

2024

SUSTAINABILITY

REPORT

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CCFP firmly believe that maintaining dedication to our purpose and shared values is essential for achieving a sustainable business model. This involves incorporating the company's corporate philosophy into its products, services, and daily operations. By ensuring alignment across these areas, the company aims to establish a robust and socially responsible business model.

MARKETING AND BRANDING

Overview

The company's strong culture, deeply connected to its purpose and shared values, is effectively communicated to the public through all communication mediums. Our marketing and branding initiatives go beyond merely highlighting the simple acts of love within individuals, and also serve to spotlight the leadership role inherent in these actions.

This approach not only effectively impacts society but also illustrates how these acts can uplift lives. In addition to our promotional efforts, we actively engage in community initiatives that align with our shared values, fostering a culture of empathy and social responsibility.

We thoroughly understand the vast impact, which goes along with messages that are spread via different mediums of communication. Therefore, we take utmost responsibility to ensure that our intended messages create a paradigm shift in our staff, our valued customers and to the entire community to become better. We are committed to delivering exceptional service and ensuring that our communications reflect our company's purpose and commitment to our stakeholders. Because we believe in inspiration and not manipulation.

DELIVERING TECHNOLOGY-BACKED PRODUCTS AND SERVICES

Overview

In our pursuit of a sustainable business model, we understand the critical need for a strong infrastructure that enhances the experience of all stakeholders, both within and outside the organization. To meet this imperative, CCFP has established the Information & Communication Technology (ICT) Department, specializing in the deployment of state-of-the-art IT solutions across diverse departments. Our foremost objective is to empower our internal clients

with advanced ICT tools and dedicated support, facilitating seamless execution of their daily duties with utmost efficiency and efficacy.

Moreover, we are committed to reinforcing our infrastructure to support the ongoing digital transformation within the organization. This involves investing in scalable technologies and platforms that can adapt to evolving business needs and consumer expectations. By embracing digital innovation, we aim to streamline operations, enhance customer experiences, and drive sustainable growth.

In parallel, Commercial Credit places paramount importance on cybersecurity in today's interconnected landscape. We have developed a robust Cybersecurity Strategy to safeguard our digital assets, customer data, and organizational integrity. This strategy encompasses proactive measures such as regular risk assessments, employee-training programs, and the implementation of advanced security protocols and tools. By prioritizing cybersecurity, we mitigate potential risks and fortify trust among our stakeholders.

Through these concerted efforts, Commercial Credit remains steadfast in its commitment to delivering technology-backed products and services that not only meet but exceed the expectations of our valued clientele, while also ensuring the security and resilience of our digital infrastructure.

EMPLOYEES

The company understands that its strength and uniqueness lies in its principled culture, cultivated around a defined purpose and shared values. This distinctive culture, strengthened by strategic investments in human resources, has evolved into the company's most invaluable asset.

Employees are at the heart of Commercial Credit's success, and we hold a profound responsibility to uplift their lives. From the recruitment process onward, we provide continuous encouragement and support to every employee, fostering a culture of growth and development. Moreover, we are committed to ensuring a safe and inclusive work environment for all employees, particularly for our female workforce. We believe in creating a workplace where every individual feels respected, valued, and empowered to thrive.

The exceptional talent, discipline, and passion exhibited by our employees have been instrumental in driving our company to unprecedented heights. Our Human Resources Department (HR) and Learning and Development Department (L&D) play a crucial role in nurturing this culture and developing effective leaders who contribute significantly to our growth and impact on society. We are dedicated to continually enhancing the capabilities of these departments and refining best practices to create a harmonious and conducive environment for all stakeholders.

By prioritizing the cultivation of our unique culture and investing in the development of our human resources, Commercial Credit is well-positioned to maintain its distinctiveness and achieve sustainable success in today's dynamic business landscape.

MAINTAINING COMPLIANCE

The company has implemented a comprehensive framework of policies and procedures to govern various aspects of employee rights, privileges, duties, and

responsibilities. These guidelines serve as essential tools for employees to navigate their daily interactions and address unforeseen situations effectively. Aligned with the provisions of the Shop and Office Employees Act No. 15 of 1954, the company meticulously upholds these human resources practices.

