

# **Policy on Environmental, Social and Governance Sustainability**

LOLC HOLDINGS PLC

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# **Policy on Environmental, Social and Governance Sustainability**

## **1. Vision**

To be a globally recognized leader in sustainable, innovative, and socially responsible solutions.

## **2. Mission**

To create enduring value for all stakeholders by fostering sustainable growth, promoting economic development, and contributing to a better future through our diverse businesses.

## **3. Definition of Sustainability**

Sustainability at LOLC Holdings PLC is more than just a corporate buzzword; it's a fundamental commitment to operating our businesses in a way that benefits not only our company but also the communities we serve and the planet we inhabit.

We believe that sustainability is about creating a harmonious balance between economic prosperity, social responsibility, and environmental stewardship. This means that our operations should generate long-term value, contribute to societal well-being and protect the environment.

To achieve these goals, we have integrated sustainability into our business planning and operations through the implementation of robust management systems that focus on environmental protection, social responsibility and adhere to high standards of corporate governance, transparency, and accountability.

By embedding sustainability into our core business practices, LOLC Holdings is committed to creating a more sustainable and equitable future for all.

## **4. Objectives**

**In line with LOLC's commitments to the 3Ps, the following policy objectives are made:**

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Aspect	Objectives
<b>People</b>	<ul style="list-style-type: none"> <li>• Promote a healthy work environment, offer comprehensive benefits packages, and invest in employee development and training.</li> <li>• Support local communities through initiatives such as education, healthcare, and infrastructure development.</li> <li>• Create a diverse and inclusive workplace culture that values different perspectives and experiences.</li> <li>• Adhere to fair labour practices, ensuring fair wages, safe working conditions, and respect for human rights.</li> </ul>
<b>Planet</b>	<ul style="list-style-type: none"> <li>• Reduce greenhouse gas emissions through energy-efficient operations, renewable energy adoption, sustainable transportation, and adapt to the impacts of climate change.</li> <li>• Develop strategies to mitigate climate change risks and contribute to a low-carbon economy.</li> <li>• Protect and restore biodiversity through initiatives such as habitat preservation and reforestation.</li> <li>• Reduce our environmental footprint by implementing measures to conserve resources, minimize waste, and reduce pollution.</li> <li>• Increase our reliance on renewable energy sources to reduce our carbon emissions and promote sustainable energy practices.</li> <li>• Prioritize sustainable sourcing practices for raw materials and products to reduce our environmental impact.</li> </ul>
<b>Profit</b>	<ul style="list-style-type: none"> <li>• Drive sustainable growth through innovative business models, product development, and market expansion.</li> <li>• Build a strong financial foundation to ensure long-term sustainability and resilience to economic challenges.</li> <li>• Adhere to sound corporate governance principles to enhance transparency, and accountability.</li> <li>• Implement effective risk management strategies to mitigate environmental, social, and economic risks.</li> <li>• Invest in research and development to develop sustainable products and services.</li> </ul>

This Sustainability Policy will be communicated to all Internal and External Stakeholders of LOLC Holdings PLC.

## 5. Targets

In line with LOLC Group’s sustainability dashboard, LOLC has set the following sustainability targets for 2030 that are focussed on environmental, economic & social criteria:

