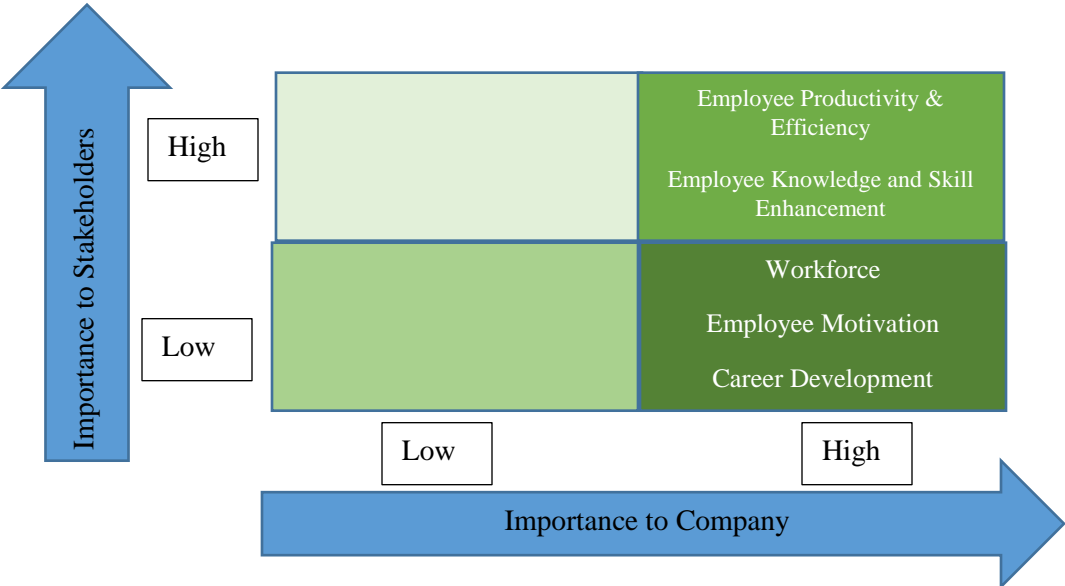


Human Strength

Our employees’ collective knowledge, skills, attitudes and agility displayed remained pivotal drivers of the company’s showcased resilience during these extraordinarily challenging times, maintaining the trust and loyalty amongst our financial partners. The MI team played a critical role in achieving set strategic aspirations, enhancing customer experience and driving innovation, to stay competitive in the market during the pandemic hit challenging times and the commencement of the post-Covid phase since 2022.

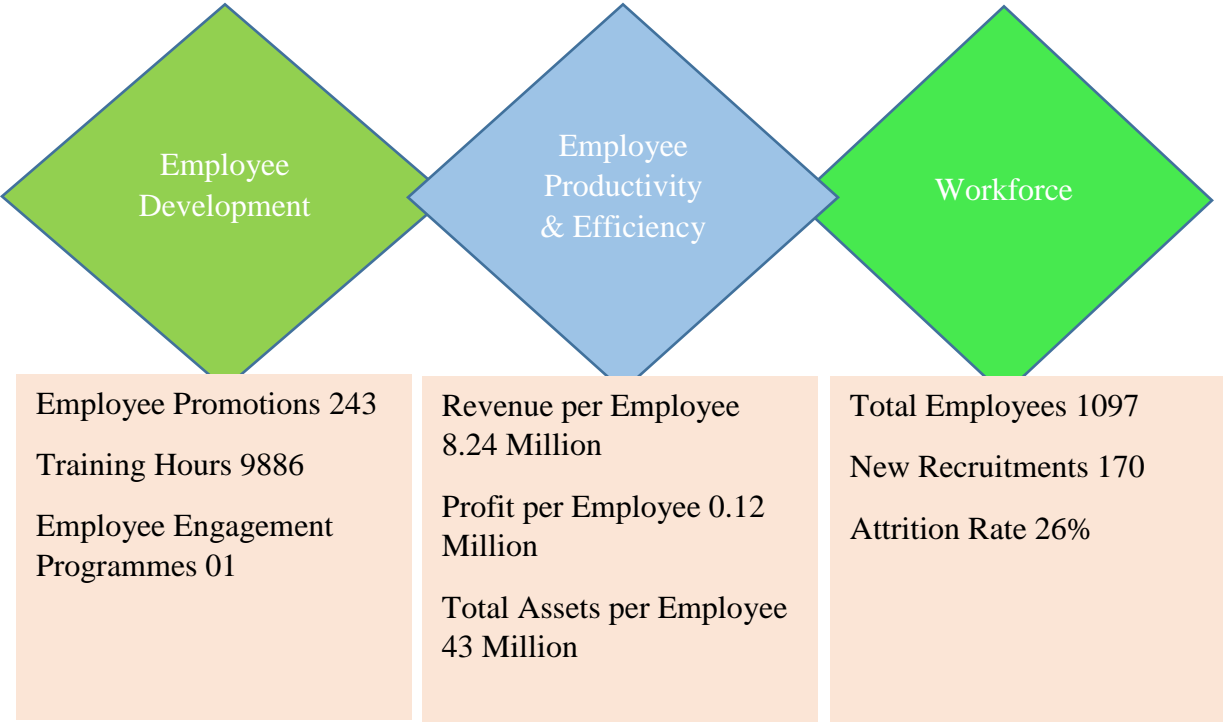
We have integrated HR strategies, policies and practices with MI’s vision, mission and corporate objectives with the aim of grooming our human resources in line with strategic goals. Our unique corporate culture and HR strategies have been successful in attracting and retaining high-calibre resource personnel, while providing them with a distinctive employee experience, including fair and equal opportunities to thrive and grow both personally and professionally. This year we placed more focus on building employee resilience and productivity while empowering staff to succeed in their fields. Our well-structured recruitment, training, performance management and reward policies and processes contributed in uplifting workforce motivation and our value proposition while driving staff towards wider visionary aspirations.

Impact Analysis



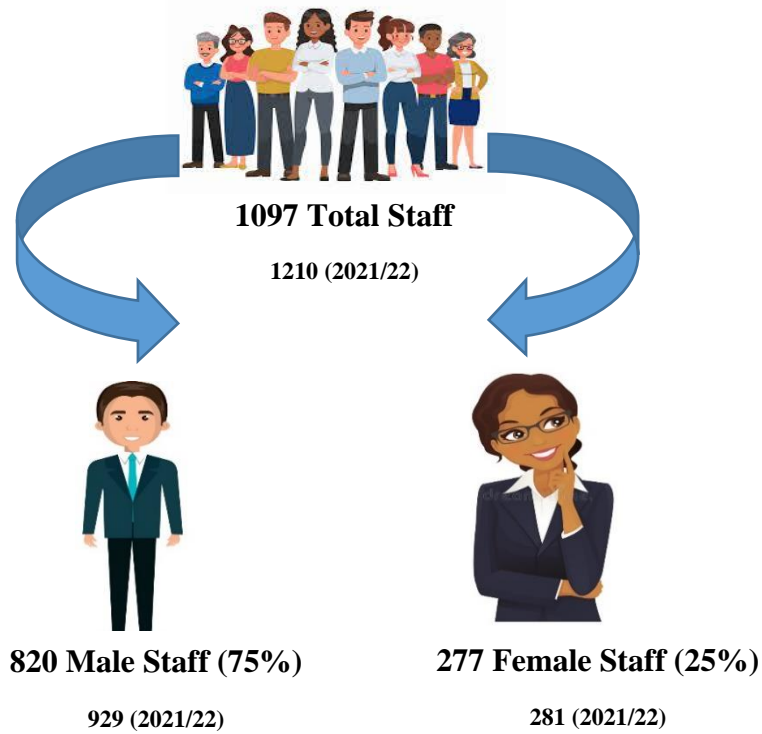
As harmonised with our impact assessment for ‘Human Strength,’ employee productivity and efficiency remained pivotal in navigating our way amidst multifaceted challenges. Hence we focused on talent management to identify existing gaps and continued to provide customised training and development programmes to enhance skills and workforce knowledge whilst affording opportunities for their career growth. Moreover, recognising the importance of having a motivated workforce in driving our future goals, we strived to build employee resilience and optimise employee value proposition to retain the best talents, despite the finance industry witnessing an exodus of skilled overseas migrations amidst dire economic hardships stemming from the country’s financial fallout.