Additionally, the company has formulated its own set of policies and operational protocols, covering a wide spectrum of crucial HR domains. These encompass grievance handling, attendance and leave management, disciplinary procedures, performance evaluations, recruitment processes, orientation programs, resignation and termination protocols, retirement policies, staff amenities, as well as procedures for transfers and promotions.

In accordance with its forward-thinking ethos, the company has also instituted several specialized policies including an Anti-Sexual Harassment Policy, a Whistle-blower Policy, and an Ethical Framework. These initiatives aim to cultivate a workplace culture that promotes respect and inclusivity, while instilling a sense of self-discipline among employees.

MAINTAINING EFFECTIVE INFRASTRUCTURE FOR PEOPLE

The Company places a high value on employee well-being and has established several steps to protect their health and well-being. Employees are given affordable subscriptions to the Fitness Center (Gymnasium) and encouraged to use these facilities to improve their physical well-being. Furthermore, the company provides medical insurance plans to all employees and their families, prioritizing their healthcare needs. These efforts represent our dedication to creating a supportive environment that prioritizes the overall well-being of our valued employees.

The Company maintains an inclusive "open door policy" that encourages all employees, regardless of status, to communicate directly with the Chief Executive Officer and Executive Directors as needed. This strategy has been widely adopted by our workforce, resulting in consistently excellent employee satisfaction levels, as indicated by our biannual employee satisfaction surveys. This great sense of satisfaction has developed a profound commitment and inspiration among our staff, leading

to remarkable outcomes for the company. Furthermore, the elimination of traditional hierarchical designations has positively influenced the development of a distinct culture rooted in shared values.

The establishment of a learning academy represents a significant milestone in our commitment to fostering the growth and development of our staff members. While the state-of-the-art Commercial Credit Academy is nearly 95% complete, its current operational status since February 2023 allows for the facilitation of a wide range of trainings. We believe that the Academy will serve as a catalyst for transforming our employees into effective individuals who continuously seek renewal across all four dimensions: Physical (PQ), Spiritual (SQ), Mental (IQ), and Emotional (EQ).

By providing a dedicated training center, our aim is to empower our workforce to strengthen their character through the knowledge on how to live by Principles while providing them with the necessary knowledge, skills, and tools to excel in their respective roles and, enhance their professional capabilities. Through comprehensive training initiatives, we envision our staff members embracing continual renewal and achieving excellence in all facets of their lives.

In addition to the establishment of the Academy, the Company launched its in-house management trainee program (STF Program) in 2018 with the objective of cultivating future leaders within the organization. This program involves a rigorous selection process, with candidates identified as potential future leaders by senior management and superiors. Selected candidates undergo extensive training in character development and enhancing competencies related to products and services, preparing them for future leadership roles within the Company.

Recognizing a gap in both the Sri Lankan context and within our own organization regarding female leadership and engagement, the Company is committed to providing training and education to empower female employees to transcend cultural barriers and realize their full potential while making all employees also be aware of the paradigm shifts they need to have regarding females without giving in to traditional conditionings in

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their surroundings. Additionally, female employees are supported through a confidant network, which offers regular development programs. The primary aim of this network is to cultivate a work environment of mutual respect and mutual benefit, ensuring a safe and harassment-free environment for all employees, regardless of gender.

MANAGING AND ASSESSING EMPLOYEE SATISFACTION

The Company places a high value on cultivating a contented workforce, recognizing the myriad benefits it brings. When employees feel satisfied, they are more likely to be happier and more productive, ultimately leading to increased output and improved outcomes for the Company as a whole. To achieve this, the Human Resources department takes proactive measures to create an optimal work environment for all staff members.

