



Promoting Sustainability – Together



***UNITED NATIONS GLOBAL COMPACT COMMUNICATION ON
PROGRESS REPORT FOR 2015/2016***

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FOREWORD

At LOLC, we believe that in order to protect the environment for future generations, we need to make the right choices now. And as a large conglomerate, we are always looking for new ways to reduce the environmental impact of our business and thereby minimise our environmental footprint. Having identified areas where we can make a positive change, we continue to refine the policies and practices adopted by companies across the Group, to sharpen their alignment with LOLC's overall environmental objectives.

We are also committed to provide employees with a stable work environment that includes equal opportunity for learning and personal growth. The Group's central HR function is tasked with establishing, administering and effectively communicating corporate values, policies and practices that treat employees with dignity and equality, in compliance with employment and labour laws, corporate directives and labour agreements.

Corporate Social Responsibility (CSR) has been a long-standing commitment that has been embedded into the very fabric of the LOLC Group. It also forms an integral part of our strategy to tackle the issue of social inequalities by aligning our business model to address major national priorities. Our goal is to identify critical areas of development that require investments and intervention, followed by proactive support to ensure meaningful socio economic development reaches a broader island wide demographic. We believe that in doing so, we can enable a larger number of people to participate in, and benefit from economic progress.

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.

Our commitment to Sustainability is outlined in the LOLC Annual Report for the FY 2015/16 which is submitted together with this review.

- Commitment to Sustainability – Page 09
- Statement of continued support: Chairman – Page 24 – 26
- Statement of continued support: Group Managing Director / CEO - Page 31 – 35
- Sustainability Report - Pages 82 – 92
- Enterprise Risk Management Report - Page 126

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