Performance Highlights



Material Matters

Workforce Diversity (GRI 2-7, 405-1)



Type	Category	Male	% of Employees	Female	% of Employees	Total
Working at MI	Over 20 years	52	1%	10	0%	62
	16-20 years	37	28%	10	15%	47
	11-15 years	66	43%	16	47%	82
	6-10 years	236	1%	46	2%	282
	Below 5 years	429	27%	195	36%	624

Designation Hierarchy	Directors	6	1%	1	0%	7
	Managers	226	28%	42	15%	268
	Executives	355	43%	129	47%	484
	Clerical and allied	11	1%	6	2%	17
	Office assistants and others	222	27%	99	36%	321
Province	Western	560	68.29%	215	77.62%	775
	North Central	37	4.51%	10	3.61%	47
	North Western	69	8.41%	15	5.42%	84
	Sabaragamuwa	54	6.59%	13	4.69%	67
	Southern	75	9.15%	15	5.42%	90
	Eastern	13	1.59%	5	1.81%	18
	North	5	0.61%	2	0.72%	7
	Central	7	0.85%	2	0.72%	9
Employment Contract	Contract	26	2.8%	18	6.49%	44
	Permanent	900	97.2%	259	93.50%	1053
	Part Time	-		-		-

Employment in Contract by Region (GRI 2-8)

Province	Type of employment	No of employees
Western	Permanent	732
	Contract	43
North Central	Permanent	47
	Contract	-
North Western	Permanent	84

	Contract	-
Sabaragamuwa	Permanent	66
	Contract	1
Southern	Permanent	90
	Contract	-
Eastern	Permanent	18
	Contract	-
North	Permanent	7
	Contract	-
Central	Permanent	9
	Contract	-
Total	Permanent	1053 (96%)
	Contract	44 (4%)

There are no outsourced workers attached to Mercantile Investments Finance PLC for the financial year 2022/23

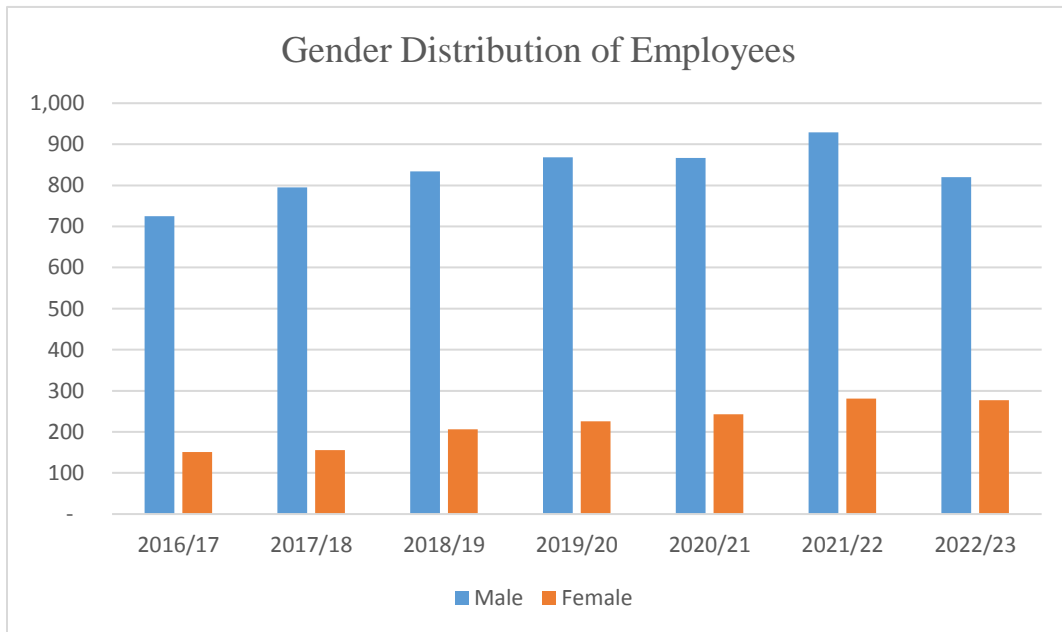
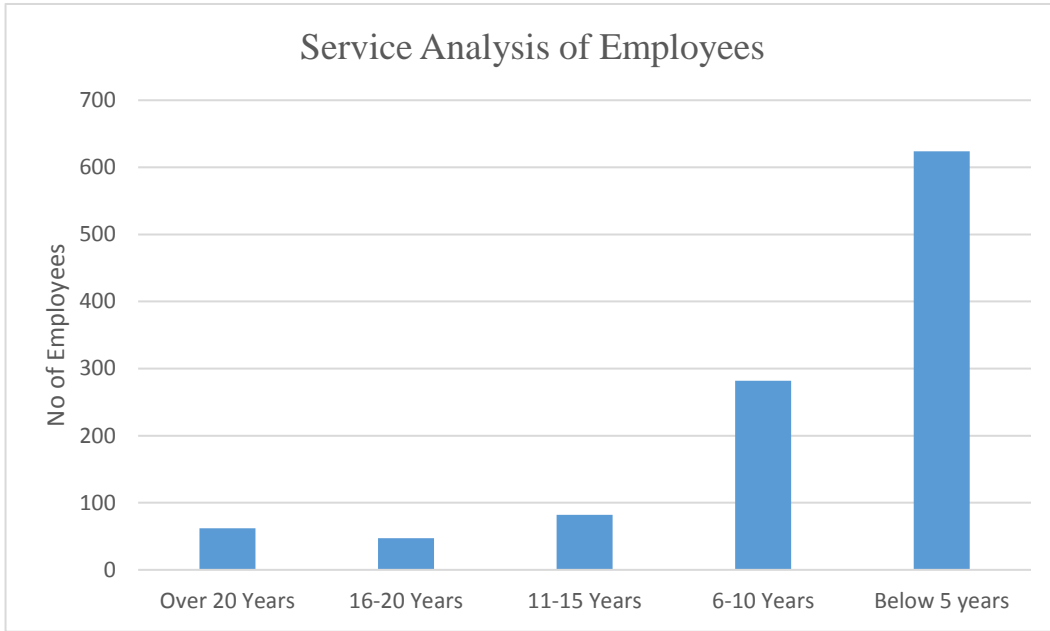
Employee Age Analysis

Employee Designation	Age Category					
	Below 30 Years	% of Employees	31 to 50 Years	% of Employees	Above 50	% of Employees
Directors	-		2	0%	5	0%
Managers	14	1%	234	21%	20	2%
Executives	258	24%	216	20%	10	1%
Clerical & Allied	15	1%	1	0%	1	0%
Office Assistant & Others	199	18%	95	9%	27	2%
Total	486	44%	548	50%	63	6%

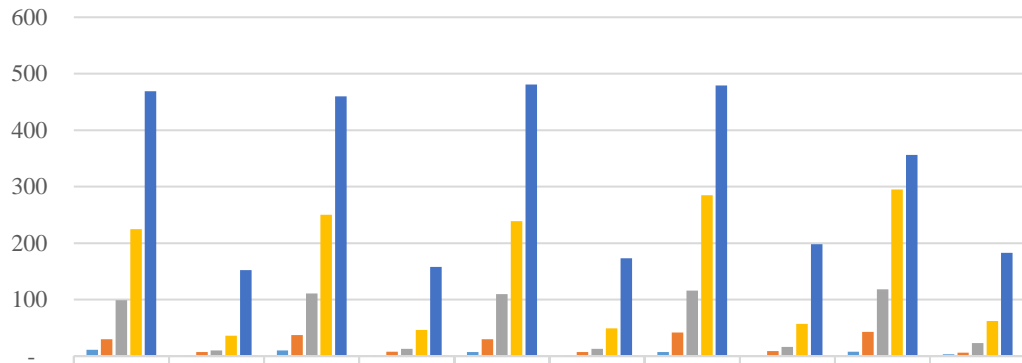
MI’s workforce analysis depicts that 56% of the employees were above 30 years in age during the period, showing maturity in the industry, whereas 44% of employees represented the below 30 years category, giving rise to the opportunity to grab new technology enhancements and promote innovation in company operations.

Our service analysis also provides evidence that 43% of employees have served at MI for over 5 years, offering unique expertise, service and knowledge to the company.

