I. OBJECTIVE

This Policy document aims to:

- **Ensure reorganizations have justification**: Ensure that any proposed reorganization is supported by clear objectives, financial impact, and/or contribution toward the Company's goals, and is undertaken in good faith without intent to circumvent the tenurial security of employees.
- **Protect employee rights during transitions**: Ensure that affected employees are treated fairly, provided with adequate support, and that their benefits are not diminished. Employees will receive appropriate resources to support their transition to their new roles, functions, or responsibilities.
- **Enable smooth transitions**: The People & Purpose Group (PPG) will oversee employee transitions, ensuring smooth mobility and compliance with labor laws.
- **Comply with labor laws**: Adhere to all applicable labor laws and regulations, including consultation with legal advisors on compliance.

II. SCOPE AND LIMITATIONS

This policy applies to all the Company departments, leaders, and employees involved in any reorganization process, including the **People & Purpose Group (PPG)**, **Legal**, and **key leadership teams**. It covers:

- **Justification for reorganization**: Ensuring that organizational changes are aligned with the company's strategic objectives and priorities.
- **Employee transitions and mobility**: Managing internal mobility and ensuring that employees are properly supported during role transitions.
- **Compliance with labor laws**: Ensuring that all reorganization processes comply with the **Philippine Labor Code** and applicable local and international laws.

III. DEFINITIONS

Terms/Abbreviations	**Definition**
Reorganization	Significant changes in a company's structure, operations, or financial arrangements, **undertaken as a valid exercise of management prerogative.**.
Significant Changes	Any substantial modification in a company's structure, operations, or workforce that could affect its stakeholders, financial performance, or long-term strategy.
Involuntary Separation	Termination of employment by the employer for reasons beyond the employee's control, such as retrenchment, closure of business, redundancy, dismissal, or the installation of labor-saving devices.
Authorized Causes	These are reasons for termination of employment that do not arise from the fault or actions of the employee. The employer is permitted to terminate an employee's services for the following authorized causes, provided due process is observed.
Competent Public Health Authority	Refers to an accredited physician or medical panel from the Department of Health (DOH), or an agency specifically authorized by the DOH to issue final and non-appealable certifications regarding an employee's medical fitness for duty.
Just Causes	These are reasons for dismissal where the employee is at fault. Under these causes, the employer can

Terms/Abbreviations	Definition
	terminate the employee for misconduct or other inappropriate actions that violate company policies or the law.
Bangko Sentral ng Pilipinas (BSP)	The central bank of the Philippines, established to maintain price and monetary stability, promote financial stability, and oversee the country's payment and settlement systems.
BSP Fit and Proper Rule	A regulation that assesses the qualifications of individuals in positions of trust within financial institutions, like bank directors and officers. It evaluates candidates based on their integrity, experience, education, training, and competence, with the goal of protecting depositors and maintaining the quality of bank management.
GRI (Global Reporting Initiative) Standards	A global framework for sustainability reporting that helps organizations communicate their economic, environmental, and social impact. Facilitates transparency and accountability, enabling stakeholders to assess an organization's sustainability performance and impact.
Sustainability Accounting Standards Board (SASB)	A non-profit organization that develops industry-specific sustainability accounting standards to help public companies disclose financially material environmental, social, and governance (ESG) factors that can impact their financial performance.
United Nations Sustainable	A global blueprint of seventeen (17) goals to achieve

Terms/Abbreviations	**Definition**
Development Goals (SDGs)	sustainable development by addressing social, environmental, and economic challenges.
Organization for Economic Co-operation and Development (OECD) Guidelines for Multinational Enterprises	A comprehensive set of recommendations by the Organisation for Economic Co-operation and Development (OECD) providing principles and standards for responsible business conduct in areas such as human rights, labor, environment, anti-bribery, and disclosure for multinational enterprises operating globally.

IV. ROLES AND RESPONSIBILITIES

Role	**Responsibilities**
Chief Executive Officer (CEO)	• Provide oversight on the implementation of the reorganization policy
People & Purpose (Human Resources/ HR)	• Lead the review, approval, and management of reorganizations, ensuring that employee rights are protected and transitions are managed smoothly.
Legal	• Ensure compliance with labor laws and provide legal guidance on the reorganization process.

	• Review the "Fair and Reasonable Criteria" used for selecting affected employees to mitigate litigation risk.
Group / Functional Head	• Collaborate with Human Resources to provide accurate information on the organizational structure and affected employees, ensuring that the reorganization aligns with company goals and legal requirements.

V. POLICIES

1. Key Principles of Responsible Management of Reorganization

1.1. The People and Purpose Group shall ensure the implementation of the policy on responsible management of reorganization across the following key areas:

1.1.1. Reorganization Proposal and Justification

1.1.1.1. **Reorganization Proposal Submission**: The group head proposing a reorganization must provide the following information to their respective HR Business Partner (HRBP) and/or to the Chief People Officer for review and concurrence:

1.1.1.2. **Justification for the Reorganization**: All proposals for reorganization must include a clear rationale that may include operational growth, strategic alignment, resource optimization and other important details, ensuring that the changes respond to expanding functions, enhance scalability, and support the Company's strategic goals. The proposal must also demonstrate that the reorganization will not disrupt critical financial services, system availability, or customer protection mechanisms as mandated by the BSP and other regulatory bodies.

