I. Introduction

Geographically located along the typhoon belt in the Pacific and along the boundary of major tectonic plates, the Philippines has been known as one of the world's most vulnerable countries to hazards, and its high population exposure makes it a disaster-prone nation.

Aside from natural calamities, man-made problems hamper the day-to-day operation of various stakeholders of the society, especially the private sector. Security and operational issues such as executive kidnappings, civil disorder, cyber-attacks, hacking, activist or consumer protests, bombings, terrorist acts, and incidents related to business and marketing, safety and human resources, etc. bear negative consequences on a company's economic growth, sustainability, and reputation.

While the Philippine government continues to develop coping mechanisms, the private sector has a crucial role in complementing such measures with the aim to prevent and mitigate the impact of disasters and crises on the company and its people – loss of lives, loss of income, delayed business recovery, project suspension, closure of business for extended duration, and reputational damage.

In this regard, all the stakeholders in the Philippines need to have proactive and synergized efforts when it comes to increasing and improving its coping and adaptive capacities.

In line with its vision to be the "most relevant, innovative, and enduring Philippine-based business group, enabling shared value and prosperity for the many markets and stakeholders" it serves, Ayala Corporation (AC) developed a crisis management plan (CMP) that institutionalized an organized response, protocol, and mechanism for any possible crisis scenario that might damage or destroy the company. The CMP aims to arm the company with standard procedures making the company resilient in times of crisis.

II. Purpose

The Crisis Management Policy and Governance sets the direction for AC in dealing with and responding to various forms of crises with the aim of protecting and minimizing the impact on the employees, properties, and reputation.

This policy aims to institutionalize the proactive and strategic approach of the company in managing and responding to different crisis scenarios.

III. Additional Authority

Article 168 of the Labor Code of the Philippines states that occupational safety and health standards set by the Secretary of the Department of Labor and Employment shall be mandatory in all workplaces to ensure safe and healthful working conditions in all places of employment.

Section 4(a) of the Republic Act No. 11058 or 'An Act Strengthening Compliance with Occupational Safety and Health Standards and Providing Penalties for Violations Thereto' enumerates the responsibilities of the employer in providing a safe workplace for its employees including furnishing 'the workers a place of employment free from hazardous conditions that are causing or are likely to cause death, illness or physical harm to the workers,' informing 'the workers of the hazards associated with their work health risks involved to which they are exposed to, preventive measures to eliminate or minimize the risks, and steps to be taken in cases of emergency,' and providing 'measures to deal with emergencies and accidents including first-aid arrangements.'

According to Ayala Corporation's Business Continuity Management Policy, which was approved by the Risk Management & Related Party Transactions Committee last March 4, 2016, and ratified by the Board of Directors on March 10, 2016, having an effective crisis management system is one of the requirements for Business Continuity Management System.

IV. Scope and Applicability

This policy applies to all Ayala Corporation functional groups and business units holding office at 37F to 39F, Ayala Triangle Gardens Tower 2, Paseo de Roxas, cor. Makati Avenue, Makati City, and third-party service contractors deployed thereto, as well as Ayala Memory and Ayala Archives situated at 3rd Floor, Tower One and Exchange Plaza, Ayala Triangle, Ayala Avenue, Makati City.

V. Responsible Party

The Security and Crisis Management (SCM) unit under the Public Affairs Group (PAG) shall be responsible for administering or enforcing this policy.

VI. Definitions

For purposes of this policy, unless otherwise stated, the following definitions shall apply:

Business Continuity (BC)	Capability of the organization to continue delivery of products or services at acceptable predefined levels following a disruptive incident
Crisis	Any incident, human-caused or natural, that requires urgent attention and action to protect life, property, environment, or reputation
Incident	Situation that might be, or could lead to, a disruption, loss, emergency or crisis
Risk	Positive or negative effect of uncertainty on objectives
Hazard	*Source with a potential to cause injury and ill health*

VII.   Policy Statement

Ayala Corporation is committed to and consistent in its pursuit towards excellence as it puts Crisis Management in the forefront of the company's business operations, and central to its business recovery and continuity.

