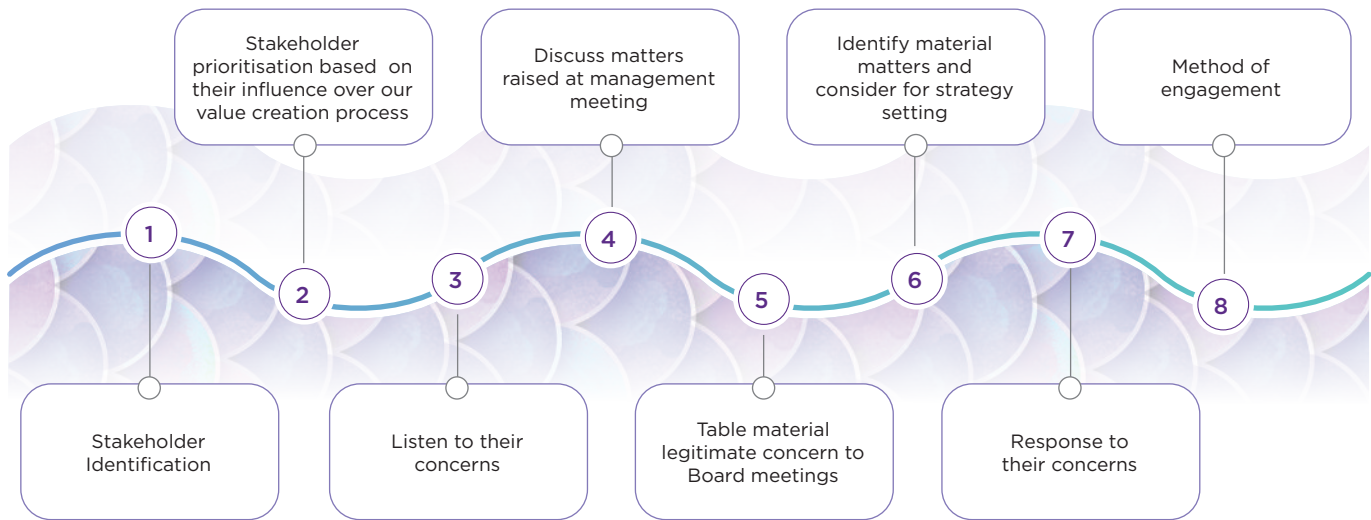


MANAGING DIVERSE STAKEHOLDER INTERESTS

Striking the Perfect Balance: Unleashing Extraordinary Stakeholder Value

Our stakeholders embody the social networks vital to our operations. We adopt a people-centred, stakeholder-inclusive philosophy to create value. This entails seamlessly integrating stakeholder engagement throughout our value creation process. We are aware of the diverse expectations of individual stakeholders, which we strategically manage based on our operational context and stakeholder prioritization framework. To gauge the value, we derive from our networks, we have established objectives for each key stakeholder group. We assess our performance against these objectives using value creation indicators and the strength of our relationships.

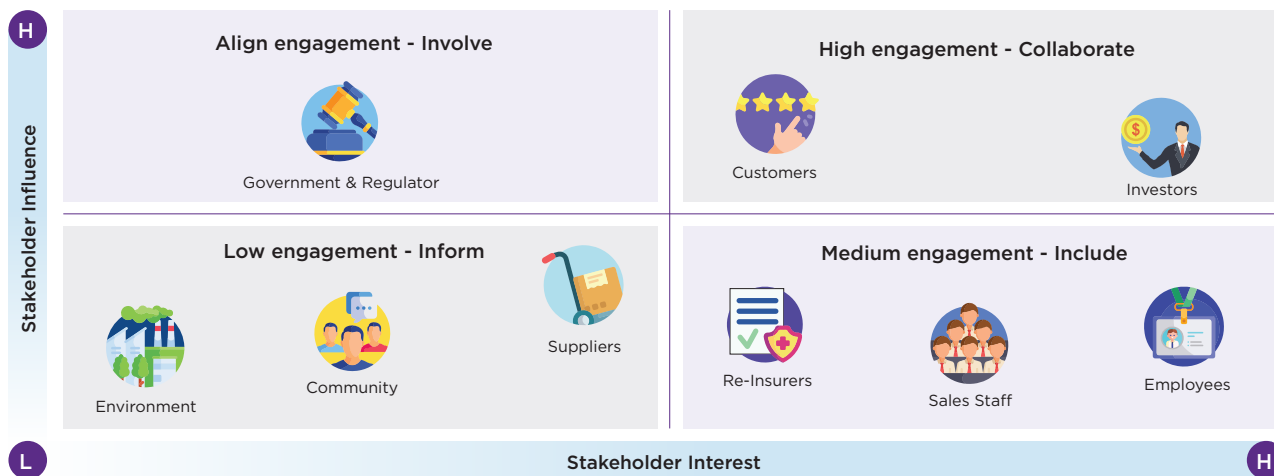
Below summarised process has been established to manage stakeholder interest within our organization



STAKEHOLDER IDENTIFICATION AND PRIORITISATION

We prioritize our stakeholders according to their level of influence and their interest in our operations. The map below plots all our significant stakeholders based on their priority. We strategically address their concerns to foster mutual success.