1.1.1.3. **Involuntary Separation Justification**: If the reorganization involves involuntary separation of employees, a clear justification and detailed mitigation efforts must be provided. In the Philippine Labor Code, involuntary separation from work is categorized into two types: authorized causes and just causes. Authorized causes are reasons for termination of employment that do not arise from the fault or actions of the employee. The employer is permitted to terminate an employee's services for the following authorized causes, provided due process is observed.

Authorized Cause	Description
Installation of Labor-Saving Devices	This refers to the introduction of technology or processes that make a job redundant. For example, machines replacing manual labor will fall under this.
Redundancy	Redundancy happens when an employee's position is no longer necessary because of changes in the business operation, such as downsizing or restructuring. It can occur when there are too many workers in a certain department or position.
Retrenchment	Retrenchment is the termination

Authorized Cause	Description
	of employment due to business losses, financial difficulties, or other economic reasons. This is a measure taken to reduce costs, and it is typically seen in times of economic downturn.
Disease	If an employee suffers from an illness that cannot be cured within a reasonable period, and continued employment poses a risk to others or the company, provided that the disease is of such nature or at such a stage that it cannot be cured within a period of six (6) months even with proper medical treatment. They may be separated from the company. This is subject to certification by a competent public health authority and ensuring that the employee's medical condition prevents them from performing their duties. A "competent public health authority" refers to an accredited physician or medical panel from the Department of Health (DOH), or an agency specifically authorized by the DOH to issue final and

Authorized Cause	Description
	non-appealable certifications regarding an employee's medical fitness for duty.

Selection Criteria: If the reorganization involves involuntary separation, the selection of employees to be affected must be based on **Fair and Reasonable Criteria (such as seniority, physical fitness, merit, and efficiency ratings) to ensure the process is objective and non-discriminatory.**

1.1.1.3.1. **Disease-related Authorized Cause:** Prior to seeking certification for termination, the Company must exhaust all available options for reasonable accommodation, including exploring temporary reassignment to alternative roles or modification of work duties, to enable the employee to continue working within their medical limitations.

1.1.1.3.2. **Employee Upskilling and Redeployment:** Prior to effecting separation under this cause, the Business Group and People & Purpose must evaluate the feasibility of upskilling or redeploying the affected employee to other open roles within the Company or its subsidiaries. This aligns with the Company's commitment to responsible Technology and AI adoption and workforce sustainability, demonstrating the Company's high regard for its human capital.

1.1.1.3.4. **Due process for authorized causes:** Employers must serve a written notice to both the employee and the appropriate Regional Office of the Department of Labor and

Employment (DOLE) at least one (1) month prior to the intended date of termination. If the cause is redundancy or retrenchment, the employer must pay separation pay following the standards set by law and regulations.

1.1.1.3.5. **Just causes:** For just causes, please refer to the Company's Code of Conduct. Should there be discrepancies between this Policy and the Code of Conduct, employees shall refer and follow the latest version of the Code of Conduct.

1.1.2 Review and Approval of Reorganization

1.1.2.1. The Chief People Officer and the Legal team must formally review and approve all reorganization proposals and subsequent mitigating actions to be comprehensive, legally compliant with the Philippine Labor Code and other applicable laws, and aligned with the company's ethical principles for workforce transition

1.1.2.2. Please refer to the Company's Organizational Design and Development Policy for further details on the change management process related to reorganizations.

1.1.3 Employee Transition and Internal Mobility

1.1.3.1. **Oversight**: The People and Purpose team shall oversee all internal mobility processes, ensuring that affected employees experience smooth transitions to new roles or responsibilities.

1.1.3.2. Lateral Transfers: The Company reserves the right to transfer employees to new roles as a valid exercise of management prerogative, **provided such transfers are made in good faith and do not result in a diminution of salary, benefits, or rank.**

1.1.3.2. **Communication and Transition Support**: The People and Purpose team, in collaboration with Immediate Supervisors, shall ensure that employees affected by the reorganization are notified through a meeting to discuss changes in designation, functions, roles, and updated employment contracts, as applicable.

1.1.3.3. The Company through the IS and HR shall provide resources to ensure the employee will succeed in their new role and meet performance expectations.

1.1.3.4. The employee shall be responsible in utilizing such resources, which may include formal and informal training, coaching, mentoring, or project assignments.

2. Training and Enablement

2.1. **Continuous Support**: The Company shall provide ongoing support to affected employees, ensuring that they have access to resources that help them adapt to new roles. Continuous support may include training and enablement (company-initiated or employee-initiated), exposure, psychological support (for exiting employees) as well as tools or resources that support proficiency development.

2.1.1. **Company-Initiated:** Affected employees transitioning into new roles shall be provided access to relevant training, development opportunities, and other resources to help ensure that they are equipped to meet performance expectations in their new roles.

