

Nature

Environmental Sustainability Commitment

At Mercantile Investments and Finance PLC, our vision of becoming a truly sustainable financial institution is firmly rooted in our responsibility toward environmental stewardship. We continue to embed sustainability into the fabric of our business operations, ensuring that environmental considerations are not merely an add-on but an integral part of our strategic decision-making process. Throughout the year, we remained committed to complying with stringent environmental standards and aligning our practices with globally recognised sustainability benchmarks. Our aim is to preserve and protect natural resources while ensuring long-term value creation for our stakeholders and society at large.

Although the nature of our business entails a relatively low direct environmental footprint, we proactively implement initiatives to minimise our indirect impact. Our environmentally conscious policies, reinforced by internal governance structures such as the Sustainability Governance Committee with Board Directors' oversight guides MI's efforts to reduce energy consumption, limit resource wastage, and promote greener operational practices. We have also taken deliberate steps to integrate the use of renewable resources and encourage responsible consumption across all business units. From refining internal workflows to adopting paperless solutions and energy efficient technologies, our commitment to minimising our ecological footprint remains unwavering. Our approach to environmental sustainability reflects our belief that financial success and ecological responsibility must go hand in hand. As we move forward, we remain dedicated to driving meaningful environmental outcomes through innovation, collaboration, and continuous improvement.

Performance Highlights

Eco-Friendly Initiatives

- Paper recycled: 1,381 Kg
- Strengthened Sustainable Financing portfolio
- Enhanced digitalisation and paperless transactions
- Continued process reengineering for resource efficiency



Employee Engagement

- Rise in voluntary environmental contributions by staff
- Regular awareness sessions on sustainability and green practices
- Staff-led environmental campaigns and clean-up drives
- Strengths of the Sustainability Governance Committee drivers appointed with past experience in the area



