

# STAKEHOLDER ENGAGEMENT

GRI 2-29

As one of Sri Lanka's leading financial institutions, People's Leasing is aware that its success is defined not only by financial performance, but also by ability to forge deep, meaningful, and enduring connections with its stakeholders. Engaging with stakeholders, therefore stands as fundamental principles that influence the Company's operating model.

Given the scale and reach of its operations, People's Leasing has multiple stakeholders, broadly defined as internal and external stakeholders, based on

their links to the Company. Internal stakeholders are mainly the Company employees whilst external stakeholders comprise the shareholders, customers, (borrowers and depositors), regulators, government bodies, suppliers, partners, and local communities, each playing a critical role in shaping People's Leasing's ability to achieve its objectives and sustain long-term success.

Stakeholder engagement approach of People's Leasing is underpinned by the commitment to listen actively, engage

transparently, and build relationships founded on mutual trust and respect. By embedding this ethos across its operations, the Company ensures its strategies are both aligned with the evolving needs of stakeholders and commercially sound, enabling the Company to deliver sustainable value, enhance resilience, and strengthen its role as a trusted financial partner in Sri Lanka's dynamic economic landscape.

## Stakeholder Engagement Objectives

- ① **IMPROVED RELATIONS** with stakeholders through trust, transparency, understanding, partnership and constructive engagement.
- ② **INFORMED STRATEGIC PLANNING** that integrates stakeholders' interests.
- ③ Ensure **ALIGNED GOALS AND EXPECTATIONS**.
- ④ **ESTABLISHED RESPONSIBILITY AND ACCOUNTABILITY** of all parties.
- ⑤ Develop and sustain company **AWARENESS** of broader social, economic and environmental **RISKS AND OPPORTUNITIES**.
- ⑥ **IMPROVED UNDERSTANDING BY STAKEHOLDERS** of People's Leasing's position, issues, challenges and requirements with accurate information dissemination to stakeholders.
- ⑦ Support **CONSENSUS-BASED DECISION-MAKING**.
- ⑧ **SUPPORT SUSTAINABILITY** and relevance of company activities towards value creation for all stakeholder.

## STAKEHOLDER ENGAGEMENT PROCESS



# STAKEHOLDER ENGAGEMENT



## INVESTORS

Retail shareholders, Institutional investors, Debenture holders, Financial analysts and Rating agencies.

**Associated Risks** - Credit Risk | Liquidity Risk | Market Risk | Operational Risk | Information Security Risk | Strategic Risk | Reputation Risk | Sustainability Risk

**Strength of Relationship**



**Responsible Authority Driving Engagement:** Company Secretary

Method and Frequency of Engagement	Stakeholder Concerns and Expectations	Material Topics for People's Leasing
<ul style="list-style-type: none"> <li>Annual General Meeting (Annually)</li> <li>Annual Report (Annually)</li> <li>Extraordinary General Meetings (As needed)</li> <li>Interim Financial Statements (Quarterly)</li> <li>CSE Announcements (As needed)</li> <li>Press Conferences / Press Releases (As needed)</li> <li>Proactively and directly engage investors (As needed)</li> <li>Participation in various investor conferences (As needed)</li> <li>Corporate Website (Continuous and Ongoing)</li> <li>Social media platforms (Continuous and Ongoing)</li> </ul>	<ul style="list-style-type: none"> <li>Consistent Returns regardless of varying economic cycles.</li> <li>Organisational resilience to safeguard business continuity in turbulent times.</li> <li>Consistent financial results enabling incremental growth in dividend yield for shareholders.</li> <li>Expectation of greater clarity regarding performance and prospects, especially in times of uncertainty</li> <li>Responsible and balanced business conduct and sound ESG practices</li> <li>Consistent bottom line</li> <li>Satisfactory shareholder returns</li> <li>Timely disclosure of price sensitive information</li> <li>Transparency</li> <li>Succession plan with sustained</li> <li>Growth strategy</li> <li>Robust risk management system » Board effectiveness</li> </ul>	<ul style="list-style-type: none"> <li>Macro- economic Amenableness</li> <li>Business Vitality</li> <li>Innovation in parallel with Market Demand and enhancing Digital Applications</li> <li>Sustainable Growth through Sustainable Finance</li> <li>Financial Stability</li> <li>Ethics and Integrity</li> <li>Resource Optimisation</li> </ul>