The company must be resilient when faced with any form of crisis by employing measures that will reduce the impact of disruptive incidents/crisis to the business operations and properties of the company, risk to the welfare of the personnel, and effect on the reputation of the company.

The company must ensure that there is an organized response protocol and manpower, available resources and emergency funds, concrete plan for logistical movements, alternative facilities, and communication plan that will be readily utilized or employed when a crisis strikes the company. In addition, the company must ensure that all employees have the necessary evacuation and survival skills, competency, and resources (Go Bags).

All AC personnel must download and register in their office-issued mobile phones the WeAreAyala (WAA) app and register in the Ayala Sign-in System for Immediate Support and Tracking (ASSiST) feature contained therein. In line with this, employees must update their respective contact details, home address, and contact person in case of emergency both in the Human Resource System and the WAA mobile app.

All AC personnel must know the emergency and safety procedures (i.e., evacuation exits, assembly area, etc), and how to use prepositioned resources (i.e., Fire Extinguisher, First Aid Kit, and Automated External Defibrillator (AED) units). Every AC employee is mandated to participate and cooperate in all the company-initiated safety and evacuation drills, and information dissemination activities.

Moreover, all AC personnel must be prepared in times of emergency and during evacuations by ensuring that their 'go bags' are ready for use.

All AC personnel must contact and report to his/her immediate supervisor and Ayala Crisis Coordination Center (AC3) when he/she witnesses or encounters an incident.

All AC personnel are highly encouraged to inform the Human Resources their certifications on specialized skills such as scuba diving, pilot training, etc. Such skills might be needed in times of emergency or crisis. They may be requested to assist or volunteer their services.

VIII.   Policy Implementation

To ensure the resilience of Ayala Corporation in times of crisis, the following should be established/institutionalized:

- A Crisis Management Organization (CMO) shall be composed of Crisis Management Council, Command Group, Working Groups and Tactical Response Teams;

- A Crisis Management Plan (CMP) that will serve as the CMO's reference or set of guidelines in making crucial decisions and subsequent directive/s during declared crisis situations;

- A nerve center that will monitor, research, and manage information on hazards or potential risks, and communicate to concerned personnel. During a declared crisis, the nerve center shall serve as the Emergency Operations Center (EOC);

- Activities such as safety and evacuation drills, building safety inspection/audits, and trainings that will educate and increase the level of awareness and preparation of personnel to respond to and recover from any type of crisis; and

- Innovative and advanced technologies that will aid the company and its personnel to prepare for any type of crisis.

IX. Crisis Management Governance

A. Organizational Structure

The CMO of Ayala Corporation is headed by the Crisis Management Council (CMC). It provides policy direction and authorizes, directs and approves all the response actions and decisions of the Command Group, which is composed of the Crisis Commander and Deputy Crisis Commander.

The Command Group works hand in hand with the following Working Groups in managing a crisis:

- Business Continuity,
- Controllership & Treasury,
- Corporate Communications,
- Facilities, Procurement and Logistics
- Human Resources,
- ICT,
- Legal & Compliance, and
- Occupational Safety & Health

The AC3 shall be the facility of the Command Group with regard to monitoring of hazards, status of personnel and properties, and coordination of efforts and resources with other

emergency operations centers, responders and other agencies involved in disaster risk reduction and management.

The Tactical Response Teams shall be our resource people on the ground who will execute the orders of the Command Group. They are composed of the Incident Management Team/s (IMTs) and Incident Response Team/s (IRTs). Through AC3, the IMT will provide and raise incident reports to the Command Group, and employ designated and trained personnel to respond to any type of incident. Incident Response Team/s (IRT) under the supervision of the IMT are certified and trained to respond to any type of incident, and provided with the appropriate equipment.

