

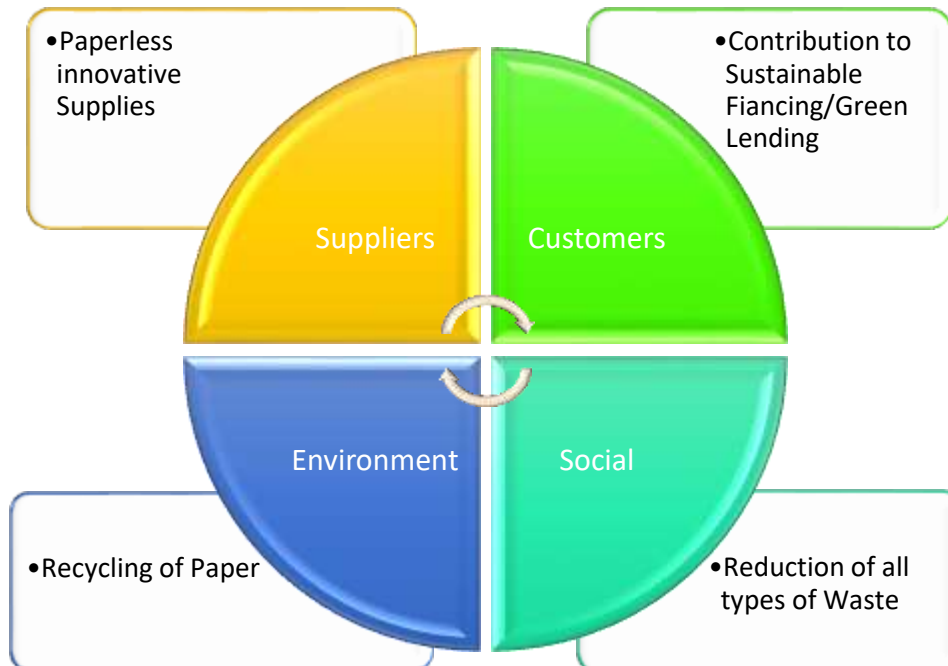
Nature

In our journey towards becoming a truly sustainable financial institution, MI embodies business principles that prioritize a profound commitment to environmental preservation and sustainability. In our pursuit of integrating environmental sustainability into our core operations, we adhere to stringent environmental regulations and draw inspiration from global best practices to preserve the environment for the benefit of society and our stakeholders. Complementing our sustainable financing solutions, we have ensured that our business model actively contributes to the conservation of natural resources while mitigating any adverse effects on the environment. Embracing a verdant corporate ethos, we have embraced green policies and procedures, infusing them into our daily operations. While MI's activities as a financial services provider do not exert a significant direct influence on the environment, we consistently make a deliberate effort to manage our ecological impact. Over recent decades, we've also taken substantial strides to enhance our societal ecological contribution, guided by the invaluable insights and commitment of our Sustainability Governance Committee. Additionally, we advocate for the efficient use of renewable resources, and we have redesigned our business processes to optimize resource usage and reduce our ecological footprint.

Performance Highlights



Expectation/Impact Assessment



As a conscientious corporate entity, we deem environmental protection and conservation as crucial focal points to be addressed in MI's strategic initiatives, including corporate stakeholder management policies. Given the heightened global concerns regarding issues such as global warming, air pollution, and energy crises, we have heightened the priority levels in comparison to preceding years.

Managing Our Ecological Footprint

As a responsible corporate entity, we were vigilant about the ecological parameters essential to protect societal interests, encompassing the preservation of natural resources and a mindful approach to our business environments. Whilst inspiring business practices to promote the efficient and optimal utilization of natural resources, consistently scrutinizing our operations in crucial domains, we have paid full attention to material key focus environmentally impacting areas in order to mitigate or eliminate any harmful acts that will affect the environment while we operate on our day to day business operations.

