

## **SMALL BUSINESS CORPORATION 2022 GO GREEN REPORT**

The Small Business Corporation (“SB Corp” for brevity) advocates for the adoption of ecologically responsible business practices through green procurement for purchases of goods and services that cause minimal adverse environment impact. A clean technology, consumption of electricity and fuels that are green compliant will have an eventual impact in cutting costs, improve efficiency, and create healthier workplaces.

Relatedly, SB Corp submitted the following documents to the Energy Utilization Management Bureau of the Department of Energy on April 13 and 21, 2022 in compliance with the *Inter-Agency Energy Efficiency and Conservation Committee (IAEECC) Advisory No. 2 – Mandatory Implementation of Energy Efficiency and Conservation (EEC) Programs and the Strict Observance of the Government Energy Management Program (GEMP)*:

1. ***Energy Efficiency and Conservation (EEC) Checklist*** – contains the following:
  - a) Institutionalization of EEC;
  - b) Fuel-Saving Measures;
  - c) Electricity-Saving Measures; and
  - d) Other EEC Measures.
  
2. ***Office Order No. 014, series of 2022 for the Support to and Implementation of Government Energy Management Program.***

The copies of the EEC checklist and the Office Order are attached herein.

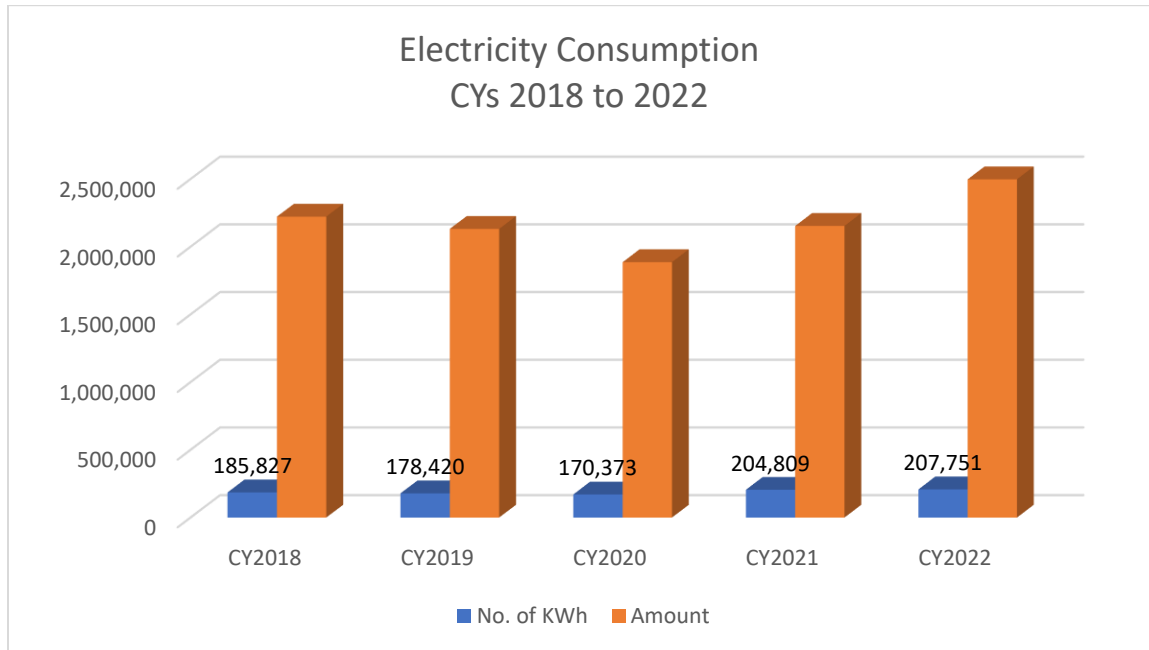
As SB Corp performs its mandate to provide financial services to micro, small and medium enterprises, we are likewise conscious on how operational expenditures can be minimized or at least maintained at its acceptable level. Presented below are the SB Corp’s electricity, fuel, toner and paper consumption and copier rental charges:

### **A. Electricity Consumption**

For CY 2022, the Corporation’s workplace had reached 80% as its maximum capacity after the lifting of Alert level restrictions. Despite the recommendation of the Civil Service Commission (CSC) to adapt a Flexible Work Arrangements (FWA) where some of personnel have work-from-home arrangements, we have noted a 1.44% increase in electricity consumption for CY 2022 versus the CY 2021 recorded electricity consumption. The increase could be attributed to the increased manpower complement during the year.

