

CREATING RESILIENT BUSINESS MODEL TO SUSTAINABILITY AND CLIMATE RISKS

A **Bold** step to adopt of IFRS S1 and S2 reporting standards



GRI 201-2

UNGC

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The ISSB has introduced two sustainability reporting standards, namely IFRS S1 and S2, with a focus on addressing sustainability and climate-related risks and opportunities. We anticipate that adopting these reporting standards will enhance business sustainability and strengthen internal processes, enabling organisations to better navigate challenging business landscapes.

IS REQUIREMENTS OF IFRS S1 AND S2 MATERIAL TO SOFTLOGIC LIFE ?

Operating Context

Softlogic Life currently holds a prominent position in the health insurance market of Sri Lanka. We have strategically positioned our brand as the "Best Health Insurer in Sri Lanka." A substantial portion of our portfolio comprises health-related products, reflecting our commitment to providing comprehensive coverage in the healthcare sector.

Impacts

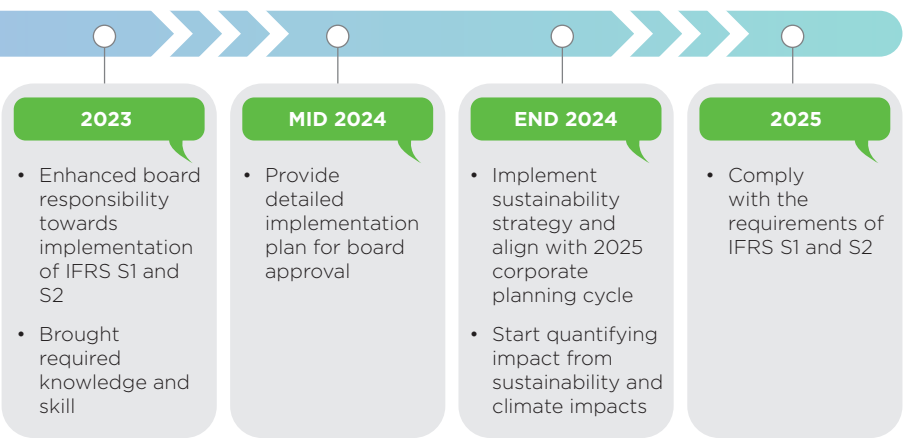
As a leading health insurer, we prioritize the prompt and fair processing of all legitimate claims submitted by our customers. To ensure efficiency and maintain high standards in claim processing, we have implemented numerous initiatives during last few years. In 2023 alone, we disbursed Rs 12.8 billion in claims, representing 54% of our revenue.

Furthermore, we have observed a concerning trend of increased epidemics during the year, which we believe is directly linked to climate change and other sustainability issues. For instance, the abnormal rainfall experienced in 2023 contributed to the spread of diseases such as Dengue fever and viral flu. Additionally, the elevated atmospheric temperatures witnessed during the same period have been associated with the prevalence of various illnesses, indirectly impacting mortality rates.

What We Did ?

Throughout the year, we proactively identified potential external factors that could affect our business operations. Concurrently, we devised a comprehensive work plan aimed at integrating these risks into our existing business processes and implementing mitigation strategies accordingly.

We have successfully onboarded individuals with the necessary expertise and knowledge to support our organizational objectives. These individuals bring relevant skills that align with our sustainability and climate-related initiatives. Additionally, we have obtained board commitment by amending risk committee terms of reference to systematically measure sustainability metrics and assess climate-related risks and opportunities.



OUR IMPACTS

Changes in temperature and rainfall directly affect spread of the vector borne and zoonotic diseases. The rapid spread of vector borne diseases such as dengue and malaria, has been identified as a main impact from climate change

Extreme cold and extreme heat directly affect the incidence of cardiovascular diseases such as chest pain, stroke, and cardiac dysrhythmia (irregular heart beat).

High temperature, water scarcity and water abundance due to floods may linked to increased diarrheal diseases.

Prolonged exposure to extreme heat can cause heat exhaustion, heat cramps, heat stroke, and death, as well as exacerbate preexisting chronic conditions, such as various respiratory, cerebral, and cardiovascular diseases.

Increased exposure to toxic chemicals, known or suspected to cause cancer, that are released into the environment following heavy rainfall or flooding.