

3. TRANSFORMATIVE GOVERNANCE INITIATIVES FOR 2024

1



ENHANCING THE SUSTAINABILITY COMMITTEE TO MEET ESG AND SLFRS S1 AND S2 STANDARDS

2



DEVELOPING THE IT ROADMAP: A STRATEGIC FOCUS ON ISO STANDARDS

Focus Area

1

Strengthened Governance and Strategic ESG Integration

The Sustainability Committee, led by the Managing Director, ensures direct leadership and accountability at the highest level. This structure aligns sustainability initiatives with corporate governance, reinforcing the company's commitment to ESG performance.

Focus Area

2

Dual-Channel Reporting for Balanced Decision-Making

Opportunities and Risks related to SLFRS S1 and S2 are systematically evaluated and reported. While risks are escalated to the Board Risk Committee for in-depth analysis, Opportunities are presented through the Sustainability Committee to the Board. This structured approach ensures informed and balanced decision-making with expert insights.

Focus Area

3

Strengthened ESG and Sustainability Integration

By optimising reporting processes, the company enhances its governance framework, ensuring sustainability risks and opportunities are managed effectively. This approach supports a proactive and forward-thinking model that prioritises ESG performance and long-term value creation.

Focus Area

1

Strategic Alignment of Technology with Business Goals

Softlogic Life Insurance PLC is developing a comprehensive IT Roadmap to align technology with its long-term strategic objectives. This initiative reflects the company's commitment to leveraging technology for operational excellence, regulatory compliance, and enhanced governance practices.

Focus Area

2

Integration of ISO 27001:2022 for IT Security and Efficiency

The IT Roadmap prioritises the implementation of ISO 27001:2022 standards, ensuring that IT systems meet international benchmarks for security, quality, and efficiency. This also enhances risk management in areas such as in-house applications, third-party data processing, service dependencies, and business continuity.

Focus Area

3

Enhancing AI Governance and Cybersecurity

A structured approach to AI governance and cybersecurity ensures ethical AI use, risk mitigation, and transparency. By adhering to global standards like ISO, organisations can enhance data integrity, system resilience, and stakeholder trust. This strategy strengthens both AI oversight and cybersecurity, ensuring responsible and secure technological advancement.

3



ALIGNING THE RISK MANAGEMENT FRAMEWORK WITH ESG AND SLFRS S1 AND S2 REQUIREMENTS

Focus Area 1

Integration of ESG Tagging in Risk Management

Softlogic Life Insurance PLC has updated its Risk Management Framework to align with SLFRS S1 and S2 while incorporating ESG tagging. This mechanism systematically maps risks to Environmental, Social, and Governance (ESG) parameters, ensuring a structured approach to identifying and addressing sustainability-related risks.

Focus Area 2

Enhanced Climate Risk Assessment and Mitigation

The company has undertaken a deep analysis of climate-related risks, evaluating their potential impacts from both emerging and active perspectives. Mitigation actions have been designed to comprehensively address these risks, minimising potential adverse effects on the business and strengthening long-term resilience.

Focus Area 3

Strengthened Decision-Making and Strategic Alignment

By integrating ESG considerations into its risk framework, Softlogic Life enhances its ability to categorise risks effectively and align them with broader ESG objectives. This structured approach fosters transparency, accountability, and better decision-making, ensuring that governance practices support sustainable growth and long-term value creation.

4



FUTURE-READY GOVERNANCE FOR COMPLIANCE AND RESILIENCE

Focus Area 1

Proactive Compliance with Enhanced Corporate Governance Rules

The Company has demonstrated leadership in corporate governance by proactively implementing the revised Corporate Governance Rules introduced by the Colombo Stock Exchange (CSE) under Section 9 in 2023. While the legal requirement mandates a phased implementation in 2024, the Company ensured full compliance throughout the year. Details of the compliance status are provided on page 187.

Focus Area 2

Ongoing SLFRS 17 Implementation for Enhanced Financial Transparency

The SLFRS 17 project remains a key regulatory initiative for Softlogic Life, with its effective date set for January 1, 2026. The company continues to make steady progress in aligning its financial reporting framework with the new standard to enhance transparency and comparability of its insurance operations. For detailed updates on the project, refer to 190 on page 191.

Focus Area 3

Elevating Data Privacy Standards Ahead of PDPA

With the Personal Data Protection Act (PDPA) set to take effect in September 2025, Softlogic Life has made significant progress in its implementation. A dedicated working group completed a high-level regulatory assessment, implemented privacy notices, updated agreements, and refined policies. The appointment of a Data Protection Officer further reinforces the company's commitment to compliance and data security.