

Sustainability Policy

1. Purpose

This Sustainability Policy outlines LOLC Finance PLC's commitment to Environmental, Social, and Governance (ESG) principles and embeds sustainability into our decision-making, operations, and financial solutions. It serves as the guiding framework for all employees, business partners, and stakeholders.

2. Vision & Mission

Vision: To lead Sri Lanka's non-banking financial sector in sustainable and inclusive finance, while protecting the environment and strengthening climate resilience.

Mission: To deliver responsible financial solutions that empower communities, preserve natural resources, and uphold good governance.

3. Strategic Commitment

LOFC is committed to environmental stewardship, social responsibility, and strong governance which are aligned with national and international frameworks.

4. ESG Commitments

4.1 Environmental Commitments

LOFC is committed to protecting the environment, fulfil LOFC's compliance obligations, and continually improve the environmental management system to enhance environmental performance. The commitment to protect the environment is intended to not only prevent adverse environmental impacts through prevention of pollution, but to protect the natural environment from harm and degradation arising from LOFC's activities, products, and services. Our efforts include ensure full compliance with all applicable environmental, legal and other requirements relevant to LOFC operations, including but not limited to,

- ✓ GHG emissions reduction & carbon neutrality
- ✓ Responsible use of resources & waste minimization
- ✓ Supporting biodiversity and responsible land use
- ✓ Sustainable financing, including robust investment screening, and the provision of green and social financing.
- ✓ Sustainability-related financial disclosures in accordance with SLFRS S1 and SLFRS S2, complemented by voluntary sustainability disclosures aligned with internationally recognized frameworks

We will continuously improve our Environment Management System (EMS) through monitoring and KPI-driven performance. Awareness and engagement will be strengthened among employees, customers, suppliers, and communities to support shared environmental responsibility.

4.2 Social Commitments

LOFC is committed to driving meaningful social impact through its Corporate Social Responsibility initiatives. We actively promote inclusive and responsible financing to empower underserved communities, fostering entrepreneurship, and promoting social empowerment while upholding human rights, labor standards, and a safe work environment. Advancing gender equity, diversity, and equal opportunities remains central to our organizational values.

4.3 Governance Commitments

Sustainability governance is overseen by the Board of Directors, supported by a Sustainability Management Committee comprising a Board member and senior management, which provides strategic oversight to the Sustainability Unit. The Sustainability Unit is responsible for implementation, coordination, and monitoring of ESG initiatives and submits quarterly ESG performance updates to the Board of Directors to ensure accountability, regulatory compliance, and continuous improvement.

This Sustainability Policy shall be communicated to all internal and external stakeholders of LOFC and will be reviewed annually or on an ad hoc basis, as required, to ensure continued relevance and alignment with evolving regulatory, market, and sustainability expectations.

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