

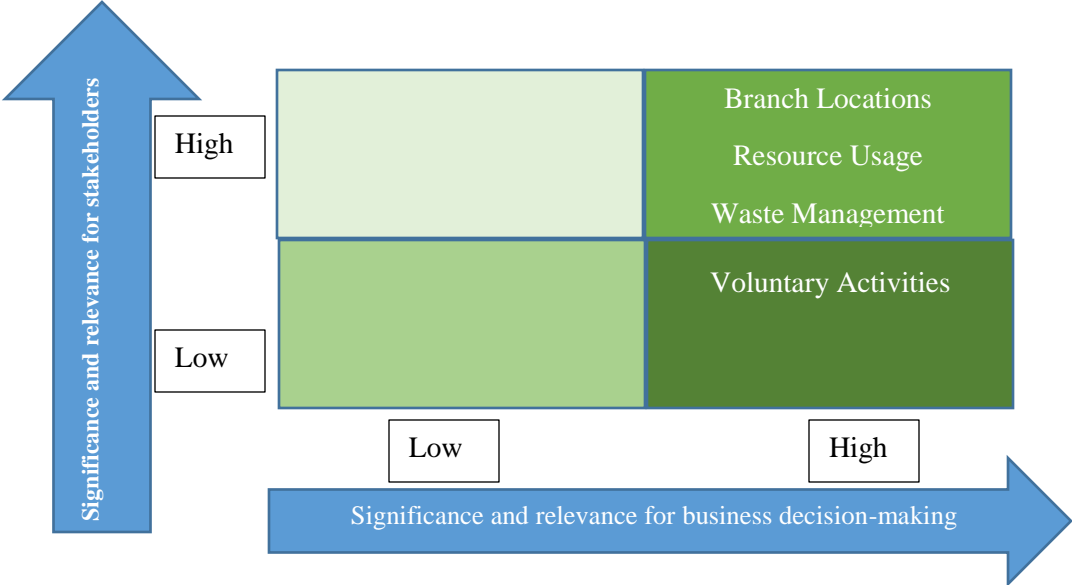
## **Nature**

As a longstanding corporate citizen in the financial sector, MI deploys business practices that encapsulate great attention to environmental protection and conservation in our journey towards becoming a truly sustainable financial institution. To integrate environmental sustainability into our business, we abide by environmental laws and benchmark global best practices to safeguard the environment for the good of society and our stakeholders.

Alongside viable financing solutions, we ensured that our business model supported the preservation of natural resources while minimising our negative impact on the environment. We upheld a green corporate culture and adopted green policies and procedures in our day-to-day operations. Although, as a financial services provider, MI's activities do not have significant direct impact on the environment, we have routinely made a conscious effort to manage our ecological footprint.

During the last few decades, we went the extra mile to elevate our ecological value to society through the valuable guidance, insights and commitment of our Sustainability Governance Committee. We conducted campaigns to preserve wild life and natural resources and promoted the 3R concept throughout our branch network to keep utilization of natural resources minimal. Accordingly, when selecting new locations to set up operations, we ensure due consideration is given to environmentally rich sites and protected areas with high biodiversity. We also encouraged the efficient use of renewable resources and reengineered our business processes to optimise our resource usage and ecological footprint, amidst a turbulent economic environment aggravated by the lack of renewable energy sources.