Regular employee satisfaction surveys are a cornerstone of our approach, allowing us to gather valuable feedback on job contentment levels and promptly address any workplace concerns. This feedback also provides insights into the diverse inspirations of our employees, helping us identify future growth opportunities and devise strategic plans accordingly. By prioritizing employee satisfaction, we aim to enhance productivity, foster a positive work culture, and achieve long-term success.

We utilize two surveys, namely the On-Board Satisfaction Survey and the Employee Satisfaction Survey, to assess employee contentment based on their respective employment categories. The On-Board Satisfaction Survey targets newly hired employees still in their probationary period, conducted at the end of their fifth month. This survey delves into various aspects such as working conditions, relationships with peers and supervisors, company culture, and the learning environment. The General Employee Satisfaction Survey, administered in June and December, gathers feedback from permanent employees regarding their perceptions of workplace conditions. With a questionnaire comprising 15 essential questions, employees can express their views and opinions, providing valuable primary survey data for analysis.

Sustainability Initiatives:

In line with our focus on sustainable financing, Commercial Credit PLC plans to introduce lending products for energy-saving, with a particular emphasis on electric bikes. This initiative aims to promote renewable energy adoption and contribute to a reduction in the country's overall fuel consumption. Additionally, we are committed to installing solar panels across our branches to reduce reliance on conventional power sources and minimize our ecological footprint, demonstrating our commitment to energy efficiency.

At Commercial Credit PLC, we firmly believe in the power of financial inclusion and its significant impact on sustainable development. As part of our sustainability initiatives, we are conducting a series of value-added training programs designed to enhance the financial literacy and capabilities of our valued micro-finance customers. By equipping

individuals, especially women, with the necessary knowledge and skills, we empower them to make informed financial decisions, fostering resilience and long-term economic growth within our communities. Furthermore, we are dedicated to poverty reduction through targeted micro-finance solutions that provide opportunities for the underprivileged to improve their livelihoods. By promoting women empowerment, financial inclusion, and sustainable practices, we aim to create a more equitable and prosperous society.



Additionally, our 360-Degree Appraisal system serves as a performance evaluation mechanism, enabling employees to provide feedback on their superiors, peers, and subordinates. This fosters a sense of involvement and empowerment among our workforce. By conducting these surveys and implementing a comprehensive appraisal system, we demonstrate our commitment to understanding and addressing employee concerns, thereby enhancing overall job satisfaction and engagement.

In order to provide an environment where our employees can freely participate in training while giving more opportunities for them to build relationships with their families, Commercial Credit provides discounts for staff to bring in their families to the Academy when they come for trainings. They can also reserve the Academy for their personal outings, function etc. for nominal charges as well. In order to break the barrier where mothers cannot find time to learn with children, Commercial

Credit has facilitated female employees who are mothers to bring in their children with a caretaker for discounted rates or FOC basis especially for feeding mothers.

LEARNING AND DEVELOPMENT

The Company recognizes that the growth and development of its employees, rooted in its steadfast commitment to purpose and shared values, hinge on continuous learning initiatives. Throughout the year, a diverse array of training programs and workshops focused on culture development have been conducted across all Company locations. Among these, the teachings of the '7 Habits of Highly Effective People' philosophy authored by Dr. Stephen Covey have served as a pivotal source of inspiration. These teachings, emphasizing fundamental principles and practical application, empower employees to adopt a holistic and integrated approach to effectiveness in both their professional and personal spheres.

It is believed that the practice of the 7 Habits will lead to the internalization of principles and the shared values of the Company. To facilitate this, Mentors, in collaboration with location heads, organize monthly Value Hours at each location. These sessions offer staff members regular opportunities to address challenges they encounter in living the shared values and principles on a day-to-day basis.

In addition to culture development programs aimed at building employee character, various other training initiatives are implemented to enhance employee competencies. These programs are delivered through virtual and physical methods. Notably, a significant aspect of these trainings is the involvement of internal employees as trainers. While internal expertise is leveraged, external specialists are also engaged to impart Character growth related knowledge and industry-specific best practices, ensuring the growth of employees.

