

Parent, even in instances when it is legally mandated that it will be given to representatives from the private sector.

Subject to the provisions of existing laws and jurisprudence, an Appointive Director from the Private Sector can maintain all his/her private interests, dealings, and positions provided: (a) they are not in conflict with his/her fiduciary duties as an Appointive Director; and (b) the charter of the GOCC (SSS) does not prohibit such private interests, dealings and positions as provided for in Item 5.5 of GCG MC No.2016-01.

Section 29. SSS No Gift Policy - A Commissioner, Officer or Employee shall not solicit, nor accept, directly or indirectly, any gift, gratuity, favor, entertainment, loan or anything of monetary value ("Gift") from any person where such Gift:

1. Would be illegal or in violation of law;
2. Is part of an attempt or agreement to do anything in return;
3. Has a value beyond what is normal and customary in the SSS business;
4. Is being made to influence the member of the Board's, or Officer's actions as such;
or
5. Could create the appearance of a conflict of interest.⁴⁷

The SSC formally adopts the "SSS No Gift Policy", with instructions for Management to fully advertise such fact to all SSS Officials and employees, SSS members and all other stakeholders, and to the general public for strict implementation, the SSS No Gift Policy to form part of this Manual.

Section 30. Duty of Confidentiality - Pursuant to their duties of diligence and loyalty, a Commissioner, Appointive Director or Officer shall not use or divulge confidential or classified information officially made known to them by reason of their office and not made available to the public, either: (1) to further their private interests, or give undue advantage to anyone; or (2) which may prejudice the public interest.⁴⁸

CORPORATE SOCIAL RESPONSIBILITY AND RELATIONS WITH STAKEHOLDERS

Section 31. Relationship with SSS Members and Stakeholders - All Commissioners and Officers accept their positions fully aware that they assume certain responsibilities not only to the SSS and its members, but also to the different constituencies or Stakeholders, who have the right to expect that the SSS is being run in a prudent manner and with due regard to the interests of all Stakeholders. Consequently, Commissioners and Officers shall deal fairly with SSS employees, members, suppliers and other Stakeholders. No Commissioner or Officer may take unfair advantage of SSS employees, members, suppliers and other Stakeholders through manipulation, concealment, abuse of confidential or privileged information, misrepresentation of material facts, or any other unfair-dealing practices.⁴⁹

Section 32. Corporate Social Responsibility - As an integral part of the National Government, the SSS is inherently mandated to be socially responsible, to act and operate as a good corporate citizen. The SSC recognizes and performs the obligations the SSS has towards the

⁴⁷ Section 29, GCG-MC No. 2012-07.

⁴⁸ Section 30, GCG-MC No. 2012-07.

⁴⁹ Section 33, GCG-MC No. 2012-07.

The SSS shall establish a Whistleblowing System, duly approved by the SSC, which adheres to the whistleblowing policy and purpose enumerated under GCG Memorandum Circular No. 2016-02.

Section 34. *Dealing with SSS Members* - Every employee shall practice integrity and honesty in dealing with SSS members as a necessary part of success and sustainability of the SSS, providing effective and efficient service which give fair value and consistent quality, reliability and safeguard the SS Fund. SSS shall operate policies of continuous improvement, of both processes and skill of the staff, to take advantage of advances in all aspects of society, in order to ensure that it continues to add value to SSS member benefits.⁵⁵

Section 35. *Non-Commercial Activities* - When it becomes necessary in specific cases that a Non-commercial program be pursued by the SSS, it shall adopt the prescribed procedure of the GCG found in the GCG Memorandum Circular 2012-06, ensuring that it is based on well-thought feasibility studies, with Program Funds separately accounted for and monitored as approved by the GCG.

Section 36. *Alternative Dispute Resolution (ADR)* - The SSS adopts the ADR Policy as the primary means of settling or adjudicating conflicting rights and claims between Government Agencies and other GOCCs.

Section 37. *Formal Recognition of Stakeholders* - The following are the stakeholders of the SSS:

1. The State
2. SSS pensioners and beneficiaries
3. Registered Private Sector Employees, Self-Employed and Voluntary Members
4. Registered Employers
5. Supervising government agencies and other partner government institutions
6. Private partner institutions, to include private corporations, third-party collecting agents, various suppliers and service providers, etc.
7. Media
8. The General Public

Section 38. *Hierarchy of Stakeholders' Interests* - Universal and equitable coverage and protection through a viable Social Security Program should be designed to increase stakeholders' value through the following:

1. Provision of social safety nets
2. Safe, efficient and convenient payment channels
3. Integrity of benefit payments and delivery system
4. Post-employment security and well-being
5. Timely, adequate and meaningful benefits
6. Prudent investment management

Section 39. *Policy in Communicating with Stakeholders* - A dominant theme in all issues related to corporate governance is the vital importance of disclosure. The more transparent the internal workings of the organization, the more difficult it will be for management to misappropriate assets or mismanage funds.

The most basic and all-encompassing disclosure requirement is that all material information, anything that could potentially affect financial viability, should be publicly disclosed.

⁵⁵ Adopted from Section 37, GCG-MC No. 2012-07.

Such information would include contribution collections, benefit payouts, investment earnings, acquisition or disposal of assets, board changes and other related transactions.

All disclosed information should be released through the approved procedure for corporate affairs and media announcements as well as through the annual reports.

Section 40. *System of Accountability and Relationship with Stockholders Legitimate Interests* - The SSS always acts in good faith in its dealing with all its stakeholders.

The SSC is primarily accountable to the stakeholders, and Management, in turn, to the SSC. The SSC provides the stakeholders with a balanced and understandable assessment of SSS performance, position and prospects on a regular basis. Management, on the other hand, does the same for all the members of the SSC.

This responsibility extends to interim and other price-sensitive public reports to regulators as well as to information required to be presented by statutory requirement. The SSC is also responsible for maintaining a sound system of internal control to safeguard stakeholders' investments and SSS assets.

Pension reform policies and other measures should continuously be crafted, disseminated and implemented to address the interest of its various stakeholders that would guarantee adequate and sustainable pension benefits. Also the continued viability of the pension fund should be maintained/improved towards its perpetuity.

DISCLOSURE AND TRANSPARENCY REQUIREMENTS

Section 41. *Requirements on Disclosure* - SSS undertakes to fully disclose all material information to the National Government and to the public, its ultimate stakeholder, in a timely and accurate manner at all times, including but not limited to unrestricted public web access to:

1. The latest version of the SSS Charter;
2. List of subsidiaries and affiliates;
3. Complete listing of SSC Commissioners and Officers with attached resume and their membership in SSC Committee;
4. Complete compensation package of all SSC Commissioners and SSS Officers, including travel, representation, transportation and any other form of expenses or allowances;
5. Information on SSC Committees and its activities;
6. Attendance record of SSC members in Board and Committee meetings;
7. SSS latest annual Audited Financial and Performance Report within thirty (30) days from receipt of such Report;
8. Audited Financial Statements in the immediate past three (3) years;
9. Quarterly, and Annual Reports and Trial Balance;
10. Current Corporate Operating Budget (COB);
11. Government subsidies and net lending;
12. All borrowings guaranteed by the Government;
13. Any material risk factors and measures taken to manage such risks;
14. Performance Evaluation System;
15. Charter Statement/Mission-Vision Statements;
16. Performance Scorecards and Strategy Map;
17. Organizational Chart;
18. Manual of Corporate Governance;
19. CSR Statement;