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

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

Energy management is a key pillar of our sustainability efforts as means of optimizing resources and increasing productivity. Hence, our commitment towards improving our practices to minimize our impact on the environment whilst maximizing our operational efficiency has been steadily growing during the last 2 decades. While closely monitoring our electricity and fuel usage, we conducted energy audits to identify areas where we can further improve our energy efficiency and identify potential cost savings. These strides have helped us to identify opportunities for upgrading equipment, optimizing processes, and implementing new energy-saving measures.

Energy Preservation Actions

Virtual Gatherings and Training – We embraced the digital age by moving most of our training sessions and meetings to virtual platforms like MS Teams and Zoom. This not only saved resources and reduced our carbon footprint but also fostered better communication among our staff. Additionally, we created a comprehensive intranet called ‘SMILE’ to house all our internal documents and updates, bringing our team closer together in the year under review.

Embracing Low cost branch expansions

During the year we accelerated our branch expansions with a low cost concept, as a cost-effective way to drive business growth. Ragala Branch was set up with less than 1200 square space with ‘Open Concept’ layout with minimal structured changes to retain a low cost. Having a compact working area enabled us to minimize the energy consumption and the environmental footprint.

Paperless Operations – We committed towards a paperless environment by transforming our operations towards a virtual platform. Employee communications were exclusively conducted via email, and operational resources were stored virtually. Utilizing technological tools such as the Documentation Management System (DMS), SLIPS platform, mCash for repayments, and the Internet Payment Gateway (IPG) enabled MI to maintain a paperless environment. Implementing strategies like double-sided printing and reducing unnecessary printing minimized paper waste, 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. We also fully replaced conventional lighting with LED in order to reduce electricity consumption.

Continuous Awareness and Monitoring –

Several awareness campaigns were held to publicize energy saving tips and to acknowledge employee commitment and initiatives towards energy preservation.

Energy Consumption (kWh)

Branch	Usage FY 2023/24	Usage FY 2022/23	Fluctuation
Akuressa	19,087	12,423	6,664
Ambalangoda	4,719		4,719
Ampara	14,533	11,831	2,702
Anuradhapura	16,159	15,910	249

Avissawella	11,481	9,321	2,160
Balangoda	23,657	15,284	8,373
Bandarawela	1,734		1,734
Benthota	21,174	16,570	4,604
Chilaw	23,467	17,971	5,496
Chunnakkam	11,997	1,895	10,102
Elpitiya	13,918	11,533	2,385
Embilipitiya	20,440	18,037	2,403
Galle	26,501	17,925	8,576
Gampaha	22,241	19,645	2,596
Gampola	6,713	4,733	1,980
Giriulla	13,382	10,585	2,797
Godagama	24,682	20,691	3,991
Horana	33,322	24,002	9,320
Ja Ela	21,657	18,445	3,212
Jaffna	2,498		2,498
Kaduwela	29,076	22,895	6,181
Kalutara	3,411		3,411
Kandy	3,067		3,067
Kegalle	19,093	14,310	4,783
Kesbewa	14,920	13,868	1,052
Kohuwala	41,548	37,904	3,644
Kotahena	13,016	10,833	2,183
Kottawa	25,984	24,718	1,266
Kuliyapitiya	23,914	18,744	5,170
Kurunegala	27,306	20,958	6,348
Mahara	35,505	32,519	2,986
Maharagama	29,447	24,809	4,638
Malabe	20,619	16,054	4,565
Matara	27,597	20,324	7,273
Minuwangoda	26,045	22,747	3,298
Moratuwa	28,350	24,501	3,849
Negombo	35,367	28,258	7,109
Nittambuwa	17,222	11,998	5,224
Polonnaruwa	21,356	15,084	6,272
Premier	36,471	26,805	9,666
Puttalam	11,432	8,520	2,912
Ragala	78,004		78,004
Ratnapura	24,669	16,854	7,815
Tambuththegama	20,665	17,233	3,432
Tissamaharama	18,216	15,130	3,086

Trincomalee	17,435	15,073	2,362
Veyangoda	18,033	16,688	1,345
Wattala	19,215	16,029	3,186
Wellawatta	2,082		2,082
Head Office	590,087	535,278	54,809
Total	1,612,514	1,274,935	337,579

With the expansion of branch network, electricity consumption was increased by 337,579 kWh units, with the lean management and cost optimization initiatives implemented during this period. Branches with unfavorable fluctuations were monitored closely and encouraged the respective team members to use the resource effectively. Utility management was given priority for branch heads to monitor as part of keeping cost to income levels at acceptable levels.

