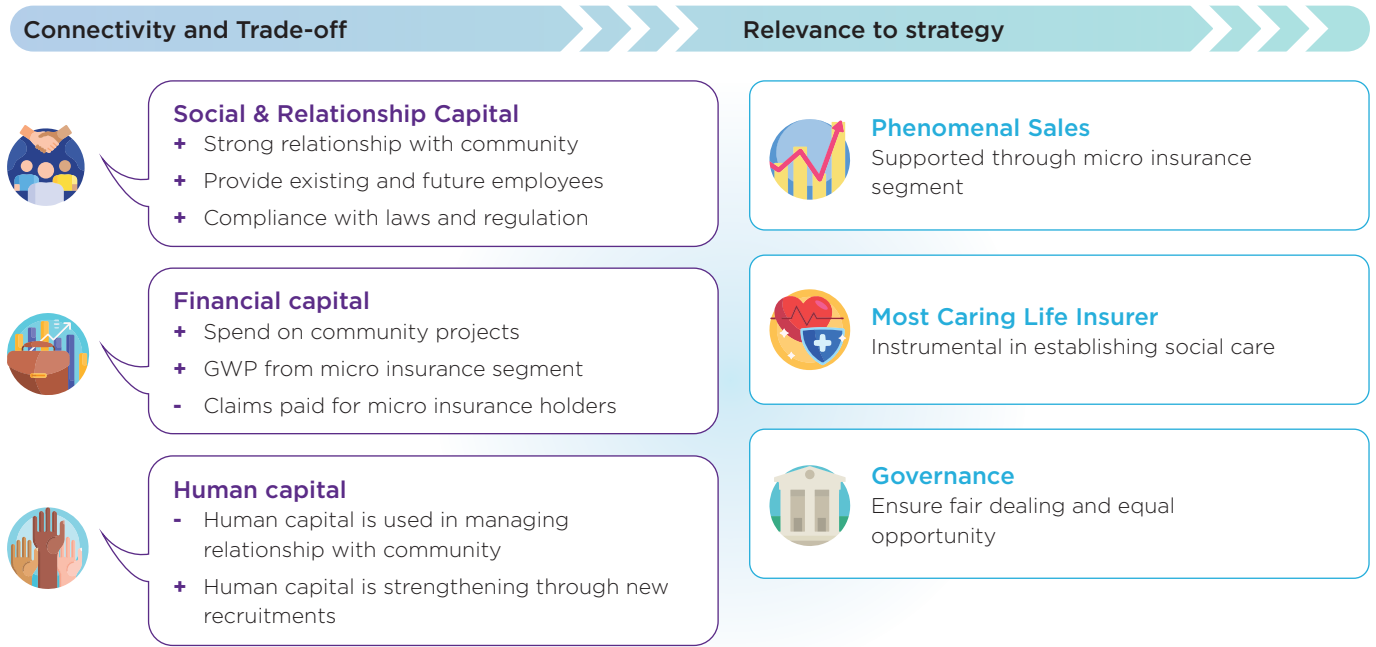


## COMMUNITY

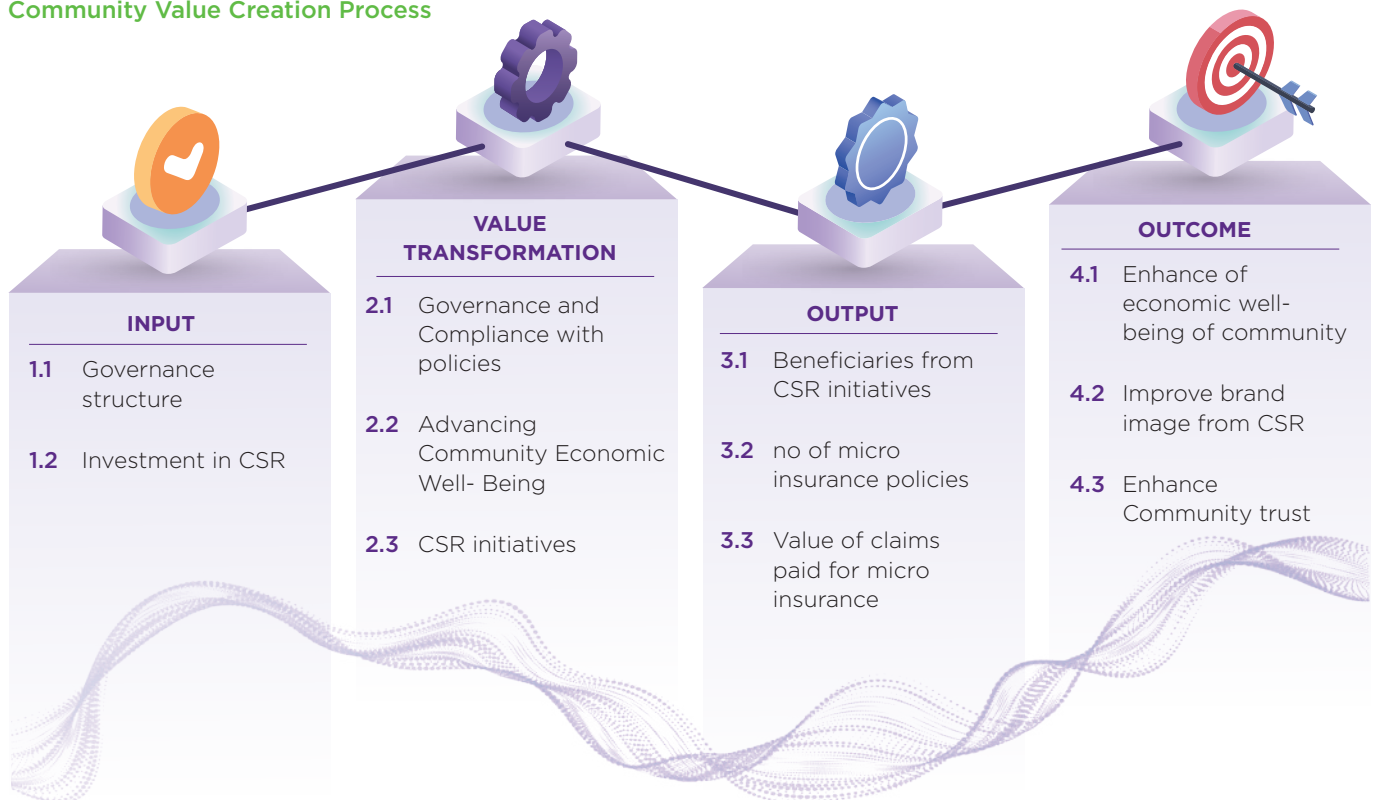
Fostering **Stronger** network through our actions

As a responsible corporate entity, we maintain a strong bond with the communities where we operate. We view the entire society at large as integral to our value creation process, recognizing that our activities have an impact on their lives, and in turn, we are impacted by their activities.



Below diagram shows how we engage with business partners and create mutual benefits.

### Community Value Creation Process



	<b>GRI</b>	2-23	205-1	205-3	<b>UNGC</b>	1	2	5	10
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The explanation provided below combines the value transformation activity with its output and outcome to facilitate a better understanding of the company’s value creation process.

**2.1 Governance and Compliance with policies**

We are committed to adhering to all applicable rules and regulations, as well as embracing robust governance practices, to cultivate a favourable social atmosphere within the community.

**OUR ESG POLICY**

This policy seeks to foster an understanding of the company’s approach to handling Environmental, Social, and Governance (ESG) Risks. The company will incorporate the evaluation of these risks into its Corporate Strategy, leveraging its existing Risk Management Framework and processes. The ESG Framework is seamlessly integrated and ingrained within the overall Risk Management Framework, operating on the foundation of key stakeholder pillars.



The primary objective of this policy is to formalize Softlogic Life Insurance PLC’s dedication to responsible and deliberate management, ensuring the integration of ESG considerations throughout its processes. This commitment aims to mitigate risks and enhance value creation. The policy comprehensively addresses ESG risk assessment, reporting, awareness and training, and the articulation of the risk appetite statement.

As a socially responsible organization, we are committed to refraining from providing insurance or investing in any activities associated with forced labour or child labour, gambling, casinos, and equivalent enterprises, pornography or prostitution, racist and anti-democratic media, weapons and ammunitions, as well as the relocation of Indigenous Peoples from traditional or culturally significant land if it results in negative societal impact.

