



HUMAN CAPITAL

OUR PEOPLE: THE FOUNDATION OF OUR SUCCESS

“The professionalism, dedication, and expertise of our employees are central to delivering on our brand promise. We are committed to empowering our team through continuous skill development, knowledge enhancement, and growth opportunities within a supportive, thriving environment that prioritises their well-being.”



48:52

Male: Female ratio



Rs. 60.5 Mn

Investment in L&D



Rs. 2,225 Mn

Remuneration and benefits paid



19%

Employee turnover %
(Support function and sales supervision)

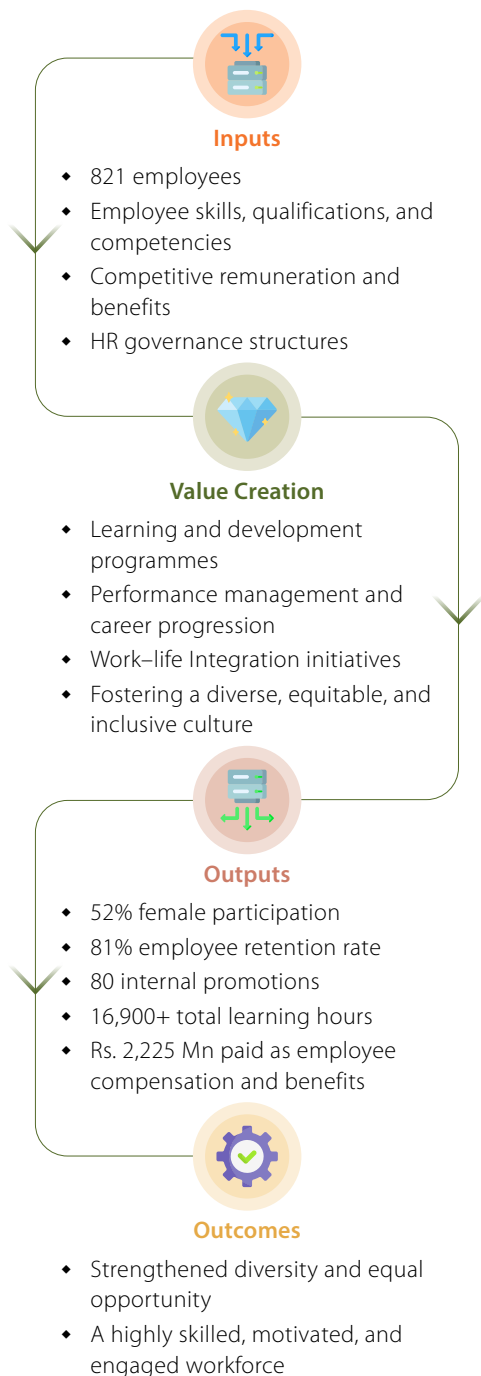
Key Highlights

- Successfully introduced the Company’s new Employee Value Proposition (EVP), "Grow Beyond Limits".
- Implemented a structured employee feedback system to enhance engagement, improve workplace quality, and boost overall employee satisfaction.
- "GROW", a multi-faceted, comprehensive initiative designed to empower and support women in various aspects of their personal and professional lives.
- Employee (Support function and sales supervision) turnover decreased by approximately 19.5% in 2025 compared to 2024.
- Positioned the UA culture among potential stakeholders through strategic activation of "Life at UA" across all social media platforms.

SDGs Impacted



Value Creation Process



Focus Area	KPI	GRI
 Talent acquisition and retention Refer page 107	Drive organisational excellence by strengthening talent acquisition, workforce planning, employee well-being, and leadership development through competency based data driven, structured, and people centric HR practices.	GRI 404
 Strong employer brand Refer page 105	Strengthen the employer brand by expanding university recruitment networks, enhancing social media presence, and developing a strategic roadmap to implement the EVP.	GRI 401
 Deliver superior service to our employees Refer page 106	- Ensure compliance with policies and procedures. - Conduct compensation and benefits survey for market competitiveness. - Digitalisation of routine processes was initiated to enhance accuracy, improve efficiency and enable increased focus on impactful employee engagement.	-
 Employee engagement Refer page 114	Enhance employee experience through culture-building initiatives and use the pulse survey to guide employer branding strategies.	-
 Diversity, equity, and inclusion Refer page 108	Promote Diversity, Equity, and Inclusion (DE&I) through meaningful initiatives implemented across the organisation.	GRI 405

Risks

- High attrition rates among sales staff.
- Difficulty in sourcing skilled professionals with advanced technical capabilities.
- Reliance on outdated systems reduces efficiency and scalability.
- Growing employee expectations for flexible work arrangements and remote options.
- External climate factors such as floods affecting employee well-being and productivity.

Opportunities

- Flexible work models, robust career development programs, and global talent acquisition strategies to improve retention.
- Investments in mental health initiatives, diversity programmes, and work-life balance to foster engagement and resilience.
- AI and data training to enhance productivity and career growth.
- Structured mentoring, leadership development, and knowledge-sharing frameworks to preserve institutional expertise as senior employees retire.

