

Sustainability report

Introduction

Company background: AFDR Insurance Brokers Inc., formerly known as Gotuaco del Rosario Insurance Brokers, Inc., is a leading professional insurance broking and consulting firm in the Philippines. The company was established in 1965 by Lawrence J. Gotuaco and Albert F. Del Rosario as an agency for life and general insurance.

The firm is the largest independent all-Filipino insurance broker in the Philippine market, ranking in the top ten in the insurance industry with a premium production of over 1 billion pesos. It is the leader in the practice of risk management consultancy.

In 1998, the company became, and continues to be, the sole Philippine partner of ASSUREX, the world's largest private commercial insurance brokerage group. In 2000, the company became a member of the International Benefits Network, an organization of recognized leaders in the area of employee benefits consultancy.

These affiliations over the years provide the company with extensive expertise and access to international insurance markets.

Our Mission

We will continuously work at becoming an industry leader and the confident choice of the clients we serve as their insurance broker, and at adding value to the business relationships that we have by...

- Partnering with our clients in developing appropriate (risk management) solutions for them.
- Identifying, developing and maximizing international partnerships and opportunities.
- Educating our clients and the general public about risk, insurance and the value of partnering with an insurance broker.
- Continuously learning and working to be a better organization.

Our Vision

To be an industry leader and the confident choice of clients we serve as their insurance broker and risk management advocate.

Our Core Values

What AFDR's business partners should be experiencing from us...

Professionalism

- doing what is right
- responsibility
- dependability
- commitment
- integrity

Relationships

- internal (teamwork)
- external (more than the premium)
- long-term focus: How can we help vs. How we can sell the community
(sustainability so we can continue to give-back)

Service Excellence

- passion
- consistency
- stewardship (sense of ownership or "malasakit")

Sustainability vision: We are committed to maintain our industry lead and continue to be the confident choice of the clients we serve.

Reporting period: This Report covers our sustainability achievements from January to December 2024.

Environmental impact

Environmental policy:

It is the Company's policy to comply with the Environmental laws and the waste disposal policies of the Building Administration.

Key initiatives:

In this view, the Company follows the waste segregation policy and proper waste disposal of the Building Administration.

Social responsibility

Community engagement:

The company chooses to help a charitable institution every year for its Corporate Social Responsibility (CSR) project. Last year, the Company chose the patients of the National Children's Hospital who were afflicted with Thalassemia – a blood disorder.

With the assistance of its partners/providers, the Company was able to provide an expensive medicine for the treatment of the patients. It also provided entertainment for the kids and snacks afterwards.

Employee welfare:

The Company provides its employees with health care cards and personal accident insurance. Employees are entitled to 15 days vacation leave and 15 days sick leave which are convertible to cash when not used. They are also provided with a daily meal allowance and a clothing allowance.

They are also given the opportunity to travel abroad for free.

Diversity and inclusion:

The Company ensures that the workplace is diverse and inclusive through:

- non-discrimination in hiring of employees; applicants are hired based on their qualifications regardless of religion, sex and status
- promotions are given to deserving employees
- annual assessment/evaluation of work performance of all employees for purpose of annual increase and/or promotions

Social impact assessment:

The Company is able to fulfill its mandate by providing the best services to its clients. It has secured accreditation with the top reputable insurance companies to ensure that the bond and insurance requirements of its clients are placed with the best in terms of claims assessment and settlement.

It assists its clients in procuring their bond and insurance requirements from application to the final issuance of the bond/insurance policy. If reinsurance is required, the Company assists its providers in securing reinsurance support.

With these, the Company has retained its clients over the years and has acquired even more due to the good reputation the Company has built up.

Governance and ethics

Governance structure:

The Corporate Governance Committee is composed of three (3) members, majority of whom, including the Chairman, are independent directors.

Compliance and ethics:

The Corporate Governance Committee ensures regulatory compliance and business ethics practices through performance of the following functions:

1. It shall review and evaluate the qualifications of all persons nominated to the Board of Directors as well as those nominated to other positions requiring appointment by the Board.

2. It should prepare a description of the roles and capabilities required of a particular appointment. For the appointment of the Chairman, it should prepare job specifications, including an assessment of the time commitment expected of him, recognizing the need for his availability in the event of crisis. The Chairman's other significant commitments shall also be disclosed to the Board of Directors before his appointment and included in the annual report. Any change thereof shall be reported to the Board and included in the next annual report.

3. The terms and conditions of appointment of non-executive directors shall be made available for inspection. The letter of appointment shall specify the expected time commitment. They shall undertake sufficient time to meet and do what is expected of them. Their other significant commitments shall be disclosed to the Board of Directors before appointments, indicating the time lines and in any case, the Board shall be informed of subsequent changes.

4. The Corporate Governance Committee shall regularly review the structure of the Board of Directors to ensure that the Board is able to make timely and proper decisions.

The Corporate Governance Committee shall consider the following guidelines in the determination of the number of directorships for the Board:

- a. The nature of the business of the Company;
- b. Age of the director;
- c. Number of directorships/active memberships and officerships in other corporations or organizations; and
- d. Possible conflicts of interest

Generally, the optimum number of members shall be proportional to the capacity of a director to perform his duties diligently.

5. It shall regularly review and make recommendations regarding the Company's remuneration program with the objective of attracting, retaining and rewarding the Company's key personnel.

6. It shall review the Company's retirement and termination payment system.

7. It shall judge or make plans where to position the Company relative to other companies. However, such comparisons shall be used with caution in view of the risk of an upward adjustment of the level of remuneration with no corresponding improvement in performance.

8. It shall also recommend and monitor the level and structure of salaries including remunerations for senior management. The definition of "senior management" for this purpose shall be determined by the Board of Directors but would normally include first level management below Board level.

9. It shall oversee the implementation of the corporate governance framework and periodically review the said framework to ensure that it is still appropriate in light of material changes to the Corporation's size, complexity, strategy, business and regulatory environment.

10. It shall oversee the periodic performance evaluation of the Board of Directors and its committees, as well as executive management, and conduct an annual self-evaluation of its performance.

11. It shall propose, recommend and plan continuing education/training programs for directors, as well as recommend assignment of tasks/projects to board committees and succession plan for the Board members and senior officers.

12. It shall adopt corporate governance policies and ensure that these are reviewed and updated regularly and consistently implemented.

Risk management:

Sustainability risks are identified, assessed and managed by the entire Board with the assistance of the SVP for Property and Casualty, SVP for Employee Benefits and the President & CEO.

Financial and operational performance

Sustainability investments:

The Company has invested in:

- Two (2) printer/scanner machines that serve both as scanner, copier and printer
- Annual upgrading of fire extinguishers in the office premises
- Two (2) door scanners with facial recognition for security

Cost-benefit analysis:

The printer/scanner machines have reduced our costs because of its multiple functions and time since the scanned documents go directly to our emails. The fire extinguishers and door scanners provide security for the employees and visitors/clients.

Stakeholder engagement

Stakeholder identification:

The Company's stakeholders are the:

- Board
- Officers and employees
- Clients
- Insurance/reinsurance partners/providers
- Suppliers/vendors
- Charities that the Company support

Conclusion and future outlook

Achievements summary:

In 2024, the Company was able to reduce costs on printing due to the purchase and installation of the 2 scanner/printer machines.

It was also able to provide a very valuable medicine/treatment for the thalassemia patients at the National Children's Hospital with the help of our insurance partners/providers.

Future goals:

The Company aims to digitize its operations in 2025.