Figure 1. Ayala Corporation's Crisis Management Organization Structure
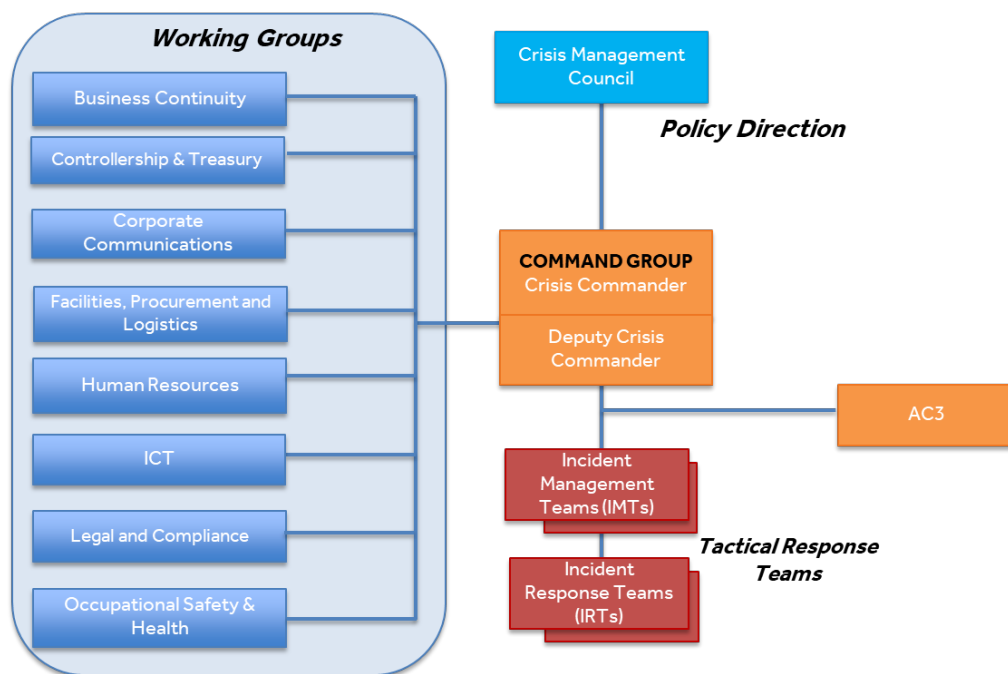
The AC3/IMT recommends activation of the CMP if an incident has turned to a crisis with any of the following criteria:

- If incident poses a negative impact on the reputation of the company,
- If incident has prolonged disruption to the business operation of the company,
- If incident requires immediate response, and
- If incident poses a high level of risk to the welfare of the workforce.

Once the CMP is activated by the Command Group, AC3 shall cascade the directive to the Working Groups and Tactical Response Teams with regard to their role and necessary steps in resolving the crisis.

Whenever there is an incident, the IMT employs the IRT who assesses the incident (i.e. Technology-driven disaster, disasters caused by natural hazards, human-induced disaster, and market-driven disaster).

B. Roles and Responsibilities

B.1. Crisis Management Council

The AC ManCom shall be the members of the CMC. The CMC shall provide policy direction to the whole CMO through the Crisis Commander with regard to the company's strategy towards disaster risk reduction and management.

B.2. Command Group

The general guidelines of the Command Group are the following:

- Determines and declares alert level of prevailing and foreseen threats and risk exposures by establishing a monitoring mechanism, and integrating and analyzing information streams to stakeholders;
- Recommend the escalation, cascade, or downgrade of crisis situation to stakeholders;
- Ensure compliance by employees and alignment of facilities with the crisis management policies;
- Manage internal and external communications with pertinent stakeholders; and
- Provide oversight to the Working Groups and Tactical Response teams.

