

# Lowell's approach to: Risk

Lowell aims to protect our customers, colleagues, investors and society, while enabling sustainable growth. This is achieved through informed risk decision-making and robust risk management, supported by an embedded risk-focused culture.

A prudent approach to risk is fundamental to our business model and drives our participation choices.

## Lowell's Risk management framework

The Group's risk appetite, framework, policies, procedures and reporting are regularly reviewed and updated when needed to ensure they remain fully in line with regulation, law, corporate governance and industry good practice.

The Investor and Regional Boards are responsible for approving the Group's risk appetite statement annually. Regular close monitoring and comprehensive reporting to all levels of management and the Investor and Regional Board ensures appetite limits are maintained.

A strong focus has been placed on engraining Risk and Control Self-Assessment (RCSA) into the DNA of the business, which supports the proactive identification of risks to all of our stakeholders and the delivery of the Group's business objectives, as well as enabling a strong control framework.

## Lowell's Risk culture and the customer

A transparent risk culture permeates across the Group and is reinforced by the Investor Board and Executive Team and their tone from the top.

Senior Management articulate the core risk values to which the Group aspires, based on the Group's business model, prudent approach to risk management and the Investor and Regional Board's guidance.

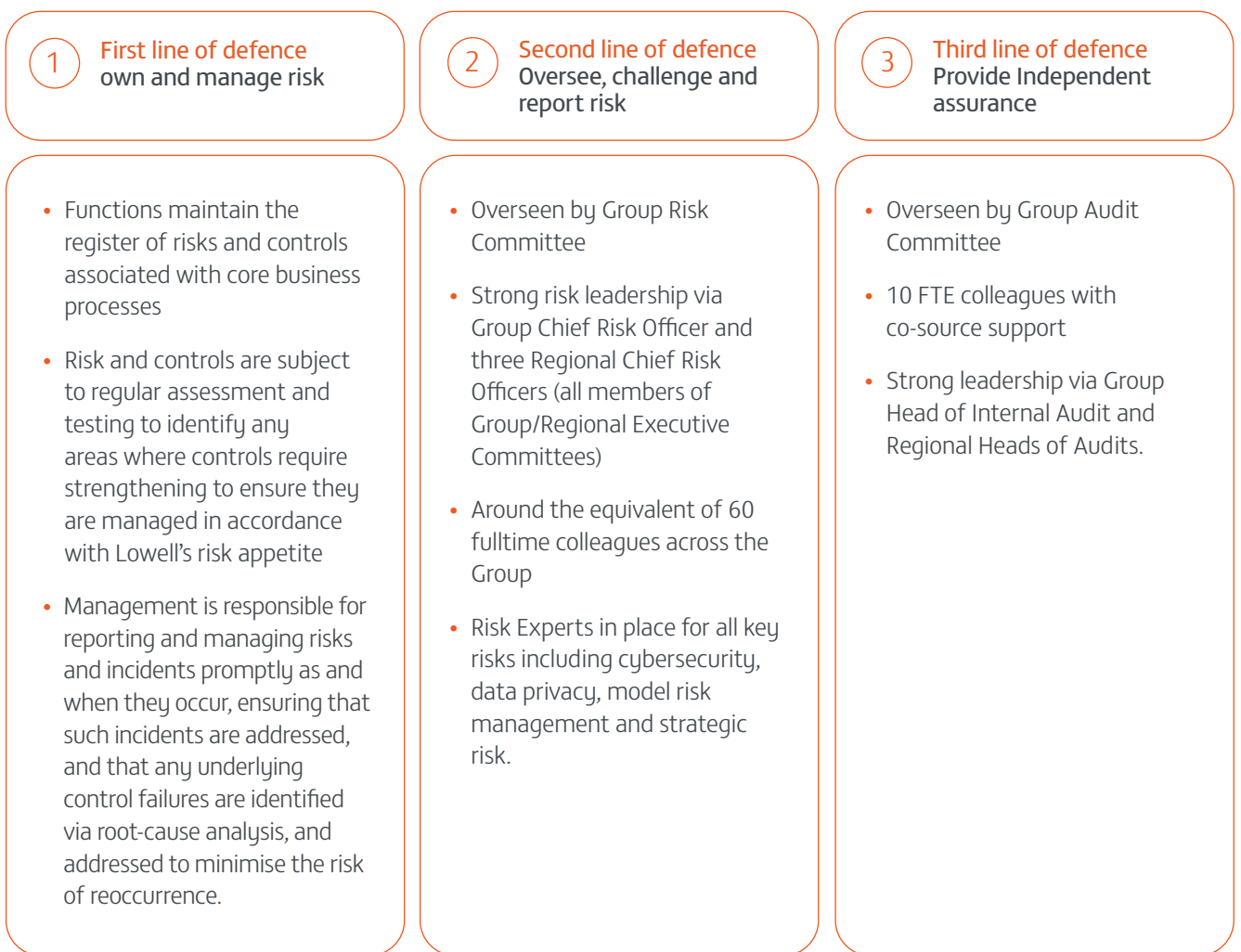
Within our approach there is a strong focus on building and sustaining long-term relationships with customers through the economic cycle.

Risk management requires all colleagues to play their part with individuals taking responsibility for their actions.

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## Three Lines of Defence Model

To ensure alignment to our Group Risk Framework and appetite for risk we organise Risk Management along the three lines of defence principle. Each line has clearly defined roles, responsibilities and accountabilities.



## Lowell's Whistleblowing processes

The Group is committed to the highest possible standards of openness, probity and accountability. In line with that commitment the Group has established and promoted processes where all colleagues are encouraged to raise concerns to their Line Manager or in confidence to the nominated Whistleblowing Officer.