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GRI 2-7 a, 2-7 b i, 2-7 b ii, 2-7 c, 2-7 d

Related Stakeholders



Relevant Material Topics

Corporate Governance & Regulatory Compliance

Anti-Corruption

Retention, Training and Development

Employee Diversity, Equal Opportunity & Non-Discrimination

Environmental Risk Exposure

Capital Trade-offs



Strategic investments in human capital may initially impact short-term financial performance however, ensure seamless business operations in the long-term.



Developing communication, collaboration, and negotiation skills strengthen relationships with customers and suppliers, fostering trust and long-term partnerships.



Investing in training and development accelerates innovation and enhances organisational knowledge, creating a competitive advantage.



Sustainability awareness help reduce resource consumption and minimise ecological impact, thereby preserving and enhancing natural capital.



Optimising physical assets and infrastructure improves operational efficiency and supports scalability for future growth.

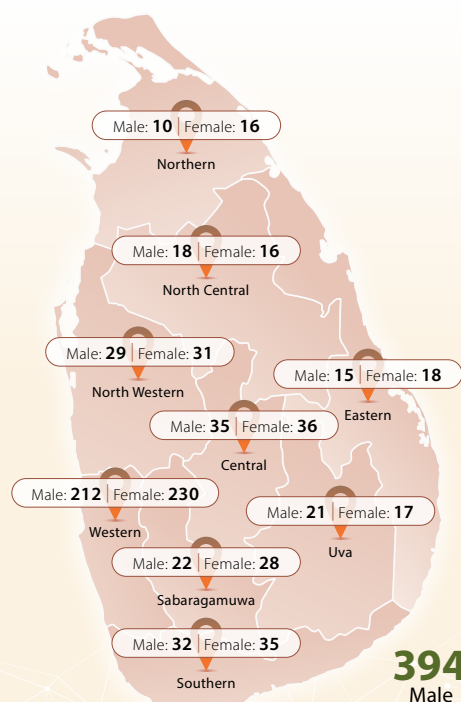
Management Approach

Our human capital strategy aims to build a high-performing and inclusive workforce by strengthening talent acquisition, offering structured development opportunities, and enhancing employee engagement. It emphasises leadership development, well-being, and DE&I, while ensuring performance is aligned with organisational goals through fair and transparent evaluation and recognition systems.

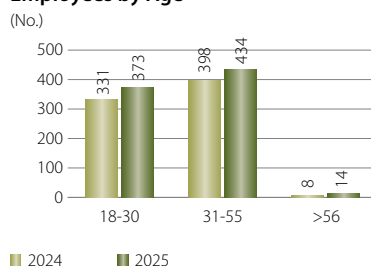
Our Team Profile

Our strength lies in our team, whose expertise and commitment drives our competitive edge. The detailed profile of our team is presented below.

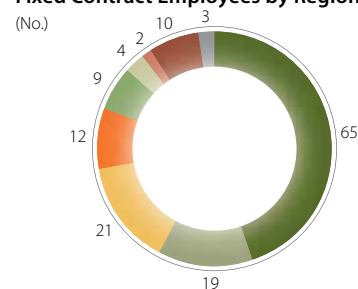
Employees by Gender and Province ^{LA}



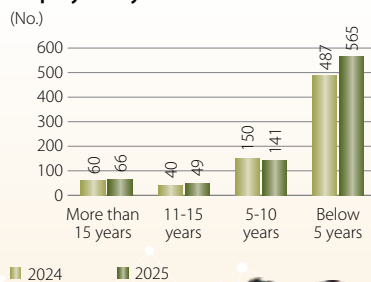
Employees by Age



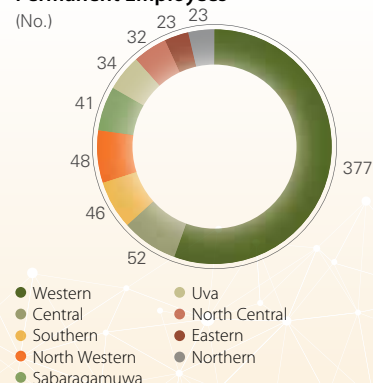
Fixed Contract Employees by Region ^{LA}



Employees by Tenure of Service



Permanent Employees ^{LA}



All above information is disclosed based on year-end employee headcount. ^{LA}

The 11.4% net increase in employee cadre demonstrates the strong recruitment drive and improved employee retention, reflecting the company's continued commitment to attracting and sustaining a diverse and capable talent pool.

UA Employee Value Proposition

At Union Assurance, our Employee Value Proposition (EVP) was officially launched on 12 March 2025, marking a significant milestone in our commitment to building a workplace where employees are empowered to **"Grow Beyond Limits"** both personally and professionally. The EVP reflects who we are as an organisation and how we strive to create an environment that encourages continuous growth, resilience, and innovation, while enabling our people to unlock their fullest potential.

Over the past year, several key initiatives have been rolled out to bring the EVP to life

Employee Progression

Creating the environment to improve employee's skills, responsibilities, and career level within the organisation.

