

SUSTAINABILITY

REPORT

(2024)

Commonwealth Insurance Company

(CIC)

Commonwealth Insurance Company has set a Mission, Vision and Values in order to address the corporate social responsibility and sustainability to achieve the company's objectives.

MISSION

To contribute to the development of society and help assure the future generations of its preservation and peace of mind by enabling security through insurance.

VISION

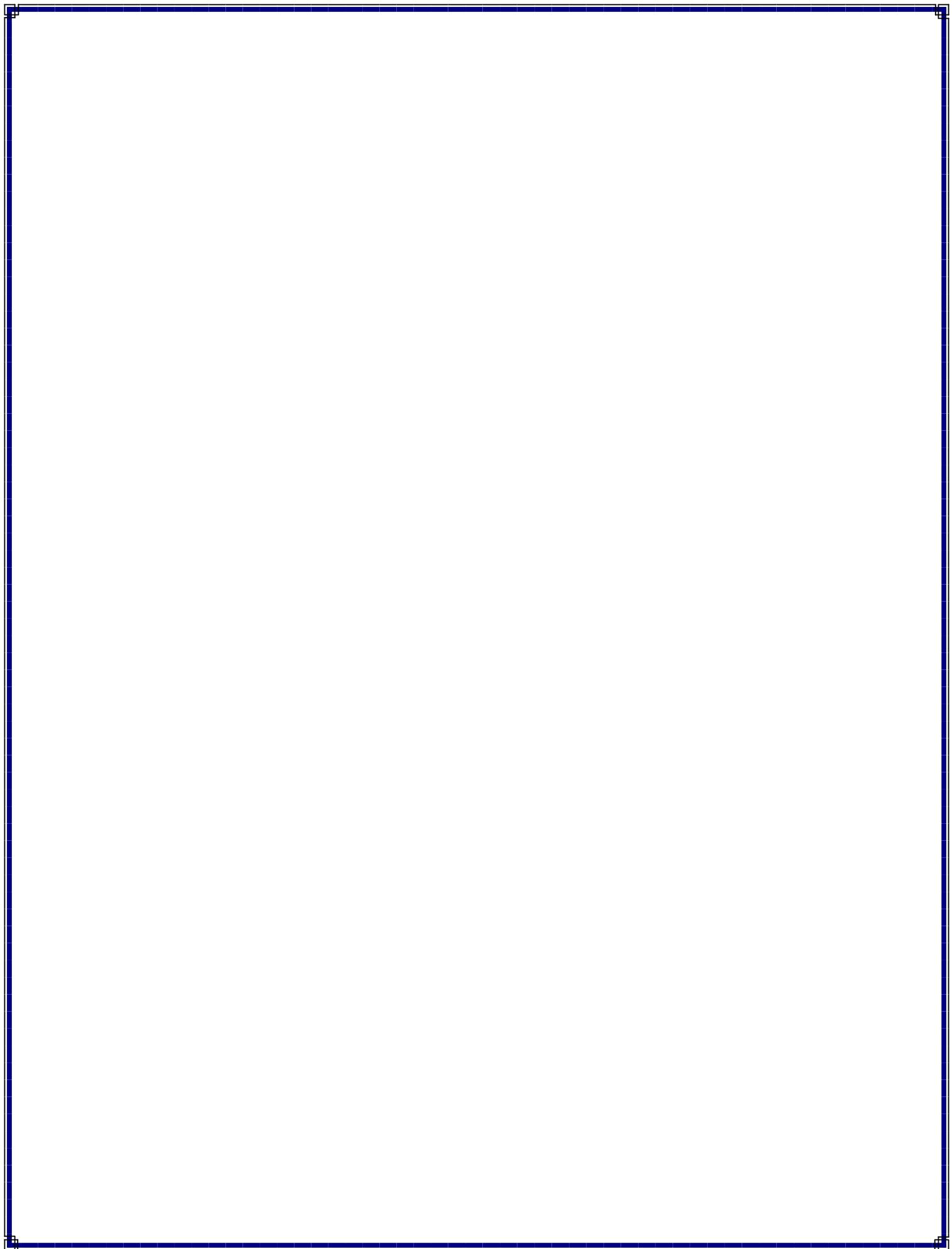
To create a country's leading insurance that consistently pursues sustainable growth and enhances corporate value.

