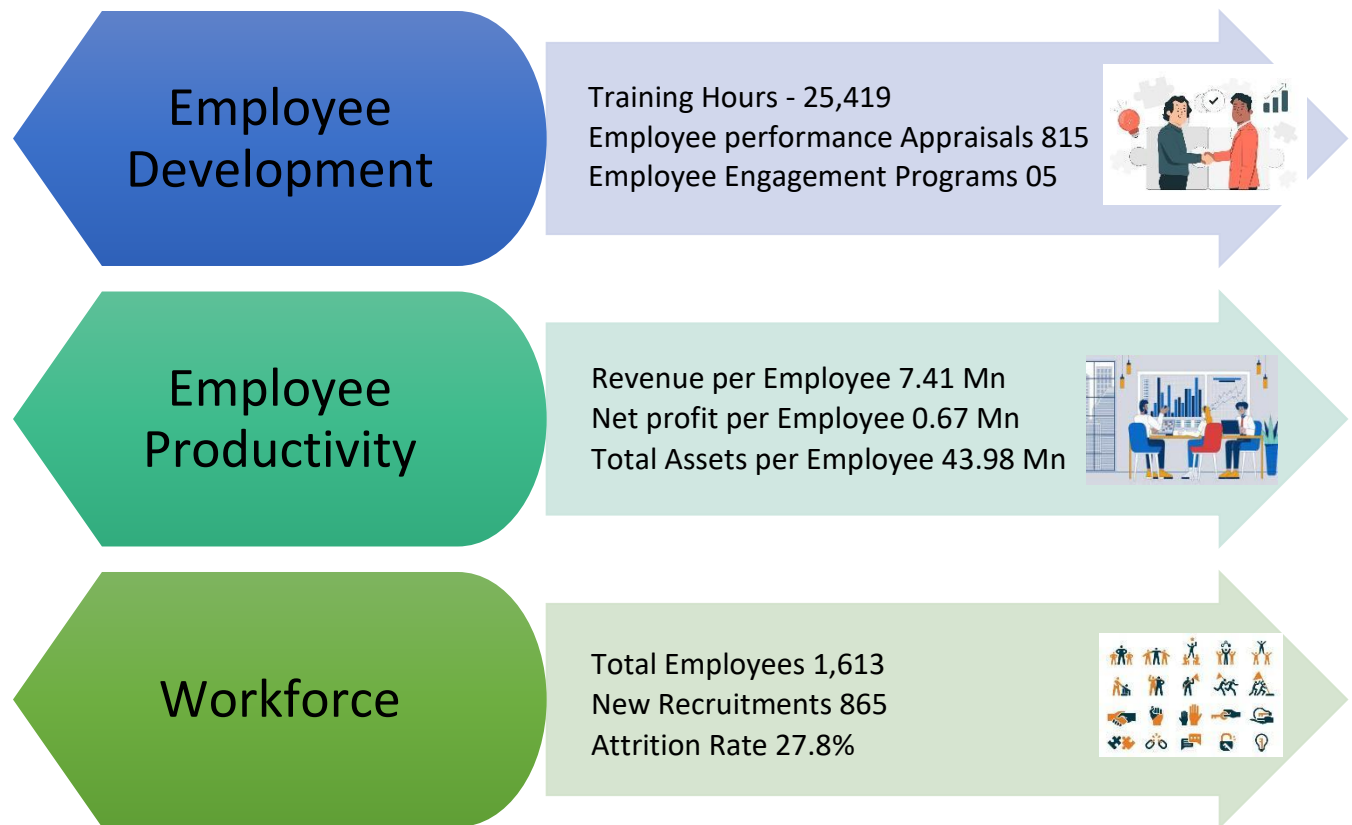


Human Strength

For more than sixty years, MI's sustained success has been driven by its most vital strategic advantage: our exceptional Human Capital. From inception to industry leadership, the accomplishments of our organisation have been intrinsically tied to the talent, dedication and professional expertise of our people. We view our employees not simply as resources, but as the cornerstone of our competitive strength and operational excellence. Their collective intelligence, deep expertise, and unwavering commitment have continually guided MI through shifting market dynamics and evolving industry landscapes, securing our position as a trusted and resilient institution.

We are deeply committed to fostering a high-performance culture, supported by strategic talent acquisition and continuous professional development initiatives. This unwavering dedication ensures an environment where creativity, expertise, and collaboration converge effortlessly, strengthening our employee value proposition. Furthermore, we have implemented a pleasant framework of recognition and compensation initiatives designed to acknowledge outstanding individual and team contributions while ensuring the retention of expertise knowledge. Our unique corporate culture and forward-thinking HR strategies have been instrumental in attracting and retaining top talent and offering exceptional employee experience and aligning individual growth with our long-term vision, propelling MI to a leading position in a highly competitive market.

Noteworthy Accomplishments



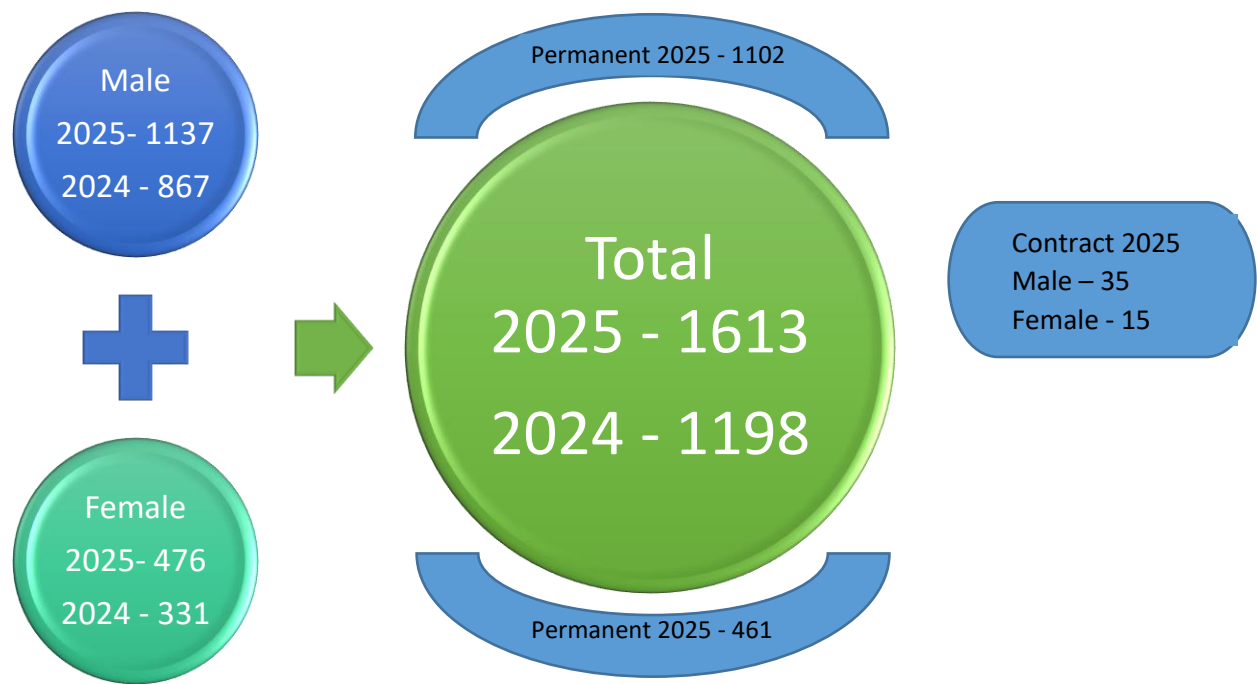
Assessing Value Creation



Our Human Capital strategy continues to generate meaningful impact across our stakeholder ecosystem. For suppliers, we have fostered greater transparency in engagement and performance evaluation, enabling more collaborative and accountable partnerships built on shared expectations. For customers, our empowered and service-driven workforce consistently delivers exceptional experiences that reinforce trust, elevate satisfaction, and cultivate long-term loyalty.

Beyond direct business outcomes, our people have played a pivotal role in advancing broader social and environmental objectives. Leveraging innovation and expertise, our teams have championed sustainable practices that reduce resource consumption and minimise environmental impact. In parallel, we have expanded our social footprint through increased participation in employee-led volunteer programs, deepening community engagement while reinforcing a strong sense of purpose and belonging within our workforce.

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



Service Tenure and Employee Dedication

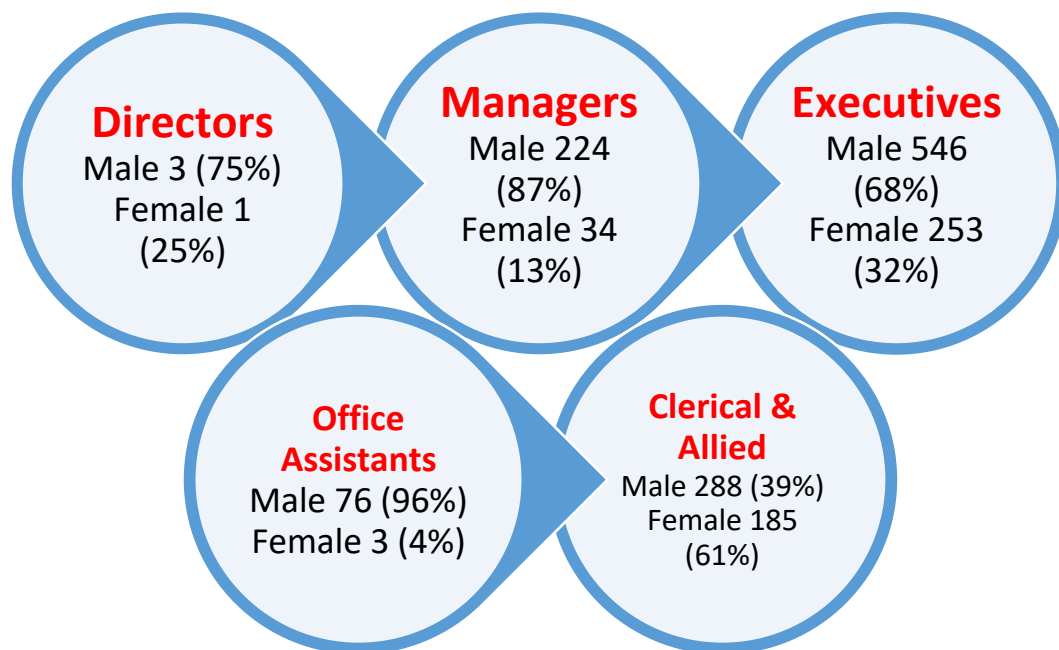


Permanent & Employees under Employment Contract Position – GRI (2-7, 2-8)