- Formation of the Internal Trainer Faculty
- Implementation and the completion of the 'SHIFT' leadership development program
- Formation of the Nurture Network

Employee Experience

Initiatives were designed to promote work-life integration, foster inclusion, and strengthen a sense of belonging among employees. During the year we conducted Zumba sessions, installed a vending machine and allocated a half day leave on birthdays.

Employee Empowerment

In line with our focus on empowerment and engagement beyond the workplace, employees were encouraged to participate in extracurricular and team-based activities that build collaboration and confidence.

- Opportunity to pursue employee's passion through clubs, societies and sports.
- Union Assurance Staff Talent Show
- A series of EVP Roadshows creating platforms for awareness, dialogue, and alignment with the organisation's values and direction.

Through these initiatives, Union Assurance continues to reinforce its commitment to employee growth and development. It reflects our ongoing investment in our people and our dedication to creating a workplace where employees feel valued, supported, and inspired to grow alongside the organisation today and in the years ahead.



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HR Governance

Our Human Resource Policies



The organisation embeds its policy commitments into day to day operations through structured governance processes and clear compliance requirements. All policies are accessible to employees via the Company intranet, ensuring transparency and organisation-wide awareness. Targeted training sessions are provided on a needs basis to ensure employees understand and apply these commitments in relevant areas of their work. These mechanisms collectively support consistent implementation of the organisation’s ethical, social, and environmental standards across its activities and value chain. ^{LA}

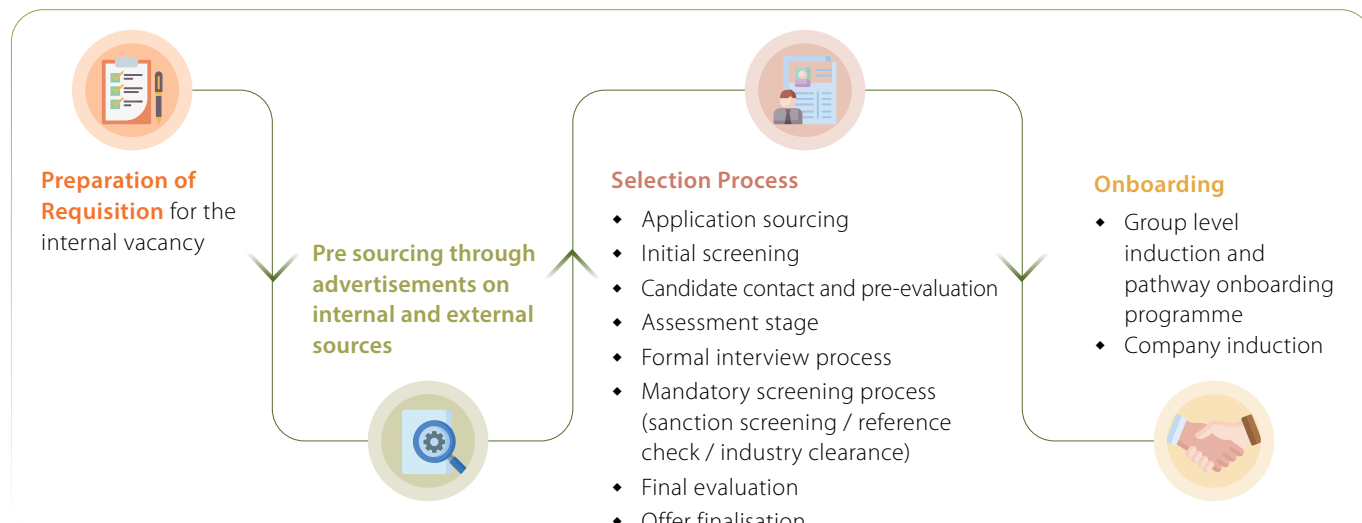
HR Compliance

	Our Actions
Compliance with labour laws and regulations	We comply with all applicable labour laws, rules, and regulations in Sri Lanka, including those related to compensation, dismissal, recruitment, promotion, working hours, benefits, and welfare. Employees are provided with sufficient notice of operational changes. No fines or sanctions for non-compliance were imposed during 2025.
Child labour & forced labour	We maintain strict policies prohibiting underage and forced labour. No incidents of such violations were reported during the year. ^{LA}
Non-compliance in labour practices	We continuously enhance labour practices and maintain robust monitoring systems to ensure full compliance. Our policies are aligned with industry best practices.
Compliance with health and safety regulations	We are committed to providing a safe and healthy work environment. Comprehensive health and safety protocols and standards are in place to protect employees. No work-related fatalities, injuries, or hazardous incidents occurred during the year. ^{LA}
Protecting human rights	Our HR policy reflects our commitment to safeguarding human rights and employee rights. No violations were reported during the year.

Employee Movement

We adhere to the Group Recruitment Policy of our Parent Company, John Keells Holdings, ensuring alignment with the OneJKH principles. During 2025, we recruited a total of 341 employees, while employee turnover stood at 19%. Our targeted recruitment and retention strategies contributed to 58% female recruitments, reinforcing our commitment to diversity and inclusion.

