



NATURAL CAPITAL

MANAGEMENT APPROACH

As a responsible corporate citizen, we are committed to minimising our environmental footprint. Our management approach focuses on reducing resource consumption, promoting energy efficiency, and raising environmental awareness among our employees. We have implemented initiatives to reduce paper usage through digitalisation, optimise energy consumption, and we regularly monitor and verify our emission . We track our environmental performance by measuring our Scope 1 and 2 greenhouse gas emissions, total energy consumption, and paper usage, with the goal of continually reducing our absolute impact.



Mangrove Cultivation

Mangroves grow quietly along the edge of the sea, their roots spreading wide and deep to hold the shoreline together. They protect coastal communities from strong waves, create shelter for countless forms of life, and keep the balance of nature intact. In many ways, they remind us that the greatest protection often works silently in the background. By caring for ecosystems like mangroves, we help preserve the natural foundations that support our lives and livelihoods, ensuring that both people and nature continue to thrive side by side.

1st Insurance Company to partner with PCAF and calculate financed emission.

A novel approach: safeguarding the environment via digital transformations

VALUE DRIVERS TO STRATEGIC IMPACT

GOVERNANCE FRAMEWORK



Strategic Capital Infusion

- Governance of Natural Capital
- Ecological Footprint
- Energy Consumption
- Water Consumption
- Paper Consumption



Value Addition Mechanisms

- Environmental Impact Management
- Activation through resource efficiency
- Responsible Waste Management
- Driving Operational Excellence with Environmental Consciousness
- Activation through Environment Sustainability Projects



Performance Milestones

- Expanding Market Reach with a Reduced Environmental Footprint



Strategic Impact

- Our Carbon Footprint

1. GOVERNANCE OF NATURAL CAPITAL

The company recognises natural capital as a critical asset and integrates environmental considerations into its governance, risk management, underwriting, and investment frameworks. Through established policies and oversight mechanisms, SLI seeks to identify and manage environmental risks, ensure regulatory compliance, and minimise adverse impacts on ecosystems and natural resources.

During the year, the organisation incurred no environmental fines or penalties.

Environmental Commitment Through Policy Implementation (FN-IN-410a.2)

The Company operates its environmental commitment through a formal Exclusion List Policy that guides underwriting and investment decisions. This policy restricts the financing of activities that pose significant risks to the environment, including the destruction of high conservation value areas, degradation of critical habitats, unsustainable fishing practices, and the production or trade of hazardous, radioactive, or internationally restricted materials.

By applying these exclusion criteria consistently across insurance and investment portfolios, the Company ensures that capital allocation is aligned with the protection of natural capital, halt biodiversity loss, supports responsible resource use, and mitigates exposure to environmentally harmful activities.

2. ECOLOGICAL FOOTPRINT

2.1 Energy Consumption within the organisation

Softlogic Life relies primarily on two sources of energy: electricity supplied by the national grid and fuel consumed for stationary combustion and mobile activities. ^{LA}

Table 54: Energy from non- renewable source

Energy from Non-Renewable Source (kJ Mn)	2025 - Group	2025 - Company ^{LA}	2024
Diesel	32.83	32.83	N/M
Petrol	13,748	13,824	1,590
Total Fuel	13,781	13,857	1,590
Electricity	8,388	8,163	7,971
Total Energy	22,169	22,020	9,561
Energy Intensity – Energy Consumption per Employee	19.38	19.25	8.36
Energy Intensity - Energy Consumption per GWP Rs. 1 Mn	0.57	0.57	0.30

At SLI, energy usage is carefully tracked through key indicators such as electricity intensity per employee and electricity consumption per million rupees of Gross Written Premium (GWP), enabling effective monitoring and management of energy efficiency. ^{LA}

Energy consumption increased in 2025, primarily driven by business expansion. The rise reflects increased mobility requirements to support overall operations, particularly due to the increase in fuel card issuance.

