

# CSR & Sustainability Policy Statement



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<b>Policy</b>	<b>Corporate Social Responsibility Policy Statement</b>
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## **Chapter 1 – Introduction**

### ***1.1 Overview***

LBF is fully committed to the principle of Corporate Social Responsibility and intends that CSR should become embedded where appropriate into its policies and practices, to the benefit of staff as well as the wider community. Presented in this policy is a comprehensive account of the LBF business, using the prescribed triple bottom line format; economic, social and environmental perspectives. By demonstrating our commitment to CSR we aim to align our business values, purpose and strategy with the needs of our clients, whilst embedding such responsible and ethical principles into everything we do.

The elements of this statement cover our approach in dealing with our clients, suppliers, employees and the local community while reducing our energy, procurement, transport and water use which ultimately reduce our carbon footprint and negative environmental impacts.

### ***1.2 CSR Objective***

It aims to be recognized as an organization that is transparent and ethical in all its dealings as well as making a positive contribution to the community in which it operates. It is committed to the core values in all aspects of its work, including the fulfillment of its social responsibility and reflects close links with environmental initiatives and brand visibility through minimizing the reputation risk of the company.

### ***1.3 CSR pillars***

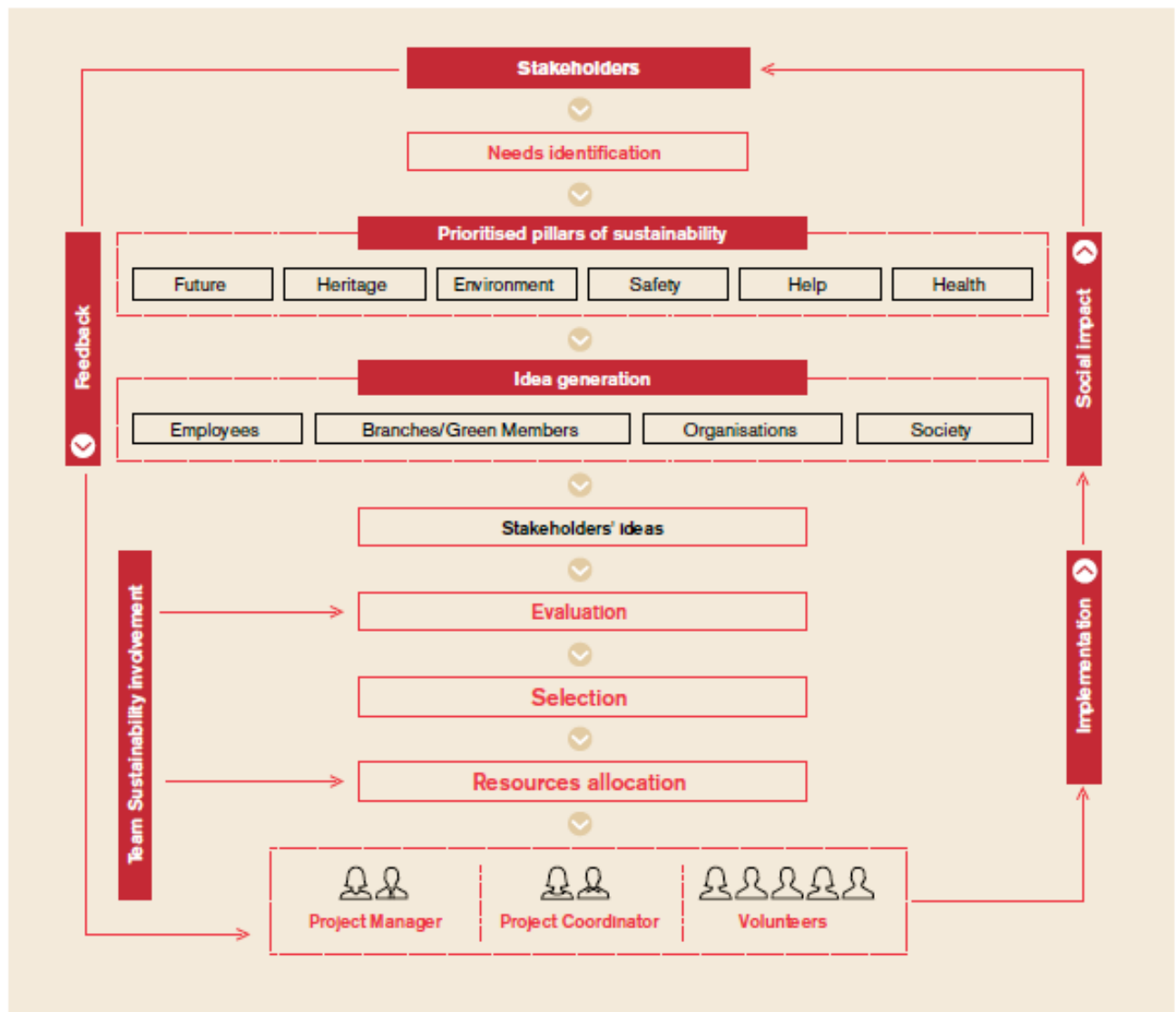
LB Finance will concentrate on Education, Health, Environment, Social Empowerment, and Sports and Culture as the main pillars for the CSR activities.