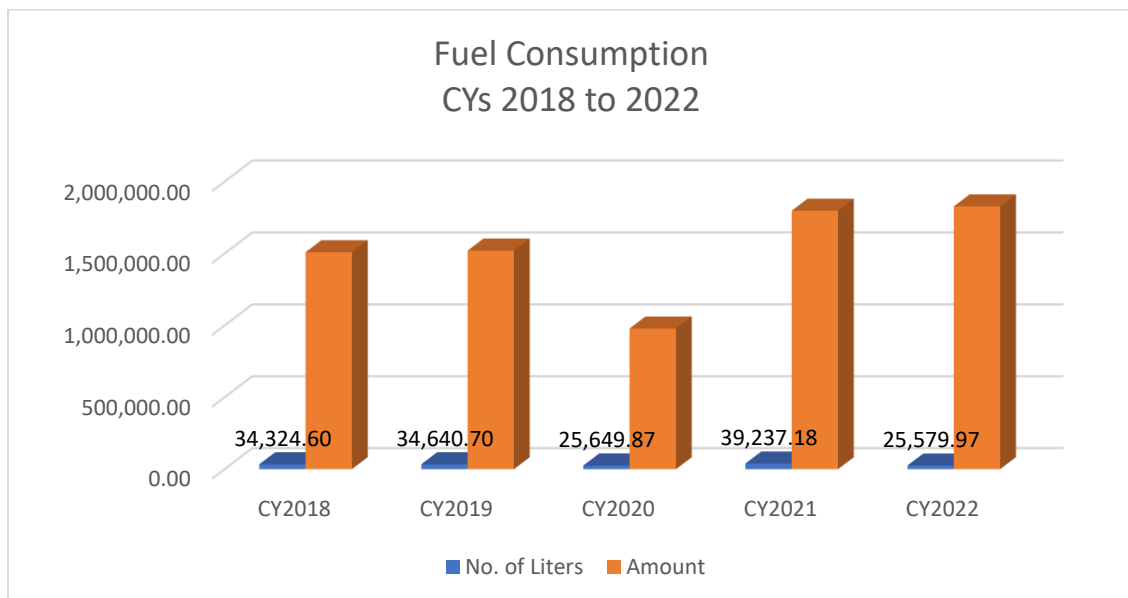
Consistently, electrical consumption is attributed to computers, copiers/printers, air conditioning, lights, and appliances installed at the office. The SB Corp uses LED lights, refrigerators, microwave oven, water dispensers, vacuum cleaners used are energy-

saving appliances and compliant with the Go Green campaign. Presented below are the comparative figures of the Corporation's electricity consumption:



## B. Fuel Consumption

For CY 2022, the Corporation's total consumption reached 25,579.97 liters, indicating **35% reduction in fuel consumption** compared to the CY 2021 figures at 39,237.18 liters. The decrease in consumption is highly attributed to the minimized long distance travel requirement during the year, organized deployment of vehicles and the lifting of provision for shuttle service.



### C. Toner Consumption, Copier Rental Charges and Paper Consumption

For CY 2022, toner consumption **decreased by 41%** compared to the recorded figure in CY 2021.

For copier rental charges, a slight increase of 4.26% from CY 2021 have been noted.

Paper consumption increased by almost 172% at 307,427 sheets in CY 2022 compared to 112,783 sheets in CY 2021. The increase in paper consumption is attributed to photocopy requests of additional Management and Board Committee meetings, regular submission to regulatory agencies like COA, BSP, CSC, etc. and conduct of internal quality audits for ISO certification.