Province	Type of Employment	Female		Male		Total	
		No	%	No	%	No	%
North Central	Permanent	19	3.99%	57	5.01%	76	4.71%
	Contract	-	0.00%	-	0.00%	-	0.00%
North Western	Permanent	27	5.67%	104	9.15%	131	8.12%
	Contract	-	0.00%	3	0.26%	3	0.19%
Northern	Permanent	22	4.62%	33	2.90%	55	3.41%
	Contract	1	0.21%	-	0.00%	1	0.06%
Sabaragamuwa	Permanent	25	5.25%	81	7.12%	106	6.57%
	Contract	1	0.21%	1	0.09%	2	0.12%
Southern	Permanent	31	6.51%	105	9.23%	136	8.43%
	Contract	-	0.00%	3	0.26%	3	0.19%
Uva	Permanent	6	1.26%	19	1.67%	25	1.55%
	Contract	-	0.00%	-	0.00%	-	0.00%
Western	Permanent	289	60.71%	616	54.18%	905	56.11%
	Contract	13	2.73%	28	2.46%	41	2.54%
Eastern	Permanent	8	1.68%	24	2.11%	32	1.98%
	Contract	-	0.00%	-	0.00%	-	0.00%
Central	Permanent	34	7.14%	63	5.54%	97	6.01%
	Contract	-	0.00%	-	0.00%	-	0.00%
Total		476	100.00 %	1,137	100.00 %	1,613	100.00 %

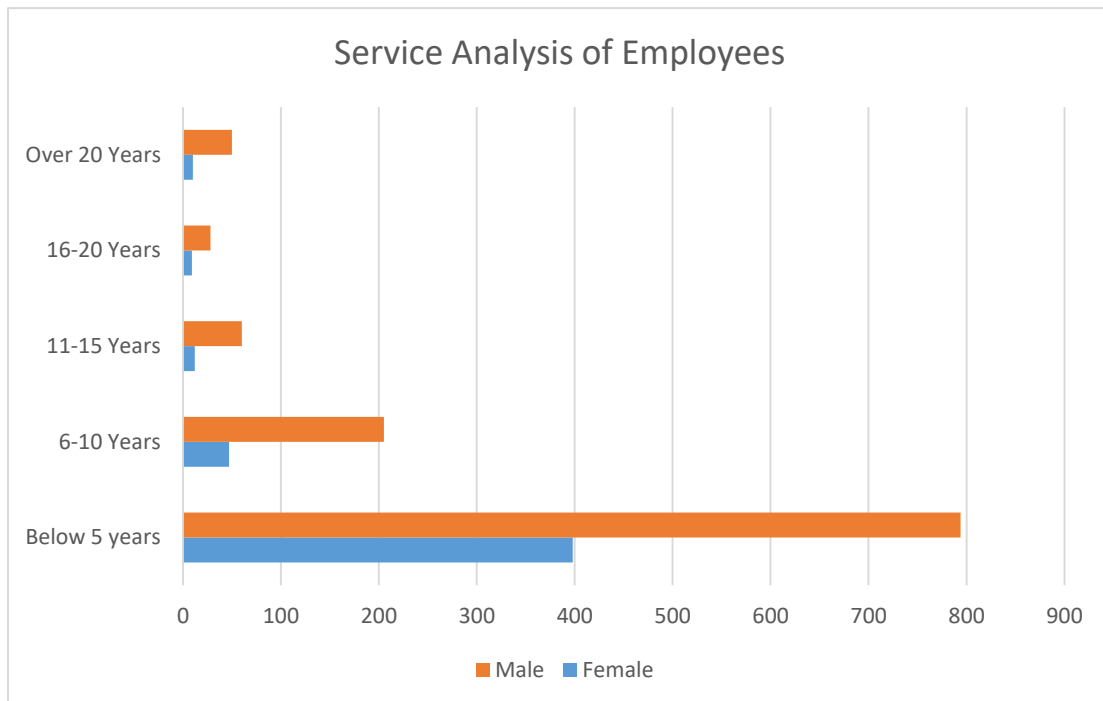
MI maintains a deliberate and strategically formulated employment framework wherein all operational functions and value-generating activities are exclusively performed by experienced professionals with formal employment status. Apart from any special assignments and to system migration activities, we do not utilise the services of outsourced workers (workers who are not employees) a conscientious policy decision that ensures comprehensive quality control, consistent cultural alignment, and direct accountability across all business domains. This approach enables us to maintain rigorous performance standards, facilitate seamless knowledge transfer, and uphold our commitment to organisational excellence while ensuring all individuals contributing to our success receive the full benefits and protections afforded to permanent members of our professional community.

Employment based on Designation

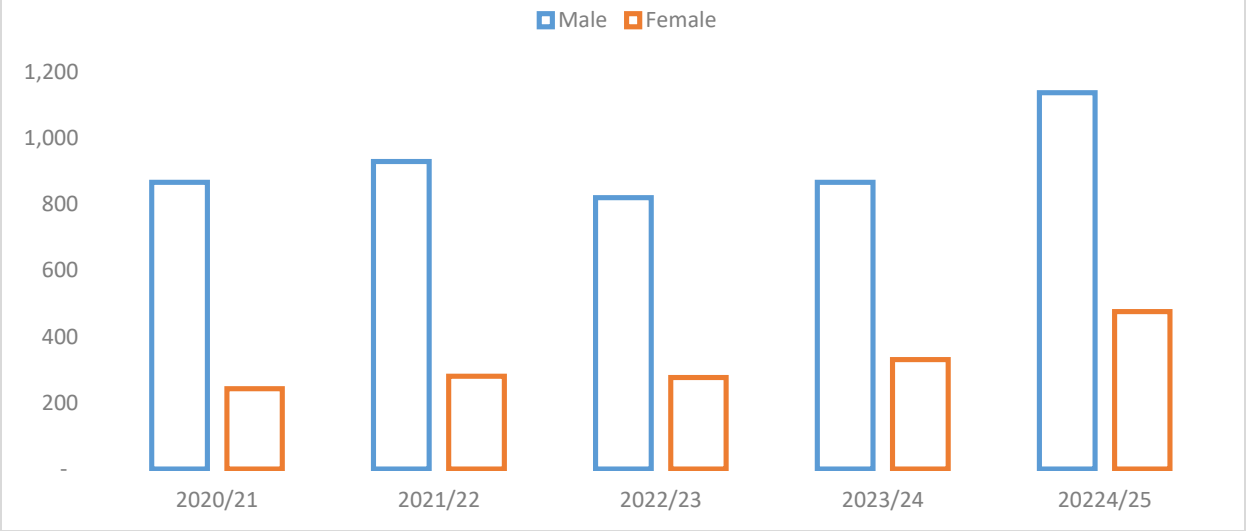


Employment Age Analysis

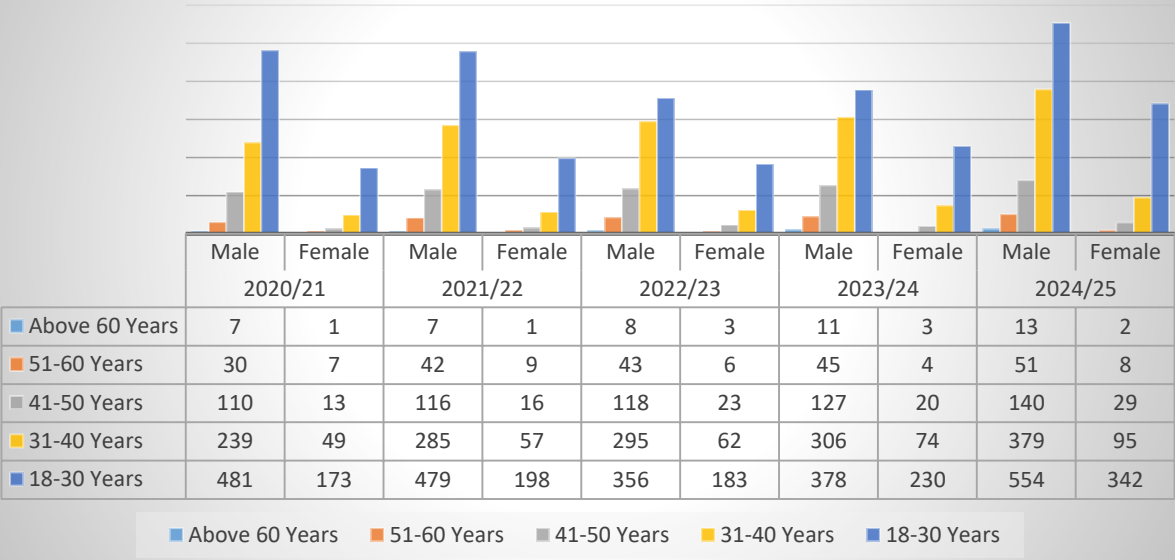
Employee Category	Age Group						Total	%
	Below 30 years	%	30-50 years	%	Over 50 years	%		
Clerical & Allied	411	87%	54	11%	8	2%	473	29%
Directors	0	0%	0	0%	4	100%	4	0%
Executives	358	45%	426	53%	15	2%	799	50%
Managers	8	3%	224	87%	26	10%	258	16%
Office Assistant & Others	14	18%	44	56%	21	27%	79	5%
Grand Total	791	49%	748	46%	74	5%	1613	100%