### 1.3 Governance Structure

*A CSR Steering committee will be formed consisting of Managing Director, Executive Director (Asset Finance), Executive Director (Asset Management) and Executive Director (Credit)*

CSR Committee will be appointed by the Steering committee.

#### 1.3.1 CSR and Sustainability governance structure



#### ***1.4 Membership of CSR and Sustainability Committee***

Managing Director (MD) shall appoint the President of the CSR Committee and shall decide his or her period of office. The President of the Committee has the discretion to appoint the other members of the Committee. President must allocate each pillar to his committee who will draw up strategies and budgets for the respective activities.

CSR Steering Committee will nominate two persons to the CSR Committee to take responsibilities as;

- Project Implementation Leader
- Post Implementation Reporting and Monitoring Leader

The CSR Steering Committee shall regularly review the membership of the CSR Committee to ensure that membership is refreshed and undue reliance is not placed on particular individuals.

#### ***1.5 Composition***

The committee shall consist of a President, Vice President, Treasurer, Secretary and Coordinating Officers. However these positions are subject to change based on different circumstances. Please refer Annexure 1

## **Chapter 2 – Procedure**

### ***2.1 Budget***

CSR committee must present their budgets and strategies to CSR Steering committee and it must be approved in advance. Steering committee has the power to amend the approved budget in case of national or other need arises. The approval is subject to delegated authority limits to the official capacity of the CSR Steering committee members and in case of cumulative approvals exceeds their authority then the board ratification must be obtained.

Such CSR budget approved by the Steering committee must be presented to the Board of Directors before end of a financial year. (The responsibility of obtaining the approval for the annual budget is in the hands of AGM – Treasury and Planning.

### ***2.1 Communicate***

It is the responsibility of the President to communicate the about the triple bottom line CSR activities of economic, social and environmental perspectives, and gather the project proposals. That is each region (company operations based on regions) should propose at least two projects or activities that needs to be done in their respective regions which should fall into any category of the below depicted diagram. The proposed activities should be forwarded to the CSR Committee in the format given by the CSR Committee which the template of it is given in Annexure 2.

The below diagram portrays the company's significant impact towards the people, planet and profit that would substantively influence the assessments and decisions of stakeholders.



## 2.2 Project Evaluation

The CSR Committee decides on projects by conducting feasibility studies on the proposals and obtains approval from the steering Committee. The feasibility study includes whether the activities are in line with the triple bottom line approach, the benefits to the society, time frame and costs.

## 2.3 CSR Calendar

The calendar will be developed by the CSR Committee after the approval of projects. The costs will be allocated for each project considering the scope and different parameters. As per the calendar minimum of 1 project will carry for a month.

## ***2.4 Banners***

A special banner should be designed for each project representing the objective we carry in such projects. The responsibility of designing banners is with the marketing department and cost for banners should be allocated from the CSR budget. The banner should disclose date, name of the event together with the objective, company logo and area of the project.

## **Chapter 3 – Project Implementation**

### ***3.1 Project Team***

The teams should be formulated based on regions. The team leader should be in the capacity of an Executive and above, for the CSR Committee to liaise with. The rest of the members in the team should not exceed more than 10. However the number of members in a team may vary according to the circumstance and the nature of the project. Refer Annexure 3 for implementation & evaluation criteria

### ***3.2 Payment Generation***

The payments will be drawn from the CSR account in the general ledger. The responsibility of raising the payment vouchers are being given to the Treasurer. The cheque will be drawn in favour of team leader appointed for each project and then the cheque will be couriered or will hand-over to him or her.

### ***3.4 Project Execution***

Then the project will start on agreed dates, costs and with the pre-determined team. However a representative from the CSR Committee will also participate in the activity. As a policy it is advisable that a respective individual in that particular area to be a part of these activities. That individual could be the Mayor, GS, and Police Head etc.

The photographs of the project need to be communicated through emails to all staff by the President in the CSR Committee.