# Impact Assessment



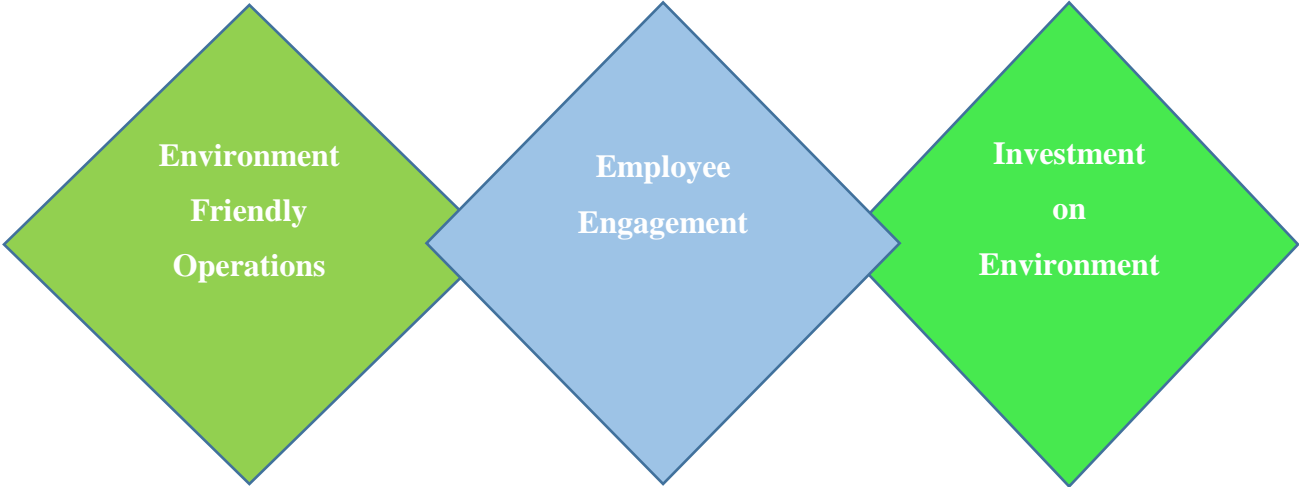
As a responsible corporate citizen, we consider environmental protection and conservation to be a material focal topic to be addressed through MI’s strategic endeavors, including corporate stakeholder management policies. Amidst enhanced concerns of global warming, air pollution and energy crises, we elevated these priority levels when compared with the previous financial year.

## Operational Variability

In the year under review, we steered through unprecedented challenges including hyperinflationary economic conditions, a foreign currency crisis, supply chain disruptions and other macroeconomic obstacles. These complicated operating conditions adversely impacted MI’s triple bottom line value creation, although the impact was moderate from an environmental perspective. To navigate the turmoil, we increasingly focused on improving the company’s overall productivity and employing digital solutions.

# Performance Highlights (Snapshot of Value Creation)

We stayed resilient in spite of the overwhelming challenges by creating and disseminating value, equally, to our environmental mandates through sound actions.



Paper usage reduction – 32.4%  
 Recycle of Papers 2174Kg  
 Global Compliance  
 Digitalisation  
 Process Reengineering

Increase Voluntary Contribution  
 Continuous Awareness Programmes

Number of Activities – 02  
 Number of Beneficiaries –XX  
 Total Cost Incurred – Rs 152,000

## Risk Assessment

MI continued to identify and assess risks arising from environment-related aspects in order to take precautions to facilitate solid financial operations.

Risk Criteria	MI's Response
<b>Decline in Paper Production and Limited Availability</b> The prevailing legal framework makes paper an essential part of the business, and its availability was crucial for the smooth conduct of daily operations.	Whilst limiting paper usage to essential operations, we continued to digitalise our operations. These initiatives helped us control consumption, contributing towards forest conservation along with other like-minded corporates and people.
<b>Energy Crisis</b> The effects of the fuel crisis adversely impacted business activities, directly affecting the mobility of employees, customers and other stakeholders. Frequent power interruptions caused operational difficulties and work disruptions.	We expanded our digital and online platforms allowing employees and customers to perform more tasks remotely. (Refer Deployment of Actions on Energy Preservation).
<b>Impact of Climate Emergency</b> The impact of climate emergency, including extreme weather conditions and changes in rainfall patterns, is ever increasing and created significant challenges across all industries.	Despite there being no direct impact on MI's operations, we took precautions to minimise this risk, closely monitoring the facilities granted to vulnerable sectors such as agriculture.

## **Managing Our Ecological Footprint**

As a responsible corporate citizen, we were vigilant about the ecological parameters required to safeguard societal interests, including conserving natural resources and being mindful of the surroundings we used for our businesses. We promoted efficient and effective use of natural resources and continuously monitored our activities in the following key areas and took steps to mitigate or eliminate harmful effects:

- Use of Energy (Electricity and Fuel)
- Use of Water
- Waste Management
- Biodiversity

### **Energy Management (GRI 302-1,302-2,302-4,302-5)**

Electricity and fuel remain MI's two primary energy uses. Energy management is a top priority in our resource optimisation and productivity management. Whilst focusing on cost optimisation, we strictly monitored the consumption of these resources. We took several initiatives during the year to improve our practices in relation to energy. We also raised awareness and encouraged employees to remain judicious about minimising waste.