2.1.2. **Employee-Initiated:** Employees may also champion their own development. As part of their programs, they can present external training and certifications that they need, which would be assessed and approved by the Learning and Development Team.

3. Monitoring, Reporting, and Review

3.1. People and Purpose team shall continuously monitor the effectiveness of its reorganization practices, ensuring that employee transitions are smooth, legal compliance is maintained, and company goals are met.

3.1.1. Relevant key qualitative and quantitative data shall be included in the annual sustainability report of the Company, as applicable.

3.2. People and Purpose team shall ensure that a review is conducted to this policy annually or as necessary to reflect changes in operational needs, labor laws, or global standards.

3.3. The Sustainability team shall also annually review this policy to ensure continuous alignment with SASB, OECD, GRI, and IIRC guidelines, ensuring that the Company's reorganization practices remain responsible and compliant.

VI. ANNEX

Citations

1. **SASB Standards: Workforce Management (Responsible handling of employee transitions and organizational changes)**
    - **SASB HC0301-10**: "Percentage of employees who are contract workers."
      This SASB standard is referenced to ensure that employee transitions during reorganization maintain transparency in terms of employment contracts and legal obligations.
    - **SASB HC0301-11**: "Total amount of employee turnover."
      This standard ensures that reorganization processes are tracked in terms of employee turnover, highlighting the company's responsibility

to minimize unnecessary separations and manage transitions effectively.

2. **GRI Standards: General Disclosures, Employment, Training and Education, Socioeconomic Compliance**
    - **GRI 102-8 (General Disclosures: Information on Employees and Other Workers)**:
"Information on the total workforce, broken down by employment type, employment contract, and region."
This standard is referred to ensure transparency in the organizational structure before and after the reorganization, providing a clear breakdown of employees affected.
    - **GRI 102-10 (General Disclosures: Significant Changes to the Organization and Its Supply Chain)**:
"Report significant changes during the reporting period regarding the organization's size, structure, ownership, or supply chain."
This is cited to ensure that the Company reports any reorganization that affects its size, structure, or workforce, keeping all stakeholders informed of major organizational changes.
    - **GRI 401-2 (Employment: Benefits Provided to Full-time Employees that are Not Provided to Temporary or Part-time Employees)**:
"Report the benefits provided to full-time employees that are not provided to temporary or part-time employees."
This ensures that employees impacted by reorganization are treated equitably in terms of benefits and support, especially during transitions or separations.
    - **GRI 404-2 (Training and Education: Programs for Upgrading Employee Skills and Transition Assistance Programs)**:
"Report on programs aimed at upgrading employee skills or offering transition assistance during organizational changes."
This standard ensures that the Company provides necessary training

and development programs for employees transitioning into new roles or functions, or those facing separation.

- **GRI 419-1 (Socioeconomic Compliance: Non-compliance with laws and regulations in the social and economic area)**:
  "Non-compliance with laws and regulations in the social and economic area, including legal actions and fines."
  This ensures that the Company complies with all labor laws and regulations during reorganizations, safeguarding employee rights and legal standards.

3. **OECD: OECD Guidelines for Responsible Business Conduct (Transparency and legal compliance in reorganization)**
   - **Chapter V, Employment and Industrial Relations**:
     "Enterprises should, within the framework of applicable law, regulations, and prevailing labor relations and employment practices, provide adequate information to employees and their representatives on changes in the enterprise that could significantly affect them."
     This guideline emphasizes the Company's responsibility to provide clear information to employees regarding reorganization and to involve them in the process wherever possible.
   - **Chapter II, General Policies**:
     "Enterprises should carry out risk-based due diligence to identify, prevent, and mitigate actual and potential adverse impacts."
     This reinforces the importance of assessing potential impacts of reorganization on employees and mitigating any negative effects through careful planning and communication.

4. **IIRC: International Integrated Reporting Framework (Transparent reporting on organizational changes and employee outcomes)**
   - **IIRC Framework, Section 3.2: Materiality Determination**:
     "An integrated report should disclose information about matters that

substantively affect the organization's ability to create value over the short, medium, and long term."
This standard ensures that the Company transparently reports significant organizational changes, including reorganization, and their impact on employee outcomes in sustainability and integrated reports.

- **IIRC Framework, Section 5: Governance and Oversight**:
"Disclose the organization's governance structure and how it supports the ability to create value."
This is cited to ensure that the Company reports its governance structure in overseeing reorganizations, ensuring accountability and transparency.

5. **United Nations Sustainable Development Goals (SDGs): SDG 8 and SDG 10**
    - **SDG 8: Decent Work and Economic Growth**:
    "Promote sustained, inclusive and sustainable economic growth, full and productive employment and decent work for all."
    This goal aligns with the Company's commitment to protect employee rights during reorganizations, ensuring fair treatment, continued employment where possible, and providing support for transitions.
    - **SDG 10: Reduced Inequalities**:
    "Reduce inequality within and among countries."
    This goal is referenced to ensure that the Company's reorganization practices are inclusive, equitable, and non-discriminatory, providing fair opportunities for all employees affected by organizational changes.