### Value Creation Scorecard FY 2024/25

#### Key Initiatives for the year

- Dividend per share - Rs. 1.40
- Dividend Payout - 83.70%
- NAPS - Rs. 19.69
- EPS - Rs. 1.67
- ROE - 8.56%
- Share Price Appreciation - Rs. 6.90
- Brand Equity Value Rs. 5.40 Bn

#### Further Information

- Financial Capital - page 90
- Intellectual Capital - page 112



### Future Targets

- Leverage financial strength and digital capabilities to enhance value
- Increase returns with ROE progressing beyond 15%
- Broaden funding sources through diversified foreign capital access
- Improve cost efficiency with a long-term cost-to-income target below 35%
- Focus on sustainable growth and optimal capital use



STRONG



GOOD



HEALTHY



## CUSTOMERS

Individual customers and Corporate clients | 129,763 Lending customers | 324,966 Deposit customers

**Associated Risks** - Credit Risk | Market Risk | Liquidity Risk | Operational Risk | Information Security Risk

**Strength of Relationship**



**Responsible Authority Driving Engagement:** Branch & Business Unit Heads

Method and Frequency of Engagement	Stakeholder Concerns and Expectations	Material Topics for People's Leasing
<ul style="list-style-type: none"> <li>Meetings (As needed)</li> <li>Branch teams (Continuous and Ongoing)</li> <li>Direct communications with customers (As needed)</li> <li>Customer get-togethers (As needed)</li> <li>Call Centre (Continuous and Ongoing)</li> <li>Corporate Website (Continuous and Ongoing)</li> <li>Social media platforms (Continuous and Ongoing)</li> </ul>	<ul style="list-style-type: none"> <li>Demand for tailor-made financial solutions for different customer segments.</li> <li>Customers need to proactively engage with the Company.</li> <li>Data privacy concerns arising as a result of increased use of digital channels.</li> <li>Growing demand for easily accessible, convenient and affordable access to formal financial channels</li> <li>Innovative financial solutions and services</li> <li>Ability to facilitate the client's preferred platform</li> <li>Accessibility and convenience</li> <li>Safe and secure transactions with transparent pricing</li> <li>Clear and straightforward product information and ability to obtain the advice</li> <li>Service efficiency</li> <li>Empathetic and friendly service</li> </ul>	<ul style="list-style-type: none"> <li>Macro- economic Amenableness</li> <li>Business Vitality</li> <li>Innovation in parallel with Market Demand and enhancing Digital Applications</li> <li>Sustainable Growth through Sustainable Finance</li> <li>Financial Stability</li> <li>Customer Experience</li> <li>Ethics and Integrity</li> <li>Resource Optimisation</li> <li>Inclusive Finance and minimising Inequalities</li> </ul>

### Value Creation Scorecard FY 2024/25

#### Key Initiatives for the year

- Customised Gold loans products for target customer segments such as teachers, government officers, self-employed individuals.
- Introduced digital payment capability for Gold Loans through the PLC Touch-app.
- Introduced payment capability for Gold Loans through the People's Bank CDM network.
- Reminder alerts to customers regarding upcoming FD renewals together with the automatic renewal option.

#### Further Information

- Social and Relationship Capital - page 132
- Risk Management Report - page 260



#### Future Targets

- Expand branch network to enhance customer reach.
- Promote financial inclusivity
- Exploring ventures to introduce green products.
- Introduce digital platforms to enhance service speed and convenience

# STAKEHOLDER ENGAGEMENT



## EMPLOYEES

2,679 Employees, including 45% under unions

**Associated Risks** - Operational Risk

**Responsible Authority Driving Engagement:** HR Department

**Strength of Relationship**



Method and Frequency of Engagement	Stakeholder Concerns and Expectations	Material Topics for People's Leasing
<ul style="list-style-type: none"> <li>⊙ Daily, weekly and monthly staff meetings</li> <li>⊙ Weekly HR cluster meetings</li> <li>⊙ Monthly meetings with trade union representatives</li> <li>⊙ Monthly health and safety committee meetings</li> <li>⊙ Bi-annual performance evaluations</li> <li>⊙ Training initiatives (As needed)</li> <li>⊙ Corporate Website (Continuous and Ongoing)</li> <li>⊙ Social media platforms (Continuous and Ongoing)</li> </ul>	<ul style="list-style-type: none"> <li>⊙ Financial security and concern about job prospects, especially during periods of economic uncertainty.</li> <li>⊙ Business continuity and sustainable growth</li> <li>⊙ Fair remuneration and benefits</li> <li>⊙ Effective performance management and recognition</li> <li>⊙ Job security</li> <li>⊙ A safe and inclusive work environment supported by opportunities for career progression</li> <li>⊙ Staff upskilling</li> <li>⊙ Migration to automated workflows, flexible hours, and workspaces</li> <li>⊙ Employee expectation of a safe workplace free of harassment and discrimination.</li> <li>⊙ Quick and effective resolution to grievances</li> </ul>	<ul style="list-style-type: none"> <li>⊙ Business Vitality</li> <li>⊙ Financial Stability</li> <li>⊙ Brain Drain</li> <li>⊙ Ethics and Integrity</li> <li>⊙ Best-fit Employees</li> <li>⊙ Inclusive Finance and minimising Inequalities</li> <li>⊙ Health and Safety</li> </ul>