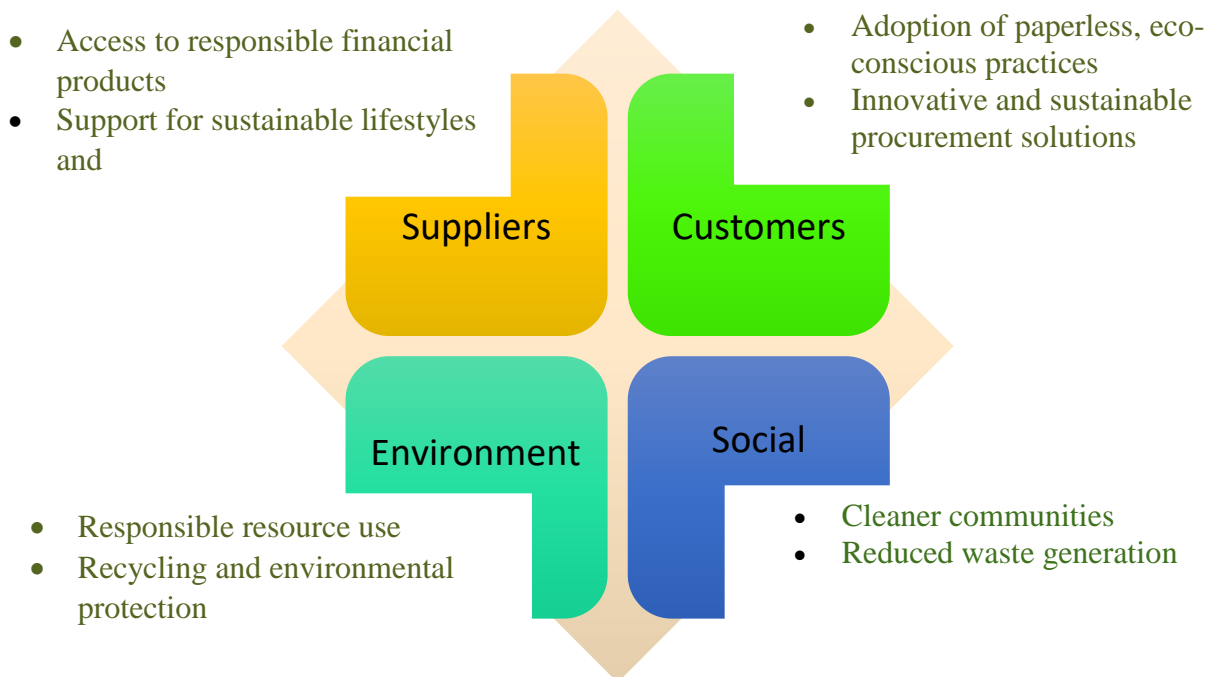
Environmental Investments

- Focused on reviewing and realigning environmental priorities to ensure long-term sustainability impact
- Engaged in internal planning and capacity building for future environmental initiatives
- Continued commitment to exploring meaningful partnerships for environmental stewardship



Expectation/Impact Assessment

As a conscientious corporate entity, we recognise that environmental protection and conservation are fundamental to our long-term strategy. These priorities are now fully integrated into our stakeholder management practices and operational planning. With the growing urgency of global challenges such as climate change, air pollution, and energy scarcity, we have elevated our environmental agenda to reflect the critical role we must play. Our strengthened team has formulated a new environment sustainability roadmap for 2025–2028, reflecting long-term commitment to upholding environment sustainability as part of its ESG drive’s medium-term strategy.



Managing MI's Ecological Footprint

As a responsible corporate entity, we remain committed to safeguarding the environment by closely monitoring and managing our ecological footprint. This involves a dedicated focus on preserving natural resources and maintaining a conscious balance between business operations and environmental sustainability.

MI's business practices are guided by the principles of efficient and optimal resource utilisation. Through continuous assessment and responsible decision-making, management ensures that day-to-day operations avoid or mitigate any potential environmental harm. This ongoing vigilance enables us to align our growth with environmental responsibility.

Key focus areas include:

- **Energy Management** – Efficient usage and monitoring of electricity and fuel to reduce emissions and operational energy waste.
- **Water Management** – Responsible consumption, reduction of wastage, and promotion of sustainable water use practices.
- **Waste Management** – Implementation of strategies to minimise, recycle, and responsibly dispose of waste generated across operations.
- **Biodiversity** – Efforts to support and preserve ecosystems within and beyond our areas of influence, contributing to long-term ecological balance.

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

Energy management forms a fundamental pillar of our environmental sustainability strategy, supporting our long-term goal of operating as a resource-efficient, low-carbon financial institution. Over the years, MI has gone on to adopt a structured approach to energy optimisation driven by consistent monitoring, technological integration, and process innovation. In FY 2024/'25, we deepened our efforts to minimise our carbon footprint by embedding energy efficiency across all levels of our operations.

Strategic Approach

Our energy management framework focuses on:

- Reducing energy intensity across operations
- Enhancing awareness among employees
- Leveraging technology to streamline and digitise energy-intensive processes
- Ensuring sustainable infrastructure expansion

To ensure accountability and continuous improvement, energy audits were conducted across multiple branches to identify inefficiencies, guide corrective actions and support cost-saving initiatives.

Key Initiatives and Impact

- Digitalisation and Virtual Collaboration

Building on our previous momentum, we expanded the use of virtual platforms Microsoft Teams, Zoom, and our internal portal 'SMILE' to facilitate meetings, training sessions, and document management. This approach not only eliminated the need for inter-branch travel and physical paperwork but also enhanced operational agility and reduced our overall energy consumption.

- Resource-Efficient Branch Expansion

In alignment with our sustainable infrastructure strategy, newly-established branches were developed with an 'open concept' layout in a compact area minimising both construction material usage and ongoing energy demand. The energy footprint of these branches was carefully controlled through layout optimisation, passive ventilation and low-energy fittings.

- Transition to a Paperless Environment

We intensified our transition to digital platforms for customer interaction, payments and internal operations. Critical systems like the Document Management System (DMS), SLIPS, and mCash enabled virtual processing of transactions and records. Furthermore, practices such as exclusive email communication, reduced printing and double-sided printing policies were enforced to lower paper dependency and energy usage linked to document production.

- Energy-Efficient Infrastructure

Natural ventilation and lighting strategies were integrated into office designs wherever feasible. In parallel, we completed a full transition to LED lighting across all our locations. This not only reduced our electricity consumption but also enhanced the quality and sustainability of our workspaces.