<b>Particulars</b>	<b>CY 2021</b>	<b>CY 2022</b>
Toner	PhP 223,898	PhP 131,878
Copier Rental Charges	PhP 618,646	PhP 645,061
Paper	112,783 sheets	307,427 sheets

### Energy Efficiency and Conservation (EEC) Checklist

#### Institutionalization of EEC

X	Designation of an EEC Officer Focal Persons	JULIETA S. CALIMLIM (Head Office) REBECCA ANCANAN (South Luzon Group) ARELL BAÑEZ (North Luzon Group) FRANCISCO BUENAVIDEZ (Visayas Group) CAROLINE MACABENTA (Mindanao Group)
X	Issuance of relevant office policies on EEC – <i>to be drafted upon approval of the Memorandum to adopt the proposed economic measures as an Office Order.</i>	

#### Fuel-Saving Measures

X	Government Entity has a mechanic/outsourced services for regularly checking the official service vehicles and schedules preventive maintenance	<i>All vehicles are CASA-maintained.</i>
X	Tires of vehicles are properly inflated.	
X	Engine properly tuned	
X	Vehicle air filters are replaced regularly	
X	The vehicle's wheels are aligned regularly	<i>This is being done every 2 to 3 years</i>
X	Drivers are aware of fuel conservation measures	<i>This is covered under Driver's Decorum.</i>
X	Engine idling is avoided while waiting and/or parking	
X	Vehicles are driven at a steady speed	
X	Vehicles are accelerated smoothly and moderately	
X	Vehicle warm-ups do not exceed one (1) minute	
X	Scheduling of daily trips to avoid unnecessary short trips	<i>Based on the issuance on travel guidelines per latest ALCO Resolution.</i>

#### Electricity-Saving Measures

X	Thermostat of air-conditioning unit (ACUs) are set at 24°C	<i>Thermostat is set between 24 to 25°C</i>
X	Operating hours of ACUs are limited to 8 hours straight	<i>Operating hours is not 8 hours straight but does not exceed 8 hours in total. The operating hours are as follows:</i> <ul style="list-style-type: none"> <li>• 7:30/8:30 am to 11:30 am (earlier start time during summer season)</li> <li>• 1:00 pm – 4:00 pm</li> </ul>
X	LED lamps are used for lighting systems in all areas	<i>Partially compliant – lamps in the 18<sup>th</sup> Floor Board Room are yet to be replaced with LED lamps</i>

Regular elevator use is limited to only 3.5 hours a day during opening, lunchtime and closing of offices. Persons with disabilities (PWDs) and senior citizens shall be allowed to use the elevator throughout the day	<i>SB Corporation's Head Office are located in the 17<sup>th</sup>, 18<sup>th</sup> and 19<sup>th</sup> (Unit 1903) of the 139 Corporate Center. This measure shall be for recommendation to the building administrator.</i>
Ensure that elevators are turned off after office hours and during weekends/holidays except for facilities providing critical services	

Other EEC Measures:

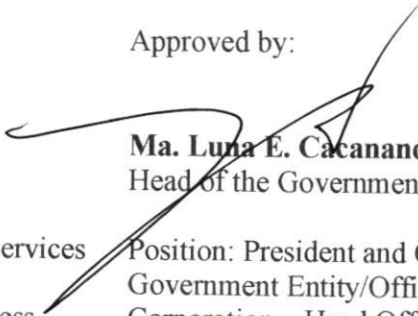
<b>Electricity</b>	
1. Turning off the lights during lunch breaks (except Receiving Area and Cashier's Window where "No Noon Break" policy is implemented) and after office hours, and whenever not in use (including weekends/holidays).	<i>Currently being practiced</i>  <i>This may not be applicable if there are certain work to be done during lunch breaks where lights are needed</i>
2. Computers are set up with automatic sleep mode when inactive.	<i>Currently implemented to some PCs</i>  <i>For prospective implementation to all PCs</i>
3. Keep doors of airconditioned spaces closed to maintain ambient temperature	<i>Currently being practiced except for areas without doors (e.g., Quadrant 1803 and 18<sup>th</sup> Floor Receiving Area)</i>
4. Unplugging of gadget charger/appliances when not in use	<i>Currently being practiced</i>
5. Procurement of appliances must be carefully assessed based on wattage consumption (aligned with Go Green Procurement)	
<b>Fuel</b>	
1. Project visits using SB Corp official vehicle must be properly assessed as to the impact of the visit (must be positive)	<i>Currently being practiced</i>
2. Tapping of service providers/couriers for documents to be transmitted rather than using the SB Corp vehicle	

Prepared by:

  
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Approved by:

  
**Ma. Luna E. Cacanando**  
Head of the Government Entity

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**SUBJECT : Support to and Implementation of Government Energy Management Program**

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Pursuant to ManCom Resolution 2022-0405-005, Small Business Corporation (SBCorp) hereby adopts the Government Energy Management Program (GEMP) Guidelines in accordance with Resolution 05, series of 2022 of the Inter-Agency for Energy Efficiency and Conservation Committee, and hereby creates the SBCorp Energy Efficiency and Conservation Policy.