### Value Creation Scorecard FY 2024/25

#### Key Initiatives for the year

- ⊙ Focus on recruiting more females into the workforce
- ⊙ Strengthening the on-boarding process
- ⊙ Adjustment of minimum salary of employees with discrepancies
- ⊙ 10% salary increment for all employees
- ⊙ 823 promotions
- ⊙ 79,660 training hours
- ⊙ Launch of the "Talent Pool" initiative
- ⊙ Launch of the HR at Your Doorstep programme

#### Further Information

- ⊙ Human Capital - page 120



#### Future Targets

- ⊙ Define KPIs and align incentives to performance
- ⊙ Strengthen leadership communication and branch relationships
- ⊙ Refresh policies for better alignment
- ⊙ Modernize and automate HR systems and processes
- ⊙ Revamp rewards framework to drive consistent performance
- ⊙ Build a strong employer brand as the "Happiest Place to Work"



## GOVERNMENT & REGULATORS

### CBSL, CSE, SEC and National and International bodies and association

**Associated Risks** - Credit risk | Liquidity Risk | Operational Risk | Information Security Risk | Reputation Risk | Sustainability Risk

**Strength of Relationship**



**Responsible Authority Driving Engagement:** Compliance Department, Company Secretary, Finance Department

Method and Frequency of Engagement	Stakeholder Concerns and Expectations	Material Topics for People's Leasing
<ul style="list-style-type: none"> <li>On-site review by the CBSL (Annual)</li> <li>Off-site review by the CBSL (As needed)</li> <li>Dialogue with the policymakers and regulators (As needed)</li> <li>Directives and circulars (As needed)</li> <li>Review meetings (As needed)</li> <li>Compliance reports (As scheduled)</li> </ul>	<ul style="list-style-type: none"> <li>Timely payment of all applicable taxes</li> <li>Compliance with all applicable regulatory requirements, including new directives</li> <li>Voluntary adoption of best practices</li> <li>Compliance with rules and regulations</li> <li>Prompt responsiveness towards regulatory amendments</li> </ul>	<ul style="list-style-type: none"> <li>Macro- economic Amenableness</li> <li>Business Vitality</li> <li>Innovation in parallel with Market Demand and enhancing Digital Applications</li> <li>Sustainable Growth through Sustainable Finance</li> <li>Financial Stability</li> <li>Ethics and Integrity</li> <li>Inclusive Finance and minimising Inequalities</li> <li>Health and Safety</li> <li>Climate Action</li> </ul>

### Value Creation Scorecard FY 2024/25

#### Key Initiatives for the year

Regulation/Code	Adoption	Adherence
The Companies Act No.7 of 2007 (Companies Act)	Mandatory	Full Compliant
Listing Rules of the Colombo Stock Exchange (CSE)	Mandatory	Full Compliant
Central Bank of Sri Lanka (CBSL), Finance Companies (Corporate Governance) Direction No. 05 of 2021	Mandatory	Full Compliant
Code of Best Practice on Corporate Governance issued by the Institute of Chartered Accountants of Sri Lanka (CA Sri Lanka)	Voluntary	Full Compliant

#### Further Information

Corporate Governance Report - page 173



#### Future Targets

- Maintain the CSE full compliance to uphold market confidence
- Risk appetite framework aligned with sustainability goals
- ESG integration including SLFRS S1 & S2
- Sustainability Board Sub-Committee for oversight
- SSCI certification advancement
- Ethics-driven governance culture
- Global-standard governance practices