	Criteria	Indicator	2030 goal
<b>E C O N O M I C</b>	Sustainable Growth	Revenue growth, market share, new product launches, geographic expansion	<ul style="list-style-type: none"> <li>- Increase revenue annually</li> <li>- Launch new sustainable products</li> <li>- Expand operations to new markets</li> </ul>
	Financial Performance	Profitability, return on investment, debt-to-equity ratio	<ul style="list-style-type: none"> <li>- Achieve a net profit margin</li> <li>- Maintain a sustainable debt-to-equity ratio,</li> <li>- Achieve a return on investment</li> </ul>
	Governance and Transparency	Board diversity, executive compensation, adherence to regulatory standards	<ul style="list-style-type: none"> <li>- Achieve board diversity,</li> <li>- Align executive compensation with sustainable performance goals,</li> <li>- Maintain a clean audit record</li> </ul>
	Risk Management	Risk assessment, contingency planning, compliance	<ul style="list-style-type: none"> <li>- Conduct annual risk assessments,</li> <li>- develop contingency plans for major risks,</li> <li>- maintain 100% compliance with regulatory requirements</li> </ul>
	Innovation and Competitiveness	Research and development spending, patent filings, new product adoption	<ul style="list-style-type: none"> <li>- Increase R&amp;D annually</li> <li>- Achieve market penetration for new sustainable products annually</li> </ul>
<b>E N V I R O N M E N T A L</b>	Greenhouse Gas Emissions	Scope 1, 2, and 3 emissions	<ul style="list-style-type: none"> <li>- Reduce greenhouse gas emissions annually</li> </ul>
	Biodiversity Conservation	Habitat preservation, species diversity, conservation initiatives	<ul style="list-style-type: none"> <li>- Support conservation projects</li> </ul>
	Resource Efficiency	Energy consumption, water consumption, waste generation	<ul style="list-style-type: none"> <li>- Reduce energy consumption,</li> <li>- Reduce water consumption</li> <li>- Reduce waste generation</li> </ul>
	Renewable Energy	Renewable energy sources, energy mix	<ul style="list-style-type: none"> <li>- Increase renewable energy portfolio</li> </ul>
	Sustainable Sourcing	Supplier sustainability assessments, certified materials	<ul style="list-style-type: none"> <li>- Conduct sustainability assessments for suppliers,</li> <li>- Source materials from certified sustainable sources</li> </ul>

S O C I A L	Employee Well-being	Employee satisfaction surveys, turnover rates, training hours	<ul style="list-style-type: none"> <li>- Achieve an employee satisfaction rating,</li> <li>- Reduce turnover rates</li> <li>- Provide standard training per employee annually</li> </ul>
	Community Engagement	Community projects, donations, partnerships	<ul style="list-style-type: none"> <li>- Support community projects annually,</li> <li>- Donate profits to local causes,</li> <li>- Form partnerships with community organizations</li> </ul>
	Diversity and Inclusion	Employee diversity metrics, inclusion initiatives	<ul style="list-style-type: none"> <li>- Achieve gender diversity in leadership roles,</li> <li>- Implement inclusion initiatives annually,</li> <li>- Conduct unconscious bias training for all employees</li> </ul>
	Fair Labour Practices	working conditions, labour rights	<ul style="list-style-type: none"> <li>- Ensure compliance with labour laws,</li> <li>- Conduct annual labour rights assessments</li> </ul>
	Ethical Supply Chains	Supplier audits, ethical sourcing practices	<ul style="list-style-type: none"> <li>- Conduct audits of suppliers,</li> <li>- Source materials from ethical suppliers</li> </ul>

## 6. Monitoring and Reporting

This monitoring and reporting plan outline the procedures for tracking progress towards the 2030 sustainability goals. It will ensure that LOLC Holdings PLC is accountable for its commitments and can make informed decisions to drive sustainable growth.

### **Key Performance Indicators (KPIs) and Reporting Frequency**

Criteria	Indicator	Reporting Frequency
Economic	Revenue growth, market share, new product launches, geographic expansion	Annually
Financial Performance	Profitability, return on investment, debt-to-equity ratio	Annually
Governance and Transparency	Board diversity, executive compensation, adherence to regulatory standards	Annually
Risk Management	Risk assessment, contingency planning, compliance	Quarterly
Innovation and Competitiveness	Research and development spending, patent filings, new product adoption	Annually
Environmental	Greenhouse Gas Emissions, Biodiversity Conservation, Resource Efficiency, Renewable Energy, Sustainable Sourcing	Annually
Social	Employee Well-being, Community Engagement, Diversity and Inclusion, Fair Labour Practices, Ethical Supply Chains	Annually

## **Reporting Procedures**

### **1. Annual Sustainability Report:**

- Prepare a comprehensive annual sustainability report that outlines the company's progress towards its 2030 goals.
- Include key performance indicators, achievements, challenges, and future plans.
- Disclose the report publicly to enhance transparency and accountability.

### **2. Internal Reporting:**

- Provide regular updates to the board of directors, executive management, and relevant stakeholders.
- Highlight key achievements, areas for improvement, and recommendations for future actions.

### **3. Stakeholder Engagement:**

- Engage with stakeholders, including employees, customers, suppliers, investors, and communities, to gather feedback and address concerns.
- Provide regular updates on sustainability initiatives and progress towards goals.

## **Reporting Channels**

- Distribute reports to relevant departments and employees within the organization.
- Publish annual sustainability reports, share key performance indicators with investors and other external stakeholders.
- Comply with relevant regulatory reporting requirements.