

COMMERCIAL CREDIT AND FINANCE PLC

Sustainability Policy



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1. Introduction

Commercial Credit and Finance PLC (CCFP) is committed to integrating Environmental, Social and Governance (ESG) principles into its core business operations and decision-making processes. This ESG Policy outlines the framework through which the Company identifies, evaluates and manages ESG risks and opportunities, in order to ensure sustainable value creation for all stakeholders and alignment with national and global sustainability agendas, including the CBSL Sustainable Finance Roadmap and the United Nations Sustainable Development Goals (SDGs).

ESG performance reflects the Company’s commitment to objectives that go beyond purely financial outcomes. Drawing inspiration from shared values and a principle-based culture, CCFP has developed a guiding philosophy that focuses on building leaders who uplift people’s lives. The concept of sustainability has been embedded in the Company’s value-based culture since inception, forming part of its organizational DNA.

Sustainable development, as understood by CCFP, signifies a leadership-driven approach to growth that addresses the needs of the present without compromising the ability of future generations to meet their own needs, while ensuring the long-term resilience and responsibility of the company.



Source : (United Nations)

2. Version Control

This policy will be reviewed once every three (3) financial years or in the event of any changes in the regulatory requirements. The updates will be recorded in the “Version Control” with details of revisions and effective dates.

Version Code	Release Date	Prepared by	Approved by
1.0	31 March 2023	Genius Risk Management	Board of Directors
2.0	31 December 2025	Genius Risk Management	Board of Directors

3. Scope of this Policy

This policy applies to Commercial Credit & Finance PLC and all subsidiaries and controlled entities (the ‘Group’), employees (permanent/temporary/contract), directors, and third parties acting on our behalf.

4. Regulatory Framework

- The Roadmap for Sustainable Finance in Sri Lanka issued by the Central Bank of Sri Lanka on 10.04.2019.
- UN Sustainable Development Goals (SDGs)
- Sri Lanka Green Finance Taxonomy on 06.05.2022 published by the CBSL.
- The Sri Lanka Financial Reporting Standards (SLFRS) S1 – General Requirements for Disclosure of Sustainability-related Financial Information and S2 – Climate-related Disclosures.
- Sustainability Disclosure Standards issued by CA Sri Lanka
- The CBSL Guidelines on Sustainable Finance Activities applicable to Licensed Finance Companies.
- CSE and SEC Listing Rules on Corporate Governance and ESG Disclosures requirements.
- IRD Issued Tax related disclosures and Guidelines on sustainability finance
- Sustainability Disclosure Standards issued by CA Sri Lanka effective from January 1, 2025.
- Any other Applicable CBSL and CSE related Sustainability directions.

5. Objectives

The primary objective of this policy is to foster sustainable development through the assurance of accountable finance conduct, the upholding of ethical principles, and the Compliance with regulatory framework.

This policy aims to,

- To embed ESG considerations into the Company's strategy, risk management, and operational practices.
- To identify and manage ESG -related risks and impacts across the business and value chain.
- To contribute proactively to environmental protection, social inclusion, and responsible governance.
- To align ESG disclosures with SLFRS S1 and S2 requirements and global best practices.
- Strengthen transparency, accountability and reporting standards
- Enhance financial inclusion and social impact
- Reduce environmental footprint while promoting green finance
- Improve long-term resilience, market competitiveness & investor confidence

6. Role of the Board of Directors

The Company has established a dedicated Board Subcommittee to oversee Sustainability and Environmental, Social, and Governance (ESG) requirements, ensuring alignment with applicable disclosure and governance obligations in compliance with SLFRS Sustainability Standards (SLFRS S1 and S2).

The Board of Directors plays a critical and strategic role in embedding sustainability within the core business model of the Company. Their responsibilities in formulating and overseeing the Company's ESG strategy include.

Key responsibilities include:

- ✓ Establishing a formal governance structure by setting up a dedicated Board Subcommittee to oversee Sustainability and Environmental, Social, and Governance (ESG) requirements, ensuring alignment with applicable disclosure and governance obligations in compliance with SLFRS Sustainability Standards

(SLFRS S1 and S2).