The **Crisis Commander**, who is the Group Head of the Public Affairs, has the following responsibilities:

- In-charge of declaring a situation is a crisis,
- Activates the Crisis Management Plan,
- Commits resources,
- Delegates authority,
- Coordinates with all concerned parties through the AC3,
- Prescribes implementing policies and procedures to the CMC,
- Approves final decisions,
- Appoints Spokesperson,
- Chairs the CMO meetings, and
- Decides to activate the BCP.

The **Deputy Crisis Commander**, who is the Unit Head of the SCM and the de facto Incident Commander, serves as the alternate of the Crisis Commander in case of the latter's absence. The duties of the Deputy Crisis Commander are the following:

- Recommends alert levels for natural and manmade emergencies,
- Assists the Crisis Commander in carrying out his duties,
- Assumes leadership in the absence of the Crisis Commander,
- Sets up the command center/AC3,
- Ensures the significance of updates and information, and
- Ensures that the AC3 is manned 24/7 during crisis.

<u>*B. 3 Working Groups*</u>

The lead of Working Groups shall be appointed by the CMC, while the members of Working Groups shall be selected by its respective leads.

Each Working Group shall determine their respective organization structure, roles and responsibilities, and alternates, except for the Occupational Safety and Health that must follow the structure prescribed by Republic Act No. 11058 and its Implementing Rules and Regulations. The groups shall be composed of experienced, skilled and trained personnel in their respective roles with the view to protect the reputation of the company and express the company's commitment in prioritizing the welfare of its people.

Business Continuity shall organize the business continuity management plan of the Ayala Corporation.

Controllership & Treasury shall ensure availability of emergency funds and swift flow of logistics.

Corporate Communications shall determine preparedness for internal and external releases.

Facilities, Procurement and Logistics shall ensure the safety of facilities and availability of emergency logistics and equipment for the readiness of the emergency team, and safety of third-party service providers deployed in AC floors.

Human Resources shall keep an updated directory of contact details of all AC personnel and work hand in hand with AC3 in assessing the status of employees during an emergency or crisis.

ICT shall ensure the availability of resources with regard to ICT related matters.

Legal & Compliance shall ensure Ayala Corporation's compliance with labor standards as well as the company's responsibilities according to law, rules and regulations particularly with Republic Act No. 11058.

Occupational Safety & Health, shall be responsible in planning and developing accident prevention programs in the workplace, inspecting the workplace to detect unsafe conditions, and reviewing reports of inspection and accident investigations. The group shall also ensure that the programs mandated by Republic Act No. 11058 shall be complied by the company. It will be composed of a chairman who has a rank of a manager, and six (6) members (i.e., one (1) foreman, three (3) workers (must be union members, if organized) and one (1) nurse), and one (1) certified part-time safety officer. The lead shall also be the company's representative in the Joint OSH Coordinating Committee of Ayala Triangle Gardens Tower 2 building.

B. 4 Ayala Crisis Coordination Center

The AC3 shall be located at 38F, Ayala Triangle Gardens Tower 2, Paseo de Roxas corner Makati Ave., Makati City. It shall serve as the 24/7 help desk of AC personnel for emergency response.

The AC3 will monitor hazards and threats in Ayala Corporation on a day-to-day basis through ASSiST. It will also track hazards using the Hazard and Disaster Analysis for Business Resilience (HANDA), a disaster information management system that enables companies to acquire reliable, accurate, and timely data on their respective mapped properties, and other DRRM online platforms.

The AC3, as the nerve center, will directly report to and get the approval of the SCM unit head with regard to dissemination of crisis management related materials, implementation of simulation exercises and drills, and conduct of skills training. In addition, the nerve center is responsible for directly coordinating with the building administrator, business units located in all AC floors, and third-party service providers (i.e. receptionists, messengers, kitchen personnel, etc.). It shall keep an updated directory of the third-party service providers and other non-AC personnel.

The AC3 also assumes the role of the Ayala Group Emergency Operations Center (AG EOC) when an emergency or disaster requires a group-wide effort/response.