#### **Energy Preservation Actions**

**Virtual Gatherings and Training** – We shifted a majority of our training and meetings online via MS Teams and Zoom. This helped us save fuel and other resources, whilst helping to reduce our carbon footprint. A full-fledged intranet was established to store a variety of internal documents and staff updates from 2023.-

**Paperless Operations** – All forms of employee communications were made through email while operational materials were stored on virtual networks. The The documentation management system (DMS), the e-platform SLIPS, repayment facility through mCash, the internet payment gateway (IPG), etc., assisted MI in our quest to be paperless. Double-sided and needs-based printing reduced paper consumption whilst lower customer footfall lowered energy and electricity usage.

**Use of Natural Light and Energy-Efficient Electrical Goods** – Natural ventilation and light were used as much as possible for spaces like lobbies in all premises. MI also fully replaced conventional lighting with LED in order to reduce electricity consumption.

**Continuous Awareness and Monitoring** – Several awareness campaigns were held to publicise energy saving tips and to acknowledge employee commitment and initiatives towards energy preservation.

### Energy Consumption (kWh)

Branch	Usage FY 2023/22	Usage FY 2022/21	Fluctuation
Negombo	28,258.00	28,968.00	(710.00)
Kohuwala	37,904.00	37,036.00	868.00
Balangoda	15,284.00	19,073.00	(3,789.00)
Mahara	32,519.00	38,629.00	(6,110.00)
Bentota	16,570.00	16,711.00	(141.00)
Trinco	15,073.00	13,958.00	1,115.00
Kurunegala	20,958.00	19,320.00	1,638.00
Matara Branch + Yard	20,324.00	26,044.00	(5,720.00)
Galle	17,925.00	19,689.00	(1,764.00)
Maharagama	24,809.00	28,134.00	(3,325.00)
Anuradhapura	15,910.00	15,608.00	302.00
Chillaw	17,971.00	15,461.00	2,510.00
Tissa	15,130.00	15,102.00	28.00
Horana	24,002.00	27,795.00	(3,793.00)
Gampaha	19,645.00	16,113.00	3,532.00
Embilipitiya	18,037.00	18,694.00	(657.00)
Minuwangoda	22,747.00	26,697.00	(3,950.00)
Ampara	11,831.00	13,130.00	(1,299.00)
Kottawa	24,718.00	26,248.00	(1,530.00)
Polonnaruwa	15,084.00	16,993.00	(1,909.00)
Kotahena	10,833.00	14,348.00	(3,515.00)
Kaduwela	22,895.00	21,222.00	1,673.00
Nittambuwa	11,998.00	17,499.00	(5,501.00)
Corporate Premier	26,805.00	38,007.00	(11,202.00)
Moratuwa	24,501.00	27,433.00	(2,932.00)
Kegalle	14,310.00	16,324.00	(2,014.00)
Godagama	20,691.00	20,197.00	494.00
Kuliyapitiya	18,744.00	15,631.00	3,113.00
Ratnapura	16,854.00	20,008.00	(3,154.00)

Akuressa	12,423.00	12,484.00	(61.00)
Veyangoda	16,688.00	18,654.00	(1,966.00)
wattala	16,029.00	18,296.00	(2,267.00)
Gampola	4,733.00	5,309.00	(576.00)
Avissawella	9,321.00	12,600.00	(3,279.00)
Thambuththegama	17,233.00	17,874.00	(641.00)
Puttalam	8,520.00	8,565.00	(45.00)
Ja-Ela	18,445.00	17,854.00	591.00
Malabe	16,054.00	12,050.00	4,004.00
Chunnakam	1,895.00	-	1,895.00
Elpitiya	11,533.00	6,272.00	5,261.00
Giriulla	10,585.00	34.00	10,551.00
Kesbewa	13,868.00	-	13,868.00
H/O	535,278.00	533,564.00	1,714.00
Total	1,274,935.00	1,293,628.00	(18,693.00)

During the reporting financial year we have been able to reduce the usage by 18693 kWh units whilst our operations were expanded gradually. This achievement was mainly due to our superior cost reduction methods adopted in the year, followed with the exceptional guidelines provided by the top management.

