

Lakan Mutual Benefit Association, Inc (Lakan MBAI)

Sustainability Report for 2025

I. INTRODUCTION

This Sustainability Report outlines Lakan MBAI's dedication to sustainability and highlights the progress made toward meeting our established sustainability objectives. The company acknowledges the urgent need to tackle environmental, social, and economic challenges in order to build a more resilient future. Understanding these issues as both current and global, the Association is committed to fostering an environmentally balanced and responsive approach to create real opportunities.

II. SUSTAINABILITY STRATEGY

Although Lakan MBAI is a small mutual benefit organization, it adheres to a set of priorities that serve as the foundation of its sustainability development efforts. Our sustainability strategy centers on three key pillars: environmental stewardship, social responsibility, and economic prosperity. Through these pillars, we strive to reduce our environmental footprint, make positive contributions to society, and foster sustainable economic growth. Human activity is the primary cause of environmental imbalance, leading to pollution of air, water, and soil, as well as waste production. These actions result in ecosystem damage and biodiversity loss, which in turn contribute to global challenges like climate change and global warming—issues that require global awareness and collective action.

In response to these challenges, the company is committed to doing its part in addressing these pressing, worldwide concerns.

III. ENVIRONMENTAL STEWARDSHIP

The company recognizes the significance of environmental conservation and is committed to reducing its carbon footprint and conserving natural resources. To support this, we have put in place fundamental measures aimed at promoting the effective use and management of the environment. Key initiatives include:

1. Energy Efficiency: The office prioritizes energy conservation, though it requires some adjustments from our staff. We minimize the use of lights during daylight hours and turn off the air conditioning unit during specific times, particularly during the noon break. These efforts allow us to maintain the same level of productivity while reducing energy consumption. Additionally, we have adopted energy-efficient practices in our facilities, such as installing LED lighting and acquiring advanced, energy-saving equipment. As a result, we expect a 10% reduction in energy usage.

2. Waste Management: The Association is committed to promoting effective waste management practices that enhance both the quality of life and the environment we rely on. To support this, we have trained our staff and are implementing a streamlined waste management process within the office. Reusable paper products are used for drafting hard copies of documents, and paperless communication is

encouraged. These initiatives aim to ensure proper recycling, composting, and responsible waste disposal through segregation. Our goal is to achieve a 20% reduction in solid waste and contribute to addressing pressing issues related to garbage and landfill management.

3. Water Conservation: The company has introduced its own water conservation initiatives, focusing on the efficient use of water and preventing unnecessary waste. These efforts are designed to improve current water conservation practices, ensuring that present needs are met while also preserving resources for the future. As such, the economical use of water is a key principle in how we manage our office's water supply. Through these efficient water management practices, we have successfully reduced water consumption by 8%.

4. Renewable Energy: As soon as newer alternative sources of energy like solar, wind, or even geothermal become readily available in our vicinity, we plan to utilize these energy sources as our main investment other than the traditional energy generated by diesel-fed generators.

IV. SOCIAL RESPONSIBILITY

The company is committed to making a positive impact on society and has introduced several initiatives aimed at ensuring the well-being of its employees, customers, and the communities it serves. We firmly believe that our Association has a social responsibility to its members, customers, and the employees who manage its daily operations. The following key initiatives are part of our efforts to implement a proactive social responsibility program:

1. Employee Well-being: The Association is dedicated to prioritizing the health and safety of its employees by regularly monitoring their morale and well-being, ensuring that their workspaces meet established standards, and aligning health support programs with their needs and requirements. Employees also benefit from various privileges, including paid leave, access to company facilities, subscriptions to internet and phone services, Google Drive, and other similar amenities.

2. Diversity and Inclusion: While diversity seeks to minimize differences related to age, gender, ethnicity, disability, sexual orientation, and education, inclusion focuses on fostering a culture where everyone feels welcomed, supported, empowered, and engaged. The Association is committed to cultivating an environment where all individuals have equal access to opportunities, resources, and decision-making processes, ultimately promoting a sense of belonging and mutual respect among people from diverse backgrounds.