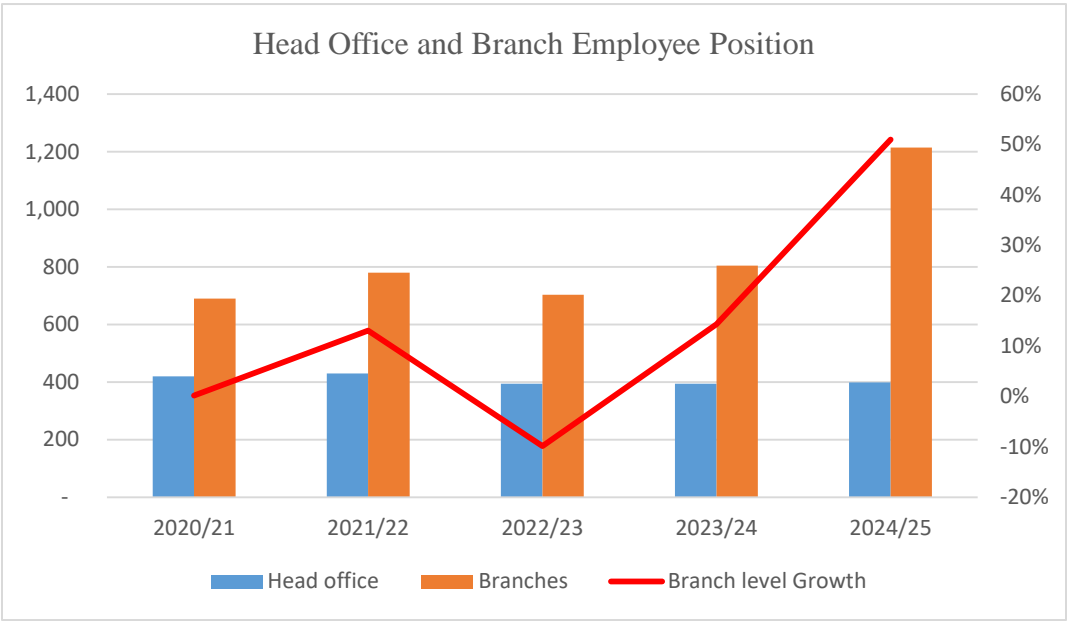


Gender Distribution of Employees

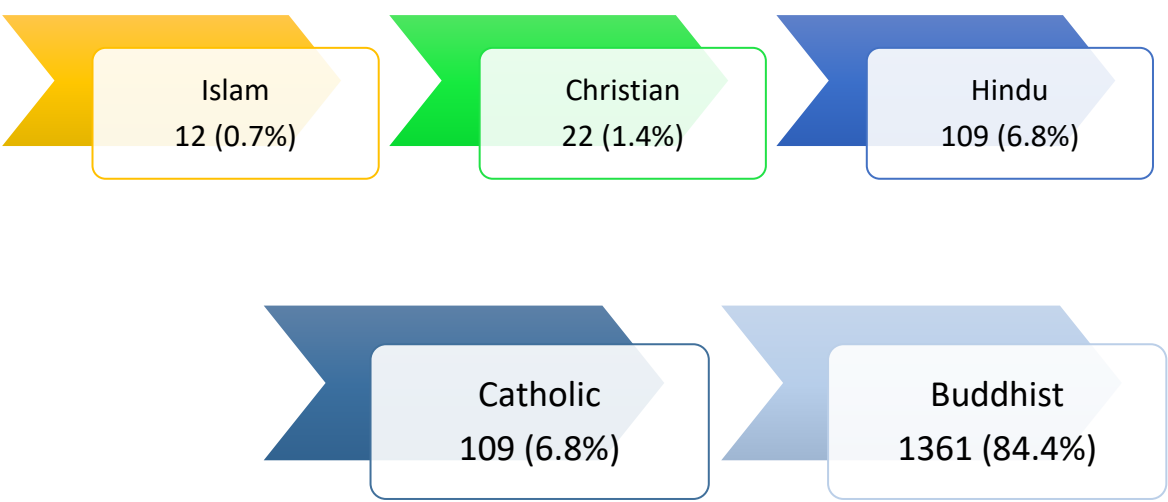


Comprehensive Age Analysis





Employee Diversity by Religion



Branch-wise Workforce Diversity

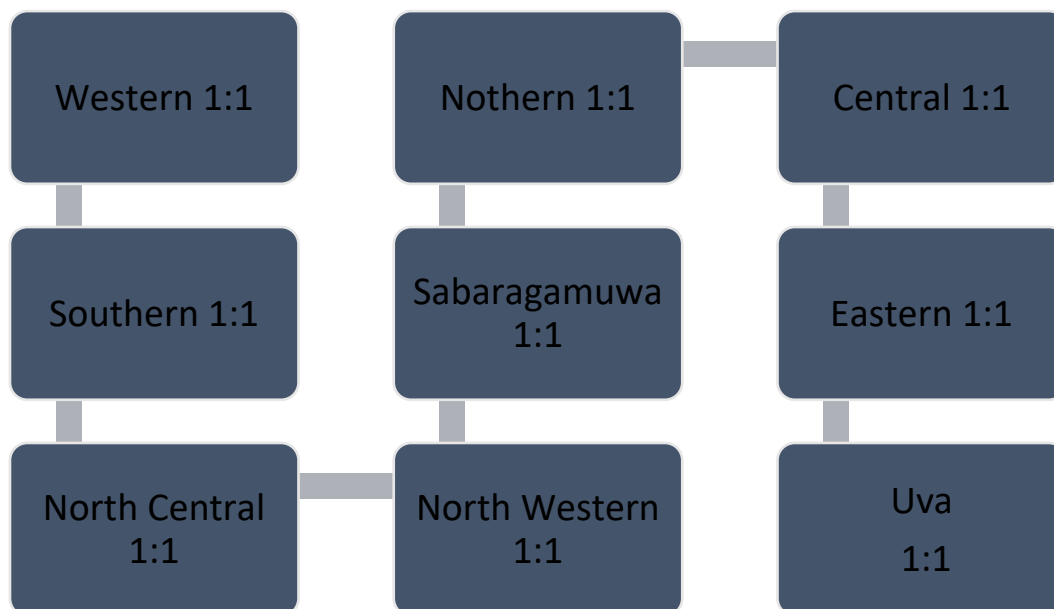
Province	Branch	2024/25			
		Female	%	Male	%
North Central	Anuradhapura Yard	0	0.00%	1	0.06%
	Anuradhapura Branch	6	0.37%	14	0.87%
	Kaduruwela Branch	0	0.00%	1	0.06%
	Kekirawa Branch	3	0.19%	5	0.31%
	Polonnaruwa Branch	6	0.37%	21	1.30%
	Thambuttegama Branch	4	0.25%	15	0.93%
	North Central Total	19	1.18%	57	3.53%
North Western	Chilaw Branch	4	0.25%	15	0.93%
	Giriulla Branch	4	0.25%	12	0.74%
	Kuliyapitiya Branch	3	0.19%	14	0.87%
	Kurunegala Branch	5	0.31%	38	2.36%
	Mawathagama Branch	1	0.06%	5	0.31%
	Nikaweratiya Branch	3	0.19%	6	0.37%
	Puttalam Branch	3	0.19%	12	0.74%
	Wennappuwa Branch	4	0.25%	5	0.31%
	North Western Total	27	1.67%	107	6.63%
Northern	Chunnakam Branch	3	0.19%	7	0.43%
	Jaffna Branch	5	0.31%	7	0.43%
	Kilinochchi Branch	3	0.19%	4	0.25%
	Manipay Branch	4	0.25%	3	0.19%
	Nelliady Branch	1	0.06%	5	0.31%
	Puthukkudiyiruppu	3	0.19%	2	0.12%
	Vavuniya Branch	4	0.25%	5	0.31%
	Northern Total	23	1.43%	33	2.05%
Sabaragamuwa	Balangoda Branch	5	0.31%	15	0.93%

	Eheliyagoda Branch	4	0.25%	6	0.37%
	Embilipitiya Branch	3	0.19%	17	1.05%
	Kegalle Branch	2	0.12%	15	0.93%
	Ratnapura Branch	7	0.43%	20	1.24%
	Warakapola Branch	5	0.31%	9	0.56%
	Sabaragamuwa Total	26	1.61%	82	5.08%
Southern	Akuressa Branch	2	0.12%	16	0.99%
	Ambalangoda Branch	5	0.31%	6	0.37%
	Bentota Branch	2	0.12%	17	1.05%
	Elpitiya Branch	4	0.25%	9	0.56%
	Galle Branch	6	0.37%	15	0.93%
	Matara Branch	5	0.31%	22	1.36%
	Neluwa Branch	3	0.19%	9	0.56%
	Tissamaharama Branch	4	0.25%	14	0.87%
	Southern Total	31	1.92%	108	6.70%
Uva	Bandarawela Branch	4	0.25%	11	0.68%
	Welimada Branch	2	0.12%	8	0.50%
	Uva Total	6	0.37%	19	1.18%
Western	Avissawella Branch	7	0.43%	12	0.74%
	Corporate Division	4	0.25%	12	0.74%
	Credit Branch	2	0.12%	13	0.81%
	Elakanda Branch	0	0.00%	1	0.06%
	Gampaha Branch	7	0.43%	9	0.56%
	Godagama Branch	5	0.31%	11	0.68%
	Hanwella Branch	3	0.19%	3	0.19%
	Head Office	131	8.12%	268	16.62%
	Horana 02 Branch	3	0.19%	4	0.25%
	Horana Branch	4	0.25%	15	0.93%

