AFP General Insurance Corporation

AFPGen Bldg. EDSA cor. Bonny Serrano Road, Camp Aguinaldo, Quezon City, Metro Manila Trunkline No.: (02) 911.9888 Fax Nos.: 911.3149 • 421.2286

Website: www.afpgen.com

May 26, 2016

MEMORANDUM CIRCULAR Number 2016 - 05

Subject: Environmentally Friendly Value Chain

Rationale

This Memorandum Circular prescribes the guidelines for the active engagement of AFPGEN in environmentally friendly value chain.

Value chain is defined as set of activities that a firm, operating in a specific industry, performs in order to deliver a valuable product or service for the market.

AFPGEN shall conduct measures and practices that would ensure that its value chain is environmentally friendly.

II. Objective

To adopt standards and practices to make the workplace not just a conducive environment for work, but also a place that promotes healthy environment.

III. Policy Statement

- 1. AFPGEN will not only strive to operate sustainably but also consider environmentally friendly practices as necessity for business continuity.
- 2. Commitment shall be instilled among employees to integrate environmental standards as part of operations.
- 3. Policies and guidelines shall be enforced and implemented at all times.

IV. Policies and Guidelines

Company Program

- 1. Provide facilities for on-line inquiry, application and payment to spare customers from traveling and/or using their cars to personally apply for insurance coverage at the office.
- 2. Corporate Social Responsibility (CSR) projects shall include climate change mitigation activities.
- 3. Share information on environment-related laws and regulations through on-line dissemination or during general assemblies.
- 4. Create "Broadcast Eco-Friendly Programs" where employees share their contribution/ participation through social media.
- 5. All light facilities shall be switched to energy-saving LED lighting systems.
- 6. Waterless urinal cartridges are continuously used in all male comfort rooms.
- 7. Use of cost effective, more energy efficient equipment shall be observed such as inverter type of air conditioning units and computer equipment with energy star label. Energy star label has lower standby consumption than any average device and generally use less energy.
- 8. Potted plants and vertical gardening shall be visible within building premises.
- 9. Company vehicles are periodically scheduled for preventive maintenance services so as to keep the units fuel efficient and minimize occurrence of sudden repair.

Employee Participation

- 10. Maximize on-line communication and paperless initiatives for most internal transactions.
- 11. Use of scratch papers for internal memoranda & correspondences.
- 12. Scrap like used papers for dumping shall be given to Utility Men for them to gather and disposed of properly thru selling to junkshops.

- Turn-off most of lights and air conditioning units during lunch breaks.
- 14. Turn-off lights, air conditioning units and electronic data processing equipment when not in use or after working hours.
- 15. Unplug not in use electronics, otherwise known as "energy vampires".
- 16. Set computers to sleep mode or saving a file and powering down instead of leaving it paused for a prolonged period.
- 17. Implement office 5S once a week (every Friday).
 - a. Sort remove all unnecessary clutter from your work space (this means looking through each & every filing cabinet, shelving unit, table top and so forth)
 - b. Straighten return to their designated areas and organize office files/ documents, supplies, equipment & furniture
 - c. Sweep wipe off flat surfaces such as desktops, printers, tables, filing cabinets and book shelves with cleaning cloth
 - d. Standardize creating a form, color-coded filing system, developing processes for handling incoming information & projects or using checklist to be put in place so everyone follows procedures the same way
 - e. Sustain after developing a weekly routine of Sort, Straighten, Sweep and Standardize, the final 5S step of Sustain will occur naturally

V. Effectivity

This Memorandum Circular shall take effect upon publication.

ALAN R LUGA LTGEN AFP(Ret)

President & CEO