- ✓ Ensuring integration of environmental, social, and governance (ESG) considerations into the Company’s core business strategies and decision-making processes.
- ✓ Providing effective oversight of all sustainable finance activities within the Company.
- ✓ Ensuring that sufficient resources financial, human, and technical are allocated to achieve the objectives of this Sustainability Policy.
- ✓ Ensuring proper identification and prioritization of sectors for sustainable financing, in alignment with the priority sectors outlined in Section 5 of this Policy.
- ✓ Overseeing and ensuring disclosure of both positive and negative environmental and social impacts resulting from investments and other business activities, along with implementation of relevant sustainability policies and programs.
- ✓ Promoting technical training and capacity building among Directors, Senior Management, and key staff to enhance ESG risk management capabilities and capitalize on emerging sustainable finance opportunities.
- ✓ Overseeing the ESG risk governance framework and ensuring it is embedded into the Company’s broader risk management and strategic planning functions.
- ✓ Identify and manage ESG risks and risks relating to sustainable finance activities.
- ✓ Develop parameters and metrics for measuring the progress of sustainable financial activities.
- ✓ Monitoring & Reporting
 - Review annual ESG progress, KPIs & climate disclosures
 - Monitor priority sectors for sustainable finance
 - Approve sustainability targets (carbon reduction, green portfolio etc.)

7. Roles and Responsibilities of the Senior Management and Management Committee on Sustainability Risk

To ensure the effective implementation of the Company’s sustainability strategy and compliance with ESG-related regulatory frameworks, the Company has established a dedicated Management Committee tasked with overseeing Sustainability and Environmental, Social, and Governance (ESG) matters.

This Committee operates in alignment with the SLFRS Sustainability Standards (SLFRS S1 and S2) and under the strategic guidance of the Board of Directors.

The key responsibilities of the Senior Management and the Management Committee on Sustainability Risk are as follows,

- **Oversight and Implementation**

- Oversee the effective implementation of sustainability and ESG-related initiatives, ensuring alignment with internal governance policies and regulatory requirements.
- Coordinate the development and execution of the Company's sustainable finance strategy.

- **Product Innovation and Development**

- Lead the innovation and development of sustainable financial products such as green loans, energy efficiency financing, green mortgages, and climate-smart agriculture loans.
- Develop sustainable saving products to mobilize small-scale savings for environmentally and socially responsible activities.

- **Resource Allocation and Capacity Building**

- Ensure the allocation of adequate resources, skills, and technical expertise for managing sustainable finance activities.
- Develop internal training programs to enhance staff capacity in identifying, assessing, and managing environmental and social risks.

- **Public Awareness and Market Engagement**

- Promote awareness on sustainable finance among customers, communities, and stakeholders through public outreach and educational programs.
- Support green and socially inclusive initiatives through innovative leasing models and sustainable credit offerings.

- **Promotion of Circular Economy**
 - Explore sustainable leasing models to extend the lifecycle of equipment, machinery, and appliances, contributing to circular economy objectives.
- **Promotion of Digital Transformation**
 - Explore digital onboarding, Mobile banking Apps, AI powered chat-bots, Robotic process automation, Data Analytics for Personalization, Biometric Authentication etc.
- **Mobilization of Sustainable Investments**
 - Explore and structure specialized investment instruments that attract capital towards sustainable and inclusive projects.
- **Financial Inclusion and Accessibility**
 - Design accessible, affordable, and efficient financial products and services tailored for underserved communities.
 - Improve access to essential financial services, thereby supporting inclusive economic growth.
- **Risk Identification and Management**
 - Strengthen internal capabilities in environmental stress testing and scenario analysis.
 - Hire or engage professionals with experience in sustainable finance and ESG risk management to improve the Company's risk mitigation tools and practices.
- **Monitoring, Evaluation, and Reporting**
 - Establish monitoring and evaluation mechanisms to track progress and assess the impact of sustainable finance initiatives.
 - Ensure timely and accurate reporting to the Board on key developments, risks, and outcomes related to ESG activities.
- **Integration with Corporate Policies**

- Ensure sustainability policies, tools, metrics, and operational procedures are integrated with the Company’s broader risk management, credit, and operational frameworks.
- **Support for Board Governance**
 - Provide periodic updates and strategic recommendations to the Board on material sustainability risks, opportunities, and performance metrics.
- **Promote Financial Inclusion as a Pillar of Sustainability**
 - Prioritize financial inclusion as a strategic pathway for achieving long-term ESG objectives, particularly in underserved or vulnerable segments.