Our recruitment and selection process



University Partnerships

As Sri Lanka's premier life insurer, Union Assurance has strengthened its commitment to empowering future business leaders by signing MoUs with universities. The newest partnership being University of Sabaragamuwa and this partnership complements our existing collaborations with leading academic institutions, including the University of Wayamba, University of Sri Jayewardenepura, University of Kelaniya, and NSBM, reaffirming our dedication to nurturing Sri Lanka's youth and preparing them for an evolving business landscape.

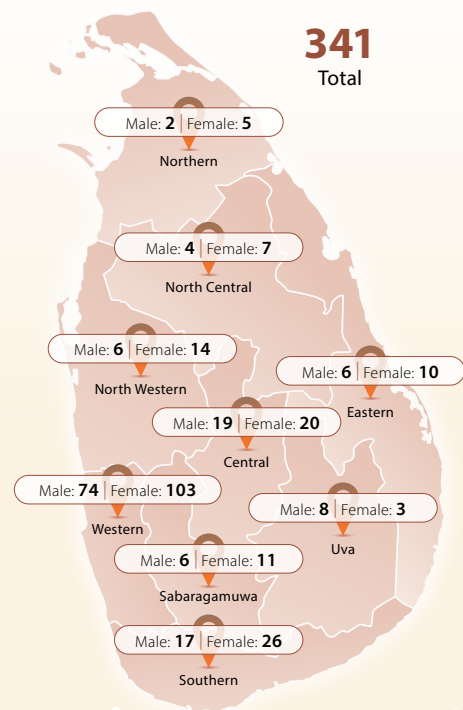


Internship Programme & Apprenticeship Programme (Ucraft)

A two-year apprenticeship program designed as a stepping stone for undergraduates to gain corporate exposure, practical experience, and industry insights, helping them transition seamlessly into professional careers.

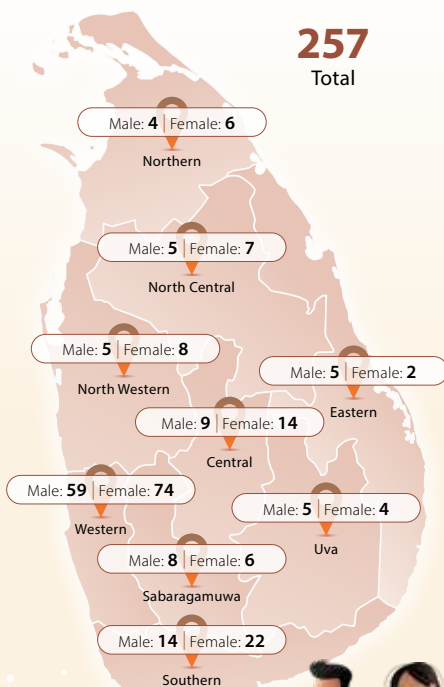


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Recruitment by Province ^{LA}

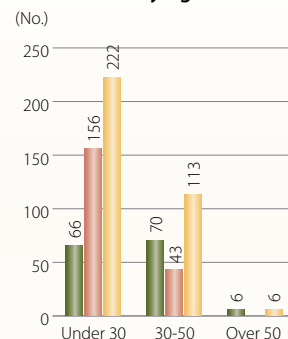
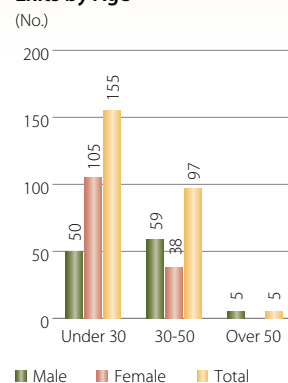
42%
Male

58% ^{LA}
Female

Employee Exits by Province ^{LA}

44%
Male

56% ^{LA}
Female

Recruitment by Age ^{LA}Exits by Age ^{LA}

Diversity, Equity & Inclusion (DE&I) Commitment

Aligned with the 'OneJKH' commitment to Diversity, Equity, and Inclusion, we foster a workplace culture that embraces diversity, equality, and inclusivity across the organisation. Our DE&I framework is anchored on principles of empowerment, inclusion, zero tolerance for discrimination, equal opportunity, and active participation, while promoting diverse value chains.

To strengthen this commitment, we have:

- Introduced awareness programmes to mitigate unconscious bias.
- Implemented the Equal 100 Days Parental Leave Policy, granting both maternal and paternal 100 days of paid leave.
- Maintained a zero-incident record of discrimination during the year. ^{LA}

Equal Opportunity and Non-Discrimination Policy

Applies to all employees and governs interactions with stakeholders across the Company.

Diversity, Equity, and Inclusion Policy

Commits to creating a respectful, inclusive workplace where diversity is embraced and contributions are valued. The UA believes diverse teams drive innovation, talent retention, and superior results, and strives to reflect the diversity of communities and stakeholders in its workforce and value chain.

Gender Equality Policy

Provides a framework for achieving gender balance, integrating gender parity into work culture, processes, and policies. Includes strategic interventions to empower women and foster inclusivity.

Zero Tolerance Policy

Enforces strict measures to eliminate sexual harassment and maintain a safe, respectful work environment.