Water (GRI 303-1, 303-2)

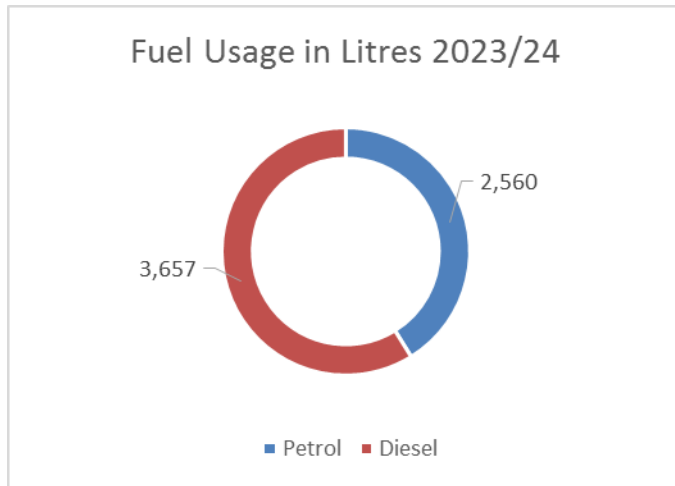
Effective water management is crucial due to its significance in sustaining life, ecosystems and economic activities. It ensures the availability of clean water for drinking and sanitation while preventing water scarcity and pollution. As a service-oriented entity, MI's usage of water is minimal and confined to employee consumption and sanitation requirements and due to the minimal usage of water we didn't set standard within the organization about the effluents. Despite this, staff members were urged to employ water judiciously, ensuring the efficient utilization of limited resources. A dedicated maintenance team actively manages mandatory upkeep, promptly intervening to curtail any wasteful practices.

	FY 2024/23	FY 2023/22	FY 2022/21	FY 2021/20	FY 2020/19
Head Office	5,864	5,387	4,582	5,228	6,266
Branches	7,433	7,715	7,005	6,166	6,221
Total	13,297	13,102	11,587	11,394	12,487

Though our water usage increased by 1.49% during the year, with the expansion of operational activities and branch network, we managed to keep this increase at it's minimal by efficient and effective usage.

Fuel (GRI 302-2)

With the phase out of the macro economic challenges and improvement in foreign exchange reserves, the importation of fuel eased by the latter half of 2023 enabling smoother operations of transportation of supplies and movement of workers across the country. However we closely monitored fuel usage both at head office and on branch level in order to ensure efficient utilization of these scarce resources.



Fuel usage by location (GRI 302-2)

Branch	Petrol		Diesel	
	FY 2023/24 Rs. 000	FY 2022/23 Rs. 000	FY 2023/24 Rs. 000	FY 2022/23 Rs. 000
Akuressa	56	758	-	-
Ambalangoda	15	-	-	-
Ampara	32	748	-	-
Anuradapura	23	2,238	-	-
Avissawella	55	865	-	-
Balangoda	146	2,994	-	-
Bandarawela	23	-	-	-
Benthota	79	1,534	-	-
Chillaw	42	2,963	-	-
Chunnakkam	7	-	-	-
Elpitiya	40	89	-	-
Embilipitiya	70	2,688	-	-
Galle	-	2,013	238	-