	Ja-Ela Branch	4	0.25%	6	0.37%
	Kaduwela Service Centre	9	0.56%	17	1.05%
	Kalutara Branch	4	0.25%	13	0.81%
	Kesbewa Branch	6	0.37%	8	0.50%
	Kohuwala Branch	5	0.31%	21	1.30%
	Kohuwala Call Centre	15	0.93%	6	0.37%
	Kotahena Service Centre	5	0.31%	7	0.43%
	Kottawa Service Centre	8	0.50%	13	0.81%
	Mahara Kadawatha Branch	5	0.31%	19	1.18%
	Maharagama Branch	7	0.43%	14	0.87%
	Maharagama Yard	3	0.19%	18	1.12%
	Malabe Branch	6	0.37%	12	0.74%
	Maradana Branch	3	0.19%	3	0.19%
	Mattakkuliya Branch	5	0.31%	3	0.19%
	Matugama Branch	5	0.31%	5	0.31%
	Minuwangoda Service Centre	4	0.25%	17	1.05%
	Moratuwa Branch	6	0.37%	19	1.18%
	Negombo Branch	8	0.50%	23	1.43%
	Nittambuwa Branch	4	0.25%	14	0.87%
	Panadura Branch	2	0.12%	4	0.25%
	Pelawatte Branch	3	0.19%	6	0.37%
	Premier Service Centre	4	0.25%	10	0.62%
	Veyangoda Branch	5	0.31%	11	0.68%
	Wattala Branch	6	0.37%	7	0.43%
	Wellawatte Branch	4	0.25%	4	0.25%
	Work Shop	0	0.00%	16	0.99%
	Western Total	302	18.72%	644	39.93%

Eastern	Ampara Branch	2	0.12%	9	0.56%
	Batticaloa	2	0.12%	5	0.31%
	Trincomalee Branch	4	0.25%	10	0.62%
	Eastern Total	8	0.50%	24	1.49%
Central	Gampola Branch	3	0.19%	11	0.68%
	Hatton Branch	3	0.19%	5	0.31%
	Kandy Branch	5	0.31%	9	0.56%
	Katugastota Branch	4	0.25%	8	0.50%
	Matale Branch	4	0.25%	7	0.43%
	Nawalapitiya Branch	3	0.19%	7	0.43%
	Pussellawa Branch	5	0.31%	4	0.25%
	Ragala Branch	5	0.31%	7	0.43%
	Talawakelle Branch	2	0.12%	5	0.31%
	Central Total	34	2.11%	63	3.91%
Grand Total		476	29.51%	1137	70.49%

Ratio of basic salary and Remuneration by Gender (Women to Men) (GRI 405-2)



Fostering Inclusion and Equality at Work (GRI 406-1)

MI maintains a corporate structure characterised by resolute commitment to ethical conduct and non-discrimination principles, which have been formally endorsed and implemented by our highest governance authority. Our organisational framework systematically prohibits and discourages any form of discrimination based on race, ethnicity, nationality, gender, age, disability, religious affiliation, socioeconomic background, or any other protected characteristic. During the fiscal year under review, our comprehensive monitoring and reporting mechanisms recorded zero incidents of discriminatory conduct, underscoring the efficacy of our preventative measures and the organisation-wide adherence to our inclusive workplace policies.

Strategic Foresight in Resource Planning

We exhibit strong foresight in managing Human Capital by implementing strategic workforce planning that aligns talent development with our long-term organisational goals. The expansion of our branch network from 51 to 73 locations is a clear testament to our effective capacity forecasting and resource allocation strategy. This infrastructure development has been systematically aligned with comprehensive talent acquisition and deployment practices to ensure operational excellence.

Our Human Resources division functions as an integral strategic partner, maintaining robust cross-functional collaboration with all business units to ensure precise alignment between workforce capabilities and evolving business imperatives. Through sophisticated analytics and predictive modeling, our HR professionals identify emerging skill requirements and workforce trends, facilitating informed decision-making regarding talent acquisition, development, and retention strategies. When competency gaps are identified through our comprehensive skills assessment framework, we implement targeted professional development interventions and specialised training programmes, enhancing our employees' capabilities to meet emerging challenges and leverage new opportunities. This integrated approach to resource planning has significantly contributed to our operational efficiency, customer satisfaction metrics, and sustainable competitive advantage in an increasingly complex business landscape.

Optimising the Talent Acquisition Journey (GRI 401-1)

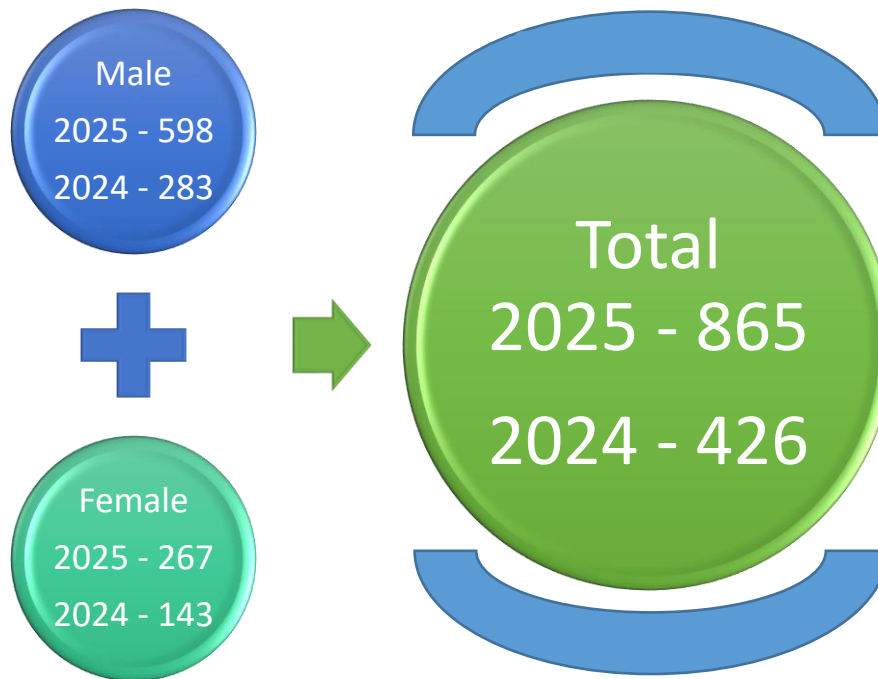
A cornerstone of our Human Capital strategy is the Talent Management Unit, a dedicated function within the Human Resources division, responsible for the strategic identification, assessment and onboarding of high-performing professionals who align with our organisational goals and cultural values. Leveraging advanced evaluation frameworks and data-driven insights, the unit ensures a strong person-organisation fit across all levels of the business. This targeted and specialised approach has significantly improved recruitment efficiency, reduced time-to-productivity for new hires, and strengthened our ability to maintain high performance and competitive distinction in a fast-evolving market.

Our dual-sourcing talent strategy integrates both internal and external pipelines to meet evolving workforce needs with agility and foresight. Internal mobility pathways are structured to promote career progression, foster institutional knowledge retention and support leadership continuity. In parallel, our external recruitment efforts introduce fresh thinking and specialised capabilities that enrich our talent base and drive innovation.

Selection processes are guided by internationally recognised best practices, designed to ensure fairness, consistency and strategic alignment. Candidates undergo a robust, multi-stage assessment process, including structured behavioural interviews, technical and cognitive testing, and competency-based evaluations. This comprehensive methodology enhances the objectivity of hiring decisions, reduces unconscious bias and increases the predictive validity of recruitment outcomes.

Our commitment to precision in talent acquisition not only supports our broader workforce strategy but also reinforces our long-term sustainability by ensuring the right talent is in place to lead, adapt, and thrive in a complex operating environment.

MI Talent Acquisition Diversity



Category	FY 2024/25			
	MALE		FEMALE	
	NUMBER	%	NUMBER	%
Central	55	67%	27	33%
30-50 YEARS	24	75%	8	25%
BELOW 30 YEARS	31	62%	19	38%
Eastern	24	83%	5	17%
30-50 YEARS	8	80%	2	20%
BELOW 30 YEARS	16	84%	3	16%
North Central	37	74%	13	26%
30-50 YEARS	15	79%	4	21%
BELOW 30 YEARS	22	71%	9	29%
North Western	63	81%	15	19%
30-50 YEARS	16	94%	1	6%
BELOW 30 YEARS	46	77%	14	23%
OVER 50 YEARS	1	100%	0	0%

Northern	35	69%	16	31%
30-50 YEARS	9	90%	1	10%
BELOW 30 YEARS	26	63%	15	37%
Sabaragamuwa	52	84%	10	16%
30-50 YEARS	15	94%	1	6%
BELOW 30 YEARS	37	80%	9	20%
Southern	50	75%	17	25%
30-50 YEARS	14	82%	3	18%
BELOW 30 YEARS	36	72%	14	28%
Uva	12	71%	5	29%
30-50 YEARS	7	78%	2	22%
BELOW 30 YEARS	5	63%	3	38%
Western	270	63%	161	37%
30-50 YEARS	89	69%	40	31%
BELOW 30 YEARS	157	58%	116	42%
OVER 50 YEARS	24	83%	5	17%
Grand Total	598	69%	267	31%

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

Branch	Total Senior Managers	Total Senior Managers Locally Hired **	% of senior managers locally hired *
Anuradhapura Branch	3	3	100%
Bandarawela Branch	1	1	100%
Batticaloa	1	1	100%
Eheliyagoda Branch	1	1	100%
Elakanda Branch	1	1	100%
Elpitiya Branch	1	1	100%
Embilipitiya Branch	1	1	100%
Gampaha Branch	2	2	100%

Giriulla Branch	1	1	100%
Hatton Branch	2	1	50%
Head Office	25	19	76%
Ja-Ela Branch	1	1	100%
Jaffna Branch	2	2	100%
Kaduwela Service Centre	1	1	100%
Kalutara Branch	1	1	100%
Kandy Branch	2	2	100%
Katugastota Branch	2	2	100%
Kegalle Branch	1	1	100%
Kekirawa Branch	1	1	100%
Kohuwala Branch	1	1	100%
Kotahena Service Centre	2	2	100%
Kottawa Service Centre	3	3	100%
Kurunegala Branch	3	2	67%
Malabe Branch	2	2	100%
Maradana Branch	1		0%
Matara Branch	2	1	50%
Matale Branch	2	2	100%
Minuwangoda Service Centre	1	1	100%
Moratuwa Branch	2	2	100%
Nawalapitiya Branch	1	1	100%
Negombo Branch	4	3	75%
Nikaweratiya Branch	1	1	100%
Nittambuwa Branch	2	1	50%
Panadura Branch	1	1	100%
Premier Service Centre	1	1	100%
Pussellawa Branch	1	1	100%

Ragala Branch	1	1	100%
Ratnapura Branch	3	3	100%
Trincomalee Branch	2	1	50%
Vavuniya Branch	1	1	100%
Veyangoda Branch	1	1	100%
Wattala Branch	1	1	100%
Gampola Branch	1	1	100%
Grand Total	90	77	86%

Driving Growth through Talent

MI systematically enriches organisational capacity through a strategic talent development framework, grounded on the foundational pillars of Process, Policy, Profit, and People. This multidimensional approach has enabled the company to maintain operational excellence while navigating market volatility and macroeconomic fluctuations with remarkable resilience. By prioritising knowledge acquisition, skill enhancement, and technological proficiency across all organisational strata, MI has established a corporate module where adaptability and innovation function as competitive differentiators in an increasingly complex financial landscape.