Stakeholder Landscape




GOVERNANCE OF STAKEHOLDER ENGAGEMENT

Stakeholder engagement is governed through company’s governance structure and actions taken by governance body is provided on page 197.

ENGAGING STAKEHOLDERS TO SHAPE ORGANIZATIONAL STRATEGY


Our stakeholders contribute strategic insights to our corporate strategy, which we identify during our engagement with them. We have identified their legitimate concerns, outlined below, and incorporate them into our future strategic planning.


The tables below outline the key indicators measuring the value created for each stakeholder group. The collective value generated for the company by respective stakeholders represents our performance throughout the year, with detailed insights provided on pages 43 to 59.

Analysis of Stakeholder (Network size, density and diversity)	Key Concerns and Our Response	Method of Engagement			
 <p>Investor</p> <p>212 Shareholders</p> <p>21.5 of public shareholding</p> <p>1.3 Stake hold by non-resident shareholders</p>	<ol style="list-style-type: none"> Sustainable return - Strategic focus and prospects provided on page 92 to 97 under financial capital. Business risk management - Integrated risk management (page 242) Transparency of management - Strong Corporate Governance (Page 152 to 241) Comply with regulatory and legal requirement - Our Compliance (Page 59) Timely communication - Financial Calendar (Page 266) 	<ul style="list-style-type: none"> ● Annual General Meetings ● Interim Financial Statements ● Announcements to CSE ● Press conference and media releases ● Corporate website 			
Shareholder value creation - Key performance indicators					
Value Unlock	Value Driver	Yoy Change	2023	2022	2021
Share price performance	Share price appreciation (%)	↓	-38	22	104
Dividends for shareholders	Dividend per share (Rs)	↑	3.5	2.8	2.5
Dividends for shareholders	Dividend cover (times)	↑	2.2	2.6	2.2
Business solvency	Capital adequacy (%)	↑	367	287	395
Growth prospects	GWP growth (%)	↓	14	15	28
Investment return	Return on equity (%)	↓	23.5	25	20.5
Earning potential	Earning per share (Rs)	↑	7.6	7.2	5.6
STRATEGIC DIRECTION					
<p>The company maintains a robust solvency position and has consistently reported a Return on Equity (ROE) above 20%, demonstrating strong operating performance. This underscores the value we have created for shareholders. For detailed insights, please refer to page 43, which covers explanations for any variances reported above.</p>					


● Annually / Quarterly ● As necessary ● Regularly


MANAGING DIVERSE STAKEHOLDER INTERESTS

Analysis of Stakeholder (Network size, density and diversity)	Key Concerns and Our Response	Method of Engagement			
 <p>Customer</p> <p>830,708 Individual Clients</p> <p>1,765 Corporate Clients 846 SME Clients</p>	<ol style="list-style-type: none"> Timely Settlement of Claims - Claims process optimization (Page 22) Accessibility of the services - Our initiatives for product distribution (page 117) Satisfaction (Quality of service) - Building customer loyalty (Page 119) Products cater to evolving needs - Product Development process (Page 115) Grievance handling process - Fair customer complaint handling (Page 118) 	<ul style="list-style-type: none"> LifeUp App to perform transactions digitally Media campaigns/ Advertisements Use of social media such as WhatsApp, Facebook Contact through call centre Corporate website 			
Customer value creation - Key performance indicators					
Value Unlock	Value Driver	Yoy Change	2023	2022	2021
Claims Settlement	One day claim settlement (%)	↓	75	95	94
Accessibility	Location of operations (No.)	↑	118	103	101
Satisfaction	Net promoter score		42	-	-
Satisfaction	No of complaints for 1000 claims	↑	1.2	0.85	1.9
Products	No of new products	↑	01	-	4
STRATEGIC DIRECTION In meeting customer expectations, we have succeeded in creating overall value, while also recognizing areas that require further improvement. Our strategic focus on relationships with customers and prospects is discussed under Social & Relationship Capital on Page 82.					