Gampaha	20	4,674	10	-
Gampola	58	609	-	-
Giriulla	23	717	-	-
Godagama	-	2,033	108	-
Horana	103	2,669	-	-
Ja Ela	144	568	-	-
Kaduwela	68	2,681	-	-
Kalutara	9	-	-	-
Kandy	5	-	-	-
Kegalle	90	1,128	-	-
Kesbewa	50	1,942	-	-
Kohuwala	-	2,155	90	-
Kotahena	25	752	-	-
Kottawa	-	2,206	49	-
Kuliyapitiya	45	1,606	-	-
Kurunegala	102	2,926	-	-
Mahara	-	4,870	161	-
Maharagama	-	1,779	80	-
Malabe	286	1,101	-	-
Matara	-	1,516	300	-
Minuwangoda	-	349	482	-
Moratuwa	40	3,575	-	-
Negombo	-	2,558	-	-
Nittambuwa	30	747	53	-
Premier	-	2,565	44	-
Polonnaruwa	52	2,416	-	-
Puttalam	53	800	-	-
Ragala	55	-	-	-
Ratnapura	63	2,706	-	-
Tabuttegama	16	2,031	-	-
Tissamaharama	56	2,499	-	-
Trincomalee	453	798	-	-
Veyangoda	37	609	-	-
Wattala	89	2,383	-	-
Head Office	-	97,221	2,042	-
Total	2,560	174,079	3,657	-

Waste Management (GRI 306-2)

Effective waste management is crucial for addressing environmental, social and health risks, as it minimizes pollution, conserves resources and protects our ecosystems. MI's core operations generate mainly paper waste and, as a responsible corporate entity, we took every possible step to minimize excesses whilst adopting the 3R concept (reduce, reuse and recycle) paper waste.

Simultaneously advancing into the realm of digital business solutions and online platforms, we elevated MI's digital operating environment by delivering into in-house software development and acquiring reputable, tailored digital channels. Adhering to environmentally conscious operational practices, employee communications transitioned to emails, and critical operational materials were greatly shored in virtual networks with stringent safety measures as opposed to hard form cutting paper costs. These initiatives, coupled with streamlined management practices to minimize non-value-adding operational activities and the proactive efforts of the Business Process Reengineering Team, contributed significantly to our reduction in paper and resource consumption, effectively cutting down on waste and reducing our environmental footprint.

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

For the seventh consecutive time, we collaborated with Amana Paper Collection for disposal of paper waste. This collaboration aligns with our 3R objectives; directing our paper waste towards recycling and reuse, subsequently contributing to a reduction in operational costs. Furthermore, the handling of solid waste, including food and polythene, involved a meticulous segregation process, with the respective municipal councils responsible for its management. 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. It is noteworthy that our company refrained from generating any hazardous waste, effluents, or discharging wastewater with hazardous properties during the year under review.

Paper Usage

Paper remains one of the most commonly used materials in the Company with a significant portion dedicated to customer engagement processes such as onboarding, collections, routine communication, internal communication, and back-end processes.

Type of item	FY 2023/24	FY 2022/23	FY 2021/22	FY 2020/21	FY 2019/20
Photo copy paper					
- A4	5,479	4,376	6,396	5,765	7,500

- Legal	110	98	160	129	180
- A5	541	275	471	357	580
Total	6,130	4,749	7,027	6,251	8,260
Ink cartridges /Fax/Printers (No. of cartridges)	280	183	240	200	223
Photo copy toner, fax toner & laser jet printer toners (No. of units)	1,988	1,782	2,400	2,032	2,200
Box files (No. of box files)	783	653	825	774	890

With the expansion of branch networks and operations, paper usage was increased by 29.08% during the financial year, as we strived to transform our operations to online and virtual platforms as much as possible. The ongoing scientific total system migration and notable process changes are also directed at automate manual processing and also cutting down on paper based approvals and duplicating of documentation etc.

Recycle Effort (GRI 301-2)

As paper remains a significant consumable for us in our day to day operations, we placed a strong emphasis on curtailing paper usage as part of our endeavors to optimize costs and fulfill our commitment to minimizing our environmental impact. While our primary consumption doesn't revolve around recycled items, we implemented measures to recycle non-essential paper communications through the engagement of a third-party recycling service. To ensure vigilant monitoring, we have quantified the volume of paper items recycled during the period, totaling 2,913Kgs for FY 2023/24. This proactive approach enabled us to closely monitor and manage both our paper consumption and recycling practices.