### **Water (m<sup>3</sup>) (GRI 303-1, 303-2)**

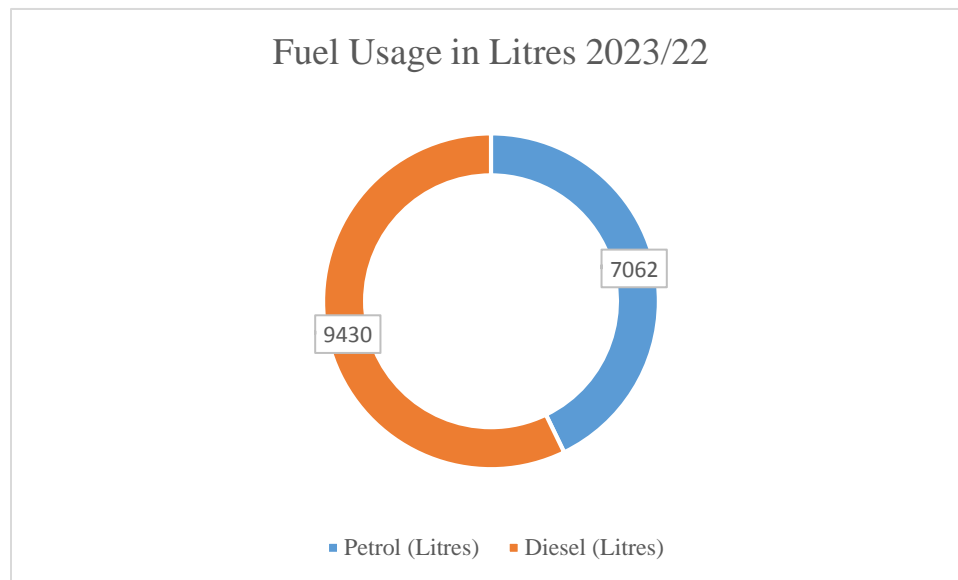
As a service organisation, MI's water utilisation is minimal and limited to employee consumption and sanitation needs. Nevertheless, all staff members were encouraged to use water efficiently to ensure the smooth deployment of limited resources. A special maintenance team oversees compulsory maintenance, taking immediate action to cut waste.

	FY 2023/22	FY 2022/21	FY 2021/20	FY 2020/19	FY 2019/18
Head Office	5,387	4,582	5,228	6,266	6,923
Branches	7,715	7,005	6,166	6,221	5,402
Total	13,102	11,587	11,394	12,487	12,325

Due to increase in operational activities in both Head office branches, our usage of water increase by 13 % YOY basis. In the backdrop of this economic hardships we yet managed to drive our strategic expansions while keeping the utility increase at its minimal.

## Fuel (GRI 302-2)

With the contraction foreign exchange reserves in the country importation of fuel for all purposes were highly challenged and create unprecedented macroeconomic issues in terms of usage of fuel. Further, the electricity breakdowns imposed by the government was triggered the usage of fuel for entire country and due to inherent nature of our business transportation activities were threatened but with the guidance of our talented top management company was able to carry out business without affecting any functions whilst minimize the usage of fuel.



## Fuel usage by location (GRI 302-2)

Branch	Petrol		Diesel	
	FY 2022/23	FY 2021/22	FY 2022/23	FY 2021/22
	Rs. 000	Rs. 000	Rs. 000	Rs. 000
Head office	97,221	56,272	-	-
Negombo	2,558	1,391	-	-
Kohuwala	2,155	1,076	-	-
Balangoda	2,994	2,018	-	-
Mahara	4,870	3,298	-	-
Trincomalee	798	520	-	-
Kurunegala	2,926	2,247	-	-
Maharagama	1,779	1,309	-	-
Galle	2,013	934	-	-
Matara	1,516	937	-	-



Anuradhapura	2,238	935	-	-
Embilipitiya	2,688	1,892	-	-
Horana	2,669	1,657	-	-
Chillaw	2,963	2,256	-	-
Tissamaharama	2,499	1,472	-	-
Gampaha	4,674	3,138	-	-
Kottawa	2,206	982	-	-
Ampara	748	625	-	-
Minuwangoda	349	781	-	-
Polonnaruwa	2,416	1,345	-	-
Corporate Premier	2,565	1,117	-	-
Nittambuwa	747	610	-	-
Kaduwela	2,681	1,684	-	-
Kotahena	752	778	-	-
Benthota	1,534	1,638	-	-
Kegalle	1,128	777	-	-
Moratuwa	3,575	2,651	-	-
Kuliyapitiya	1,606	1,253	-	-
Rathnapura	2,706	2,170	-	-
Akuressa	758	685	-	-
Godagama	2,033	1,211	-	-
Gampola	609	480	-	-
Avissawella	865	761	-	-
Tabuttegama	2,031	1,214	-	-
Veyangoda	609	385	-	-
Wattala	2,383	2,200	-	-
Malabe	1,101	682	-	-
Ja el a	568	595	-	-
Puttalama	800	405	-	-
Elpitiya	89	264	-	-
Kesbawa	1,942	51	-	-
Giriulla	717	44	-	-
<b>Total</b>	<b>174,079</b>	<b>106,740</b>	<b>-</b>	<b>-</b>