VALUES

Aims to enhance customer focus, integrity, teamwork, innovation and professionalism by contributing to solutions for sustainability issues with understanding and participation from the company's stakeholders.

INTRODUCTION

Since its establishment in 1935, Commonwealth Insurance Company, has been one (1) of the leading non-life insurance provider, offering consistent safety, security, and peace of mind in conducting business activities in favor and in behalf of insuring private person and public entities. With a strong commitment to sustainability, the company has built a reputation for reliable service to its patron. Presently (year 2024), the company operates forty two 42 active branches nationwide, composed and run by three hundred thirty eight (338) total manpower with seventy nine (79) officers and two hundred fifty nine (259) staffs dedicated to serving the community, and meeting its insurance needs.



CORPORATE SOCIAL RESPONSIBILITY

Commonwealth Insurance Company is committed to secure and assure the peace of mind of its clients by providing them with insurance options, wherein, security of property, loss, and other coverage arising from an unknown or contingent event are as its main priority. The company fully understands its client's hesitancy and doubts at first, but with the company's assurance since its foundation, every client's needs are respected. CIC offers excellent and top notch customer service, as well as integrity and mutual respect of humanity. CIC envisions long term returns and contribution to solutions for sustainability issues.

The CIC is fully aware of the consequences of climate change, that is why it seriously take cognizance and addresses the issues and impacts of it on environment, social, and governance (ESG) that poses shared risk to re-insurers, communities, businesses, local and national government authority, and society at large. CIC actively engages in efforts to understand, respond to, and adapt to the challenges brought about by climate change, working towards sustainable solutions and promoting resilience for all stakeholders involved, to wit:

1. Responsibility to Clientele

CIC remains committed to delivering top-quality risk solutions to its valued clients and insuring public, amidst the challenges brought about by climate change. The company strives to provide exceptional service that not only meets but exceeds the expectations of its clients. CIC places utmost importance on ensuring client satisfaction and is dedicated to going above and beyond to fulfill their needs in these challenging times.

2. Responsibility to Shareholders

CIC is dependent to its shareholder's anticipations by escalating its innovativeness value and providing appropriate profit sharing.

3. Responsibility to Agents

CIC works hand in hand with its Agents to achieve mutual prosperity through collaboration and as crucial business partners.

4. Responsibility to Stakeholders

CIC maintains healthy relations with its business partners and work together to accomplish common objective to society.

5. Responsibility to Employees

CIC provides a motivating and acquiescent working environment for its employees that are invaluable in keeping the company strong and successful for the years to come.

6. Responsibility to Local Communities and International Community

CIC preserves good relations with local and international communities and works for mutual development as a member of these communities.

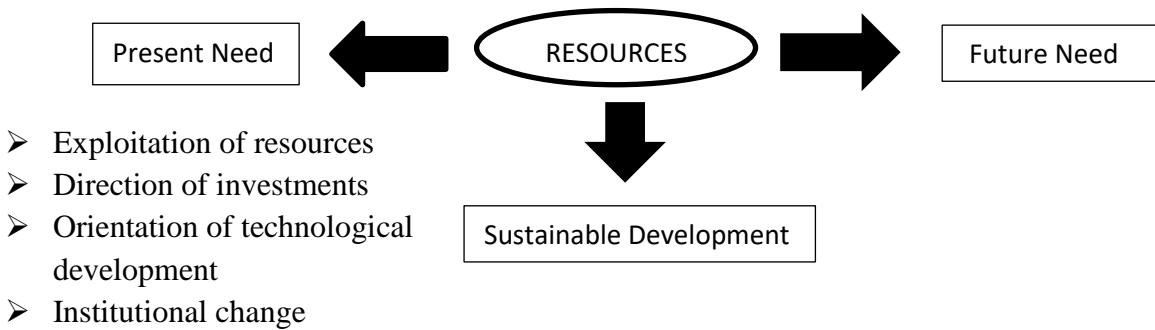
7. Responsibility to the Environment

CIC works to help conserve and improve the global environment for the benefit of future generations. “Try to leave the earth a better place than when we arrived”. Protect and save the environment.

SUSTAINABLE DEVELOPMENT

Sustainable Development defined:

A development that meets the present without compromising the ability of future generations to meet their own needs.



Lesson Objectives:

1. Understand the concept, history, challenges & principles of Sustainable Development (SD);
2. Appreciate & pursue the SD initiative in the Philippines context and apply relevant principles;
3. Know and determine the applicability of the various environmental laws in our company while pursuing its corporate goals;
4. Commit to perform the duties as Steward of the Environment.

Objectives of SD in Philippine Context:

1. To ascertain the sustainable utilization of the country's resources i.e. forests, croplands, and minerals;
2. To achieve and maintain an acceptable quality of air and water which are common resources;
3. To achieve a level of population growth and could be optimally supported by and would not cause undue stress on the country's resources;
4. To develop public awareness of the interdependence between environmental quality and the economic productivity and create a constituency for environmental protection.

ENVIRONMENT, SOCIETY & GOVERNANCE SUTAINABILITY APPROACH

Commonwealth Insurance Company always consider a strong concern on sustainability in terms of the environment, society and governance (ESG) issues in all group of insurance business activities, including development of products and services, underwriting and investments. The company recognizes that ESG related impacts include infringement of human rights that threaten respect for basic rights, deforestation due to illegal logging, and corruption that undermine economic growth and stability, can have far-reaching consequences. Business influence affects ESG factors, and our group itself might be one of them. As part of its risk management approach, CIC actively addresses ESG related risks to our group, we have been outsourcing business opportunities in addressing ESG concerns, particularly, giving motor car insurance with extended coverage driving protection services to support safe driving and thereby reduce accidents. Furthermore, by utilizing collected data, the company provides preventive measures against natural disasters.

Through these sustainable initiatives, Commonwealth Insurance Company strives to make a positive impact on the environment, society, and governance aspects, while ensuring the well-being and protection of its clients and the wider community. Moreover, considering the current climate change, the company remains committed to upholding its sustainability approach while adapting and responding to the challenging situations.

A. ENVIRONMENT:

Commonwealth Insurance Company is committed in leveraging awareness and risk preparedness in improving insurance literacy and its impact in the environment. CIC in response to the Climate Change has listed some mitigating circumstances to help improve the community in relevance to its non-life insurance business, to wit:

1. CIC contributes to climate change mitigation and adaptation as it may bring material impacts to the lives of the people in the society, to the ecosystem that may pose substantial risks to the insurance industry;
2. CIC contributes to the decarbonized society that supports initiatives for reduction of CO2 emissions and climate change mitigation such as enhancement of the stable and sufficient supply and usage of **renewable energy**;
3. CIC does not underwrite insurance coverage to a coal fired power plants, however, may do so in exceptional cases where plants (power) are extremely needed and is essential for the stable supply of energy to the community or country;
4. CIC highly encourages paperless communication in all its branches nationwide to use electronic mail as information dissemination. Electronic mailing is beneficial for the planet, as it reduces the paper usage and damage to the environment;
5. CIC has demonstrated its commitment to environmental sustainability by actively implementing energy-efficient technologies and practices, such as reduction of energy consumption through initiatives such as switching off lights during lunch breaks and before office hours commence; and,
6. Underwrites and issue Bonds both Performance and Surety that guarantees for solar power, biomass, and wind-power projects to promote diffusion of renewable energy.

B. SOCIAL COMMUNITY:

As a responsible corporate entity, Commonwealth Insurance Company recognizes the global impact of the current climate change and is dedicated to contribute and committed to taking additional measures to address the challenges that affect the well-being of not only the Philippines but also the entire world.

The products and services offered by CIC geared towards the realization of a secured and prosperous society for all. The company prioritizes the well-being and safety of its clients, ensuring that the insurance solutions provided meet high-quality standards and within the legal framework and industry regulations in a transparent and responsible manner. By providing comprehensive insurance solutions, the company aims to alleviate the financial burdens and uncertainties faced by individuals, businesses, and communities during these challenging times.