### ***3.5 Monitoring***

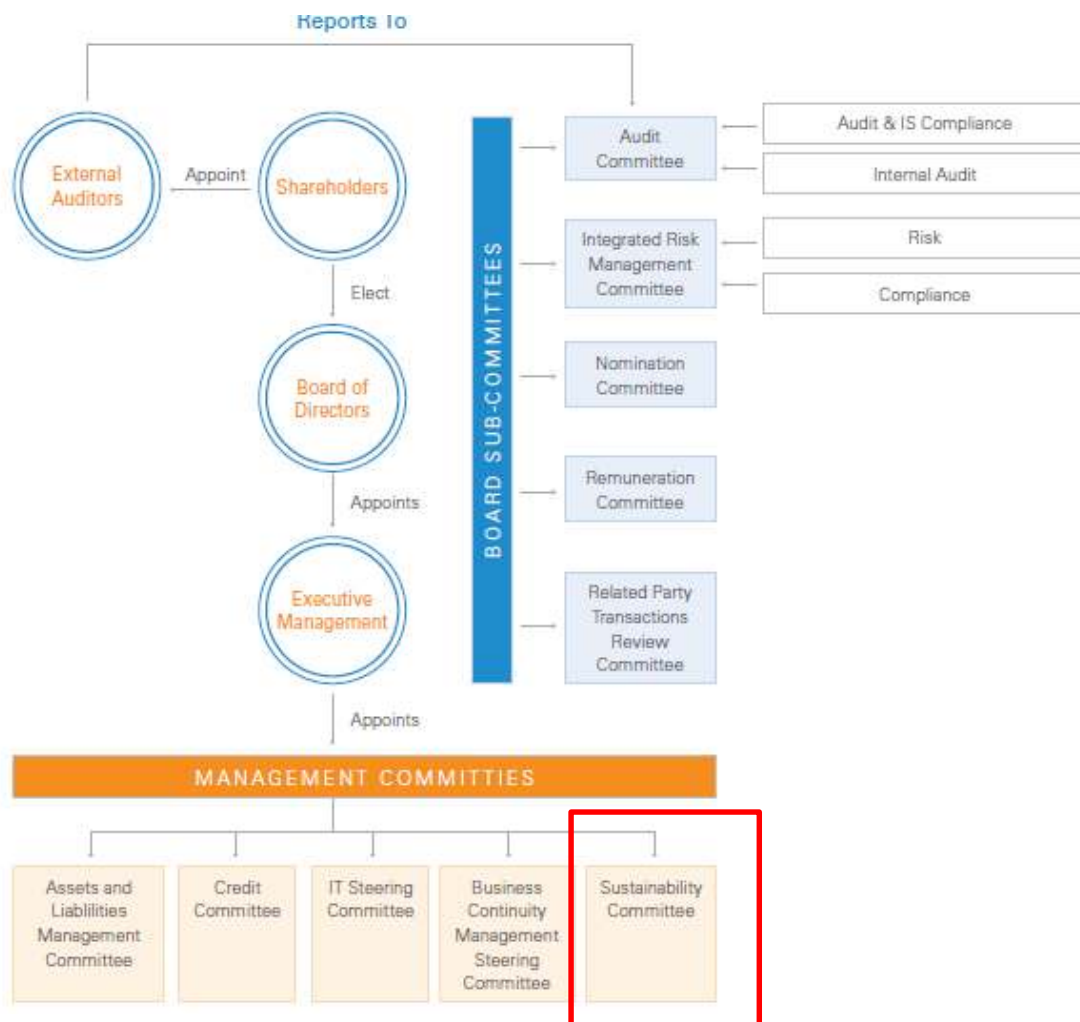
It is the responsibility of the team leader to do a statement of costs by devising the total cost on each activity and to demonstrate how the costs have been allocated throughout the project. The Post Completion Audit (PCA) will be done by the Treasurer or Project Implementation and Reporting Leader to identify whether there are any discrepancies and take corrective

actions. Later the results of the PCA will be communicated to the relevant team members demonstrating the areas to be improved for future success.

### 3.6 Reporting

CSR activity undertaken by LBF staff will be reported to the CSR Steering Committee on a regular basis. In addition, CSR activities will be publicized both through the internal portal, and externally as appropriate through a variety of media and ultimately will be published in the Annual Report under sustainability section. CSR committee will maintain a framework of current and future CSR programs that are run within the business and these will be regularly reviewed.

### 3.7 Flowchart





### 3.8 Local community grievance processes.

#### CSR grievance processes.

The formal community grievance mechanism is an integral part of LBF's efforts to support communities while fostering more community participation. The formal grievance management system is designed to highlight the impacts and risk to the community that arise from our activities by encouraging inclusive communication and mutual understanding. The process of dealing with complaints as an early alert mechanism facilitates prevention, showing our willingness to deal swiftly and effectively with material problems.