# STAKEHOLDER ENGAGEMENT



## SUPPLIERS & BUSINESS PARTNERS

Vehicle suppliers, Utility-Service providers and other Business partners

**Associated Risks** - Operational Risk | Information Security Risk | Reputation Risk

**Responsible Authority Driving Engagement:** Administration/Logistic Department

**Strength of Relationship**



Method and Frequency of Engagement	Stakeholder Concerns and Expectations	Material Topics for People's Leasing
<ul style="list-style-type: none"> <li>☉ Meetings (as needed)</li> <li>☉ Supplier Registration Process (annual)</li> <li>☉ Supplier site visits (periodic)</li> <li>☉ Supplier Appraisals (periodic)</li> <li>☉ MoU's (as needed)</li> </ul>	<ul style="list-style-type: none"> <li>☉ Responsible procurement with timely settlement</li> <li>☉ Competitive pricing and bidding procedure</li> <li>☉ Fair dealing and transparency</li> <li>☉ Opportunities for new suppliers.</li> <li>☉ Improving suppliers' alignment with social and environmental issues</li> <li>☉ Prompt response</li> <li>☉ Locally preferred purchasing</li> </ul>	<ul style="list-style-type: none"> <li>☉ Business Vitality</li> <li>☉ Innovation in parallel with Market Demand and enhancing Digital Applications</li> <li>☉ Financial Stability</li> <li>☉ Principle Relationship</li> <li>☉ Ethics and Integrity</li> <li>☉ Inclusive Finance and minimising Inequalities</li> <li>☉ Health and Safety</li> <li>☉ Climate Action</li> </ul>

### Value Creation Scorecard FY 2024/25

#### Key Initiatives for the year

- ☉ Rs. 152,380.82 million paid to suppliers
- ☉ 74 new suppliers were screened
- ☉ 57 were successfully onboarded to People's Leasing's supplier registry

#### Further Information

- ☉ Social and Relationship Capital - page 132



### Future Targets

- ☉ Automate supplier onboarding for faster, year-round registration and reviews
- ☉ Enhance transparency in supplier evaluation and feedback processes
- ☉ Promote local supplier partnerships to support community-based businesses
- ☉ Conduct capacity-building sessions to uplift SME suppliers
- ☉ Integrate ESG criteria into supplier assessments to drive responsible sourcing
- ☉ Establish a supplier recognition program to reward performance and innovation





## COMMUNITY & ENVIRONMENT

### Local Community and Environment

**Associated Risks** - Operational Risk | Reputation Risk | ESG Risk

**Responsible Authority Driving Engagement:** Sustainable Finance Department

**Strength of Relationship**



Method and Frequency of Engagement	Stakeholder Concerns and Expectations	Material Topics for People's Leasing
<ul style="list-style-type: none"> <li>Outreach initiatives</li> <li>Carbon footprint Calculation (Annually)</li> <li>Dialogue with institutions, community leaders and community</li> <li>Sponsorships</li> <li>Annual Report (Annually)</li> <li>Interim Financial Statements (Quarterly)</li> <li>CSE Announcements (As needed)</li> <li>Press Conferences / Press Releases (As needed)</li> <li>Corporate Website (Continuous and Ongoing)</li> <li>Social media platforms (Continuous and Ongoing)</li> </ul>	<ul style="list-style-type: none"> <li>Ethical business practices</li> <li>Compliance</li> <li>Advancement of SDGs and targets</li> <li>Adhering to national development plans</li> <li>Community empowerment and capacity building</li> <li>Response to climate change</li> <li>Minimum direct environmental impact from business operations</li> <li>Timely and relevant information on products and services offered</li> <li>Local enterprise development/ procurement opportunities</li> </ul>	<ul style="list-style-type: none"> <li>Sustainable Growth through Sustainable Finance</li> <li>Ethics and Integrity</li> <li>Inclusive Finance and minimising Inequalities</li> <li>Climate Action</li> </ul>

### Value Creation Scorecard FY 2024/25

#### Key Initiatives for the year

- Rs. 711,000 on Community based initiatives
- Rs. 580.08 Mn disbursed through Green Financing Schemes
- Carbon footprint - 5,663.76 tCO<sub>2</sub>e
- GHG Inventory report in line with the ISO 14064:2018 standard
- Rs. 364,542 spent on Green Outreach Initiatives

#### Further Information

- Social and Relationship Capital - page 132
- Natural Capital - page 146



### Future Targets

- Empower communities through financial and digital literacy
- Support local green and social initiatives
- Introduce green finance for MSMEs
- Promote sustainable, eco-friendly operations
- Set KPIs to achieve net-zero emissions