

Enhancing Partnerships. Enriching Lives.

2014-2015 SUSTAINABILITY REPORT



LANDBANK
WE HELP YOU GROW.

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About the Cover

For LANDBANK, growth is an inclusive effort that engages its partners in the national government, rural communities, and the private sector.

As the Bank works toward enriching lives across the nation, it commits to enhance its good relationships with its various partners.

Vision

By 2018, LANDBANK will be the top universal bank that promotes inclusive growth and improves the quality of life especially in the countryside through the delivery of innovative financial and other services in all provinces, cities and municipalities.

Mission

To Our Clients and Publics:

We will use the best technology solutions to deliver responsive financial and support services to our clients, while promoting sustainable development, and environmental protection.

To Our Employees:

We will develop and nurture talents that will exemplify the highest standards of ethics and excellence consistent with the best in the world.



LANDBANK
WE HELP YOU GROW.

FOREWORD



We are happy to present to you the LANDBANK 2014-2015 Sustainability Report (SR)—the Bank’s first SR that uses the latest G4 framework of the Global Reporting Initiative (GRI).

Since 2009, we have been guided by the GRI as we voluntarily report our economic, social, and environmental performance based on the five sustainability cornerstones upon which we build and align our sustainability efforts: Enterprise Development, Community Development, Environmental Protection and Management, Customer Service, and Employee Development.

These cornerstones are anchored on our three business goals of pursuing our mandate as a countryside development financial institution, providing quality customer service and products, and ensuring long-term institutional stability and viability.

Producing the fifth SR of the Bank is one of our concrete steps toward promoting sustainable development by communicating to our stakeholders the Bank’s essential and fundamental business issues and developments, beyond financial profitability. Reporting our performance and sustainability initiatives is important to us, as we believe sustainability is a shared responsibility and mutual goal embedded in our mission and vision, work principles, products, services, and programs.

LANDBANK has always been set apart from other banking and financial institutions because of our

social mandate to spur countryside development. As the government’s partner in providing our primary stakeholders with financial and technical assistance, we especially endeavor to help our clients grow their businesses, their environment, their communities, and ultimately, the entire country.

As LANDBANK’s operations converge toward the fulfillment of its business goals, we commit to work continuously not only for the purpose of generating income, but also to bolster rural economies, promote community development, and preserve the environment.

This is how LANDBANK embodies sustainable development. This is what LANDBANK commits to fulfill now and in the years to come, as we take on the challenge of actively participating in nation building and serving the Filipino people.

We look forward to your continued support as we remain dedicated to improving the lives of and nurturing relationships with the Filipino farmer, the fishers, the micro- and small entrepreneur, the cooperative, the rural bank, the local and national government, the Overseas Filipino Worker (OFW), and countless other partners toward countryside development.


GILDA E. PICO
President and CEO

“

As LANDBANK's operations converge toward the fulfillment of its business goals, we commit to work continuously not only for the purpose of generating income, but also to bolster rural economies, promote community development, and preserve the environment.

”



ABOUT

the Land Bank of the Philippines

The Land Bank of the Philippines (LANDBANK) is a Government-Owned and -Controlled Corporation (GOCC) that fulfills its social mandate of promoting countryside development while remaining financially viable. This duality provides the Bank with better opportunities to raise the quality of life for many Filipinos, both here and abroad.

LANDBANK is the official depository of the Republic of the Philippines. It began as the financing arm of agrarian reform, and facilitates the ongoing Comprehensive Agrarian Reform Program (CARP). Among other tasks, the Bank extends credit assistance, conducts land valuation, provides compensation to landowners for agricultural property expropriated under the program, and collects amortizations from CARP farmer-beneficiaries.

Over the years, LANDBANK has also diversified its commercial banking operations and intensified its retail banking with the following products and services:

In response to the national government's call to support priority investment projects under the Philippine Development Plan 2011-2016, the Bank has redefined its priority loan sectors to further expand credit outreach to the unbanked and underserved areas:

- **Mandated Sectors:** Small Farmers and Fishers and their Associations, and Agrarian Reform Beneficiaries (ARBs)
- **Agriculture and Fisheries:** Agri-business, Aqua-business, and Agri-Aqua-related projects of Local Government Units and GOCCs
- **National Government Priority Programs (including Public-Private Partnership Projects):** Micro, Small and Medium Enterprises (MSMEs), Communications, Transportation, Housing (socialized, low-cost, and medium-cost), Education, Health Care, Environment-related Projects, Tourism, Utilities, and Livelihood Loans.



Deposit Products



Loan Products



Card Products



E-Banking Products



Investment Products

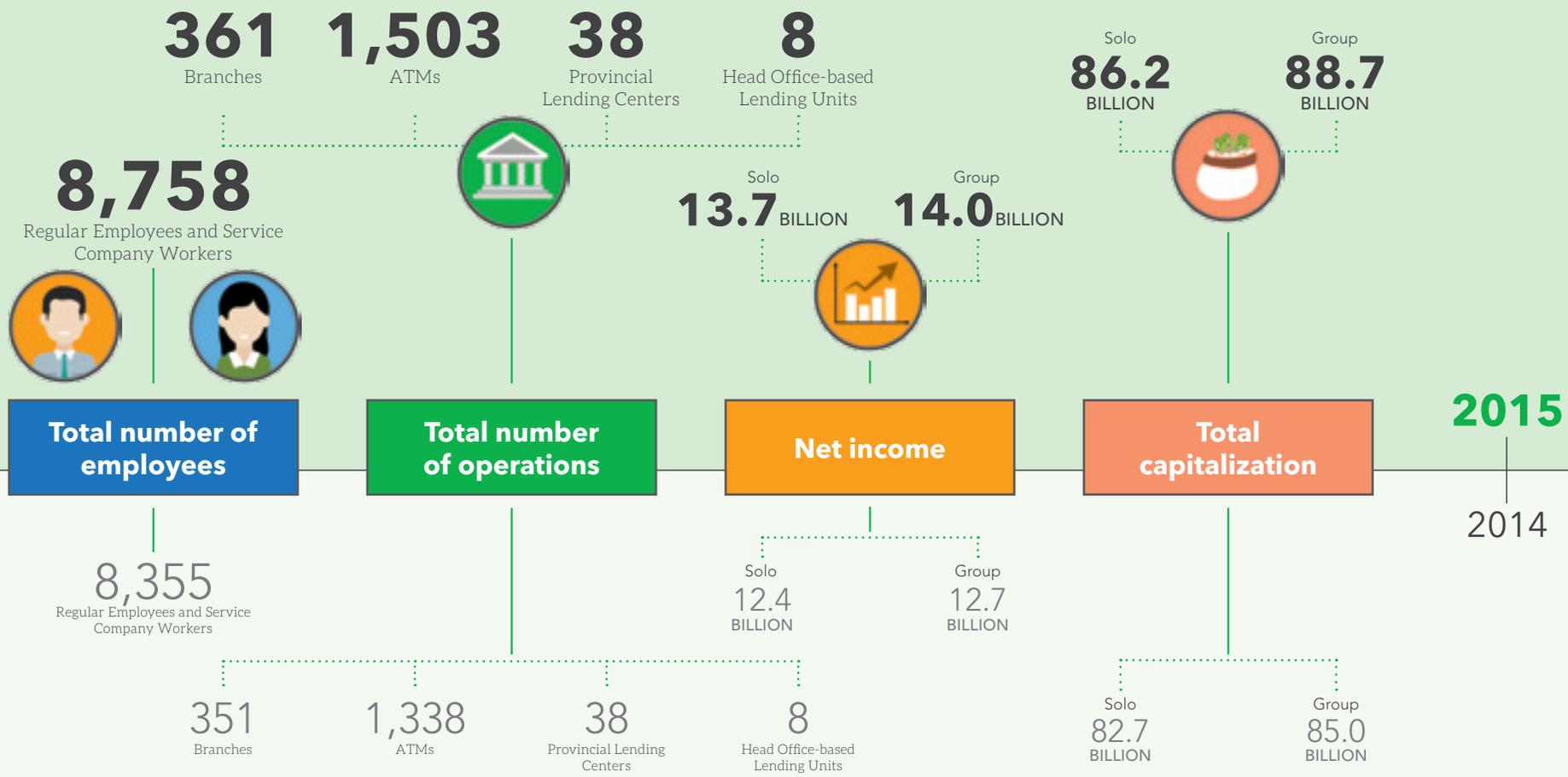


Remittance Products



The Bank's Head Office is located at LANDBANK Plaza, 1598 M.H. del Pilar corner Dr. J. Quintos Sts., Malate, Manila 1004.

Scale of the Business



LANDBANK Presence

LANDBANK is located in all of the 81 provinces nationwide. With the additional branches, it maintains its position as the bank with the most extensive network in the Philippines. Of the total number of branches, 231 branches are in Luzon (86 of which are located in the National Capital Region), 57 branches are in the Visayas, and 73 branches are in Mindanao. Apart from its branch network, the Bank also operates six tellering booths and six foreign exchange booths to provide additional banking services.



* This increased from 351 LANDBANK branches in 2014.
 ** This increased from 1,338 LANDBANK ATMs in 2014.



NEW BRANCHES:

2014

- 1 GSIS Complex, Pasay City
- 2 Carmen Rosales, Pangasinan
- 3 Carigara, Leyte
- 4 Dapitan, Zamboanga del Norte
- 5 Dinagat Island
- 6 Sto. Tomas, Batangas
- 7 Daraga, Albay
- 8 Alabang Business Center
- 9 Guagua, Pampanga
- 10 Araneta Center

2015

- 1 Bonifacio Global City
- 2 Pulilan, Bulacan
- 3 San Juan, Batangas
- 4 Paseo de Sta. Rosa, Laguna
- 5 Guiuan, Eastern Samar
- 6 Dalaguete, Cebu
- 7 Tagum City
- 8 Calumpang, General Santos City
- 9 Liloy, Zamboanga del Norte
- 10 Janiuyay, Iloilo

WORLDWIDE:

In 2015, the Bank continued to have strong correspondent relationship with 721 foreign banks and maintained deposit accounts with 25 top-tier banks in 13 countries. Likewise, the Bank nurtured healthy partnerships with 155 foreign and local companies specializing in the remittance and overseas manpower deployment businesses.



(Clockwise, from right) Inauguration of the new LANDBANK branches in Alabang, BGC, España, and GSIS Headquarters. (Inset) The facade of the new LANDBANK branch at GSIS.



External Charters and Initiatives



Membership Associations



Association of Development Financing Institutions in Asia and the Pacific



Asia-Pacific Rural and Agricultural Credit Association



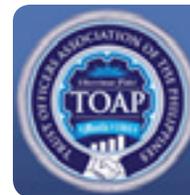
Association of Government Accountants of the Philippines



Bankers Institute of the Philippines



Bankers Association of the Philippines



Trust Officers Association of the Philippines



Philippine Marketing Association



Association of Government Internal Auditors, Inc.



Government Corporations Athletic Association



International Association of Business Communicators



Public Relations Society of the Philippines



People Management Association of the Philippines



ABOUT the Report

With the theme, “Enhancing Partnerships; Enriching Lives,” LANDBANK commits anew to nurturing the relationships that foster economic progress and sustainable development, and ultimately, improve people’s lives.

Sustainability reporting allows the Bank to reassess and refine the ways it creates value, using direct input from its stakeholders. For this report, four stakeholder groups were consulted, namely: (1) employees; (2) clients, including representatives from government agencies and local government units, the private sector, rural banks, and cooperatives; (3) beneficiaries of the Bank’s corporate social responsibility programs; and (4) members of the Bank’s foundation and subsidiaries. LANDBANK values this input and has incorporated much of this feedback into the report.

This report describes LANDBANK’s sustainability activities that are material to its various stakeholders. The relevant stakeholder groups were determined throughout the meetings of the Corporate Social Responsibility-Technical Working Group (CSR-TWG). Key individuals were plotted by means of a Stakeholder Identification Workshop.

The scope of the report covers the Bank’s national operations for the years 2014 and 2015 in Metro Manila (National Capital Region), Nueva Ecija, Cebu, and Davao. This report likewise discloses information that represents the areas where LANDBANK has operational control and social involvement. There are no major restatements for this report and relevant data have been updated.

External Reporting Standards

LANDBANK follows the Global Reporting Initiative (GRI) G4 Sustainability Reporting Guidelines “In Accordance – Core” criteria in the development of this report, including the Financial Services Specific Disclosures. Please see the GRI G4 Content Index on pages 78 to 83 for details.

Technical Working Group

The CSR-TWG has the ultimate accountability for LANDBANK’s Sustainability Report. It is tasked to review and identify sustainability indicators applicable to the Bank for the reporting period. The CSR-TWG regularly meets to discuss the preparation status of sustainability reporting and reviews the report before it is officially published.

Stakeholder Engagement

LANDBANK engages with its stakeholders to better understand their interests and expectations of the business. Through open dialogues, candid discussions, and transparent disclosures, the Bank is able to maintain strong relationships across sectors. Moreover, it is able to identify issues and offer solutions that gratify its stakeholders.

Consistent with the GRI G4 Reporting Principles, stakeholder inclusiveness defines this report by identifying the urgent, material issues that the Bank seeks to address. To accomplish this, LANDBANK reached out to its stakeholders in Manila, Cabanatuan City, Cebu City, and Davao City. The series of consultations allowed the Bank to evaluate the effectiveness of its various programs and initiatives.





LANDBANK's Sustainability Report 2014-2015 followed a two-part engagement process aligned with the GRI G4 Guidelines and the AccountAbility Stakeholder Engagement Standard (AA1000SES). The first part was a systematic quantitative approach that utilized a GRI G4-referenced survey where stakeholders identified pressing issues, as well as significant economic, environmental, and social impacts of the Bank's performance. The second part was a focus group discussion (FGD) on the most prominent stakeholder responses, while bringing attention to other issues that were not included in the survey form but were raised by the stakeholders as urgent issues and/or attributions worthy to be included in the report.



Stakeholder issues discussed during the FGD include, but are not limited to, the following: broadening access to financial services to smallholders and rural communities; building capacities for financial literacy and stability among cooperatives; monitoring environmental and social compliance of funded sectors; managing operational disruptions due to extreme weather and disaster; increasing investments in renewable platforms; improving employee wellness and well-being; upgrading and addressing deficiencies of available technology; addressing systems efficiency, transactions, and processing; and boosting marketing communications and information dissemination about the Bank's programs and product portfolio.

Stakeholder Groups Engaged

INTERNAL

1. LANDBANK Officers and Employees

- Group Heads
- Branch Heads
- Account Officers
- Managers
- Rank-and-file Employees

2. LANDBANK Foundation and Subsidiaries

- LANDBANK Countryside Development Foundation, Inc. (LCDFI)
- Masaganang Sakahan, Inc. (MSI)

EXTERNAL

1. CSR Program Beneficiaries

2. Clients

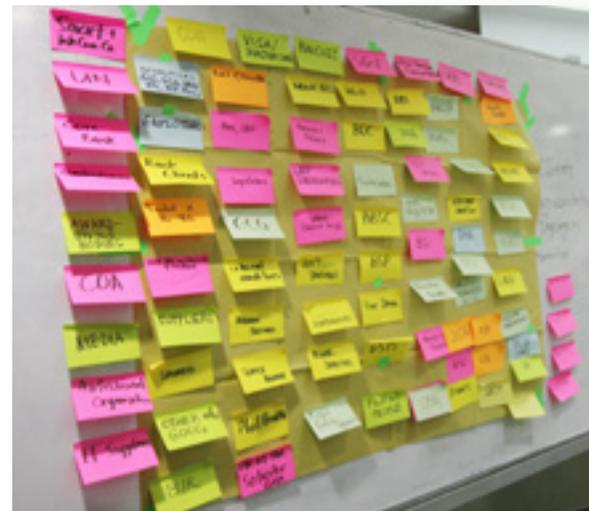
- Government Agencies
- Local Government Units (LGUs)
- Private Sector
- Rural Banks
- Cooperatives

Material Topics

Materiality refers to how LANDBANK determines which issues are sufficiently important and relevant to be disclosed, mindful of their impact on the reasonable interest of Bank business and the Bank's stakeholders. For this report, LANDBANK discloses those issues resulting from the stakeholder engagement and materiality assessment conducted.

The series of stakeholder engagements had a total of 190 participants from internal and external groups, namely clients, Bank employees, service company workers deployed in the Bank, government agencies, communities, business partners, industry organizations, and service firms. Economic, environmental, and social issues were ranked and assessed based on their importance to LANDBANK, and its external stakeholders. This process has helped the Bank confirm, update, and frame the most material topics as they relate to LANDBANK's sustainability report.

The Bank also reports on G4 Aspects under the Human Rights category, namely Non-discrimination, Freedom of Association and Collective Bargaining, and Human Rights Grievance Mechanism. These Aspects did not result as material topics for the 2014-2015 Sustainability Report, but they are reported for continuity and further context.



ECONOMIC

Economic Performance

- Financial performance
- Direct economic impact (e.g. employment opportunities, local hiring, local suppliers, direct flow of money to stakeholders)
- Financial risks related to climate change

Indirect Economic Impacts

- Local community investments
- Indirect economic impact (e.g. infrastructure development, poverty alleviation, livelihood creation, availability of products and services in low-income areas)

Procurement Practices

- Procurement practices

See Appendix for descriptions of the material Aspect boundaries within the organization and outside the organization (G4-20, G4-21)



ENVIRONMENTAL

Energy

- Electricity consumption within the organization

Water

- Water usage within the organization

Emissions

- Reduction of greenhouse gas emissions (e.g. due to business travel, courier services)

Effluents and Waste

- Waste management (e.g. paper, office supplies, IT products, computer equipment)

Products and Services

- Resource use and efficiency in LANDBANK products and services

Overall

- Environmental expenditures and investments



LABOR PRACTICES AND DECENT WORK

Employment

- Compensation and benefits
- Hiring, turnover, and retention

Training and Education

- Employee training and education

Occupational Health and Safety

- Healthy and safe working environment (including non-exposure to criminal activities, threats, and aggression)

Equal Remuneration for Women and Men

- Equal remuneration for women and men

Diversity and Equal Opportunity

- Workplace diversity and non-discrimination



SOCIETY

Local Communities

- Access to financial services in low-populated or low-income areas
- Local community investments

Anti-corruption Practices

- Anti-corruption practices

Compliance

- Compliance with laws/regulations



FINANCIAL SERVICES-SPECIFIC

Product Portfolio

- Online and mobile banking software
- Clients' compliance with and implementation of environmental and social requirements
- Financial products and services designed for environmental and social benefits

Audit

- Audits that assess environmental and social compliance and risk



PRODUCT RESPONSIBILITY

Product and Service Labeling

- Customer satisfaction surveys
- Fair design and sale of financial products and services
- Initiatives to enhance financial literacy of clients and/or beneficiaries
- Health and safety impacts of LANDBANK products and services

Customer Health and Safety

- Healthy and safe environment for customers

Customer Privacy

- Customer privacy and information security

Compliance

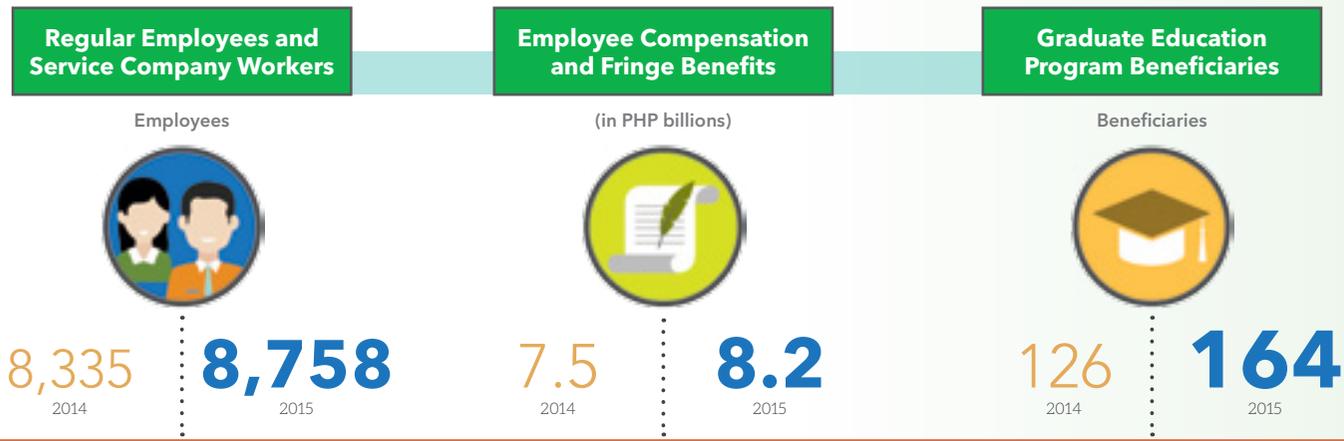
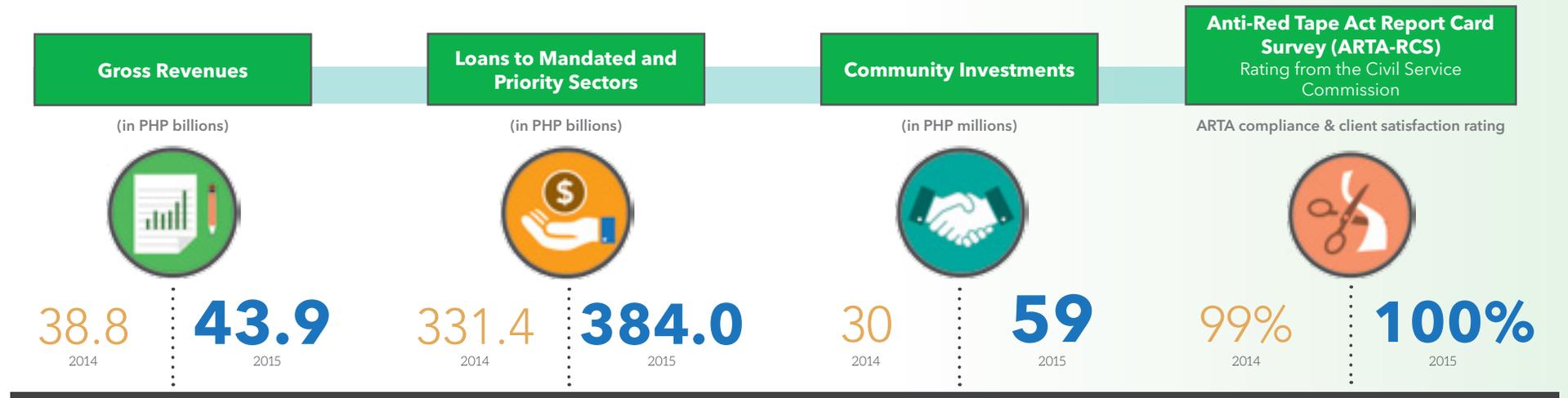
- Compliance on the provision and use of products and services with laws/regulations

Marketing Communications

- Marketing and communications

At a Glance:

Highlights of the Reporting Period



Financial Highlights

PARENT (LANDBANK)		
(in PHP millions)	2014	2015
ECONOMIC VALUE GENERATED		
Gross Revenues	38,811	43,862
ECONOMIC VALUE DISTRIBUTED		
Operating Costs	11,174	12,835
Employee Compensation and Fringe Benefits	7,539	8,251
Dividends Paid to National Government	6,000	6,600
Tax Credits	1,158	1,164
Donations/Contributions to Charitable Organizations (community investments)	30	59

GROUP (Consolidated)		
(in PHP millions)	2014	2015
ECONOMIC VALUE GENERATED		
Gross Revenues	39,216	44,300
ECONOMIC VALUE DISTRIBUTED		
Operating Costs	11,172	12,805
Employee Compensation and Fringe Benefits	7,586	8,305
Dividends Paid to National Government	6,128	6,749

LANDBANK's strong economic performance is integral to its mission to support growth. The Bank reports the direct economic value generated and distributed in financial statements in the Annual Report, including financial position, comprehensive income, changes in capital funds, and cash flows.

CORPORATE GOVERNANCE and Risk Management

Good corporate governance is an essential tool in sustaining corporate success and viability, even as LANDBANK fulfills its mandate of leading countryside development.

The Bank is guided by a corporate structure aligned with institutional values, goals, and objectives; compliant with government policy and regulations; and consistent with international best practices.

Governance Structure

The Bank's corporate governance is reflected in its hierarchical organizational structure led by the Board of Directors. The Bank's Board is composed of six Board-level committees: the Audit and Compliance Committee (AC Com), Risk Oversight Committee (RiskCom), Trust Committee (Trust Com), Corporate Governance Committee (CG Com), Investment and Loan Committee (ILC), and the Agri-Agra Social Concerns Committee.

The AC Com assists the Board of Directors in fulfilling its oversight responsibilities over the Bank's financial reporting policies, practices and controls, internal and external audit functions, and compliance functions.

The Risk Oversight Committee fulfills statutory, fiduciary, and regulatory services of the Bank. It assists the Board in identifying, defining, and assessing risks at all levels of the Bank, and ensures the alignment of risk objectives with overall business strategies and performance goals. RiskCom also manages a continuing education program to enhance its members' understanding of relevant issues pertaining to the banking industry.



The Trust Committee serves as the oversight committee on the fiduciary activities of the trust business. It also ensures that these are conducted in accordance with applicable laws, rules and regulations, internal policies and procedures, with the required skill, care, prudence and diligence in the management and administration of fiduciary assets.

The Corporate Governance Committee oversees matters pertaining to the organizational structure of the Bank, its selection and promotion of officers, periodic performance evaluation of the Board, its committees and the executive management, and annual self-evaluation of its performance. Apart from these, CG Com also studies and recommends policies to ensure appropriate and effective management through organizational and procedural controls and independent audit mechanisms. It also acts as the oversight committee for the Bank's implementation of the Internal Capital Adequacy Assessment Process (ICAAP).

The Investment and Loans Committee evaluates and recommends to the Board for consideration and approval investments and loans, as well as investment and credit policies and guidelines that define eligibility of investments and guide management of investment portfolios.

The Agri-Agra Social Concerns Committee formulates non-credit policies to improve the delivery of services on CARP and other agri-agra matters; serves as clearing house for CARP-related non-credit programs of the Bank; and monitors the status of implementation of the Bank's various non-credit agri-agra and social concerns programs.

G4-34, G4-38, G4-40, G4-44, G4-46, G4-47

Given LANDBANK's position as a Government-Owned and -Controlled Corporation (GOCC), nomination and selection of its highest governing body are guided by the LANDBANK Charter, the GOCC Governance Act of 2011, and Governance Commission for GOCCs (GCG) Memorandum Circulars. The Bangko Sentral ng Pilipinas, through its Monetary Board, confirms the election/appointment of the Bank's directors.

Sustainability Governance

LANDBANK places high importance in reviewing the impacts, risks and opportunities related to sustainability. The Risk Oversight Committee, a Board-level Committee, regularly reports to the Board, and the Board confirms the reports or makes directives with respect to risk management processes. The concerned units of the Bank report at least once a month; their deliverables include the President's Report, Loan Portfolio Quality Report, Financial Performance Report, and Resolutions approved by the Board-level Committees.

Evaluation of Board performance with respect to the governance of sustainability topics is conducted by performance review. Performance rating sheets from the Institute of Corporate Directors are accomplished yearly where members evaluate the Board as a body and also provide individual self-rating. The results are evaluated and deliberated upon by the Corporate Governance Committee in a duly constituted meeting.

In the years 2014 and 2015, GCG developed the internet-based Performance Evaluation for Directors (iPED)



System. Director Performance Review (DPR), which is one of the components of the Performance Evaluation for Directors in the GOCC Sector, appraises the performance of the individual members of the GOCC Governing Board. The DPR Forms are accomplished yearly and submitted directly to the GCG by each director through the iPED System.

Members of the Board-level committees also evaluate the Committees as a body. Each Board-level committee considers the directives and recommendations of the Board resulting from the evaluation of the results of the self-rating system.

Ethics and Conduct

Aligned with the Bank's core values, the Code of Conduct (the "Code") guides LANDBANK employees on how to conduct themselves in a manner that will inspire public trust. Every January of each year is designated as the Bank's Code of Conduct Month with the theme "I Live by the Code," during which time all Landbankers must be reoriented with the provisions of the Code, re-commit to the Code, and sign a Code of Conduct Compliance Recommitment Certificate.

Furthermore, Section 3, Article I of the 5th Collective Negotiation Agreement between LANDBANK and the LANDBANK Employees' Association (LBPEA) provides that LBPEA "shall assist the Management in inculcating among employees the provisions of the Code of Conduct for LANDBANK employees and pertinent Civil Service laws, rules and regulations as well as other issuances designed to promote honesty, social responsibility, trust, excellence, professionalism, discipline, efficiency, productivity and effectiveness of the LANDBANK Services."

Integrity is one of LANDBANK's core values. Thus, it affirms a zero tolerance policy when credible evidence of fraud and corruption exists among Bank-financed projects or staff. The Bank views corruption, fraud, and other punishable offenses as highly inimical to the achievement of its mandate. It strictly follows the Revised Rules on Administrative Cases in the Civil Service, and strictly implements the Code of Conduct for Public Officials and Employees and the provisions of anti-corruption laws such as the Anti-Red Tape Act (ARTA) of 2007.

Attendance of employees to risk-related trainings

(including training on anti-corruption policies)

1,533

employees for 2015

682

employees for 2014

Since 2009, LANDBANK has institutionalized the Ethics Hotline No. (02) 405-7660 as a mechanism for whistleblowers to report any impropriety or irregularity in its operations. The Bank formulated the Guidelines on Internal Whistleblowing and Reporting to encourage Bank employees with credible information to blow the whistle against graft and corrupt practices. It also provides protection and assistance to employees who voluntarily disclose their knowledge or give evidence about graft and corrupt practices.

In 2014, the Bank amended its "No Gift Policy" in line with its commitment to uphold the highest standards of ethics and moral values, and to comply with specific provisions of Republic Act No. 6713 ("An Act Establishing a Code of Conduct and Ethical Standards for Public Officials and Employees, to Uphold the Time-Honored Principle of Public Office Being a Public

Trust, Granting Incentives and Rewards for Exemplary Service, Enumerating Prohibited Acts and Transactions and Providing Penalties for Violations Thereof and for Other Purposes"), R.A. No. 3019 (Anti-Graft and Corrupt Practices Act), and Governance Commission for GOCCs Memorandum Circular No. 2012-12 (No Gift Policy of the GCG). CSC Memorandum Circular No. 23, s. 2014, Mandatory Display of the Contact Center ng Bayan (CCB), was also distributed, enjoining all Branches/EOs/LCs to support the massive dissemination of information on the CCB by displaying posters in conspicuous places in all frontline service offices.

In 2015, LANDBANK also implemented guidelines to strengthen organizational integrity, and ensure employee discipline and accountability. These mechanisms are: the Guidelines in Handling Past Due Financial Obligations of LANDBANK Employees; Amended Guidelines on the Bank's Litigation Expenses and Liability Indemnity Plan for Directors, Officers and Employees (DOEs); Rules on Prohibited Concerted Mass Actions; and Guidelines on Access and Usage of Official and Personal Social Networking Site (SNS) Accounts.

To enhance communication lines, the Bank's Human Resources (HR) Infoline incorporated web-based text broadcasting via Globe TxtConnect Plan. In addition, the official HR Advisory page for employees was created to inform and update Landbankers on compensation, benefits, job leveling, and other issues affecting them.

For the reporting period, 100% of banking units were assessed for risks related to corruption, which was validated by the Risk Management Group. Furthermore, no incidents of corruption were reported during the conduct of business.



Would you like to report a complaint, fraud or misdeed?

Call our **ETHICS HOTLINE**
405-7660 or local 7660

The LANDBANK Ethics Hotline is open to LANDBANK employees, clients, or any private person or third party.

It is an added medium to confidentially report any fraudulent act, graft and corrupt practices, wrong doing, misdeed or irregularity committed or taking place at LANDBANK.

The Ethics Hotline is operational from Mondays to Fridays, from 8:00 am to 5:00 pm (No Noon Break).

LANDBANK Trunklines: 522-0000; 551-2200; 450-7001



LANDBANK

Procurement Practices

Everyday purchasing decisions are aligned with LANDBANK's internal policy on achieving a healthier bottom line. The Bank recognizes that effective procurement practices can bring about social, environmental, and economic reform. Cost-efficiency, environmental friendliness, and local sourcing are thus emphasized. This approach to procurement encompasses the Bank's entire supply chain, including providers of office equipment and supplies, printed materials, and office refurbishments.

Given that procurement has attendant risks, the Bank strictly adheres to the Government Procurement Act or Republic Act (R.A.) 9184, "An Act Providing for the Modernization, Standardization, and Regulation of the Procurement Activities of the Government and for Other Purposes," which streamlines all procurement of the national government, its departments, bureaus, offices and agencies.

Meanwhile, LANDBANK's Green Procurement practices serve as the Bank's framework in setting standards when evaluating services and sourcing physical products from suppliers. The Bank seeks options that are made from recycled material, are recyclable, or have other environmental or social credentials. It partners with providers that place a premium on health, safety, and minimal impact on the environment.

As a general rule, LANDBANK also prefers local producers, manufacturers, and suppliers

that sell at comparatively advantageous prices. "Local" is defined as Filipino citizens/sole proprietorships and partnerships, corporations, or cooperatives duly organized under the laws of the Philippines. Patronizing local goods and services allows the Bank to support the local economy. It also reduces transport costs, thus minimizing the Bank's carbon footprint.

Currently, LANDBANK does not track and account for procurement budget or actual expenditures based on geographic locations of offices. In certain conditions, procurement from foreign bidders may also be entertained—for example, if the goods sought to be procured are not available from local suppliers, or there is a need to prevent situations that defeat competition or restrict trade. However, it is generally encouraged that LANDBANK offices patronize local suppliers as part of their activities. The Bank has a nationwide regional awards committee authorized to identify local or regional suppliers through the Regional and Local Committee, based on the approved process of the Government Procurement Act.

The Bank seeks options that are made from recycled material, are recyclable, or have other environmental or social credentials.

Compliance

As LANDBANK complies with the applicable laws, rules, and regulations, its system is carefully and strategically designed to identify and mitigate business risks. The Bank ensures that internal business operations are conducted in accordance with such laws, rules, and regulations, the Code of Conduct, and the sound policies and standards of good practice.

The Compliance Management Group (CMG) of the Bank oversees the implementation of the Bank's Compliance Program. In 2014 and 2015, the Bank did not incur significant monetary and non-monetary penalties/sanctions for non-compliance with laws, rules, and regulations.

Furthermore, the Bank takes a precautionary approach in its operations, as well as the innovation and development of new products and technologies. It strictly follows a step-by-step approach of engaging in peer review. It also considers the benefits and risks of innovation in a systematic and transparent manner. This way, the Bank prevents any risk of causing any form of harm to or negative impact on the public.

Audit

LANDBANK's good governance practices are reflected through its audit coverage and frequency, which assess the implementation of its environmental and social policies. An effective audit is a key tool that the Board uses to oversee that the Bank is well-governed and that information delivered and reported to other stakeholders is accurate, trustworthy, and in accordance

with existing laws and regulations. In pursuit of its mandates, the Bank assesses the environmental and social benefits of its products and services, and aligns these with governance and strategic planning.

To ensure that environmental and social policies, including risk assessment procedures, are being implemented, the institution subjected the LANDBANK Plaza to the ISO 14001:2004 Environmental Management Systems (EMS) certification conducted by a third-party auditor in 2008, which it passed. Every year thereafter, a surveillance audit is conducted to assess LANDBANK Plaza's continuing compliance with EMS. Furthermore, the Bank expanded the EMS certification program to include the Field Units. As of June 2016, a total of 10 NCR Branches and 17 Provincial Branches are already ISO 14001:2004-certified and are being re-assessed on an annual basis.

The Internal Audit Group (IAG) provides assurance services through the conduct of the Risk-Based Internal Audit Approach. IAG follows a three-year audit cycle except for those areas mandated by the BSP to be audited on an annual basis. IAG's functions cover the following:

- Providing a direct functional reporting line to the AC Com, and support to the Bank's continuing initiatives to be compliant with environmental laws, rules, and regulations. Through the Head Office and Systems Technology Audit Department (HOSTAD), IAG serves as the Lead Auditor of the EMS Internal Audit composed of 16 auditors from different units of the Bank. This internal audit is an important management tool for verifying and monitoring the effective implementation of the Bank's EMS. It helps the Bank achieve its environmental goals by determining whether



the requirements of applicable regulations/EMS standards are complied with, and the areas for improvement, if any, are identified and properly addressed on a timely basis.

- Through the Audit Services Team or Quality Assurance and Support Team, IAG also conducts an annual Quality Assurance Review (QAR) of the EMS Internal Audit Process to provide reasonable assurance to the Environmental Management Representative that the audit process was conducted in an effective and efficient manner, and in accordance with ISO 19011:2011 - Guidelines for Auditing Management System. The QAR basically covers the examination of the whole process of EMS internal audit conducted at the LANDBANK Plaza and the rest of the ISO 14001:2004 - certified Branches.
- Conducts Risk-Based Operations Audit of all Business Units as part of its assurance services. Audits are held within the three-year cycle except for those mandated by BSP to be audited on an annual basis. In performing the said audit, all IAG departments/units include in the Engagement Work Programs the review of the auditee's compliance with the EMS Good Practices and Housekeeping. Any exception or audit finding as a result of such validation is being considered in determining the audit rating of the Business Unit under review.

In addition, the Credit Review Department of IAG validates the conformity with applicable environmental laws, regulations, and requirements of projects financed by the Bank in their review of the Loan Evaluation and

Packaging process of Lending Units. The review is carried out in accordance with the Environmental Assessment Report being issued by the Environmental Program and Management Department (EPMD) whose main function is to implement the environmental policy on credit delivery and provide technical support on environmental due diligence and climate change vulnerability assessment on Bank-financed programs and projects. On the other hand, the operations of EPMD are being audited by HOSTAD every three years.

Grievance Mechanism

LANDBANK aims to create a work atmosphere conducive to good employee relations and improved employee morale. To this end, LANDBANK set up a trusted way for employees to voice and resolve concerns regarding work-related discontent or dissatisfaction. Its existing grievance mechanism is in accordance with the CSC Memorandum Circular No. 02, series of 2001, Revised Policies on Settlement of Grievance in the Public Sector, and Republic Act No. 9285, Alternative Dispute Resolution Act of 2004, and its implementing rules.

The Bank's grievance policy is stipulated in its Grievance Procedures and discussed during the "LANDBANK In Perspective" seminar for new hires (employee orientation program); on workshops conducted by the Human Resource Department for Line Managers; coaching and mentoring for Bank officers, managers and supervisors; and non-adversarial communication seminars for target participants.

LANDBANK is in a unique position to contribute to the country's overall economic stability, largely because it has a direct hand in promoting and sustaining livelihood gains in the countryside. With this responsibility firmly in mind, the Bank takes pains to continually assess its management system and feedback mechanisms, while consistently updating and implementing best practices in its entire network. By remaining strong, professionally run, and sustainably mindful, the Bank hopes to retain the trust of its clients, stakeholders, and the public.

SUSTAINABILITY Cornerstones

LANDBANK enriches lives by sustaining partnerships that were forged in trust. The Bank does this by embracing five pursuits, which are at the heart of its mandate.



Enterprise Development

Highlights the Bank's significant programs and projects, which contribute and/or improve the economic conditions with direct impact and market presence to the various priority sectors and stakeholders of the Bank.



Community Development

Focuses on the Bank's activities or initiatives that directly and indirectly provide social value to the stakeholders and community.



Environmental Protection and Management

Highlights the environmental management practices that are incorporated in the Bank's agrarian and banking operations, services, and decisions. This is also comprised of activities that contribute to the proper management of materials and natural resources, pollution prevention, and climate change mitigation and adaptation.



Customer Service

Emphasizes the programs, projects, and activities that enhance the Bank's products and services, as well as systems that interface with its internal and external customers, and other stakeholders.



Employee Development

Concentrates on activities and programs that promote good labor practices, conducive work environment, professionalism, employee wellness, and volunteerism.

Enterprise Development



“

Organizations nowadays, such as LANDBANK, look for businesses that do good and partners with them in making positive impacts because sustainability is the call of the times.

”



- Pete Delantar
Owner, Nature's Legacy
Eximport, Inc.

INNOVATION WITH INFINITE POSSIBILITIES

LANDBANK partners with entrepreneurs who see the value of sustainability encapsulated in their value chain and product portfolio—those with whom the Bank can advance sustainable practices together.

Nature's Legacy Eximport, Inc., the maker of world-class sustainable brands and materials, is a leader in green innovation using waste-to-resource systems. Its designs incorporate indigenous materials, waste, forest debris, and agricultural by-products to produce environmentally-friendly home and garden accessories, accent furniture, architectural pieces, packaging, and eco-jewelry.

Green practices are fully embedded in the company's value chain. Aside from the use of responsibly sourced materials, Nature's Legacy integrates energy efficiency, water conservation, and solid waste management. Through a rainwater catchment system, it utilizes rainwater instead of groundwater for water testing of products. It also uses a natural heating mechanism instead of a fuel-based machine for drying its products.

From backyard start-up to world-class business

Established as a rattan manufacturer in 1983 by husband-and-wife team Pete and Cathy Delantar, the Nature's Legacy brand has been making a global impact with its innovative furniture and designs. These are made from "eco-materials" that the couple derived from waste. It took two years of research and material development, but the couple was successful in producing their breakthrough material—Naturecast. "It has unlimited applications and is so versatile that you can make anything out of it," Cathy said. "It's just a matter of engineering and design," Pete added.

Like any other start-up, sourcing capital is a challenge. "For every business, funding is a big headache, especially when there are a lot of orders but financing is deficient," Cathy said. "When we partnered with LANDBANK, our finances were taken care of. As a result, our productive focus can be on our business, which is manufacturing and material development."

After securing the funding needed, the business grew and diversified. Through continuous research and innovation on indigenous and waste materials, the Nature's Legacy product portfolio expanded further. Currently, the company has five material innovations—Stonecast, Marmocast, Naturecast, Brauncast, and NUCast—all of which are used by locally employed artisans from the community.

Going forward sustainably

Cathy believes that there are still a lot of opportunities to be discovered and potential to be unlocked. "To convert that potential into commercialization, we need to learn more and we are confident that LANDBANK is always there to ask us what we need."

Operating a company that is in the sustainability sector, the couple recognizes that profits are only one part of their business. "The direction now, globally, is that companies are not only about profits but also caring for people and helping the little ones go up," Pete said. "Organizations nowadays, such as LANDBANK, look for businesses that do good and partners with them in making positive impacts because sustainability is the call of the times."

Nature's Legacy also promotes sustainability within its own people through its tripartite commitment of PPC—Passion coming from the inner, Purpose towards other people, and Commitment towards the company's goals and objectives. "You have something from inside going to other people and a commitment to serve your purpose," Cathy explained.

ENTERPRISE Development

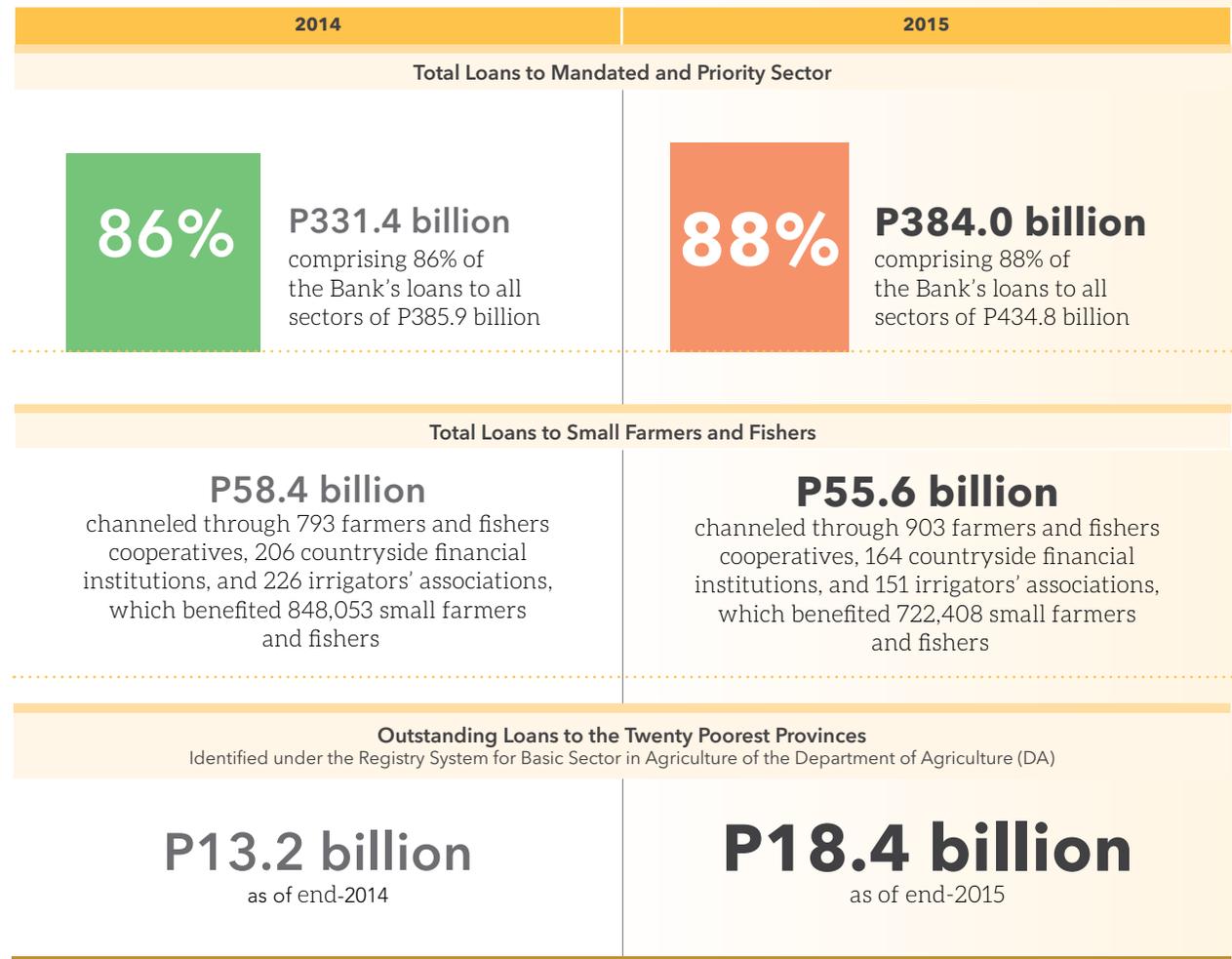
LANDBANK's operations affect and touch the lives of many people. In supporting its customers and clients, the Bank enhances partnerships with various stakeholders so that it can create an environment in which all individuals, enterprises, and government units are able to participate in sustainable growth.

Economic Impacts

In support of the national government's thrust toward long-term inclusive growth, LANDBANK expanded its loan portfolio in favor of its priority sectors: the farmers and fishers and their associations and ARBs; agribusiness, aquabusiness, and agri-aqua-related projects of LGUs and GOCCs; micro-, small, and medium enterprises (MSMEs); communications, transportation, housing (socialized, low-cost, and medium-cost), education, health care, environment-related projects, tourism, utilities, and livelihood loans.

Today, LANDBANK remains the largest formal credit institution in the rural areas. The Bank's credit delivery system is able to penetrate a substantial percentage of the country's total number of municipalities. Throughout 2014 and 2015, LANDBANK continued to provide financial and technical support, and accelerated credit support to priority sectors and projects with high development impact.

The following infographics provide an overview of significant economic impacts through the provision of the Bank's services during the reporting period:



Development Impact of LANDBANK Loans



Additional hospital beds

5,878

1,680



Additional classrooms

1,372

521



New Households connected with potable water

270,523

58,704



Additional kilometers of farm-to-market roads

522km

346km

2015

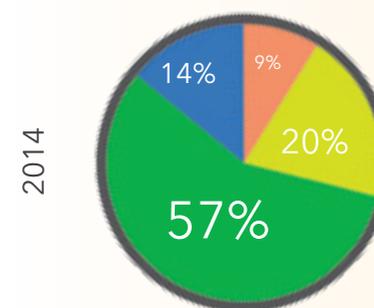
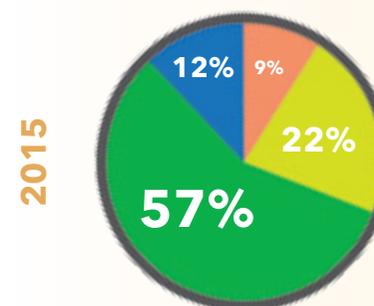
2014

LOANS TO ALL SECTORS

(Amount in PHP Million)

SECTORS	Dec. 2014 O/S Amt.	Dec. 2015 O/S Amt.
Mandated Sector		
Small farmers including agrarian reform beneficiaries and their associations	33,589.58	38,548.83
Small fishers and their associations	152.24	134.01
SUB-TOTAL	33,741.82	38,682.84
Support for Agriculture and Fisheries		
Agribusiness	27,488.21	45,397.87
Aqua-business	680.75	690.57
Agri-Aqua related projects of Local Government Units (LGUs) and Government Owned and Controlled Corporations (GOCCs)	49,750.12	52,822.60
SUB-TOTAL	77,919.08	98,911.04
Support for Other National Government Priority Programs (including PPP projects)		
Micro, small and medium enterprises (MSMEs)	51,431.29	57,253.89
Communications	21,349.94	21,252.69
Transportation	22,505.95	27,779.01
Housing (Socialized, Low Cost and Medium Cost)	37,343.03	39,478.78
Education	5,596.45	3,967.60
Health Care	5,275.02	8,176.29
Environment-related projects	5,304.59	7,224.65
Tourism	2,033.17	3,183.02
Utilities	52,138.66	62,233.80
Others	16,783.33	15,842.72
SUB-TOTAL	219,761.43	246,392.45
Total Priority Sector Loans	331,422.33	383,986.33
Total Other Loans	54,457.48	50,849.14
LOANS TO ALL SECTORS	385,879.81	434,835.47

PERCENTAGE OF TOTAL



LEGEND:

- Mandated Sector
- Support for Agriculture and Fisheries
- Support for Other National Government Priority Programs
- Total Other Loans

Financial Implications of Climate Change

The Bank recognizes that climate change has various financial implications in the delivery of its products and services. For instance, credit risk is involved when there are increased incidences of natural disasters linked to poverty, environmental degradation, and climate change. Based on previous records, farmers' harvests are not as bountiful due to losses in storage after flooding, and harvest time occurs earlier or later than usual due to variable climate and frequent typhoons. The concerned business units under the Risk Management Group (RMG) identify the credit, operation and market risks, and validate the assessment of the identified risks.

As an enterprise-builder, LANDBANK will continue to pursue programs and projects that provide opportunities for growth, particularly to the marginalized sectors and other development players.

DMA, G4-EC2

CLIENT AWARDS AND RECOGNITION

Each year, LANDBANK recognizes its development partners for their operational excellence and significant contributions in uplifting the lives of their members and of local communities, particularly in the countryside. These awards are as follows: (1) the Gawad PITAK for model agri- and non-agri cooperatives; (2) the Gawad Entrepreneur for successful small and medium enterprises whose projects improved the socio-economic conditions of the locality; (3) the Gawad CFI for outstanding countryside financial institutions which served as partners in delivering financial services to the rural areas; and (4) the Gawad KAAGAPAY for corporate clients who contributed to the Bank's development thrusts.



Gawad sa Pinakatatanging Kooperatiba (Gawad PITAK)

Gawad PITAK (Pinakatatanging Kooperatiba) is a search for the finest among LANDBANK partner cooperatives who are one with the Bank in pursuing its mandate of spurring countryside development.



Gawad Entrepreneur

Gawad Entrepreneur (Gawad sa Pinakatatanging Entrepreneur) is the Bank's annual search among its SME clients for those who have exhibited excellence in management and played a crucial role in empowering people and catalyzing change in their respective communities.



Gawad Korporasyon na KAagapay sa Ating GAnap na tagumPAY (Gawad KAAGAPAY)

Gawad Korporasyon ng KAagapay sa Ating GAnap na tagumPAY (GAWAD KAAGAPAY) recognizes Bank-assisted corporations for their outstanding performance, and continuing good relationship with LANDBANK and service communities.



Gawad Countryside Financial Institutions

This annual award is conferred to countryside financial institutions that serve as the Bank's allies in extending credit assistance to clients and priority sectors in the countryside.

Community Development



“

We also help the Bank reach those people in the secluded and unbanked areas...through co-ops, we are able to help the vulnerable sectors in the countryside and give them access to banking.

”



- Luxmi Auxilio
General Manager, BCBMPC



PARTNERSHIPS FOR VIBRANT COMMUNITIES

Helping people help themselves—this was the mission established by the Baug-CARP Beneficiaries Multi-Purpose Cooperative (BCBMPC) to make farming a rewarding experience. Farming near the estuaries of the Agusan River and Butuan Bay, the co-op supports Agrarian Reform Beneficiaries (ARBs) such as crab hunters, prawn farmers, and fishpond owners in Magallanes, Agusan Del Norte.

The rich resources of the swampy bayous provided a profitable source of income for the people of Magallanes after a local factory closed in 1986, leaving unemployed workers behind. "It was with the intention to survive that many flocked into the estuaries," General Manager and founding member Luxmi Auxilio said. "We also needed to organize ourselves to help one another in order to sustain our needs."

For years, the co-op and the local farmers thrived in the export market for prawns. The profitable local business became the chief source of income in Agusan, even by non-farming individuals. However, in 2003 the white spot syndrome virus (WSSV) hit the river, resulting in a massive killing of prawns. The disease devastated the prawn business and left the farmers' cooperative insolvent.

Business continuity must be sustained amid crisis. To recover from its fall, the co-op decided to diversify its operations and open its services to non-aquatic farmers. From then on, it welcomed new members and extended its savings and financial services to a bigger membership, following the good practices of other cooperatives.

To help the co-op spring back to business as usual, LANDBANK provided insights on other opportunities within the co-op's value chain. "LANDBANK helped us get back; they gave us what we needed in order to recover," former Chairperson Jimmy Beray said.

The cooperative is a beneficiary client of LANDBANK under the CAP-CBD credit program, which provides credit to non-bank eligible ARBs cooperatives and farmers' associations and assists them in becoming bank-eligible organizations.

Giving back to the community and helping the Bank reach more Filipinos became the co-op's way of playing its part in countryside development. "We also help the Bank reach those people in the secluded and unbanked areas, especially the leftist group," General Manager Auxilio said. "Through co-ops, we are able to help the vulnerable sectors in the countryside and give them access to banking."

The cooperative won the Ginintuang Gawad PITAK Award under the Agri-based category during the 24th Gawad PITAK Award (2014) held during the celebration of the Bank's 51st Founding Anniversary, proof of its commitment and loyalty to the Bank.

COMMUNITY Development

Communities are at the heart of LANDBANK's service and mandate. Apart from providing access to financial services, the Bank also crafts meaningful corporate social responsibility (CSR) programs designed to benefit vulnerable Filipino communities.

Partnerships with Communities

LANDBANK's loan programs are centered on enriching the lives of farmers, fishers, and cooperatives. The Bank's CSR embodies its commitment to its social mandate with programs and activities that contribute to a better, safer, and more progressive society, redounding to an improved quality of life. The Bank's Corporate Affairs Department and LANDBANK Countryside Development Foundation, Inc. (LCDFI) lead the Bank's endeavors on engaging communities and extending development programs from the Bank.

CAPACITY-BUILDING PROGRAM

Going beyond financing for the local community, LANDBANK provides capacity-building programs on strategic management and governance to Bank-assisted cooperatives. These become a conduit of the Bank's services to areas outside the normal reach of banking operations, and ultimately, help them grow. The Bank has a holistic approach in assisting beneficiaries—from financial literacy, to business development, and to successful long-term growth.

In 2014, LCDFI conducted 178 training seminars for 6,619 members of Bank-assisted Cooperatives with maturity levels C & D. This was 111% higher than the targeted 160 trainings, and had a 14% increase from previous trainings conducted in 2013. The following year, 79 training batches to 511 cooperatives nationwide were held, benefiting a total of 2,061 participants. This was slightly higher than the targeted 77 training batches for the year. Risk and Control Self-Assessment for Cooperatives accounted for more than half of the trainings at 54% or 278 cooperatives trained, followed by the Strategic Planning and Cooperative Management and Governance module with 18% or 90 cooperatives trained.

Using the Enhanced Cooperative Operations Review Instrument (ECORI) rating system, the Bank's Lending Program Management Group looks at the performance improvement of cooperatives to check if its investments are doing them good. Given the three-year period, from CY 2013 to CY 2015, the capacity-building interventions provided by LCDFI to the cooperatives exhibited positive results in terms of the cooperative's maturity level. The breakdown of these cooperatives is as follows:

Capacity-Building Efforts for Cooperatives

18

cooperatives advanced to a higher maturity level from Class D to C & B, and Class C to A & B

29

cooperatives improved in the overall ECORI rating as they moved up from Poor or Below Acceptable to Acceptable, Acceptable to Above Acceptable, and Above Acceptable to Outstanding

BANGON MINI-FARMS PROGRAM

The damages caused by Super Typhoon Yolanda are still felt today in parts of the Visayas. While recovery efforts are ongoing, the areas affected still remain one of the poorest regions in the Philippines. To help the survivors of Typhoon Yolanda stand on their own feet, LANDBANK, through LCDFI, developed the Bangon Mini-Farms Program in an effort to build self-sustaining communities.

A holistic livelihood development program, Bangon Mini-Farms supported various communities in the Leyte province by incorporating sustainable integrated organic and natural farming, thereby giving the survivors a new source of income, particularly in the towns of Capococan, Tacloban City, Palo, and Tabango. The program has a farming-to-marketing training approach, a mechanism where the mini-farms sustain the supply and demand for food and nutrition of the community. The mini-farm model features an intensive farming scheme consisting of a natural (odorless) piggery, free-ranging chicken coop, a fish pond, vegetable production facility, a kitchen and medicinal garden, and a small farmer's house—all contained in a 1,000-square meter lot area.

In 2014, LCDFI conducted eight training workshops on organic and natural farming for 1,620 beneficiaries, followed by 12 follow-up workshops in the same year.

Mini-farms were organized into sectors and clusters strategically located to enable farmers to properly plan for production. The setup entailed the presence of a support organization, an avenue for direct trading of organically-grown produce, and linkages between markets and partners. In 2014, a farmers' group was organized—the "Bangon Mini-Farms Alpha Sector Association, Inc. (BMFASAI). The following year, two farm audits were conducted by LCDFI to ensure the proper implementation of the organic mini-farms technology as well as to address emerging concerns of the farmer-members of BMFASAI.

The Bangon Mini-Farms Program is a partnership between the government sector, non-government organizations and LANDBANK. The Department of Social Welfare and Development under its "Cash for Work and Livelihood Assistance Program" provided farmers with capital funds in setting up the mini-farm, while the Department of Agriculture (DA) gave free seedlings and needed farm equipment and materials for farming. LCDFI with the Center for Leadership and Change, Inc. also conducted training on resiliency to 55 farmer-members of BMFASAI, dubbed "7 Habits for Highly Effective People: Mindset Resilience." It was followed by another workshop, this time together with the DA, dubbed "Good Agricultural Practices Orientation Seminar" wherein 70 BMFASAI farmer-members participated.



LIKAS SAKA PROGRAM

The Likas Saka Program is LCDFI's way to organize Agrarian Reform Beneficiaries (ARBs) into clusters for efficient provision of support on farming practices. It encourages better coordination, planning, implementation, monitoring, support, production and collective marketing of their produce.

To enhance the farmers' skills in agriculture, LCDFI facilitated workshops on advanced farming techniques and agricultural technology. Farmers receive technical trainings on natural farming practices and systems, and organic agriculture technology. In October 2014, the LCDFI organized farmers' clusters in Hacienda Luisita, Tarlac, and Bondoc Peninsula, Quezon Province, and conducted training seminars on sustainable agriculture, best farming practices, and agricultural technology.

Farmers' clusters make support delivery and assistance to farmers more efficient, resulting in stronger ties between LCDFI and the farmer groups. In 2015, LCDFI distributed camoteng bagin and other farm materials to the farm clusters in Bondoc Peninsula, Quezon Province. Update and monitoring meetings allow LCDFI to determine the needs of the farmers and identify development programs to be delivered. Farmer clusters in Narciso, Quezon Province were met during monitoring meetings to present developments in the farms, identify points for improvements, and provide updates on the organic agriculture technology.

Local resource persons (LRPs) were trained on Integrated Organic Farming Systems and Effective Microorganisms (EM) Technology by the Costales Nature Farms in Majayjay, Laguna last November 18-19, 2015. They are assigned to monitor the Likas Saka Program and update LCDFI on developments about the organic agriculture technology.

LANDBANK CARES PROGRAM

Supplementing efforts by the national government to restore socio-economic activities and accessibility in calamity-affected areas is the LANDBANK Calamity Rehabilitation Support, or CARES Program. The program provides recovery assistance and reintegration skills/tools to victims of national disasters in the country, such as loan restructuring for the Bank's existing customers, including extending of short-term loans with grace period on principal payments. The CARES Program also provides credit programs for both existing and new customers affected by natural disasters.

Corporate Social Responsibility Programs

GAWAD KABUHAYAN PROGRAM

The Gawad Kabuhayan Program is a 'recovery through livelihood' program that aims to promote self-reliance among typhoon survivors situated in relocation sites of Habitat for Humanity Philippines. The first batch of beneficiaries is made up of 500 families who are survivors of Typhoon Sendong in Cagayan de Oro. These beneficiaries were given livelihood skills training offered under the program.

Through the livelihood programs, the program beneficiaries earned from selling what they produced, as they continued to train and master their respective enterprises. By the last quarter of 2014, the program beneficiaries were able to form two cooperatives, namely the United Food Processors and Producers Cooperative and the Habitat Homeowners Transport Cooperative.

LANDBANK Gawad Kabuhayan is one of the Bank's programs cited as "Outstanding Development Projects" by the Association of Development Financing Institutions in Asia and the Pacific (ADFIAP) under the Corporate Social Responsibility category of the ADFIAP Awards 2014.

GAWAD PATNUBAY SCHOLARSHIP PROGRAM

Gawad PATNUBAY (Pag-aaral Tungo sa Maunlad na Bayan) is LANDBANK's flagship scholarship program for poor but deserving dependents of the Bank's priority sectors: ARBs, cooperatives, and municipalities where the Bank operates. The program aims to build a solid base of education for the next generation of agri-scientists and

farmers, reinvigorating the agricultural and cooperative sector with much-needed professionals.

Gawad PATNUBAY is a two-pronged scholarship program that offers educational assistance for students who either wish to take up a four-year degree (formal education) or two-year ladderized program (informal education). The formal scholarship is in partnership with the International Rice Research Institute (IRRI),

First batch of graduates under the Gawad PATNUBAY (Formal) Scholarship Program

NAME	SCHOOL	COURSE
Samantha Alcantara	CLSU	BS Agriculture, major in Animal Science
Jess Bryan Alvarino <i>Cum Laude</i>	USM	BS Agriculture, major in Plant Breeding and Genetics
Excel Ariola	CMU	BS Agribusiness Management
Jay Carl Cacerez <i>Cum Laude</i>	VSU	BS Agricultural Chemistry
Roda Capacao <i>Cum Laude</i>	VSU	BS Agriculture major in Plant Protection
Vergel Jungco <i>Magna Cum Laude</i>	USM	BS Agribusiness
Christian Lacanilao	CLSU	BS Agriculture major in Animal Science
Francisco Lutao, Jr. <i>Cum Laude</i>	VSU	BS Agribusiness
Jovel Grand Marquez	CMU	BS Agribusiness Management
Cesar Pabia, Jr. <i>Cum Laude</i>	VSU	BS Agribusiness
Kristine Joy Reyes	CLSU	BS Agriculture major in Animal Science
Royette Santos <i>Cum Laude</i>	CLSU	BS Agriculture major in Crop Science - Horticulture

Sowing the seeds of the future

As the leading institution that finances agricultural development, LANDBANK offers scholarships for related degree programs in hopes of heightening the youth's interest in agriculture and generating talents that will contribute their expertise in the various possible professions in agriculture.

While agricultural development is linked to rural development and poverty alleviation, statistics show that the number of professionals in the sector is declining. Its share in the Philippines' labor market is also on a declining trend, and poverty is still highest among farmers and fishers.

With this growing concern, LANDBANK established the Gawad PATNUBAY Scholarship Program, in partnership with the International Rice Research Institute and Pilipinas Association of Rural Families for Education Development. Apart from catering only to students taking up agriculture-related courses, another unique feature of the program is its funding. It is funded both by the Bank and through the voluntary contributions from LANDBANK employees, who devote a portion of their salaries toward the scholarship fund.

The Bank's support to the scholars does not end after their graduation. LANDBANK fortified Gawad PATNUBAY with the introduction of the Education to Employment (E2E) internship program, a 10-week intensive development course with the objective of securing agriculture-related jobs for the graduates of the scholarship program.

Under the program, the intern spends three weeks at the LANDBANK Head Office for lectures, and seven weeks with partner institutions. In 2015, the interns were deployed for internship at the Philippine Rice Research Institute (PhilRice), HARBEST Agribusiness Corporation, Philippine Carabao Center, and Bukidnon Lending Center.

LANDBANK President and CEO Gilda E. Pico referred to the program as an attempt to "hit more birds with one stone," as the program aims to provide rural youth with opportunities to pursue higher education and develop entrepreneurial skills in the field of agriculture, which will eventually lead to more professionals in the sector.

Apart from the 10-week classroom and field internship, participants of the Internship Program are also given assistance in preparation for the Licensure Examination for Agriculturists (LEA). If after graduation they meet the Bank's employment standards, they will be recommended for employment and hiring, either with LANDBANK or its partner agencies and companies.

In 2015, 10 of the 12 scholars took and successfully passed the LEA. Gawad PATNUBAY scholar graduate Royette Santos ranked 6th among the passers.

The program also made many dreams come true and changed the lives of the scholars. "It was more than a scholarship program," said scholar Cesar Pabia. "My mother's dream that at least one of her children would be able to ride an airplane was realized."

Simple as it may seem, Cesar's aspirations and determination to finish college was fueled by this humble hope of his mother. Now a Landbanker, he shares the mission of the Bank to help poor but deserving students reach their dreams too.



From being scholars under Gawad PATNUBAY, Cesar Pabia, Jr. and Christian Lacanilao are now working at the LANDBANK Cebu Lending Center, and Philippine Carabao Center, respectively.



First batch of scholars of the Gawad PATNUBAY Scholarship Program

while the informal scholarship is in partnership with the Pilipinas Association of Rural Families for Education and Development (PARFED).

In 2015, 12 scholars graduated with degrees in agriculture and agriculture-related courses, making up the first batch of graduates of the Gawad PATNUBAY (Formal) Scholarship. Of the 12 graduates, one finished Magna Cum Laude and six were Cum Laude.

For the informal education, the Bank gives assistance and finances students taking up a two-year ladderized course in Farm Business Management from Farm Schools nationwide. This is in line with the Bank's effort to help encourage more students to venture into agri-preneurship and contribute to food security of the country. Scholars are members of the PARFED. Nine scholars of the Bank from the first batch of students from MFI Farm Business School in Jala-jala, Rizal completed the course and graduated in October 2015.

An annual gathering of all Gawad PATNUBAY scholars is held in the LANDBANK Plaza to establish fellowship during the conduct of capacity-building and cultural activities. The Bank covers all expenses of all scholars during this event.

GAWAD E-DUKASYON PROGRAM

Gawad e-dukasyon Program is one of the Bank's CSR activities that support agriculture education in the Philippines. This is in partnership with the Knowledge Channel Foundation, Inc. (KCFI), and in cooperation with the Department of Education (DepEd).

The program introduces a new media component in Technology Livelihood Education (TLE) under DepEd's curriculum by making use of modern and innovative



forms of media such as videos and internet modules. It sends across the Bank's message of promoting agriculture among the youth to encourage them to pursue agriculture-related courses in college.

In 2014, the Bank launched AgriCOOLture, an educational video series about Crop Production and Harvest Poultry Raising, and Aquaculture and Fisheries. The videos, along with e-modules, are aired over Knowledge Channel and on the internet.

The videos are also shown over all Knowledge Channel-connected public schools nationwide as supplement for the students' Agriculture subject in the curriculum.

This complements the Bank's Gawad PATNUBAY Scholarship Program, as both Programs bring forward the message that agriculture is a good career path and a viable source of income and business.



ONE MILLION BOOKS FOR ONE MILLION FILIPINO CHILDREN INITIATIVE

As an institution that values the importance of instilling education and literacy, the Bank partnered with Center for Art, New Ventures and Sustainable Development (CANVAS), an NGO which specializes in promoting literacy among Filipino children through their project "One Million Books for One Million Filipino Children."

A fundraising program was held during the Great Christmas Bazaar 2015 at the LANDBANK Head Office. A speed caricaturist was stationed in one of the booths to draw caricatures for employees who donate PhP100.00, which is equivalent to one book.

At the end of the Bazaar, 800 books were produced from the donations of the employees. These books were personally distributed by LANDBANK employees represented by the Corporate Social Responsibility Relations Unit (CSSRU) and the General Santos Pioneer

Branch to the pupils of Small Margus Elementary School in Glan, Sarangani. During the distribution activity, LANDBANK led a storytelling session for the pupils, and left an inspirational message encouraging them to make reading a habit.

GAWAD KATUBIGAN PROGRAM

With the series of typhoons that devastated parts of the country in 2015, LANDBANK initiated the Gawad KATUBIGAN (Kaakibat na Tulong sa Bayan para sa Inuming Kailangan) Program.

The program seeks to provide residents and communities affected by the natural disasters sustainable access to clean drinking water, and consequently ease the people's goal for basic socio-economic recovery in the aftermath. In October 2015, LANDBANK partnered with Philippine-based international non-government organization Waves for Water (W4W) and Philippine Disaster Resilience Foundation (PDRF) for the cause. Residents in Nueva Ecija who were largely affected by Typhoon Lando (international name: Koppu) became the initial recipients of the water systems.

Together, 60 water filtration systems were distributed in the municipalities of Gabaldon, Laur, and Pantabangan. Each device, which lasts from five to 10 years, can filter one million gallons of water.

After Typhoon Nona (international name: Melor) hit the Philippines last December, 60 more filtration systems were provided by the PDRF to three identified sites that were severely damaged by the typhoon, namely in Sorsogon, Samar, and Mindoro.

Distribution of water filtration systems took place in Cabra Island in Mindoro, and the municipality of Allen in Samar, during the last week of December 2015. The event was facilitated by PDRF and W4W, alongside the hands-on learning of the typhoon victims for the proper use of the system from the branches in the nearby areas.

LANDBANK intends to widen the scope of its coverage so that it may reach the farthest and poorest communities. The Bank is also fully committed to the continuing development of its scholarship and livelihood programs, with a view of uplifting the lives of the vulnerable poor.

Environmental Protection and Management



“

Financing solar facilities encourages more institutions to use solar energy, allowing us to help the environment...we had an open relationship with LANDBANK, and they guided us step-by-step on meeting the FIT's requirements.

”



- Cris Giovanni Chiong
Chairman, FCRVI



GREENING THE GRID

Developments in the renewable energy sector are not only providing sustainable energy solutions but creating infinite possibilities for lighting households in off-grid areas. As an environmentally-responsible investor, LANDBANK partners with organizations in the energy sector that recognize the need for a clean source of energy in response to climate change.

The Bank believes in working together toward a better future. On the plains of Cabanatuan, Nueva Ecija, First Cabanatuan Renewable Ventures, Inc. (FCRVI) harnesses energy from the sun to provide a renewable and clean source of electricity for the Luzon grid. The 10.6 MW solar facility houses 39,456 solar panels, curbing about 16,500 metric tons of carbon emissions in the country annually.

FCRVI's solar farm is one of the 17 solar power projects endorsed by the national government under the feed-in-tariff (FIT) scheme of the Renewable Energy Management Bureau of the Department of Energy. The 710-million-peso project was funded through LANDBANK's Renewable Energy Lending Program, complementing the national government's drive to promote the development, utilization, and commercialization of renewable energy.

"Financing solar facilities encourages more institutions to use solar energy, allowing us to help the environment," FCRVI Chairman Cris Chiong said. "We had an open relationship with LANDBANK, and they guided us step-by-step on meeting the FIT's requirements."

Long-term energy sustainability was the company's key vision for the solar farm. "It is a very clean source of energy and has positive impacts on the environment in the long-run," Chiong said. FCRVI sees the future of creating possibilities for generating electricity without compromising environmental sustainability while meeting the demand of the market.

While FCRVI recognizes that putting up the facility entailed a greater cost compared to building a coal power plant, they were keen to avoid the negative impacts of coal. "If we really look at the cost of coal on the environment, it might even be greater than the cost of the solar farm," Chiong said.

FCRVI targets to meet the increasing demand for power generation, especially in the off-grid areas in Nueva Ecija and Southern Philippines. While the grid hasn't yet reached these areas, the company has provided small Solar Home Systems (SHS) units to 30,000 households in these areas to generate electricity. "We are fortunate to help in giving light and hope to the sitios in Sultan Kudarat, Polilio Islands, and Tawi-tawi," Chiong said.

ENVIRONMENTAL PROTECTION and Management

LANDBANK promotes the efficient and safe use of resources throughout its banking operations, incorporating effective environmental management practices in its services. Guided by its Corporate Environmental Policy, the Bank strives to embed environmental protection throughout its operations. The Bank also maintains the ISO 14001:2004 Certification of its Environmental Management System (EMS) which covers its Head Office and branches nationwide.

Energy

LANDBANK is ever-mindful of the need to conserve power and promote its efficient use. The Bank's EMS outlines its commitment to reducing energy consumption through its Electricity Conservation Program (ECP), as mandated by Executive Order No. 39 Series of 2008. The Bank's ECP requires all LANDBANK units to use different conservation initiatives, as well as monitor and report procedures to measure and manage the electricity consumption and compute for conserved energy.

The Bank adopted the Energy Efficiency Index (EEI), a building performance indicator for energy efficiency to serve as guide in monitoring the energy performance of its branches and field units nationwide. Data for total fuel consumption, energy consumption, and conversion of data are monitored by the Facilities Management Department (FMD). For this report, the chosen base year is 2012.

LANDBANK's Energy Consumption

Scope: LANDBANK Plaza

Fuel Consumption from Non-renewable Sources		
	2014	2015
 Gasoline Consumption (L)	35,146.23	49,087.92
Equivalent Energy Consumption (MJ)	1,180,163.91	1,648,312.54
 Diesel Consumption (L)	110,922.81	110,066.01
Equivalent Energy Consumption (MJ)	4,247,268.46	4,214,474.33
 Total Electricity Consumption (kWh)	9,506,000.00	9,355,500.00
Total Energy Consumption (MJ)	34,221,600.00	33,679,800

Reduction of Energy Consumption

Relative to 2012 Data *

	2014	2015
 No reduction Increase of 4,190.843 L		No reduction Increase of 18,132.534 L
 No reduction Increase of 19,735.932 L		No reduction Increase of 18,879.129 L
 Reduction of 770,000 kWh 2,772,000 MJ equivalent energy		Reduction of 920,500 kWh 3,313,800 MJ equivalent energy

LEGEND:		
		
Gasoline	Diesel	Electricity

Conversion factors used:

- Gasoline, heat value: 120,476 Btu per US gallon
- Diesel, heat value: 137,381 Btu per US gallon
- 1 US gallon = 3.78541 liters
- 1 Btu = 1,055.06 joules
- 1 kWh = 3,600,000 joules

* 2012 Data: 30,955.39 L (gasoline); 91,186.88 L (diesel); 10,276,000 kWh (electricity) equivalent to 36,993,600 MJ. LANDBANK Workforce population at the time was only 7,062, versus 8,355 and 8,758 for 2014 and 2015, respectively.

Water

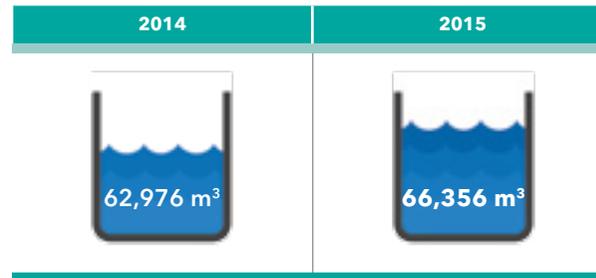
LANDBANK's commitment to responsible water use is implemented across all its branches and field units. Part of the Bank's EMS is the Water Conservation Program (WCP), as mandated by Executive Order No. 20 series of 2008. Installed at the LANDBANK Plaza are storage tanks that recover and recycle water from four operational cooling towers, helping to manage the Bank's water consumption.

LANDBANK Plaza sources its water from the Angat Dam distributed by Maynilad Water Services, Inc. Angat Dam is classified as Protected Watershed Forest Reserve by the Department of Environment and Natural Resources-Protected Areas and Wildlife Bureau. The concrete water reservoir (131m x 568m x 550m) embankment hydroelectric dam supplies about 90% of the raw water requirements in Metro Manila through the facilities of the Metropolitan Waterworks and Sewerage System, and irrigates about 28,000 hectares of farmland in the provinces of Bulacan and Pampanga.

The forests surrounding

Total Water Withdrawal by Source

Scope: LANDBANK Plaza



Total Waste Water Discharge by Quality and Destination

Scope: LANDBANK Plaza



Parameter	Effluent Standards*	Quality of Water		Quality of Water	
		Jan-Jun 2014	July-Dec 2014	Jan-Jun 2015	July-Dec 2015
BOD	< 100mg/L	37	14	37	28
COD	< 200mg/L	50	49	41	99
TSS	< 150mg/L	14	13	19	19
pH	6.0-9.0	7.27	7.21	6.03	7.11
Oil and Grease	< 10mg/L	1.0	3.3	0.8	4.0

* Based on the maximum allowable limit for Coastal Waters Class SC set by the DAO-No. 35 Series of 1990.

Angat Dam are home to many threatened and restricted-range birds of the Luzon Endemic Bird Area, making it a popular destination for bird-watchers. It is one of the few areas where large flocks of Spotted Imperial-pigeon were recently sighted. Mammals recorded in the area include two globally near-threatened species, Crab-Eating Macaque (*Macaca fascicularis*) and Philippine Warty Pig (*Sus philippensis*). Angat Watershed and Forest Range is a proclaimed Watershed Forest Reserve by virtue of Proclamation No. 391 on 30 April 1968, and is proposed as a protected landscape under the National Integrated Protected Areas System.

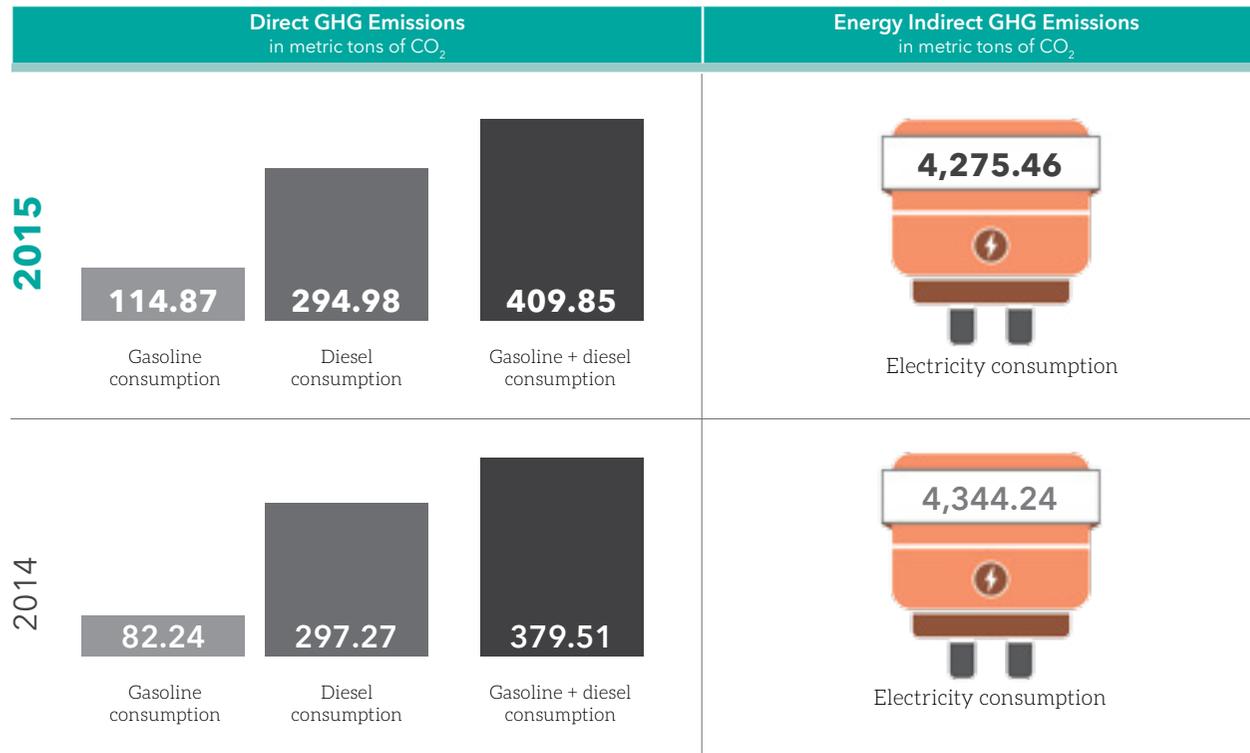
Emissions

LANDBANK recognizes the role Green House Gases (GHG) play in climate change and aims to manage its GHG emissions through operational energy efficiency. The Bank reviews its emissions and assesses possible mitigation measures at a Bank-wide level. It also provides guidance to branches and field units to better manage emissions in line with the Corporate Environmental Policy. In monitoring emissions, LANDBANK implements the GHG Accounting and Reporting Program covering GHG emissions from the use of fuel for vehicles, generator sets, and electricity to power its operations.

Reductions in the Bank's indirect GHG emission related with electricity consumption reduction in 2014 and 2015 is equivalent to 351.89 metric tons of CO₂ and 420.67 metric tons of CO₂, respectively.

Greenhouse Gas (GHG) Emissions

Scope: LANDBANK Plaza

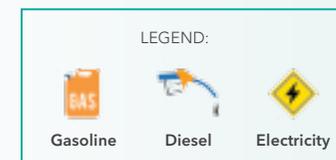


The Bank utilized the Emission Factors from the GHG Calculation Tool developed by World Resources Institute and had its consolidation approach at the operational level. For the years 2014 and 2015, CO₂ equivalent emissions were considered in its calculations, with 2012 as the base year.

Reduction in Greenhouse Gas (GHG) Emissions Relative to 2012 Data* in metric tons CO ₂		
	2014	2015
	Increase of 9.81	Increase of 42.43
	Increase of 52.89	Increase of 50.60
	Reduction of 351.89	Reduction of 420.67

* 2012 Data: 30,955.39 L (gasoline); 91,186.88 L (diesel); 10,276,000 kWh (electricity) equivalent to 36,993,600 MJ. LANDBANK Workforce population at the time was only 7,062, versus 8,355 and 8,758 for 2014 and 2015, respectively.

- Emission factors:
- Gasoline: 2.34 kg CO₂/L
 - Diesel: 2.68 kg CO₂/liter
 - Electricity: 457 grams CO₂/kWh



As LANDBANK continues to grow, it understands that its emissions may also increase. The Bank is committed to ensure that it expands in a responsible, sustainable manner.

Effluents and Waste

The proper management of waste is embedded in the EMS. Each floor of the LANDBANK Plaza, branches, and field units nationwide are provided with three-compartment bins to facilitate waste segregation and recovery of reusable and recyclable materials. Paper reuse is widely practiced in the various departments of LANDBANK, prior to the eventual disposal of paper waste. Manual collection of solid waste is undertaken by the Bank's service providers.

Prior to disposal, final sorting is performed at the basement to recover other recyclable materials. The Bank donates used computers, printers, and other office furniture/equipment to schools, and other government agencies. In this practice, no incident of spilling of any form has been reported.

LANDBANK has maintained agreements with the following organizations as partners in recycling and reducing wastes being disposed through landfill:

PARTNER	TYPE	AGREEMENT	FREQUENCY OF DISPOSAL
Linis Ganda (buyer of recyclable wastes)	Paper, Plastic	MOA	Every Monday
ABS-CBN Bantay Kalikasan (used batteries)	Batteries	MOA	At least annually
'D Lacoste Ent (buyer that directly brings obsolete documents to paper mill companies for melting)	Obsolete documents	Contract	At least 3 times a year
Polystyrene Packaging Council of the Philippines	Styropore	MOA	Twice a year
Gendiesel (Genset Preventive Maintenance Contractor)	Used Oil	Contract	Annually
New Parbuilt (DENR-Accredited Transporter and Treater)	Hazardous wastes	Contract	Annually

Total Weight of Waste by Type and Disposal Method

2014		2015	
Weight (in kg)	Waste Type	Weight (in kg)	
18,524	Paper	18,178	
305	Plastic	126	
45	Styropore	97	
0	Batteries	0	
18	Hazardous Wastes <ul style="list-style-type: none"> • Empty ink cartridges • Busted bulb • Grease Oil • Contaminated rags 	-	
285		-	
52 L		-	
2		-	
		-	
Weight (in kg)	Disposal Method	Weight (in kg)	
36,605	Recycling (paper, plastic, styropore, battery)	39,941	
0	Recovery (sludge)	20 drums (200 L/drum)	
-	Landfill (by local garbage collection)	-	
18	Treated (with Certificate of Treatment) <ul style="list-style-type: none"> • Empty ink cartridges • Busted bulb • Grease Oil • Contaminated rags 	-	
285		-	
52 L		-	
2		-	
		-	



Composting, incineration, and onsite storage of solid wastes are disposal methods that are not applicable to LANDBANK.

Hazardous Waste in LANDBANK Plaza Treated by DENR-Accredited Transporter and Treatment Facility (2014)



Empty ink cartridges
18 kg



Busted bulbs
285 kg



Grease Oil
52 L



Contaminated rags
2 kg

LANDBANK maintains the efficient operations and maintenance of its Sewage Treatment Plant (STP) for LANDBANK Plaza's waste disposal. Fluid Systems and Design Inc. and Mach Union Water Laboratory are contracted to conduct a quarterly Waste Water Analysis to the disposals from headquarters. Waste water discharge is measured through volume-time determination and treated by screening of wastes, disinfection, and the use of activated sludge. This system allows the Bank to properly monitor and ensure full compliance with the Clean Water Act, the Laguna Lake Development Authority (LLDA) Standards on Effluents, and other environmental standards.

LANDBANK Plaza's waste discharge outlet is located at Mabini cor. Dr. J. Quintos Streets Drainage Manhole, which directly runs off to the Manila Bay. The 2000 km² bay is an important maritime resource: providing food, livelihood, employment, and recreation to an estimated

23 million Filipinos. While marine habitats in the bay are severely degraded and polluted, Manila Bay still contains life and gives life. Fisheries and aquaculture serve as major sources of food and livelihood. Common species found in the bay include hasa-hasa, bisugo, bagaong, pusit, alimasag, and hipon suahe. In addition, mussel and oyster farming are major economic activities, specifically along the coasts of Bataan, Cavite, and parts of Metro Manila. Coastal and marine habitats in the area include upland forests, mangrove (794 hectares), wetlands – mudflats, sandy beaches and sea grass (4,600 hectares), and coral reefs.

Sustainable Banking

LANDBANK takes environmental protection into account when making lending decisions. In commercial banking, this means incorporating environmental due diligence into the lending process, which may include site visits, assessments of a client's environmental record, or third-party reporting on proposals.

Corporate Environmental Policy, Environmental Due Diligence (EDD) is incorporated in all financed projects under LANDBANK's loan programs. The Bank's EDD System is a comprehensive process that evaluates the compliance of Bank-financed projects to Philippine environmental laws and regulations. This is embedded in LANDBANK's credit delivery, starting from loan packaging to loan payment.

This system also helps Bank clients mitigate the risks associated with possible imposition of penalties or closure due to environment-related violations. An Environmental Report is prepared to evaluate potential

impacts and recommend mitigating activities. This allows Bank clients to reduce any impact of their operations on the environment; determine the environmental risk rating of each project; evaluate continuing compliance with environmental laws and regulations; and identify possible environmental benefits such as eligibility of projects for inclusion under the Clean Development Mechanism.

Since the EDD was institutionalized to cover all Bank-financed projects in 2004, there have been 4,005 projects assessed with a total loan portfolio of PHP 537 billion as of 2015.

Out of the 681 projects assessed from 2011 to 2015, 83% or 556 projects have implemented at least one environmental program or initiative.

Environmental initiatives implemented through these projects include electricity, water, and fuel conservation, and proper waste management programs. Other project proponents also implemented an Environmental Management System (EMS), and even secured ISO 14001 certification.

Together with the Lending Units, the Environmental Program Management Department (EPMD) screens all projects for their potential environmental and related social impacts; identifies documentation and preparation requirements; sets out concrete plans to manage, monitor, and evaluate compliance; and prioritizes the Bank's environmental investments.

The Environmental and Social Management Framework (ESMF) is also developed and implemented for projects financed by the World Bank and Japanese International Cooperation Agency (JICA) to ensure environmental and social compliance of loan clients.

To show its commitment to environmental protection and management, the Bank strictly adheres to the requirement of its certifications, namely ISO 14001:2004 EMS and ISO 9001:2008 Quality Management Systems. Likewise, the Green Procurement Policy is issued and observed in purchasing goods and services.

In 2014, the Bank's lending services were hinged on its environmental initiatives and commitments. Some of the programs introduced were:

1. **Carbon Finance Support Facility (CFSF)** is the Bank's flagship program on climate change mitigation where LANDBANK acts as the Coordinating and Managing Entity for the Program of Activities for Piggery, Sanitary Landfill, and Mini-Hydro Power Projects.
2. **Renewable Energy (RE) Lending Program** provides enhanced access to credit financing programs in support of government policy on promoting renewable energy development, utilization and commercialization.
3. **Kalikasang Kabuhayan sa Wastong Pamayanan (KAWAYAN or Bamboo) Program** promotes bamboo as source of livelihood or business to cooperatives, farmer associations, SMEs, NGOs, Agri-business Entities and Local Government Unit (LGU) to help mitigate the impact of climate change by enhanced greening of the watershed areas.
4. **KFW Community-based Forest and Mangrove Management Program (CBFMMP)** is a re-lending program to Local Government Units

(LGUs) Infrastructure and/or livelihood activities supportive of Natural Resource Management.

5. **LANDBANK CARES (Calamity and Rehabilitation Support) Program for Countryside Financial Institutions (CFIs) and Home Buyers** is a loan restructuring and rehabilitation credit program for the Bank's existing and new customers who have been severely affected by disasters in areas declared under the state of calamity by the Office of the President or LGUs.
6. **Yolanda Reconstruction Program** is geared toward the rehabilitation of those affected by Typhoon Yolanda and the strong earthquake which shook Bohol in 2013.

For 2015, LANDBANK took a more aggressive stance toward climate change mitigation by introducing lending programs that finance reduction of GHG emissions and promote resiliency. The Bank's greater contribution to climate change mitigation and adaptation is covered by the **Climate S.M.A.R.T. (Synergistic Mitigation, Adaptation, Resiliency, and Transformation) Financing Program**, which supports the government's thrust to address climate-related risks.

Projects are classified into the following categories:

1. **Climate Change Mitigation Program** is geared toward the reduction of GHG emissions. Under this category are Carbon Finance Support Facility (CFSF) and Renewable Energy (RE) Lending programs.

2. **Climate Change Adaptation Program** seeks to address potential climate change impacts even before they occur. Under this category, LANDBANK incorporated the Climate SAFE (Special Adaptation Facility for the Ecosystem), which supports the government in implementing RA 9729 or the Climate Change Act of 2009 and RA 10174 or the establishment of People's Survival Fund (PSF) to complement the financing requirements of eligible borrowers, including LGUs, for their adaptation projects. The Kalikasang Kabuhayan sa Wastong Pamayanan (KAWAYAN or Bamboo) Program and KFW Community-based Forest and Mangrove Management Program (CBFMMP) are also under this category.

3. **Climate Change Resiliency Program** is aimed to help victims of climate change and natural disasters, allowing them to return to their normal state. The LANDBANK CARES (Calamity and Rehabilitation Support) Program for Countryside Financial Institutions (CFIs) and Home Buyers and the Yolanda Reconstruction Program are under this category.

Investments for Better Communities

LANDBANK invests in making communities a better place for all stakeholders. The Bank has environmental protection programs that complement its community development initiatives geared towards sustaining the environment.

ADOPT-A-WATERSHED PROGRAM PHASE II AND GAWAD SIBOL PROGRAM

The Adopt-A-Watershed Phase II is an expansion of agreement between LANDBANK and the Department of Environment and Natural Resources (DENR) in 2012. Taking off from the Phase I agreement (signed in 2006 and completed in 2010), LANDBANK continued the program to help preserve and protect the country's critical watersheds. Healthy watersheds help ensure a steady supply of clean and safe drinking water and prevent floods, landslides, and run-offs.

This initiative protects and rehabilitates denuded portions surrounding six identified watersheds in the country by nursing and planting tree seedlings within these areas from 2012 to 2015. LANDBANK participates in this project through the Bayanihan Bayan Program as a volunteer organization which has been mobilized to share responsibility in the protection of watersheds.

Watershed management and development initially started in Balagbag, San Jose del Monte, Bulacan where LANDBANK employees planted fruit-bearing (langka, kasoy, avocado) and hardwood (narra, magium, mahogany) seedlings covering 10 hectares of land in 2012. Field partners from Samahan ng Magsasaka ng Karahume at Balagbag (SAMAKABA) and People's Organization (PO)/ Farmers Association (FA) were also present. Currently, 40 hectares of watersheds nationwide are under the Bank protection following a schedule for the monitoring, protection and maintenance of the adopted areas for three years.

In 2015, the Bank further expanded its Adopt-a-Watershed by increasing its coverage from 40 to 60 hectares of open and degraded areas. Also in the same year, the program

LANDBANK Adopted Watersheds

WATERSHED LOCATION	ADOPTED AREA	PEOPLE'S ORGANIZATION
Bugallon, Pangasinan	10 has.	Cayanga Bugallon Upland Farmers Association Inc. (CБУFAI)
Don Salvador Benedicto, Negros Occidental	5 has.	Don Salvador Benedicto Farmers Association (DSBFA)
Polomolok, South Cotabato	5 has.	Barangay Council of Olympog
San Jose del Monte City, Bulacan	10 has.	Samahan ng Magsasaka sa Karahume at Balagbag (SAMAKABA)
Sapang Dako, Cebu City	5 has.	Sto. Niño Farmers Association (SNFA)
Tigatto, Davao City	5 has.	Barangay Council of Tigato
TOTAL	40 has.	

was renamed as Gawad Sibol Program, which signifies the Bank's continued support to DENR's National Greening Program. The reforestation initiative was provided PHP 216,000 in funding.

MANILA BAY SUNSET PARTNERSHIP PROGRAM, INC.

The Manila Bay SUNSET Partnership Program, Inc. (MBSPP) is the flagship Corporate Social Responsibility Program of LANDBANK. It is a public-private collaboration of 21 member-institutions to implement a sustainable approach to rehabilitate and protect Manila Bay's marine and coastal resources and promote proper solid waste management.



What started as an annual clean-up activity eventually led to the creation of MBSPPi in 2009, where SUNSET stands for Socially Responsible and United in Nurturing and Sustaining the Environment.

It was formally established with an initial membership of five institutions headed by LANDBANK, and with other founding members, namely, the City of Manila, Manila Broadcasting Company (MBC), DENR – National Capital Region (NCR), DENR – Manila Bay Coordinating Office (MBCO) and Manila Yacht Club (MYC). The partnership has since steadily grown and expanded.

In 2014 and 2015, LANDBANK was able to enjoin six new members, namely Ms. Earth Foundation, Inc., LCDFI, MSI, LANDBANK Resources Development Corporation, LANDBANK Leasing and Finance Corporation, and LANDBANK Insurance Brokerage, Inc. Also in 2015, the SUNSET partners produced and distributed an IEC video material that deals with solid waste management as part of its environmental awareness campaign titled, “That Thing Called Basura”.

Through this partnership program, the individual efforts and contributions of the partner-institutions are channeled into one concerted effort toward the fulfillment of a common goal.

SUNSET Partners

- City of Manila
- Metro Manila Development Authority
- DENR National Capital Region
- DENR Manila Bay Coordinating Office
- Cooperative Development Authority
- Manila Yacht Club
- Manila Ocean Park
- Diamond Hotel
- Manila Broadcasting Company
- LANDBANKOOP
- University of the Philippines-Manila
- Pamantasan ng Lungsod ng Maynila
- Polystyrene Packaging Council of the Philippines
- Polytechnic University of the Philippines

JOINED 2014

- Ms. Earth Foundation, Inc.

JOINED 2015

- LANDBANK Countryside Development Foundation, Inc.
- Masaganang Sakahan, Inc.
- LANDBANK Resources Development Corporation
- LANDBANK Leasing and Finance Corporation
- LANDBANK Insurance Brokerage, Inc.



When all is said and done, one of the biggest challenges for the world is the dwindling of resources, largely due to compounded damages to the environment. Cognizant of its responsibility to help in protecting what finite resources the country has, LANDBANK has institutionalized green operations, and will intensify its efforts toward environmental stewardship.

Customer Service

“

Napakadali niya kasi within three days, nakukuha na namin ang kailangan namin. From the start talaga, LANDBANK na ang pinili ko dahil mabilis siya, convenient, tsaka mababa ang interest rates niya kumpara sa iba. Kaya di na kami naghanap ng iba pang pagkukunan ng loan kundi LANDBANK lang.

”

- Ismael Lumadang
LANDBANK Client





BANKING WITH CONVENIENCE: LANDBANK MOBILE LOAN SAVER

LANDBANK has embedded in its mission its commitment to use the best technology solutions to deliver responsive financial services, and to come up with innovative banking solutions for the convenience of its customers. One such innovation is the offering of the LANDBANK Mobile Loan Saver, a mobile-based, savings-linked salary loan product.

By partnering with wireless leader Smart Communications for its Smart e-Money, LANDBANK is utilizing mobile technology to improve customer experience when it comes to availing salary loans. As loan facilities go, this service is the first paperless, fully electronic salary loan in the country. The normal paperwork that an individual goes through to apply for a loan, let alone get approved for one, has now been reduced to quick and simple text messaging.

Launched in 2014, LMLS has enabled borrowers to incur lower transaction costs in as much as loan application and approval are done electronically through mobile phones. The LMLS also offers a quick turnaround time of three banking days. As of end-2014, a total of 4,207 borrowers have already availed, with outstanding balance amounting to P598 million. The number grew as of year-end 2015, wherein a total of 36,319 borrowers have availed of the LMLS with total loan releases amounting to P5.3 billion.

Under the program, qualified state workers aged 18 to 64 with LANDBANK ATM payroll accounts may apply for loans by simply sending a text message through their Talk 'N Text (TNT), Smart, or Sun Cellular mobile phones. This is after their respective human resources heads of government agencies have submitted the list of qualified and eligible employees to avail of the program to LANDBANK.

Aside from the loan amount and rates being competitive, the built-in option for automatic savings helps loan availers become more responsible with their finances.

LANDBANK and Smart plan to eventually expand its service to employees of private companies so that they can avail of the Bank's fully electronic salary loan service. "Market-based solutions and innovations can only be successful if they address the needs of the target market, and MLS has a unique value proposition not offered by interim financing products in the market," said Jocelyn Cabreza, LANDBANK Executive Vice President and branch banking sector head.

The LMLS program was highly commended as a Process Excellence in Loan Origination by the Retail Banker International (RBI) during the 6th RBI Asia Trailblazer Summit and Awards in Singapore.

CUSTOMER Service

LANDBANK constantly seeks to improve the quality of its processes and delivery systems to ease the banking experience for retail and institutional clients. Promoting sustainability while delivering viable solutions for their businesses is the ideal.

The Bank continues to expand its portfolio through product and service innovation, and leverages on partnerships to enhance its offerings. Leading with non-traditional services enabled by new technology, such as mobile banking, has also allowed the Bank to cater to the previously “unbanked” or overlooked sectors of society. Such efforts are in keeping with its mandate of expanding its client reach to the countryside and promoting inclusive development.

Product Portfolio

As part of the Bank’s thrust to provide quality service to its customers and stakeholders, LANDBANK continues to expand and innovate on its products and services to make banking convenient, and improve efficiency and delivery of service through:

- Expansion and widening of delivery channels,
- Convenience and access to banking services,
- Customer-focused bank products and services, and
- Cash management services to the National Government.



Product Responsibility

Product responsibility is embedded in LANDBANK's customer service, geared toward maintaining and preserving its relationships with clients, which is not only a key to revenue generation but further enhances partnerships built on trust and loyalty to the Bank.

LANDBANK ensures that its value chain recognizes the interests of customers and adds value in meeting their

expectations and demands by leveraging core banking processes through quality management systems, improving delivery channels for customers, upgrading information technology and automation, and recognizing outstanding partners. Information about the Bank's products and services are easily available through posters, brochures, and the Bank's official website.

In providing information about the Bank's products and services to customers, LANDBANK's marketing tools

are compliant with the Corporate Identity Manual and Manual of Procedures.

LANDBANK abides by all laws, standards, and voluntary codes related to marketing communications. The Bank strictly references its materials to the Corporate Identity Manual of LANDBANK to ensure the uniform application of its corporate trademark in printed communications, marketing strategies, and publicity drives. The Bank also strictly complies with all laws and regulations of the Bangko Sentral ng Pilipinas (BSP) and the National Government in the fair design and sale of financial products and services.

For the reporting period, there have been no incidents of non-compliance with regulations and voluntary codes concerning marketing communications, including advertising, promotion, and sponsorship.

The development of high-quality and innovative financial service and support goes hand-in-hand with responsible business practice. This means designing products with thoughtful consideration for their social and environmental impacts. Throughout its processes, the Bank maintains that its products and services do not directly affect the environment, and the health and safety of customers, employees, and other stakeholders.

The Bank is fully compliant with the rules and standards of the Monetary Board guidelines, and with the BSP as the regulatory institution of the financial sector in the Philippines.



Likewise, LANDBANK's financial products and services are designed to be in accordance with all relevant laws of the Philippine Government. There has been no incident of non-compliance with these regulations.

Customer Satisfaction

Because LANDBANK highly values its customers, it makes a fine point of knowing whether their reasonable expectations are being met. The Bank believes customer satisfaction is indicative of institutional performance and provides a metric to manage and improve the business.

In 2014, as a result of the deep commitment to improve the quality of service and transparency to its customers, LANDBANK was awarded by the Civil Service Commission (CSC) with the Anti-Red Tape Breakthrough Agency Award for obtaining 99% rating in the Anti-Red Tape Act Report Card Survey (ARTA-RCS), which measures an agency's performance and client satisfaction in relation to frontline service. The survey was conducted in 100 LANDBANK branches nationwide from June to November 2013 wherein 38 branches were rated as "Excellent." In addition, 22 LANDBANK Branches were awarded with the Citizen's Satisfaction Center-Seal of Excellence Award (CSC-SEA) by CSC. LANDBANK has the most number of awardees in the CSC-SEA among government agencies in that year.

To further strengthen its partnership with the CSC on implementing the ARTA, LANDBANK entered into an agreement with the Commission in 2015 for the conduct of a Bank-funded ARTA-RCS to measure client satisfaction in relation to its frontline service, and obtain feedback from customers on how it follows the provisions in its Citizen's Charter.

The ARTA-RCS was conducted in 51 LANDBANK Branches and Extension Offices (EOs) nationwide from April to August 2015 with a total of 1,530 respondents. LANDBANK obtained a 100% passing rate with an overall national score of 88.14% equivalent to a "Good" descriptive rating. Of the surveyed Branches and EOs, 15 got "Excellent" rating, which automatically qualified them to the CSC-SEA conferred by the CSC after a two-phase validation process; one was rated "Outstanding"; 33 received a rating of "Good"; and two were "Acceptable."

LANDBANK is committed to service excellence, and finds ways to reach out to its customers for feedback and constructive criticism. In 2015, the Bank commissioned a third-party research firm, The Nielsen Company (Philippines), Inc., to conduct an annual comprehensive and nationwide customer satisfaction survey for a three-year period. This measured the satisfaction level of clients on how the Bank delivers its products and services, and established a benchmark for subsequent studies.

The survey was conducted from July 23 to September 9, 2015 covering 351 Branches and 43 Lending Centers nationwide with a total of 5,954 respondents (5,691 Branch clients and 263 Lending Center clients). A computer-assisted personal interviewing method was used for the face-to-face interview with individual branch clients. Online interview was also conducted using a survey questionnaire for the institutional branch and lending center clients.

The result of the survey showed an overall satisfaction rating of 95% by the randomly selected client-respondents.

In 2015, LANDBANK applied for a Philippine Quality Award (PQA) recognition, the highest level of national recognition for exemplary organizational performance,

as part of the Bank's quest to promote a culture of business excellence. The PQA provides an internationally comparable framework and criteria for assessing organizational performance adopted from the Malcolm Baldrige National Quality Award criteria of the United States of America and National Quality Awards Program of other countries such as Japan, Singapore, Australia, and several European nations.

LANDBANK was assessed on seven major areas, namely: (i) leadership, (ii) strategic planning, (iii) customer focus,



(iv) measurement, analysis and knowledge management, (v) human resource focus, (vi) operations focus, and (vii) results. The preparation for the assessment visit was extensive and proved to be one of the major undertakings of the Bank for 2015.

The feedback report received reflected the strengths and weaknesses of the organization and also presented opportunities for improvement to enhance the quality of the Bank's service. The Bank was cited as proficient in its existing practice of quality management, earning a LEVEL 2 recognition. This made LANDBANK only the second among all government applicants to achieve Level 2 recognition on the first application.

Customer Privacy

Adherence to customer privacy is crucial to the Bank's conduct of business. It is of utmost priority to maintain customer information confidentiality because at LANDBANK, this is a cornerstone for maintaining a truthful and loyal bank-customer relationship.

Deposits are confidential and may not be looked into by any person, government, official, bureau, or office except otherwise provided by law. The Bank's Compliance Management Group, Legal Services Group, and other authorized units handle this aspect by reviewing and implementing established policies, guidelines, and internal controls to safeguard customer data and prevent information leaks.

The Bank has a rigorous set of frameworks and policies on customer privacy stipulated in LANDBANK's Guidelines on Classification, Handling, Access and Disclosure of Information of Assets, Information Security Policy

G4-PR9, G4-FS13, G4-FS14



Manual, and Policy on Securing Information Technology Infrastructure and Consumer Protection.

Compliance

LANDBANK adheres to utmost compliance with laws and regulations. The Bank's Compliance Management Group is in charge of identifying and disseminating laws and regulations to provide guidance and direction to

the Bank on compliance matters. Also part of their responsibility is to monitor fines and penalties imposed by regulatory bodies.

For the years 2014 to 2015, the Bank has not incurred any monetary sanctions for non-compliance with laws or regulations concerning the provision and use of products and services.

Improved Access to Financial Services

In a bid for greater inclusivity of financial services to its mandated sectors, LANDBANK continues to find alternative channels to deliver products and services. The Bank believes that expanding its reach and improving access to financial services is key to addressing marginalization due to poverty, low income, and unemployment. The Bank uses technological innovation as its leverage, and has also enhanced its partnerships with cooperatives and other micro-credit institutions to make its products and services more accessible.

For LANDBANK, accessibility means availability of services when needed, especially after disastrous events. The Bank initiates the use of mobile ATMs in times of disaster, assisting affected families and providing technological and financial assistance in the disaster-stricken area. Mobile ATMs deployed after Typhoon Yolanda in Tacloban helped thousands of families in dispensing cash when most Banks in the city were not operational.

If LANDBANK performs well under unusual circumstances, it also goes the extra mile for everyday transactions. The Bank deployed a mobile ATM in Palayan City, Nueva Ecija in 2014 to ensure the timely payout of salaries of local government employees. The city government had recently availed of the ATM payroll facility for its more than 400 employees, so the mobile ATM was deployed to ensure a seamless transition, temporarily serving the needs of the employees and other depositors in the area, while a new offsite ATM booth is being constructed at the Palayan City Hall.

As the primary conduit for the government's Conditional Cash Transfer (CCT) program, the Bank also continues to serve CCT beneficiaries and households, and aims to

Mobile ATM Transactions

BRANCH	2014	2015
Tacloban	30,448	3,566
Lucena	6,264	14,800
Tuguegarao Capitol	38,876	54,845
Iloilo	3	1
EDSA Congressional	12,850	135
Bicutan DOST	11,051	6,418
Cabanatuan	83,620	102,968
Lipa	11,524	9,092
Pagadian	-	3,845
Davao Recto	-	2,487



expand coverage in the future. The Bank's partnership with Omni Pay, Inc. provides an even more convenient channel for the beneficiaries to withdraw cash from ATMs. Cardholders may also access their funds in all BancNet, Megalink, Expressnet, and Nationlink ATMs nationwide. LANDBANK provided offsite ATMs for ease of transaction to better aid the government in the cash transfers. In 2014, 113 offsite ATMs were installed all over the country, which increased to 138 units in 2015.

In 2014, the Bank also implemented the LANDBANK Customer Queue System, an electronic and computerized queue system used for effective lobby management. The new system has a special lane designed to give priority to special customers (e.g., Senior Citizens, Pregnant Women and Persons with Disability) in compliance with Republic Act No. 9485 or the Anti-Red Tape Act of 2007. As such, these special customers are able to transact with the Bank and avail of other Bank products and services within the shortest possible time.

As a government financial institution, all of the Bank's policies and programs are geared toward timely, convenient, accessible, and inclusive service. LANDBANK is present where other banks have yet to establish themselves, in the hope that in time, no single Filipino is left unbanked.

Improving customer service across the nation

Leveraging on technology, LANDBANK improves the accessibility to its banking services from economically disadvantaged sites in the rural areas. In 2014, the Bank introduced the LANDBANK Easy Access Facility (LEAF), an innovation toward greater financial inclusion. LEAF functions as an "Other Banking Office" that allows clients to conduct non-transactional banking activities such as ATM withdrawals, self-service cash deposits, submission of loan applications and requirements for opening accounts, and inquiries about loans, savings, and other products and services. It hosts an ATM, a Cash Deposit Machine, and the LANDBANK Express Access Machine (LEAM), which accepts tax payments and has future capability to accept PhilHealth contributions and other bill payments.

As part of its overall roadmap toward improving its system's presence across the nation, LANDBANK developed real-time, self-serviced electronic platforms for banking transactions. During the reporting period, the Bank introduced the following initiatives:

Cash Deposit Machine (CDM) is a self-service machine with cash deposit functionality, making LANDBANK the first government bank to provide an automated channel for cash deposit transaction. It expedites deposit transactions as customers no longer need to queue for Over-the-Counter transactions. CDM also credits the clients' accounts in real time. The CDM is available at selected branches (on-site) and at all LEAF sites.

Electronic Payment Portal (ePP) is an online payment facility that allows payment of fees, dues, utilities, and charges of government and private institutions. Bank clients can take advantage of the BancNet network, using their BancNet Member-Bank Card as a source account.

Electronic Modified Disbursement System (eMDS) is a secured internet facility that allows National Government Agencies, including the Bureau of Treasury and the Department of Budget and Management (DBM), to conveniently and cost-efficiently perform MDS transactions online. It is compliant with the Unified Accounts Code Structure (UACS), an initiative of the DBM to harmonize the classification of government accounts and codes.

Electronic Payment Systems (ePS) is an e-Payment facility that allows partner clients/agencies to directly interface or interconnect with LANDBANK's Payment Gateway for the payment of goods and services. For example, enrollees to AMA Colleges were able to pay their tuition fees online. Likewise, recruitment agencies can also pay the Philippine Overseas Employment Administration for processing fees electronically.

LANDBANK Express Access Machine (LEAM) provides a convenient alternative payment channel by eliminating the need to queue up to a bank teller for tax payments. The touch-screen machine is designed to allow dropping of payments and tax returns through an envelope chute or drop box. It also includes access in online banking services under the ePP and i-Access.

LANDBANK Phone Access (LPA) is a facility that allows account holders to do banking transactions over the phone, including bills payment, fund transfer, checkbook reorder, and check status and balance inquiry. They may also report lost/stolen ATM card, credit card, and cash card. Should they desire it, they may also opt to talk to a LANDBANK Phonebanker. LPA was upgraded to run on a more robust and reliable platform. The supported billers were extended, including PLDT, Smart, Manila Water Company Inc., Maynilad Water Services Inc., Globe Telecom, Innove, Davao City Water District, LANDBANK Visa, and Skycable.

LANDBANK Remittance System (LBRS) is a web-based remittance system capable of processing remittance transactions with various delivery channels for the settlement of clients and beneficiaries accounts. It uses a unique system-generated reference number for status monitoring of remittance,



and sends Short Messaging Service (SMS) to inform beneficiaries of the remittance. System was enhanced to handle the processing of remittance transactions through LANDBANK branches such as Demand Drafts, Wire Transfers (outgoing Telegraphic Transfer, outgoing RTGS, and outgoing GSRT), and Checks for Clearing. The LBRS also implemented system interfaces with Xoom, WIC WorldCom Finance, Transfast, and MA Transworld. for seamless processing of remittance transactions.

Mobile Banking Application (MBA) is a free application that provides clients convenient access to the Bank's wide array of services through their smartphones. This is available on Google Play App Store for Android and on App Store for iOS smartphones for FREE. With MBA, clients can securely submit transactions online, including account and credit card inquiry; submit fund transfer; pay bills to over 80 billers; and request for new checkbook/s from their mobile devices, at any time and from any location.

Online Signature Verification System (OSVS) is a web-based system that facilitates signature verification of over-the-counter transactions. It enables clients to negotiate Inter-Branch LANDBANK checks (encashment and deposit) at any LANDBANK Branch.

iAccess is the Bank's Retail Internet Banking system, which allows retail clients to perform banking transactions and avail of other banking services using an internet-enabled computer. System enhancements include addition of over 80 billers, including PLDT, Meralco, Dagupan City Water District, and Bureau of Internal Revenue (BIR) Tax Payment through BIR Interactive Forms (BIR-IAF).

weAccess is an internet banking facility developed for the Bank's institutional clients, both private corporations and government entities. It allows clients to make selected banking transactions online, such as balance inquiries, payroll crediting, fund sweeping, auto debit, auto credit, fund transfer, and bills payment. Pag-IBIG and GSIS contributions and payments are also facilitated by weAccess.

wePayAccess is a scaled-down version of the weAccess Institutional Internet Banking system. It is a web-based facility allowing LANDBANK institutional depositors, such as, but not limited to, microbusiness enterprises and government institutions maintaining at least PHP20,000 Average Deposit Balance to perform banking transactions and avail of other banking services through the web. Clients may download their statement of account; make a real-time or future-dated fund transfer from one enrolled deposit account to another; perform payroll crediting; and pay bills to enrolled merchants. Government agencies may also upload their Advice on Checks Issued and Canceled (ACIC) in the wePayAccess.

Employee Development



“

I tried enrolling in a regular school, but because of the time constraints, and the physical toll of going to the university, I was not able to finish the course. So I was really very, very grateful to LANDBANK for offering the in-house MBA program.

”



- Lucila E. Tesorero
LANDBANK In-house MBA Graduate and VP of Southern Luzon Lending Group

BUILDING A CULTURE OF EXCELLENCE

Some of the graduates of the LANDBANK in-house MBA Program: Ms. Lealani Asis, Ms. Daisy Endraca, Ms. Ma. Hazel Santos, Ms. Josephine Casas, Ms. Sharon Tayag, Ms. Margarita Cabrera, Mr. Samuel Acuña, VP Lucila Tesorero, Mr. Reymond Santos, VP Cielito Lunaria, Ms. Isabelita Tejerero, Ms. Edna Salviejo, Ms. Gina Belga, Ms. Catherine Sotto, Ms. Mira Leah Patio, and Ms. Rowena Acuña.

LANDBANK is committed to investing in its people. In responding to their growth and development needs, the Bank ensures that employees get the best training by partnering with top schools to create opportunities that mutually benefit the business and its people.

Embarking on its vision to become a top universal bank, the Bank nurtures talents who exemplify high standards of excellence and consistently deliver. Further honing their professional development and leadership skills, LANDBANK hosts an in-house Masters in Business Administration (MBA) program to junior executives, exceeding expectations as they learn and grow.

The homegrown program provides convenience to employees and keeps them close to the fold while working on the Bank's operations—both inside and outside of the classroom. "After working hours, you just have to go a few floors down to attend your MBA class, which is really convenient and favorable to us," said MBA graduate Leonardo Sikat. "You don't have an excuse to miss classes because you are already within your classroom's building and professors come to LANDBANK to meet us," MBA graduate Rowena Acuña added.

LANDBANK signed an agreement with the College of the Holy Spirit Manila and Concordia International College (CIC) to deliver the executive MBA courses especially crafted for the convenience of LANDBANK employees. Four pre-MBA courses were facilitated by Concordia: Strategic Management, Business Communication, Diversity, and Ethics. Upon completion, the enrollees received a Canadian diploma in Business Development from CIC.

Aside from the added credentials, the graduates felt that they became experts in doing their jobs. "It gave me a profound understanding and appreciation of the micro and macro perspective of running a business organization, which will help me understand my clients better, and strategize in attaining the objectives of the Bank," said MBA graduate Lucila E. Tesorero.

In 2014, 41 employees finished the in-house MBA program and received their degrees from College of the Holy Spirit.

EMPLOYEE Development



Landbankers are one of the Bank's many partners toward countryside development. Talented and motivated employees define the Bank's long-term success as it pursues its institutional mandate to help the nation grow. Employee development is enshrined in the Bank's corporate strategy because it strengthens partnership with its people, and ultimately, improves employee performance.

Employment

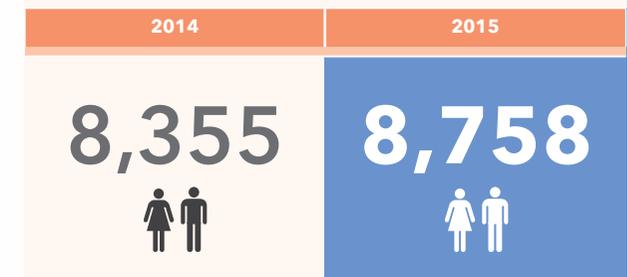
The Bank's recruitment process is pursuant to the LANDBANK Charter and the rules and regulations set by the Civil Service Commission (CSC) for Public Officers and Employees and the Personnel Policies and Standards (Executive Order No. 292). Recruitment processes are designed regionally to reflect the market dynamics and business needs of LANDBANK's presence across the Philippines. Applicants for permanent positions in the Bank pass through further screening processes by passing the pre-employment examination, interviews, medical examination, and background check. This meticulous screening process is necessary to ensure that the Bank hires the most competitive employees to serve the nation.

LANDBANK invests in the well-being of its human resources by providing benefits and incentives beyond legal minimums and mandates. Full-time employees are provided a share of the Bank's Provident Fund, which secures life insurance, retirement provisions, and health care protection. The Bank also covers disability and invalidity of employees with the Loss of Life and

Disability Benefit Plan, and provides financial assistance and sick leave incentives to covered employees. In protecting the health care security of its employees, LANDBANK maintains a health care coverage policy with a Health Maintenance Organization (HMO). In 2014, 7,329 employees were covered by the policy, which increased to 7,644 in 2015.

LANDBANK pays for its employees its share in the Provident Fund (PF) and the Government Service Insurance System (GSIS) equivalent to 30% and 12% of the employee's basic pay, respectively. The corresponding employee's share with the PF is equivalent to 5% of his basic pay, and 9% of his basic pay for the GSIS. Further, the Bank pays its corresponding share in the employees' premiums for the Philippine Health Insurance Corporation (PHIC) and Home Development Mutual Fund (HDMF).

Total Number of Regular Employees and Service Company Workers



The LANDBANK Workforce

by Pay Grade

2014			Pay Grade	2015		
♀	♂	TOTAL		♀	♂	TOTAL
1	1	2	2	1	1	2
2	12	14	3	2	12	14
654	388	1,042	4	132	76	208
906	485	1,391	5	880	440	1,320
1,666	724	2,390	6	941	509	1,450
433	277	710	7	1,696	750	2,446
519	258	777	8	368	232	600
203	129	332	9	373	162	535
137	81	218	10	315	201	515
110	88	198	11	172	119	291
59	79	138	12	69	87	156
40	27	67	13	40	30	70
10	10	20	14	13	10	23
8	8	16	15	8	9	17
3	5	8	16	4	8	12
2	3	5	17	2	2	4
1	-	1	18	1	-	1
641	385	1,026	SCW*	692	402	1,094
5,395	2,960	8,355	TOTAL	5,708	3,050	8,758

* Service Company Workers

by Appointment Status

2014			Appointment Status	2015		
♀	♂	TOTAL		♀	♂	TOTAL
4,742	2,548	7,290	Permanent	5,002	2,620	7,622
12	26	38	Co-terminous	13	26	39
-	1	1	Temporary	1	2	3
641	385	1,026	SCW	692	402	1,094
5,395	2,960	8,355	TOTAL	5,708	3,050	8,758

by Age Distribution

2014			Age Group	2015		
♀	♂	TOTAL		♀	♂	TOTAL
773	337	1,110	20-25	982	402	1,384
1,309	684	1,993	26-35	1,341	719	2,060
1,634	749	2,383	36-45	1,558	702	2,260
812	420	1,232	46-49	845	412	1,257
675	585	1,260	50-55	777	580	1,357
144	150	294	56-59	162	187	349
48	35	83	60 & above	368	48	91
5,395	2,960	8,355	TOTAL	5,708	3,050	8,758

by Geographical Location

2014			Geographical Location	2015		
♀	♂	=		♀	♂	=
2,189	1,283	3,472	NCR	2,323	1,316	3,639
60	30	90	CAR	60	29	89
189	74	263	Ilocos Region	204	79	283
182	116	298	Cagayan Valley	192	127	319
437	200	637	Central Luzon	475	216	691
467	192	659	CALABARZON	476	201	677
123	66	189	MIMAROPA	135	65	200
202	106	308	Bicol Region	205	113	318
278	159	437	Western Visayas	289	157	446
215	105	320	Central Visayas	232	113	345
149	73	222	Eastern Visayas	163	78	241
147	105	252	Zamboanga Peninsula	159	105	264
217	121	338	Northern Mindanao	229	118	347
196	113	309	Davao Region	205	122	327
226	142	368	SOCCKSARGEN	243	139	382
38	28	66	ARMM	41	28	69
80	47	127	Caraga	77	44	121
5,395	2,960	8,355	TOTAL	5,708	3,050	8,758

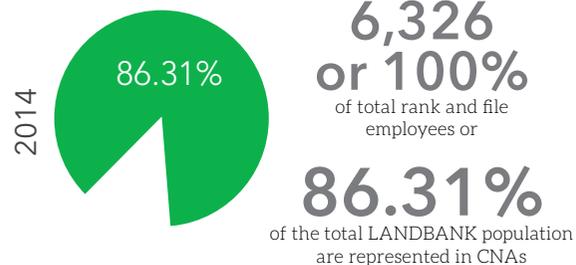
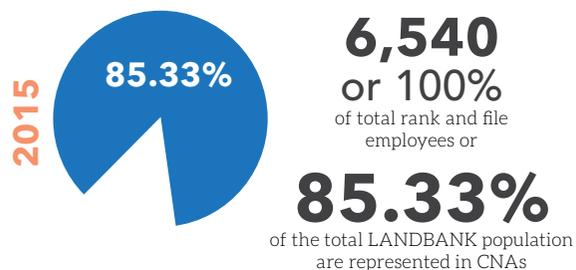
Participation in Collective Negotiation Agreement

The Fifth Collective Negotiation Agreement (5th CNA) between LANDBANK and the LANDBANK Employees' Association (LBPEA) was concluded on October 24, 2014 after three and a half day sessions within a two-week period. The Memorandum of Agreement (MOA) was signed on December 12, 2014. The 5th CNA, which is effective for three years (from 2014 to 2017) amends some provisions in the 4th CNA, specifically:

1. Section 6 of Article III, on the accreditation of attendance to employee organization leadership seminars as relevant training of LBPEA officers and members; and
2. Section 10 of Article III, on the right of the LBPEA to give suggestions and recommendations in the issuance of guidelines or policies directly affecting their rights and welfare.

There are minor amendments on Section 11 of Article III, Section 9 of Article IV, Section 6 of Article VIII, and Sections 6 and 10 of Article IX due to recent issuances of the Bank and the Civil Service Commission.

Section 4, Article X of the 5th CNA, provides that the agreements will be implemented upon ratification by the majority of the LBPEA's General Membership and confirmation by the Board of Directors. The LBPEA President in his April 15, 2015 letter has formally reported and certified the ratification of the 5th CNA by the majority of its general membership. It was confirmed by the LANDBANK Corporate Governance Committee and the Board of Directors in a meeting held on May 8, 2015.



Standard Benefits/Allowances

- Personnel Economic Relief Allowance
- Meal Allowance
- Uniform Allowance
- Rice Subsidy

Rewards and Incentives

- Year-End Bonus and Cash Gift
- 14th Month Pay
- Merit Increase Program
- Anniversary Cash Gift
- Christmas Gift Package/Raffle
- Award for Institutional Achievement
- Collective Negotiation Agreement (CNA) Incentive
- Productivity Enhancement Incentive
- Professional Award
- Length of Service Award
- Loyalty Cash Award
- Longevity Pay
- Perfect Attendance Award
- Other incentives under the Program on Rewards and Incentives for Service Excellence (PRAISE)

Specific Purpose Benefits/Allowances (including Magna Carta Benefits)

- Children's Allowance
- Representation Allowance (for Pay Grade 8 & up)
- Transportation Allowance (for PG 8 & up)
- Housing Allowance (for PG 10 & up assigned in the field)
- Teller's Allowance
- Business Promotion Expense Fund/Extraordinary and Miscellaneous Expense Fund (for Assistant Vice President & up)
- Compensation Package for Overseas Remittance Officers
- Overtime Pay
- Night Differential Pay
- Legal Assistance and Indemnification Plan
- Travel Expenses
- Mobile Communication Facility

Medical/Health Care/Life Care Benefits

- Total Annual Medical Benefit
- Financial Assistance for Dreaded Diseases
- Loss of Life and Disability Benefit Plan
- Mutual Aid Benefit Program
- Mandatory Annual Medical Examination
- Flu Vaccination
- Access to Emergency Medicines for Field Unit Employees
- Access to Medical Clinic/ Retainer
- Physician's Services

Leave Benefits

- Sick Leave
- Vacation Leave
- Maternity Leave
- Paternity Leave
- Maternity and Paternity Leave Benefits for Adoptive Parents
- Parental Leave for Solo Parents
- Special Emergency Leave
- Special Leave Privilege
- Special Leave Benefits for Women
- Sick Leave with Pay
- Rehabilitation Privilege
- Study Leave
- Forced Mandatory Leave
- Compensatory Service
- 10-Day Leave under Republic Act No. 9262 (Anti-Violence Against Women and Their Children)
- Time-Off for Members of the LANDBANK Employees Association (Union)
- Muslim Holidays in Areas Outside the Autonomous Region
- Monetization of Leave Credits
- Terminal Leave

Others

- Financial Assistance and Relief Goods
- Floral Wreath for Deceased Employees, their Immediate Family Members & Retirees
- Shuttle Service
- Birthday Cards for Employees

SECTORS	2014	2015
Employees with medical conditions considered as dreaded diseases based on LANDBANK's internal policies were granted the following benefits:		
 Financial assistance	143	159
 Sick leave extension with pay	27	33
Employees who sustained physical injuries while in the performance of service were granted the following benefits:		
 Rehabilitation privilege (leave with pay up to a maximum of six months)	7	1
Employees who sustained disability were provided financial assistance through the Loss of Life and Disability Benefit Plan		
 Disability benefit	1	2
Return to work and retention rates after parental leave		
 Availment of maternity leave	169	232
 Availment of paternity leave	19	64
 Availment of solo parent leave	33	108
TOTAL	221	404

Equal Opportunity for All Landbankers

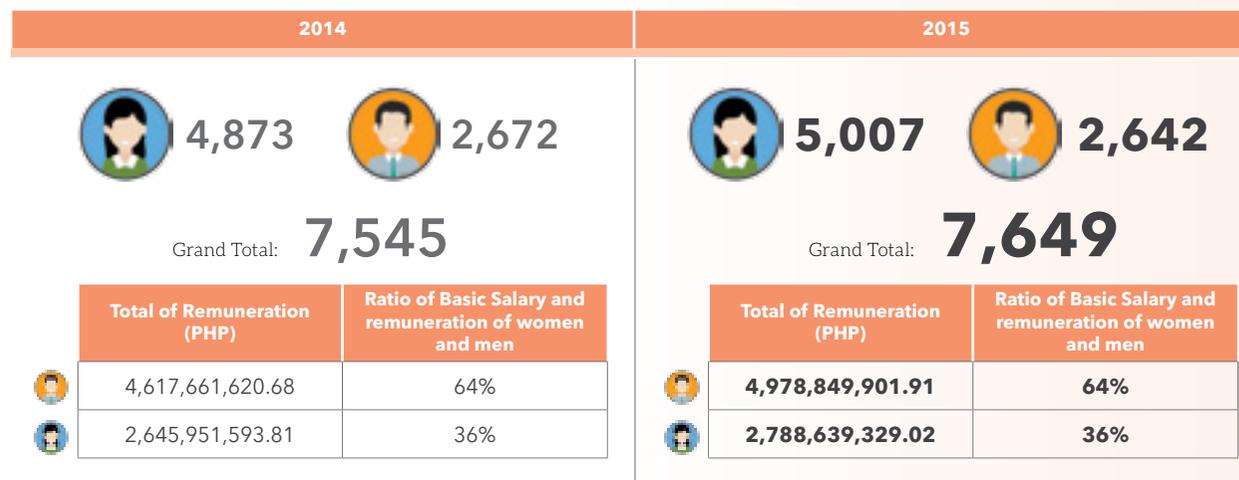
In light of LANDBANK's national and countryside operations, embracing diversity and equal opportunity for all is important for the Bank's growth and critical to countryside development. The Bank treats all employees with integrity and respect. Equal opportunities are offered to all regardless of gender, age, regional background, religious beliefs, and seniority in tenure.

LANDBANK's Workforce Across the Nation

	2014	2015
BY AGE GROUP		
Under 35 years old	3,103	3,444
35-50 years old	3,615	3,517
Over 50 years old	1,637	1,797
BY GENDER		
Female	5,395	5,708
Male	2,960	3,050
BY REGION		
NCR	3,472	3,639
Luzon	2,444	2,577
Visayas	979	1,510
Mindanao	1,460	1,510
TOTAL	8,355	8,758

Compensation in LANDBANK goes beyond the legal minimums by the Department of Labor and Employment's (DOLE) salary board. The Bank compensates its employees equally, without gender bias; it provides fair and just compensation for all employees, regardless of gender. The Bank recognizes the performance of both the company and the individual officer or employee, and is guided by a compensation and position classification system, and qualification standards approved by the Board of Directors. This is based on a comprehensive job analysis and audit of actual duties and responsibilities; compensation consists of both remuneration and rewards schemes.

By Remuneration



Remuneration by Significant Areas of Location

LOCATION	2014						2015					
	MALE		FEMALE		GRAND TOTAL		MALE		FEMALE		GRAND TOTAL	
	No. of Employees	Total Remuneration (PHP)										
Field Units												
Accounting Centers	81	66,477,137.24	360	329,068,884.78	441	395,546,022.02	77	64,837,881.66	357	336,775,484.79	434	401,613,366.45
Agrarian Operations Centers	190	198,812,060.90	78	83,267,680.74	268	282,079,741.65	174	198,358,998.64	75	83,485,419.31	249	281,844,417.95
Branches	812	760,542,702.77	2,168	1,991,863,336.83	2,980	2,752,406,039.60	820	797,838,347.32	2,226	2,133,204,453.27	3,046	2,931,042,800.59
Field Legal Services	30	39,004,217.53	32	26,893,515.19	62	65,897,732.73	30	43,720,178.27	33	29,145,763.22	63	72,865,941.49
Lending Centers	372	390,980,495.11	368	326,900,018.90	740	717,880,514.01	369	422,533,959.72	401	383,280,068.84	770	805,814,028.57
PVCID	205	179,685,809.72	49	41,063,756.28	254	220,749,566.01	185	176,629,699.65	42	39,075,528.30	227	215,705,227.95
NCR-based Offices												
Metro Manila Branches	188	171,075,092.03	664	597,302,508.58	852	768,377,600.01	193	189,832,340.75	667	635,936,822.70	860	825,769,163.45
Head Office	794	839,374,078.50	1,154	1,221,301,919.37	1,948	2,060,675,997.87	794	894,887,923.01	1,206	1,337,946,361.48	2,000	2,232,834,284.49
GRAND TOTAL	2,672	2,645,951,593.81	4,873	4,617,661,620.68	7,545	7,263,613,214.49	2,642	2,788,639,329.02	5,007	4,978,849,901.91	7,649	7,767,489,230.93

Investment in People

LANDBANK considers professional skills, expertise, and continuing employee development as key factors for maintaining institutional growth and for sustaining competitive advantage.

Establishing a culture of high performance, the Bank continually upgrades its human resources by giving every employee access to fair and equal opportunities for training and development. The Bank strives to develop an agile and competitive organization through in-house trainings, seminars, and conferences and invites experts from partner institutions to lecture on changes in laws and regulations, and discuss topics relevant to professional development. Qualified employees may also avail of scholarships in pursuit of higher studies through the Graduate Education Program (GEP), the Bank's in-house scholarship program. In 2014, LANDBANK supported 126 scholars, which increased to 164 in 2015.

The Bank's Management and Leadership Development Programs (MLDP) are designed to develop citizen leaders among LANDBANK's junior executives and prepare them for future roles in leading the Bank's operations. Managers may enroll in an internal Master of Business Administration (MBA) program in partnership with business schools based in Manila. In addition, certification programs are being offered to employees performing highly specialized functions. Apart from providing tools for technical skills, efforts are also being made to create a culture of coaching, counseling and mentoring.

Through its Competency Framework Development, LANDBANK develops and builds employees' competencies using a personalized Position Competency Profile (PCP) based on the individual key performance

Average Training Hours

	No. of Hours (2014)	No. of Hours (2015)
GENDER		
Male	44	47
Female	44	48
EMPLOYEE CATEGORY		
Rank & File	41	45
Junior Officers	66	58
Senior Officers	69	47

indicators of their job roles. This system effectively reviews the core competencies of each employee and identifies gaps for further improvement. The framework allows the management to create an Individual Development Plan (IDP) determining which training programs will be given to the employee.

The Bank also conducts monitoring and evaluation of employee performance post-implementation of specific training programs. Every employee is asked to provide feedback, and at the end of each year, the Management talks to each of them about their performance, and any career development plans that mutually benefit the organization and their personal interests. This performance feedback mechanism allows LANDBANK



to assess employee performance and uphold the level of professionalism and competence within the Bank.

As a complement, LANDBANK also employs a performance management system to duly evaluate, recognize and reward employees' contributions toward meeting corporate goals and objectives. Performance ratings are the basis for promotions, rewards and incentives, as well as scholarship grants. Each employee receives a regular performance and career development review from their immediate supervisor at the beginning and end of every performance rating period. A performance contract is agreed upon by both parties at the start of the rating period.

LANDBANK has a pay structure in place for workforce compensation, with uniform pay adopted for all officers and staff, and with an entry-level salary higher than the minimum wage per location as issued by the Department of Labor and Employment (DOLE). A periodic compensation review is conducted to ensure competitiveness within the industry. It also provides benefits and incentives to ensure that employees are properly compensated for their services.

Occupational Health and Safety

A healthy employee is an effective partner in serving the nation. LANDBANK believes that the promotion of employee wellness and workplace safety is an important aspect that should be upheld at all times. Maintaining a safe and healthy environment for Bank employees enhances productivity and also reduces costs due to lost time in the workplace.

The Bank takes measures to avoid the occurrence of occupational diseases and work-related accidents through full compliance with relevant occupational safety and health standards. Employees can avail of nutrition counseling services, disease prevention and risk control programs, and socio-emotional health promotion activities. Within the LANDBANK Plaza, employees make use of facilities such as the Medical Clinic, Health Gym and Fitness Center, and the Lactation Station.

The Health and Safety Committee serves as a recommendatory body on occupational health and safety-related matters. Four representatives of the Land Bank of the Philippines Employees' Association (LBPEA) are members of the Health and Safety Committee representing 100% of rank-and-file employees.

In instilling the importance of this aspect among its people, workplace health and safety is discussed during the orientation workshop for newly hired employees. LANDBANK also requires all employees to undergo an annual medical examination, and provide them access to medical consultation and health counseling at the worksite medical clinic or through Health Maintenance Organization (HMO)-accredited facilities and healthcare professionals.



The Bank implements a Bank-wide Employee Wellness Program that promotes holistic health and well-being. It provides employees with opportunities to manage stress through Employee Wellness Program activities, learning sessions and stress management workshops. Psychological interventions such as Critical Stress Incident Debriefing, counseling, and case management by mental health professionals are made accessible to affected employees.

In 2015, LANDBANK invited four representatives from the LBPEA to ensure that the Bank's employees' needs on workplace wellness are heard. The 5th Collective Negotiation Agreement (CNA) between the LANDBANK

Management and LBPEA covers health-related aspects including implementation of Employee Wellness program, administration of health-related benefits as prescribed by the law, and special privileges for pregnant and nursing women exempting them from work-related physical exertion.

The 5th CNA has provisions on the continuance of existing leave benefits, parental leaves, special leaves for women, rehabilitation privileges, special privilege for pregnant and nursing women, consultation on the implementation of Wellness Program, and continuance of the Bank's support to the operation of the LANDBANK Day Care Center.

In addition to the CNA, the representatives from the LBPEA and even the LANDBANK Middle Management Officers Association are represented in the Health and Safety Committee and the Health Maintenance Office (HMO) Advisory Committee. Membership to these committees is covered by an office order while collegial discussions, deliberations and agreements are documented in minutes of meetings, resolutions and other formal documents. The Bank's occupational health and safety personnel are regularly sent to trainings and seminars to upgrade and update their technical capability in leading the Health and Safety committee.



Labor-Management Relations

Labor groups are welcome at LANDBANK. The Bank supports self-organized groups among its employees and ensures that information regarding operational changes are efficiently communicated. Through the CNA enacted between the Bank and the LBPEA, the Bank acknowledges the right of each employee to be notified regarding operational changes, including whether these are specified in collective agreements.

Stipulated in Section 10, Article III of the 5th CNA on Right to Information, the Bank provides the LBPEA an e-mail address, dubbed as "Lotus Notes." LBPEA is furnished with copies of all memoranda given to negotiating employees concerning hiring, reassignments, promotions, resignations, and retirements. The Management also

sees to it that notification of demotions and dismissals of members are delivered to concerned parties. Copies of the Bank's annual reports and the quarterly State of the Bank Address of the President, and approved Bank rules and regulations or personnel policies concerning and affecting the rights and welfare of rank-and-file employees, are also circulated through the association.

Apart from encouraging a free flow of information, the Management acknowledges the right of the LBPEA to give suggestions and recommendations in the issuance of guidelines or policies directly affecting the rights and welfare of employees to ensure that they are safeguarded.

Communication between managers and employees is strengthened through social media outlets (i.e. LANDBANK website, Human Resources Facebook

page, Twitter, etc.), conduct of HR town hall meetings, the State of the Bank Address (SOBA), weekly internal newsletter, and regular dialogues with LBPEA and the Middle Management Association officers. This allows the Management to disseminate information to employees regarding institutional goals, plans, programs, strategies and expectations. At the same time, employees are able to express their concerns and needs for appropriate resolutions.

To promote corporate and interpersonal harmony, the Bank maintains a formal grievance mechanism that promptly addresses grievances raised by individual employees and the employees' association. Both the Bank and the LBPEA are committed to "foster and improve a noble and enduring relationship between the employees and Management, through better employment and



working conditions consistent with applicable laws, rules and regulations, in order to attain maximum efficiency and improve the welfare and well-being of the employees.” Harmonious relations endure between the LANDBANK and its employees in this manner.

Freedom of Association and Collective Negotiation

LANDBANK respects the right of each employee to free association and collective negotiation pursuant to the Amended Rules and Regulations Governing the Exercise of the Right of Government Employees to Organize issued by the Public Sector Labor-Management Council (PSLMC) of the Civil Service Commission (CSC) and Executive Order No. 180, Providing Guidelines for the Exercise of the Right to Organize of Government Employees, Creating a Public Sector Labor-Management Council, and for Other Purposes.

As stated in the Bank’s approach for labor and management relations, it conducts a Collective Negotiation Agreement (CNA) with its employees represented by the Land Bank of the Philippines Employees’ Association (LBPEA) every three years. In addition, monthly dialogues between LANDBANK Management and the LBPEA, and periodic HR town hall meetings are held to discuss and address issues that impact employees’ interest and welfare. LBPEA also has a regular two-hour slot during the “LANDBANK In Perspective” seminar for new hires (employee orientation program) and representation in Bank committees dealing with employees’ rights and welfare such as their participation in the Health and Safety Committee.

The 5th CNA specifically stipulates the following provisions in the Philippine Constitution granting to government workers the right to form unions and to initiate collective negotiations:

- Article IX (B), Sec. 2 (5) – The right to self-organization shall not be denied to government workers.
- Article III, Sec. 8 – The right of the people, including those in the public and private sectors, to form unions, associations, or societies for purposes not contrary to law, shall not be abridged.
- Article XIII, Sec. 3 – The State shall afford full protection to labor—local and overseas, organized and unorganized—and promote full employment and equality of employment opportunities for all. It shall guarantee the rights of all workers to self-organization, collective bargaining and negotiations, and peaceful concerted activities, including the right to strike in accordance with the law. They shall be entitled to security of tenure, humane conditions of work, and a living wage. They shall also participate in policy- and decision-making processes affecting their rights and benefits as may be provided by law.

Non-discrimination

LANDBANK has a strong commitment to conducting business in an ethical manner. Careful management of human rights is directed by the line management with the support of the Employee Relations Department, Organization Development Department, Personnel Administration Department and Human Resources Management Group. While it has not yet integrated

human rights into procurement services, the Bank strictly aligns practices with Republic Act No. 9184 otherwise known as the Government Procurement Reform Act. Section 5, Article I of the 5th CNA cites that the Bank and the LBPEA believe in the equality among men and women, and that Landbankers shall carry out their responsibilities as public servants in a courteous and respectful manner without regard to race, religion, regional or ethnic origin, gender or political affiliation.

LANDBANK remains steadfast in its contract with Landbankers to identify, pursue, and accomplish reasonable and mutually beneficial goals. As a bank that cares, it places great importance on the personal and professional growth of its people. LANDBANK will continue to cater to employees’ interests and develop their talents, ensuring they have the necessary tools and knowledge to outperform and raise standards of excellence.

CSR Steering Committee 2015



Gilda E. Pico
President and CEO

Jocelyn D.G. Cabreza
Executive Vice President
Branch Banking Sector

Cecilia C. Borromeo
Executive Vice President
Agricultural and Development
Lending Sector

Andres C. Sarmiento
Executive Vice President
Operations Sector

Julio D. Climaco, Jr.
Executive Vice President
Corporate Services Sector



Yolanda D. Velasco
Senior Vice President
Controllership Group



Edward John T. Reyes
Senior Vice President
Corporate Banking Group



Alan V. Bornas
Senior Vice President
Technology Management Group



Reynauld R. Villafuerte
Senior Vice President
Legal Services Group



Liduvino S. Geron
Senior Vice President
Strategic Planning Group

CSR Technical Working Group 2014-2015

FVP Catherine Rowena B. Villanueva
Corporate Affairs Department
Chairperson

SVP Alan V. Bornas
Technology Management Group
2014 Member

FVP Noemi P. dela Paz
Internal Audit Group
Member



DM Prudencio E. Calado III
Environmental Program Management Department
Vice-Chairperson

FVP Teresita E. Cheng
Risk Management Group
Member

VP Annalene M. Bautista
Facilities and Procurement Services Group
Member

FVP Leila C. Martin
Lending Program Management Group
Member



AVP Dina Melanie R. Madrid
Branch Banking Support Department
Member



VP Efren S. Tedor
Physical Security Office
Member



FVP Amelia S. Amparado
Compliance Management Group
Member

VP Voltaire Pablo P. Pablo III
Employee Relations Department
Member

Exec. Director Peter Andrew S. Gutierrez
LANDBANK Countryside Development Foundation, Inc.
Member

CSR TWG Alternate Members



From L-R: Ms. Pauline Angelic Roxas, Mr. Amelito Segarra, Jr., Ms. Julienne Picato, Ms. Sheila Marie Encabo, Ms. Hazel Elizes, Ms. Mina Salamat, Mr. Butch Garcia, Mr. Edgardo Flores, Mr. Froilan Valmocena, Ms. Nerissa Loma, Ms. Marites Laserna, Ms. Shirley Meera, Ms. Ma. Socorro Prudente, Ms. Maria Anna Elizabeth Lado-ing

Ms. Sheila Marie Encabo
Ms. Ma. Socorro Prudente
Ms. Maria Anna Elizabeth Lado-ing
Corporate Planning and Economics and Policy Studies Department

Mr. Froilan Valmocena
Risk Management Group

Ms. Nerissa Loma
Internal Audit Group

Ms. Marites Laserna
Technology Management Group

Ms. Pauline Angelic Roxas
Mr. Amelito Segarra, Jr.
Environmental Program and Management Department

Ms. Mina Salamat
Employee Relations Department

Ms. Shirley Meera
Branch Banking Support Department

Mr. Edgardo Flores
Physical Security Office

Ms. Julienne Picato
LANDBANK Countryside Development Foundation, Inc.

Mr. Butch Garcia
Ms. Hazel Elizes
Corporate Affairs Department
CSR TWG Secretariat

Appendix

LANDBANK GROSS LOAN PORTFOLIO As of 31 December 2015 (in P Millions)				
SECTORS	LUZON	VISAYAS	MINDANAO	HEAD OFFICE-BASED LOANS
Mandated Sector				
Small farmers including agrarian reform beneficiaries and their associations	19,110.49	19,110.49	19,110.49	19,110.49
Small fishers and their associations	57.83	30.54	45.64	-
Sub-Total	19,168.32	10,038.66	9,050.90	424.96
Support for Agriculture and Fisheries				
Agribusiness	7,482.82	10,074.87	10,639.46	17,200.72
Aqua-business	-	-	-	690.57
Agri-Aqua related projects of Local Government Units (LGUs) and Government-Owned and -Controlled Corporations (GOCCs)	5,589.82	3,429.84	5,424.75	38,378.19
Sub-Total	13,072.64	13,504.71	16,064.21	56,269.48
Support for Other National Government Priority Programs (including PPP projects)				
Micro-, small, and medium enterprises	18,149.51	6,970.06	9,073.03	23,061.29
Communications	-	97.69	-	21,155.00
Transportation	3,797.40	5,115.95	1,979.87	16,885.79
Housing (Socialized, Low-Cost and Medium-Cost)	3,944.16	2,106.98	173.35	33,254.29
Education	1,626.27	112.29	92.93	2,136.11
Health Care	2,986.19	666.22	382.12	4,141.76
Environment-related projects including clean and renewable energy	765.08	656.16	433.54	5,369.87
Tourism	334.65	120.00	830.20	1,898.17
Utilities	2,272.97	1,967.56	1,168.69	56,824.58
Others	9,153.82	2,098.39	4,590.51	-
Sub-Total	43,030.05	19,911.30	18,724.24	164,726.86
TOTAL PRIORITY SECTOR LOANS	75,271.01	43,454.67	43,839.35	221,421.30
Others				
Other LGU Loans	4,845.79	2,637.04	1,561.10	2,176.03
Other GOCC Loans	-	-	-	15,009.75
Others	1,764.31	4,330.68	4,348.96	14,175.48
TOTAL OTHER SECTOR LOANS	6,610.10	6,967.72	5,910.06	31,361.26
SUM OF LOANS TO ALL SECTORS*	81,881.11	50,422.39	49,749.41	252,782.56

* Excludes Interbank Term Loans Receivable (Foreign Regular & FCDU/EFCDU), Loans and Receivables Arising from Repurchase Agreements/Certificates of Assignment/Participation with Recourse/Securities Lending and Borrowing Transaction, and Domestic Bills Purchased Lines; Includes Unsubordinated Secured Debt Facility on Rural Banks

MATERIAL ASPECT BOUNDARIES (Percentage of respondents who considered an Aspect as material)				
CATEGORY	MATERIAL G4 ASPECTS	OUTSIDE THE ORGANIZATION		WITHIN THE ORGANIZATION **
		Clients (Respondents: 136)	CSR Beneficiaries (Respondents: 8)	Employees (Respondents: 44)
G4-EC	Economic Performance	48%	100%	80%
	Indirect Economic Impacts	24%	38%	48%
	Procurement Practices	14%	13%	27%
G4-EN	Energy	15%	25%	34%
	Water	14%	25%	32%
	Emissions	13%	0%	30%
	Effluents and Waste	24%	38%	39%
	Products and Services	31%	38%	43%
	Overall	25%	25%	32%
G4-LA	Employment	34%	50%	77%
	Training and Education	38%	38%	66%
	Occupational Health and Safety	34%	38%	59%
	Equal Remuneration for Women and Men	33%	38%	43%
	Diversity and Equal Opportunity	31%	25%	45%
G4-SO	Local Communities	27%	50%	48%
	Anti-corruption	43%	38%	52%
	Compliance	54%	50%	70%
G4-PR	Product and Service Labeling	40%	38%	48%
	Customer Health and Safety	46%	63%	52%
	Customer Privacy	54%	25%	75%
	Compliance	45%	63%	59%
	Marketing Communications	32%	38%	59%
G4-FSSD	Product Portfolio	21%	38%	45%
	Audit	22%	25%	23%

** There were two respondents who represented the LANDBANK subsidiaries. All material Aspects were considered material for the respondents with the EXCEPTION of the following: Procurement Practices, Products and Services, Overall, Occupational Health and Safety, Equal Remuneration for Women and Men, Diversity and Equal Opportunity, and all Aspects under Product Responsibility.

External Review Statement

The Land Bank of the Philippines (“LANDBANK”) Sustainability Report 2014-2015 (“the Report”) has been subjected to external review on the level of ‘limited’ assurance. The Report is prepared in accordance with the Global Reporting Initiative (GRI) G4 Reporting Guidelines. This is the first sustainability report of LANDBANK that has been subjected to external review.

The scope of review is the stakeholder engagement and materiality indicators only, which are G4-24, G4-25, G4-26 and G4-27. They were also assessed against the GRI reporting principles, including Stakeholder Inclusiveness, Sustainability Context, Materiality and Completeness. The objective is to provide a reasonable assurance on the reliability of the contents of the said indicators.

Two (2) third-party reviewers were commissioned to assess the data quality of the said indicators, and provide external commentary and recommendations for the Report.

Methodology

The process applied in the external review was based on best practices and alignment with the GRI G4 Reporting Guidelines.

Independence

External review was conducted by two (2) third-party assurers. They were not involved in the preparation of this Report. Their activities are independent from LANDBANK.

Summary of Findings

For this Report, the engagement employed a two-part approach that involved a survey and a subsequent focus group discussion among selected stakeholders. Stakeholder engagement in LANDBANK developed further on the back of a more detailed two-tiered consultation approach that fused the inclusivity principle of the GRI G4 Reporting Guidelines and the AccountAbility Stakeholder Engagement Standard (AA1000SES). This approach demonstrates LANDBANK’s desire to communicate as effectively as possible to a wide range of stakeholders.

Information on G4-24, G4-25, G4-26 and G4-27 partially complies with the report guidelines. While key issues and topics have been reported, recommendations include but are not limited to the following: to provide granular detail on the key topics raised by stakeholders; to clearly state the basis for identification and selection of stakeholders; and to clearly state LANDBANK’s actions on the material issues raised.

The complete third-party findings have been submitted to the Chairperson of the Technical Working Group. They will be assessed internally within the organization for improvements in the next reporting cycle.

Signed:



Dave T. Devilles
Secretary and Trustee of the Board
International Association of Business Communicators, Philippines



Atty. William Ragamat
Social Auditor
Verite Southeast Asia

External Reviewers

LAND BANK OF THE PHILIPPINES invited independent reviewers to assess the process of producing its Sustainability Report. Understanding that the scope of assurance is limited to stakeholder engagement, materiality assessment, and the results of the activities involved therein, the reviewers were commissioned to provide assurance and recommendations based on their individual expertise. They are recognized experts with extensive trainings and experience in corporate sustainability and have performed social performance audits among businesses and other organizations.

The Bank is grateful for the time and availability provided by these experts to give their insights about the stakeholder engagement and materiality process. Their statements will be most useful in improving LANDBANK's process for future reporting.



Mr. William Gutierrez Ragamat

Mr. Ragamat is a lawyer by profession. He is a certified lead social auditor with broad experience in conducting audits and assessments around Southeast Asia, Oceania, and the USA. He currently works as a legal specialist for an anti-corruption- and governance-related initiative at the School of Government, Ateneo de Manila University (ADMU), as well as a policy expert for a business interoperability project under the Department of Finance. He also works for Barcenas Barcenas & Partners Law Offices, a full-service law firm based in Makati City. He served as a division head at the Government Procurement Policy Board - Technical Support Office, and taught at the University of the Philippines, ADMU, and Miriam College.

He is currently a member of the Board of Trustees of Verité Southeast Asia, an affiliate of the international labor rights nonprofit organization Verité based in Amherst, Massachusetts, USA. Mr. Ragamat has Juris Doctor (i.e., Law) and Journalism degrees from the University of the Philippines.



Mr. Dave Jesus Devilles

Mr. Devilles has 15 years of experience on reputation management and sustainability communication. He has led top corporations in the Philippines with their sustainability management and reporting. His work in renewable energy and government sectors focuses on developing communication plans that link organizational strategy vis-à-vis stakeholder interests. His work has earned recognition in the Anvil Awards, Quill Awards, and ASEAN Corporate Sustainability Awards.

He holds a Master of Science degree in Corporate Communications and Reputation Management from the University of Manchester in the United Kingdom as one of the three Filipino Chevening Scholars for SY 2010-2011.

GRI G4 CONTENT INDEX

'in accordance - Core'

The LANDBANK Sustainability Report 2014-2015 was prepared according to the Global Reporting Initiative (GRI) G4 Reporting Guidelines using the 'In accordance - Core' option. This Content Index provides an overview of the General and Specific Standard Disclosures, as well as the Financial Services Sector Disclosure in this report. This report is not externally assured.

GENERAL STANDARD DISCLOSURES			
G4 Label	Disclosure Title	Location or Direct Answer	Omissions
STRATEGY AND ANALYSIS			
G4-1	Statement from the most senior decision-maker of the organization	Foreword, 4	
ORGANIZATIONAL PROFILE			
G4-3	Organization name	Land Bank of the Philippines	
G4-4	Primary brands, products, and services	Deposit Products, Loan Products, Card Products, E-banking Products, Investment Products, and Remittance Products	
G4-5	Headquarters location	LANDBANK Plaza, 1598 M.H. del Pilar corner Dr. J. Quintos Streets, Malate, Manila 1004	
G4-6	Where the organization operates	LANDBANK Presence, 8	
G4-7	Nature of ownership and legal form	Government-owned and Controlled Corporation (GOCC)	
G4-8	Markets served	About LANDBANK, 6	
G4-9	Scale of the organization	Scale of the Business, 7	
G4-10	Total number of employees by type	The LANDBANK Workforce, 60-61	
G4-11	Collective bargaining agreements	Participation in Collective Negotiation Agreement, 62	
G4-12	Supply chain	<p>Financial intermediation is a business activity that supplies a service by pooling funds from different sources and using these to provide loans and make investments. The people and companies who supply these funds and make deposits into the bank receive interest for allowing their money to be used for loans or investments. Borrowers pay interest for the privilege of borrowing other people's money.</p> <p>Therefore, by channeling funds from savers to borrowers, the bank creates a mechanism for making best use of the funds it has collected and pooled from different sources. It is this that leads to more efficient utilization of funds within the economy as a whole.</p>	

GENERAL STANDARD DISCLOSURES			
G4 Label	Disclosure Title	Location or Direct Answer	Omissions
G4-13	Significant changes during the reporting period in terms of size, structure, ownership, or supply chain	There are no significant changes to report.	
G4-14	Precautionary principle	Compliance, 22	
G4-15	External charters, principles, or other initiatives	External Charters and Initiatives, 10	
G4-16	Membership associations	Membership Associations, 10-11	
IDENTIFIED MATERIAL ASPECTS AND BOUNDARIES			
G4-17	Entities included in financial statements	<p>For the 2014 audited financial statements - Statement of Financial Position and Statement of Comprehensive Income, the Parent referred to LANDBANK while the Group included the financial statements of the Parent (LANDBANK) and its wholly-owned subsidiaries - LANDBANK Leasing and Finance Corporation, Masaganang Sakahan, Inc., LANDBANK Resources and Development Corporation, LANDBANK Insurance Brokerage, Inc. and LANDBANK Financial Services - Italy.</p> <p>For the 2015 audited financial statements - Statement of Financial Position and Statement of Comprehensive Income, the Parent referred to LANDBANK while the Group included the financial statements of the Parent (LANDBANK) and its wholly-owned subsidiaries - LANDBANK Leasing and Finance Corporation, Masaganang Sakahan, Inc., LANDBANK Resources and Development Corporation and LANDBANK Insurance Brokerage, Inc.</p> <p>The wholly-owned LANDBANK subsidiaries were not covered/included in the LANDBANK 2014-2015 Sustainability Report.</p> <p>Please see LANDBANK 2015 Annual Report (p.115-116) for a copy of the Bank's Financial Statements.</p>	
G4-18	Process for defining report boundaries and content	About the Report, 14-15	

GENERAL STANDARD DISCLOSURES			
G4 Label	Disclosure Title	Location or Direct Answer	Omissions
G4-19	Material aspects included in the report	Material Aspects, 14	
G4-20	Descriptions of material aspect boundaries within the organization	Material Aspects, 14	
G4-21	Descriptions of material aspect boundaries outside the organization	Material Aspects, 14	
G4-22	Restatements	About the Report, 12	
G4-23	Changes from previous reports in terms of scope and/or boundaries	There are no significant changes from previous reports in terms of scope and boundaries. In terms of the stakeholder engagement process, the locations encapsulated are Manila, Cabanatuan City, Cebu City, and Davao City. For this report, the following stakeholder groups were successfully engaged: Employees; Clients, specifically government agencies, local government units (LGUs), private sector, rural banks, and cooperatives; CSR Program Beneficiaries; and LANDBANK Foundation and Subsidiaries.	
STAKEHOLDER ENGAGEMENT			
G4-24	Stakeholder groups	Stakeholder Engagement, 12-13	
G4-25	How stakeholders were identified	Stakeholder Engagement, 13	
G4-26	Approach to stakeholder engagement	Stakeholder Engagement, 13	
G4-27	Topics raised during stakeholder engagements	Stakeholder Engagement, 13-15	
REPORT PROFILE			
G4-28	Reporting period	2014-2015	
G4-29	Date of most recent report	2013 Sustainability Report	
G4-30	Reporting cycle	Every two (2) years starting with the 2014-2015 report	
G4-31	Report contact	Feedback, 81	
G4-32	"In accordance" option, GRI Index and report assurance	In accordance: Core	
G4-33	Policy and current practice on external assurance	This Sustainability Report will be subjected to external assurance upon confirmation of members to the External Review Panel, which will be facilitated by a third party.	
GOVERNANCE			
G4-34	Governance structure of the organization	Corporate Governance and Risk Management, Governance Structure, 18-19	

GENERAL STANDARD DISCLOSURES			
G4 Label	Disclosure Title	Location or Direct Answer	Omissions
G4-36	High-level accountability for sustainability topics	Technical Working Group, 12	
G4-38	Composition of the board and its committees	Governance Structure, 18-19	
G4-39	Whether the chair of the board is also an executive officer	The Ex-Officio Chairman of the LANDBANK Governing Board, the Secretary of the Department of Finance, is not an executive officer of the Bank.	
G4-40	Nomination and selection processes for the board and its committees	LANDBANK being considered as government-owned or –controlled corporation (GOCC), the nomination and selection of its highest governing body is governed by the LANDBANK Charter, the GOCC Governance Act of 2011 and Governance Commission for GOCCs (GCG) Memorandum Circulars. The Bangko Sentral ng Pilipinas (BSP) designates from among the members of the LANDBANK Board the LANDBANK's independent directors.	
G4-44	Board performance with respect to governance of sustainability topics	Sustainability Governance, 19	
G4-46	Board role in reviewing risk management processes for sustainability topics	Sustainability Governance, 19	
G4-47	Frequency of the board's review of sustainability impacts, risks, and opportunities	Sustainability Governance, 19	
G4-48	Highest committee or position that formally reviews and approves the organization's sustainability report	Technical Working Group, 12	
G4-52	Process for determining remuneration	Compensation/remuneration of LANDBANK employees follows the LANDBANK Interim Pay Plan as approved by Malacañang in 2011. A third-party consultant (Towers Watson), a renowned expert in compensation rewards and benefits management, was engaged in the project "Competitive Analysis and Salary Structure Development" in 2015 to determine the competitiveness of LANDBANK's existing cash compensation policies and salaries against LANDBANK's defined focused group.	
ETHICS AND INTEGRITY			
G4-56	Code of conduct	Ethics and Conduct, 20	
G4-57	Helplines or advice lines for employees	Ethics and Conduct, 20-21	
G4-58	Mechanisms for reporting concerns about unethical or unlawful behavior	Ethics and Conduct, 20-21	

GRI G4 CONTENT INDEX 'IN ACCORDANCE - CORE'

SPECIFIC STANDARD DISCLOSURES			
G4 Label	Disclosure Title	Location or Direct Answer	Omissions
CATEGORY: ECONOMIC			
Aspect: Economic Performance			
G4-DMA	Aspect: Economic Performance	Financial Highlights, 17	
G4-EC1	Direct economic value generated and distributed	Financial Highlights, 17	
G4-EC2	Financial implications of climate change	Financial Implications of Climate Change, 31	
G4-EC3	Coverage of the organization's defined benefit plan obligations	Employment, 60	
G4-EC4	Financial assistance received from government	Financial Highlights, 17	
Aspect: Indirect Economic Impacts			
G4-DMA	Aspect: Indirect Economic Impacts	Economic Impacts, 28	
G4-EC7	Development and impact infrastructure investments and services supported	Economic Impacts, 28-30	
G4-EC8	Significant indirect economic impacts, including the extent of impacts	Economic Impacts, 28-30	
Aspect: Procurement Practices			
G4-DMA	Aspect: Procurement Practices	Procurement Practices, 21	
G4-EC9	Proportion of spending on local suppliers at significant locations of operation		The information is currently unavailable. LANDBANK does not track procurement budget or actual expenditures based on geographic locations of offices. Any local procurement is usually done if there are identified local producers/ manufacturers/ suppliers selling at more advantageous prices, or if an institution simply would want to patronize or support them.
CATEGORY: ENVIRONMENTAL			
Aspect: Energy			
G4-DMA	Aspect: Energy	Energy, 42	
G4-EN3	Energy consumption within the organization	Energy, 42	Part of the Standard Disclosure ("Total fuel consumption from renewable fuel sources in joules or multiples, including fuel types used") is not applicable.

SPECIFIC STANDARD DISCLOSURES			
G4 Label	Disclosure Title	Location or Direct Answer	Omissions
G4-EN4	Energy consumption outside of the organization		The Standard Disclosure is considered not applicable.
G4-EN5	Energy Intensity		The Standard Disclosure is considered not applicable.
G4-EN6	Reduction of energy consumption	Energy, 42	
Aspect: Water			
G4-DMA	Aspect: Water	Water, 43	
G4-EN8	Total water withdrawal by source	Water, 43	
G4-EN9	Financial implications of climate change	Water, 43	
G4-EN10	Coverage of the organization's defined benefit plan obligations	Water, 43	
Aspect: Emissions			
G4-DMA	Aspect: Emissions	Emissions, 43-44	
G4-EN15	Direct greenhouse gas (GHG) emissions (Scope 1)	Emissions, 44	Part of the Standard Disclosure ("Biogenic CO ₂ emissions in metric tons of CO ₂ equivalent separately from the gross direct (Scope 1) GHG emissions") is not applicable.
G4-EN16	Energy indirect greenhouse gas (GHG) emissions (Scope 2)	Emissions, 44	Part of the Standard Disclosure ("Biogenic CO ₂ emissions in metric tons of CO ₂ equivalent separately from the gross indirect (Scope 2) GHG emissions") is not applicable.
G4-EN19	Reduction of greenhouse gas (GHG) emissions	Emissions, 44	
Aspect: Effluents and Waste			
G4-DMA	Aspect: Effluents and Waste	Effluents and Waste, 45	
G4-EN22	Total water discharge by quality and destination	Effluents and Waste, 45	
G4-EN23	Total weight of waste by type and disposal method	Effluents and Waste, 45-46 <i>None for deep well injection.</i>	
G4-EN24	Total number and volume of significant fills	Effluents and Waste, 45	

SPECIFIC STANDARD DISCLOSURES			
G4 Label	Disclosure Title	Location or Direct Answer	Omissions
G4-EN25	Weight of transported, imported, exported, or treated waste deemed hazardous under the terms of the Basel Convention Annex I, II, III and percentage of transported waste shipped internationally	Effluents and Waste, 46	
G4-EN26	Identity, size, protected status, and biodiversity value of water bodies and related habitats significantly affected by the organization's discharges of water and runoff	Effluents and Waste, 43	
Aspect: Products and Services			
G4-DMA	Aspect: Products and Services	Sustainable Banking, 46	
G4-EN27	Extent of impact mitigation of environmental impacts of products and services	Sustainable Banking, 46-47	
G4-EN28	Percentage of products sold and their packaging materials that are reclaimed by category	None	The Standard Disclosure is considered not applicable.
Aspect: Overall			
G4-DMA	Aspect: Overall	Investment for Better Communities, 48-49	
G4-EN31	Total environmental protection expenditures and investments by type	Investment for Better Communities, 48-49	
CATEGORY: SOCIAL			
SUB-CATEGORY: LABOR PRACTICES AND DECENT WORK			
Aspect: Employment			
G4-DMA	Aspect: Employment	Employment, 60	
G4-LA1	Total number and rates of new employee hires and employee turnover by age group, gender, and region	Employment, 60-61	
G4-LA2	Benefits provided to full-time employees that are not provided to temporary or part-time employees, by significant locations of operation	Employment, 62-63 LANDBANK also offers First Aid Expense Reimbursements; none were recorded for the years 2014-2015.	

SPECIFIC STANDARD DISCLOSURES			
G4 Label	Disclosure Title	Location or Direct Answer	Omissions
G4-LA3	Return to work and retention rates after parental leave, by gender	Employment, 63	The information (return to work and retention rates) is currently unavailable.
Aspect: Labor-Management Relations			
G4-DMA	Aspect: Labor-Management Relations	Labor-Management Relations, 68	
G4-LA4	Minimum notice periods regarding operational changes, including whether these are specified in collective agreements	Labor-Management Relations, 68-69	
Aspect: Occupational Health and Safety			
G4-DMA	Aspect: Occupational Health and Safety	Occupational Health and Safety, 66-67	
G4-LA5	Percentage of total workforce represented in formal joint management-worker health and safety committees that help monitor and advise on occupational health and safety program	Occupational Health and Safety, 66	
G4-LA6	Type of injury and rates of injury, occupational diseases, lost days, and absenteeism, and total number of work-related fatalities, by region and by gender		The information is currently unavailable. Formal reporting system is not yet in place. Work-related accident data are obtained during voluntary consultation at the work site Medical Clinic or submitted as claims for health-related benefits (ex. Rehabilitation Privilege for work-related injuries).
G4-LA7	Workers with high incidence or high risk of diseases related to their occupation.		The information is currently unavailable.
G4-LA8	Health and safety topics covered in formal agreements with trade unions	Occupational Health and Safety, 67	
Aspect: Training and Education			
G4-DMA	Aspect: Training and Education	Investment in People, 65-66	
G4-LA9	Average hours of training per year per employee by gender, and by employee category	Average Training Hours, 65	

GRI G4 CONTENT INDEX 'IN ACCORDANCE - CORE'

SPECIFIC STANDARD DISCLOSURES			
G4 Label	Disclosure Title	Location or Direct Answer	Omissions
G4-LA10	Programs for skills management and lifelong learning that support the continued employability of employees and assist them in managing career endings	Investment in People, 65-66 There were no trainings on managing career endings in the years 2014-2015.	
G4-LA11	Percentage of employees receiving regular performance and career development reviews, by gender and by employee category	Investment in People, 65	
Aspect: Diversity and Equal Opportunity			
G4-DMA	Aspect: Diversity and Equal Opportunity	Equal Opportunity for All Landbankers, 63-64	
G4-LA12	Composition of governance bodies and breakdown of employees per employee category according to gender, age group, minority group membership, and other indicators of diversity	The LANDBANK Workforce, 60-61	
Aspect: Equal Remuneration for Women and Men			
G4-DMA	Aspect: Equal Remuneration for Women and Men	Equal Opportunity for All Landbankers, 63-64	
G4-LA13	Ratio of basic salary and remuneration of women and men	Equal Opportunity for All Landbankers, 64	
SUB-CATEGORY: HUMAN RIGHTS			
Aspect: Non-discrimination			
G4-DMA	Aspect: Non-discrimination	Non-discrimination, 69	
G4-HR3	Total number of incidents of discrimination and corrective actions taken	Non-discrimination, 69 There are no reported incidents of discrimination.	
Aspect: Freedom of Association and Collective Bargaining			
G4-DMA	Aspect: Freedom of Association and Collective Bargaining	Freedom of Association and Collective Bargaining, 69	
G4-HR4	Operations and suppliers identified in which the right to exercise freedom of association and collective bargaining may be violated or at significant risk, and measures taken to support these rights	There are no operations and suppliers identified in which the right to CBA may be at significant risk.	

SPECIFIC STANDARD DISCLOSURES			
G4 Label	Disclosure Title	Location or Direct Answer	Omissions
Aspect: Human Rights Grievance Mechanism			
G4-DMA	Aspect: Human Rights Grievance Mechanism	Labor-Management Relations, 60	
G4-HR12	Number of grievances about human rights impacts filed, addressed, and resolved through formal grievance mechanisms	None	The information is currently unavailable.
SUB-CATEGORY: SOCIETY			
Aspect: Local Communities			
G4-DMA	Aspect: Local Communities	Partnerships with Communities, 34	
G4-SO1	Percentage of operations with implemented local community engagement, impact assessments, and development programs	Partnerships with Communities, 16, 34-39	
Aspect: Anti-corruption			
G4-DMA	Aspect: Anti-corruption	Ethics and Conduct, 20	
G4-SO3	Number and percentage of operations assessed for risks related to corruption and the significant risks identified	Ethics and Conduct, 20	
G4-SO4	Communication and training on anti-corruption policies and procedures	Ethics and Conduct, 20	
G4-SO5	Confirmed incidents of corruption and actions taken	Ethics and Conduct, 20 There are no reported incidents of corruption.	
Aspect: Compliance			
G4-DMA	Aspect: Compliance	Ethics and Conduct, 20, 22	
G4-SO8	Monetary value of significant fines and total number of non-monetary sanctions for non-compliance with laws and regulations	Ethics and Conduct, 20, 22	
Aspect: Customer Health and Safety			
G4-DMA	Aspect: Customer Health and Safety	Product Responsibility, 53	

SPECIFIC STANDARD DISCLOSURES

G4 Label	Disclosure Title	Location or Direct Answer	Omissions
G4-PR1	Percentage of significant product and service categories for which health and safety impacts are assessed for improvement	Product Responsibility, 53	
G4-PR2	Total number of incidents of non-compliance with regulations and voluntary codes concerning the health and safety impacts of products and services during their life cycle, by type of outcomes	Product Responsibility, 53	

Aspect: Product and Service Labeling

G4-DMA	Aspect: Product and Service Labeling	Customer Satisfaction, 53-54	
G4-PR5	Results of surveys measuring customer satisfaction	Customer Satisfaction, 53-54	

Aspect: Marketing Communications

G4-DMA	Aspect: Marketing Communications	Product Responsibility, 53	
G4-PR7	Total number of incidents of non-compliance with regulations and voluntary codes concerning marketing communications, including advertising, promotion, and sponsorship, by types of outcomes	Product Responsibility, 53	

Aspect: Customer Privacy

G4-DMA	Aspect: Customer Privacy	Customer Privacy, 55	
G4-PR8	Total number of substantiated complaints regarding breaches of customer privacy and losses of customer data	There are no records of substantiated complaints on 2014-2015.	

Aspect: Compliance

G4-DMA	Aspect: Compliance	Compliance, 54	
G4-PR9	Monetary value of significant fines for non-compliance with laws and regulations concerning the provision and use of products and services	Compliance, 54	

FINANCIAL SERVICES SECTOR DISCLOSURES

G4 Label	Disclosure Title	Location or Direct Answer	Omissions
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Aspect: Product Portfolio

G4-DMA	Aspect: Product Portfolio	Product Portfolio, 52	
G4-FS7	Percentage of the portfolio for business lines by specific region, size (e.g. micro/SME/ large) and by sector	LANDBANK Gross Loan Portfolio, 75	
G4-FS8	Monetary value of products and services designed to deliver a specific social benefit for each business line broken down by purpose	Loan to All Sectors, 30	
G4-FS9	Monetary value of products and services designed to deliver a specific environmental benefit for each business line broken down by purpose	Loan to All Sectors, 30	

Aspect: Local Communities

G4-DMA	Aspect: Local Communities	Improving customer service across the nation, 55-57	
G4-FS13	Access points in low-populated or economically disadvantaged areas by type	Improving customer service across the nation, 55-57	
G4-FS14	Initiatives to improve access to financial services for disadvantaged people	Improving customer service across the nation, 55-57	

Aspect: Audit

G4-DMA	Aspect: Audit	Audit, 22	
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Feedback

LANDBANK welcomes your comments about this report. Please send any feedback to:

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