8. Sustainable Finance

Sustainable finance is broadly defined as any form of financial product/service that promotes positive environmental and/or social (ES) purposes while contributing to achieve the Roadmap for Sustainable Development presented by the Central Bank of Sri Lanka as per United Nations (UN) Sustainable Development Goals (SGD).

Following sectors are defined as the priority sectors in accordance with the CBSL guideline,

- a) forestry and logging
- b) agriculture
- c) manufacturing
- d) electric power generation, transmission and distribution
- e) water supply, sewerage and waste management
- f) construction
- g) transportation and storage
- h) tourism and recreation
- i) information and communication technology
- j) financial services (facilitating provision of affordable insurance products to increase climate resilience of agriculture and tourism activities)

- k) other activities such as, gas, steam, and air conditioning supply, underground permanent geological storage of CO₂, Hydrogen storage.

9. Environmental, Social and Governmental (ESG) Pillars

9.1 Environmental Responsibility

CCFP should be committed to minimizing its environmental footprint and promoting green finance by,

- Financing and promoting environmentally sustainable projects such as,
 - ✓ Renewable energy
 - ✓ Energy-efficient housing
 - ✓ Solar panel
 - ✓ Green transport such as Electric Vehicle
- Monitoring and reducing internal resource consumption such as,
 - ✓ Energy
 - ✓ Water
 - ✓ Paper
 - ✓ Carbon emissions
- Incorporating environmental risk assessments in credit evaluation processes.
- Supporting the circular economy by enabling leasing and reuse models.

9.2 Social Inclusion and Responsibility

CCFP supports inclusive growth and community development through,

- Promoting financial inclusion, especially for underserved and vulnerable populations.
- Promoting the equity of transcend gender, it is imperative to address the inclusion of individuals with disabilities.
- Providing access to affordable and inclusive financial services and education.
- Respecting human rights, labor rights, and health and safety standards in all operations.
- Encouraging community engagement and CSR programs aligned with national development goals.

- Adherence to Consumer Protection Regulation No. 1 of 2023
- Adherence to Customer Protection Framework No. 1 of 2018

9.3 Governance and Ethics

CCFP maintains the highest standards of corporate governance by,

- Upholding transparency, accountability, and ethical conduct across all levels.
- Establishing an ESG - Related governance structures by forming the Board Sub Committee on Sustainability Risk Management.
- Established an ESG -Related governance structures by forming the Management Committee on Sustainability Risk Management.
- Ensuring effective internal controls, policy integration, and timely reporting on ESG matters.
- Adopting anti-corruption measures, Complaints redress mechanisms, and stakeholder engagement protocols.

10. Road Map for Sustainable Finance in Sri Lanka

CCFP needs to consider followings in line with the road map for sustainable finance in Sri Lanka. The key pillars need to consider as per the road map for sustainable finance in Sri Lanka.

Pillar 1: Financing VISION 2030

- Innovate sustainable loan products
- Develop sustainable saving products
- Support green and socially inclusive projects through leasing (and non-bank finance) business
- Explore sustainable model of leasing

Pillar 2: ESG Integration into Financial Market

- Develop internal ESG risk management strategies and methods
- Disclose both positive and negative environmental and social impacts generated through investment
- Disclose sustainable finance policies and programs

Pillar 3: Financial Inclusion

- Develop more accessible, affordable and efficient financial products and services
- Improve access to essential financial products and services

- Explore the application of fintech and digital tools

Pillar 4: Capacity Building

- Develop internal ESG risk management training programs
- Hire sustainable finance professionals
- Support the implementation of sustainable finance campaign programs at local level

Pillar 5: International Cooperation

- Participate in and learn from international collaboration platforms
- Expand and deepen the international cooperation and coordination on knowledge sharing and capacity building
- Mobilize international resources and funding