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

As we expanded our branch network, extending across both urban and rural landscapes nationwide, we remained acutely aware of our environmental impact. Committing to our Sustainability Pledge, we took meticulous measures to ensure that our financial business operations had no detrimental effects on the environment. Additionally, we sought to ensure that our branch operations does not impose negative impacts on local fauna and flora. Each office underwent regular audits to guarantee that its operations posed no harm to biodiversity hotspots or conservation areas.

Branch	Biodiversity Location	Distance (km)	Size of operational location (km ²)	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
Polonnaruwa	Elahera-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
Gampaha	Muthurajawela	17.1	0.000279	Terrestrial
Veyangoda	Muthurajawela	31.8	0.000109	Terrestrial
Wattala	Bellanwila	18.4	0.000130	Religious and historical value
	Muthurajawela	20	0.000130	Terrestrial
Puttalam	Tabbowa	17.4	0.000117	Terrestrial
Ja Ela	Muthurajawela	8.9	0.000227	Terrestrial
Malabe	Bellanwila	16.9	0.000177	Religious and historical value
	Muthurajawela	34	0.000177	Terrestrial
Minuwangoda	Muthurajawela	16	0.000153	Terrestrial
Kottawa	Bellanwila	10.6	0.000141	Religious and historical value
Borella	Bellanwila	9.4	0.000219	Religious and historical value
	Muthurajawela	23.9	0.000219	Terrestrial
Nittambuwa	Muthurajawela	28.8	0.000167	Terrestrial
Kaduwela	Bellanwila	19.3	0.000227	Religious and historical value
Kotahena	Bellanwila	15.7	0.000139	Religious and historical value
	Muthurajawela	21.7	0.000139	Terrestrial
Elpitiya	Andahelena Ella falls	5.5	0.000141	Waterfall
Giriulla	Mahaoya	19	0.000233	Reservoir
	WaduwaKetugala	5	0.000233	Ancient heritage site in Dambadeniya

Financial implications and other risks and opportunities due to climate change (GRI 201-2)

The repercussions of climate emergencies, such as global warming and severe weather events, have cast a shadow over business operations across diverse industries. As a provider of financial services, though we may not directly bear the brunt of these exigencies, MI experiences indirect effects through the provision of facilities to vulnerable sectors, notably agriculture. Whilst supporting the preservation of natural resources by minimizing our carbon footprint, participating in tree planting initiatives, and other campaigns, we persistently advocated for the adoption of environmental best practices among our stakeholders. This advocacy aims to position environmental consciousness as a lifestyle choice that contributes to alleviating the root causes of extreme weather conditions. To counter the potential adverse impacts on our business operations, we implemented agile risk thresholds tailored to address the repercussions of climate change by closely monitoring their effectiveness.

Sustainability Financing

As a conscientious corporate entity embraced with strategic corporate sustainability to its business model, we established a new committee in 2024 dedicated to promote Sustainability Finance among our existing and prospective clientele. This committee has been granted the authority to thoroughly examine the sustainability financing criteria, approach and infrastructure, aiming to comprehend and enact the essential prerequisites for promoting sustainable financing products.

Environmental Compliance

Aligned with MI's broader societal aspirations, our commitment extended beyond mere regulatory compliance to forge a more impactful contribution to long-term environmental conservation. We embraced environmental best practices within our business operations, implementing precautions to enhance governance through the efficient consumption of natural resources and the environmentally conscious management of designated branches. Fostering a culture that embeds green practices as a lifestyle choice among our staff remains a pivotal driver in our quest to evolve into a sustainable organization. Throughout the financial year, no instances of violations against environmental standards set by authorities were reported, and no penalties were imposed for noncompliance with environmental laws and regulations (refer to the Annual Report of the Board of Directors, pages 76 to 81).

Interrelated Capital Structures



Future Aspirations