The Company's unwavering commitment to human capital development demonstrates through designed progression of training initiatives: 'On Your Marks, Get Set, Go' for foundational competencies, 'Path to Excellence' for advanced skill acquisition, 'Bridge' for transitional career development, 'Next Step' for leadership cultivation, and 'Empowering with AI' for technological integration. These comprehensive developmental trajectories ensure that personnel at each designation level receive targeted interventions that align individual capabilities with corporate objectives. This calibrated approach to professional advancement has demonstrably expanded competency profiles across all employment grades, empowering associates to maximise their potential while concurrently achieving predetermined key performance indicators.

Despite prevailing market uncertainties, MI has maintained significant investment in personnel development, recognising that Human Capital remains the organisation's most valuable asset and

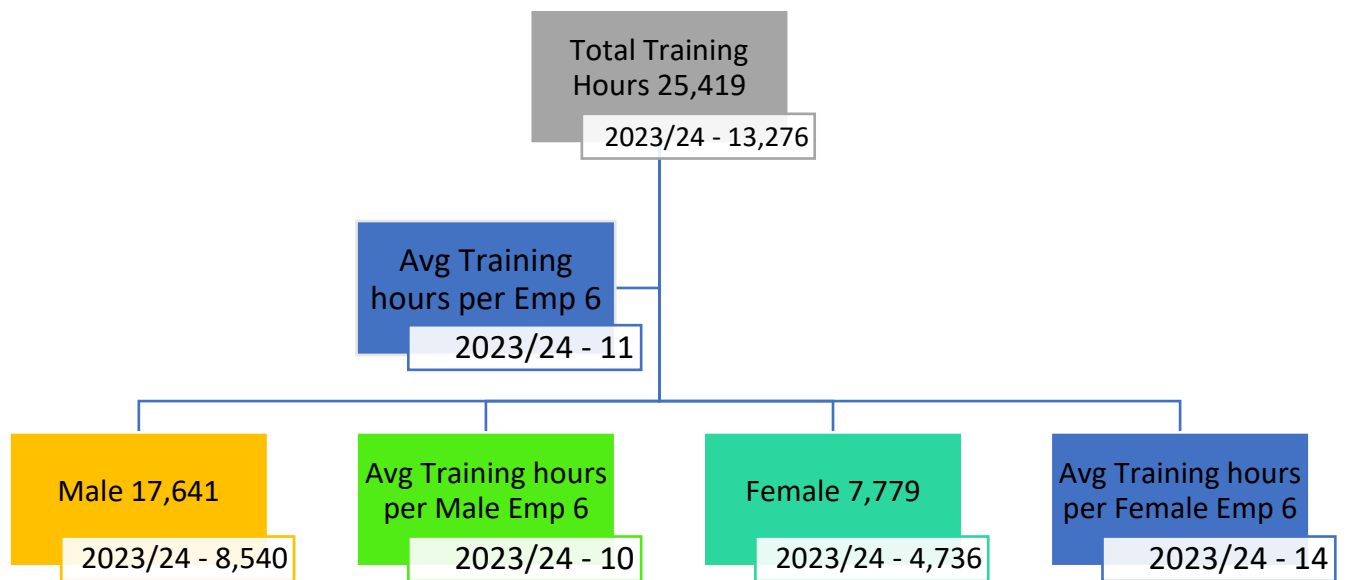
primary catalyst for sustainable growth. Strategic allocation of resources toward talent enhancement represents not merely a cost allocation but rather a critical investment in organisational resilience and market differentiation. The resultant workforce characterised by intellectual agility, technical sophistication, and problem-solving acumen positions Mercantile Investments and Finance PLC to capitalise on emerging opportunities while effectively mitigating sectoral challenges, thereby ensuring continued value creation for all stakeholder constituencies.

Framework that churns Learning and Development (GRI 404-1)

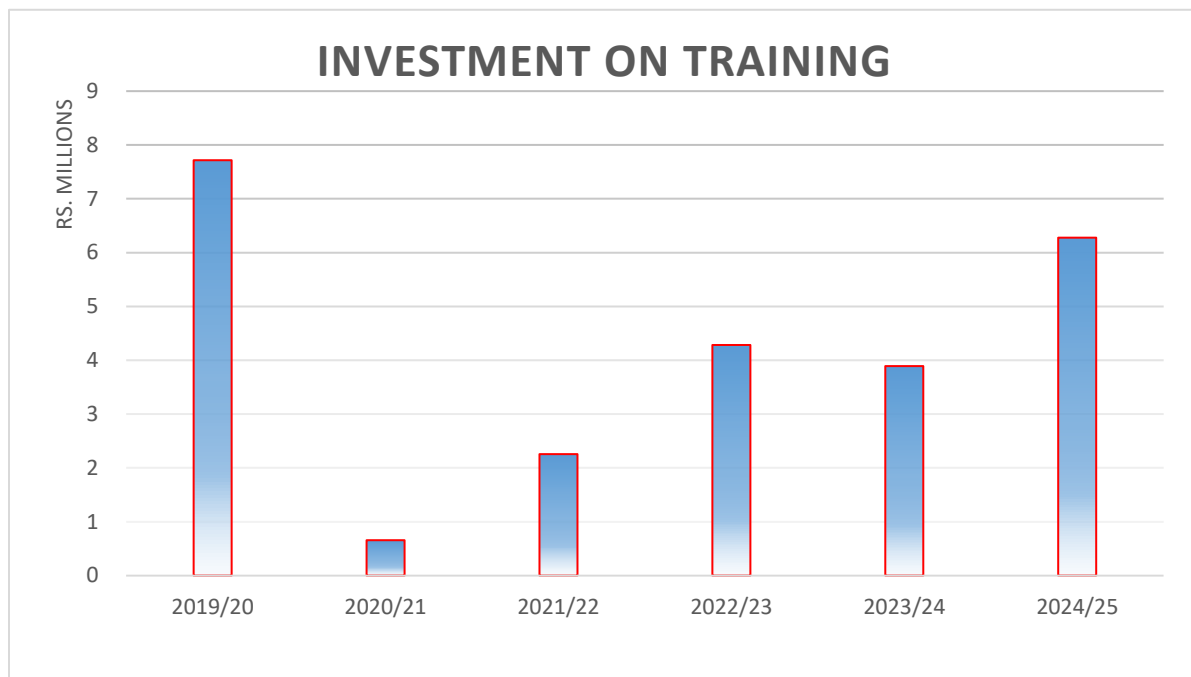
We have implemented a comprehensive, multifaceted learning and development framework characterised by diverse informative methodologies and delivery mechanisms tailored to address specific competency requirements across organisational hierarchies. The Company's training mechanism encompasses technical proficiency enhancement, leadership capability encouragement, regulatory compliance instruction, strategic thinking development, and interpersonal efficacy escalation and all designed to align with financial sector exemplars and contemporary professional standards. This approach ensures capability enhancement throughout the organisational system, prioritising the integration of emerging industry paradigms, technological advancements, and evolving regulatory frameworks to maintain the institution's competitive position in the dynamic financial services marketplace while simultaneously advancing individual career trajectories and collective organisational objectives.

The execution of training and learning development initiatives is facilitated through a strategically balanced consortium of knowledge disseminators, comprising both internal subject matter experts possessing profound business understanding and external specialists offering solid industry perspectives. Internal facilitators contribute invaluable organisation-specific insights, contextual relevance, and practical implementation guidance, while external consultants, academic partners, and industry facilitates introduce innovative methodologies, cross-sectoral best practices, and objective analytical frameworks that challenge established organisational templates. This deliberate dual mode of training resources ensures the setting of learning content to address both immediate operational requirements and long-term strategic imperatives, thereby fostering an organisational culture characterised by continuous professional development, knowledge exchange, and performance excellence that transcends conventional industry standards.

Grade	Employees		Total Participants	Total Training Hours			Average Training Hours		Category-wise Average
	Male	Female		Male	Female	Total	Male	Female	
Managers	224	34	1,183	6,131	623	6,754	27.37	18.32	26.18
Executives	546	253	1,560	5,868	3,756	9,624	10.75	14.85	12.05
Clerical	288	185	1,363	5,497	3,400	8,896	19.09	18.38	18.81
Minor	76	3	21	145	-	145	1.91	-	1.84
Total	1134	475	4,127	17,641	7,779	25,419	15.56	16.38	15.80



Investment in Employee Training



Fields of Training (GRI 404-2)

Training Coverage	Male	Female	Total Participants	Total Man Hours
Job-related training	1,400	688	2,088	13,700
Anti-Money Laundering	135	139	274	548
Corporate Ethics	4	6	10	33
Technological training	1	-	1	3
Leadership and Personality Development	1,258	496	1,754	11,136
Total	2,798	1,329	4,127	25,419

Anti-Corruption & Anti Money Laundering Training for Employees (GRI 205-2)

MI upholds an uncompromising commitment to regulatory compliance, demonstrated through the continuous enhancement of our Anti-Money Laundering (AML) and anti-corruption frameworks. Our organisation has developed and institutionalised a comprehensive compliance model that ensures enterprise-wide understanding of regulatory obligations, supported by robust governance and the strategic deployment of advanced technologies.