Pillar 6: Measurement and Reporting

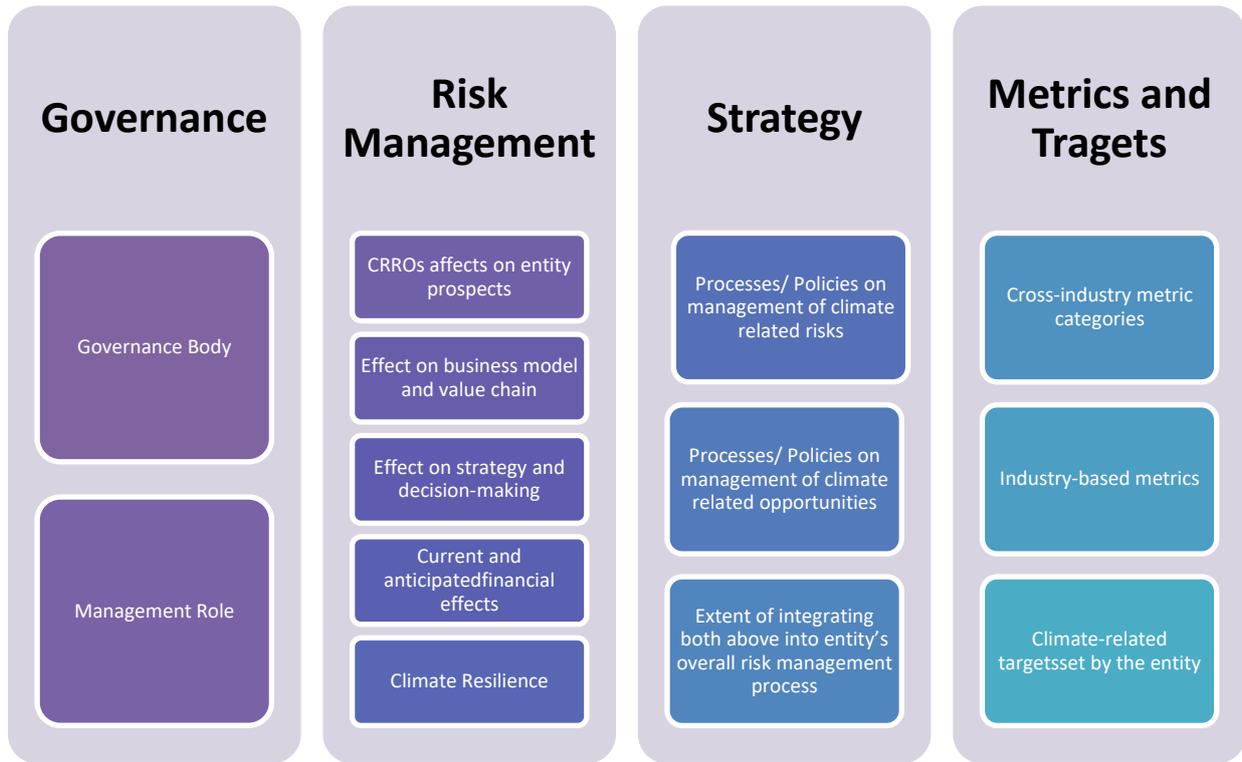
- Establish monitoring and evaluation mechanism
- Include ESG factors in internal rating system and publicly disclose ESG performance and impact

11. SLFRS S1 & S2 Overview

SLFRS S1 and S2 are Sri Lanka’s localized versions of the IFRS sustainability disclosure standards effective from 01st January 2025. They aim to standardize ESG reporting for transparency and investor decision-making.

Standard	Focus	Key Requirements
SLFRS S1	General requirements for disclosure of Sustainability-related Financial Information.	Disclosure governance, strategy, risk management, and metrics for all ESG topics.
SLFRS S2	Climate –related Disclosures	Detail climate risks, emissions targets, and scenario analysis.

➤ **IFRS S2 / SLFRS S2 – Key Areas**



11.1 SLFRS S1 (Sri Lanka Financial Reporting Standard 1)

The Sri Lanka Financial Reporting Standard S1 (SLFRS S1) sets out the general requirements for the disclosure of sustainability-related financial information. The CCFP is committed to full compliance with SLFRS S1 in the preparation and presentation of its sustainability-related financial disclosures.