Explanatory Graphs



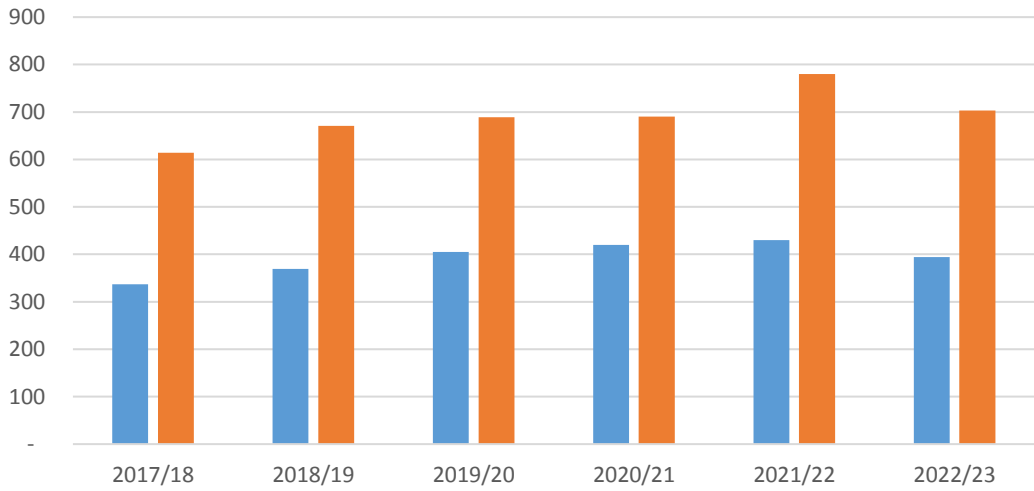
Comprehensive Age Analysis



	Male 2018/19	Female 2018/19	Male 2019/20	Female 2019/20	Male 2020/21	Female 2020/21	Male 2021/22	Female 2021/22	Male 2022/23	Female 2022/23
■ Above 60 Years	11	1	10	1	7	1	7	1	8	3
■ 51-60 Years	30	7	37	8	30	7	42	9	43	6
■ 41-50 Years	99	10	111	13	110	13	116	16	118	23
■ 31-40 Years	225	36	250	46	239	49	285	57	295	62
■ 18-30 Years	469	152	460	158	481	173	479	198	356	183

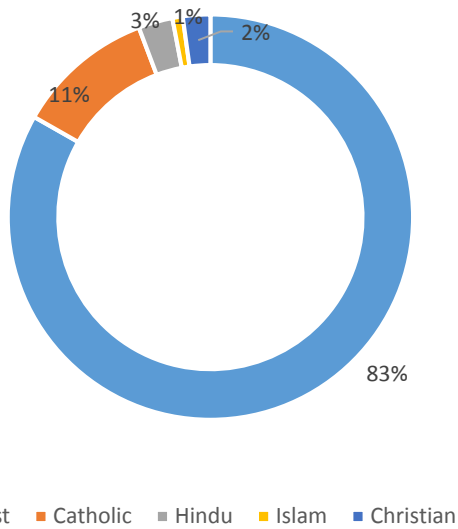
■ Above 60 Years ■ 51-60 Years ■ 41-50 Years ■ 31-40 Years ■ 18-30 Years

Head Office and Branch Employee Position



■ Head office ■ Branches

Employee Diversity by Religion



Employees	Branch	FY 2022/23			
		Male	% of Employees	Female	% of Employees
Eastern					
	Trincomale	6	0.7%	3	1.1%
	Ampara	7	0.9%	2	0.7%
Central					
	Gampola	7	0.9%	2	0.7%
North Central					
	Anuradhapura	11	1.3%	3	1.1%
	Polonnaruwa	17	2.1%	3	1.1%
	Thambuttegama	9	1.1%	4	1.4%
North Western					
	Puttalam	5	0.6%	2	0.7%
	Kurunegala	22	2.7%	2	0.7%
	Chilaw	20	2.4%	6	2.2%
	Kuliyapitiya	16	2.0%	3	1.1%
	Giriulla	6	0.7%	2	0.7%

Sabaragamuwa					
	Balangoda	18	2.2%	4	1.4%
	Embilipitiya	11	1.3%	4	1.4%
	Ratnapura	13	1.6%	4	1.4%
	Kegalle	12	1.5%	1	0.4%
Southern					
	Bentota	14	1.7%	3	1.1%
	Tissa	13	1.6%	1	0.4%
	Galle	14	1.7%	5	1.8%
	Matara	15	1.8%	2	0.7%
	Akuressa	11	1.3%	1	0.4%
	Elpitiya	8	1.0%	3	1.1%
Western					
	Malabe	13	1.6%	3	1.1%
	Ja-ela	12	1.5%	5	1.8%
	Head Office	273	33.3%	121	43.7%
	Negombo	14	1.7%	6	2.2%
	Kohuwala	23	2.8%	18	6.5%
	Kadawatha	16	2.0%	5	1.8%
	Maharagama	15	1.8%	3	1.1%
	Horana	15	1.8%	4	1.4%
	Gampaha	19	2.3%	5	1.8%
	Minuwangoda	14	1.7%	3	1.1%
	Kottawa	12	1.5%	6	2.2%
	Nittambuwa	9	1.1%	3	1.1%
	Kaduwela	14	1.7%	5	1.8%
	Kotahena	8	1.0%	4	1.4%
	Kesbewa	6	0.7%	4	1.4%
	Corporate Premier	9	1.1%	3	1.1%
	Godagama	9	1.1%	3	1.1%
	Moratuwa	17	2.1%	4	1.4%
	Workshop	23	2.8%	-	0.0%
	Avissawella	6	0.7%	3	1.1%
	Maharagama Yard	16	2.0%	3	1.1%
	Wattala	9	1.1%	2	0.7%
	Veyangoda	8	1.0%	2	0.7%
Northern					

	Chunnakam	5	0.6%	2	0.7%
	Grand Total	820	100%	277	100%

Workforce Equality (GRI 406-1)

We respect workplace equality and ensure that our organisational policies, procedures and processes such as recruitment, performance appraisals and rewarding remain highly transparent and demonstrate justice and equity in all aspects. As MI is enriched with a diverse workforce in terms of gender, nationality, religion and age, we are well positioned to align our strategies to be more responsive to the needs of our customers and the community at large. We have enhanced accountability and equal treatment among our workers by deploying an effective value-driven performance management framework that has helped bolster employee trust and confidence even in these trying times. Since there were no instances of unfair treatment or discrimination reported throughout the year, no corrective actions were required.

Approach Adopted to Workforce Planning

At the beginning of each fiscal year, we assessed the resource strength against prevailing business level and made projections about the needed manpower to achieve set out strategic priorities. During the year, as we focused on multi-tasking and productivity enhancement as a strategy to improve our bottom line, we placed greater emphasis on optimising internal resources. Hence, the HR team closely collaborated with each department to perform competency and resource mapping to identify resource gaps and surpluses and thereby take measures towards skill development, whilst resorting to natural shedding or staff reshuffling strategies to manage excesses. We promptly filled open positions through internal resources to secure the smooth and efficient flow of operations whilst focusing on external recruitments conservatively, considering the slowed business environment. Moreover, in light of the unstable economic upheaval, we created comprehensive succession plans and invested in training and development programmes, whilst uplifting career advancement opportunities for talented staff and those showing potential.

Talent Acquisition (GRI 401-1)

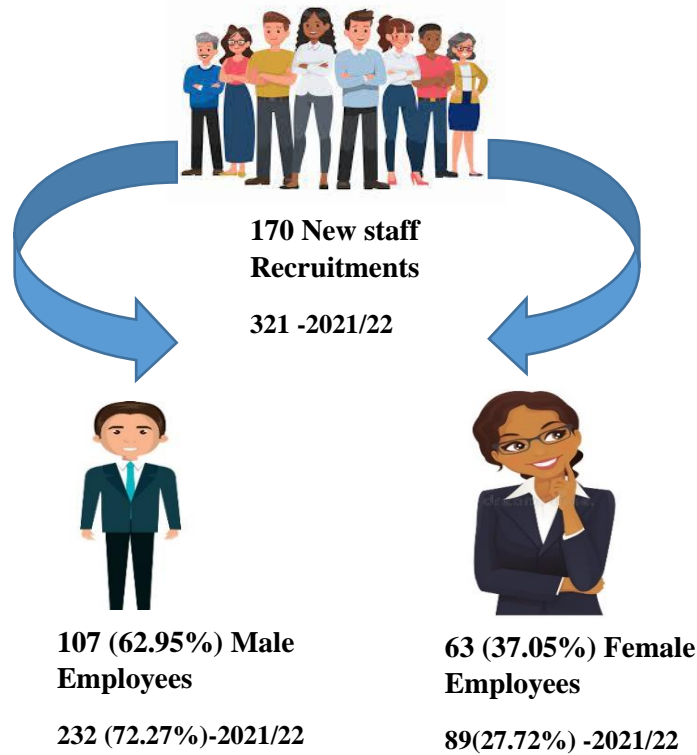
Being a service organisation, talent acquisition and management remains pivotal in differentiating our service in a fiercely-competitive industry and to stay resilient amidst the prevailing macro-

economic challenges. Thus, our recruitment strategy concentrated on building a suitable talent pool to drive the challenging strategic goals set forth, whilst providing sufficient career growth opportunities to those who showing commitment.