Analysis of Stakeholder (Network size, density and diversity)	Key Concerns and Our Response	Method of Engagement			
 <p>Community</p> <p>Society within which we operate</p>	<ol style="list-style-type: none"> Employment Opportunity - We recruit staff locally Company's contribution to help under-developed communities in Sri Lanka - Introduction of micro insurance product in Sri Lanka to cater underserve community 	<ul style="list-style-type: none"> Community projects Call centre conversations Interact through branch network Social media and corporate website 			
Community value creation - Key performance indicators					
Value Unlock	Value Driver	Yoy Change	2023	2022	2021
Employment opportunity	No. of new staff recruits	↑	316	290	261
STRATEGIC DIRECTION Strategic focus of relationship with community and future prospects discussed in detail under Social and Relationship Capital on Page 112.					


● Annually / Quarterly ● As necessary ● Regularly

Analysis of Stakeholder (Network size, density and diversity)	Key Concerns and Our Response	Method of Engagement			
 <p>Employees ☆☆☆☆</p> <p>985 Employees</p> <p>37% Under age 30</p> <p>68% Male 32% Female</p>	<ol style="list-style-type: none"> Fair pay and other benefits - Attractive benefits (Page 103) Learning & Competency Development - Making future ready workforce (page 106) Reward & Recognition - Rewarding people for better performance (Page 107) Diversity and Equal Opportunity - Our commitment to gender parity (Page 108) Organizational Culture - Building friendly culture (Page 109) 	<ul style="list-style-type: none"> HR portal for all HR related matters Town hall meeting to for open discussion of employee concerns Softlogic Life employee Facebook group/ WhatsApp, Viber Regular e-mail updates Employee meetings 			
Employee value creation - Key performance indicators					
Value Unlock	Value Driver	Yoy Change	2023	2022	2021
Pay and benefits	Remuneration per employee	↑	1.1	0.9	0.9
Learning & development	Training hours per employee	↓	1.3	12.0	11.3
Rewards & Recognitions	No of promotions	↑	201	190	62
Diversity	Female participation	↑	32	29	29
Culture	Employee turnover	↑	31	27	19
STRATEGIC DIRECTION In the management of human capital, various external factors have contributed to negative variances in the above Key Performance Indicators (KPIs). For a comprehensive understanding of the reasons behind these variances and our strategic focus on relationships with employees and future prospects, please refer to the Human Capital section on page 98.					


Analysis of Stakeholder (Network size, density and diversity)	Key Concerns and Our Response	Method of Engagement			
 <p>Government and Regulators ☆☆☆☆</p> <p>IBSL, IRD, CSE, CBSL</p>	<ol style="list-style-type: none"> Compliance with applicable laws and regulations - No non compliances Good corporate governance and business ethics - Strong corporate governance practices (page 152) 	<ul style="list-style-type: none"> Quarterly submissions Annual submissions Meeting / discussion with Government and Regulators On-site review by IRCSL 			
Government and Regulators - Key performance indicators					
Value Unlock	Value Driver	Yoy Change	2023	2022	2021
Compliances	Capital adequacy ratio (%)	↑	367	287	395
Compliance	Determination ratio (%)	↑	140	126	114
Compliance	No of non compliances	↑	nil	nil	nil
STRATEGIC DIRECTION Strategic focus of relationship with regulators and future prospects discussed in detail under Social and Relationship Capital on Page 112.					


MANAGING DIVERSE STAKEHOLDER INTERESTS

Analysis of Stakeholder (Network size, density and diversity)	Key Concerns and Our Response	Method of Engagement																														
 <p>Field Staff</p> <p>2,864 Field Staff</p> <p>74% Male 26% Female</p> <p>263 MDRT Qualifiers</p>	<ol style="list-style-type: none"> Competitive income - Attractive benefits (Page 122) Career progression - Making future ready workforce (page 122) Reward & Recognition - Rewarding people for better performance (Page 122) 	<ul style="list-style-type: none"> E-advisor platform to introduce new policies digitally Regular e-mail updates Training session (physical / online) Sales review meeting 																														
Field staff value creation - Key performance indicators <table border="1"> <thead> <tr> <th>Value Unlock</th> <th>Value Driver</th> <th>Yoy Change</th> <th>2023</th> <th>2022</th> <th>2021</th> </tr> </thead> <tbody> <tr> <td>Pay and benefits</td> <td>Commission and incentive per field staff -Annual (Rs Mn)</td> <td>↑</td> <td>1.7</td> <td>1.5</td> <td>1.1</td> </tr> <tr> <td>Pay and benefits</td> <td>Commission and incentive paid</td> <td>↑</td> <td>5,486</td> <td>4,956</td> <td>4,050</td> </tr> <tr> <td>Career Progression</td> <td>No of promotions</td> <td>↑</td> <td>74</td> <td>190</td> <td>62</td> </tr> <tr> <td>Rewards and recognition</td> <td>Annual sales awards</td> <td>↑</td> <td>Conducted</td> <td>Conducted</td> <td>Conducted</td> </tr> </tbody> </table>			Value Unlock	Value Driver	Yoy Change	2023	2022	2021	Pay and benefits	Commission and incentive per field staff -Annual (Rs Mn)	↑	1.7	1.5	1.1	Pay and benefits	Commission and incentive paid	↑	5,486	4,956	4,050	Career Progression	No of promotions	↑	74	190	62	Rewards and recognition	Annual sales awards	↑	Conducted	Conducted	Conducted
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STRATEGIC DIRECTION The strategic focus of our relationship with sales staff and future prospects is extensively discussed under the Social and Relationship Capital section on page 122.																																