## Waste Management (GRI 306-2)

MI's core operations generate mainly paper waste and, as a responsible corporate entity, we took every possible step to minimise excesses whilst adopting the 3R concept (reduce, reuse and recycle) paper waste. While forging ahead with digital business solutions and online platforms, we improved MI's digitalised operating environment through in-house software development and acquisition of reputable, customized digital channels. In keeping with green operation procedures, employee communications were carried out through emails. And key operational materials were stored on virtual networks with safety precautions. These endeavours coupled with the lean management practices for minimising non-value adding operational activities in addition to the Business Process Reengineering Team's initiatives helped us reduce paper and other resource consumption, thereby cutting waste.

## Our Waste Disposal Strategy (GRI 306-4,306-5)

For the sixth consecutive time, we collaborated with Amana Paper Collection for disposal of paper waste. This helped us with our 3R goals whereby we directed that our paper waste be recycled and reused. This also lowered operational costs. Separately, solid waste such as food and polythene were segregated and handed over to respective municipal councils. All types of inorganic refuse such as tyres, iron, plastics and e-wastes were disposed of through third-party licensed operators. The company did not generate any hazardous waste or effluents or discharge hazardous wastewater during the year under review.

## Stationary Usage Analysis

Type of item	FY 2022/23	FY 2021/22	FY 2020/21	FY 2019/20	FY 2018/19
Photo copy paper : (reams)					
- A4	4376	6,396	5,765	7,500	7,297
- Legal	98	160	129	180	197
- A4R	275	471	357	580	438
<b>Total</b>	<b>4749</b>	<b>7027</b>	<b>6,251</b>	<b>8,260</b>	<b>7,932</b>
Ink cartridges /Fax/Printers (No. of cartridges)	183	240	200	223	168
Photo copy toner, fax toner & laser jet printer toners ( No. of units )	1782	2400	2,032	2,200	2,046
Box files (No. of box files)	653	825	774	890	1,024

In the financial year MI's digitalization procedures and process reengineering formulations led the company to reduce the usage in all stationary item in remarkable manner. In which we were able to reduce paper usage by 2278 reams in total depicting 32.4% for the year.

**Recycle Effort (GRI 301-2)**

In our day-to-day operations, paper remains a significant consumable for us. However, during the year, we placed a strong emphasis on reducing paper usage as part of our cost optimization efforts and our commitment to minimizing our environmental footprint. While we do not primarily consume recycled items, we took steps to recycle non-essential paper communications by engaging a third-party recycling service. To ensure effective monitoring, we have quantified the amount of paper items we recycled during the period which amounts to 2174 Kgs for FY 2023/22. This proactive approach allows us to closely track and manage our paper consumption and recycling practices



**Biodiversity Shielding (GRI 304-1, 304-2 and 304-4)**

In enlarging our branch network, which spans across the country's urban and rural landscape, we remained conscious of our environmental footprint. We have made a Sustainability Pledge and made certain w our finance business operations did not have adverse impacts on the environment or that our branch operations do not create negative impacts on fauna and flora. Each office is audited to ensure its operations do not harm any biodiversity hotspots or conservation areas.

Branch	Biodiversity Location	Distance (km)	Size of operational location (km <sup>2</sup> )	Biodiversity value of protected area
Head Office	Bellanwila	10.3	0.00244	Religious and historical value
Trincomalee	Naval Headworks Sanctuary	20.1	0.000093	Sanctuary
	Great Sober Island	9.1	0.000093	Maritime
Anuradhapura	Mihintale	14.9	0.000212	Religious and historical value
	Mahakandarawa Wewa	21.5	0.000212	Rain water reservoir
Pollonnaruwa	Elaheera-Girithale	14.3	0.000153	Historical value
Kurunagala	Kimbulwana Oya	27.2	0.000326	Reservoir
Chilaw	Anawilundawa	19.8	0.000242	One of the six Ramsar Wetlands
Kegalle	Kurulu Kele	1.1	0.000141	Bird forest
Benthota	Honduwa Island	17.5	0.000208	Maritime
Galle	Telwatta	24.1	0.000168	Religious and historical value
	Nimalawa	28.2	0.000168	Forest-based monastery
	Rumassala	5.5	0.000168	Tourism area
Tissamaharama	Weerawila	9.9	0.000109	Freshwater
Ampara	Buddangala	17.5	0.000152	Religious and historical value
Matara	Nimalawa	25.4	0.000294	Forest-based monastery
	Kiralakele	5.3	0.000294	Terrestrial
Kohuwala	Bellanwila	4.2	0.000141	Religious and historical value
	Muthurajawela	29.2	0.000141	Terrestrial
Maharagama	Bellanwila	5.4	0.000159	Religious and historical value
Horana	Bellanwila	31.6	0.000259	Religious and historical value
Negombo	Muthurajawela	17.7	0.000312	Terrestrial
Kadawatha	Bellanwila	26.1	0.000201	Religious and historical value
	Muthurajawela	14	0.000201	Terrestrial