Accordingly, if an internal applicants search does not identify a suitable candidate, we resort to identifying external candidates. As we prioritize evaluating an individual's technical, behavioural, and situational skills as the most important factors in determining their fitness, we subject candidates to a series of structured interviews, assessments and psychometric tests in the evaluation process, which is tailored for various hierarchical levels. To ensure that we choose the best personnel with high integrity and ethical standards who match the requirements of the company and stakeholders, a thorough review of the employee background is undertaken. Curiosity tests are also conducted during interviews as a technique of determining candidates who are highly capable of self-learning and who can contribute to improving future value generation through innovative ideas and activities.

Recruitment Diversity

Our recruitment strategy embraces diversity and inclusion and supports MI's inclusive stance on gender, race and religion. As we operate with an island-wide branch network, we have provided job opportunities to candidates of those geographical territories, which has enabled us to gain regional market intelligence to identify emerging stakeholder demands, while contributing to regional development by creating employment opportunities and boosting locals' standards of living through sustainable financing.



Type	Category	Male		Female		Total
Designation Hierarchy	Directors	-		-		-
	Managers	9	75%	3	25%	12
	Executives	38	66%	21	34%	59
	Clerical and allied	59	60%	39	40%	98
	Office assistants and others	1	100%	-	0%	1
Age	Above 50 years	18	78%	5	22%	23
	30-50 years	20	57%	15	43%	35
	Below 30 years	69	62%	43	38%	112
Province	Western	81	63%	47	37%	128
	Central	-	0%	1	100%	1
	North Central	7	78%	2	22%	9
	North Western	5	83%	1	17%	6
	Sabaragamuwa	6	55%	5	45%	11
	Southern	4	57%	3	43%	7
	Eastern	-	0%	2	100%	2
	Northern	4	67%	2	33%	6

Proportion of senior management hired from the local community (GRI 202-2)

	Total Senior Managers	Total Senior Managers Locally Hired **	% of senior managers locally hired *
Akuressa	1		0%
Ampara	1		0%
Anuradhapura	1		0%
Avissawella	1		0%
Balangoda	3		0%
Bentota	1		0%
Chillaw	2		0%
Chunnakam	1		0%
Corporate Premier	4	1	25%
Embilipitiya	2		0%
Elpitiya	1		0%
Galle	3		0%
Gampaha	5		0%
Gampola	2		0%
Godagama	1		0%
Giriulla	1		0%
Head Office	113	7	6%
Horana	2		0%
Ja-Ela	2		0%
Kadawatha	5		0%
Kaduwela	3		0%
Kesbewa	1		0%
Kegalle	1		0%
Kohuwala	6	1	17%
Kotahena	1		0%
Kottawa	4		0%
Kuliyapitiya	1		0%
Kurunegala	3		0%
Maharagama	3		0%
Maharagama Yard	1		0%
Malambe	1		0%
Matara	2		0%
Minuwangoda	1		0%
Moratuwa	4		0%
Negombo	4		0%

Nittabuwa	1		0%
Polonnaruwa	2		0%
Puttlam	1	1	100%
Ratnapura	2		0%
Thambuttegama	3		0%
Tissa	1		0%
Trinco	1		0%
Veyangoda	1		0%
Wattala	1		0%
Workshop	3	1	33%
	204	11	5%

Fostering MI’s Talent (GRI 404-1,404-2)

Being a financial service provider operating in a highly-competitive and regulated sector, our ability to stay up to date with skills, knowledge and technology enabled us navigate during these challenging times and to stay resilient despite the economic adversities. The four pillars of Process, Policy, Profit, and People form the basis of MI’s talent development strategy, which was aimed towards driving MI’s visionary aspirations. When making judgments about the routine tasks, the extent of impact to bottom-line was at the heart of each decision, focusing on optimising or lowering operational costs wherever possible. Further, we focused on edutainment modes to raise the knowledge level of MI policies and processes, which improved the quality of work and elevated the service experience. The introduction of the intranet and blended staff cross functionality contributed towards this. By continuing to invest in training and development, we broad-based skill levels at each grade, helping them to realise their full potential towards achieving KPIs.

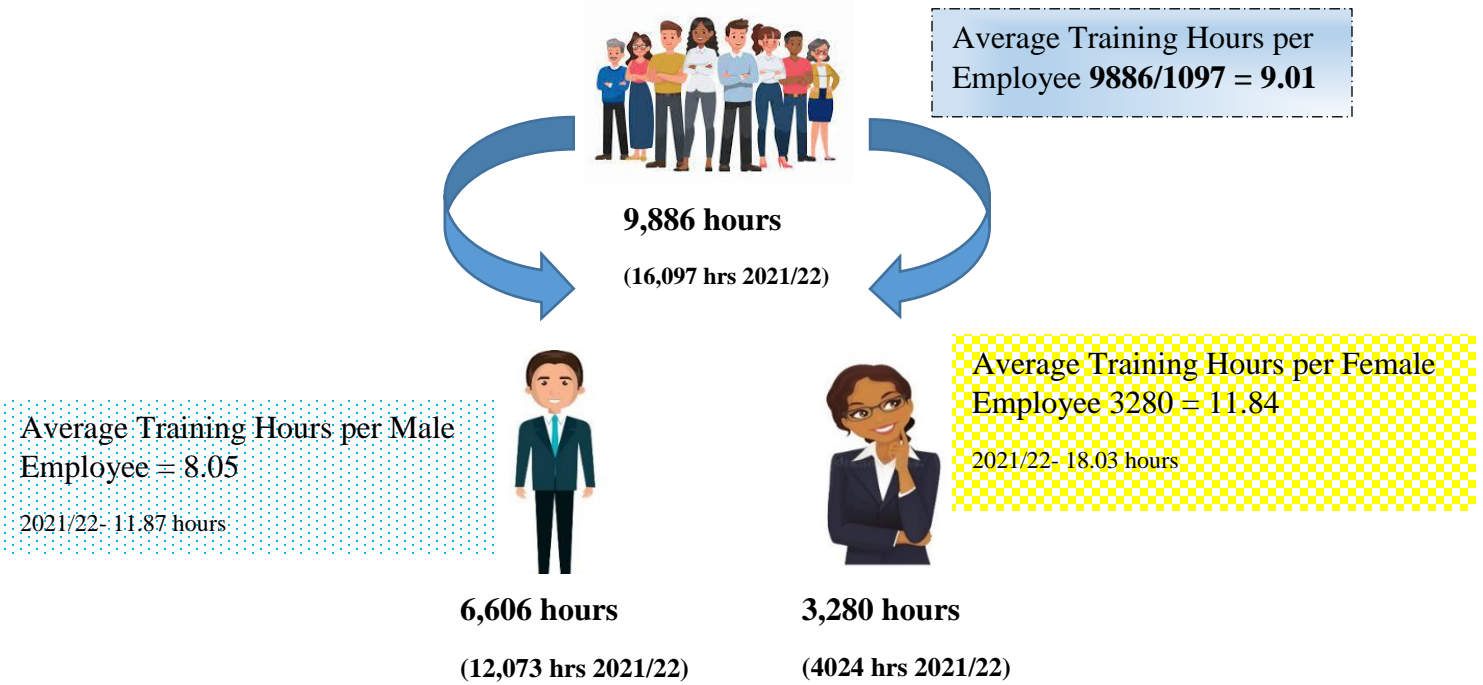
Despite the multifaceted challenges, we provided a range of internal and external training programmes to improve technical knowledge (credit, marketing, recovery, deposits, operations, sustainability, anti-money laundering, human resource management, compliance skills, etc.) as well as soft skills (leadership, analytical and other skills) to further strengthen our core competencies. These training needs were assessed through a formal performance management system deployed at functional levels coupled with structured training programmes to bridge existing competency gaps.

In the backdrop of the prevailing economic hardships and frustration faced by employees, we arranged separate interactive e-based programmes to build employee resilience and morale throughout the year, offering support to achieve both organisational and personal goals. Based on the 3Cs paradigm, we developed programmes stressing on the concept of ‘Sharing Knowledge’ (Contacts, Content and Context). In order to close knowledge gaps and increase productivity, we promoted ‘Learning by Contacts’ by organising training events to encourage information sharing between co-workers and departments as well as the opportunity to learn from the expertise of subject matter experts.