Analysis of Stakeholder (Network size, density and diversity)	Key Concerns and Our Response	Method of Engagement																		
 <p>Re-Insurers</p> <p>06 Re-insurers</p>	<ol style="list-style-type: none"> Underwrite appropriate risk - Regular enhancement of underwriting capabilities using new technology Timely premium payment - We have maintained strong communication with re-insurance partners and settle dues. 	<ul style="list-style-type: none"> Online meeting E-mail communication Physical meeting 																		
Re- insurers value creation - Key performance indicators <table border="1"> <thead> <tr> <th>Value Unlock</th> <th>Value Driver</th> <th>Yoy Change</th> <th>2023</th> <th>2022</th> <th>2021</th> </tr> </thead> <tbody> <tr> <td>Underwrite appropriate risk</td> <td>RI outgo % to GWP</td> <td>↓</td> <td>9.5</td> <td>11.6</td> <td>9.3</td> </tr> <tr> <td>Compliance</td> <td>RI claims % gross claims</td> <td>↓</td> <td>2.2</td> <td>3.7</td> <td>2.8</td> </tr> </tbody> </table>			Value Unlock	Value Driver	Yoy Change	2023	2022	2021	Underwrite appropriate risk	RI outgo % to GWP	↓	9.5	11.6	9.3	Compliance	RI claims % gross claims	↓	2.2	3.7	2.8
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Compliance	RI claims % gross claims	↓	2.2	3.7	2.8															
STRATEGIC DIRECTION Strategic focus of relationship with reinsurers and future prospects discussed in detail under Social and Relationship Capital on Page 123.																				

● Annually / Quarterly ● As necessary ● Regularly

Analysis of Stakeholder (Network size, density and diversity)	Key Concerns and Our Response	Method of Engagement												
 <p>Environment</p> <p>Natural resources we use within our business process</p>	<p>1. Reducing adverse impact on environment - We take measures to reduce environmental impact within our business process</p>	<ul style="list-style-type: none"> Community projects Call centre conversations Interact through branch network Social media and corporate website 												
<p>Environment value creation - Key performance indicators</p> <table border="1"> <thead> <tr> <th>Value Unlock</th> <th>Value Driver</th> <th>Yoy Change</th> <th>2023</th> <th>2022</th> <th>2021</th> </tr> </thead> <tbody> <tr> <td>Reducing adverse impact</td> <td>Paper recycled (Kg)</td> <td>↑</td> <td>5,253</td> <td>362</td> <td>1,290</td> </tr> </tbody> </table>			Value Unlock	Value Driver	Yoy Change	2023	2022	2021	Reducing adverse impact	Paper recycled (Kg)	↑	5,253	362	1,290
Value Unlock	Value Driver	Yoy Change	2023	2022	2021									
Reducing adverse impact	Paper recycled (Kg)	↑	5,253	362	1,290									
<p>STRATEGIC DIRECTION Strategic focus of relationship with environment and future prospects discussed in detail under Natural Capital on Page 142.</p>														

Analysis of Stakeholder (Network size, density and diversity)	Key Concerns and Our Response	Method of Engagement												
 <p>Suppliers</p> <p>277 Suppliers</p>	<p>1. Timely settlements - Company has settled payments on time</p>	<ul style="list-style-type: none"> Business meeting 												
<p>Supplier value creation - Key performance indicators</p> <table border="1"> <thead> <tr> <th>Value Unlock</th> <th>Value Driver</th> <th>Yoy Change</th> <th>2023</th> <th>2022</th> <th>2021</th> </tr> </thead> <tbody> <tr> <td>Timely Settlements</td> <td>Payments to suppliers % GWP</td> <td>↑</td> <td>12.8%</td> <td>11.3%</td> <td>14.0%</td> </tr> </tbody> </table>			Value Unlock	Value Driver	Yoy Change	2023	2022	2021	Timely Settlements	Payments to suppliers % GWP	↑	12.8%	11.3%	14.0%
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Timely Settlements	Payments to suppliers % GWP	↑	12.8%	11.3%	14.0%									
<p>STRATEGIC DIRECTION Strategic focus of relationship with suppliers and future prospects discussed in detail under Social and Relationship Capital on Page 121.</p>														