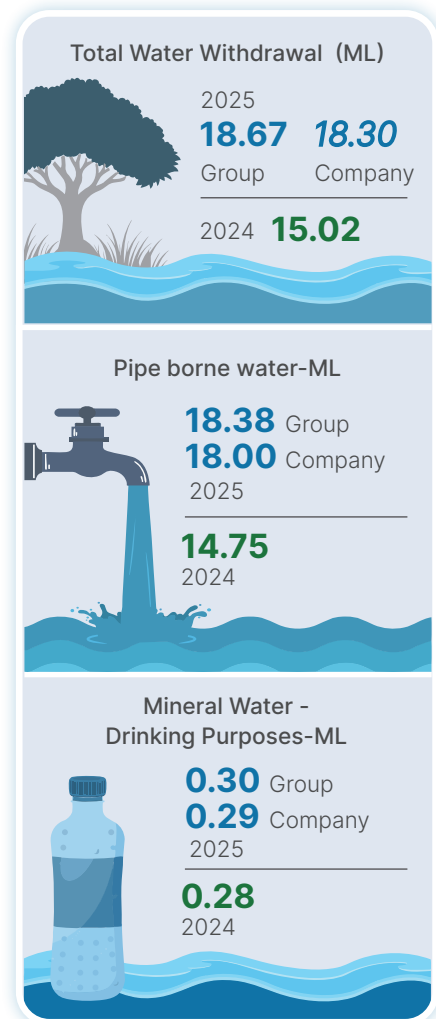
Methodology

The calculation utilised reported petrol consumption data, the standard petrol density conversion factor, and the Net Calorific Value (NCV) referenced from the IPCC 2006 Guidelines for National Greenhouse Gas Inventories. ^{LA}

2.2 Water Withdrawal

Softlogic Life’s water interaction is limited to supporting administrative and office-based operations. Total water withdrawal is sourced through the National Water Supply and Drainage Board (NWSDB) and authorised third-party bottled water providers. Correspondingly, water discharge is comprised solely of domestic wastewater generated from these office activities, which is directed into the centralised sewer system managed by the NWSDB. ^{LA}

Softlogic Life Insurance PLC adopts water management practices across its operations, monitoring usage, promoting efficient utilisation, and encouraging employee awareness to minimise wastage.



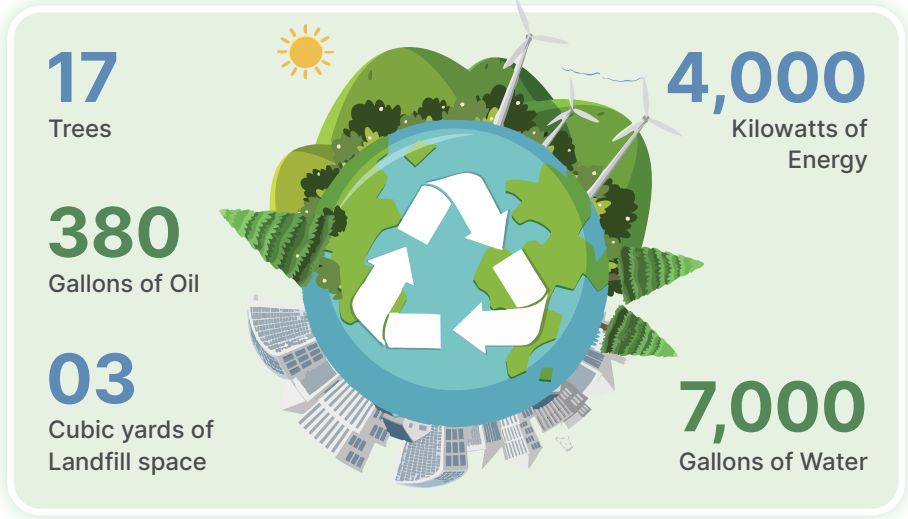
Water consumption increased in 2025, primarily driven by business expansion.