We continued the training programme on ‘Leaders as Teachers,’ giving department heads the opportunity to instruct their team members on technical topics at departmental meetings. Furthermore, ‘Succession Plans’ (increasing bench strength) were revisited. Outstanding performers and top performers were segregated through a leadership channel and then given ample training on the use of the 3C technique in order to prepare them for high energy roles. Topics for knowledge sharing sessions were selected based on assessments of training needs and the context was formed by assigning new duties and unique projects. We believe that this will help to prepare an invaluable talent pool for more senior leadership positions, which is projected to propel MI’s long- and medium-term business growth aspirations.

Training Offered to Our Employees

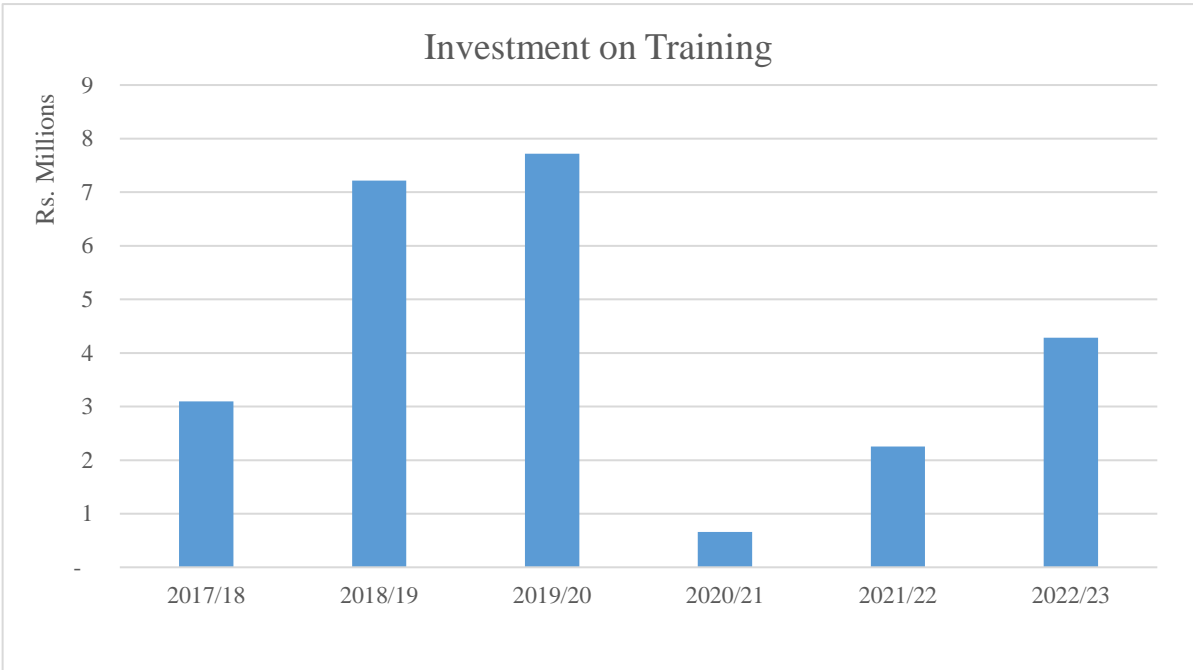
As MI places heavy emphasis on employee knowledge and competency improvement, we were able to provide an adequate level of training to our valued employees during the financial year in various fields, including Technical, Anti-Money Laundering, Job-Related Training, and Leadership and Personnel Development Training.



Training Hours by Employee Category

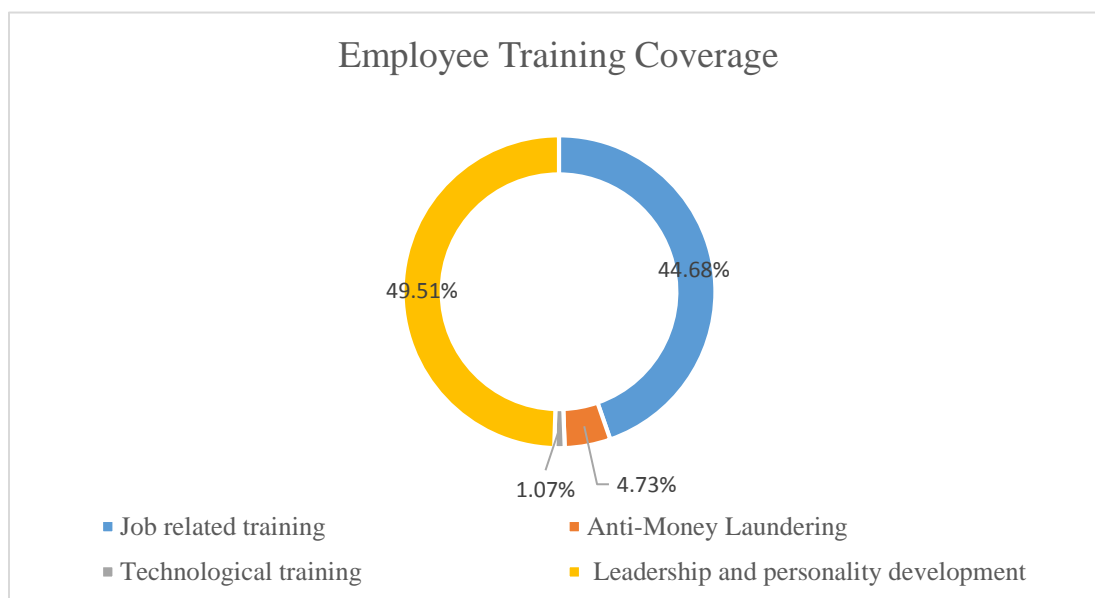
Grade	Participants		Total Participants	Total Training Hours		Average Training Hours		Category-wise Average
	Male	Female		Male	Female	Male	Female	
								4.20
Senior Management	30	5	35	107	32	3.55	6.30	2.30
Manager	779	132	911	1,781	313	2.29	2.37	2.53
Executive	1,268	494	1,762	2,942	1,521	2.32	3.08	1.67
Junior Executive	3	-	3	5	-	1.67	-	2.54
Clerical	695	522	1,217	1,679	1,415	2.42	2.71	1.57
Minor	59	1	60	93	1	1.58	1.00	4.20

Investment on Training



Providing an adequate level of training to our employees remained one of our key aspirations in terms of staff development, which enhances the core competencies of the company. During the financial year, we invested Rs. 4.2 million on staff training, a 90% YOY increase despite the economic hardships we faced.

Training Coverage Fields



MI’s training programmes are designed after analysing the emerging needs of both employees and the company and are reviewed each year. During the year 45% of training programmes were carried out as job-related training programmes with the intention of developing the employees’ technical and conceptual skills, whilst another 49% were placed in terms of leadership and personality development, having recognised the importance of grooming them to successfully face evolving challenges.

Anti-Money Laundering Training (AML) GRI 205-2

MI’s governance policy strictly monitored AML procedures and ensured proper training programmes were carried out to enrich the employee knowledge base. During the period under review, 14.2% of the total employees were trained on AML policies and procedures.

Grade	Number of Employees					
	FY 2022/23	FY 2021/22	FY 2020/21	FY 2019/20	FY 2018/19	FY 2017/18
Managers & Above	69	274	37	21	29	48
Executive/Assistants	87	209	23	49	51	83
Total	156	483	60	70	80	131