- Employee Engagement and Awareness

We recognise that the success of any energy initiative relies heavily on behavioural change. To this end, targeted energy conservation campaigns were rolled out across branches. These programmes educated employees on responsible energy usage and recognised teams who demonstrated exceptional commitment to energy-saving practices.

Energy Consumption (kWh)

No	Branch	Usage FY 2024/25	Usage FY 2023/24	Fluctuation
1	Akuressa	20,504	19,087	1,417
2	Ambalangoda	13,834	4,719	9,115
3	Ampara	16,769	14,533	2,236
4	Anuradapura	16,992	16,159	833
5	Avissawella	4,766	11,481	(6,715)
6	Balangoda	23,794	23,657	137
7	Bandarawela	8,069	1,734	6,335
8	Batticalo	2,475	-	2,475
9	Benthota	22,537	21,174	1,363
10	Borella Corporate	35,984	36,471	(487)
11	Chilaw	24,007	23,467	540
12	Chunnakkam	11,905	11,997	(92)
13	Ehaliyagoda	4,873	-	4,873
14	Elpitiya	16,023	13,918	2,105
15	Embilipitiya	22,931	20,440	2,491
16	Galle	30,283	26,501	3,782
17	Gampaha	25,288	22,241	3,047
18	Gampola	11,849	6,713	5,136
19	Giriulla	14,451	13,382	1,069
20	Godagama	24,129	24,682	(553)
21	Hatton	1,569	-	1,569
22	Head Office	622,728	590,087	32,641

23	Horana	30,674	33,322	(2,648)
24	Horana City	11,016	-	11,016
25	Ja Ela	19,707	21,657	(1,950)
26	Jaffna	12,857	2,498	10,359
27	Kaduwela	32,816	29,076	3,740
28	Kalutara	12,586	3,411	9,175
29	Kandy	12,085	3,067	9,018
30	Katugasthota	8,245	-	8,245
31	Kegalle	21,289	19,093	2,196
32	Kekirawa	9,850	-	9,850
33	Kesbawa	17,426	14,920	2,506
34	Kohuwala	51,518	41,548	9,970
35	Kotahena	14,771	13,016	1,755
36	Kottawa	28,316	25,984	2,332
37	Kuliyapitiya	23,424	23,914	(490)
38	Kurunegala	32,659	27,306	5,353
39	Mahara	38,921	35,505	3,416
40	Maharagama	30,724	29,447	1,277
41	Malabe	25,889	20,619	5,270
42	Manipay	1,344	-	1,344
43	Maradana	874	-	874
44	Matale	7,667	-	7,667
45	Matara	28,714	27,597	1,117
46	Mattakkuliya	7,071	-	7,071
47	Matugama	7,760	-	7,760
48	Minuwangoda	31,096	26,045	5,051
49	Moratuwa	27,364	28,350	(986)
50	Nawalapitiya	4,679	-	4,679
51	Negombo	32,015	35,367	(3,352)
52	Nelliady	1,796	-	1,796
53	Neluwa	5,394	-	5,394
54	Nikaweratiya	2,814	-	2,814
55	Nittambuwa	21,637	17,222	4,415
56	Pelawatte	12,312	-	12,312
57	Polonnaruwa	21,829	21,356	473
58	Pussellawa	1,880	-	1,880
59	Puttalam	16,523	11,432	5,091
60	Ragala	3,623	78,004	(74,381)

61	Ratnapura	33,373	24,669	8,704
62	Talawakele	-	-	-
63	Tambuttegama	21,542	20,665	877
64	Tissamaharama	21,056	18,216	2,840
65	Trincomalee	23,518	17,435	6,083
66	Vauniya	4,187	-	4,187
67	Veyangoda	22,259	18,033	4,226
68	Warakapola	9,231	-	9,231
69	Wattala	19,213	19,215	(2)
70	Welimada	6,144	-	6,144
71	Wellawatta	10,703	2,082	8,621
72	Wennappuwa	6,829	-	6,829
	Total	1,824,979.3	1,612,514	212,465

Outcomes in FY 2024/25

- Electricity consumption rose in proportion to the expansion of our branch network, with a net increase of 212,465 kWh. This was mitigated through cost-efficient branch designs and optimised energy use protocols.