CIC is dedicated to upholding the principles of dignity, respect, and fairness for all its employees and stakeholders and places utmost importance on creating a work environment that is free from any form of human rights abuses. By implementing robust policies and procedures, CIC ensures that ethical standards are upheld and that all individuals are treated with equality and integrity both within its organization and in its interactions with clients and stakeholders.

CIC also acknowledges the importance of ESG-related information and its role in conducting due diligence during transactions. The company actively supports its clients, intermediaries, and stakeholders by facilitating the necessary ESG-related information that are required.

C. GOVERNANCE:

The Commonwealth Insurance Company's Corporate Governance since its establishment is a result of multi-year initiative to develop a strong guide in management. The ESG risks in risk assessment and insurance underwriting in relation to governance has an initial focus on non-life insurance business.

C.1. Governance in Management

The aim of this Governance is to establish a structure in which all of our corporate officers and employees from managerial to rank-and-file aim to achieve compliance, with a constant awareness of our corporate social responsibilities, to wit:

1. Focus to achieve our mission by ensuring compliance in every aspect of our corporate activities;
2. Submission of compliance and proper actions in response to the expectations and requests of society, with all laws and regulations related to our corporate activities, and relevant guidelines issued by competent government agencies;
3. CIC's underwriters consider issues and risks that would negatively impact on the society and the global environment. These risks including characteristics which might affect the ability to assess and mitigate such risks are considered in response to the demand of society;
4. Address growing concerns by stakeholders across society on ESG risks and articulate the peculiarities of the insurance business; and,
5. Demonstrate the valuable role the insurance industry plays in the global economy and society, and strengthen the industry's contribution to sustainable growth.

C.2. Governance in the Conduct of Corporate Officers and Employees

1. Faithful compliance with law and regulations promulgated by legitimate authority for the common observance and benefit, etc., and if we discover any behaviour with the potential to violate laws and regulations, etc., shall be pointed out and a corrective measure will be implemented;

2. Faithful conduct in considering preventive action, the proper measure is applied whenever the act committed is ethical or not then, the preservation of humanity and good and fair judgment for the common good will always prevail;

C.3. Governance in ensuring appropriate corporate action

1. Prohibition of engagement in unfair trade, such as restricting competition through collusion or acquiring unfair benefits by abusing our position as well as bribery and money laundering/financing of terrorism;
2. Protection of intellectual property rights and not infringing the intellectual property rights of others;
3. Customer due diligence in maintaining, using, and keeping their records confidential in a lawful manner;
4. Fair resolution in dealing antisocial forces and no acceptance of any unjust, and unlawful demands;
5. Appropriate management of conflicts arising from personal interests or benefits will not be tolerated and customers' interest will be highly prioritized;
6. Ensuring that all transactions are fair, authentic and reasonable;
7. Management transparency is highly advocated and disclosure of information are accessible only on appropriate usage and basis; and,
8. Lawful management of corporate assets, company information and trade secrets;

C.4. Governance in Human Rights and Conducive Working Environment

1. Respect of human rights and refrain of employees or customers discrimination regardless of their race, nationality, gender, age, profession, religion, physical deformities and the likes;
2. As respecting human rights is the foundation of a safe society where one can live at ease and enjoy a peaceful life. CIC's conducts business in respect for human rights.
3. CIC refrains from issuances of insurance that may cause indiscriminate mass killing.
4. CIC ensures that its employees have a safe and comfortable working environment.

C.5. Governance of the Board

The Board of Directors specially created a **Sustainability Committee** that will hold discussions on the policies, plans, and the progress for the business operations with consideration for sustainability. Commonwealth Insurance Company has designate a **Sustainability Officer**, which is task of a full time role in ensuring company compliances in relation to sustainability laws, circulars, rules and other pertinent compliances to appropriate government agency and other entities particularly, Philippine Center for Environmental Awareness and Sustainability, Inc. (PCEAS, Inc.)

1. CIC shall formulate and update regularly its Sustainability Report. This formulation and updating are reviewed by the Board as necessary in the light of prevailing regulatory developments, instructions, rules and regulations; and,
2. CIC's Sustainability Committee shall keep the highly transparent disclosure and engage in dialogue with stakeholders in relation to activities that it may proposed for the good of the environment.