B.5 Tactical Response Teams

Incident Management Team

The Office of the President Executive Order No. 82, s. 2012, which puts in effect the guide for crisis management at the national level, serves as the guide for the incident management of AC.
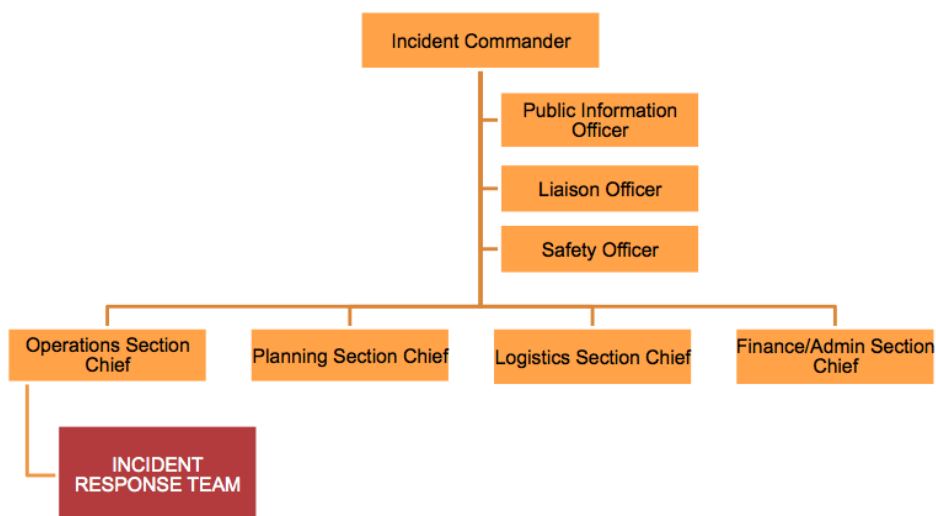

Figure 2. Incident Management Team

In general, the IMT is responsible for providing and raising incident reports to the Command Group, and employing designated and trained personnel to respond to any type of incident. It is also responsible for the following:

- Mobilizing the members of the IRT who are trained in first aid, emergency response, and other skills training,
- Evaluating the severity, potential impact, safety concerns, and response requirements based on the initial information provided by the First Person On-Scene and/or IRT,
- Confirming safety aspects at site, including need for personal protective equipment (PPE), identifying possible sources of fire and potential need for evacuation,
- Communicates with IRT as the situation demands,
- Directs response and cleanup operations, and
- Raises the situation at hand to the Crisis Commander.

The following are the functions of the designated **Incident Commander (IC)**:

- The Incident Commander is responsible for overall management of response operations.
- Assesses the situation and briefs the Crisis Commander
- Determines incident objectives
- Ensures that adequate safety measures are in place
- Coordinates with key people and officials
- Keeps the Crisis Commander informed of the incident status

The command staff such as the **Public Information Officer (PIO), Liaison Officer (LO), and Safety Officer (SO)** assist the IC. The PIO serves as the focal person for information dissemination who works closely with information officers and media. The LO is the contact point for representatives of assisting and cooperating agencies. The SO works with the Operations Section on tactics. He/she anticipates, detects, and corrects unsafe situations. The SO also has an emergency authority to stop unsafe acts/operations.

The **Operations Section** is responsible for managing, directing and coordinating all tactical operations. It supervises the Incident Response Team. The **Planning Section** is responsible for planning services. It is the section that collects, evaluates and processes situation and resources status information. It develops plans to accomplish objectives. It maintains situation and resource status. The **Logistical Section** provides resources and all other services needed to support the incident such as transportation, facilities, communications, food and medical services, equipment maintenance and fuel, etc. The **Finance/Admin Section** monitors incident costs, maintains financial records, administers procurement contracts, and performs time recording.

Incident Response Team

The IRT's objective is to isolate, contain, and neutralize the incident. It is imperative that the members of the IRT undergo customized and advance trainings that will enable them to execute their role.