All newly-established branches adhered to strict energy efficiency design principles, ensuring lower operational overhead and environmental impact.

No adverse environmental incidents related to energy waste or non-compliance were recorded during the reporting period.

Looking Ahead

As we continue expanding our national footprint, we remain committed to embedding energy sustainability into every stage of our growth journey. Our priorities for the upcoming year include:

- Deploying advanced energy analytics tools to support real-time monitoring
- Introducing solar energy pilot projects in selected locations.
- Extending green building standards across the branch network.

Our sustained focus on energy efficiency not only aligns with national climate goals but also enhances long-term shareholder value through operational resilience and reduced utility expenditure.

Water Management (GRI 303-1, 303-2, 303-5)

At MI, we recognise that water remains an invaluable resource fundamental to life, ecosystems and economic resilience. While our operations, being primarily service-oriented, require minimal water usage limited to employee consumption and sanitation, we are committed to the responsible and efficient management of this essential resource.

Water Usage at MI (m3)

	FY 24'25	FY 23'24	FY 22'23	FY 21'22	FY 20'21	FY 19'20
Head Office	5,583	5,864	5,387	4,582	5,228	6,266
Branches	14,063	7,433	7,715	7,005	6,166	6,221
Total	19,646	13,297	13,102	11,587	11,394	12,487

In FY 2024/'25, total water consumption recorded a marginal increase of 32%, attributable primarily to the continued expansion of the Company's branch network and workforce. Despite this operational growth, our proactive conservation measures ensured that the impact remained minimal and within acceptable thresholds.

Strategic Approach

Given our limited dependency on water-intensive processes, our water management strategy emphasises:

- Efficiency in internal consumption
- Preventive maintenance of water fixtures
- Continuous awareness among staff
- Minimisation of wastage through early detection and timely rectification

Our dedicated facilities management team conducted routine inspections and maintenance to detect leaks, replace faulty fixtures, and ensure compliance with internal efficiency standards. Additionally, employees were sensitised through internal communication campaigns encouraging conservative water use as part of our broader sustainability culture.

Performance and Outlook

While we do not discharge effluents due to the nature of our operations, we recognise the importance of water stewardship as a corporate responsibility. We remained compliant with all applicable environmental regulations, and no incidents of non-compliance or violations related to water usage were recorded during the year under review.

Looking ahead, MI aims to:

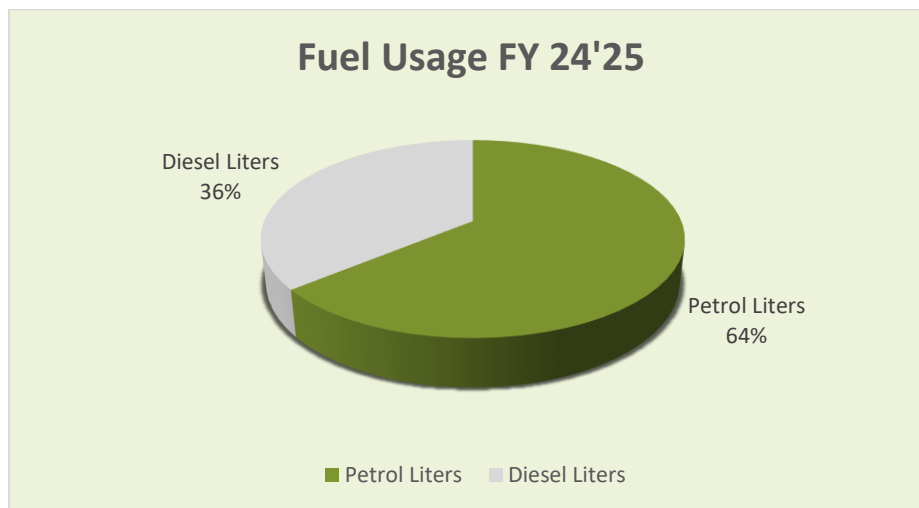
- Establish branch-level water usage benchmarks
- Pilot low-flow water fixtures in newly established branches
- