction options (IFC Performance Standard 3 – Resource Efficiency and Pollution Prevention).		
<b>Management Approach to Risks</b>		

<sup>40</sup> Starting FY2025, the emissions relating to diesel use in generators (stationary sources) and fuel consumption in bank vehicles (mobile sources) have been disaggregated to reflect in the Bank's Scope 1 calculations.

<sup>41</sup> Emission factor for diesel at 0.0741 tonnes CO<sub>2</sub>e/GJ from ADB (<https://www.adb.org/sites/default/files/institutional-document/296466/guidelines-estimating-ghg.pdf>). Please refer to footnotes under Energy Consumption.

<sup>42</sup> Emission factor for mobile combustion are referred from the GHG Protocol ([https://ghgprotocol.org/calculation-tools-and-guidance#cross\\_sector\\_tools\\_id](https://ghgprotocol.org/calculation-tools-and-guidance#cross_sector_tools_id))

<sup>43</sup> RCBC Plaza, A.T. Yuchengco Centre, and Branches; emission factor for electricity at 0.7122 kgCO<sub>2</sub>e/kWh (simple operating margin, average EF from the grid) and 0.6836 kgCO<sub>2</sub>e/kWh (combined margin for wind and solar projects) from DOE (<https://www.doe.gov.ph/electric-power/2015-2017-national-grid-emission-factor-ngef>);

Refer to details on Energy Consumption Within the Organization
<b>What are the opportunities identified?</b>
Refer to details on Energy Consumption Within the Organization
<b>Management Approach to Opportunities</b>
In addition to the details under Energy Consumption Within the Organization, starting December 2024, RCBC has implemented the Sustainable Finance Taxonomy Guidelines (SFTG) as adopted by BSP Circular 1187. In its application of the SFTG, the Bank has identified borrowers that are able to contribute to climate change mitigation by avoiding or reducing GHG emissions through the nature of their businesses.

### Air Pollutants

Disclosure (January 1 – December 31, 2025)	Quantity	Units
NO <sub>x</sub>	-	kg
SO <sub>x</sub>	-	kg
Persistent organic pollutants (POPs)	-	kg
Volatile organic compounds (VOCs)	-	kg
Hazardous air pollutants (HAPs)	-	kg
Particulate matter (PM)	-	kg
<b>Which stakeholders are affected?</b>		
<b>Stakeholder</b>	<b>Issues That Influence Their Assessments and Decisions (in relation to management of air pollutants)</b>	
Stockholders	- Compliance with environmental laws and regulation – potential reputational impact that may lead to divestment	
Government – DENR	- Compliance with environmental laws and regulation - Reduction of environmental impacts - Concern for environmental protection	
Community, including environmental NGOs	- Reduction of environmental impacts - Concern for environmental protection	
Public, including media	- Reduction of environmental impacts and concern for environmental protection - potential reputational impact	
<b>What is the impact and where does it occur? What is the organization’s involvement in the impact?</b>		
As RCBC is engaged in traditional banking, it does not generate air pollutants in its operations. The Bank’s clients, however, may be generating this negative impact on the ecosystem as part of their production process.		
<b>Management Approach to Impact</b>		
Refer to details on Ecosystems and Biodiversity (Whether in Upland/Watershed or Coastal/Marine)		
<b>What are the risks identified?</b>		
The Bank’s clients may be generating air pollutants in their operations. The Bank may have indirect impact to the environment.		
<b>Management Approach to Risks</b>		
The ESMS Policy adheres to the guidelines of the DENR-EMB. In addition, the ESMS Policy of RCBC subscribes to IFC’s Performance Standards which include the evaluation of the borrower’s practices to promote resource efficiency and pollution protection (Performance Standard 3 Resource Efficiency and Pollution Prevention) that may be mapped against the requirements of the Philippine Clean Air Act for pollution prevention.		
<b>What are the opportunities identified?</b>		
Refer to details on Ecosystems and Biodiversity (Whether in Upland/Watershed or Coastal/Marine)		

**Management Approach to Opportunities**

In addition to the details under Ecosystems and Biodiversity (Whether in Upland/Watershed or Coastal/Marine), RCBC’s Sustainable Finance Framework recognizes projects that contribute to Pollution Prevention and Control as Eligible Green activities. While the Framework also supports Sustainable Marine Tourism Projects and Investments under Eligible Blue activities, these explicitly disqualify destination development with negative ESG impacts such as air or water pollution.

**Solid and Hazardous Wastes:**

**Solid Waste**

Disclosure (January 1 – December 31, 2025)	Quantity	Units
Total solid waste generated	RCBC Plaza: 789,894 <sup>44</sup> A.T. Yuchengco Centre: 53,950 <sup>45</sup>	kg
Reusable	0	kg
Recyclable	RCBC Plaza: 631,394	kg
Composted	0	kg
Incinerated	0	kg
Residuals/Landfilled	RCBC Plaza: 158,500 A.T. Yuchengco Centre: 53,950	kg

**Which stakeholders are affected?**

Stakeholder	Issues That Influence Their Assessments and Decisions (in relation to solid waste management)
Stockholders	- Compliance with environmental laws and regulations – potential reputational impact that may lead to divestment
Government – DENR	- Compliance with environmental laws and regulations - Reduction of environmental impacts - Concern for environmental protection
Community, including environmental NGOs	- Reduction of environmental impacts - Concern for environmental protection
Public, including media	- Reduction of environmental impacts and concern for environmental protection – potential reputational impact

**What is the impact and where does it occur? What is the organization’s involvement in the impact?**

RCBC’s ability to properly manage solid waste impacts the communities within the proximity of its operations, and the overall environmental welfare of the society.

**Management Approach to Impact**

RCBC minimizes the impact of its operational solid waste through pollution prevention measures, thereby reducing the quantity of solid waste. Compliance with Philippine Environmental Laws is adhered to across the organization.

**What are the risks identified?**

The generation, treatment, and disposal of waste, including its improper transportation, can pose harm to human health and the environment.

**Management Approach to Risks**

<sup>44</sup> Available solid waste data pertains to the entire premise of the building not just the RCBC-occupied floors.

<sup>45</sup> Estimated volume proportionate to the total leased area by RCBC

RCBC Plaza’s Solid Waste Management Plan includes reducing material costs and environmental impacts thus educating and encouraging tenants to reduce, reuse, and recycle for long-term purposes to lessen solid waste and minimize ecological impacts. Solid wastes are hauled by a third party; total amounts are then recorded and tabulated.

**What are the opportunities identified?**

- Digitization of banking transactions and redesign of offices / branches to promote waste reduction
- Continued knowledge-dissemination / awareness campaign on the benefits of waste reduction as part of environmental protection and social responsibility
- Development of understanding of carbon footprint and its relation to tree-cutting for paper production / consumption

**Management Approach to Opportunities**

- RCBC will continue to implement initiatives aimed at operational efficiency and digitization, including waste reduction / paper consumption. These include employees being encouraged to apply double-sided printing and lessening plastic waste.
- RCBC’s customer banking experience continues to promote ZERO forms to fill out<sup>46</sup>, hence significantly decreasing paper usage.
- In 2025, RCBC started to shift from paper-based correspondences to e-mail notifications. This project significantly lowers the paper consumption and waste along with less energy use in the transport and delivery of paper-based correspondences. Savings have also been realized due to lower postage and printing costs. These applies to the following implemented activities:
  - Cessation of sending paper-based Time Deposit (TD) Statement of Accounts (SOAs).
  - Reduction of paper usage by shifting paper-based notifications via registered mail to email notifications for various account correspondences.
- Starting 2022, RCBC has integrated a mandatory Sustainability KRA as part of the performance evaluation of all Bank employees (from executive level to staff posts). This KRA has been embedded in RCBC’s core value of “Nurturing” where the Bank commits to being responsible stewards of the environment and communities, and to encourage social development and sustainability. The internally-developed 2025 Sustainability e-learning fosters this culture of immersion and training in Sustainability by including modules that encourage activities resulting in GHG emissions reduction (e.g. recycling of paper and plastic) and contribute to UN SDG 12 (Responsible Consumption and Production).
- RCBC’s support for potential financing requirements also helps promote environmental responsibility for proper waste management. The Bank’s Sustainable Finance Framework includes waste management (excluding landfills), such as waste prevention, waste reduction, waste recycling and material recovery with emission abatement technology under the Eligible Green Project Categories.

**Hazardous Waste**

Disclosure (January 1 – December 31, 2025)	Quantity	Units
Total weight of hazardous waste generated	-	kg
Total weight of hazardous waste transported	-	kg

**Which stakeholders are affected?**

Stakeholder	Issues That Influence Their Assessments and Decisions (in relation to hazardous waste management)
Stockholders	- Compliance with environmental laws and regulations – potential reputational impact that may lead to divestment
Government – DENR	- Compliance with environmental laws and regulations - Reduction of environmental impacts - Concern for environmental protection

<sup>46</sup> Additional one form to fill out and sign if client applies for a Hexagon Club Membership (i.e. Hexagon Enrollment Form)

Community, including environmental NGOs	<ul style="list-style-type: none"> <li>- Reduction of environmental impacts</li> <li>- Concern for environmental protection</li> </ul>
Public, including media	<ul style="list-style-type: none"> <li>- Reduction of environmental impacts and concern for environmental protection – potential reputational impact</li> </ul>
<b>What is the impact and where does it occur? What is the organization’s involvement in the impact?</b>	
RCBC does not generate hazardous waste in its operations. The Bank’s clients, however, may be generating hazardous waste that is harmful to the environment (indirect impact).	
<b>Management Approach to Impact</b>	
Refer to details under Ecosystems and Biodiversity (Whether in Upland/Watershed or Coastal/Marine)	
<b>What are the risks identified?</b>	
The operations of RCBC’s clients may be generating hazardous wastes which are harmful to the environment.	
<b>Management Approach to Risks</b>	
The ESMS Policy adheres to the guidelines of the DENR-EMB. In addition, the ESMS Policy of RCBC subscribes to IFC’s Performance Standards which include the evaluation of the borrower’s practices to promote resource efficiency and pollution protection (Performance Standard 3 Resource Efficiency and Pollution Prevention) Under Performance Standard 3, the borrower’s operations are assessed in terms of compliance with environmentally sound disposal of hazardous and non-hazardous wastes.	
<b>What are the opportunities identified?</b>	
Refer to details under Ecosystems and Biodiversity (Whether in Upland/Watershed or Coastal/Marine)	
<b>Management Approach to Opportunities</b>	
Refer to details under Ecosystems and Biodiversity (Whether in Upland/Watershed or Coastal/Marine)	

## Effluents

<b>Disclosure (January 1 – December 31, 2025)</b>	<b>Quantity</b>	<b>Units</b>
Total volume of water discharges	-	Cubic meters
Percent of wastewater recycled	-	%
<b>Which stakeholders are affected?</b>		
<b>Stakeholder</b>	<b>Issues That Influence Their Assessments and Decisions (in relation to management of effluents)</b>	
Stockholders	<ul style="list-style-type: none"> <li>- Compliance with environmental laws and regulations – potential reputational impact that may lead to divestment</li> </ul>	
Government – DENR	<ul style="list-style-type: none"> <li>- Compliance with environmental laws and regulations</li> <li>- Reduction of environmental impacts</li> <li>- Concern for environmental protection</li> </ul>	
Community, including environmental NGOs	<ul style="list-style-type: none"> <li>- Reduction of environmental impacts</li> <li>- Concern for environmental protection</li> </ul>	
Public, including media	<ul style="list-style-type: none"> <li>- Reduction of environmental impacts and concern for environmental protection – potential reputational impact</li> </ul>	
<b>What is the impact and where does it occur? What is the organization’s involvement in the impact?</b>		
Refer to details under Ecosystems and Biodiversity (Whether in Upland/Watershed or Coastal/Marine)		
<b>Management Approach to Impact</b>		
Refer to details under Ecosystems and Biodiversity (Whether in Upland/Watershed or Coastal/Marine)		
<b>What are the risks identified?</b>		
RCBC’s clients may be generating effluents in their operations. This has negative implications on the environment.		
<b>Management Approach to Risks</b>		

In accordance with the ESMS Policy, all credit proposals for loans and other credit accommodations from RCBC need to go through E&S risk and impact assessment. Only activities or projects which pass the E&S risk and impact assessment shall be eligible for financing.

**What are the opportunities identified?**

Refer to details under Ecosystems and Biodiversity (Whether in Upland/Watershed or Coastal/Marine)

**Management Approach to Opportunities**

Refer to details under Ecosystems and Biodiversity (Whether in Upland/Watershed or Coastal/Marine)

**Environmental Compliance**

**Non-compliance with Environmental Laws and Regulations**

<b>Disclosure (January 1 – December 31, 2025)</b>	<b>Quantity</b>	<b>Units</b>
Total amount of monetary fines for non-compliance with environmental laws and/or regulations	0	PHP
No. of non-monetary sanctions for non-compliance with environmental laws and/or regulations	0	#
No. of cases resolved through dispute resolution mechanism	0	#

**Which stakeholders are affected?**

<b>Stakeholder</b>	<b>Issues That Influence Their Assessments and Decisions (in relation to environmental compliance)</b>
Management	<ul style="list-style-type: none"> <li>- Monetary fines</li> <li>- Non-monetary sanctions</li> </ul>
Stockholders	<ul style="list-style-type: none"> <li>- Compliance with environmental laws and regulation – potential reputational impact that may lead to divestment</li> </ul>
Customers/Clients	<ul style="list-style-type: none"> <li>- Interruption of business /operations due to breach of environmental laws/regulations</li> <li>- Reputational impact</li> </ul>
Employees	<ul style="list-style-type: none"> <li>- Interruption of business /operations due to breach of environmental laws/regulations</li> <li>- Reputational impact</li> </ul>
Government – DENR / Regulators	<ul style="list-style-type: none"> <li>- Compliance with environmental laws and regulation</li> <li>- Ability to conform to certain performance parameters</li> <li>- Concern for environmental protection</li> </ul>
Community, including environmental NGOs	<ul style="list-style-type: none"> <li>- Reduction of environmental impacts</li> <li>- Concern for environmental protection</li> </ul>
Public, including media	Compliance with environmental laws and regulation, ability to conform to certain performance parameters, and concern for environmental protection – potential reputational impact.

**What is the impact and where does it occur? What is the organization’s involvement in the impact?**

RCBC’s ability to conform to performance standards, environmental laws and regulations impacts the communities within the proximity of its operations, and the overall environmental welfare of the society.

**Management Approach to Impact**

RCBC is committed to comply with all environmental laws and regulations, and conform to performance standards. The Bank’s Regulatory Affairs Group (RAG) facilitates effective management of compliance risks by assessing the appropriateness of the Bank’s compliance procedures and guidelines, promptly following up any identified deficiencies and where necessary, formulating proposals for amendments. RAG reports to the Board through the Audit and Compliance Committee and the AML Committee.

**What are the risks identified?**

With the scale of operations of a major universal bank such as RCBC, there may be a possibility that certain requirements on environmental compliance may not be addressed on a timely manner. This notwithstanding, RCBC remains committed to comply with all environmental laws and regulations as well as fulfill any penalty that may arise from non-compliance. Non-compliance within an organization can indicate the lack of ability of management to ensure that operations conform to certain performance parameters. In some circumstances, non-compliance can lead to clean-up obligations or other costly environmental liabilities.

**Management Approach to Risks**

RCBC is committed to comply with all environmental laws and regulations, and conform to performance standards.

Under RCBC’s ESMS Policy, activities or projects funded by the Bank are evaluated in accordance with the guidelines of the DENR, Philippine Clean Water Act, Philippine Clean Air Act, The Indigenous Peoples Rights Act, and other E&S legislations.

**What are the opportunities identified?**

The strength of an organization’s compliance record can also affect its ability to expand operations or secure permits.

**Management Approach to Opportunities**

RCBC is committed to comply with all environmental laws and regulations, and conform to performance standards.

In the context of ESMS implementation, the clients’ compliance with E&S legislations is an affirmation of a shared commitment with RCBC in mitigating E&S risks and identifying opportunities in sustainable business practices.

**SOCIAL**

**Employee Management**

**Employee Hiring and Benefits**

**Employee Data**

Disclosure (as of December 31, 2025)	Quantity	Units
Total number of employees	6,635	#
a. Number of female employees	4,305	#
b. Number of male employees	2,330	#
Attrition rate <sup>47</sup>	8.94%	rate
Ratio of lowest paid employee against minimum wage	1.03:1	ratio

**Which stakeholders are affected?**

Stakeholder	Issues That Influence Their Assessments and Decisions (in relation to employee hiring)
Management	<ul style="list-style-type: none"> <li>- Direct cost implications either in terms of reduced payroll or greater expenses for the recruitment of employees</li> <li>- Efficiency of employees, talent retention</li> <li>- Quality of service provided by employees</li> </ul>

<sup>47</sup> Attrition rate = (no. of new hires – no. of turnover)/(average of total no. of employees of previous year and total no. of employees of current year)

Stockholders	<ul style="list-style-type: none"> <li>- Direct cost implications either in terms of reduced payroll or greater expenses for the recruitment of employees</li> <li>- Efficiency of employees</li> <li>- Quality of service provided by employees</li> </ul>
Employees	<ul style="list-style-type: none"> <li>- Satisfaction among employees</li> <li>- Equity in the workplace</li> </ul>
Customers/Clients	<ul style="list-style-type: none"> <li>- Efficiency and quality of service provided by employees – sufficient number of employees</li> </ul>
Gov't – DOLE	<ul style="list-style-type: none"> <li>- Protection of employees</li> </ul>
Community	<ul style="list-style-type: none"> <li>- Optimal use of available labor and talent in different regions</li> </ul>
Public, including media	<ul style="list-style-type: none"> <li>- Ability to attract and retain diverse, qualified employees; inclusive recruitment practices; satisfaction among employees; equity in the workplace – potential reputational impact</li> </ul>

### **Employee Benefits**

<b>List of Benefits (January 1 – December 31, 2025)</b>	<b>Y/N</b>	<b>% of female employees who availed for the year</b>	<b>% of male employees who availed for the year</b>
SSS	Y		
Maternity/Paternity	Y	6%	
Sickness	Y	1%	<1%
Salary Loan	Y	35%	25%
PhilHealth	Y	7%	3%
Pag-ibig Loan	Y	26%	20%
Parental leaves	Y	1%	4%
Vacation leaves	Y	87%	85%
Sick leaves	Y	73%	62%
Medical benefits (aside from PhilHealth)	Y	66%	44%
Housing assistance (aside from Pag-ibig)	Y	<1%	<1%
Retirement fund (aside from SSS)	Y	2%	3%
Further education support	N	-	-
Company stock options	N	-	-
Telecommuting	Y	32%	22%
Flexible-working Hours	N	-	-

#### **Which stakeholders are affected?**

<b>Stakeholder</b>	<b>Issues That Influence Their Assessments and Decisions (in relation to employee benefits)</b>
Stockholders	<ul style="list-style-type: none"> <li>- Satisfaction among employees – efficiency and quality of service provided by employees</li> </ul>
Employees	<ul style="list-style-type: none"> <li>- Organization's investment in human resources</li> <li>- Quality of benefits</li> <li>- Protection of employees' well-being</li> <li>- Employee engagement and retention</li> <li>- Work/life balance</li> <li>- Understanding of Bank's mission, vision, and strategies</li> </ul>
Govt – DOLE	<ul style="list-style-type: none"> <li>- Protection of employees</li> </ul>

Community	- Organization's investment in human resources, and the quality of benefits, which allow members of the community to decide whether to work for the organization – the organization's ability to attract and retain talent / potential employees in the community can affect its ability to operate, implement its strategies, and achieve its objectives
Public, including media	- Satisfaction among employees, organization's investment in human resources, and the quality of benefits – potential reputational impact

**What is the impact and where does it occur? What is the organization's involvement in the impact?**

Effective employee management leads to satisfaction among RCBC's employees and equity in the workplace.

**Management Approach to Impact**

**RCBC's Most Important Asset: Its People**

In support of the Bank's growth strategy and plans, the Human Resources Group (HRG) is committed to organizational capability building and continues to lead programs and initiatives on talent management and development, leadership continuity, retention programs, employee well-being, and corporate social responsibility. RCBC invests in human resources. The quality of benefits for full-time employees is a key factor in retaining employees.

**Compensation and Rewards Program:**

RCBC commits to pay its employees, salaries/compensation consistent with job performance and the requirements of the law and one that is competitive with the banking industry. The Bank gives importance to equitable pay differentials for different types of work and hence pays within an established salary structure for the different job levels. The Bank likewise provides officers with incentives and rewards for contribution to the business objectives of the Bank.

1. The Bank implements and maintains a sound **Compensation and Incentive Program** with the following objectives:
  - a. To establish a basis for determination and management of compensation, salary increase and performance incentives.
  - b. To provide financial incentives through the proper administration of salaries and other means of compensation for each individual to motivate them to do their best on their job.
  - c. To maintain competitive salary levels/structures consistent with those in the banking industry.
  - d. To ensure retention and attraction of performing and key talents in the organization.
2. To guide the Bank in managing the compensation levels of its employees, a salary structure was designed and developed using the following parameters:
  - a. **Job Evaluation.** Job Evaluation is a systematic procedure for analyzing, measuring and classifying positions in terms of common job elements or factors found in every position. The current salary structure is based on the existing job grading system for Officer levels ranging from First Officer up to Senior Executive Vice President. The HRG has the responsibility of ensuring that jobs are rated properly and continuously as they change over time due to reconfiguration of functions or reorganizations.
  - b. **Target Market Group.** The salary structure was based on market data of banks deemed as peers by RCBC. Data on these peer banks are obtained from industry and national surveys conducted by private consultancy companies and trade and employee associations.
  - c. **Target Positioning Objective.** In terms of target positioning objectives, the Bank receives instruction from Management on the desired positioning in relation with the Target Market Group or the banking industry in general. This positioning is targeted at both the market's guaranteed pay and total annual cash compensation.
3. The salary structure is reviewed regularly by HRG to maintain its relevance and competitiveness internally and externally.
4. In case surveys and studies reveal that the salary structure is grossly sliding off as compared to the industry or its Target Market Group, it is incumbent upon HRG to come up with recommendations to correct the disparity and to discuss said recommendations with Management.

5. Final approval of recommendations with regard to changes in the compensation structure and policies will need to be secured from the Corporate Governance Committee – a Board level Committee.
6. Administration, implementation and maintenance of the Bank’s Compensation and Incentive Program shall be the direct responsibility of HRG, particularly by its Group Head, Department Head for Compensation and Benefits and Department Head for Career Management.
7. The Compensation and Incentive Program shall be composed of:
  - a. **Basic Pay.** This refers to the employee’s monthly take-home pay, exclusive of overtime pay.
  - b. **Guaranteed Pay.** Part of the annual compensation supplementary to the Basic Pay such as the 13th month pay.
  - c. **Variable Pay.** This refers to additional incentives, Merit Increase (for Officers) and Promotional Increase (for Non-Officers and Officers), given to eligible employees based on their contributions to the Bank’s overall objectives. Performance evaluation metrics include the fulfillment of the Sustainability KRA by each RCBC employee, including Senior Management , with the objective of promoting E&S responsibility among all employees. The performance rating on this Sustainability KRA factors into the Variable Pay for all RCBC employees, from Non-Officers up to the President and CEO, with the accomplishment of the Sustainability e-Learning serving as one of the key components.

**Employee Retention:** Recognizing the continuing competition for talent, HRG’s retention programs have helped manage the Bank’s attrition rate at 8.94% in 2025 which is below industry level.

**Employee Engagement:** RCBC provides employee satisfaction survey to the employees. The survey reflects the employee’s assessment of the unit’s delivery of service and the areas for improvement.

The Bank is committed to providing its employees with continuous opportunities for development, an appreciation of job scope and expectations, and meaningful contributions to the Bank’s vision, mission, and strategies in order to promote and foster a high-performance culture – one where organizational goals are consistently achieved or even exceeded.

In line with this philosophy, the Bank implements the Performance Management Policy that purports to govern the Bank-wide Performance Management System (PMS) and effectively communicate the Bank’s goals and strategies while aligning with each employee’s goals and target results. Specifically, this policy focuses on the following objectives:

1. Define and agree on key result areas, performance indicators, and measures;
2. Discuss feedback on employees’ output and accomplishments based on clearly defined goals and objectives, job description, and performance standards;
3. Communicate information for career planning and individual development;
4. Provide a structured basis for decisions on total rewards, employee movements, and discipline management; and
5. Encourage open communication and supportive relationships between employees and their supervising officers and within work teams.

The Bank has an institutionalized Hybrid Work Arrangement for its workforce. Employees who are part of this arrangement are expected to perform their daily tasks and complete their set goals. The telecommuting workforce is given the same treatment as that of comparable employees working at the office.

**Human Resource Information System:**

HRG maintains and manages the Bank’s Human Resource Information System (HRIS) where all employee data (from hiring to separation) are inputted and stored. Even prior to the pandemic, the HRIS had already been set-up and available for employees to access offsite.

**What are the risks identified?**

While RCBC constantly improves its employee benefit packages, employees may deem those of other companies to be

more attractive.

**Management Approach to Risks**

RCBC invests in human resources. The quality of benefits for full-time employees is a key factor in retaining employees. RCBC has 17th month pay for rank and file employees, a benefit that is superior to other peer banks. RCBC constantly improves its employee benefit packages to keep them competitive, in order to retain employees and attract new applicants. Promotion is based on full-year performance and accomplishments are measured through predefined Key Results Areas (KRAs), including the Sustainability KRA. While not all non-officer employees are members of the RCBC Employees Association, they are covered by the Collective Bargaining Agreement (CBA)<sup>48</sup>. In November 2021, the Bank (not including its subsidiaries) and the RCBC Employees Association peacefully agreed on the 3-year economic provisions and the 5-year non-economic terms of the CBA for the period 01 October 2021 to 30 September 2026.

**What are the opportunities identified?**

Equitable gender choice for parental leave and other leave entitlements can lead to the improved recruitment and retention of qualified employees. It can also boost employee morale and productivity.

**Management Approach to Opportunities**

RCBC immediately adopts all new benefits as mandated by law. For example, RCBC has implemented the expanded maternity leave benefit, applicable to all employees, announcing it through the Bank’s internal network messaging platform. With this, the Bank’s employees know that RCBC is immediately compliant with the new benefits and the Bank encourages qualified employees to avail of these.

**Employee Training and Development**

<b>Disclosure (January 1 – December 31, 2025)</b>	<b>Quantity</b>	<b>Units</b>
Total training hours provided to employees	1,305,414	hours
a. Female employees	848,519	hours
b. Male employees	456,895	hours
Average training hours provided to employees	197	hours/employee
a. Female employees	128	hours/employee
b. Male employees	69	hours/employee

**Which stakeholders are affected?**

<b>Stakeholder</b>	<b>Issues That Influence Their Assessments and Decisions (in relation to employee training and development)</b>
Stockholders	Organization’s investment in training, and the degree to which the investment is made across the entire employee base – efficiency and quality of service provided by employees
Employees	Talent acquisition and development: organization’s investment in training, and the degree to which the investment is made across the entire employee base
Customers/Clients	Efficiency and quality of service provided by employees – properly trained employees

**Which stakeholders are affected?**

<b>Stakeholder</b>	<b>Issues That Influence Their Assessments and Decisions (in relation to employee training and development)</b>
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<sup>48</sup> The formal grievance escalation and reporting is covered under the Bank’s Collective Bargaining Agreement.

Community	Organization’s investment in training and the degree to which the investment is made across the entire employee base, which allow members of the community to decide whether to work for the organization – the organization’s ability to attract and retain talent / potential employees in the community can affect its ability to operate, implement its strategies, and achieve its objectives
Public, including media	Organization’s investment in training, and the degree to which the investment is made across the entire employee base – potential reputational impact

**What is the impact and where does it occur? What is the organization’s involvement in the impact?**

When an employee stops learning, his/her development is held back. RCBC therefore commits to provide as many programs as possible for each employee to undergo.

RCBC has also subscribed to LinkedIn Learning in 2025 and provided licenses to all employees in 2025 to allow each employee to access learning anytime, anywhere. 100% of employees receive training (as there are several courses required for all. In 2025, AI for Everyone is required for all.

**Management Approach to Impact**

Resulting from an internal employee survey conducted in 2025, RCBC was recognized by BusinessWorld as the Best Place to Work for very large organizations due to its “People First” philosophy<sup>49</sup>. In addition, RCBC won Merit Awards in several categories:

- Merit Award for Best Places to Work across all Organization Sizes
- Merit Award for Best Places to Work for:
  - Women Employees
  - Ethnic Minorities
  - LGBTQIA+ Employees
  - Disabled Employees
  - Employees Ages 16-34
  - Employees for Ages 55 and up
  - Employee Well-Being

In support of the Bank’s growth strategy and plans, the HRG is committed to organizational capability building and continues to lead programs and initiatives on talent management and development, leadership continuity, retention programs, employee well-being and corporate social responsibility.

The Bank invests in training and developing employees, and upgrading employee skills. The Bank is fully committed to providing learning and development opportunities across all job levels. Management has introduced and offered various training programs and seminars. In 2025, learning sessions were delivered face-to-face and hybrid. There were 19,432 attendees to both internal and external trainings. A total of 49,355 eLearning courses were recorded as taken by the employees in 2025.

**Investment in People: Learning and Development**

RCBC is committed to provide a strong learning and development platform for all employees across all job levels. The HRG continued to strengthen the talent pipeline and brought further competencies on the job by facilitating various training programs and seminars benefiting 16,511 (internal training) attendees, addressing the competencies of Leadership, Customer Service, Sales Planning and Management, Product and Technical Knowledge, Risk Management, AML/Compliance. A total of 2,921 employees were also sent to various external training programs, including eLearning courses offered by external providers.

<sup>49</sup> <https://www.bworldonline.com/special-features/2025/12/09/718044/a-celebration-of-raising-workplace-standards/>

## Employees as Partners in Growth and Development

The Bank is dedicated to cultivating a robust talent pipeline, ensuring a bench of leaders capable of maintaining seamless business continuity across any organizational transition. Beyond technical readiness, RCBC prioritizes a deep understanding of the unique drivers and motivations that fuel the performance of both our incumbents and their successors.

As RCBC establishes its leadership and continues to grow in the digital banking space, the Bank is fully committed to provide learning and development opportunities across all job levels throughout the organization with its various development programs and seminars.

- The Bank supports employees who need to get certification, especially those that are related to the role that they have. Some examples of these are the Treasury Certification Program with BAP, the UITF Certification Program with Trust Officers Association of the Philippines (TOAP), and other continuing education requirements like the Mandatory Continuing Legal Education, the Continuing Education requirements for Accountants, and Real Estate Appraisers. A JPY (Japan Yen) Certification was also arranged in 2025.
- The Bank continues to offer job- and role-specific development programs in 2025 such as Analyst Competency Training, Junior Officer Competency Training, SA/SM/SO Continuing Training, SRO Bootcamp, BRO Development Program, RBG Sales Bootcamp.

In support of the People Transformation Initiative of the Bank, the RCBC Leadership University was rebranded to the RCBC University with three major pillars: (1) The RCBC Leadership Academy, (2) The RCBC Digital Academy, and (3) The RCBC CX Excellence Academy.

### (1) The RCBC Leadership Academy

As the Bank acknowledges the need to develop its next generation of leaders, the RCBC Leadership Academy reintroduced and launched new courses such as:

- Rebranding of the Officers Development Program or ODP to DELTA (Digital Excellence and Leadership Training Academy);
- Establishing the Wealth Management Academy;
- Creation of the Senior Reserve Officer (SRO) Bootcamp (under the Branch Services Development Program) to train a pool of branch service officers from high-potential service associates; and
- Continuing and improving the General Operations and Learning Development (GOLD) program.

For the RCBC Leadership Academy, the Bank partners with the De La Salle University School of Lifelong Learning to deliver the Middle Management Development Program. The partnership with LinkedIn Learning is also a strategy to provide more learning solutions accessible to all employees, anytime, anywhere.

### (2) The RCBC Digital Academy

Programs offered to employees include Design Thinking,; Agile Scrum Project Management,; Virtual Consultative Selling; Fintech Foundation Program Flex (an online, self-paced program offered by 10x1000.org); and the RCBC CX Excellence Academy.

### (3) The RCBC CX Excellence Academy

RCBC also embarked on a journey of transforming its Digital and Customer Centricity Culture and introduced the CX Award for Customer Excellence (ACE) initiative. This program recognized individuals who go out of their way to provide excellent and remarkable customer experience for our clients. Three (3) individuals and eight (8) teams received special citations.

The Bank continues to invest in its employees through various training programs strategically focused on digital transformation and customer-centricity, sales planning and management, product knowledge, leadership, risk management, and technical skills. The Bank's commitment to up-skill the knowledge and capabilities of its employees in order for them to be ready to face the changes in the business landscape, were supported by the following initiatives:

- TOPGUN, (Treasury, Operations, Products, Governance, Underwriting, and Innovation), RCBC's part-time management training program launched in 2024 and continued in 2025. The program aims to provide participants with a broader view of the entire bank, helping them become well-rounded professionals. Thirty-seven (37) officers graduated from the program.
- For the branches, new programs launched in 2024 were carried on: the Continuing Programs for Service Associate, Service Manager and Service Officers with a total of 243 attendees and the Branch Service Manager Program with 91 attendees. A special course on AML Name Screening was also conducted and attended by 1,710 branch employees.
- For the Bank's Senior Leaders during the Board Offsite, 27 SMC attended 3 learning sessions on Payments, CX, AI and NPS. They also attended an Executive Cyber Tabletop Exercise and a session on Business Dining Etiquette.
- The RCBC Internship Program was launched in 2023. The program ran for 8 weeks, and allowed 3rd and 4th year students from the top universities of the Philippines to gain experience in the field of banking. The program was designed in a way that would expose the interns to different bank processes, clients, products, and other day-to-day activities, and allow them to apply the knowledge that they gained in a practical manner. It also provided the interns with program-related and career-related work experience, as they were assigned to areas that aligned with their respective courses. In 2025, 22 interns attended the RCBC Internship Program.

The RCBC University also had the following milestones:

For the RCBC Leadership Academy, the following management training programs were completed – the Digital Excellence and Leadership Academy (DELTA) with 16 graduates, and also with 1 graduate who will proceed to the DELTA-CODEX, the leadership development program of Regulatory Affairs Group and 3 will proceed to the DELTA-GOLD, the leadership development program of the Head Office Operations Group.

Three runs of the SRO (Service and Reserve Officer) Bootcamp were completed and produced 76 new branch service officers; while 1 run of the BRO (Branch Relationship Officer) Development Program was completed and produced 10 new branch sales officers. A second run commenced in November 2025 and completed in January 2026 with 16 new branch sales officers.

For RCBC Digital Academy, a total of 83 employees attended Design Thinking, while 130 employees attended Agile Scrum Project Management. Another initiative of the Digital Academy is the Fintech Foundation Program Flex, an online, self-paced program offered by 10x1000.org. A total of 2,298 employees completed this in 2025.

For the RCBC CX Excellence Academy, CX Fundamentals Training remains to be a staple program and all new hires are invited to attend it. A total of 915 attended in 2025. On its fourth year, the ACE was awarded to 3 individuals and 8 groups.

For the Institutional Banking Group, Advanced Credit, a new program, was launched. This workshop aims to build credit competence and strengthen credit discipline among IBG relationship managers and credit officers. 4 runs for the Business Banking Group were conducted in 2025 with 103 participants.

In 2025, four e-Learning programs launched by the Bank were required to the employees: Foundational Training on Agile, Code of Conduct 2025, Sustainability 2025, and AMLA 2025. The Bank also signed an agreement with LinkedIn Learning to provide access to the learning platform for all employees. As of Aug 2025, all hired employees had their accounts activated. From the courses available in LinkedIn Learning, DSAG and HRG curated an AI for Everyone learning pathway, aimed to provide basic knowledge on AI to all employees. In compliance with the BSP Directive to have all UITF Selling Personnel accredited, the Bank conducted 3 review sessions to prepare those who will take the TOAP accreditation. A total of 100 employees attended the review sessions and 69 were registered with TOAP to take the accreditation exam.

The Bank also conducts regular trainings and examinations to ensure that all employees (from senior management to rank and file) and those with direct contracts with RCBC are familiar and reminded of the Bank's anti-corruption policies.

Under the Bank's Corporate Governance Framework, the Board of Directors is provided with the Annual Continuing Training Program. This is a mandatory program which aims for the directors to be continuously informed of the developments in the business and regulatory environments, including emerging risks relevant to RCBC. It involves courses on corporate governance, matters relevant to the Bank, including audit, internal controls, risk management, sustainability, and strategy. The annual continuing training shall be at least for four hours. The program offered for Corporate Governance in 2025 is Strategy in Motion: The Evolving Role of Governance.

As part of safeguarding the over-all health of employees, the Bank continued to offer "Your Well-Being Matters" webinar, with our resident expert Dr Michele Alignay. The following webinars were offered in 2024:

1st quarter, Focusing on the Good, 273 attendees; 2nd quarter, Tension to Resolution, 247 attendees, 3rd quarter, Cultivating Self-Awareness, 250 attendees, and 4th quarter, Embracing Adversity and Building Resiliency, 138 attendees.

In 2025, the Bank formalized its commitment to the Working with Cancer Pledge through partnership with Ayala Healthcare Holdings, Inc. or AC Health. The Working with Cancer Pledge is a global movement that aims to end the stigma of cancer in the workplace by fostering a more supportive, open, and recovery-forward environment for employees. Strengthening this commitment, the Bank introduced the following initiatives:

- Cancer Care Leave benefit which provides additional leaves to those who are diagnosed with cancer. In 2025, a total of 40.5 Cancer Care Leave credits were availed by employees who are cancer patients; and
- WWC (Working with Cancer) Series also commenced in 2025 with the aim of providing employees with learning sessions on cancer. The first webinar entitled Detect to Protect: The Power of Cancer Screening was attended by 187 employees.

The new programs developed in 2024 to address Self Mastery and Personal Leadership continued to be conducted in 2025. To help our Gen Z partners navigate and adjust to their work environment, GRIT: Empowering our Gen Z Partners, with 26 runs and attended by 474. For junior leaders, Lead from Within: Elevate your Vision, Influence, and Action with 31 runs and attended by 554 employees. A spin-off program from GRIT, KYZ – Know Your Gen Z, was also conducted. KYZ aims to help leaders, managers, and supervisors gain deeper perception, understanding, and appreciation of Gen Z Bank partners, optimize performance in the workplace, foster meaningful connections and collaborations with colleagues, and demonstrate successful management and leadership support behaviors relevant to our Gen Z colleagues. There were 17 runs attended by 325 employees.

### **Employees as Partners in Sustainable and Inclusive Growth**

Being a financial institution that aims to operate sustainably and responsibly, RCBC recognizes the need to have a strategic and proactive human resource that supports its long-term business goals and outcomes. This means anticipating opportunities as well as challenges to its operating environment, including facing epidemics, pandemics, and other potential disruptions, and putting the necessary safeguards to protect employees and other stakeholders.

In the Bank's mission to empower and sufficiently equip employees with the necessary training and skills to advance sustainability and inclusivity, it conducted regular training sessions for frontline staff on the Bank's ESMS Policy. Sustainability eLearning modules were also developed to elevate employees' understanding of the Bank's role in ESG and their individual responsibilities toward the community and the environment. Performance evaluation metrics include the Sustainability KRA as a mandatory accountability of each RCBC employee, including Senior Management.

Bank employees also have a chance to participate in social responsibility activities in collaboration with the Alfonso

Yuchengco Foundation (AYF) and the YGC Corporate Services. This includes the YGC Earth Care Project of the YGC Corporate Services (please refer to details under this report’s section on Relationship with Community).

### **Employees and Clients as Partners Through Generations**

The Bank’s success is made possible through steady and true partners— each and every RCBC Banker working to make things happen, our customers and our shareholders who have trusted us **through generations**, and our leaders and our Board of Directors for the purposeful collaboration and teamwork.

RCBC has an employee Legacy Club, where membership is solely by virtue of DNA. This Club, with 49 current members, was organized to honor family ties and the generational legacy of RCBC employees and parents who have worked for the institution. This is a special club because it embodies and emphasizes the importance of passing down values and knowledge to the next generation, which is a key aspect of building a strong and sustainable company culture. The RCBC Legacy Club is intended to provide an opportunity for the members to connect and to celebrate the shared history with the company as true **partners through generations**.

### **True partnership towards success**

In the past few years, the Bank received numerous awards from various prestigious organizations. In particular, RCBC’s foray into the digital banking space brought in numerous awards from various prestigious local and international organizations, including six-peat award for “Best Bank for Digital” by Euromoney (formerly Asiamoney) and the four-peat Platinum Award at The Asset Corporate Sustainability Leadership Awards (formerly The Asset ESG Corporate Awards).

### **PHILIPPINE DAILY INQUIRER – 2026 BEST EMPLOYERS LIST**

For the third consecutive year, RCBC is honored to be recognized as one of the 2026 Best Employers by the Philippine Daily Inquirer in cooperation with Statista.

The Best Employers list annually features a total of 300 companies and government agencies ranked according to how their performance as employers is perceived by their employees.

Focused on how well employers are perceived by their employees, the yearly survey based its results on how respondents rated their own company or others within their industry that they could confidently recommend to friends and family.

The survey seeks to find out from the employees themselves if a company or institution truly takes care of its own people and lives up to the public persona it cultivated.

### **What are the risks identified?**

While RCBC invests in the development of its employees, the risk of employees leaving RCBC and possibly transferring to another company cannot be completely eliminated. There may be foregone costs, and opportunity costs as another employee who would decide to stay in RCBC could have been trained instead.

### **Management Approach to Risks**

RCBC enforces employee training bond agreements, under which an employee will have his/her training paid for by the Bank, but only if he/she remains with RCBC for a predetermined minimum amount of time.

### **What are the opportunities identified?**

Programs for upgrading employee skills allow an organization to plan skills acquisition that equips employees to meet strategic targets in a changing work environment. The abundance of skilled employees enhances the organization’s human capital and contributes to employee satisfaction, which correlates strongly with improved performance.

### **Management Approach to Opportunities**

RCBC has strengthened the talent pipeline and brought further competencies on the job by facilitating various training

programs and seminars and allocating budget for these. RCBC continuously evaluates and updates training programs in relevant topics such as, but not limited to, leadership, customer service, sales, technical knowledge, risk management, etc. The HRG disseminates across the organization its catalogue of regular trainings and seminars. This is under the oversight of the Senior Management.

The Bank has adopted AI technologies such as the advanced human capital management (HCM) Adrenaline Max 2.0 to improve employee experience through enhanced capabilities in automation and personalized systems.

## Labor-Management Relations

Disclosure (January 1 – December 31, 2025)	Quantity	Units
% of employees covered with Collective Bargaining Agreements	39	%
Number of consultations conducted with employees concerning employee-related policies	2,000 est.	#

Which stakeholders are affected?	
Stakeholder	Issues That Influence Their Assessments and Decisions (in relation to labor-management relations)
Stockholders	Satisfaction among employees – efficiency and quality of service provided by employees
Employees	Approach to communicating significant operational changes Negotiations for determining working conditions and terms of employment or for regulating relations between employers and workers
Government – DOLE	Protection of employees
Community	Approach to communicating significant operational changes, and negotiations for determining working conditions and terms of employment or for regulating relations between employers and workers, which allow members of the community to decide whether to work for the organization – the organization’s ability to attract and retain talent / potential employees in the community can affect its ability to operate, implement its strategies, and achieve its objectives

Which stakeholders are affected?	
Stakeholder	Issues That Influence Their Assessments and Decisions (in relation to labor-management relations)
Public, including media	Approach to communicating significant operational changes, and negotiations for determining working conditions and terms of employment or for regulating relations between employers and workers – potential reputational impact

**What is the impact and where does it occur? What is the organization’s involvement in the impact?**  
Effective labor-management relations preserve the welfare of employees.

**Management Approach to Impact**  
RCBC has a union of rank and file employees, which negotiates with Management for a CBA every five years. This shows that, hand-in-hand, Management and the union regularly evaluate and update the salaries and benefits of employees. Every negotiation (in at least the past 15 years) has been peaceful and fruitful.

**What are the risks identified?**  
The risk in collective bargaining negotiations is the potential failure to come up with an agreement between parties.

**Management Approach to Risks**  
Management maintains a harmonious relationship with the union. On a daily basis, Management is open to consultation and discussion regarding various topics that the union wants to tackle. As a result, when the CBA negotiations happen, a lot of issues have already been resolved leaving only the most significant items to be discussed during the meetings.

<b>What are the opportunities identified?</b>
Management treats every issue raised by an employee as an opportunity to explain to them the nuances of the situation they are faced with. Management also relishes the opportunity to show employees that its actions and decisions are done for the benefit of the organization.
<b>Management Approach to Opportunities</b>
Management takes the views of workers into account when making specific decisions. Meaningful consultations, together with timely processing of relevant information, are therefore needed to make an informed decision that is both fair and just.

### Diversity and Equal Opportunity

<b>Disclosure (as of December 31, 2025)</b>	<b>Quantity</b>	<b>Units</b>
% of female workers in the workforce	65	%
% of male workers in the workforce	35	%
<b>Disclosure (as of December 31, 2025)</b>	<b>Quantity</b>	<b>Units</b>
Number of employees from indigenous communities and/or vulnerable sector <sup>50</sup>	243 <sup>51</sup>	#

<b>Which stakeholders are affected?</b>	
<b>Stakeholder</b>	<b>Issues That Influence Their Assessments and Decisions (in relation to diversity and equal opportunity)</b>
Stockholders	Equity in the workplace, elimination of gender bias, and equal opportunity, which attract / retain talent / potential employees – the organization’s ability to attract / retain talent / potential employees can affect its ability to operate, implement its strategies, and achieve its objectives
Employees	<ul style="list-style-type: none"> <li>- Equity in the workplace</li> <li>- Elimination of gender bias</li> <li>- Equal opportunity</li> </ul>
Gov’t – DOLE	- Protection of employees
Community	Equity in the workplace, elimination of gender bias, and equal opportunity, which allow members of the community to decide whether to work for the organization – the organization’s ability to attract and retain talent / potential employees in the community can affect its ability to operate, implement its strategies, and achieve its objectives
Public, including media	Inclusive recruitment practices, equity in the workplace, elimination of gender bias, and equal opportunity – potential reputational impact

<b>What is the impact and where does it occur? What is the organization’s involvement in the impact?</b>
Diversity and equal opportunity could lead to better employee satisfaction and higher retention rate.
<b>Management Approach to Impact</b>
RCBC gives equal opportunity for all. When an organization actively promotes diversity and equality at work, it can generate significant benefits for both the organization and workers, such as access to a larger and more diverse set of potential workers. As the numbers show, RCBC employs more women than men, indicating the opportunity that the Bank gives to all as RCBC actively promotes diversity and equality at work.
<b>What are the risks identified?</b>
Promoting diversity does not necessarily lead to inclusion and equal opportunity. The presence of individuals from

<sup>50</sup> Vulnerable sector includes, elderly, persons with disabilities, vulnerable women, refugees, migrants, internally displaced persons, people living with HIV and other diseases, solo parents, and the poor or the base of the pyramid (BOP; Class D and E).

<sup>51</sup> Refers to persons with disabilities based on data gathered in 2025

underrepresented groups within the organization does not guarantee that they will feel fully included and valued.
<b>Management Approach to Risks</b>
RCBC gives equal opportunity for all, not only in hiring, but also in advancement and attaining positions of senior leadership. Promotion is based on performance, as accomplishments are measured through predefined KRAs, including the Sustainability KRA.
<b>What are the opportunities identified?</b>
When an organization actively promotes diversity and equality at work, it can generate significant benefits for both the organization and workers. For example, the organization can gain access to a larger and more diverse set of potential workers. These benefits also flow through to society in general, as greater equality promotes social stability and supports further economic development.
<b>Management Approach to Opportunities</b>
RCBC gives equal opportunity for all. When an organization actively promotes diversity and equality at work, it can generate significant benefits for both the organization and workers, such as access to a larger and more diverse set of potential workers.

## Workplace Conditions, Labor Standards, and Human Rights

### Occupational Health and Safety

Disclosure (January 1 – December 31, 2025)		Quantity	Units
Safe Man-Hours		14,013,120 <sup>52</sup>	Man-hours
No. of work-related injuries		0	#
No. of work-related fatalities		0	#
No. of work related ill-health		0	#
No. of safety drills		2	#
<b>Which stakeholders are affected?</b>			
<b>Stakeholder</b>	<b>Issues That Influence Their Assessments and Decisions (in relation to occupational health and safety)</b>		
Stockholders	- Health, safety, no potential reputational impact that may lead to divestment		
Employees	- Health, Safety, Over-all wellbeing		
Gov't – DOLE	Protection of employees		
Community	Health and safety which allow members of the community to decide whether to work for the organization – the organization's ability to attract and retain talent / potential employees in the community can affect its ability to operate, implement its strategies, and achieve its objectives		
Public, including media	Health and safety; absence of potential reputational impact		
<b>What is the impact and where does it occur? What is the organization's involvement in the impact?</b>			
RCBC's ability to uphold occupational health and safety in the workplace results to the protection of employees.			
<b>Management Approach to Impact</b>			
<b>Health and Wellness:</b> RCBC gives importance and commits to upholding occupational health and safety in the workplace through worker training and incident investigations. The Bank has safety officers, certified Basic Occupational, Safety and Health (BOSH) personnel, and first-aiders trained by the Philippine Red Cross.			

<sup>52</sup> Estimated at 6,635 employees working 8 hours per day over 264 working days

RCBC is committed to maintaining a safe and healthy working environment. Procedures are in place to protect all associates from generally recognized workplace hazards such as fire, earthquake, robberies and other natural and man-made calamities. The Bank has various substance abuse and health & safety policies, as well as inspection and search procedures.

➤ *Substance Abuse and Health & Safety Policies* - Employees who work while under the influence of drugs or alcohol present a safety and operational hazard to themselves and their colleagues as well as pose a risk to the trustworthy and professional image of the Bank. The Bank also promotes the health and safety of its employees and their families, thus, the enactment of the following policies:

- RCBC's Drug-Free Workplace Policy & Programs
- Policy Against Alcohol Abuse
- Policy on Off-Duty Substance Abuse
- Family Welfare Policy
- TB Workplace Program
- HIV/AIDS Workplace Program

➤ *Inspection & Search Procedures* - Employees are mandated to notify security personnel if they see anything suspicious, including the presence of strangers and unattended bags or packages on the premises. Employees are likewise mandated to subject themselves, their personal belongings and the Bank assets under Bank custody to intensive inspection and search procedures by security personnel, upon entering, while within and upon leaving Bank premises. Bank premises include parking lots, whether owned or leased by the Bank. Personal belongings shall mean pockets, bags, storage media, cars and any other personal property that may be used as repository of cash, jewelry, documents, keys, data and other valuable items.

➤ *Employee Welfare and Well-Being* - In 2025, the HRG conducted the following activities to sustain the promotion of health, safety and welfare of RCBC employees.

- Maintained its partnership with Maxicare, the Bank's HMO provider, in giving health and medical services in accordance to the benefits being enjoyed by employees. Services provided include:
  - Hospitalization, emergency care and other medical services with 4,070 availments for employees and 3,805 availments for dependents in 2025;
  - Executive Check-Up for employees with total cost of PHP 92.4 million in 2025;
  - Outpatient consultation services for employees with 8,384 availments in 2025;
- The Bank also partnered with Sunlife Grepa Financial Inc. in utilizing the clinic located at the RCBC Plaza and serviced more than 324 availments in 2025. Moreover, there is a clinic set-up at the A. T. Yuchengco Centre in BGC to give free check-up and consultation services to more than 915 employees.
- Department of Labor and Employment (DOLE) certified Basic Occupational Safety and Health Seminar;
- Philippine Red Cross certified first aid training;
- Basic training course for Pollution Control;
- Pollution Control training course for Managing Heads;
- Safety and life support trainings, fire and earthquake seminars and drills for employees;
- Pre-employment physical and medical examination for new hires;
- Random drug testing for employees;
- Vaccination – Implemented flu vaccination to employees;
- Maintenance of operational breastfeeding stations for nursing associates.
- Precautionary measures – Since Management recognizes the precarious situation of employees in areas affected by natural calamities and man-made adversities, it has always been keen on immediately issuing work suspension orders in such perilous areas during fortuitous events.
- All associates are covered with a life insurance policy inclusive of accidental death, total and permanent

disability and burial assistance benefits.

The Bank spent around PHP 250 million in 2025 for health benefits of employees and their dependents.

**What are the risks identified?**

While banking is considered a low risk industry in terms of workplace conditions and industrial safety standards, potential harm may be suffered by workers in specific hazardous situations (e.g., bank robbery).

**Management Approach to Risks**

RCBC provides employees with the requisite training and exposure to combat inherent risks involved in the workplace. RCBC provides regular BOSH and first aid training on a regular basis. The Bank provides safety training to workers, including training on specific work-related hazardous situations. RCBC trains branch personnel on how to respond to hazardous situations with simulation training programs such as mock bank robberies.

**What are the opportunities identified?**

Given the changing business landscape, regulatory environment, and the Bank’s strategic direction, opportunities arise in improving the Bank’s training programs and safety drills.

**Management Approach to Opportunities**

RCBC continues to update training programs to adapt to the changing business environment.

**Labor Laws and Human Rights**

Disclosure (January 1 – December 31, 2025)	Quantity	Units
No. of legal actions or employee grievances involving forced or child labor	0	#

Do you have policies that explicitly disallow violations of labor laws and human rights (e.g. harassment, bullying) in the workplace?

Topic	Y/N	If Yes, cite reference in the company policy
Forced labor	Y	All newly hired employees sign a contract stating that they agree to the terms and conditions of their employment. The Bank does not employ forced labor.
Child labor	Y	RCBC’s Recruitment Policy requires that college graduates are hired, at the minimum. The Bank does not employ child labor.
Human Rights	Y	Existing Philippine laws set expectations and standards that promote human rights and disallow violations . RCBC abides by these laws.

**Which stakeholders are affected?**

Stakeholder	Issues That Influence Their Assessments and Decisions(in relation to labor laws and human rights)
Stockholders	Upholding human rights and consistent adherence to Philippine labor laws – no potential reputational impact that may lead to divestment
Employees	Upholding human rights, no child labor and forced labor
Gov’t – DOLE	Protection of employees
Community	No child labor and forced labor; upholding human rights, which allow members of the community to decide whether to work for the organization – the organization’s ability to attract and retain talent / potential employees in the community can affect its ability to operate, implement its strategies, and achieve its objectives
Public, including media	No child labor and forced labor; upholding human rights - no potential reputational impact

**What is the impact and where does it occur? What is the organization’s involvement in the impact?**

RCBC's ability to conform to labor laws and human rights results to the protection of employees.
<b>Management Approach to Impact</b>
RCBC gives importance to and upholds labor standards and human rights in the workplace. Employees can be certain that RCBC follows existing labor laws and standards and protects human rights at all times. RCBC complies with all four principles of the International Labour Organization (ILO): i) freedom of association and the effective recognition of the right to collective bargaining, ii) the elimination of forced or compulsory labour, iii) the abolition of child labour, and iv) the elimination of discrimination in respect of employment and occupation.
<b>What are the risks identified?</b>
Child labor results in under-skilled and unhealthy workers for tomorrow and perpetuates poverty across generations, thus impeding sustainable development. Likewise, forced labor is not only a serious violation of a fundamental human right; it also perpetuates poverty and is a hindrance to economic and human development.
<b>Management Approach to Risks</b>
To demonstrate that RCBC does not engage in child labor or forced labor, per policy, the Bank hires college graduates for its entry level positions.
<b>What are the opportunities identified?</b>
The abolition of child labor and forced labor is necessary for both economic and human development.
<b>Management Approach to Opportunities</b>
Due diligence is expected of an organization in order to prevent the use and to combat all forms of child labor and forced or compulsory labor within its activities. It is also expected that an organization will avoid contributing to becoming complicit in or becoming linked to the use of child labor and forced or compulsory labor through its relationships with others (e.g., suppliers, clients).
RCBC gives importance to and upholds labor standards and human rights in the workplace.

## Supply Chain Management

### Do you have a supplier accreditation policy?

RCBC subscribes to the YGC's established Supplier Accreditation Policy, supported by comprehensive procurement and supplier management policies, which are consistently implemented and applicable to all vendors. These policies provide clear guidelines to ensure that accredited vendors are capable of delivering products and services that meet YGC's minimum standards for quality, reliability, and performance.

The accreditation process requires vendors to demonstrate a proven track record, sound financial viability, and the capacity to meet contractual and operational requirements. In addition, YGC promotes compliance with applicable laws and regulations while reinforcing sound and ethical business practices across its supplier base.

Vendors are classified based on defined risk and criticality criteria to identify potential operational, financial, and compliance risks. This risk-based classification enables the application of the most appropriate accreditation requirements and controls, balancing governance rigor with the criticality of the vendor's products and services. Through this structured and proportionate approach, YGC strengthens supplier resilience, mitigates risks, and ensures continuity and sustainability of its supply chain. Please refer to the Annex on Supply Chain Management.

### Do you consider the following sustainability topics when accrediting suppliers?

Topic	Y/N	If Yes, cite reference in the supplier policy
Environmental performance	Y	Sustainability Attestation: YGC Sustainability Practices Prescribed for Vendors. A sustainability requirement for vendor accreditation which states that the vendor company observes environmental laws, and engages in energy saving and waste management practices, as well as in programs that promote ecological habitat
Forced labor	Y	Sustainability Attestation: YGC Sustainability Practices Prescribed for Vendors. A

		<p>sustainability requirement for vendor accreditation which calls for the vendor company to recognize the right of employees to freedom and collective bargaining.</p> <p>The YGC views its supply chain as an extension of its workforce and community and therefore requires all suppliers, contractors, and service providers to strictly comply with ethical and legal standards, particularly those related to the prevention of forced labor. The YGC maintains zero tolerance for any form of forced labor across its supply chain.</p> <p>As part of the vendor accreditation and engagement process, all vendors are required to formally attest to their compliance with forced labor and human rights standards through the Sustainability Attestation Form. Any non-compliance may result in the disapproval of vendor accreditation and/or termination of engagement.</p>
Child labor	Y	<p>Sustainability Attestation: YGC Sustainability Practices Prescribed for Vendors. A sustainability requirement for vendor accreditation which states that the vendor company does not employ persons below 18 years of age.</p> <p>The YGC views its supply chain as an extension of its workforce and the communities it serves and requires all suppliers, contractors, and service providers to adhere to ethical and legal standards, including the absolute prohibition of child labor. Verification of compliance is conducted through vendor self-reported sustainability surveys and formal attestation forms. A zero-tolerance policy is enforced across the supply chain.</p> <p>As part of the vendor accreditation and engagement process, all vendors are required to provide a credible and formal attestation of their compliance with child labor prohibitions and broader human rights standards through the Sustainability Attestation Form. Non-compliance or the submission of an insufficient or non credible attestation may lead to the disapproval of vendor accreditation and or cessation of engagement.</p>
Human rights	Y	<p>Sustainability Attestation: YGC Sustainability Practices Prescribed for Vendors. A sustainability requirement for vendor accreditation:</p> <ol style="list-style-type: none"> <li>a) which calls for the vendor company to recognize the right of employees to freedom and collective bargaining</li> <li>b) to have an employee engagement system in place</li> <li>c) to work with the community around it</li> <li>d) with clear policies on equality of gender, race, color, and greed</li> <li>e) the company is compliant with all government-mandated laws in the employment of personnel</li> </ol>
Bribery and corruption	Y	<p>Code of Ethics for Vendors is available that serve as guideline to promptly address instances of unsatisfactory performance, illegal practices and violations committed during any vendor business engagement.</p> <p>There is Blacklisting Policy for Vendors to ensure that all vendors dealing with the YGC will comply with its policies, rules and regulations. Vendors are expected to adopt ethics of highest standard and degree of integrity, provide optimum value, quality products and services, commitment and sincerity towards work undertaken</p>

		<p>As YGC expands its business, procurement function has become increasingly responsible for an extensive range of activities in a growing number of areas. The objective is to transform the buying approach of the Procurement organization of YGC member companies from tactical to strategic role, with more focus on value creation. This includes process health check, alignment, and resilient vendor selection.</p> <p>As such, there's a need to upscale the current understanding of the procurement personnel through YGC Community Learning. Regular lectures and training were done for more innovative approaches to optimize sourcing, supplier relationship management, sustainability in procurement, risk management and other procurement activities.</p> <p>The following lectures and training were conducted to support the above mentioned initiatives:</p> <ul style="list-style-type: none"> <li>• Refresh on "Procurement Ethics and Responsibility" for all Business Units, with the aim of providing a practical understanding of what it means to 'buy ethically', how purchasing practices can impact workers, and how to integrate ethical procurement into buying practices and understand the process of building a sound ethical procurement policy and selecting of vendors.</li> <li>• "Sustainability in Procurement: Responsible Sourcing for Sustainable Sourcing", which aims to provide introduction to procurement sustainability that will demonstrate how sustainability impacts procurement processes and how procurement function can take an active role in it. The training also provides familiarization with the different standards, tools &amp; approaches for sustainable supply chain management, and guidance to evaluate which are suitable for the YGC procurement organizations.</li> </ul> <p>It is specified in the policy that suppliers shall not offer bribes or kickbacks to employees or family members in exchange for any favors. In the same manner, the Bank's Code of Conduct specifies that employees must avoid situations which may unduly influence relationships with customers or suppliers. Copy of the Code of Conduct may be accessed at <a href="https://www.rcbc.com/corporate-governance">https://www.rcbc.com/corporate-governance</a>.</p> <p>YGC Group maintains a zero-tolerance policy toward bribery and corruption in any form. This commitment is reinforced through clear policies, ethical standards, and control mechanisms that apply to both employees and suppliers. Any violation of anti-bribery and anti-corruption requirements is treated as a serious breach of trust and may result in disciplinary action, contract termination, disqualification from future engagements, and other actions as permitted under applicable laws and regulations. Through these measures, YGC Group upholds integrity, accountability, and transparency across all business relationships.</p>
Health and safety	Y	<p>Sustainability Attestation: YGC Sustainability Practices Prescribed for Vendors. A sustainability requirement for vendor accreditation which states that the vendor company is compliant with government rules relating to occupational health and safety standards</p> <p>There is Blacklisting Policy with provisions on Safety Policies and procedures as</p>

		<p>ground for Permanent or Temporary Blacklisting.</p> <p>New Facilities Inspection Checklist is applied (as relevant to the vendor’s service offering)</p> <p>Stricter compliance with Philippine Contractors Accreditation Board (PCAB) license for contractor is observed to ensure lawful and safe construction activities</p>
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**Which stakeholders are affected?**

<b>Stakeholder</b>	<b>Issues That Influence Their Assessments and Decisions (in relation to supply chain management)</b>
Stockholders	- Reduction of negative E&S impacts in the supply chain - potential reputational impact that may lead to divestment
Suppliers	- Procurement policies - Supplier Accreditation process - Vendor Performance Evaluation
Community	- Reduction of negative E&S impacts in the supply chain and concern for environment and society
Public, including media	- Reduction of negative E&S impacts in the supply chain and concern for environment and society – potential reputational impact

**What is the impact and where does it occur? What is the organization’s involvement in the impact?**

RCBC’s ability to ensure that suppliers uphold sustainability standards lessens the negative E&S impacts in the supply chain.

**Management Approach to Impact**

RCBC ensures that suppliers uphold sustainability standards and practices including compliance with Philippine laws. The supplier’s environmental performance is observed during site visits. RCBC influences suppliers to be sustainable through supplier accreditation processes, among other approaches. Vendors’ compliance with government-mandated requirements like DOLE 174 certification and PCAB License for contractors are part of the accreditation requirements.

**What are the risks identified?**

Vendors’ adaptability on full sustainability requirements, cyber security, etc.

**Management Approach to Risks**

Due diligence, data gathering and baselining prevent and mitigate negative impacts in the supply chain. These include impacts the organization either causes or contributes to, or that are directly linked to its activities, products, or services by its relationship with a supplier.

The implementation of the Sustainability Attestation Compliance for Vendors is part of the accreditation requirements which covers the above attributes. This initiative makes possible the profiling of the key vendors efforts, to measure, set goals and to improve visibility on sustainability compliance that will facilitate follow-up of improvement in actions.

The aim is to achieve a better assessment of the current sustainability-related performance of YGC’s key vendors through data gathering and baselining using the Vendor Sustainability Attestation Form, to check the compliance and current initiatives of the vendors on the Economic, Environmental, Social and Ethical/legal sustainability attributes. Vendors are assessed for a range of criteria, including risk incidents (such as bribery, coercion, and corruption).

New vendors applying for accreditation, for applicable categories, are being checked through actual facilities inspection as part of the accreditation process. This process covers assessment of vendor’s facilities to determine the capability to support and satisfy the requirements of YGC members as applicable to the critical categories. RCBC is already in the process of enhancing the existing vendor accreditation policy targeted for implementation. Furthermore, the Enhanced

Vendor Performance Evaluation Policy and Enhanced Vendor Blacklisting Policy have been adopted.

The following policies and procedures have been enhanced and implemented:

- 1) Vendor Accreditation: to ensure that accredited vendors are capable of providing products and services to satisfy the minimum acceptable quality and reliability requirements of the YGC and that all accredited suppliers have proven track record, viable financial position, and promote sound and ethical business practices
- 2) Vendor Performance Evaluation: to establish an efficient & effective mechanism to measure, analyze, and manage YGC vendor's performance in an effort to optimize costs, minimize risks, and drive continuous improvement.

RCBC initiates due diligence as early as possible in the development of a new relationship with a supplier. Impacts may be prevented or mitigated at the stage of structuring contracts or other agreements, as well as via on-going collaboration with suppliers. Employees are also bound by the Bank's Code of Conduct and Conflict of Interest Policy to lay out acceptable behaviors in dealing with stakeholders. Copy of the Code of Conduct and information on certain policies may be accessed at the RCBC website<sup>53</sup>.

#### **What are the opportunities identified?**

- Collaboration with the vendors to accelerate and establish shared sustainability commitments across the value chain
- Promotion of sustainability with internal stakeholders and vendors with joint implementation of processes for continuous improvement
- Strengthened work relations and knowledge-sharing with the vendors to create sustainability solutions that will benefit both parties

#### **Management Approach to Opportunities**

RCBC continues to improve its existing supply chain procedure to avoid negative E&S impacts (refer to details under Materials Used by the Organization). The following sustainability assessment initiatives are work-in-progress:

1. 100% compliance with Sustainability Vendor Attestation for Primary / Active Vendors since 2024. This is improved visibility on vendor's sustainability compliance and performance for easy follow-up of improvement actions and collaboration on sustainability initiatives to facilitate identification of priority areas.
2. Enhanced and implemented the Vendor Accreditation Policy. The new policy will ensure that all accredited suppliers have proven track record, viable financial position, and promote sound and ethical business practices. The policy will cover the different stages of accreditation as to: (1) Vendor Sourcing; (2) Vendor Registration & Pre-screening; (3) Vendor Pre-Qualification; (4) Vendor Technical Assessment; (5) Facilities Inspection; and (6) Final Recommendation.
3. Implementation of the Enhanced Blacklisting Policy. The enhancement promptly addresses instances of unsatisfactory performance, illegal practices and violations committed during any vendor business engagements, while providing comprehensive and balanced blacklisting policy and guidelines.
4. Implementation of the Enhanced Vendor Performance Evaluation Policy to ensure that accredited vendors are capable of providing products and services that will satisfy the minimum acceptable quality and reliability requirements of the YGC.
5. Enhanced Facilities Inspection parameters for applicable categories only or as required by the Business Units. This covers the actual inspection and checking of Vendor's general facilities, equipment availability, tools and machinery, safety and protection, availability of workforce, regulatory compliance and permitting, sustainability programs, risks identification and mitigation plans as applicable to contractors depending on the criticality and complexity of the service or as required by the Business Units. This may not be applicable to all vendor offerings.
6. Inclusion of RCBC's and other YGC companies' plans and strategies pertaining to sustainability to ensure that suppliers are compliant with RCBC's sustainable practices.
7. Expansion of the scope of third-party risk assessment process for 2026 to cover the evaluation of cybersecurity and supply chain disruption risks through the following programs:

<sup>53</sup> RCBC. Corporate Governance. <https://www.rcbc.com/corporate-governance>

- a. Integration of Cyber Risk Assessment in Vendor Management. Cyber risk assessment is embedded in the vendor management process, beginning at the vendor data collection stage, through the Cybersecurity Assessment Questionnaire. This applies to vendors with access to the YGC’s critical assets and those providing critical IT services. The assessment evaluates vendors’ cybersecurity policies, systems, and controls to identify potential vulnerabilities and assess their maturity and compliance with information security requirements through the Third-Party Cybersecurity Assessment Framework. This was implemented with on-going enhancement.
- b. Centralized Supplier Risk Monitoring. A centralized supplier risk monitoring dashboard is being established for vendors operating in critical areas of the supply chain. This will enable consistent recording, tracking, and continuous monitoring of cybersecurity and operational risks associated with third-party vendors. The dashboard will provide enterprise-wide visibility of identified risks, corresponding mitigation actions, and response plans, strengthening governance, monitoring, and timely risk remediation across the vendor ecosystem. Target completion is 2026.
- c. Enhanced Vendor Performance Evaluation. The vendor performance evaluation process will be continuously enhanced by integrating supplier risk monitoring results and defining comprehensive, and objective metrics across key assessment criteria. This will support more consistent, data-driven, and risk-informed vendor evaluations. Target completion is 2026.

### Relationship with Community - Significant Impacts on Local Communities

Operations with significant (positive or negative) impacts on local communities	Location	Vulnerable groups (if applicable) <sup>54</sup>	Does the particular operation have impacts on indigenous people?	Mitigating measures (if negative) or enhancement measures (if positive)
RMB Micro & Small Business Loans & Savings Products	Available in key areas in Luzon, Visayas and Mindanao with a total of 15 branches and 13 branch-lite units.	RMB is RCBC’s thrift bank	Yes. RMB serves the unbanked and underserved markets in the Philippines, including the unbanked agricultural communities and low-income sectors	- RMB supports inclusive and sustainable economic growth by providing access to financing for farmers, producers, and traders engaged in coconut agriculture, agri-exports, coffee, and animal feeds. Implemented through various key partners namely Santeh, Agri-Exim, Franklin Baker Philippines, and Equilibrium. RMB helps improve cash flow and income stability for rural borrowers while supporting their continued participation in formal markets. In FY 2025, RMB disbursed PHP 2.02 Billion in loans to at least 2,251 borrowers, enabling timely working capital, reducing

<sup>54</sup> Vulnerable sector includes children and youth, elderly, persons with disabilities, vulnerable women, refugees, migrants, internally displaced persons, people living with HIV and other diseases, solo parents, and the poor or the base of the pyramid (BOP; Class D and E)

Operations with significant (positive or negative) impacts on local communities	Location	Vulnerable groups (if applicable) <sup>54</sup>	Does the particular operation have impacts on indigenous people?	Mitigating measures (if negative) or enhancement measures (if positive)
				<p>reliance on informal lending, and contributing to more resilient livelihoods and long-term community development.</p> <ul style="list-style-type: none"> <li>- RMB still offers the Basic Deposit Account (BDA) product called “Pangarap Savings”. With RMB’s cloud-based core-banking system, financial services such as cash-in (deposit), cash -out (withdrawal), bills payment, and opening of BDA can be done real time through a secured electronic platform provided to the accredited agents.</li> <li>- RMB supports micro and small business owners through its Small Biz Lite loan product, designed to improve access to financing for entrepreneurs in underserved and rural communities.</li> </ul> <p>To expand reach and improve accessibility, RMB deployed additional 215 loan agents to engage micro and small enterprises directly at the community level. Through Small Biz Lite, RMB disbursed more than PHP 163.2 million in loans to micro and small enterprises, supporting livelihoods, job continuity, and local economic activity.</p>
DiskarTech – a Financial inclusion mobile-based	Mobile-based	An inclusion application that mainly targets class C, D, and	Yes. DiskarTech is an inclusion application that targets the	<ul style="list-style-type: none"> <li>- DiskarTech also offers the BDA deposit product.</li> <li>- Refer to details under Economic Performance</li> </ul>

Operations with significant (positive or negative) impacts on local communities	Location	Vulnerable groups (if applicable) <sup>54</sup>	Does the particular operation have impacts on indigenous people?	Mitigating measures (if negative) or enhancement measures (if positive)
application		the unbanked sector	unbanked and underserved Filipinos nationwide, especially those who live in grassroots communities.	
ATM Go	Handheld ATM Terminals in 82 provinces nationwide	An inclusion application that mainly targets class C, D, and the unbanked sector.	Yes. ATM Go is an Inclusion application that targets the unbanked and underserved sector.	Expanded coverage nationwide and is available through sari-sari stores, pharmacies, rural banks, grocery stores, bakeries, and pawnshops.
Credit Risk Database (CRD) project of the BSP for SMEs.	Created out of a collaboration between the BSP and Japan International Cooperation Agency (JICA) to establish a Credit Risk Database (CRD) for SMEs in the Philippines	The CRD project aims to improve the access of SMEs to bank financing and support a post-COVID recovery scenario, especially since more than 70% of MSMEs in the Philippines were forced to close a month after the outbreak.	Yes, the CRD project is an inclusion application for the underserved sector. The CRD project gives long-term support to MSMEs to reduce their dependence of financial institutions on collateral when granting loans	The CRD is an ongoing risk-based lending project which uses a statistical scoring model that assesses the capacity of SMEs to repay their loan.

For operations that are affecting IPs, indicate the total number of Free and Prior Informed Consent (FPIC) undergoing consultations and Certification Preconditions (CPs) secured and still operational and provide a copy or link to the certificates if available:

Certificates		Quantity	Units
FPIC process is still undergoing		-	#
CP secured		-	#
Stakeholder	Issues That Influence Their Assessments and Decisions (in relation to significant impacts on local communities)		
Stockholders	- Reduction of negative impacts on local communities – potential reputational impact that may lead to divestment		

Community	<ul style="list-style-type: none"> <li>- Reduction of negative impacts on local communities</li> <li>- Concern for society</li> <li>- Continuous enhancement of community relations</li> </ul>
Public, including media	Reduction of negative impacts on local communities and concern for society – potential reputational impact

**What is the impact and where does it occur? What is the organization’s involvement in the impact?**

RCBC empowers communities and families towards financial inclusion. RCBC’s presence in communities facilitates access to capital in the local economy, spurring economic growth and employment generation.

**Management Approach to Impact**

Refer to details under Economic Performance

**YGC Earth Care Project: A 100-Hectare Reforestation Project in Sierra Madre**

The Yuchengco Group of Companies (YGC), in celebration of its centennial anniversary launched the YGC Earth Care project in 2011 which involve the adoption of Kaliwa Watershed for YGC’s tree planting program.

The concept was to plant trees in 100 hectares in a watershed that has significant impact on the people and environment. The said project is in partnership with the Department of Environment and Natural Resources (DENR) and the Indigenous People (IP) or ‘katutubos’ of Tanay Rizal, mainly comprised of Dumagat and Remontado tribes.

For the first three phases which started in 2011, YGC planted a total of 29,000 forest trees in 58 hectares, including narra, acacia, kupang, and molave. As of present, many are full grown trees already with height reaching 25 to 30 feet. Of this number, around 23,000 trees are being managed by YGC through its katutubo partners and their families.

In 2022, Phase 4 was undertaken to cover the remaining 42 hectares, and complete YGC’s 100-hectare commitment. YGC adopted the Agro Forestry Model to address both environmental and socio-economic objectives. A total of 6,000 high grade saplings, including Guimaras mango, RCF avocado, Haitian star-apple, Bangkok santol, and R5 rambutan were planted.

Most of the fruit trees are now 10 to 12 feet tall. Some of the trees have started bearing fruits. In the next three to five years, YGC’s katutubo partners shall begin to have a sustainable cash income stream from the various fruit harvests of the trees that were planted and grown by each IP under the Program.

The journey is still far from over, but with collective efforts, there is no reason not to reach the objectives of the project to contribute to the environment and help uplift the lives of YGC’s katutubo partners.

**Typhoon Tino Relief Operations** – In November 2025, RCBC, along with the AY Foundation (AYF) and Sun Life Grepa Financial, mobilized relief operations for the communities devastated by Typhoon Tino. Volunteers helped deliver hundreds of essential relief packs with food, water and sleeping mats in severely affected communities in Consolacion, Liloan and Talisay City.

**YGC Christmas Fund Drive** – The AYF organized a donation drive encouraging all YGC employees to support its annual fund-raising initiative. . AYF received a total donation of over PHP 8 million in the 2025 YGC Christmas Fund Drive – the amount helped provide meals for more than 8,300 families channeled through the Caritas Manila feeding program.

**What are the risks identified?**

Engaging the unbanked and underserved towards financial inclusion may expose RCBC to credit risk and other types of risk which traditional risk tools may ordinarily not be able to adequately manage.

**Management Approach to Risks**

RCBC mitigates the risk of default by performing additional Know Your Customer (KYC) and credit risk assessment procedures on clients.

**What are the opportunities identified?**

A significant percentage of the country’s population are still unbanked and underserved, thus there are opportunities to create more products and services that will address the banking needs of these sectors

**Management Approach to Opportunities**

Refer to details under Economic Performance

## Customer Management

### Customer Satisfaction

Disclosure (January 1 – December 31, 2025)	Score	Did a third party conduct the customer satisfaction study?
Customer satisfaction	None <sup>55</sup>	N/A

**Which stakeholders are affected?**

Stakeholder	Issues That Influence Their Assessments and Decisions (in relation to customer satisfaction)
Stockholders	- Customer satisfaction and upholding the rights of customers – potential reputational impact that may lead to divestment
Customers/Clients	- Customer protection and satisfaction - Integrity and honesty of the Bank and its employees - Professionalism and efficiency of senior management and bank employees - Easy account opening/loan application requirements and processes - Accessibility of ATM and branch network - Continuous service, process and technology improvements - Effectiveness of Consumer Assistance Mechanism of the Bank - Fast complaints resolution - Upholding the rights of customers
Government / Regulators	- Customer satisfaction - Upholding the rights of customers - No major issues and concerns raised with the BSP-Consumer Affairs Group
Community	Customer satisfaction and upholding the rights of customers, which allow members of the community to decide whether to patronize the products and services of the organization – the organization’s ability to attract potential customers in the community can affect its ability to implement its strategies and achieve its objectives
Public, including media	- Customer satisfaction and upholding the rights of customers – potential reputational impact

**What is the impact and where does it occur? What is the organization’s involvement in the impact?**

RCBC is committed to fully implementing the Financial Consumer Protection (FCP) Framework and Reputational Risk Management (RRM) Framework. This commitment is upheld through regular compliance assessments against regulatory conduct standards, with the goal of fostering a service culture rooted in fair dealings and responsible business practices

<sup>55</sup> RCBC has an established feedback mechanisms via the following: (1) QR Code installed at the branches; (2) Consumer Lending Group (CLG) feedback from loan clients via Google Forms; (3) Client feedback generated from Sales Force (ticketing system); feedback posted via Social Media; and (5) direct email from different Head Office Units (if any) in order to effectively resolve complaints/concerns and to ultimately manage client expectations in general. The result of the feedback mechanism is being reported and discussed internally on a regular basis.

across all primary operations. The FCP Framework includes dedicated mechanisms for receiving, investigating complaints, and implementing corrective actions.

RCBC further ensures that consumer protection standards and practices defined in its FCP Framework are strictly observed and integrated into business operations. This strengthens the corporate culture and reinforces commitment to fair treatment of customers throughout every stage of their relationship with the Bank. The FCP Framework comprises key components: FCP Policies and Procedures, FCP Code of Conduct, Consumer Assistance and Risk Assessment Mechanism, FCP Training Program, FCP Compliance Program, FCP Audit Program, and Financial Consumer Education and Awareness Program. It is guided by five core consumer protection principles: 1. Disclosure and transparency; 2. Protection of client information; 3. Fair treatment; 4. Effective recourse; and 5. Protection of consumer assets against fraud and misuse. Meanwhile, the RRM Framework addresses prudential requirements for managing the reputational risks, ensuring compliance failures, service lapses, or external events are addressed promptly to preserve public trust in the financial system across the banking industry.

The Bank has established a Financial Consumer Protection Assistance Mechanism (FCPAM) through its Loans Customer Care communication channels and Provincial Lending Centers (PLCs), located in strategic areas. Staffed with well-trained personnel, these facilities address consumer concerns including debt collection matters and assistance with loan modification options.

### **Management Approach to Impact**

RCBC regularly monitors feedback from traditional and social media to identify customer concerns. This includes monthly social listening reports and real time alerts, and monthly traditional media reports. RCBC also implements customer research for major initiatives (e.g., brand refresh, new website design, and new application design). Additionally, RCBC follows standard review and approval process for communication materials, collaborating with Risk Management, Marketing, Legal, and Regulatory Affairs Groups. Reputational risk assessments are reported quarterly to the Risk Oversight Committee (ROC, a Board-level Committee).

The Financial Consumer Protection Assistance Mechanism (FCPAM) is RCBC's internal redress system designed to efficiently address consumer complaints, inquiries, and requests. As the first-level recourse for consumers, it operates in line with regulations outlined in BSP Circular No. 1160, which governs Financial Consumer Protection (FCP).

The key components of the FCPAM include:

- Complaints Handling Mechanism
- Designated Point of Contact (Consumer Assistance Officers)
- Accessible Communication Channels
- Timely Resolution Protocols
- Documentation and Recording Procedures
- Board-level and Regulatory Reporting

Guided by the Bank's complaints handling and escalation procedures, Consumer Assistance Officers (CAOs) are tasked to manage customer complaints across various business units, branches, and subsidiaries. RCBC has further strengthened its FCPAM with a dedicated team including Customer Care Department (for general concerns), Customer Care-Loans Team (for loans-related matters), DiskarTech Customer Support Team (for mobile app concerns), where consumers can conveniently lodge complaints, inquiries, and requests. All personnel with direct customer interaction are trained on the structure and implementation of the Bank's complaints handling mechanism. Complaints resolution Service Level Agreement (SLA) performance remained at 95% (above standard) for 2024 and 2025, with risk impact at 0.01%—well below the 1% year-on-year threshold.

Third party concerns related to ESG are forwarded by the Bank's Customer Care to the ESROs for investigation and response. There were no such concerns recorded in 2025.

All CAOs submit monthly complaints reports to the Bank’s Reputational Risk Department (RRD). The RRD consolidates and analyzes complaints from all channels to identify material risks, conduct root cause analysis for systematic issues, and coordinate immediate resolution with front-line business/operating units, or relevant units. A management report on customer complaints is submitted to the ROC (a Board-level committee) regularly, and discussed in targeted forums including the Branch Services and Operational Risk Forum (BSORF), Digital Enterprise & Innovations Group (DEIG) Forum, Transaction Banking Group (TBG) Forum, Consumer Lending Group (CLG) Forum, and Risk Officers Forum.

RCBC is also focused on embedding Customer Experience (CX) principles across all operations, recognizing CX as a key business priority. To enhance customer experience, the Bank’s Human Resources Group (HRG) has formed the CX Excellence Academy, a self-paced certification program aligned with global standards for Certified CX Qualifications. As one of the fastest-growing disciplines corporate management, CX helps drive business growth by retaining customers, thereby, increasing new business sales, and reducing service delivery costs.

**What are the risks identified?**

There is reputational risk arising from negative public opinion in case there are unsatisfied customers whose concerns are not resolved within an ideal timeframe. In efforts to continuously improve and mitigate risks arising from customer complaints and negative public opinion, reporting of issues and concerns with potential reputational risk is submitted and presented to the ROC on a regular basis.

**Management Approach to Risks**

RCBC strives to constantly improve its service to avoid unsatisfied customers. A dedicated customer service hotline is available for clients to inquire and report concerns and issues regarding products and services offered by RCBC.

**What are the opportunities identified?**

A high level of customer satisfaction can result in higher revenue through an increase in the number of new customers, and deepening of relationships with existing customers (cross-selling).

**Management Approach to Opportunities**

RCBC conducts regular forums, trainings and mandatory eLearning courses for employees, along with periodic examinations, to ensure all customer-facing personnel are familiar with and reminded of the Bank’s Consumer Protection Program. Additionally, RCBC has further strengthened its customer feedback mechanism by expanding platforms to include Quick Response (QR) facility, enabling near real time resolution of issues and concerns. QRs, including inputs for customer satisfaction rating, are accessible at Branches, Provincial Lending Centers and guest lobbies in selected Head Office units.

**Health and Safety**

Disclosure (January 1 – December 31, 2025)		Quantity	Units
No. of substantiated complaints on product or service health and safety <sup>56</sup>		0	#
No. of complaints addressed		N/A <sup>57</sup>	#
Which stakeholders are affected?			
Stakeholder	Issues That Influence Their Assessments and Decisions (in relation to health and safety)		
Stockholders	- Customer satisfaction and upholding the rights of customers – potential reputational impact that may lead to divestment		
Customers/Clients	- Customer satisfaction - Upholding the rights of customers		

<sup>56</sup> Substantiated complaints include complaints from customers that went through the organization’s formal communication channels and grievance mechanisms as well as complaints that were lodged to and acted upon by government agencies.

<sup>57</sup> No recorded complaints attributed to Health and Safety for the year 2025.

Government	<ul style="list-style-type: none"> <li>- Customer satisfaction</li> <li>- Upholding the rights of customers</li> </ul>
Community	<ul style="list-style-type: none"> <li>- Customer satisfaction and upholding the rights of customers, which allow members of the community to decide whether to patronize the products and services of the organization – the organization’s ability to attract potential customers in the community can affect its ability to implement its strategies and achieve its objectives</li> </ul>
Public, including media	Customer satisfaction and upholding the rights of customers – potential reputational impact
<b>What is the impact and where does it occur? What is the organization’s involvement in the impact?</b>	
As the Bank’s products and services are financial in nature, these do not pose a risk to health and safety. The products and services of RCBC’s clients, however, may have such negative impacts on their customers.	
<b>Management Approach to Impact</b>	
In accordance with the ESMS Policy, all credit proposals for loans and other credit accommodations from RCBC need to go through E&S risk and impact assessment. Only activities or projects which pass the E&S risk and impact assessment shall be eligible for financing.	
<b>What are the risks identified?</b>	
While there are no health and safety risks with the Bank's products and services, the Bank's clients may have some health and safety risks affecting their corresponding customer-base. RCBC's ESMS Policy applies to the Bank's clients as discussed in the "Management Approach to Risks".	
<b>Management Approach to Risks</b>	
The ESMS Policy of RCBC subscribes to IFC’s Performance Standards which include the evaluation of the borrower’s practices to promote health and safety (Performance Standard 2 Labor and Working Conditions). Under Performance Standard 2, the borrower’s operations are assessed in terms of effective promotion of safe and healthy working conditions.	
<b>What are the opportunities identified?</b>	
RCBC is committed to the promotion of sustainable business practices, including the preservation of health and safety measures.	
<b>Management Approach to Opportunities</b>	
RCBC will remain committed to employing appropriate due diligence on its borrowers to ensure that appropriate health and safety programs / measures are embedded in their operations. This is one of the fundamentals of the Bank’s ESMS process.	

## Marketing and Labeling

Disclosure (January 1 – December 31, 2025)		Quantity	Units
No. of substantiated complaints on marketing and labeling <sup>58</sup>		0	#
No. of complaints addressed		N/A <sup>59</sup>	#
<b>Which stakeholders are affected?</b>			
Stakeholder	Issues That Influence Their Assessments and Decisions (in relation to marketing and labeling)		
Stockholders	Customer satisfaction and upholding the rights of customers – potential reputational impact that may lead to divestment		
Customers/Clients	<ul style="list-style-type: none"> <li>- Customer satisfaction</li> <li>- Upholding the rights of customers</li> </ul>		

<sup>58</sup> Substantiated complaints include complaints from customers that went through the organization’s formal communication channels and grievance mechanisms as well as complaints that were lodged to and acted upon by government agencies.

<sup>59</sup> No recorded complaints attributed to Marketing and Labeling for the year 2025.

Government	<ul style="list-style-type: none"> <li>- Customer satisfaction</li> <li>- Upholding the rights of customers</li> </ul>
Community	Customer satisfaction and upholding the rights of customers, which allow members of the community to decide whether to patronize the
Public, including media	<p>Products and services of the organization – the organization’s ability to attract potential customers in the community can affect its ability to implement its strategies and achieve its objectives</p> <p>Customer satisfaction and upholding the rights of customers – potential reputational impact</p>

**What is the impact and where does it occur? What is the organization’s involvement in the impact?**

RCBC’s ability to uphold the rights of its customers to the security of its products and services results to customer protection and customer satisfaction.

**Management Approach to Impact**

RCBC upholds the rights of customers to safety and security from probable negative impacts of its products and services. This includes customer access to accurate and adequate information on the positive and negative economic, E&S impacts of the products and services they consume – both from a product and service labeling and a marketing communications perspective.

**What are the risks identified?**

The display and provision of information and labeling for products and services are subject to many regulations and laws. Non-compliance can indicate either inadequate internal management systems and procedures or ineffective implementation.

**Management Approach to Risks**

Fair and responsible marketing communications, as well as access to information about the composition of products, and their proper use and disposal, help customers make informed choices.

RCBC ensures that consumer protection standards and practices defined in its FCP Framework are strictly observed and integrated into business operations. The FCP Framework comprises key components: FCP Policies and Procedures, FCP Code of Conduct, Consumer Assistance and Risk Assessment Mechanism, FCP Training Program, FCP Compliance Program, FCP Audit Program, and Financial Consumer Education and Awareness Program. It is guided by five core consumer protection principles: 1. Disclosure and transparency; 2. Protection of client information; 3. Fair treatment; 4. Effective recourse; and 5. Protection of consumer assets against fraud and misuse.

. Units of the Bank that develop and provide products and services to the customers as well as those who prepare advertising materials for external distribution ensure that advertising and promotional/marketing materials comply with the following requirements:

- No false, misleading or deceptive statements
- Visible, easily readable and understandable
- Disclosure of clear, accurate, updated and relevant information about the product or service
- Balanced and proportional (reflecting both advantages and risks of the product or service)
- Key information is prominent and not obscured
- Print is of sufficient size and clearly legible
- Targeted according to the specific groups of clients or customers to whom products are marketed

RCBC follows standard review and approval process for communication materials, collaborating with Risk Management, Marketing, Legal, and Regulatory Affairs Groups. Reputational risk assessments are reported quarterly to the Risk Oversight Committee (ROC).

Business units that develop products and provide services coordinate with the Bank’s Learning and Development Department on the design and execution of product/service programs. Bank staff (including agents), specifically those who interact directly with customers, receive adequate training suitable for the complexity of the products or services they sell. All Bank personnel that interact with customers are equipped with the knowledge on the structure and

implementation of the Bank's complaints handling mechanism.
<b>What are the opportunities identified?</b>
Continuous improvements on marketing and labeling to further lessen complaints can lead to higher customer satisfaction and new business opportunities. Strategies to address the root cause of complaints are being implemented (i.e. refer to the discussion on cyber security and anti-fraud initiatives under Economic Performance).
<b>Management Approach to Opportunities</b>
RCBC continues to implement regular updates of communication materials, including website, point-of-sale materials, and social media materials. For product updates that will impact fees, rates and other features, a minimum 60 day notice is given to customers prior to implementation. Other promotional updates and offers are delivered to clients who subscribe to receiving marketing communication from the Bank on a regular basis through Electronic Direct Mailers (EDM). A Customer Experience or CX Council also meets on a monthly basis to help address customer pain points and find solutions to make customers' transactions with the Bank an excellent customer experience.

## Customer Privacy

Disclosure (January 1 – December 31, 2025)	Quantity	Units
No. of substantiated complaints on customer privacy <sup>60</sup>	1	#
No. of complaints addressed	1	#
No. of customers, users and account holders whose information is used for secondary purposes	1,043,223 <sup>61</sup>	#
<b>Which stakeholders are affected?</b>		
<b>Stakeholder</b>	<b>Issues That Influence Their Assessments and Decisions (in relation to customer privacy)</b>	
Stockholders	- Customer satisfaction and upholding the rights of customers – potential reputational impact that may lead to divestment	
Customers/Clients	- Customer satisfaction - Upholding the rights of customers	
Government	- Customer satisfaction - Upholding the rights of customers	
Community	Customer satisfaction and upholding the rights of customers, which allow members of the community to decide whether to patronize the products and services of the organization – the organization's ability to attract potential customers in the community can affect its ability to implement its strategies and achieve its objectives.	
Public, including media	Customer satisfaction and upholding the rights of customers – potential reputational impact	
<b>What is the impact and where does it occur? What is the organization's involvement in the impact?</b>		
RCBC's ability to uphold the rights of its customers to privacy results to customer protection and customer satisfaction.		
<b>Management Approach to Impact</b>		
RCBC values and upholds the rights of customers to privacy. RCBC respects consumer privacy and takes reasonable measures to ensure the security/protection of personal data that the Bank collects, stores, processes or disseminates from misuse, interference, unauthorized access, modification and unauthorized disclosure.		
<b>What are the risks identified?</b>		
Losses of customer data and breaches of customer privacy can result from non-compliance with existing laws, regulations		

<sup>60</sup> Substantiated complaints include complaints from customers that went through the organization's formal communication channels and grievance mechanisms as well as complaints that were lodged to and acted upon by government agencies.

<sup>61</sup> With opt-in (includes opt-in for at least 1 RCBC or YGC product)

and/or other voluntary standards regarding the protection of customer privacy. Those who are found guilty of violating data privacy will be penalized with imprisonment and payment of fines.

### **Management Approach to Risks**

To protect customer privacy, the Bank limits collection of personal data, collects data only by lawful means, and is transparent about how data is gathered, used, and secured. The Bank does not disclose or use personal customer information for any purposes other than those agreed upon, and the Bank communicates any changes in data protection policies or measures to customers directly. Under the supervision of the Chief Compliance Officer (CCO), the Bank's Data Protection Officer (DPO) is accountable for ensuring compliance with applicable laws and regulations for personal data protection. The DPO develops, maintains, and promotes the effective implementation of the Bank's Data Privacy Policy. The DPO regularly reports to the Audit and Compliance Committee (ACC) of the Board of Directors. The ACC performs oversight functions over the Compliance Office, and consequently, over the DPO. The Data Privacy Policy and its subsequent revisions are approved by the ACC and confirmed by the Board. The Bank is committed to remain adherent to the Data Privacy principles of Transparency, Legitimate Purpose, and Proportionality.

Customer's personal information shall be retained for the duration necessary to fulfill the purposes for which it was collected, and such other purposes that the customer have explicitly consented to from time to time. The Bank does not rent, sell, or share personal data with third- parties, except when necessary to complete transactions or deliver services<sup>62</sup>.

In order to establish a culture of privacy, the Bank regularly conducts training and lectures discussing the general principles of Data Privacy, including a Personal Information Controller's obligation, and measures to mitigate risks of any Data Breach. Data Privacy is discussed upon onboarding of all employees of the Bank. All employees undertake and complete e-Learning modules to ensure that all employees are reminded and kept abreast of changes in the regulations, as applicable. Privacy bulletins are also regularly issued to provide tips and reminders on best practices. The policy and e-learning materials are reviewed at least every two years, or earlier as applicable. Under the Bank's Privacy Notice, the Bank values its customer's privacy and believes that each customer is entitled to know the ways the Bank processes their personal information. The Bank informs in substantial detail exactly how, what, and why personal data are being collected, used, retained, shared, disposed, accessed, and corrected, through the Bank's privacy notice. The notice is stated in clear and simple terms to ensure it is highly readable and usable to the greatest extent possible. It is posted not only in the Bank's website but in all of the Bank's branches, lending centers, and other areas where personal data of customers are being processed.

### **What are the opportunities identified?**

Continuous improvements to customer privacy measures can result in higher customer satisfaction and retention which could translate to new business opportunities.

### **Management Approach to Opportunities**

RCBC ensures that privacy policies are updated and cascaded, and privacy notices are posted where appropriate (i.e., RCBC website, Branches). The Bank continuously conducts regular trainings and seminars to equip employees (from senior management to rank and file) and those with direct contracts with RCBC and educate them about the importance of customer privacy. Awareness campaigns are implemented regularly through the issuance of data privacy bulletins.

RCBC conducts Privacy Impact Assessments for new projects involving the processing of personal data. The Bank also reviews data sharing, data protection, and outsourcing agreements especially when dealing with third party service providers/vendors.

Customer's personal information shall be retained for the duration necessary to fulfill the purposes for which it was collected, and such other purposes that the customer have explicitly consented to from time to time. The Bank does not rent, sell, or share personal data with third- parties, except when necessary to complete transactions or deliver services<sup>63</sup>.

<sup>62</sup> <https://www.rcbc.com/data-privacy-notice>

<sup>63</sup> *Ibid*

## Data Security

Disclosure (January 1 – December 31, 2025)		Quantity	Units
No. of data breaches, including leaks, thefts and losses of data		0	#
<b>Which stakeholders are affected?</b>			
<b>Stakeholder</b>	<b>Issues That Influence Their Assessments and Decisions (in relation to data security)</b>		
Stockholders	- Data security and customer privacy – potential reputational impact that may lead to divestment		
Customers/Clients	- Data security: reliability and security of electronic banking channels - Customer privacy		
Government/ Regulators	- Data security - Customer privacy - Compliance with laws and regulation - Ability to conform to certain performance parameters		
Community	Data security and customer privacy, which allow members of the community to decide whether to patronize the products and services of the organization – the organization’s ability to attract potential customers in the community can affect its ability to implement its strategies and achieve its objectives		
Public, including media	Data security and customer privacy – potential reputational impact		
<b>What is the impact and where does it occur? What is the organization’s involvement in the impact?</b>			
RCBC’s ability to properly manage and protect sensitive data secures the Bank’s information.			
<b>Management Approach to Impact</b>			
<p>RCBC places the highest importance on keeping data secure, aiming to reduce disruptions to operations as a consequence of information security incidents. Concretely, this aim expands to the following objectives:</p> <ul style="list-style-type: none"> <li>- To protect the information assets that support the Bank’s operations;</li> <li>- To provide Management with an accurate view of significant current and future information security risks and assist them to make well-informed risk management decisions about the extent of the risk, risk appetite and risk tolerance</li> <li>- To provide an end-to-end guidance on how to manage information security risks, beyond purely technical control measures;</li> <li>- To establish a risk profile to better understand the Bank’s full exposure, and better utilize its resources;</li> <li>- To integrate the management of information security risk into the overall enterprise risk management of the Bank; and</li> <li>- To implement and continuously improve a sound framework for the identification, measurement, control, monitoring, and reporting of key risks faced by the Bank.</li> </ul> <p>RCBC may store personal data physically or electronically with third party data storage providers. When the Bank does this, the Bank uses contractual arrangements to ensure that those providers take appropriate measures to protect that information and restrict the uses to which they can put that information. The data privacy and security policy are considered and applied in 100% of the Bank's operations.</p> <p>The Bank acknowledges and upholds the rights of data subjects as stipulated in the Philippines' Data Privacy Act (R.A. 10173). To facilitate the exercise of these rights, the Bank provides an Online Privacy Contact Us Form, which is readily available in its Data Privacy Notice on the website. This form serves as a convenient means for data subjects to assert their rights and communicate any concerns to the Bank’s Data Privacy Office.</p>			
<b>What are the risks identified?</b>			
Information Security Risk is the risk of loss resulting from information security/cyber security breaches. Data breaches, including leaks, thefts and losses of data may occur in the primary business operations.			

## Management Approach to Risks

The Audit and Compliance Committee (ACC) is one of the committees at the board level of RCBC. The Bank's Data Privacy Office, which operates within the Compliance Group, provides the ACC with updates on regulatory matters concerning Data Privacy. This includes information on policy changes, modifications to the risk management framework, outcomes from Privacy Impact Assessments, and any privacy incidents that may require escalation, particularly those that could significantly affect the Bank due to the damages incurred from privacy-related risks.

RCBC has zero tolerance for information security/cyber security breaches. RCBC shall protect its information assets to ensure that breaches do not cause material damage to its liquidity and capital position, and reputation. The Bank's information security objectives are achieved through both a technical and process-based defensive strategy:

- Multi-layer IT defenses including threat intelligence/assessment, prevention, detection and remediation
- Identification of information assets including both hardware and software that are considered essential to the Bank;
- Assistance to business units in identifying risks in information assets being handled; and
- Implementation of risk assessment to determine current information security risks and threats present in the information assets, determine acceptable risk levels, and implement preventive measures to mitigate potential high risks.
- Constant information security awareness campaigns across the Bank that will strengthen the level of appreciation of its associates in protecting information assets.
- Close monitoring of information security related incidents through accessible and timely reporting processes.

The Bank's Data Privacy Policy mandates the conduct of training sessions or seminars aimed at ensuring that employees and personnel remain informed about developments in data privacy and security. As part of its employee onboarding process, all newly hired employees are required to complete data protection training prior to employment.

RCBC has a Board-appointed and National Privacy Commission- (NPC-) registered Data Protection Officer (DPO). Under the supervision of the Bank's Chief Compliance Officer (CCO), the DPO shall:

1. monitor and ensure the Bank's compliance with the Data Privacy Act (DPA), its implementing rules and regulations and other issuances by the NPC;
2. ensure the conduct of privacy impact assessments, as may be necessary, relative to the activities, projects, programs or systems of the Bank that may have bearing on personal data privacy and security;
3. in coordination with the Legal Affairs Group, represent the Bank before the NPC in administrative cases involving data privacy;
4. serve as the counselor of the Bank on matters involving personal data privacy and security;
5. together with the Chief Information Security Officer (CISO) the DPO shall review privacy related incident response policy and procedure at least annually; and
6. monitor and ensure compliance by Bank personnel with this Policy;

The DPO is understood to possess all the powers necessary to perform his or her duties and responsibilities. The above list is not exhaustive and may be modified as required, taking into account the needs of the Bank and the developments in the industry relative to data security and privacy.

In addition, RCBC remains compliant with NPC directives. This includes the Bank's annual registration, recurring policy reviews, execution of Data Sharing or Data Protection Agreements, as the case may be, and the submission of annual security incident reports.

### **Governance and Oversight**

The Bank has an established multi-layered structure of oversight functions to ensure compliance with the Data Privacy Act (DPA) and to manage security risks. These functions range from the Board of Directors down to specialized

operational divisions.

1. Board and Committee Oversight

**Board of Directors:** The Board has the ultimate authority to confirm the Data Privacy Policy.

**Audit and Compliance Committee (ACC):** This Board-level Committee provides high-level oversight. Significant updates to the policy—specifically those involving changes in sanctions, security measures, or functions—must be reported to the ACC. This aligns with the institution's emphasis on keeping executive leadership informed of major risks.

2. Executive Oversight

**Chief Compliance Officer (CCO):** The CCO holds a supervisory role over the Data Protection Officer (DPO). Additionally, the CCO has the authority to approve changes to policy templates, formats, or contents.

**Chief Information Security Officer (CISO):** The CISO has a specific oversight function over technical security measures. This includes overseeing the monitoring of information security breaches, the security features of software, and the encryption/authentication processes.

3. The Data Protection Officer (DPO)

The DPO is the central figure for privacy oversight, accountable for ensuring that the Bank complies with applicable laws and regulations. The DPO's specific oversight duties include:

- **Monitoring Compliance:** Ensuring the Bank and its personnel adhere to the DPA, NPC issuances, and internal policy.
- **Privacy Impact Assessments (PIA):** Ensuring PIAs are conducted for activities, projects, and systems involving personal data.
- **External Representation:** Representing the Bank before the National Privacy Commission (NPC) in administrative cases.

4. Divisional Oversight and Assurance

**Centralized Support Compliance Division (CSCD):** Headed by the DPO, this division oversees the development and maintenance of adequate policies, procedures, and controls to prevent unlawful data use. They also oversee the "Compliance Check" process to ensure that the Bank meets NPC standards.

**Compliance Assurance Division:** The function of "testing" compliance is handled by this division, separating the testing role from the policy-making role.

5. Third-Party Oversight

**Vendor Management:** The Bank exercises oversight over third parties (Outsourcing) by enforcing Data Protection Agreements. The policy mandates that the Bank must use contractual means to ensure third-party processors implement proper safeguards.

6. Incident Oversight (Post-Breach)

**Post-Breach Review:** The policy mandates a procedure for a "post-breach review" to improve management policies. In the context of the role of the "Crisis Management Team," this oversight function ensures that lessons learned from incidents are formally integrated into future security measures.

**Key Commitments**

- **Timely and Transparent Notification** - We commit to complying with the "Right to be Informed" by notifying affected data subjects about the nature, purpose, and extent of the unlawful processing of their data. In accordance with our breach management protocols, we are reporting the recorded incidents to the National Privacy Commission (NPC) and the Bangko Sentral ng Pilipinas (BSP) within the mandated timelines (72 hours for NPC).
- **Protection of Data Subject Rights** - We pledge to uphold the rights of all affected customers, including the right to access the specifics of how their data was compromised and the right to indemnification for damages sustained due to the unauthorized use of their personal data, upon finding by a competent authority.
- **Post-Breach Review and Security Enhancement** - We are conducting a comprehensive post-breach review to improve our personal data breach management policies. This includes re-evaluating our organizational, physical, and technical security measures—such as encryption and authentication processes—to prevent future recurrence,.

- **Strict Adherence to Regulatory Compliance** - We commit to full cooperation with the NPC and BSP. We acknowledge the severity of data privacy infractions and will ensure our response mitigates the risk of administrative fines, which can range up to 3% of the annual gross income for grave infractions.

#### **Annual Reviews and Reporting**

- **Data Privacy Policy:** The policy itself is reviewed annually and updated if necessary. Significant updates must be reported to the Audit and Compliance Committee.
- **Incident Response Procedures:** The Data Protection Officer (DPO) and Chief Information Security Officer (CISO) are required to review the privacy-related incident response policy and procedure at least annually.
- **Security Incident Reporting:** The Bank must generate an Annual Security Incident Report as part of its data breach notification documentation.
- **NPC and DPO Registration:** The registration of the DPO and the submission of sworn certificates to the National Privacy Commission (NPC) occur on an annual basis.

The Bank’s Information Security Governance Division (ISGD) has an Information Security Strategic Plan (ISSP) and Information Security Program (ISPr) aligned with the business objectives of the Bank. ISGD also establishes governance-specific policies, standards, and procedures for information security risk management, conducts trainings and issues advisories to increase information security awareness, and performs the Information Security Risk Assessment (ISRA) and Information Security Annual Certification (ISAC) for the whole Group to manage, identify, and address information security risks.

RCBC’s information security management system is based on the National Institute of Standards and Technology (NIST) and Payment Card Industry Data Security Standard (PCI DSS). The Bank’s cyber security personnel have obtained the following qualifications: CISM (Certified Information Security Manager, CDPSE (Certified Data Privacy Solutions Engineer) and CPISI (Certified Payment Industry Security Implementer).

RCBC’s IT infrastructure (including information security management systems) is subject to external audit every year (by an independent auditor) and every two years by BSP.

The Bank has established a procedure for managing Personal Data Breaches and for reporting such incidents to the National Privacy Commission (NPC). It has a policy that provides the requirements for reporting information security issues/ weaknesses as well as to address regulatory requirements in the event of personal data breach This procedure complements the Bank’s Information Security Reporting Process and ensures that personal data breaches—including, but not limited to, unauthorized access, use, disclosure, creation, modification, or destruction of personal data—are reported promptly to facilitate timely corrective measures.

Should notification be warranted, the Data Protection Officer (DPO) will notify both the NPC and the affected data subjects. This notification will provide the needed information and will be sent within seventy-two (72) hours upon knowledge of, or when there is a reasonable belief by the Bank that, a personal data breach requiring notification occurred.

#### **What are the opportunities identified?**

Given the changing business landscape and regulatory environment, opportunities arise in improving the Bank’s Information Security Program to uphold data security and customer privacy. RCBC implements multi-pronged approach<sup>64</sup> to safeguarding customers such as warnings not to click links from doubtful SMS and partnering with an ecosystem of trusted partners to reinforce awareness and promote the use of available legitimate protection systems (refer to the discussion on cyber security and anti-fraud initiatives under Economic Performance).

<sup>64</sup> <https://newsbytes.ph/2025/05/15/rcbc-exec-speed-of-how-technology-changes-is-the-top-e-security-threat/>

### **Management Approach to Opportunities**

RCBC continuously conducts regular trainings and seminars to equip employees (from senior management to rank and file) and those with direct contracts with RCBC on the importance of data security. Annually, all employees are mandated to complete eLearning modules on Data Privacy. Twice a month, the DPO conducts lectures to all new employees as part of the Employee Orientation Program and periodically or as the case may be, conduct lectures for other training programs of the Bank such as DELTA, ACE, and TOPGUN, among others. RCBC continues to update its Information Security Program to adapt to the changing business environment. The Data Privacy Notice is publicly accessible through the RCBC website: <https://www.rcbc.com/data-privacy-notice>.


RCBC may amend its data privacy notice to comply with changes in relevant laws and regulations and to keep customers informed of changes in the ways that the Bank processes their personal data. Updates are posted on the RCBC website.

# UN SUSTAINABLE DEVELOPMENT GOALS

RCBC is committed to delivering products and services which support the UN SDGs. Re-certified in 2024, the RCBC Plaza in Makati City remains to be LEED-Gold certified (since May 2018). RCBC Plaza is the first multi-tenanted building in the Philippines to achieve such kind of green building certification. LEED-certified buildings save money, improve efficiency, reduce carbon emissions, and create healthier working / living spaces. These environmentally-friendly structures are critical parts of addressing climate change, particularly UN SDG 7, SDG 11, SDG 12, and SDG 13.


## Key Products and Services and Societal Value / Contribution to the UN SDGs

The Bank’s financial inclusion programs and services, together with RCBC’s Sustainable Finance Framework, address **all of the 17 UN SDGs**. The Bank is committed to safeguarding our people and our planet, while fostering partnerships, and pursuing prosperity that will usher in a sustainable and resilient path by 2030.


Key Products and Services	Societal Value / Contribution to UN SDGs	Potential Negative Impact of Contribution	Management Approach to Negative Impact
<p><b>Delivering in the New Normal Through Digital Acceleration:</b></p> <p>[Refer to details under the Economic and Social portions]</p> <ul style="list-style-type: none"> <li>- RCBC Pulz</li> <li>- DiskarTech</li> <li>- ATM Go</li> </ul>	 <p><b>No Poverty.</b> Both DiskarTech and ATM Go are instrumental in the government’s distribution of funding assistance.</p> <ul style="list-style-type: none"> <li>- DiskarTech targets lower economic classes, C and D, and provides all-in-one online financial services needed by the unserved and underserved consumers</li> <li>- In 2025, Diskartech, in partnership with the Social Security System (SSS), rolled out MySSS cards to</li> </ul>	<p>Engaging the unbanked and underserved towards financial inclusion may expose us to credit risk and other types of risk which traditional risk tools may ordinarily not be able to adequately manage.</p>	<p>The risk of default and other risks are mitigated by performing additional Know Your Customer (KYC) and credit risk assessment procedures on clients.</p> <p>The bank partners with various organizations and LGUs to reach more Filipinos and educate them about financial services that can grow and protect their income.</p>


Key Products and Services	Societal Value / Contribution to UN SDGs	Potential Negative Impact of Contribution	Management Approach to Negative Impact
	<p>expand digital access for more Filipinos. This partnership aims to deliver digital financial access particularly to SSS members and pensioners.</p> <ul style="list-style-type: none"> <li>- ATM Go offers its services to all 82 provinces of the Philippines and is available through sari-sari stores, pharmacies, rural banks, grocery stores, bakeries, and pawnshops.</li> <li>- To deliver quality services across the country, RCBC has integrated satellite internet via Starlink into the ATM Go network<sup>65</sup>.</li> </ul> <p><b>Zero Hunger and Good Health and Well Being.</b> Services have been instrumental conduit for government financial aid and assistance for food and nutrition and education of beneficiary children in schools.</p> <p><b>Quality Education.</b> In partnership with the Department of Migrant Workers (DMW), modules on financial literacy for global Filipinos have been offered. This is to deepen adoption of responsible digital banking among OFWs and Filipino migrants. .</p> <p><b>Gender Equality.</b> The digital innovations improve the economic lives of women with low or no income, working class women and members of female-led households.</p> <p><b>Decent Work and Economic Growth.</b> Digital acceleration provides and expands access to banking and financial services for all.</p> <p><b>Industry, Innovation and Infrastructure.</b> The banking products increase access to financial services.</p> <p><b>Reduced Inequalities.</b> Addressing needs since the pandemic, RCBC responded swiftly through digitization</p>		

<sup>65</sup> <https://mb.com.ph/2026/02/19/rcbc-taps-starlink-satellites-to-reach-philippines-unbanked>

Key Products and Services	Societal Value / Contribution to UN SDGs	Potential Negative Impact of Contribution	Management Approach to Negative Impact
	<p>which provided access to unbanked and underserved Filipinos.</p> <p><b>Sustainable Cities and Communities.</b> Financial capacity building is offered at the barangay level through the ATM Go at geographically isolated, disadvantaged and conflict areas. RCBC also took the lead to fully adopt PalengQR which empowered merchants and market vendors in different pilot cities and provinces’ public markets to accept digital payments through the interoperable QRPh code. The Bank has similarly supported the initiatives of the Department of Transportation (DOTr) for cashless payments in the MRT and LRT<sup>66</sup>.</p> <p><b>Climate Action.</b> Bridging the gap through digital engagements among and between government and non-government organizations promote reduction in carbon footprint.</p> <p><b>Partnerships for the Goals.</b> Boosting financial inclusion in the Bangsamoro Autonomous Region in Muslim Mindanao (BARMM), RCBC signed a landmark agreement with the Ministry of Social Services and Development (MSSD) to expand digital literacy and deliver digital financing solutions to the region.</p>		
<p><b>Deposits</b></p> <ul style="list-style-type: none"> <li>- Savings Accounts such as: <ul style="list-style-type: none"> <li>o OneAccount</li> <li>o iSave</li> <li>o GoSavers</li> </ul> </li> </ul>		<p>Banks are custodians of public money. Given the banking sector’s systemic importance, it is critical that credit risk, market risk, and other bank risks are properly managed to prevent</p>	<p>The Bank identifies, measures, controls, and monitors the risk inherent to its business activities or embedded in products and portfolios. RCBC</p>