In addition to all other training the Unique 05 day Induction Program is a warm welcome which Commercial Credit gives to all its new employees with an experience of 04 day physical session followed by one day Virtual session. An Introduction to Culture (05 shared values, 07 Habits introduction, Scenarios, KBG Discussion, etc.) of the company together with the addresses of CEO, ED & DCEO which contains 60% of the program plus the knowledge of products and services of the company are included in this unique program.

SHARED VALUES

THE LAUNCH OF OUR SHARED VALUES

Commercial Credit's Shared Values were launched during the Value Day event on March 4, 2012, at the BMICH, with active participation from all of the employees. The event marked a significant milestone in fostering a culture rooted on principles. It included the introduction of a Value Policy, alongside the unveiling of the Company's trilingual Theme Song, Value Oath, and Value Badges, all emblematic of the Company's steadfast commitment to these principles. Since then, continual efforts have been made to ensure and encourage all staff members to live by Principles and Share values which defines the Company's distinct culture.

INSTILLING OUR SHARED VALUES

To instill our Shared Values within the Commercial Credit team, including our expanding number of new employees, we have implemented various programs throughout the year. While some programs build upon past initiatives, we have also introduced new endeavours to broaden our training offerings. One such initiative is the Mentor Network, established to actively engage a group of nominated employees as "Mentors" to drive the company's purpose and foster its culture. This is mainly done through value hour discussion which are conducted at every location/department monthly.

Another significant initiative is the 360 Degree Value Appraisal System, operational since 2012. Aligned with our Company's Shared Values and our Purpose of developing leaders who uplift people's lives through simple acts of love, this system seamlessly integrates with our culture-building efforts. It also identifies esteemed Value Champions who make significant contributions to shaping our desired culture.

Utilizing the Commercial Credit HRIS system, we conduct quarterly evaluations for all members of our organization using the 360 Degree Value Appraisal. As a Value-driven Company, we prioritize this appraisal process to effectively assess individual growth.

THEME SONG AND VALUE BADGES



Company Theme Song
<https://www.youtube.com/watch?v=5bs9gPK092I>

The Company's trilingual theme Song is played promptly at 8:25 a.m. in all Company offices, at the beginning of each workday and featured during various Commercial Credit events. It serves as a daily reminder for every employee to embrace the Company's purpose and Shared Values. Additionally, employees are encouraged to wear the Value Badge, starting with the bronze badge as the initial recognition

level. Through consistent demonstration of commitment to practicing the Shared Values, employees can update their badge from bronze to silver, gold, and ultimately platinum. This badge upgrade system acts as a tangible acknowledgment of an employee's ongoing devotion to embodying the Company's purpose and shared values.

VALUE DAY

The Company hosts a special event called Value Day, held once in every three to four years to celebrate and honour employees who consistently exemplify the Company's Shared Values. This occasion provides a platform to recognize and commend staff members who embody the essence of the Shared Values, serving as inspiring examples for their colleagues. The recognition process involves a thorough procedure where employees nominate their peers for consideration to upgrade their Value Badges. After evaluating the results of the 360 Degree Value Appraisal and the number of nominations received, deserving individuals are acknowledged for their outstanding contributions by upgrading their Value Badges from bronze to silver, gold, and ultimately platinum. This serves as a testament to their excellence and dedication in upholding the Company's Shared Values.

VALUE POLICY

Commercial Credit is committed to its Shared Values, as described in the Value Policy. This policy acts as a guide for creating a culture, which is based on these values by providing staff with the necessary guidelines and procedures. It applies to all employees and activities inside the organization, ensuring that the shared Values are integrated into the performance evaluation process.

VALUE REGISTER

The Value Register is a record of exceptional conduct and acts that reflect employees' Shared Values, whether at work or in other aspects of their lives. When a team member observes a remarkable activity of any Commercial Credit Employee, it is documented on the Value Register, allowing for acknowledgment and gratitude across the organization as well as an inspiration to follow through similar kinds of good deeds. Employees anonymously express compliments about their co-workers, making the Value Register a useful internal social networking tool. Each employee has a Value profile based on the recognition they receive from their co-workers.