Estimation Methodology
 The figures for both electricity and water are calculated based on the aggregation of total units recorded for the available months, which are then averaged by dividing the total by the number of months for which data is available. This methodology is applied to ensure consistency and comparability in reporting across reporting periods. In instances where complete actual data is unavailable, this approach provides a reasonable and reliable estimate that supports accurate analysis and transparent disclosure. ^{LA}

2.3 Paper Consumption
 SLI is committed to reducing paper consumption across its value chain as part of its environmental impact management framework. To support this objective, the company has progressively digitalised many internal processes, thereby minimising reliance on paper-based documentation. These initiatives not only reduce resource consumption and waste generation but also enhance operational efficiency and support the organisation's broader sustainability and environmental stewardship goals.



Savings from Paper Recycling



3. ENVIRONMENTAL IMPACT MANAGEMENT

Softlogic Life Insurance PLC adopts a structured and impact-driven approach to environmental management by integrating resource efficiency, digital innovation, responsible waste practices, sustainable investments into operation and market expansion using low resources.

3.1. Activation Through Resource Efficiency








The Company manages its direct environmental footprint through structured energy and water efficiency measures across its operational locations.

ELECTRICITY

- Timer switches installed on air conditioners
- The installation of master key switches
- Employee Awareness

WATER

- Sensor taps
- Employee awareness

Digital Initiative	Area of Application	Environmental Benefit
 Digital Onboarding and Underwriting Platforms	Proposal intake and policy issuance	Eliminates physical documentation and paper-based workflows across customers and intermediaries, reducing paper consumption, printing waste, storage needs, and travel associated with document submission.
 End-to-End Proposal Digitisation (E-advisor)	Sales and underwriting	Enables fully digital proposal processing, minimising hard-copy forms, repeated documentation, courier handling, and manual processing across the distribution network.
 AI-Enabled Digital Claims Applications	Claims management	Reduces paper-based claim submissions and physical visits, shortens processing time, and lowers transport-related emissions and operational resource use.
 Automated Claims Adjudication and Instant Processing	Claims settlement	Minimises manual intervention and repetitive processing, improving efficiency while reducing material use, administrative waste, and rework.
 Robotic Process Automation (RPA)	Back-office operations	Optimises system efficiency by automating repetitive tasks, reducing paper usage, unnecessary reprocessing, and associated resource consumption.
 AI-Driven Customer Servicing Tools (Insta Claim, Claim IT, Life Up Application)	Customer engagement and support	Enables digital interactions and self-service options, reducing physical correspondence, branch visits, and related material and travel impacts.
 Digital Employee Collaboration Platforms	Internal operations	Supports paperless workflows, virtual communication, and reduced internal travel, lowering overall resource consumption and operational emissions.

3.2 Responsible Waste Management

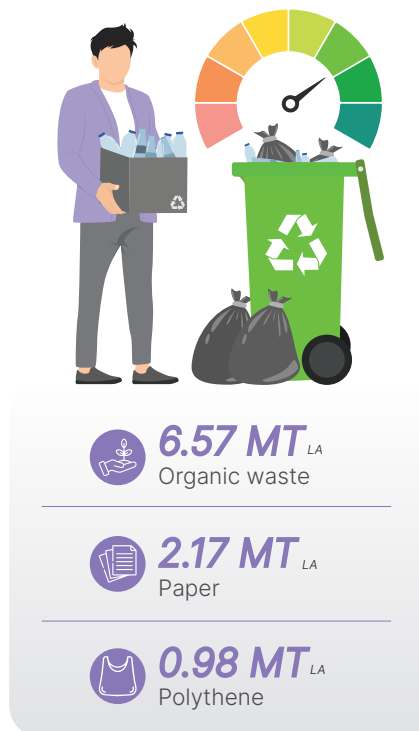
We are focused on reducing operational wastage through the adoption of responsible management practices.