<sup>66</sup> <https://www.philstar.com/business/2025/07/25/2460643/mrt-3-goes-cashless-lrt-follow-soon>

Key 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"> <li>Hexagon Club</li> </ul>	 <p><b>No Poverty.</b> RCBC offers inexpensive, easy to open and customizable deposit accounts.</p> <p><b>Good Health and Well Being.</b> RCBC offers account types that come with free personal accident insurance, free hospitalization benefit, and free life insurance.</p> <p><b>Affordable and Clean Energy.</b> RCBC launched the Philippines’ first Peso Green Time Deposit (TD) in February 2022 for clients who would like to support green loans and projects under RCBC’s Sustainable Finance Framework.</p> <p><b>Reduced Inequalities.</b> GoSaver is a savings account for kids and teens. SSS Pensioner is a savings account for those looking for a convenient way to access their pension.</p> <p><b>Peace, Justice and Strong Institutions.</b> RCBC supports the government’s efforts through the Presidential Office for Child Protection (POCP) and the strengthening of institutions particularly on the drive against online sexual abuse and exploitation of children. RCBC and RCBC Trust Corporation have established a framework to address the matter of bank account opening for minor victims to facilitate monetary compensation with safeguards aligned with the requirements of national agencies such as the Department of Social Welfare and Development (DSWD).</p>	<p>bank failure.</p>	<p>continually develops an efficient and effective risk management infrastructure, and complies with regulations on risk and capital management.</p>


Key Products and Services	Societal Value / Contribution to UN SDGs	Potential Negative Impact of Contribution	Management Approach to Negative Impact
	<p><b>Partnership for the Goals.</b> In April 2025, RCBC launched a partnership with the Haribon Foundation for the Conservation of Natural Resources, Inc. (HARIBON) to promote biodiversity conservation through customer engagement. HARIBON is the pioneer organization in environmental conservation in the Philippines, well known for its initiatives toward biodiversity conservation such as the Forests for Life Movement. Under this partnership, RCBC Hexagon Club members are given the opportunity to support HARIBON by donating directly or redeeming their credit card points for donations.</p>		
<p><b>Loans</b></p> <ul style="list-style-type: none"> <li>- Corporate Loans</li> <li>- Home Loans</li> <li>- Auto Loans</li> <li>- Personal Loans</li> </ul>	 <p><b>RCBC's PHP 357.3B UN SDG Loans comprised approximately 41% of the Bank's total loan portfolio in 2025<sup>67</sup>. Of this, around 43% support UN SDG 9: Industry, Innovation, and Infrastructure.</b></p> <p><b>Affordable and Clean Energy.</b> RCBC participated in the ETM project of ACEN for the early decommissioning of SLTEC's coal-fired power plant by 15 years.</p>	<p>Banks are custodians of public money. Given the banking sector's systemic importance, it is critical that credit risk, market risk, and other bank risks are properly managed to prevent bank failure.</p>	<p>The Bank identifies, measures, controls, and monitors the risk inherent to its business activities or embedded in its products and portfolios. RCBC continually develops an efficient and effective risk management infrastructure, and complies with regulations on risk</p>

<sup>67</sup> RCBC's Sustainable Finance Framework (initially issued April 2019 and amended February 2024) expounds on the alignment of the Green / Social Bond Principles with the UN SDGs and their corresponding target descriptions. Estimates on the UN SDG loans were derived from the Bank's Sustainable Finance Framework and continuing internal cross-checking with other industry practices such as the BSP definition for Small and Medium Enterprises (SMEs), Department of Human Settlements and Urban Development (DHSUD) definition of Economic and Socialized Housing and the Philippine Standard Industrial Classification (PSIC) among others.


Key Products and Services	Societal Value / Contribution to UN SDGs	Potential Negative Impact of Contribution	Management Approach to Negative Impact
	<p><b>Decent Work and Economic Growth.</b> RCBC provides and expands access to banking and financial services for all. The Bank lends to corporations and SME, promoting inclusive, and sustainable economic growth, full and productive employment, and decent work for all.</p> <p><b>Industry, Innovation and Infrastructure.</b> RCBC Credit Cards' Personal Loan and Salary loan products increase access to financial services. Moreover, through the credit card's Digital Cash Loan platform, RCBC enables credit cardholders to easily avail of a loan by converting their unused credit limits into cash with real-time loan approval. RCBC Personal Loans leverages on digital innovation to provide efficient and inclusive access to financial services with majority of disbursed transactions sourced digitally. RCBC also partners with fintech lenders as a means to support financial inclusion.</p> <p><b>Reduced Inequalities.</b> RCBC's loan products empower and promote economic inclusion. RCBC Personal Loans provide access to affordable funding across market segments including the underserved and low-income individuals, promoting socio-economic advancement and empowerment<sup>68</sup>. RCBC Payday NOW, the bank's product addressing bridge funding needs, continues to provide assistance to customers who may be in need of emergency funding in between paydays. "Pasado" a loan product accessible through RCBC Diskartech aims to introduce the underserved to a personal loan facility while providing education on responsible credit handling<sup>69</sup>.</p>		and capital management.


<sup>68</sup> <https://diskartech.ph/rcbc-makes-lending-easier-for-every-filipino/>

<sup>69</sup> <https://diskartech.ph/pasado-loan-by-rcbc-diskartech-2/>

Key Products and Services	Societal Value / Contribution to UN SDGs	Potential Negative Impact of Contribution	Management Approach to Negative Impact
	<p><b>Sustainable Cities and Communities.</b> RCBC’s personal loan products increase access to safe and affordable housing and transport. RCBC Personal Loans support this initiative through providing financing for home renovation and automobile acquisition.</p> <p><b>Climate Action.</b> RCBC has exited from lending to new coal-fired power plants since December 2020. The Bank’s coal exposure will be zeroed out by 2031.</p>		
<p><b>Credit Cards</b></p>	 <p><b>Zero Hunger and Gender Equality.</b> In a continued demonstration of the Yuchengco-led Bank’s commitment to social responsibility, RCBC Credit Cards remains a steadfast partner of Gawad Kalinga, a Philippine-based movement dedicated to poverty alleviation and nation-building. This partnership is fueled by the RCBC Credit Cards’ Diamond Cares Program, which serves as a key pillar in sustaining missions that provide better nutrition and support for children across the country. As part of the card's rewards program, every purchase made by RCBC Diamond Platinum Mastercard holders contributes directly to these community-building efforts.</p> <p><b>Good Health and Well-Being and Life on Land.</b> Through the Rewards for the Soul initiative—the social advocacy</p>	<p>Engaging in the credit card business exposes us to credit risk and other types of risk which traditional risk tools may ordinarily not be able to adequately manage.</p>	<p>RCBC mitigates the risk of default and other risks by performing additional KYC and credit risk assessment procedures on clients.</p>

Key Products and Services	Societal Value / Contribution to UN SDGs	Potential Negative Impact of Contribution	Management Approach to Negative Impact
	<p>component of the RCBC Credit Cards Rewards Program—cardholders can transform their spending into meaningful impact. By redeeming the peso value of their earned rewards points, cardholders can provide vital support to various causes:</p> <ul style="list-style-type: none"> <li>• Good Health, Well-Being, and Environmental Conservation: Beneficiaries include the Philippine Red Cross, World Vision Philippines, and WWF-Philippines.</li> <li>• Disaster Relief: RCBC Credit Cards continues to mobilize support for Filipinos affected by natural calamities. Cardholders can choose to redeem and donate their rewards points to organizations like Gawad Kalinga and the Philippine Red Cross to fund relief and recovery operations for impacted communities.</li> <li>• Biodiversity &amp; Conservation: Starting in 2025, RCBC Hexagon Club members can now donate the cash equivalent of their rewards points to the Haribon Foundation, supporting critical projects dedicated to preserving the Philippines' unique biodiversity.</li> </ul> <p><b>Quality Education.</b> Other beneficiaries of RCBC Credit Cards' Rewards for the Soul are AY Foundation and SOS Children's Village Philippines. Cardholders can voluntarily donate to help support the education and provide homes &amp; facilities to the most vulnerable children and communities using their Rewards Points.</p> <p><b>Responsible Consumption and Production.</b> In 2023, RCBC pioneers the use of recycled materials for the Bank's credit cards indicating a strong commitment to promoting environment-friendly materials reducing the use of virgin plastic in the Bank's operations. In 2025, around 4 tons of recycled plastics were used for personalized credit cards.</p>		

Key Products and Services	Societal Value / Contribution to UN SDGs	Potential Negative Impact of Contribution	Management Approach to Negative Impact
	<p>RCBC Credit Cards has been promoting the use of electronic Statement of Account (SOA) to reduce printing of paper SOA. Most monthly SOAs generated are sent via electronic mail.</p>		
<p><b>Micro &amp; Small Business Loans &amp; Savings Products</b></p>	 <p><b>No Poverty.</b> RMB’s loan and savings products cater to the underserved and small businesses in the country. RMB studies each business carefully to make certain that the additional working capital has a positive effect on cash flow, potentially reducing or eliminating poverty.</p> <p><b>Zero Hunger.</b> RMB provides access to financing for farmers, producers and traders engaged in coconut agriculture, agri-exports, coffee and animal feeds.</p> <p><b>Decent Work and Economic Growth.</b> Correlated to helping reduce poverty, RMB’s loans products provide additional funds to small businesses which in return further employs underserved individuals, thus, increasing employment.</p> <p><b>Industry, Innovation and Infrastructure.</b> RMB’s products increase access to financial services, including affordable credit.</p>	<p>Engaging the unbanked and underserved towards financial inclusion may expose us to credit risk and other types of risk which traditional risk tools may ordinarily not be able to adequately manage.</p>	<p>RCBC mitigates the risk of default and other risks by performing additional KYC and credit risk assessment procedures on clients.</p>

Key Products and Services	Societal Value / Contribution to UN SDGs	Potential Negative Impact of Contribution	Management Approach to Negative Impact
	<p><b>Reduced Inequalities.</b> Regardless of financial status, RMB's loan and savings products cater to underserved individuals not covered by commercial banks.</p>		
<p><b>Sustainable Finance Framework</b></p> <p>The Sustainable Finance Framework strategy is to deploy Sustainable Financing Instruments to fund all types of loans that have clear environmental and/or social benefits which are classified as Eligible Green (and its subset of Eligible Blue) and Eligible Social assets.</p>	 <p><i>Download RCBC's Annual and Sustainability Report from <a href="http://www.rcbc.com/sustainability">www.rcbc.com/sustainability</a>. This report presents the Bank's Sustainable Finance Framework's impact and contribution to the UN SDGs.</i></p>	<p>The Framework should promote transparency and credibility in order to minimize the risk of greenwashing.</p>	<p>The Sustainable Finance Framework has a clear project selection and evaluation process. It is also vetted through a Second Party Opinion issued by a reputable ESG third party reviewer.</p>



Partners Through Generations

**Rizal Commercial Banking Corporation**

**Sustainability Report 2025 Annex**

**Supply Chain Management**

## **YGC PROCUREMENT SHARED SERVICES CODE OF ETHICS FOR VENDORS**

### **Bribes, Kickback & Gifts from Vendors**

1. Vendors shall not offer bribes or kickbacks to employees or family members in exchange for any business favor.
2. Vendors shall not accept solicitation of gifts from YGC employees for themselves.
3. Sponsorship by vendors of a planning session or a sporting event shall be acceptable subject to:
  - a. Approval from 2 Senior Officers (SVP or higher)
  - b. Allow equal opportunity for other vendors to sponsor
  - c. Should be fitting and moderate to the event sponsored
4. Solicitations of gifts for the company shall be allowed for Christmas and special company activities only. The solicitation shall be approved by a Senior Office (SVP or higher)
5. If the gift is perishable (food), Administration shall distribute the perishable gift to employees for consumption.

### **Policies on Entertainment & Business Meals**

1. Entertainments and business meals from vendors for procurement personnel are generally not allowed.  
Exceptions are the following:
  - a. Site visits
  - b. Social event of vendors where the customers are invited to attend
  - c. Social event of vendor to discuss business with vendor's partners.
  - d. Official group visits to vendors where the benefit is for the group (not included)
  - e. All other exceptions shall be cleared and approved by the PSS GM

### **Policies on Conflict of Interest**

1. Vendors shall treat personal purchases of employees as ordinary business transactions without preferential discounts. However, if YGC is able to negotiate for discounted prices, employees can ride on the YGC discount for personal purchase.
2. A vendor shall immediately disclose to PSS if a YGC employee is a close friend or relative by consanguinity or affinity within the 3<sup>rd</sup> civil degree (spouse, child, parent, brother, sister, uncle, aunt or cousin)
3. Supplier shall disclose if a YGC employee has an interest in a vendor as owner or investor. An exception are holdings in a publicly listed company in the form of stocks, bonds, or other securities that is less than 5% of the value of the class of security.
4. Vendor shall not employ a YGC employee as a consultant, director or employee of this company.

### **Policies on whistleblowing**

1. Vendors shall report to the CEO, COO, CFO and PSS GM suspected or actual occurrence of illegal, fraudulent, serious wrongdoing or misconduct or unethical behavior of co-vendors or YGC employees.
2. Any whistleblowing report which proves to be false and made in bad faith shall constitute a serious offense and shall subject the whistleblower to blacklisting.
3. Whistleblower who made the report in good faith or gives evidence in an investigation shall be protected from harassment or delisting from the Accredited Vendors' List.

4. A vendor who retaliates against the whistleblower who reported a violation in good faith shall be subjected to blacklisting.

#### **Policy on confidentiality**

1. Vendors with access to non-public information shall not disclose such information to other parties without the written consent of a Senior Officer (SVP or higher) of the YGC Member.

#### **Sanctions**

1. Those found in violation of the Code of Ethics for Vendors shall be permanently blacklisted and delisted from the Accredited Vendor List.
2. If the YGC member suffers a loss, remedies (i.e. legal case) against the erring vendor shall be pursued.

#### **Policies on Vendor Blacklisting**

1. The PSS Board shall approve the blacklisting of vendors as well as the lifting of blacklisted vendors.
2. If vendor commits a violation against YGC PSS Policies on Code of Ethics, vendor will be blacklisted, regardless if the vendor has more than one product or service used by YGC.
3. Vendor shall also be blacklisted if the following offenses are committed:
  - a. Integrity issues such as: dishonesty i.e. willful action of the vendor to defraud any YGC member; connivance with YGC personnel to commit fraud; payment of commissions or gratuity in any form in cash or in kind; submission of fake corporate documents; misuse of YGC funds (down payment); willful use of inferior / unapproved materials.
  - b. Abandonment of project with or without down payment.
  - c. Failure to meet contractual commitments, e.g. off standard deliveries
  - d. Failure to meet corrective actions.
  - e. Failure to meet safety policies leading to loss of life, injury or damage to property.
  - f. Unjustified delays in the completion of delivery of ordered products/services.
  - g. Failure to improve unsatisfactory performance for 2 consecutive years.
  - h. Failure to submit Audited Financial Statements for 2 consecutive years.
  - i. Failure to submit close-out documents within 60 days deadline date.
  - j. Inability to make payments to vendors.
  - k. Distressed companies.
  - l. Companies in the negative list.
  - m. With pending legal case filed by YGC Member against the vendor.
  - n. Upon instruction from Senior Management or as approved by the IT Council Head for IT vendors.
4. If the vendor is blacklisted, there will be no temporary lifting even if sole supplier. Erring vendors with current transactions with YGC shall be watchlisted or restricted. No future projects shall be granted to such vendor but handling shall be confidential in coordination with YGC PSS GM.

## **DISCLOSURE STATEMENT (Annual) – Supplier Code of Ethics**

I have read and understood the YGC Supplier Code of Ethics and Blacklisting.

In dealing with the YGC Group of Companies, I am bound by the foregoing Code and at all times, adhere to its policy provisions. To the best of my knowledge, the company and its employees have not engaged in any activity which violates the foregoing policy and/or policy.

I hereby confirm that (please mark the appropriate space on the following statements):

1. The foregoing is true without exception \_\_\_\_\_.
2. The foregoing statement is true, except for the situations described in full detail on the reverse side of this statement, or in an accompanying page hereof. \_\_\_\_\_.

I understand that if at any time hereafter there is a change in circumstances which would make the foregoing statement incorrect, a full report will be made describing such change. Moreover, I will also report the occurrence of any situation or circumstance which to my opinion is inconsistent with the foregoing Code.

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Company Name

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Designated Signatory – Name and Signature/Date

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Position