Below summarize incidents reported during the year:

Type	Category	No. of cases Received	No. of cases settled	Proved as Fraud
<b>Customer Complaints</b>	Misappropriations	32	31	4
	Misconducts / Misleading	46	42	1
<b>Total</b>		78	73	5
<b>Internal Investigations</b>	General Inquiries	40	40	14

**Dedication to Combating Corruption**

In addition to our community investments, as a responsible business, we are dedicated to a zero-tolerance approach towards corruption. We strictly adhere to compliance measures, non-discrimination principles, business ethics, and our Environmental and Social Risk Policy. Furthermore, we uphold all other rules and regulatory governance in Sri Lanka as part of our commitment to responsible and ethical business practices.

**Measures Against Corruption**

The anti-corruption policy of the company clearly extends to all employees and directors, mandating their adherence. Internal anti-corruption activities are managed by our Internal Audit unit, while external anti-corruption activities and compliance are overseen by our Compliance Officer. In addition, the Human Resource team conducts thorough reviews and discussions on internal discrimination and corruption issues, and implements a mandatory training program for all employees to ensure they stay well-informed on anti-corruption measures

**Anti-Corruption Incidents – Business Partners**

The anti-corruption policy explicitly extends to agents and advisors, who, although not employees, are authorized to act on behalf of Softlogic Life. In the year under review, there were no incidents leading to the termination or non-renewal of contracts with business partners due to violations related to corruption. Furthermore, there were no public legal cases regarding corruption brought against the organization or its employees during this period.

**Regular Monitoring of Anti-Corruption Program**

The internal audit department and the compliance officer consistently monitor the anti-corruption program, assessing its suitability, adequacy, and effectiveness. They strive to continuously enhance the program whenever necessary to ensure its ongoing improvement.

**Child Labour**

SLI strictly adheres to a policy of not employing individuals below 18 years of age and refrains from any involvement in child labour or related activities. This commitment is underscored by our environmental and social policy, which prohibits business transactions associated with child labour. To ascertain compliance,

## SOCIAL AND RELATIONSHIP CAPITAL

### COMMUNITY



a comprehensive questionnaire has been integrated into all our insurance agreements, ensuring that we neither endorse nor participate in any form of child labour-related activities. Regular reporting on the status of child labour occurs at each Risk Committee meeting, allowing for discussions on any emerging matters in this regard on an annual basis.

#### Compliance Oversight

In terms of regulatory compliance, our dedicated compliance officer actively oversees all statutory payments and other regulatory requirements, providing monthly reports to the Board members. Throughout the year, there were no notable instances of significant fines related to compliance matters, attesting to the vigilant monitoring and adherence to regulatory standards.

#### Non-Discrimination Policy Compliance

Given the presence of a formal non-discrimination policy within the company, there were no reported incidents of discrimination throughout the year.

#### Ethical and Socially Responsible Marketing

Softlogic Life is committed to an ethical and socially responsible marketing strategy that earns the respect and trust of customers while providing long-term benefits. By aligning our self-interest with social responsibility, we believe our approach fosters a positive impact on all stakeholders, including employees, the community, customers, shareholders, business partners, and regulators. At Softlogic Life, we carefully cultivate the following practices to instil a strong social conscience in our business operations. Notably, there were no instances of non-compliance with regulations, voluntary codes, or other guidelines, and no financial losses incurred as a result of legal proceedings related to marketing communications throughout the year.

#### Ethics in Advertising

Advertising serves as a vital communication link between buyers and sellers, gaining increased significance with the globalization and expansion of market access in modern society. Recognizing its influence, we prioritize the ethical dimension of our advertisements as crucial for preserving cultural norms, fostering value creation for all stakeholders, and incorporating social and environmental considerations in our product promotions. All our advertising endeavours are conducted with legality, decency, honesty, and truthfulness, emphasizing a due sense of social responsibility. They strictly adhere to the principles of fair competition as generally accepted in business. Our commitment is evident in avoiding the use of advertisements to deceive the trust of consumers or undermine public confidence.