<b>Gampaha</b>	Muthurajawela	17.1	0.000279	Terrestrial
<b>Veyangda</b>	Muthurajawela	31.8	0.000109	Terrestrial
<b>Wattala</b>	Bellanwila	18.4	0.000130	Religious and historical value
	Muthurajawela	20	0.000130	Terrestrial
<b>Puttalam</b>	Tabbowa	17.4	0.000117	Terrestrial
<b>Ja el</b>	Muthurajawela	8.9	0.000227	Terrestrial
<b>Malabe</b>	Bellanwila	16.9	0.000177	Religious and historical value
	Muthurajawela	34	0.000177	Terrestrial
<b>Miniwangoda</b>	Muthurajawela	16	0.000153	Terrestrial
<b>Kottawa</b>	Bellanwila	10.6	0.000141	Religious and historical value
<b>Borella</b>	Bellanwila	9.4	0.000219	Religious and historical value
	Muthurajawela	23.9	0.000219	Terrestrial
<b>Nittambuwa</b>	Muthurajawela	28.8	0.000167	Terrestrial
<b>Kaduwela</b>	Bellanwila	19.3	0.000227	Religious and historical value
<b>Kotahena</b>	Bellanwila	15.7	0.000139	Religious and historical value
	Muthurajawela	21.7	0.000139	Terrestrial
<b>Elpitiya</b>	Andahelena Ella falls	5.5	0.000141	Waterfall
<b>Giriulla</b>	Mahaoya	19	0.000233	Reservoir
	Waduwa ketugala	5	0.000233	Ancient heritage site in Dambadeniya

## **Financial Implications due to Climate Change (GRI 201-2)**

The effects of climate emergencies such as global warming and extreme weather conditions have adversely impacted business operations across many industries. As a financial services provider, although we do not take a direct hit from these exigencies, MI is indirectly affected by way of facilities granted to vulnerable sectors including agriculture. Whilst supporting the preservation of natural resources by minimising our carbon footprint, engaging in tree planting and other campaigns, we continued to raise awareness among our stakeholders about the adaptation of environmental best practices as a lifestyle choice that leads to easing the causes of extreme weather. To mitigate adverse impacts on our business operations, we implemented agile risk thresholds to address climate change repercussions and closely monitored their performance.

## Environmental Compliance

Based on MI’s broader aspirations towards society, we did not limit ourselves to mere regulatory compliance but made a more impactful contribution towards long-term environmental conservation. We embraced environmental best practices in our business operations. We took precautions to facilitate better governance through efficient consumption of natural resources and running designated branches of the company in an environment-friendly manner. Moreover, we have nurtured a culture of promoting green practices as a lifestyle choice among our staff. This is a key driver in our journey towards being a sustainable organisation.

During the financial year, no violations of environmental standards set by authorities were reported and no penalties were levied for noncompliance with any environmental laws and regulations. (Refer Annual Report of Board of Directors on pages 78 to 83)

## Capital Interdependencies

Capital/Activities	Beach Cleanup Programme	Enhancement in Digital Payment modes
Financial Capital	Financial Revenue ↓	Operational Cost ↓
Social & Relationship Capital	Customer Loyalty ↑	Business Partnerships ↑
Human Capital	Employee Engagement ↑	Employee Efficiency ↑
Manufactured Capital		Branch Value ↑
Intellectual Capital	Company Brand ↑	Employee Knowledge and Exposure ↑

## Future Aspirations

### Short-Term (Within One year)

- Initiate 5R concept within selected departments.
- To establish a 'concept branch' which support green corporate policies.

### Medium-Term (2 – 5 Years)

- Implement 5R concept within all departments in head office and branch network.
- Transfer most of the operations to digital platform.

### Long-term (5 Years & Beyond)

- Transfer business operations to a platform which supports greater environmental ideologies and the preservation of natural resources.