Technology plays a central role in strengthening our AML surveillance capabilities. By deploying sophisticated tools, advanced data analytics, and integrated alert systems, we proactively detect irregular transaction patterns, enhance customer due diligence, and improve the timeliness and accuracy of suspicious activity reporting. These measures are fully aligned with international compliance standards and reaffirm our ongoing commitment to ethical financial operations and regulatory excellence

Training remains a core pillar of our compliance culture. Our AML and anti-corruption policies are communicated across all operational regions through structured training programmes tailored to the unique risk profiles and regulatory dynamics of each area. These initiatives ensure that every employee, regardless of role or location, possesses a clear understanding of their responsibilities in upholding compliance standards.

Beyond internal training, we have implemented a comprehensive stakeholder engagement strategy to extend AML awareness to our wider business ecosystem. This includes targeted outreach to suppliers, service partners, and intermediaries, segmented by business function and geographic location to ensure precise communication and adherence to compliance expectations.

Furthermore, Mercantile Investments actively engages with external entities including regulatory bodies, industry associations, and community stakeholders to promote ethical conduct, financial transparency, and sector-wide vigilance. This holistic approach reflects our belief that anti-money laundering is not solely a compliance requirement, but a vital component of our corporate integrity and long-term sustainability.

Training Programme Objectives

Type and Scope of training programme	Assistance provided for employees to upgrade their skills	Training Objectives
Anti-Money Laundering	A virtual training session was held to enhance knowledge	<p>Increase awareness of money laundering and terrorist financing risks in the financial sector.</p> <p>Understand the legal and regulatory framework for AML/CFT in Sri Lanka and globally.</p>

<p>Ensure compliance with the Company's and CBSL's policies and procedures.</p>		
<p>Job-Related Training</p>	<p>Physical training, virtual sessions, technical talktime sessions, circulate e-flyers, regular chats</p>	<p>The primary objective of job-related training was to improve an employee's job performance by developing new skills, improving existing ones, and keeping them up-to-date with the latest industry trends and technologies.</p> <p>Enhance technical skills relevant to day-to-day job functions to improve operational efficiency.</p> <p>Strengthen knowledge of company products, services, and regulatory compliance standards. Job-related training also aimed to train staff on updated lending procedures and credit evaluation techniques.</p> <p>Furthermore, job-related training fostered career development by helping employees develop new competencies and advance their careers within the organisation through opportunities for professional development, career coaching, and mentoring.</p> <p>To enhance employee engagement and commitment, thereby improving productivity and efficiency.</p>

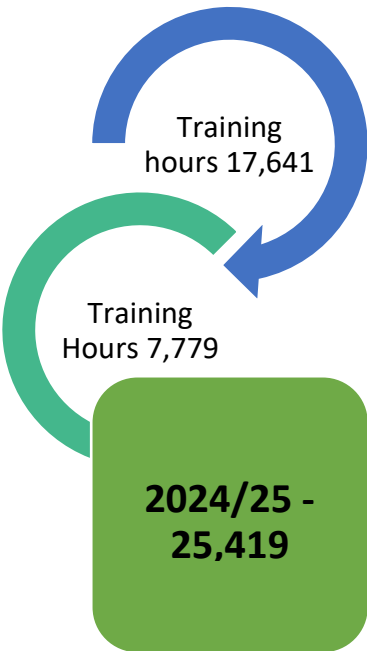
Leadership and Human Skill Development	Physical training, virtual sessions, technical talk time sessions, circulate e-flyers, regular chats	<p>The primary objective of job-related training was to develop effective leadership skills to inspire, guide, and motivate teams toward achieving organisational goals.</p> <p>Enhance communication abilities for better collaboration, conflict resolution, and team management.</p> <p>Strengthen coaching and mentoring skills to support team development and succession planning.</p> <p>Cultivate a Growth Mindset to encourage continuous learning, innovation, and openness to feedback, helping leaders stay competitive and forward-thinking.</p> <p>Foster Teamwork and Collaboration to cultivate skills to build high-performing, cross-functional teams and encourage a spirit of collaboration across departments.</p> <p>Improve Decision-Making and Problem-Solving Abilities – Teach structured approaches to analysing situations, evaluating options, and making informed decisions under pressure.</p> <p>To conduct underperformance training for lending staff, aimed at improving sales performance, using SWOT analysis to develop personalised action plans, and ensuring monthly follow-up to track progress.</p>
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Empowering Workplace Diversity through Employee Training (GRI 404-2)

At MI, we have established a comprehensive training and development framework designed to meet the evolving professional needs of employees across all levels of the organisation. Each programme is tailored to enhance specific competencies, ensuring that individual growth aligns with broader organisational objectives. Our training portfolio supports strategic capability development while driving operational excellence and fostering a culture of continuous learning.

A core component of our learning strategy is our steadfast commitment to equitable access. All training and development opportunities are structured using objective assessment methodologies and standardised, competency-based criteria. This ensures that resources are allocated based solely on identified skill gaps, performance indicators, and strategic business needs independent of gender or personal identity.

By integrating gender neutrality and inclusivity into the design and delivery of our training programmes, we go beyond mere compliance to foster a culture rooted in fairness and equal opportunity. This approach strengthens our commitment to an inclusive workplace where every employee, regardless of their background is supported and empowered to achieve their full professional potential.



Field of Training	Gender				Total Participants	Hours of training	Total man hours Actual
	Male	%	Female	%			
Performance Management Refresher Training	36	92%	3	8%	39	2	78
Performance Management Refresher Training	46	98%	1	2%	47	2	94
Performance Management Refresher Training	33	87%	5	13%	38	2	76
Mission	144	75%	48	25%	192	8	1,536
'On Your Marks, Get Set, Go'	19	70%	8	30%	27	8	216
'On Your Marks, Get Set, Go'	17	71%	7	29%	24	8	192
'On Your Marks, Get Set, Go'	18	72%	7	28%	25	8	200
'On Your Marks, Get Set, Go'	26	79%	7	21%	33	8	264
Regional Training on Gold Loan Operations	66	76%	21	24%	87	4	348
Gold Loan Training	9	33%	18	67%	27	8	216
Office Assistant Training	10	100 %	-	0%	10	1	10
Office Assistant Training	9	100 %	-	0%	9	1	9
Look Professional	2	5%	39	95%	41	0.5	21
Look Professional	27	96%	1	4%	28	0.5	14
New trends in Payments and Settlement	1	100 %	-	0%	1	2	2
Regulation for sharing information by specified institution with the IRD	3	75%	1	25%	4	1.5	6
'On Your Marks, Get Set, Go'	18	55%	15	45%	33	8	264
'On Your Marks, Get Set, Go'	22	61%	14	39%	36	8	288
Empowering with AI	1	100 %	-	0%	1	3	3
Cashier Training	8	15%	47	85%	55	8	440
Enhance your interviewing skills	-	0%	1	100 %	1	7.5	8
Anti-Money Laundering Training	135	49%	139	51%	274	2	548
Regional Training on Credit Evaluation	81	99%	1	1%	82	8	656
Incorporating Anti Corruption Policies	1	100 %	-	0%	1	3	3
Regional Training on Credit Evaluation	57	84%	11	16%	68	8	544
Eroc and company secretary in the digital age	1	33%	2	67%	3	3	9

Business Analytics Training	16	100 %	-	0%	16	1	16
Credit score training	80	92%	7	8%	87	3	261
'On Your Marks, Get Set, Go'	20	56%	16	44%	36	8	288
'On Your Marks, Get Set, Go'	23	68%	11	32%	34	8	272
CPD 3; Mandatory documents to be submitted to the Department of Registrar of Companies	1	33%	2	67%	3	3	9
Regional Training on Credit Evaluation	170	82%	38	18%	208	8	1,664
'On Your Marks, Get Set, Go'	29	74%	10	26%	39	8	312
'On Your Marks, Get Set, Go'	17	50%	17	50%	34	8	272
Changing Role of the Company Secretary/Beneficial Ownership & Overseas & Port City Regulations	1	33%	2	67%	3	4	12
Training on 'පොඩින්තෝ' Savings Accounts	54	50%	54	50%	108	1	108
Maximising Performance and Enhancing the Awareness of FD KPIs	23	55%	19	45%	42	1.5	63
Gold Loan Operation Training - New Recruits	1	17%	5	83%	6	8	48
FD & Savings Operations Training	4	17%	20	83%	24	8	192
'Revive and Thrive' - Boosting Sales Performance	21	88%	3	13%	24	8	192
FD & Savings Operations Training	10	77%	3	23%	13	8	104
FD & Savings Operations Training	6	15%	34	85%	40	8	320
Micro Auto Training	27	100 %	-	0%	27	8	216
Scienter System Training	12	71%	5	29%	17	5	85
'Revive and Thrive' - Boosting Sales Performance	13	100 %	-	0%	13	8	104
'Revive and Thrive' - Boosting Sales Performance	21	100 %	-	0%	21	8	168
Gold Loans Operations Training	19	48%	21	53%	40	8	320
Gold Loans Operations Training	20	51%	19	49%	39	8	312
Gold Loans Operations Training	17	50%	17	50%	34	8	272