11.1 SLFRS S1 – General Requirement

SLFRS S1 requires disclosure of:

- Governance
- Strategy
- Risk management
- Metrics & targets

Covering all sustainability-related risks and opportunities that could affect:

- Cash flows
- Access to finance

- Cost of capital

11.1.1. Objective of SLFRS S1

The objective of SLFRS S1 is to ensure that the CCFP discloses decision-useful information about its sustainability-related risks and opportunities. This disclosure must be relevant to primary users of general-purpose financial reports, helping them make informed decisions about providing resources to the CCFP.

Details of Key Requirements and Components

- **Scope of Applicability**

SLFRS S1 applies only to sustainability-related risks and opportunities that could reasonably be expected to affect the CCFP's prospects, including its cash flows, access to finance, or cost of capital.

- **Exclusions**

Sustainability-related risks and opportunities that cannot reasonably be expected to impact the CCFP's prospects are considered outside the scope of SLFRS S1.

- **Alignment with Other Standards**

SLFRS S1 is complemented by other SLFRS Sustainability Disclosure Standards, which provide specific disclosure requirements for particular types of sustainability-related risks (e.g. climate-related risks in SLFRS S2).

- **Applicability regardless of Financial Reporting Framework**

The CCFP is required to apply SLFRS sustainability disclosure standards regardless of whether its general-purpose financial statements are prepared in accordance with Sri Lanka Accounting Standards (LKAS/SLFRS) or another set of Generally Accepted Accounting Principles (GAAP).

11.2 SLFRS S2 (Sri Lanka Financial Reporting Standard 2)

Sri Lanka Financial Reporting Standard S2 (SLFRS S2) outlines the requirements for the disclosure of climate-related financial information. The CCFP shall comply with SLFRS S2 by disclosing climate-related risks and opportunities that could reasonably be expected to affect its future financial performance and strategic positioning.

SLFRS S1 and S2 are effective in Sri Lanka for annual periods beginning on or after 1 January 2025, with phased mandatory application for listed companies (including those with market capitalization above Rs. 100 Mn)

CCFP must disclose:

(A) Climate Governance

- Board oversight and management responsibility
- Governance structures, reporting lines

(B) Strategy

- Climate impacts on business model
- Resilience under different climate scenarios (1.5°C, 2°C, 4°C)

(C) Risk Management

- Identification of physical & transition risks
- Integration of climate assessments into ERM
- Stress testing

(D) Metrics & Targets

- Scope 1, Scope 2, and where applicable Scope 3 emissions
- Portfolio alignment with Green Taxonomy
- Carbon neutrality/energy reduction targets

11.2.1. Metrics and Targets (Scope 1, Scope 2 and Scope 3)

CCFP will adopt a structured, measurable, and transparent approach to monitoring sustainability performance through clearly defined ESG metrics and targets. These metrics support effective governance, risk management, performance evaluation, and disclosure in compliance with SLFRS S1 and SLFRS S2.

11.2.1.1 Greenhouse Gas (GHG) Emissions Metrics

CCFP commits to measuring and progressively improving its GHG emissions profile in accordance with internationally recognized methodologies.

Scope 1 – Direct Emissions

Direct emissions from sources owned or controlled by CCFP, including:

- Company-owned vehicles
- Backup generators and fuel combustion
- Refrigerant usage (where applicable)

➤ Key Metrics

- Scope 1 emissions (tCO₂e)
- Fuel consumption by source
- Emissions intensity per branch / per employee

➤ Targets

- Establish a verified Scope 1 baseline
- Gradual reduction through fuel efficiency and fleet optimization

Scope 2 – Indirect Energy Emissions

Indirect emissions from purchased electricity consumed by:

- Branches
- Head office
- Data centers (where applicable)

➤ Key Metrics

- Scope 2 emissions (tCO₂e)
- Electricity consumption (kWh)

➤ Targets

- Reduce energy intensity through efficiency initiatives
- Increase adoption of renewable energy (e.g., solar installations)
- Improve energy monitoring at branch level

Scope 3 – Other Indirect Emissions (Phased Implementation)

Indirect emissions across the value chain, including:

- Business travel
- Employee commuting
- Outsourced services
- Financed emissions (lending portfolios)
- Procurement and vendor activities

➤ **Key Metrics (Initial Phase)**

- Business travel emissions
- Employee commuting emissions
- High-impact supplier screening

➤ **Targets**

- Identify and prioritize material Scope 3 categories
- Develop a phased Scope 3 measurement framework
- Integrate climate considerations into credit and investment decisions

11.2.1 Objective of SLFRS S2

SLFRS S2 aims to ensure that entities disclose meaningful information about climate-related risks and opportunities to support informed decision-making by primary users of financial reports.