Each AC unit shall have at least two (2) personnel deployed to be floor marshals who will be tapped as members of the IRT for two (2) years. All AC personnel shall be on rotation basis in becoming floor marshals, subject to the personnel's health and medical condition. The designated floor marshal shall include this role as five percent (5%) of his or her KRA.

C. Crisis Management Plan

The CMP shall include tested and effective crisis specific procedures, evacuation exit procedures, evacuation site, floor plans and census of personnel, fire marshals and certified first aid responders, employees with special skills, and names and phone numbers of the CMO members. It will be revised, updated, and tested annually.

X. Crisis Response Protocol

The details of the Crisis Response protocol are contained in the Crisis Management Plan. Each set of response actions is dependent on alert level and type of hazard.

A. Human-Induced Crisis Scenarios

The Crisis Response Protocol of the Ayala Corporation shall include the AC3, Ayala Property Management Corporation (APMC), Asset Protection Division (APD), IMT, and IRT. The activation of the Crisis Management Plan is dependent on the reports of APMC, recommendation of the AC3, and assessment of IRT and IMT.
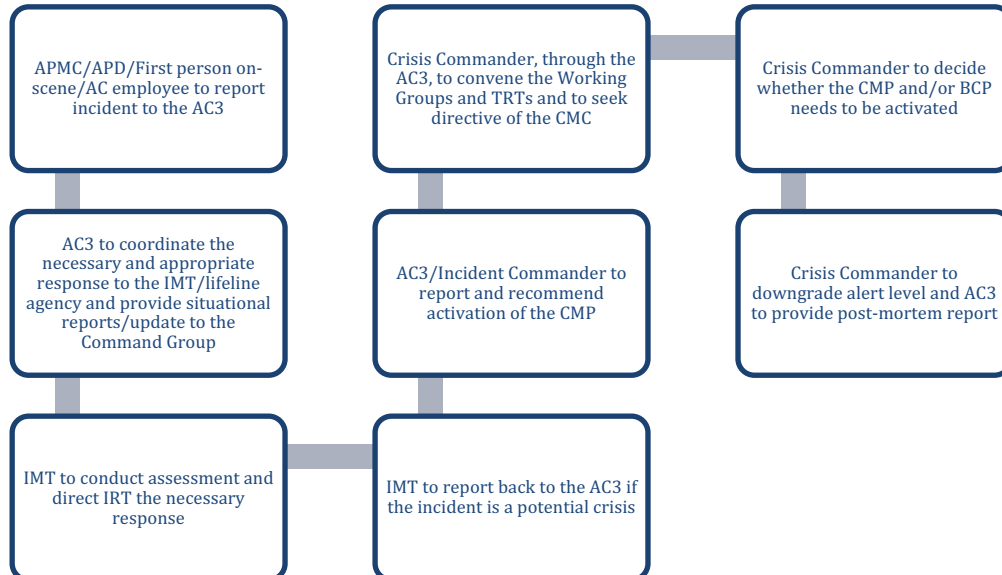

Figure 3. Crisis Response Protocol

B. Crisis scenarios caused/triggered by natural hazards

The response protocol for disasters caused by natural hazards such as earthquakes, typhoons, excessive rain, landslides, and other weather-related hazards include the synergized efforts of HR, SCM, and CMO. The Crisis Commander is authorized to direct the Group Head of Corporate Resources to issue a work-from-home order or early dismissal order depending on the situation. The Crisis Commander's decision will be disseminated and released by the HR and other means such as text messaging, email, or two-way radio.

The AC3 shall tap resources that are needed to respond to those affected by the crisis.

XI. Compliance

Although adherence to this crisis management policy and governance (CMPG) is a responsibility of every individual in AC, the SCM and HR shall ensure compliance with this CMPG by all AC personnel, business units and service providers located in all AC floors.