***Statement of Policy***

SBCorp fully supports the GEMP, consistent with its Strategy Map as expressed in the following component statements:

- Corporate Values - Mapagkalinga sa Kalikasan
- Finance Objectives - Sustain good governance and cost efficiency in the management of Stakeholders' investments, observing both financial and social returns

SBCorp adopts a policy of environmental and financial conservation especially in the conduct of travels which comprised the biggest part of its pre-pandemic MOOE expenses. Moving forward, with strides gained by SBCorp in the digitalization of its core businesses, the organization commits to further “sharpen the saw” which should lead not only to better services for its MSME borrowers, but also to energy conservation and to increase in financial savings.

A complementary Office Order on Rules on Travels shall be issued to provide the necessary detailed guidelines.

***Supporting Instructions***

To further support the GEMP, the following energy conservation measures shall likewise be strictly observed in all SBCorp Offices:

**1. Fuel Saving Measures**

- a) There shall be a mechanic/outsourced services for all service vehicles to for regular checking as well as scheduled preventive maintenance;
- b) Tires of all service vehicles must be properly inflated;
- c) All service vehicle engines must be properly tuned;
- d) All service vehicle air filters must be regularly replaced;
- e) All service vehicle's wheels must be regularly are aligned;

- f) Engine idling while waiting and/or parking must be avoided;
- g) Vehicles must be driven at a steady speed;
- h) Vehicles must be accelerated smoothly and moderately;
- i) Vehicle warm-ups must not exceed one (1) minute
- j) All daily trips shall be scheduled to avoid unnecessary short trips; and
- k) All drivers must undergo the Driver's Decorum training for the above-stated fuel conservation measures to be conducted by the Administrative Services Group.

## 2. Electricity Saving Measures

- a) Thermostat of all air-conditioning units (ACUs) must be set at 24°C;
- b) The operating hours of ACUs shall be limited to 8 hours, the ACUs shall be turned off during the one-hour lunch break;
- c) The doors for airconditioned spaces shall be kept closed to maintain ambient temperature;
- d) All lighting systems in SBCorp Officers shall use LED lights only;
- e) Lights shall be preferably turned off during lunch breaks - except for the Receiving Area, the Cashier's Window and areas where work has to be performed in line with the "No Noon Break" policy. Further, lights shall be turned off whenever the area is not in use;
- f) All desktop computers must be set up with automatic sleep mode for inactive periods;
- g) All gadgets such as chargers and other appliances must be unplugged when not in use; and
- h) Procurement of appliances must take into consideration wattage consumption and must be aligned with the Go Green Procurement policy.

## 3. To ensure compliance with these measures, the Group Head of HR-Administrative Services, VP Juliet Calimlim, is hereby designated as the Energy Efficiency and Conservation (EEC) Officer.

- 4. The Regional Lending Groups Heads for North Luzon, South Luzon, Visayas, and Mindanao operations are hereby designated as the respective Focal Persons for the EEC Program, and are hereby instructed to submit the corresponding reports as may be required by the EEC Officer.

This Order shall take effect immediately and shall remain in force unless amended or revoked in writing.

For your information and compliance.

**MA. LUNA E. CACANANDO**

President/CEO *JMB*

Date: April 19, 2022

OFFICE ORDER NO. 015  
Series of 2022

**SUBJECT: Policies and Guidelines on the Conduct of Authorized Official Local Travels for SBCorp Personnel**

Pursuant to Management Committee (ManCom) Resolution No. 2022-0419-051<sup>1</sup> issued on 19 April 2022, the Small Business Corporation (SBCorp) hereby issues the following policies and guidelines regarding the conduct of authorized official local travels of its personnel.