#### Responsibility, Accountability, Transparency, and Fairness

We uphold a commitment to responsibility, accountability, transparency, and fairness in all aspects of our products and services, maintaining honesty and equity in our interactions with stakeholders. Our product forum meticulously evaluates each product before its public introduction. The launch of a new product is accompanied by a press conference chaired by the product forum to ensure transparency and accountability. We staunchly oppose advertising that induces customers through fear tactics, opting instead to invest in educating and acquainting potential customers with the ways insurance can positively impact their lives.

#### Respecting Customer Rights and Privacy

We are committed to safeguarding customer rights, encompassing the right to redress, the right to information, and the right to privacy. Detailed information on these aspects is elaborated under the 'Customer segment' in this Social and Relationship Capital report.

#### Claim on Lawsuit

Refer page 375 on details explanation on claims on lawsuit.

#### Prevention of negative impact from operations

The company has set its operational goals and KPIs thus preventing negative impact on our social capital.

### 2.2 Advancing Community Economic Well-Being

Our dedication to community economic prosperity is integral to our company's operations. Selling products through micro channels is a key part of our business process, with the aim of improving the quality of life for Sri Lankans. We provide relevant, innovative, and affordable life insurance solutions, along with livelihood opportunities, directly impacting the community. This approach ensures that even the lowest-income earners can afford life insurance, contributing to an upliftment in their living standards. Our commitment to offering accessible and beneficial products aligns with our goal of fostering economic well-being within the community.

**502,590** ↓ 4%  
No of Micro Insurance Policies sold

We experience low new policy intake by customers due to unfavourable economic conditions prevailed during the year 2023.

**117Mn**  
Claims paid for micro insurance policy holders

We have provided financial assistance totalling Rs. 117 Mn to our customers, extending a helping hand to support them during times of financial hardship.



Our micro product portfolio has significantly impacted the insurance landscape, primarily enhancing the quality of life for Sri Lankans in genuine need of life insurance protection. We are proud of our substantial contribution and honoured to be recognized as the Best Micro Insurer (Sri Lanka) at the 4th Emerging Asia Insurance Awards in 2023.

### 2.3 CSR initiatives

The Company's Sustainability Policy provides guidance on investing in long-term, strategic CSR projects which deliver long-term, meaningful value to stakeholders



#### CHRISTMAS TREE

Softlogic Life brought back its unique vegetable Christmas tree for 2nd consecutive time in 2023 December with a twist. When 2022 Christmas tree was made up of the plants grown by Softlogic Life itself, this time, the brand invited people over Sri Lanka to donate a plant grown by themselves. As a result, this Christmas Tree adds to the history by being Sri Lanka's first ever crowd-sourced vegetable plant Christmas Tree.

#### Impact

2000+ thriving plants that were used to make the Christmas tree were given away to the general public and schools to start their own home gardening journey even in a small way.



#### DENGUE PREVENTION CAMPAIGN Let's Stop Dengeez Campaign

This campaign was launched with the purpose of educating and motivating people to act against dengue spread, as the dengue was on a rise during last year. Unlike other dengue awareness campaigns where the message was all to do with "Don'ts", Softlogic Life used reverse psychology in this campaign. We introduced a music band called "The Dengeez" which represented dengue mosquitoes. While this band spoke about spreading their fan bases, conducting concerts all over Sri Lanka, Softlogic Life as a brand came forward and invited people to join to stop this band. The music video of band creatively showcases the places the dengue mosquitoes breed.

#### Purpose

Educating society about Dengue and prevention mechanism

#### Impact

Social media campaign, Partner with "Shree FM" for wider coverage. The total of 36 locations were covered during this activation

### LOOKING FORWARD

#### Short Term Target

- Maintain the investments in the CSR activities
- Structures CSR and environmental protection activities linked with governance framework

#### Medium to Long Term Target

- Increase the positive impact to society through CSR initiatives

As a responsible organization, we are dedicated to advancing our CSR initiatives, with a particular focus on environmental conservation and the economic empowerment of rural communities. Our commitment involves expanding our business operations into rural areas across the country to foster sustainable development. Through these efforts, we aim to contribute to the overall well-being of our nation.



Scan this QR code to see our social media campaign

[https://www.youtube.com/watch?v=Fv\\_rD8-o8pc](https://www.youtube.com/watch?v=Fv_rD8-o8pc)



Scan this QR code to see our social media campaign

<https://www.youtube.com/watch?v=pZITGY6Ug4I&t=12s>