Gold Loans Operations Training	18	50%	18	50%	36	8	288
'On Your Marks, Get Set, Go'	19	79%	5	21%	24	8	192
'On Your Marks, Get Set, Go'	19	79%	5	21%	24	8	192
'On Your Marks, Get Set, Go'	16	76%	5	24%	21	8	168
Gold Loans Operations Training	32	97%	1	3%	33	8	264
'On Your Marks, Get Set, Go'	20	83%	4	17%	24	8	192
'BRIDGE' - Helping You Bridge the Expectation Gap	11	100 %	-	0%	11	8	88
'BRIDGE' - Helping You Bridge the Expectation Gap	20	95%	1	5%	21	8	168
'On Your Marks, Get Set, Go'	19	83%	4	17%	23	8	184
'BRIDGE' - Helping You Bridge the Expectation Gap	21	100 %	-	0%	21	8	168
On Your Marks, Get Set, Go	18	82%	4	18%	22	8	176
'BRIDGE' - Helping You Bridge the Expectation Gap	31	97%	1	3%	32	8	256
'On Your Marks, Get Set, Go'	16	62%	10	38%	26	8	208
'The Next Step' - FD Training	8	80%	2	20%	10	8	80
'On Your Marks, Get Set, Go'	15	63%	9	38%	24	8	192
'On Your Marks, Get Set, Go'	7	70%	3	30%	10	8	80
'Path to Excellence'	72	71%	30	29%	102	7.5	765
'On Your Marks, Get Set, Go'	26	76%	8	24%	34	8	272
'On Your Marks, Get Set, Go'	22	76%	7	24%	29	8	232
'On Your Marks, Get Set, Go'	15	83%	3	17%	18	8	144
Branch Operations Training	6	21%	22	79%	28	8	224
'Path to Excellence'	124	67%	61	33%	185	5.5	1,018
'On Your Marks, Get Set, Go'	8	53%	7	47%	15	8	120
'On Your Marks, Get Set, Go'	8	67%	4	33%	12	8	96
'On Your Marks, Get Set, Go'	4	67%	2	33%	6	8	48
Cashier Training	1	3%	32	97%	33	8	264
'Path to Excellence'	135	71%	56	29%	191	5.5	1,051
'On Your Marks, Get Set, Go'	36	71%	15	29%	51	8	408
'On Your Marks, Get Set, Go'	37	71%	15	29%	52	8	416
'On Your Marks, Get Set, Go'	24	86%	4	14%	28	8	224
'Path to Excellence'	150	74%	54	26%	204	5.5	1,122
'Path to Excellence'	147	72%	58	28%	205	5.5	1,128
Cashier Training	7	23%	24	77%	31	8	248
'On Your Marks, Get Set, Go'	24	75%	8	25%	32	8	256
'On Your Marks, Get Set, Go'	23	74%	8	26%	31	8	248
'On Your Marks, Get Set, Go'	23	74%	8	26%	31	8	248
FD Operations Training	5	25%	15	75%	20	8	160

Cashier Training	6	19%	25	81%	31	8	248
'On Your Marks, Get Set, Go'	29	73%	11	28%	40	8	320
'On Your Marks, Get Set, Go'	22	88%	3	12%	25	8	200
'On Your Marks, Get Set, Go'	22	88%	3	12%	25	8	200
'On Your Marks, Get Set, Go'	22	88%	3	12%	25	8	200
Branch Operations Training	18	78%	5	22%	23	8	184
'Revive & Thrive' - Boosting Sales Performance	26	100 %	-	0%	26	1	26
'On Your Marks, Get Set, Go'	19	66%	10	34%	29	8	232
'On Your Marks, Get Set, Go'	13	81%	3	19%	16	8	128
'On Your Marks, Get Set, Go'	13	81%	3	19%	16	8	128
Sustainability Management Emerging Regulations	0	0%	1	100 %	1	4	4
'On Your Marks, Get Set, Go'	13	81%	3	19%	16	8	128
Cashier Training	13	22%	47	78%	60	3	180
Total	2,798	68%	1,329	32%	4,127	643	25,419

Unlocking Excellence with Performance Management (GRI 404-3)

We have implemented a transparent, values-led performance management framework that is closely aligned with Key Performance Indicators (KPIs), enabling a fair and meaningful assessment of each individual's contribution to our overall value creation. In fostering a high-performance culture, we take a holistic approach to evaluating employee performance – measuring not only *what* was achieved, but also how it was achieved. This balanced evaluation gives due importance to both goal attainment and the demonstration of core behavioural competencies, inspiring excellence through accountability, integrity, and purpose-driven action.

This comprehensive evaluative model facilitates precise measurement of individual and departmental contributions to organisational objectives while simultaneously identifying developmental opportunities across diverse competency fields. The framework's design principles incorporate multiple assessment methodologies, calibrated evaluation metrics, and cross-functional validation mechanisms to ensure evaluative outcomes accurately reflect performance realities rather than subjective impressions. This systematic approach to performance governance enables Mercantile Investments to maintain rigorous accountability standards while simultaneously fostering a culture of continuous improvement and professional excellence throughout the organisational hierarchy.

During the fiscal period under review, the organisation successfully administered comprehensive performance appraisals for 51% of employees counted for 815, representing a significant operational achievement that underscores the Company's institutional commitment to maintaining meritocratic advancement pathways, performance-based recognition systems, and transparent developmental frameworks that collectively enhance organisational effectiveness and stakeholder confidence.

Yielded Attractive Employee Returns (GRI 202-1, 401-2, 405-2)

In line with our commitment to creating a workplace that attracts, motivates, and retains top-tier talent, MI has established a holistic compensation framework that blends both monetary and non-monetary benefits. As a company recognised by The Great Place to Work Institute as one of top employers in the past, we continue to offer competitive and compelling reward packages that consistently exceed industry standards. This reflects our unwavering dedication to valuing our people, enhancing employee well-being, and fostering a culture where talent thrives and careers flourish.

The monetary component encompasses market-competitive base remuneration, performance-contingent variable compensation, and progressive long-term incentive structures, while the non-monetary dimensions include professional advancement pathways, recognition mechanisms, workplace flexibility initiatives, and holistic wellbeing programmes. To ensure remuneration equity and maintain internal compensation coherence, Mercantile Investments implements systematic compensation governance protocols including periodic comprehensive salary reviews utilising sophisticated analytical methodologies to identify and rectify any compensation disparities among peer levels. Complementing this internal equity focus, we demonstrate exemplary corporate citizenship through rigorous adherence to all statutory obligations pertaining to employee compensation for all full time employees, including competitive to minimum wage requirements, provident fund contributions, gratuity provisions, insurance requirements, and numerous additional regulatory mandates.

Employee Category	Basic Salary Ratio –Entry Level(Women: Men)
Directors	1:1

Managers	1:1
Executives	1:1
Clerical & Allied	1:1
Office Assistants and Others	1:1

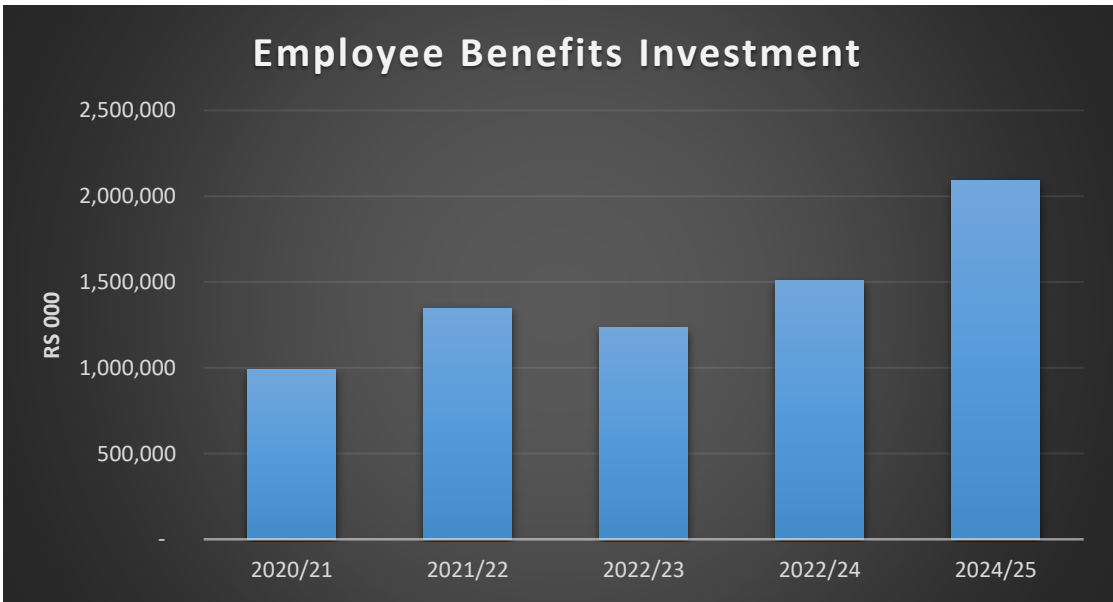


Employee Benefits Beyond Monetary

At MI, we remain dedicated in our commitment to nurturing employee well-being through a comprehensive suite of non-financial benefits as well, designed to enhance overall quality of life and workplace satisfaction. Recognising that employee engagement and morale are inherently linked to organisational success, we offer a range of initiatives that go beyond monetary benefits. These include robust health and safety protocols that ensure a secure and supportive work environment, coupled with comprehensive medical insurance coverage and auxiliary health-related support. These measures reflect our dedication to safeguarding the physical and mental well-being of every team member, positioning MI as a responsible and forward-thinking employer.

Further enriching the employee experience, MI organises annual trips, corporate gatherings, and team-building events that serve as vital platforms for fostering interpersonal connections, strengthening team cohesion, and promoting a unified organisational culture.

Employee Benefit Investment



Management of Occupational Health & Safety (GRI 403-1,403-2,403-3,403- 4,403-5,403-6,403-7)

MI has established a robust occupational health and safety management framework that reflects strong governance culture and a deep commitment to employee wellbeing despite the minimal occupational hazards inherent to financial sector operations. This comprehensive system, coordinated through our internal Welfare Association and supported by executive leadership, applies uniformly across both our head office and branch network.

We conduct systematic evaluations of potential workplace hazards through structured risk assessment protocols, enabling early identification and mitigation of safety concerns. Transparent communication channels are in place to empower employees to report any potentially harmful conditions or incidents. These inputs are formally reviewed and integrated into ongoing evaluation cycles, fostering continuous enhancement of our safety framework. This proactive approach highlights MI's commitment to employee safety beyond regulatory compliance.

Targeted training programmes are delivered to employees in roles where specific occupational risks have been identified. These learning interventions are developed using evidence-based methodologies and align with international best practices in workplace safety education. The Welfare Association plays a key role in programme implementation, while maintaining direct oversight by senior management to ensure strategic alignment with broader organisational goals.