3. Community Engagement: The Association actively connects with local communities through volunteer efforts, charitable donations, and collaborations with other nonprofit organizations. Supporting fundraising events organized by these nonprofits has been a longstanding tradition for the Association, especially those led by life insurance companies, cooperatives, and similar mutual benefit organizations, all aimed at advancing benevolent projects that benefit the communities the Association is dedicated to serving.

4. Customer Satisfaction: The company is committed to delivering exceptional customer service and upholding high ethical standards in all its interactions, especially with Lakan MBAI members. To assess customer satisfaction with the company's core services, a feedback system has been implemented to address concerns raised through this mechanism. With the advent of electronic communication, monitoring and evaluating these feedback channels has become more efficient and insightful.

V. ECONOMIC PROSPERITY

The company acknowledges the importance of sustainable economic growth, taking into account the aforementioned social responsibility programs. This focus is the primary driving force behind our commitment to achieving our established goals. Key initiatives in this area include:

1. Supply Chain Management: Lakan MBAI collaborates closely with suppliers to ensure ethical sourcing, fair trade practices, and responsible production. The company ensures that the products it acquires and uses in its operations are sourced, produced, and sold through methods that are responsible, sustainable, and in line with the company's core principles. Ethical sourcing, fair trade practices, and responsible production are key components of our supplier relationships, helping to mitigate legal risks, enhance the company's reputation, and foster innovation and competitiveness.

2. Innovation and R&D: The Association invests in research and development to create sustainable products and services that address the evolving needs of its customers and contribute to a circular economy. Research and development involve systematic and innovative investigations to discover new or improved products, services, or methods. The company embraces innovations by applying the outcomes of research and development, as well as other sources of new knowledge, ideas, or processes. Through these efforts, the company can effectively implement sustainable products and services or adopt methods that meet the growing demands of the present while keeping pace with a technologically advanced customer base.

3. Financial Performance: The company maintains a robust financial position, enabling it to invest in sustainable initiatives and support long-term economic growth. The Association's ultimate goal is to ensure it has sufficient and accessible financial resources to meet its current needs, achieve financial stability and security, enhance growth potential, and capitalize on new opportunities and investments.

VI. PERFORMANCE AND TARGETS

Lakan MBAI has established ambitious goals to track its progress toward sustainability. These goals include:

1. Reduce carbon emissions: A key strategy to reduce the impact of carbon emissions is encouraging our workforce to use public transportation instead of cars or other private vehicles. Additionally, biking and walking serve as alternative ways to contribute to this effort. The use of energy-efficient appliances, light bulbs, and electronic devices also plays a crucial role in lowering carbon emissions within our offices. Our modest target to help mitigate the effects of this issue is a 20% reduction by 2030.

2. Achieve zero waste to landfill by 2030: This initiative aims to ensure that all waste products are either reused, composted, recycled, or sent to an energy conversion facility for electricity, gas, or fuel. The Association is committed to making additional efforts to achieve a situation where 99% of all waste generated in our offices is diverted from city landfills.

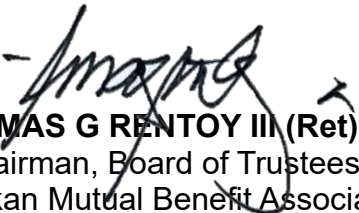
3. Increase the use of renewable energy to 25% by 2030: We plan to transition to renewable energy over the next five years, replacing fossil fuel-generated power. As part of this effort, we aim to source a quarter of our energy from renewable sources.

4. Employee Diversity: We will increase employee diversity by expanding leadership opportunities for female employees, aiming to raise their representation in leadership roles from the current 10% to approximately 30% by 2026.

VII. CONCLUSION

At Lakan Mutual Benefit Association, Inc., sustainability is central to its operations. The company is dedicated to consistently enhancing its environmental performance, promoting social responsibility, and driving sustainable economic growth. Through collaboration and innovation, Lakan MBAI strives to build a better, more sustainable future that benefits government regulators, the management team, our members, suppliers, and employees.

For more information on our sustainability initiatives and progress, please visit our website at <https://lakanmbai.com/>.


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Chairman, Board of Trustees
Lakan Mutual Benefit Association, Inc.
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