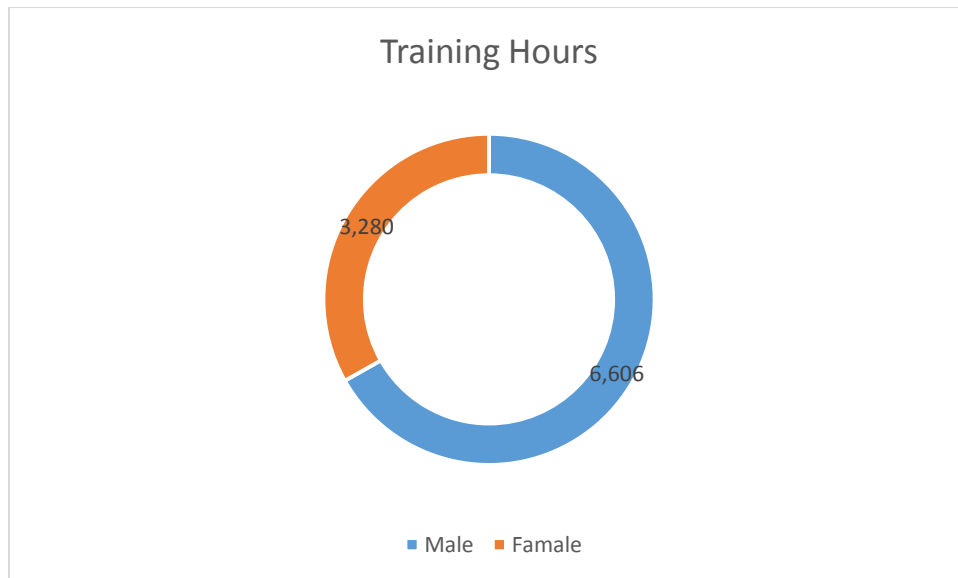
Objectives of the Training Programmes

Type and Scope of Training Programme	Assistance provided to Employees to Upgrade Skills	Training Objective
Anti-Money Laundering	Held a virtual training Session to enhance knowledge	Equip individuals and the organisation with the knowledge and skills necessary to identify, prevent and report suspicious activities related to money laundering and terrorist financing.
Job-Related Training	Physical training, virtual sessions, technical talk time sessions, circulate e-flyers, regular chats	<p>The primary objective of job-related training was to improve employees' job performance by developing new skills, improving existing ones and keeping them up-to-date with the latest industry trends and technologies.</p> <p>Job-related training is also aimed to enhance employee knowledge about the job, the company and the industry to help employees better understand their role in the organisation and the impact of their work on the overall business.</p> <p>Furthermore, job-related training fosters career development by helping employees develop new competencies and advance</p>

		<p>their careers within the organisation through opportunities for professional development, career coaching and mentoring.</p> <p>Training also helped increase employee engagement and motivation by showing that the company was invested in their professional development and provided opportunities for growth.</p> <p>Finally, job-related training was necessary to ensure compliance with regulatory requirements, industry standards and safety protocols to help mitigate risk, reduce liability and protect the health and safety of employees and customers</p>
Technological Training	Physical training, virtual sessions, technical talk time sessions, circulate e-flyers, regular chats	<p>The training objectives for technological training were to provide employees with the necessary knowledge and skills to effectively use new technology and tools in their work.</p> <p>The training aimed to improve employees' productivity and efficiency by teaching them how to use new software and equipment, troubleshoot technical issues and manage digital files and data.</p>

		<p>Additionally, technological training aimed to enhance employees' problem-solving skills by exposing them to new and innovative ways of approaching tasks and challenges.</p> <p>The training also aimed to ensure employees' digital literacy by providing them with the knowledge and skills to navigate the digital world safely and effectively.</p> <p>Finally, technological training aimed to keep employees up-to-date with the latest technological advancements in their industry and equip them with the skills to adapt to future changes.</p>
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Gender-Based Training



In our corporate journey we have paid significant attention to ensure gender equality since it provides balanced functioning to all cross functions of the organisation whilst contributing to enhancing employee satisfaction. During the financial year, gender-based training recorded 6,606 hours for males and 3,280 hours for females.

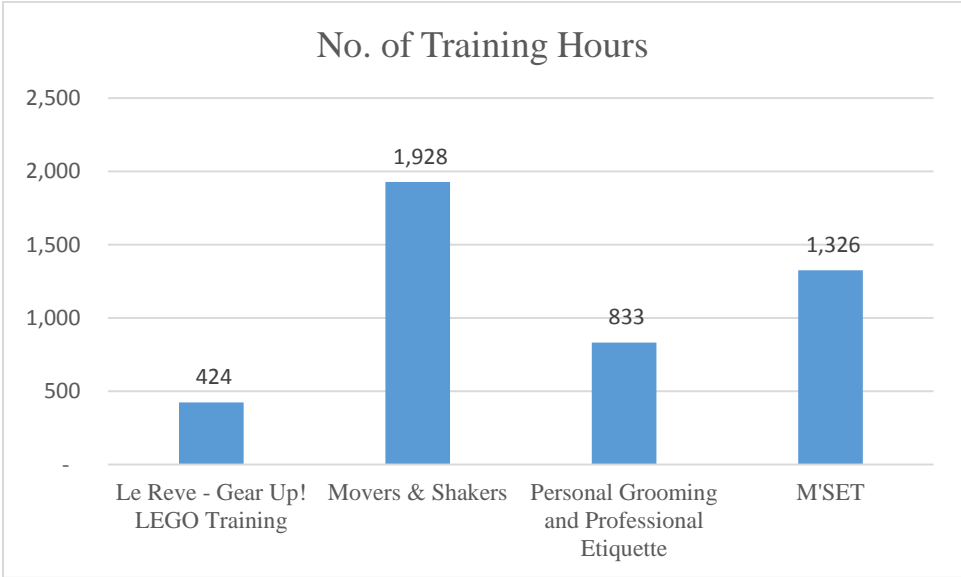
Field of Training	Gender		Total Participants	Hours of training	Total man hours Actual
	Male	Female			
On Your Marks, Get Set, Go!	127	71	198	104	1,524
Le Reve - Gear Up! Technical Sessions	25	20	45	6	270
Corporate L&D Masterclass	1	1	2	8	16
FD Sales Skill Training	15	1	16	16	256
Certificate Course in Compliance	-	1	1	25	25
Training on Talent Analytics	1	1	2	2	4
Le Reve - Gear Up! Technical Session - Insurance	14	2	16	1	16
Le Reve - Gear Up! Technical Session - BSD	5	6	11	1	11
Le Reve - Gear Up! Technical Session - ADU	12	9	21	1	21
Le Reve - Gear Up! Technical Session - Legal Recovery	9	2	11	1	11

Le Reve - Gear Up! Technical Session - Cashiering	3	8	11	1	11
Le Reve - Gear Up! Technical Session - Recoveries	7	6	12	1	13
Art of Recoveries	4	-	4	11	22
Le Reve - Gear Up! LEGO Training	34	19	53	8	424
Webinar on SLFRs 16	3	-	3	8	24
Webinar on SLFRS-9 Sailing through crisis	3	-	3	4	12
BPR Process Mapping Session	8	7	15	8	120
Course on Practical Application of Income Tax	1	-	1	28	28
Gear Up! Technical Sessions - Micro Finance	8	3	11	4	44
Artificial Intelligence	4	-	4	1	4
Movers & Shakers	708	256	964	2	1,928
Webinar series on Integrated Reporting	-	1	1	14	14
Train the Trainer	1	-	1	8	8
Personal Grooming and Professional Etiquette	586	247	833	1	833
Training on Excel	3	10	13	8	104
Young Directors Forum	2	-	2	4	8
Advanced Sales Skill Training	8	12	20	16	320
Cashier Tech Talk	23	69	92	8	736
Regulatory Framework Relating to Non-Bank Financial Institutions	-	2	2	16	32
Workshop on Labour Law and Industrial Relations	-	1	1	8	8
Gold legends	10	10	20	8	160
Training on Anti Money Laundering	134	22	156	3	468
43rd CA Conference 2022	6	1	7	18	126
Counselling Skills for Managers	2	-	2	2	4
Payroll Management	-	1	1	8	8
Digital Media Masterclass	1	1	2	12	24
Personality Development & Corporate Etiquette	1	-	1	8	8
Marketing Strategies to Sustain Business in a Crisis Situation	2	-	2	8	16

Training on Valuation	47	-	47	8	376
Sri Lanka Economic Summit	1	-	1	10	10
CPD Meeting Minutes	-	1	1	1	1
Technical talk time - Valuation	361	104	465	1	465
M'SET	633	251	884	2	1,326
Performance Management Refresher Training 2023	21	7	28	2	42
Awareness Session for Insurance Brokers 2023	-	1	1	6	6
Total					9,887

Soft Skills

During our reporting period we offered soft skills development programmes to our dedicated employees to heighten their capabilities along with technical and conceptual skills. A total of 4,511 training hours were provided to the employees covering four different soft skill enrichment programmes in the period under review.



Performance Management (GRI 404-3)

We have implemented a transparent and value-driven performance management system to recognise and reward employee performance fairly, equitably and consistently in accordance with their contribution towards the organisation. Employee performance was evaluated comprehensively by analysing both ‘What employees did’ and ‘How they did it,’ assigning proper weightage on their target achievement and behavioural competencies. We have implemented a formal performance evaluation system to appraise employees using various criteria and KPIs, recognising their achievements, innovative ideas and contribution to value creation, in turn further motivating and reinforcing the performance-driven culture we uphold.