Key Requirements and Components

1. Climate-Related Risks

The CCFP must disclose the climate-related risks to which it is exposed. These risks are categorized as,

- **Physical Risks:** Risks resulting from the physical impacts of climate change (e.g., extreme weather events, rising sea levels).
- **Transition Risks:** Risks associated with the transition to a lower-carbon economy (e.g., policy changes, technology shifts, market changes).

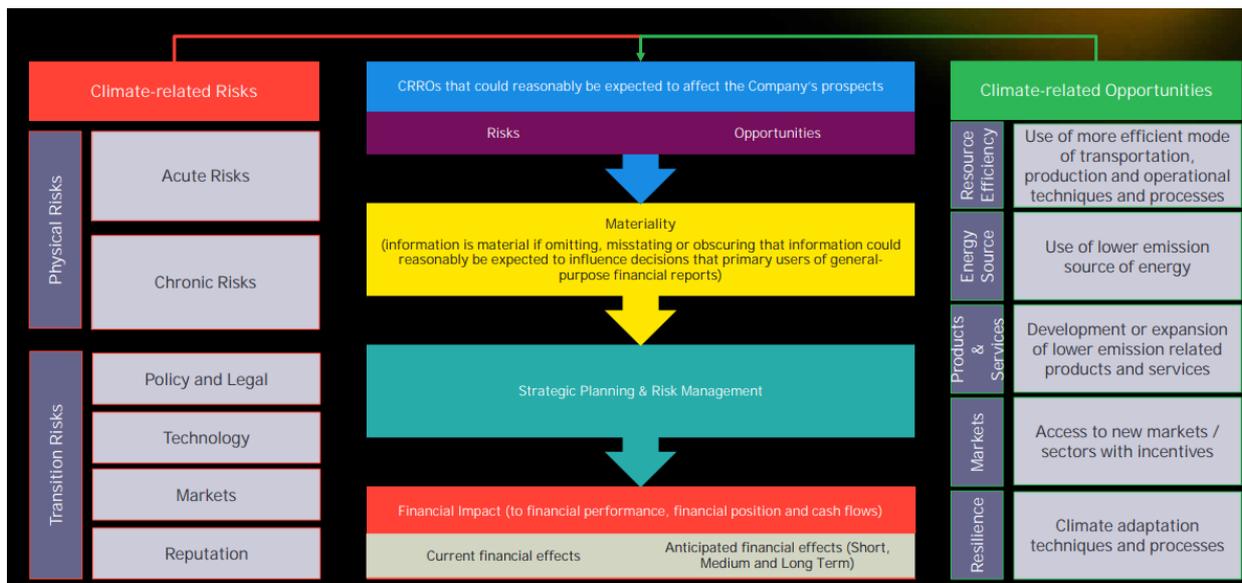
2. Climate-Related Opportunities

Opportunities that arise from efforts to address climate change or adapt to its effects, such as investment in green technologies or access to new markets.

3. Materiality Threshold

- Only climate-related risks and opportunities that could reasonably be expected to affect the CCFP’s prospects (its cash flows, access to finance, or cost of capital) over the short, medium, or long term need to be disclosed.
- Any such risks or opportunities not reasonably expected to affect the CCFP’s prospects are outside the scope of SLFRS S2.

➤ CRRO Identification Process



11.2.3 Governance Disclosure Requirements under SLFRS S2

SLFRS S2 places a strong emphasis on climate governance, requiring entities to disclose how they govern climate-related risks and opportunities.

The objectives of climate-related governance disclosures are to:

- Enable stakeholders to understand the governance structures and processes that the CCFP has in place to monitor, manage, and oversee climate-related risks and opportunities.
- Disclose the roles and responsibilities of the Board of Directors and management in relation to climate risk and opportunity oversight.
- Describe the internal control mechanisms and risk management procedures in place for identifying, evaluating, and addressing climate-related financial impacts.
- Provide transparency regarding the integration of climate-related considerations into the entity’s strategic planning, risk management, and performance monitoring frameworks.

