



Sustainability Starts From Within

LOLC

**UNITED NATIONS GLOBAL COMPACT COMMUNICATION ON
PROGRESS REPORT FOR 2014/2015**



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FOREWORD

Sustainable Development, albeit a buzz word today, is also an essential value that enlightens us, demonstrating that a business cannot sustain its success in isolation, and that its long term profitability ultimately depends on how favourably it impacts communities and the environment which it is part of. Thus, the need for an enterprise to expand its focus beyond profits to encompass the other two bottom lines that it invariably impacts - people and the planet.

LOLC Group's core area of business has been the financial empowerment of rural farmers, women and small entrepreneurs, offering them opportunities to turn their dreams and aspirations to reality. The Group's involvement extends beyond financial support to help value chain creation by providing strong market linkages for these entrepreneurs. Social value generation is thus integral to our business model. It has meant that we appreciate the importance of a win-win sustainable approach in business fostering empathy and understanding of the needs of the larger community which spur us to create value with a triple bottom line focus.

The contribution we make towards the country's developmental goals is thus one which we value, as intrinsic to the Triple Bottom Line approach to enterprise that we have adopted.

LOLC is an organization that is truly committed to dispensing a sustainable business and a business that advocates values of social responsibility.

In keeping with such a legacy, LOLC is proud to champion the values of true sustainability by being a signatory to the United Nations Global Compact initiative.

PRINCIPALS OF THE UN GLOBAL COMPACT

The LOLC Group is a signatory to the United Nations' Global Compact (UNGC's) established code of principles. The Group is thus guided by the 10 principles concerning human rights, labour, environment and anti-corruption promulgated by the UNGC, and the solid framework they provide is espoused by LOLC and its subsidiaries in every facet of their many activities. Some of the ways in which we practice these principles are communicated in this Sustainability Review as well as elsewhere in this Annual Report such as the Governance Report.

The Ten Principles of UNGC:

Human Rights

- Principle 1: Businesses should support and respect the protection of internationally proclaimed human rights; and
- Principle 2: make sure that they are not complicit in human rights abuses.

Labour

- Principle 3: Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining;
- Principle 4: the elimination of all forms of forced and compulsory labour;
- Principle 5: the effective abolition of child labour; and
- Principle 6: the elimination of discrimination in respect of employment and occupation.

Environment

- Principle 7: Businesses should support a precautionary approach to environmental Challenges;
- Principle 8: undertake initiatives to promote greater environmental responsibility; and
- Principle 9: encourage the development and diffusion of environmentally friendly technologies.

Anti-Corruption

- Principle 10: Businesses should work against corruption in all its forms, including extortion and bribery.

IMPLEMENTING THE UNGC PRINCIPALS

LOLC's commitment to the established 10 principles of the UNGC initiative can be found rooted into the functions of all its business operations which are demonstrated in their Annual Reports, Press Releases and Websites.

Here is an overview of the Group's commitment for the FY 2014/15 outlined in their Annual Report which is submitted together with this review.

- Statement of continued support: Group Managing Director / CEO's Review - Page 28-32
- Subscribing to UNGC Principles and activity report: Sustainability Report - Pages 88 -97

Further information:

Chairperson's Statement - Page 20

Deputy Chairman's Statement - Page 24

Business Review - Page 44-82

Enterprise Risk Management Report - Page 132

All above mentioned material can be accessed via www.lolc.com