This system was implemented at all levels, improving the accountability and legitimacy of the evaluation procedure and the incentive system while offering suitable edification programmes regarding the evaluation criteria. Each employee was given an opportunity to explain their professional goals and objectives with their immediate supervisors and senior management, as well as their needs for learning and development. Based on the performance appraisal and a peer comparison, employees were classified as Outstanding, Performing, or Underperforming, recognising their development needs. Additionally, through our programme ‘Tribute to Excellence,’ we have recognised the top performers by providing quarterly reviews, encouraging the staff to give their best in driving towards organisational aspirations. Further, in the last financial year we were able to grant staff promotions for 243 employees in total.

Performance Appraisals Outcome

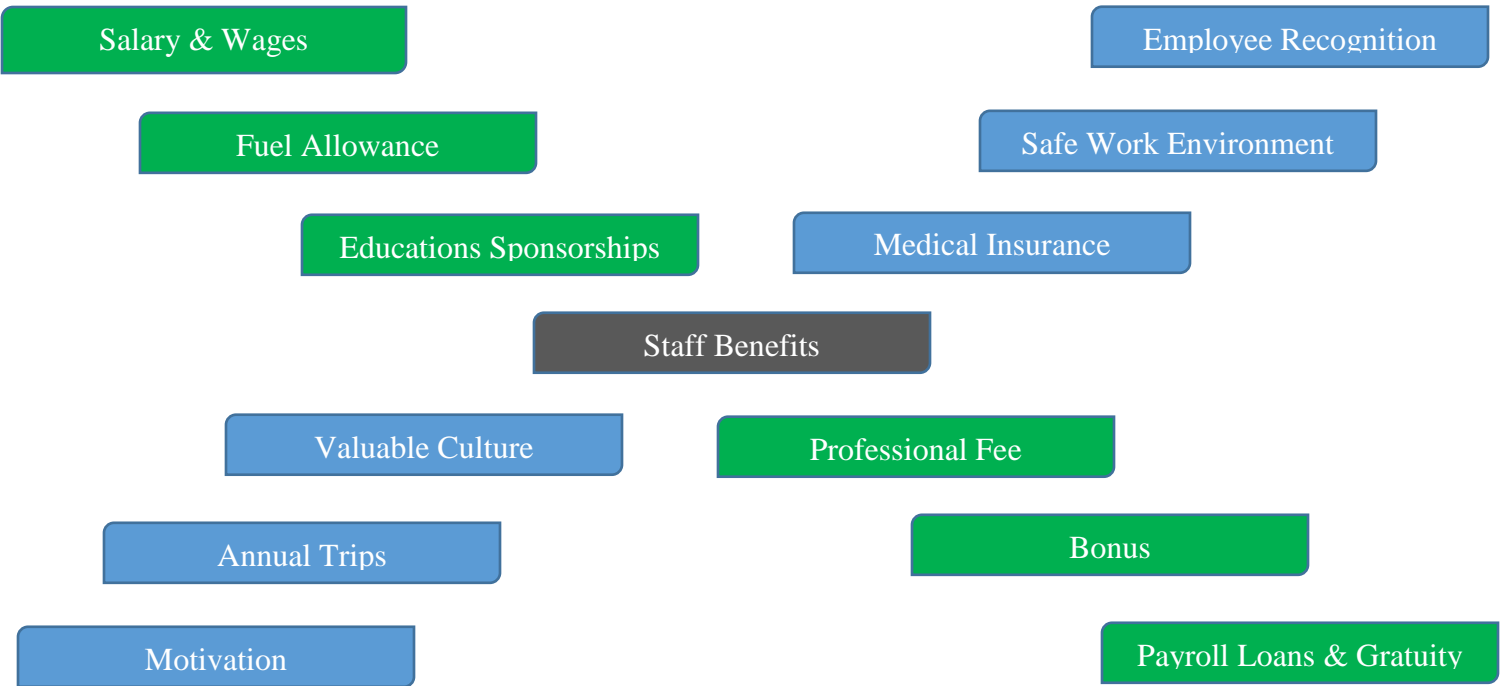
Employee Category	Number of Employees who underwent Performance Appraisals		Percentage of Employees who underwent Performance Appraisals		
	Male	Female	Male	Female	Total
Corporate Management	13	2	1.6%	0.2%	1.8%
Managers	140	20	16.9%	2.4%	19.3%
Executives	361	127	43.7%	15.4%	59.0%
Clerical and Allied Staff	98	66	11.9%	8.0%	19.8%
Total	612	215	74.0%	26.0%	100.0%

Staff Benefits (GRI 202-1,401-2,405-2)

MI's employee rewarding mechanism, which includes both monetary and non-monetary rewards, is targeted at enhancing employee motivation and satisfaction. Being a company which was recognised twice as one of the best employers in the recent past by the Great Place to Work Institute, we continue to offer attractive compensation packages that are above or on par with industry standards. In addition to salaries and bonuses, our compensation packages include a variety of other benefits. Furthermore, we comply with all legal requirements, such as providing standard entry-level salaries to all employees without regard to their gender or other distinctions. Regardless of characteristics such as gender, race, nationality, culture, religion, age, political opinions or disability, MI has upheld its policy on equal compensation based on the job role, talent and experience of employees, enhancing employee motivation and satisfaction.

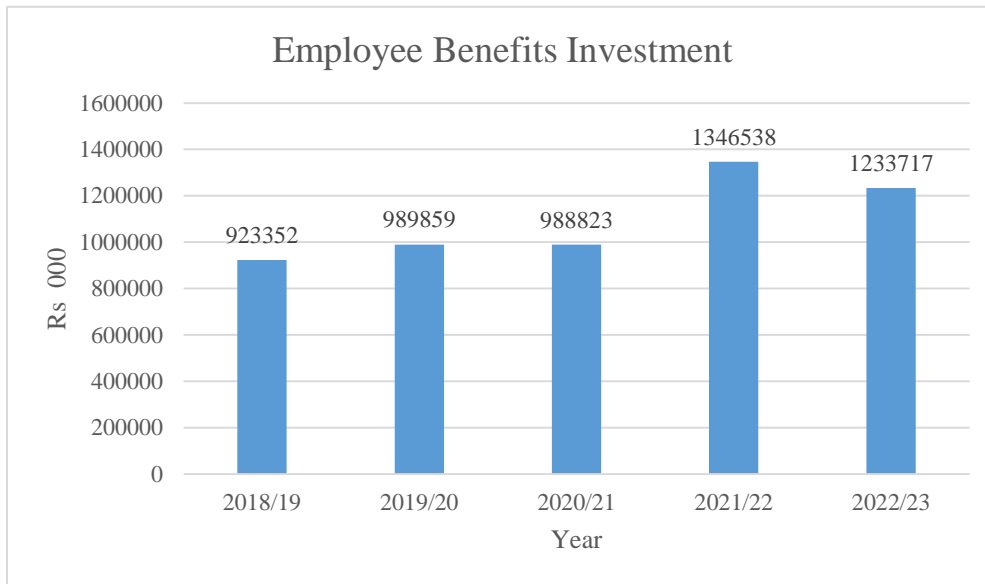
By monitoring compensation across the company and realigning any anomalies, we maintain gender pay equity and offer equal opportunities for men and women. Our dedicated HR team works diligently to ensure that any bias in work-related activities is avoided or eliminated in the areas of compensation, training, vocational assistance and other benefits, even though the performance-based employee reward system has been instilled and guarantees the transparency and objectivity of the rewarding mechanism. In addition to the compensation plan, which is based on employee value and service distinctiveness, MI offers a number of non-monetary advantages to its employees. Moreover, the company has complied with the Shop and Office Act and existing labour laws, while ensuring timely payment of contributions to the Employees' Provident Fund and Employees' Trust Fund, as well as overtime, gratuity and tax deductions.

Employee Category	Basic Salary Ratio
Directors	1:1
Managers	1:1
Executives	1:1
Clerical and allied	1:1
Office assistants and others	1:1



Despite the macroeconomic challenges and the adverse impacts on profitability, we continue to offer employee compensation, sustaining our shared growth aspirations.

Employee Benefits Investment



Employee Health & Safety (GRI 401-3,403-1,403-2,403-3,403-4,403-5,403-6,403-7, 403-8,403-10)

Given the nature of our business as a financial service provider, our employees are not exposed to foremost occupational health and safety risks. Nevertheless, as a responsible employer, we stayed committed to preserving the health and safety of our workers and took all necessary precautionary measures to create a secure working environment. While providing a clean and pleasant working environment, we ensured physical safety through timely renovation of buildings, fixtures and fittings to prevent hazardous conditions. We introduced separate guidelines and initiatives to assure the health and safety of our employees and customers, in the face of evolving health risks. However, we do not perceive the need to set up an employee Health and Safety Committee since MI's operations does not directly cause any occupational diseases or create a hazardous environment for employees and independent contractors employed by the company.