11.2.4 Implementation and Compliance Commitment

The CCFP commits to:

- Continuously assess the materiality and relevance of its sustainability- and climate-related risks and opportunities.
- Ensure alignment of its reporting practices with SLFRS S1 and SLFRS S2.
- Establish and maintain robust governance and oversight mechanisms to support compliance.
- Provide transparent, consistent, and comparable disclosures in accordance with the evolving sustainability-related disclosure landscape.

12. ESG Governance Structure of CCFP

- Board of Directors: Provides strategic oversight of ESG integration and approves ESG policy, strategy, and reporting.
- Management Committee on Sustainability Risk Management - Monitors implementation progress, reviews ESG disclosures, and ensures alignment with sustainability goals.
- Senior Management: Responsible for ESG implementation, operationalizing the policy, and ensuring capacity building and risk alignment.
- All staff members play a vital role in advancing the Company's sustainability vision and achieving its ESG objectives. Staff across all departments are expected to:
 - Actively Contribute: Participate in specific sustainability and ESG initiatives, working collaboratively across functions to support the implementation of the Company's ESG strategy.
 - Embed ESG in Daily Operations: Ensure that day-to-day activities, decisions, and business practices are consistent with the Company's sustainability policies and ESG commitments.
 - Promote a Sustainable Culture: Foster a workplace culture that values environmental responsibility, social inclusion, and good governance through continuous engagement and accountability.

13. ESG Risk Management

- ESG risks will be identified, assessed, and integrated into the enterprise risk management framework.

- Material ESG risks (e.g., climate risk, social unrest, reputational risks) will be subject to stress testing and scenario analysis.
- Clients and projects with significant ESG impact will undergo enhanced due diligence.
- Sector-specific ESG guidelines will be developed, prioritizing CBSL-identified sectors.

➤ **Risk Management Process**



14. Monitoring and Reporting

CCFP will publish ESG-related disclosures annually, including in the Annual Report, covering the following,

- ESG strategy, targets, and progress
- Identified risks and mitigation measures
- Impact metrics (e.g. carbon footprint, financial inclusion outreach, community investment)
- SLFRS S1 and S2-aligned sustainability-related financial disclosures
- Regular internal reviews and audits will assess policy effectiveness.

15. Capacity Building and Awareness

- ESG training programs will be conducted for Board members, senior management, and operational staff.
- Stakeholder engagement forums will be held to promote awareness, gather feedback, and encourage shared responsibility.

16. Management of ESG and risk relating to sustainable finance activities

- ESG risk management is a system that helps financial institutions identify, assess and manage ESG related risks through financial institutions' decision-making processes to enhance ESG integration. It includes governance for environmental and social risks, risk management practices as well as an enforcement mechanism.
- The company should identify and evaluate ESG risks and risk relating to sustainable business activities, considering the nature, scale, complexity and interconnectedness of their operation and assess the magnitude and materiality of such risk.
- The company should incorporated the identified ESG risks in the company overall risk management framework and ensure appropriate risk mitigation measures are in place.
- In this regard, the company shall incorporate ESG risk management into decision-making processes, including the integration of ESG factors into the company's internal risk assessment methods

17. Disclosures and Reporting

The company shall ensure the following are disclosed in its Annual Report and aligned with SLFRS S1 and S2 requirements,

- An overview of the sustainable finance policy, governance structure, and implementation mechanisms
- A summary of ESG and climate-related risks, opportunities, and risk management approaches
- Environmental and social impact assessments of ongoing and proposed activities
- An outline of metrics, targets, and KPIs used for ESG performance monitoring
- Total annual funds raised and allocated to sustainable finance activities
- Climate-related disclosures in accordance with SLFRS S2, including:

- ✓ Governance around climate-related risks and opportunities
 - ✓ Actual and potential impacts of climate risks on business, strategy, and financial planning
 - ✓ Climate-related risk management processes
 - ✓ Metrics and targets used to assess and manage climate-related risks
- Sustainability-related financial disclosures in accordance with SLFRS S1, including:
 - ✓ Significant sustainability-related risks and opportunities reasonably expected to affect the company's cash flows, access to finance, or cost of capital
 - ✓ Connections between sustainability matters and general-purpose financial statements
 - ✓ Comparative information and consistency in presentation as per SLFRS standards