Our DE&I Policies

DE&I Initiatives Conducted During the Year

Leading Liyo – Women-centric Leadership Programme

A transformative development initiative designed to unlock potential and foster leadership among female professionals at UA.

Key Objectives:

- Empower female talent with tools, resources, and mentorship for career growth.
- Increase retention of high-potential women through targeted engagement strategies.
- Build a strong women's network for collaboration and knowledge-sharing.
- Enhance the visibility of female role models to inspire future leaders.



International Women's Day

Celebrated the women of UA with sessions focused on mental well-being and financial literacy, empowering them personally and professionally.



Breast Cancer Awareness Programme

Conducted an awareness session and facilitated initial breast cancer screening tests to promote health and early detection.



DE&I Initiatives

Cultural & Religious Celebrations

to foster inclusivity and respect for diverse cultural traditions.

- Iftar during Ramadan
- Vesak celebrations
- Thai Pongal festivities
- Christmas Programme



Female Well-being Enhancement

Installed sanitary napkin dispensers at the Head Office to support health and hygiene needs.



International Men's Day

Recognised male employees' contributions through a promotional partnership with Hameedia (15% discount) and a token of appreciation.

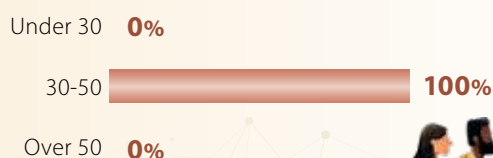


Structural Diversity ^{1A}

Male		Female
6	Governance Body	3
52	Senior Management	9
154	Middle Management	59
182	Executive and below	356



Age Representation of Governance Body



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GRI 401-3 a, 401-3 b, 401-3 c, 401-3 d, 401-3 e

Parental Leave - 2025 ^{LA}	Male	Female
Total number of employees that were entitled to parental leave, by gender.	4	7
Total number of employees that took parental leave, by gender.	4	7
Total number of employees that returned to work in the reporting period after parental leave ended, by gender.	4	7
Total number of employees that returned to work after parental leave ended who were still employed 12 months after their return to work, by gender.	4	6
Return to work and retention rates of employees that took parental leave, by gender.	100%	86%

Parental Support Initiatives

Initiative

Description

Partnership with
Parenthood Global

Collaborated with Parenthood Global to promote a parent-inclusive workplace culture. In addition, we provide employees with access to a registered and well-known crèche facility, ensuring reliable childcare support.

Equal Parental Leave

Implemented 100 days of paid parental leave for mothers and fathers, reinforcing our commitment to gender equality and family well-being.



Parental leave

86%

Percentage retention of women
at work for 12 months after
maternity leave

Learning and Development

We empower our employees to achieve both personal and professional growth through tailored learning and development programmes. Training needs are identified based on the organisation's strategic objectives and the unique aspirations of each individual. Using a structured and systematic approach, we ensure that all programmes are relevant, impactful, and measurable. Our learning ecosystem includes diverse options such as on-the-job training, digital learning platforms, workshops, mentorship, coaching, and structured management development initiatives. In 2025, employees benefited from 16,900+ hours of training delivered, with an average of 21 hours per employee, reinforcing our commitment to continuous development.

Our Training and Development Process



Key Training Programmes Implemented in 2025 ^{LA}

Programme	Description	No. of Hours	No. of Participants
Leadership & Management	Programs designed to enhance personal effectiveness, leadership, and managerial skills. Examples include SHIFT (Leadership Development Program), Performance Conversations for People Managers, and Nurture Network.	2,368	360
Onboarding	Initiatives to integrate new employees into the organisation, including Company orientation, departmental processes, and training on John Keells Group Values.	9,264	1,117
Product & Technical	Training to ensure employees have the knowledge and skills to understand, use, and support products and technical processes. Examples include Fundamentals in Life Insurance, process understanding.	4,128	544
Sales & Service Excellence	Programs focused on improving customer interactions, building client relationships, and achieving excellence in sales and service delivery. Examples include soft skills for customer service and service transformation.	1,088	311
Systems, Operations & Compliance	Training to raise awareness of legal and regulatory requirements and equip staff to protect the organisation's brand. Examples include Anti-Money Laundering, information security, and data protection act sessions.	125	85

51%:49% ^{LA}

Female:Male
Ratio of Training Received
(2024: 55%:45%)



Rs. 59,947

Training Cost per
Employee
(2024: Rs. 52,220)

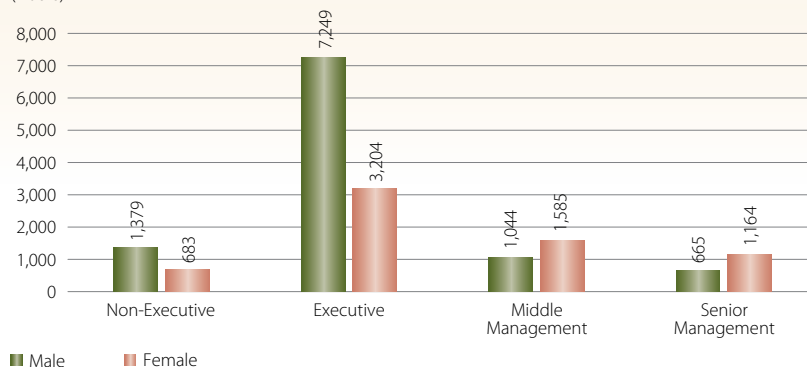


Rs. 48,023

Social Welfare Cost per
Employee
(2024: Rs. 32,440)

