Policy on Environmental, Social and Governance Sustainability

LOLC HOLDINGS PLC

Contents

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 Holdings PLC's commitment to sustainable value creation, the Group shall pursue sustainability objectives across four key pillars: Environmental, Social, Governance and Economic. These objectives support the effective management of Sustainability-related Risks and Opportunities (SRROs) and Climate-related Risks and Opportunities (CRROs) while contributing to long-term business resilience and stakeholder value creation:

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

Aspect	Objectives
People	• Promote a healthy work environment, offer comprehensive benefits packages, and invest in employee development and training. • Support local communities through initiatives such as education, healthcare, and infrastructure development. • Create a diverse and inclusive workplace culture that values different perspectives and experiences. • Adhere to fair labour practices, ensuring fair wages, safe working conditions, and respect for human rights.
Planet	• Reduce greenhouse gas emissions through energy-efficient operations, renewable energy adoption, sustainable transportation, and adapt to the impacts of climate change. • Develop strategies to mitigate climate change risks and contribute to a low-carbon economy. • Protect and restore biodiversity through initiatives such as habitat preservation and reforestation. • Reduce our environmental footprint by implementing measures to conserve resources, minimize waste, and reduce pollution. • Increase our reliance on renewable energy sources to reduce our carbon emissions and promote sustainable energy practices. • Prioritize sustainable sourcing practices for raw materials and products to reduce our environmental impact.
Profit	• Drive sustainable growth through innovative business models, product development, and market expansion. • Build a strong financial foundation to ensure long-term sustainability and resilience to economic challenges. • Adhere to sound corporate governance principles to enhance transparency, and accountability. • Implement effective risk management strategies to mitigate environmental, social, and economic risks. • Invest in research and development to develop sustainable products and services.

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

5. Targets

LOLC Holdings PLC shall establish measurable sustainability targets based on the outcomes of its periodic Materiality Assessment and the identification of Sustainability-related Risks and Opportunities (SRROs) and Climate-related Risks and Opportunities (CRROs). The specific metrics, baselines, targets and key performance indicators shall be reviewed periodically and aligned with applicable Sustainability Accounting Standards Board (SASB) metrics, IFRS Sustainability Disclosure Standards, regulatory requirements and stakeholder expectations. Material topics and associated targets will be updated following each materiality assessment conducted by the Group or its appointed external advisors:

Pillar	Target Approach
Environmental	Establish measurable targets for greenhouse gas emissions, energy efficiency, renewable energy, resource efficiency, biodiversity and climate resilience based on material topics identified through the Group's Materiality Assessment.
Social	Establish measurable targets relating to employee wellbeing, diversity and inclusion, human capital development, community investment, customer responsibility and human rights.
Governance	Establish measurable targets relating to governance effectiveness, ethics and compliance, data privacy, cybersecurity, risk management and transparency.
Economic	Establish measurable targets relating to sustainable growth, profitability, financial resilience, innovation, market expansion and long-term value creation.

The Group shall define SMART (Specific, Measurable, Achievable, Relevant and Time-bound) targets for all material sustainability topics. Each target shall include a defined baseline year, target year, performance metric, responsible business owner and review frequency.

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) shall be derived from the Group's material sustainability topics and aligned, where applicable, with Sustainability Accounting Standards Board (SASB) metrics, IFRS S1 and IFRS S2 disclosure requirements, regulatory obligations and stakeholder expectations. KPI selection shall be reviewed annually following the Group's materiality assessment process.

Pillar	Measurement Basis	Reporting Frequency
Environmental	SASB-aligned environmental metrics relevant to identified material topics including climate, energy, emissions, water, waste and biodiversity	Quarterly and annually
Social	SASB-aligned social and human capital metrics relevant to identified material topics	Quarterly and annually
Governance	Governance, ethics, risk management, compliance and transparency indicators relevant to identified material topics	Quarterly and annually
Economic	Sustainable growth, innovation, financial resilience and value creation indicators relevant to identified material topics	Quarterly and annually

Reporting Procedures

Sustainability Disclosures Review

All sustainability-related disclosures, including disclosures contained within the Annual Report and any standalone sustainability reports, shall be reviewed by the Sustainability Committee prior to publication. The Sustainability Committee shall provide its observations, recommendations and updates to the Board Audit Committee for consideration before approval by the Board of Directors.

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.

Governance and Accountability

The Board of Directors retains ultimate accountability for sustainability governance. The Sustainability Committee shall provide oversight of the Group's sustainability strategy, material sustainability matters, SRROs and CRROs, performance monitoring and sustainability disclosures. Management shall be responsible for implementing approved sustainability initiatives and achieving established sustainability targets.

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.