CCFP will disclose the following in its Annual Report:

Under SLFRS S1

- Significant sustainability risks/opportunities
- Linkages to financial statements
- Risk management approaches
- Metrics, KPIs & targets
- Governance disclosures

Under SLFRS S2 (Mandatory in April 2026)

Climate governance

- Climate strategy & business model impacts
- Climate scenario analysis
- Physical & transition risk assessment
- GHG emissions (Scope 1, 2, 3)
- Portfolio alignment metrics
- Progress against targets

18. Stakeholder Mapping

Commercial Credit and Finance PLC (CCFP) recognizes that a robust stakeholder engagement strategy is essential to the success of our ESG journey. Our stakeholder-mapping framework is designed to identify, prioritize, and regularly engage key stakeholder groups whose interests and inputs significantly influence our sustainable finance activities.

We have classified stakeholders based on their influence, impact, and interest in CCFP's operations, as follows,

Stakeholder Group	Engagement Objective	Relevance to ESG Strategy
Investors & Shareholders	Ensure transparency, long-term value creation	ESG performance disclosures, risk oversight
Customers (Retail, SME, Microfinance)	Deliver accessible, inclusive, and responsible financial services	Financial inclusion, customer protection, sustainable product design
Regulators (CBSL, CSE, IRD, SEC)	Ensure compliance and support national ESG goals	Alignment with CBSL Sustainable Finance Roadmap, SLFRS S1/S2, and CA Sri Lanka standards
Employees	Promote a purpose-driven, values-based culture	Capacity building, inclusion, diversity, workplace sustainability
Communities	Support social and environmental well-being	Financial literacy programs, livelihood development, CSR
Suppliers & Partners	Promote responsible procurement and alignment with ESG goals	Supply chain sustainability, ethical sourcing

Stakeholder insights are used to shape our ESG priorities, identify emerging risks and opportunities, and refine our sustainability goals in alignment with the SLFRS S1 and S2 standards.

19. Feedback Mechanisms

CCFP is committed to embedding stakeholder feedback into its ESG governance and decision-making frameworks. We have established structured and recurring mechanisms to collect, analyze, and respond to stakeholder input.

Key feedback mechanisms include:

- **Annual Customer Satisfaction Surveys**
 Conducted across all regions to gather input on service delivery, product accessibility, and areas for improvement especially among microfinance and rural customers.
- **Stakeholder Engagement Forums**
 These are hosted annually to bring together representatives from key groups — including investors, regulators, community leaders, and employees — to discuss ESG priorities and emerging concerns.
- **Grievance and Complaints Mechanism**
 In line with consumer protection frameworks, our complaint handling system ensures timely redress and uses complaint data to identify ESG-related risks.
- **Internal Feedback Channels**
 Staff engagement surveys and focus groups help shape internal ESG practices, including workplace sustainability and diversity initiatives.
- **Board and Committee Reporting Loops**
 Feedback collected through surveys and engagements is formally channeled to the Board Subcommittee on Sustainability and the Management Committee for review and integration into ESG planning and disclosure.
- **Digital Feedback Collection**
 Through mobile banking apps and digital interfaces, we collect ongoing customer feedback to improve financial accessibility and service design.

These feedback mechanisms support CCFP’s continuous improvement ethos and help us remain accountable in a dynamic ESG landscape.

20. Implementation Timeline -S1 & S2

Timeline	Requirement	CCFP Actions
June – Dec 2025	Capacity building & preparation for reporting	Pilot S1 & S2 disclosures; ESG data readiness

Q1 2026	Mandatory climate risk readiness	Conduct scenario analysis; Board approval and Preparation of Annual Report
Apr-26	Mandatory SLFRS S2 Disclosures	Publish climate-related disclosures in annual report
2027 Onwards	Continuous Improvement & Implementation of Scope 3	Enhance metrics & sector alignment

End of the document.

*Recommended by the BSMC on 30.12.2025
Approved by the BOD on 31.12.2025*