

SOCIAL AND RELATIONSHIP CAPITAL

BUSINESS PARTNER CAPITAL

MANAGING BUSINESS PARTNER CAPITAL - MAKING THE RIGHT MOVE AT RIGHT TIME



INTRODUCTION

Business partner capital refers to the value that our business partners bring to the table, which can include financial, intellectual, and operational resources. In this way, business partner capital serves as a crucial component of LBF's value chain

WHY DOES LBF NEED SUPPLIERS AND BUSINESS PARTNERS?

► To procure essential goods and services required for the Company's day-to-day operations.

WHY DO BUSINESS PARTNERS CHOOSE LBF?

► To have the assurance of a stable and reliable business partner relationship with whom they can grow over time.

We require our suppliers to align with the Company's ethics policies. Their readiness to respond to, manage and mitigate operational, financial and reputational risks is assessed during on boarding and periodically thereafter, in line with the manual of procedure, procurement, external supplier management mechanism and Code of Ethics.

1 SUPPLY CHAIN PROFILE

The supply chain of LBF comprises major suppliers, along with several minor suppliers who provide a variety of products and services to support the regular administrative functions through our network.

Except for IT suppliers, all of our other suppliers are based in Sri Lanka.

	Financial year		
	2022/23	2021/22	2020/21
No. of business partners	More than 6,900	More than 3,500	More than 3,000

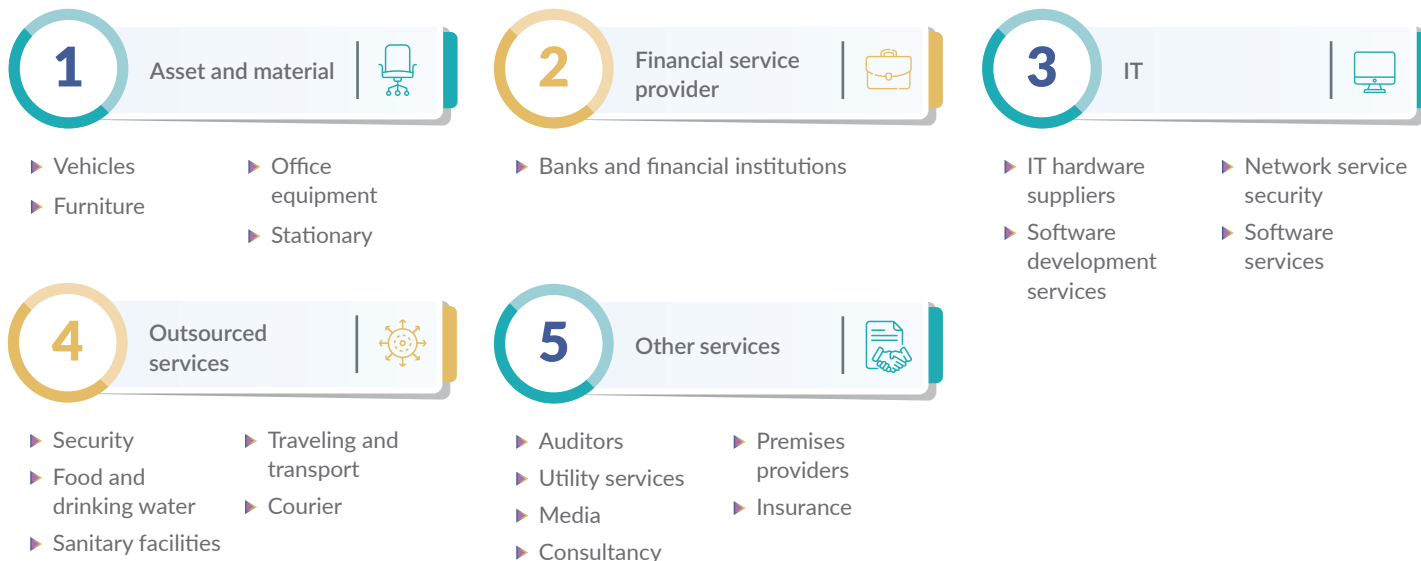
2 SUPPLY CHAIN MANAGEMENT APPROACH

Suppliers are a critical component of our value chain and their assistance is essential in ensuring the seamless continuity of our daily business operations. To guarantee efficient management of our supply chain, all procurement activities, except for IT-related sourcing, are centralised under the purview of the LBF's administrative department. The administrative department serves as the primary authority responsible for overseeing and ensuring compliance with LBF's procurement policy. Our procurement policy has been developed in alignment with international best practices to ensure impartial and equitable procurement processes, as well as fair payment terms for all suppliers.



### 3 DEVELOPING SUPPLIERS AS STRATEGIC PARTNERS

The administrative department is responsible for various duties, including selecting suppliers and promoting ongoing engagement to guarantee compliance with LBF's social and environmental best practices. Additionally, they are accountable for managing the development of suppliers as long-term strategic partners.



### 4 CREATING VALUE THROUGH BUSINESS PARTNER CAPITAL