Training Hours Based on Gender and Employment Category

(Hours)



Rs. 49 Mn

Total Investment in
Training
(2024: Rs. 33 Mn)

16,900+ ^{LA}

Hours of Training
(2024: 19,044)



21

No. of Internally filled
positions
(2024: 22)



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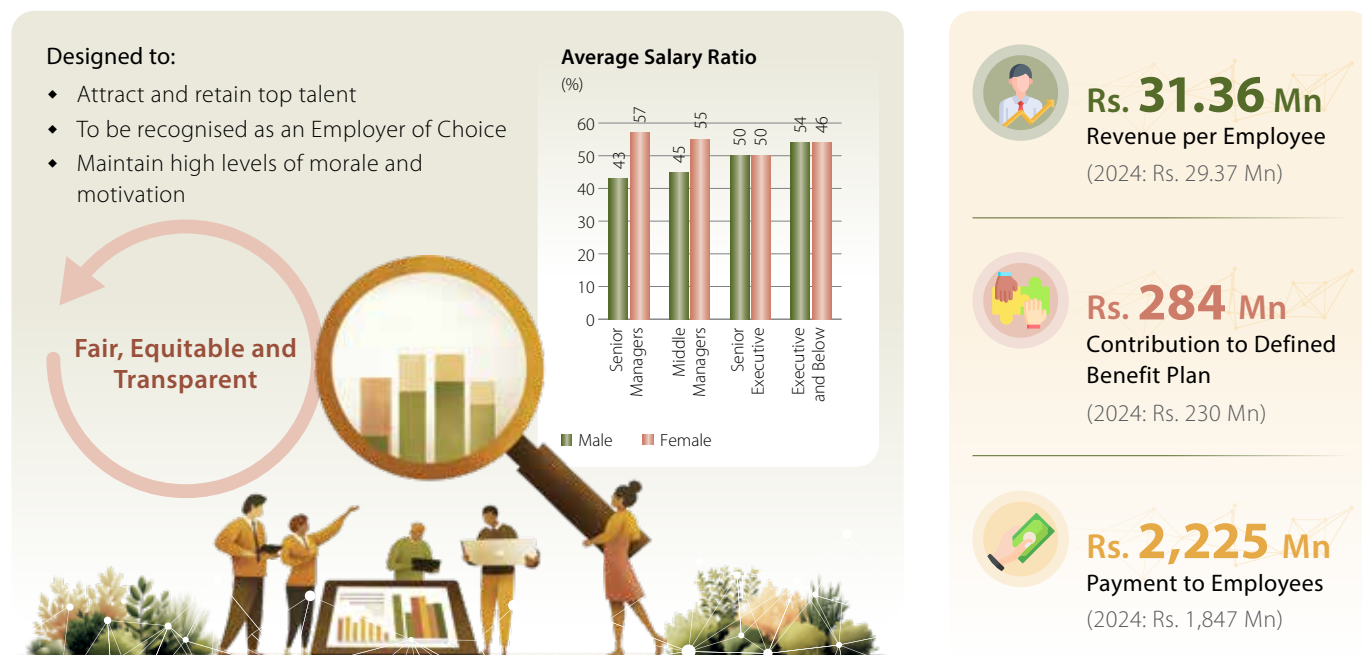
GRI

2-19 a, 2-19 b, 201-3 b, 201-3 c, 201-3 d
201-3 e, 401-2 a, 401-2 b, 405-2 a, 405-2 b

Remuneration and Benefits

We provide fair, equitable, and transparent remuneration and benefits that align with our performance-driven culture. Our compensation package includes a competitive base salary, travel allowance based on designations, performance-based bonuses, statutory contributions, and comprehensive benefits such as medical coverage. In addition, an industry-leading parental leave policy granting 100 days of paid leave for both parents.^{1A}

Our Remuneration Policy is:^{1A}



In addition to the regulated benefits, we offer a variety of monetary and non-monetary benefits aimed at supporting the holistic well being of our employees.^{1A}

Monetary^{1A}

- Attractive remuneration
- Vehicle allowances
- Paid time off
- Retirement benefits (EPF, ETF, Gratuity)
- Health & life insurance benefits

Non-Monetary^{1A}

- Employee well-being
- Job security and enrichment
- Flexi work arrangements and remote working
- Career development and learning opportunities
- Work/Life integration

Defined benefit plan obligations and other retirement plans

Union Assurance PLC operates both defined contribution and defined benefit post-employment plans. Under the defined benefit gratuity plan, the Company does not maintain a separate fund; therefore, all gratuity liabilities are fully met through the Company's general resources, with the liability estimated annually by an independent actuary using the projected unit credit method. The Company's defined contribution plans cover all employees, who are mandatory members of the Employees'