Recognising the significant impact of non-occupational factors on employee wellbeing, MI also conducts organisation-wide awareness initiatives focused on holistic health issues such as mental wellness, lifestyle-related risks, and stress management. These initiatives contribute to a culture that values the overall health of our employees as a core driver of productivity and sustainable performance.

This integrated and forward-looking approach underscores our belief that occupational health and safety is not just a compliance function, but a strategic imperative essential to cultivating a resilient, engaged, and high-performing workforce.

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

Region	Injuries in Number				Lost Days (Based on average number of days per employee)X246 days				Type of Injuries
	Male	Injuries Rate	Female	Injuries Rate	Male	Lost Day Rate	Female	Lost Day Rate	
EASTERN	1	25%	1	100%	20	13%	12	100%	Accident
NORTH CENTRAL	-	-	-	-	-	-	-	-	-
NORTH WESTERN	-	-	-	-	-	-	-	-	-
SABARAGAMUWA	-	-	-	-	-	-	-	-	-
SOUTHERN	-	-	-	-	-	-	-	-	-
WESTERN	3	75%	-	-	140	88%	-	-	Accident
NORTHERN	-	-	-	-	-	-	-	-	-
UVA	-	-	-	-	-	-	-	-	-
CENTRAL	-	-	-	-	-	-	-	-	-

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

Criteria	2024/25
NUMBER OF EMPLOYEES ENTITLED FOR MATERNITY LEAVE	476
NUMBER OF EMPLOYEES WHO TOOK MATERNITY LEAVE	8
NUMBER OF EMPLOYEES WHO RETURNED TO WORK AFTER MATERNITY LEAVE	3
NUMBER OF EMPLOYEES WHO RETURNED TO WORK AFTER MATERNITY LEAVE ENDED WHO WERE STILL EMPLOYEED 12 MONTHS AFTER THEIR RETURN TO WORK	3
RETURN TO WORK RATE %	38%
RETENTION RATE %	33%

Staff Attenuation Management (GRI 401-1)

Recognising that retaining top-tier talent is essential to building a resilient and future-ready workforce, we remain deeply committed to minimising staff attrition. By fostering an environment where individuals feel valued, inspired, and aligned with MI's long-term vision, we aim to cultivate lasting engagement and empower our people to grow alongside the organisation.

As we continuously enhance our HR policies and practices to cultivate a motivated, high-performance culture, we actively draw on valuable insights from confidential exit interviews and employee feedback. Furthermore, MI has augmented its compensation methodology and professional advancement opportunities to enhance competitive positioning in the business to retain the best knowledge within the Company for better performance. These reflections serve as powerful tools to enrich our workplace experience, strengthen our employee value proposition, and proactively address areas of improvement – ultimately helping us build a more engaging, fulfilling, and enduring work environment.

Despite MI's strong cultural foundation and steadfast commitment to employee retention, broader macroeconomic forces led to resignation from varying hierarchical levels during the past financial year. External market dynamics, such as widespread talent migration trends and industry-specific volatility created challenging and unprecedented labour conditions. Nevertheless, we remain resilient and focused, continuing to strengthen our people strategies and cultivate a workplace that inspires long-term commitment, even amid shifting external landscapes.

CATEGORY	FY 2024/25			
	MALE		FEMALE	
	NUMBER	%	NUMBER	%
EASTERN				
BELOW 30 YEARS	6	1.82%	2	1.65%
30-50 YEARS	6	1.82%	-	0.00%
OVER 50 YEARS	-	0.00%	-	0.00%
Central				
BELOW 30 YEARS	9	2.74%	4	3.31%
30-50 YEARS	3	0.91%	-	0.00%
OVER 50 YEARS	-	0.00%	-	0.00%
North Central				

BELOW 30 YEARS	8	2.43%	3	2.48%
30-50 YEARS	9	2.74%	1	0.83%
OVER 50 YEARS	1	0.30%	-	0.00%
North Western				
BELOW 30 YEARS	15	4.56%	5	4.13%
30-50 YEARS	9	2.74%	1	0.83%
OVER 50 YEARS	-	0.00%	-	0.00%
SABARAGAMUWA				
BELOW 30 YEARS	17	5.17%	1	0.83%
30-50 YEARS	15	4.56%	2	1.65%
OVER 50 YEARS	-	0.00%	-	0.00%
SOUTHERN				
BELOW 30 YEARS	24	7.29%	7	5.79%
30-50 YEARS	9	2.74%	4	3.31%
OVER 50 YEARS	-	0.00%	-	0.00%
WESTERN				
BELOW 30 YEARS	76	23.10%	62	51.24%
30-50 YEARS	87	26.44%	22	18.18%
OVER 50 YEARS	24	7.29%	5	4.13%
NORTHERN				
BELOW 30 YEARS	4	1.22%	1	0.83%
30-50 YEARS	5	1.52%	-	0.00%
OVER 50 YEARS	-	0.00%	-	0.00%
UVA				
BELOW 30 YEARS	1	0.30%	1	0.83%
30-50 YEARS	1	0.30%	-	0.00%
OVER 50 YEARS	-	0.00%	-	0.00%
TOTAL	329	100%	121	100%

Upholding Human Rights in the Workplace (GRI 2-23, 2-24)

Recognising the importance of ethical responsibility, MI conducts ongoing evaluations of how its operations and supply chains may affect human rights, aiming to prevent both intentional and unintentional breaches of these core principles. Although formal human rights screenings are not currently part of our operational framework, and specific human rights clauses have not yet been integrated into contractual agreements, we have established solid safeguards. All employees are provided with the company's Code of Conduct, which they formally acknowledge during the onboarding process as part of their employment agreement. To further support human rights

awareness, MI has incorporated relevant topics into its induction programme, ensuring that every team member understands the human rights considerations integral to our business practices and corporate values.

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

At MI, we are dedicated to cultivating a workplace culture rooted in open communication, accountability, and mutual respect. We prioritise transparency and responsiveness in addressing employee concerns and grievances, ensuring that every team member feels heard, valued, and supported. Our commitment to fostering a constructive and inclusive environment is reflected in the continuous strengthening of our whistle-blowing policy. This framework includes a secure and confidential email channel, accessible exclusively by the company secretary, enabling the direct escalation of serious concerns to the Board of Directors. In alignment with our adoption of digital solutions, we have introduced a QR code system that allows employees to communicate with the HR department via WhatsApp at any time. This innovative tool streamlines the grievance process while ensuring timely, discreet, and effective resolution of issues.

As part of our ongoing commitment to continuous improvement, MI has expanded the ‘Even Better If’ initiative, encouraging employees to contribute constructive suggestions for enhancing workplace practices. This initiative reinforces our dedication to a collaborative culture where the perspectives of our diverse workforce are actively valued and implemented. Additionally, the extended scope of our ‘HR Buddy’ programme provides employees with dedicated peer support to navigate challenges and foster a sense of trust and empowerment. Notably, MI operates without trade unions or collective bargaining agreements, highlighting our emphasis on maintaining open, direct communication channels with our staff. Moving forward, we remain committed to refining our grievance handling mechanisms and strengthening our culture of transparency, innovation, and employee well-being.

Navigating Operational Challenges with Agility (GRI 402-1)

Demonstrating our commitment to operational excellence, MI has implemented a robust, flexible procedural framework that empowers the organisation to adapt seamlessly to dynamic market conditions and operational vulnerabilities. Our operational landscape is designed to absorb and

respond to disruption without compromising on efficiency or service quality. By embedding agility into our core business practices, we position ourselves to proactively manage risks, seize emerging opportunities, and uphold our performance standards in fluctuating environments. This resilience not only safeguards business continuity but also enhances our ability to scale and innovate in an ever-evolving landscape.

By fostering a culture of timely and transparent communication, we empower our workforce with the information they need to stay informed with a notice period, engaged, and prepared for any changes impacting operational procedures. This commitment ensures that every employee feels included, valued, and confident in navigating transitions, reinforcing trust and unity across the organisation. We believe that when employees are well-informed, they become empowered and capable of embracing change with confidence and making a meaningful impact during times of transformation. Through structured communication channels, regular updates, and leadership engagement, we promote a workforce that is agile, resilient, and deeply engaged in driving organisational success. As we continue to evolve, this integrated approach enables MI to remain responsive, cohesive, and competitive in a rapidly changing business environment.

Trainings Offered to Security Personnel (GRI 410-1)

In alignment with our commitment to operational integrity and stakeholder safety, MI has engaged the services of a highly reputable third-party security provider, recognised for its unwavering reliability and ethical standards. Operating the head office premises within a designated High Security Zone and managing substantial financial activities, our organisation maintains heightened vigilance against potential security threats. To this end, all security personnel assigned to our locations are extensively trained in specialised techniques, well acquainted with internal operational procedures, and fully compliant with human rights guidelines. This ensures that security measures are both robust and respectful, prioritising the protection of our premises, employees, and clients.

As our gold loan operations have rapidly expanded across our branch network, we have correspondingly scaled and enhanced our security infrastructure to meet emerging demands. This strategic fortification enables our security teams to respond effectively to high-risk situations while

upholding the Company's commitment to human rights and ethical conduct. By aligning our security enhancements with our business growth trajectory, MI ensures a resilient and secure environment that supports both operational success and the well-being of all individuals involved.

Capital Interdependency & Strategy Position

Capital	Short Term	Medium Term	Strategy Map
Financial	Declining profit margin with high employee service cost	Reduction in cost to income ratio	<ul style="list-style-type: none"> ❖ KPI-based digital dashboards for employee performances ❖ Promotion of overall employee wellbeing ❖ Individual performance metrics linked with overall objectives
Alliances	Exceptional customer service	Transparent and highly profitable business relationships	
Infrastructure	Efficiency improvement with innovative procedures	Market share dominance with productive employees	
Intellectual	Optimum usage of technological developments	Filling business opportunities in innovative approach	

Nature	Prioritise the CSR activities keeping	Notable reduction in waste generation	
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Future Set Forth