As a company committed to uplift employee wellbeing, we provided insurance protection for our employees that covers non-occupational medical treatments and encourage employees to subject themselves for medical check-ups annually. Even though the country's exposure to the threats brought about by COVID-19 have been greatly reduced, we maintain the high standards of mitigation measures we put in place to safeguard staff from pandemic risks.

Rate of Injuries or Fatalities, Occupational Diseases, Lost Days 2023/22 (GRI 403-9)

Region	Injuries in Number		Lost Days				Type of Injuries
	Male	Female	Male	Lost Day Rate	Female	Lost Day Rate	
Southern	1	-	120	27%	-	-	Accident
Western	4	1	199	45%	120	27%	Accident
Total	5	1	319		120		

Return to Work and Retention Rate after Parental Leave (GRI 401-3)

Criteria	2023/22
Number of employees entitled for maternity leave	277
Number of employees who took maternity leave	9
Number of employees who returned to work after maternity leave	4
Number of employees who returned to work after maternity leave ended who were still employed 12 months after their return to work	3
Return to work rate %	44%
Retention rate %	75%

Employee Attrition Management

Whilst our HR policies and procedures are specifically geared to drive a motivated and high performance culture, we used the insights gained through confidential exit interviews and feedback questionnaires to improve our working environment and optimise the employee value proposition whilst controlling undue attrition. Nevertheless, with the growing risk of skilled migration, the turnover rate escalated during the year, accelerated by the prevailing macro-economic conditions. Furthermore, with the contraction of lending growth, pressure on net interest margin and profitability emanating from hyperinflationary economic conditions, we remained conservative on headcount expansion, maintained productivity and efficiency and kept costs controlled towards the bottom-line, whilst ensuring we retained our best talent.

Staff Attenuation (GRI 401-1)

Province	Age Category	Male	% of Employees	Female	% of Employees
Eastern	Below 30 Years	4	1.4%	0	0%
	30-50 Years	2	0.7%	0	0%
	Over 50 Years	-	-	0	-
Central	Below 30 Years	1	0.4%	0	0%
	30-50 Years	1	0.4%	0	0%
	Over 50 Years	-	-	-	-
North Central	Below 30 Years	2	0.7%	1	0.4%
	30-50 Years	5	1.8%	-	-
	Over 50 Years				
North Western	Below 30 Years	11	3.9%	4	1.4%
	30-50 Years	8	2.8%	-	-
	Over 50 Years				
Sabaragamuwa	Below 30 Years	8	2.8%	3	1.1%
	30-50 Years	8	2.8%	-	-
	Over 50 Years				
Southern	Below 30 Years	10	3.5%	2	0.7%
	30-50 Years	5	1.8%	-	-
	Over 50 Years				
Western	Below 30 Years	93	32.9%	36	12.7%
	30-50 Years	35	12.4%	14	4.9%
	Over 50 Years	23	8.1%	7	2.5%
Total		216	100%	67	100%

Assurance of Human Rights (GRI 2-23, 2-24)

MI continually evaluated the effects of its own operations and connected supply chains on human rights in order to avoid any purposeful or unintentional infringement of those rights. Yet, we do not have any operations that are subject to human rights screening and no explicit human rights clauses were developed or incorporated into any agreement. Nonetheless, as a precautionary measure, all staff members are provided the company's Code of Conduct, which is agreed upon with the signing of the employment contract during the on boarding process. To further educate our employees about human rights that are important to our operations and company, we have incorporated these aspects into our induction programme.

Handling Staff Concerns and Grievances (GRI 2-25, 2-26, 2-30)

Our 'Open Door Policy' and solid working relationships allowed us to anticipate staff difficulties and grievances, which helped us to stay receptive, lowering staff complaints and interruptions. Accordingly, employees were able to reach out to their team leaders or the HR Department at any given time to report on any concern. Whilst having a formal grievance handling procedure which was incorporated into the HR Policy, our 'HR Buddy' concept allowed our employees to speak with a member of the HR Department directly about their concerns. Despite the multifaceted challenges amid adversity which limited the company from assisting in the resolution of staff concerns particularly from a financial perspective, we made all possible efforts to handle employee grievances.

We continued to maintain the Whistle Blowing Policy, where employees are able to express their complaints and escalate any malpractice, deliberate procedure violation, fraud or illegal act which needs attention. Furthermore, through the use of EBIs (Even Better If), employees were able to communicate their concerns to management through a subordinate feedback mechanism, enabling the leaders to identify and develop their capabilities and behaviour. There were no trade unions or collective bargaining agreements that prevailed within the company and no official complaints of human rights breaches against MI workers were reported to the Human Resource Division during the time period under consideration.

Adapting to Operational Variabilities (402-1)

Whilst driving towards digitisation and automating MI's critical operational procedures, during the year we prioritised strategies towards cost optimisation and productivity enhancement to navigate our journey and to stay resilient amidst the prevailing macro-economic challenges. Accordingly, more focus was given towards multi-tasking and redeployment to enhance productivity. Recognising the importance of change management and workforce mobility in increasing productivity, we effectively overcame resistance to these operational changes by maintaining effective communication with the affected employees and persuading them of the need for such adjustments. All significant operational changes were immediately communicated to employees by the company via the intranet and information letters from the management, providing them enough time to be ready to accept those changes. However, management was forced to undertake organisational changes without prior warning in cases necessitating urgent modifications. Additionally, we kept employing a variety of strategies, such as succession planning, well-documented procedures and rules and establishing backups for each work, to mitigate the risk of over-reliance on personnel and ensure that operations were carried out smoothly.

Security Personnel Training (GRI 410-1)

The security personnel deployed at MI are outsourced from a third-party security service provider who is trustworthy and reliable. As a finance company dealing with money and being located in a High Security Zone, we continued to face security risks and thus ensured all security personnel deployed were well-trained in techniques, organizations human rights policies and procedures to provide security and safeguard our premises, employees and clients. Moreover, with the rapid expansion of gold loan operations across our branch network, we further strengthened our security force, enabling the handling of risky situations without compromising human rights.

Employee Motivation

Recognising the importance of having a motivated workforce in driving organisational goals, we continued to nurture a motivated workforce which enabled us to differentiate our service in the market and to retain the best talent. As we improved our employee value proposition, we focused on creating a distinctive, inclusive and engaged organisational culture. This sparked our

employees' initiatives, passions and latent skills, encouraging them to bring out their best during these challenging times. Using programmes such as 'Api MI – Keep up the excellent job' and extending incentives-based rewarding opportunities, we continued to recognise employee successes and innovative ideas whilst keeping them regularly updated through performance feedback.



Long Service Employee Recognition



Long Service Employee Recognition

Unique and Engaged Culture

We embraced an inclusive and engaged employee culture which focuses mind, body and soul into action, uplifting employee morale, satisfaction and productivity. We encouraged a bottom-up approach wherever possible to boost employee participation and we respected their innovative ideas in the decision making and strategy implementation process. Furthermore, the engaged corporate culture we established through our open door policy, open communication channels, and supportive leadership and shared growth approach enhanced employee performance and satisfaction. Beyond that, we appraised employees' contribution well as the significance of their job role in achieving the organization's overarching goals and objectives to further strengthen employee engagement towards greater value creation.

Capital Interdependencies

Capital/Activities	Employee Training Programmes	Performance Appraisals	New Recruitments
Financial Capital	Financial Profit ↓	Revenue ↓	Cost of Recruitments ↓
Social & Relationship Capital	Attraction of New Customers ↑	Business Partnerships ↑	New Market Development ↑
Manufactured Capital	Platform Maintenance ↑	Asset Management Skills ↑	Additional Space Required ↑
Intellectual Capital	Tacit Knowledge ↑	Employee Productivity ↑	Capital Stock ↑
Natural Capital			Voluntary Hours ↑

Future Aspirations

Short-Term (within one year)

- Improve workforce agility and productivity
- Strong HR governance
- Strengthen HR Intelligence to build a high performance culture
- Managing staff head count to align with operational volumes

Medium-Term (2–5 years)

- Fostering an entrepreneurial and innovation culture to differentiate among competitors
- Optimise employee value proposition

Long-term (5 and beyond)

- Sustain strong employer brand
- Leverage workforce capability as a competitive strength