Provident Fund (EPF) and the Employees' Trust Fund (ETF). Contributions to these schemes follow statutory percentages, with the Company contributing 12% and employees contributing 8% of basic salary to the EPF, while the Company contributes an additional 3% to the ETF. As Note 45 confirms, all employees participate in these mandatory retirement schemes, and all eligible employees are entitled to the gratuity plan, reflecting full participation in the Company's retirement benefit framework.^{1A}



Refer Notes to the Financial Statements (Note 45)

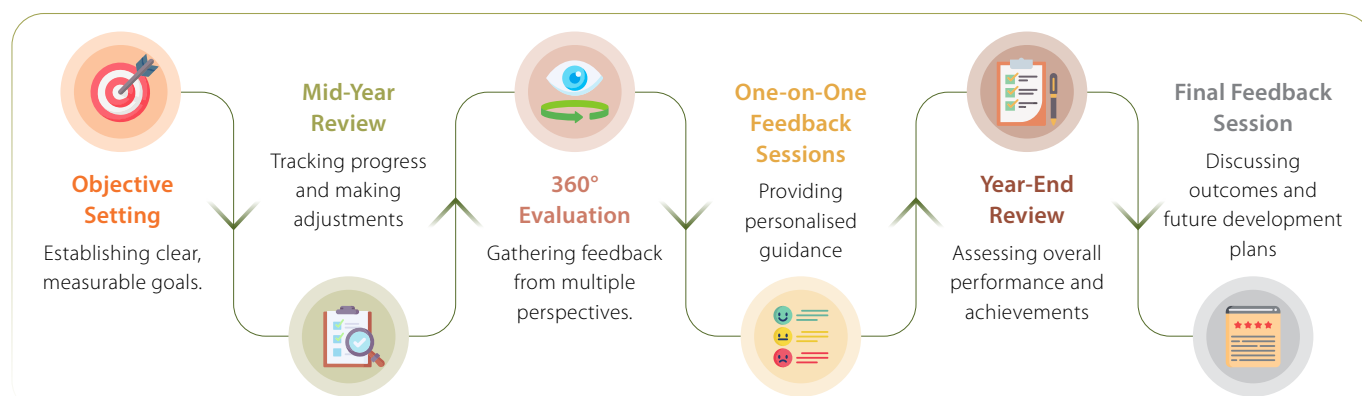
The Human Resource Compensation Committee (HRCC) is responsible for reviewing and ratifying the compensation and performance appraisals of the CEO and Key Management Personnel (KMPs), as recommended by the Group Career Committee. The Committee also monitors the performance and development of the Company's top talent to support organisational growth and succession planning, with particular focus on future readiness of identified key talents.

The organisation identifies its Head Office in Colombo, Sri Lanka as the central and most significant operational site for compiling and reporting gender pay and remuneration ratios.

Performance Management

Our performance management system is designed to motivate employees and ensure alignment with the Company's strategic objectives. Every employee undergoes an annual performance and career development review, and we continuously refine our practices to enhance effectiveness.

Our Performance Evaluation Process



We have strengthened the link between individual performance and organisational productivity, ensuring that contributions are recognised and rewarded. To support this, we have enhanced our reward philosophy and practices, incorporating both financial and non-financial metrics for a holistic evaluation.

In 2025, 100% employees are eligible to participate in performance appraisals, reinforcing our commitment to growth and excellence.

Success Drivers

The following six key Success Drivers are designed to make employees more flexible, creative, and focused on adding value for customers, partners, and colleagues.

	2025	2024
No of employees who got promoted ^{LA}	80	86
Percentage of employees who have undergone performance evaluations relative to the total cadre ^{LA}	85%	78%



Inclusive Leadership



Connecting the Dots



Being Agile



Relentless Execution



Storytelling



360 Stakeholder Commitment

Employee Recognition

At Union Assurance, we believe in celebrating excellence and acknowledging the contributions of our people. Our recognition programmes are designed to motivate, inspire, and reinforce a culture of high performance.



Bravo Award

A prestigious recognition certificate presented to employees for exceptional work and special projects that demonstrate innovation, commitment, and impact.



Union Assurance Recognised as a Company with Great Managers - Powered by CLA Coaching & Consulting Inc.

This year, seven outstanding leaders were recognised for their leadership impact, reinforcing our commitment to building a strong leadership culture.

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Employee Engagement

Throughout the year, we strengthened employee engagement through a range of internal initiatives and collaborations with the JKH Group. These efforts are designed to cultivate a strong sense of belonging, enhance team effectiveness, and nurture leadership qualities within a supportive environment that encourages employees to showcase their soft skills.

Townhall Meetings

Our Townhall meetings serve as a cornerstone for open dialogue between leadership and employees. These sessions provide a platform to communicate strategic priorities, share progress updates, and address questions in a transparent and collaborative environment.

By fostering two-way communication, we ensure employees have a clear understanding of how their individual contributions align with the Company's broader vision. Townhalls also reinforce our core values of trust and inclusivity, empowering employees to voice ideas and concerns while staying aligned with long-term goals.