**1. Statement of Policy**

In line with the following specific objective of SBCorp under its Strategy Map, the conduct of travels by SBCorp personnel shall be made with the mindset of financial prudence and of manpower efficiency. All travels should result to a positive bottom line in relation to the specific purpose of the activity.

Notwithstanding the regulatory framework, no travel shall be approved that cannot be justified by a positive revenue stream in the short term or in the medium term.

**Finance Objective :** Sustain good governance and cost efficiency in the management of Stakeholders' investments, observing both *financial* and *social* returns.

**2. Travels for Credit Evaluation**

2.1 Project visit for Credit Evaluation shall be required for loans that exceed PhP1.0 million, as determined during the Financial Performance Assessment (FPA) stage.

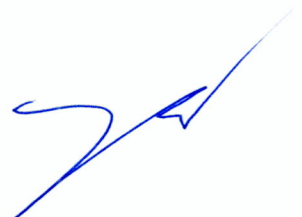
The requested amount of the loan applicant shall not be the basis for the decision to conduct project visit. The loan amount being referred to is the amount the loan applicant is qualified to get based on applicable SBCorp lending guidelines, as assessed by the FPA Team, but not to exceed the loan amount requested.

For reference, loans exceeding PhP1.0 million comprise less than five percent (5%) of the total number of accounts of SBCorp. Thus, the conduct of project visits for Credit Evaluation will not be frequent.

2.2 A project visit shall also be required to evaluate existing borrowers that will exceed the PhP1.0 million loan threshold once an additional loan is considered.

2.3 The project visit shall be conducted by the Provincial Staff, under the supervision of an Account Generation-AO of the concerned Regional Lending Group (RLG).

<sup>1</sup> Title: "Policy and Guidelines on the Conduct of Travels"





- 2.4 The preferred travel limit of SBCorp for Credit Evaluation is one (1) hour by public commute from the office location of the Provincial Staff. Loan applications involving more than an hour travel shall be decided with careful consideration by the Head of the concerned RLG, with the option of limiting the loan approval to not more than PhP1.0 million. The more than one (1) hour travel may nevertheless be pushed if the prospect of qualification to a higher loan amount is evident.
- 2.5 The project visit requirement shall also take into consideration the nature of the financial documentation of the loan applicant, as provided for in the following table:

TENTATIVE LOAN AMOUNT	CONSIDERATIONS	PROJECT VISITS			
		Retail Accounts		Wholesale Accounts	
		Required	Not Required	Required	Not Required
Up to PhP1.0 million		-	✓	-	✓
More than PhP1.0 million	<b>With</b> BIR-Filed FS as prepared by SEC-Accredited Auditor	-	✓	-	✓
	<b>With</b> BIR-Filed FS <b>but not by</b> SEC-Accredited Auditor	✓	-	✓	-
	<b>Without</b> BIR-Filed FS	✓	-	<b>Not applicable</b> <i>All Conduits should have BIR-Filed FS</i>	

- 2.6 On a case by case basis, the RLG Head may authorize a project visit by the Provincial Staff for loans not exceeding PhP1.0 million if called for by the nature of documentation and/or operation of the MSME loan applicant – but the travel must strictly be within one (1) hour public commute.

### 3. Travels for Loan Recovery


- 3.1 The Provincial Staff shall provide for the liaison-travel requirements of the RLG pertinent to loan recovery measures, inclusive of the following, among others:
- Sending of Demand Letters and other related collection documents, where the Registered Mail approach shall be considered for borrowers beyond the one (1) hour public commute; and,
  - Going to Local Government Unit (LGU) Offices for the conduct of Property Search, of Skip Tracing, and/or of documentation of collateral/Real and Other Properties Acquired (ROPA) transactions, as the case may be.
- 3.2 Personnel based in the RLG Office inclusive of the Account Recovery Team and the Regional Lawyer, among others, shall be allowed to travel outside the provincial base of the RLG Office for purposes of loan recovery, but limited to the following:

- Conduct of Loan Remediation meetings with defaulted borrowers, which should be in accordance with the official Loan Remediation methodology of SBCorp – i.e., pre-scheduled meeting dates in a pre-identified venue where the borrowers will be asked to go; and,
  - Attendance in court hearings and other legal activities that cannot be delegated to the Provincial Staff in consideration of the latter's limited nature of employment.
- 3.3 The Legal Services Group (LSG) shall recommend a policy that will rationalize travel costs in the handling of small defaulted loans, with details on the following concerns, among others:
- Loan floor for conduct of Property Search; and,
  - Loan floor for filing of legal action, with the option of turning over part of the defaulted accounts to the accredited Collection Agencies of SBCorp.