Waste Generation

During the reporting period, the organisation generated only operational, non-hazardous waste arising from organisation's own activities, in line with the nature of the business. No hazardous waste was generated, treated, or disposed of during the year. ^{LA}

Collection and Monitoring of Waste-related Data

We measure and monitor the daily waste generated at our corporate offices, where the highest volume of operational waste arises, to support improved waste management and reduction initiatives. ^{LA}



Waste Disposal

Waste segregation is practiced across all locations, with municipal councils and other authorised service providers responsible for safe and compliant waste disposal, thereby minimising the risk of adverse environmental impacts. ^{LA}

Waste Recycle

SLI continued its partnership with Amaana Paper Collection to responsibly shred and manage paper waste in an environmentally friendly manner, supporting ongoing efforts to reduce overall paper waste. ^{LA}

Waste Reduction

The company continued to outsource certain photocopy machines to a third-party service provider certified under Quality and Environmental Management Systems (ISO 9001:2008 and ISO 14001). This arrangement enables the

refilling and extended use of print cartridges, thereby reducing waste and supporting environmentally responsible resource utilisation. ^{LA}

3.3 Activation through Environment Sustainability Projects

Our brand-building initiatives are closely aligned with green practices that promote environmental sustainability. In support of this commitment, the company has invested in a green bond, demonstrating its dedication to financing environmentally responsible projects. This investment supports initiatives focused on renewable energy, resource conservation, and the reduction of carbon emissions, thereby strengthening the integration of sustainability into the company's long-term corporate strategy.

3.4 Expanding Market Reach with a Reduced Environmental Footprint

Softlogic Life Insurance PLC has adopted a sustainability-driven approach to expanding its market reach by leveraging strategic partnerships through collaborations with the postal department, state and private banks and telecommunication partners. The company has extended its presence across Sri Lanka by utilising existing service networks rather than establishing new physical infrastructure. This approach enables SLI to serve communities nationwide while reducing resource consumption associated with branch construction, lowering travel-related emissions, and minimising additional operational emissions. By integrating growth with environmental responsibility, SLI demonstrates how strategic partnerships and innovative distribution models can support market expansion while aligning with sustainability objectives and long-term carbon reduction goals.



4. OUR CARBON FOOTPRINT

The company remains committed to contributing toward the reduction of national greenhouse gas emissions in alignment with the Sustainable Development Goals (SDGs). To support this commitment, the organisation systematically monitors and measures its carbon footprint in accordance with the Greenhouse Gas (GHG) Protocol developed by the World Resources Institute and the World Business Council for Sustainable Development. This standardised approach ensures accuracy, consistency, and transparency in tracking emissions and reporting. Further details are provided on page 119

Softlogic Life Insurance PLC recognises the significance of natural capital in supporting environmental sustainability while delivering high-quality insurance services. As a service-sector organisation, the company's environmental footprint is primarily linked to energy consumption, paper usage, water consumption, and carbon emissions. Through responsible resource management, SLI actively works to reduce emissions, improve operational efficiency, and adopt environmentally responsible practices.

Advancing Climate Accountability Through PCAF Membership

During the year, we strengthened this commitment by obtaining membership in the Partnership for Carbon Accounting Financials (PCAF), enabling us to measure and disclose emissions linked to our financed activities and progressively integrate climate considerations into our investment decisions.



5. RISKS AND CHALLENGES

Challenges	SLI Responses
Increasing regulatory expectations on climate and sustainability disclosures	Alignment of governance, policies, and reporting practices with emerging regulatory frameworks such as SLFRS S1 and S2. Partnered with PCAF organisation to get emission factors and technical support to calculate financed emission.

6. FUTURE OUTLOOK AND STRATEGIC PRIORITIES

Strategic Pillar	Short-Term Goals >>>	Long-Term >>>
Digital Transformation & InsurTech, Sustainability & ESG	Integrate sustainability considerations across all key organisational policies beyond the ESG Policy.	Become a technology-led, environmentally intelligent organisation. Strengthen sustainability integration across the investment portfolio.

5. CONTRIBUTION TO VALUE CREATION (TRADEOFF)