Townhall meetings at UA Head Office

In addition, we hosted celebratory and fellowship-building events, creating opportunities for connection and camaraderie that further reinforce engagement and organisational culture.



Avurudu Celebrations



DJ Night



UA Kids Carnival



Halloween Celebrations



GRI

403-1 a, 403-1 b, 403-2 a, 403-2 b,
403-2 d, 403-3 a, 403-4 a, 403-5 a

Health and Safety

To uphold the highest standards of occupational health and safety, we have implemented a structured process to identify, eliminate, or minimise risks associated with each work segment. This process is developed with input from employees, ensuring that risk mitigation strategies are practical and effective.

Clear communication is a key priority, these strategies are shared across all levels of the organisation, particularly those exposed to specific job-related risks. By fostering awareness and accountability, we aim to create a safe, secure, and resilient work environment for everyone. The basic health & safety protocols are in place. ^{LA}



The organisation has identified fire risk as a significant occupational health and safety concern, and both the Head Office and branch network are fully covered under its fire safety management approach. The Logistics Department oversees periodic monitoring, supported by a range of preventive measures such as fire drills, routine building maintenance, thermal inspections of electrical wiring, trained fire teams with regular awareness sessions, expert reviews of the emergency response plan, and strict hot work permit procedures. Fire alarm systems, smoke detectors, and First Aid Fire Appliances (FAFA) are in place across all locations. Together, these systems ensure a consistent, proactive approach to fire safety across the entire organisation. ^{LA}



To minimise potential work-related ill health, we have implemented several preventive measures targeting ergonomic and environmental factors: ^{LA}

- **Improved lighting conditions:** Management assessed and adjusted workplace lighting levels to reduce excessive brightness exposure, helping mitigate risks such as eye strain, headaches, and related discomfort that can contribute to ill health.
- **Ergonomic seating enhancements:** Standard chairs were upgraded to more ergonomically appropriate options across designations, reducing risks of musculoskeletal discomfort or longer-term disorders.
- **Special accommodations for medical needs:** Employees with documented medical conditions receive customised chairs designed to meet their specific ergonomic or health requirements, further supporting prevention of work-related musculoskeletal or posture-related disorders.



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Employee well-being Initiatives ^{LA}

At Union Assurance, we prioritise the holistic well-being of our employees through a series of impactful programs and activities designed to nurture physical, emotional, and mental health. Key initiatives during the year included:



Launch of HappyMind

A dedicated well-being initiative, now integrated with Talent Development to ensure sustained support for employee growth and wellness.



Personal Grooming & Corporate Etiquette Programme

Conducted by Personal Style Coach for sales staff, empowering employees with confidence and professionalism.

Health Camp

Complimentary eye and hearing screening camp at the Head Office premises



Breast Cancer Awareness Session

Promoting health education and preventive care.



Zumba Sessions

Encouraging physical fitness and energy through fun, interactive workouts.



Cycling Workshop at Head Office

Reinforcing our commitment to active lifestyles and employee well-being.

'Salad Rush' Event

A unique initiative to strengthen team spirit and promote healthy eating, in collaboration with renowned chef Chathurika Anuradha.



10 km Cycling Event

Inspiring employees to embrace fitness and outdoor activity.



Art Therapy Session – 'Paint to Express'

A one-of-a-kind emotional well-being initiative where employees created vibrant traditional Sri Lankan masks, celebrating creativity and cultural heritage.



Employee Surveys and Focus Groups

To ensure we listen to the voice of our employees, we conducted multiple surveys and focus group sessions throughout the year. These initiatives help us gather valuable insights and continuously improve the employee experience.

Key initiatives included:

1. Employee Pulse Survey

An internal survey designed to assess critical areas such as:

- Empowerment and innovation
- Inclusion and growth
- Collaboration and recognition
- Health and well-being
- Recommendations for improvement

Two Pulse surveys were conducted during the year to track progress and identify

2. Em-Pulse Group Survey

A specialised survey aimed at deeper engagement and feedback from targeted employee groups which is conducted by the JKH Group.

3. Focus Group Sessions

Interactive sessions that provided employees with a platform to share ideas, concerns, and suggestions in a collaborative environment.

These efforts reflect our commitment to transparency, inclusivity, and continuous improvement, ensuring that employee feedback directly shapes our organisational strategies.

Way Forward

Objectives	2026 Short-term target	Medium to Long-term target
Building a strong talent pipeline	• Succession planning and successor development • Prepare individual development plans for top talent • Conduct industry mapping for identified roles	• Execution and management of the set succession plans for all critical roles
Maintain Gender parity	• 50:50 female:male representation	• 50:50 female:male representation
Learning & development	• Design and develop learning interventions based on identified needs and aligned with the Business KPIs and competency framework (Success Drivers) • Identify the learning needs critical to the business excellence	• Build a future-ready workforce equipped with the skills and knowledge • Continuous monitoring of success drivers into all levels of people development
Active employee engagement	• Strengthening employee engagement through diverse activities • Conduct half yearly Employee Pulse Survey to identify gaps and continuous improvement	• Improve employee engagement and motivation, drive productivity and innovation • Improved the quarterly survey and action plans