The LSG-recommended policy as indicated in item 3.3 shall automatically form part of these Policies and Guidelines on the Conduct of Authorized Official Local Travels for SB Corporation Personnel immediately upon its approval by ManCom.

#### **4. Travels for Real Estate Collateral/ROPA Appraisal**

- 4.1 Given that SBCorp's lending programs are not collateral-oriented, consistent with its Mandate and with other relevant laws defining the MSME lending responsibilities of SBCorp such as the Bayanihan Acts, SBCorp's compliance to collateral/ROPA appraisal/re-appraisal regulations shall be as a matter of policy by way of contracting reputable third-party service providers.
- 4.2 Moving forward, specifically for RISE UP Multi-Purpose Loans where real estate mortgage (REM) is required for loans exceeding PhP5.0 million per borrower, the cost of appraisal shall be for the account of the loan applicant via reimbursement from the loan proceeds. SBCorp shall be the one to select the third-party service provider.
- 4.3 Except for the re-appraisal of ROPA scheduled for disposal, the Internal Appraisers of SBCorp, if any, may nevertheless be authorized to conduct collateral/ROPA appraisal/reappraisal on condition that the travel schedule and manning assignment will be planned out in such a way that transaction cost will be minimized.
- 4.4 The Credit Support and Asset Recovery Group (CSARG) shall submit to ManCom as part of its Collateral/ROPA Appraisal/Reappraisal Plan as identified in item 4.3 the complete list and location of the ROPA assets of SBCorp and the corresponding estimated annual cost of compliance to the reappraisal requirement, with comparison between third-party and internal conduct.



## 5. Travels for Product Development/Promotion/Assessment

- 5.1 Travels of the Innovation and Advocacy Group (InAG) and/or the Planning, Policy and Management Group (PPMG) for market research, networking, advocacy, program monitoring and evaluation (M&E) and other related activities may be authorized subject to budget approval by ManCom, which should be supported by a formal proposal inclusive of the methodologies to be employed.
- 5.2 The Provincial Staff and/or RLG personnel may join local invitations by other government agencies and/or by private institutions that deal with MSME development, on condition that the cost of travel beyond two (2) hours public commute and/or beyond one-day engagement will be shouldered by the inviting party.

## 6. Approving Authorities for Travels

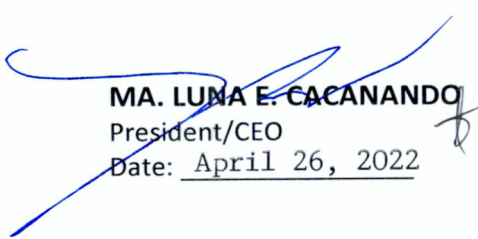
- 6.1 Travels that are compliant to the instructions incorporated herein shall be for approval by the concerned Group Head and/or concerned Sector Head.
- 6.2 Any necessary exemption to travel limitations defined herein and/or travels that are outside of what are defined herein shall be for approval of the Executive Vice President/COO and/or the President/CEO, as supported by a review of the Chief Finance Officer (CFO).

## 7. Regular Reporting

The CFO shall provide quarterly reports to ManCom on travel expenses, including those conducted on exemption basis, to: a) monitor/track travel expenses of SBCorp vis-a-vis revenues generated; and, b) guide Management on the need, if any, to amend/update these guidelines as evidenced by authorized deviations/exemptions.

This Order shall take effect immediately and shall remain in force unless revoked in writing. All other issuances inconsistent with this Order are deemed repealed or amended accordingly.

For immediate implementation and compliance.

  
**MA. LUNA E. CACANANDO**  
President/CEO  
Date: April 26, 2022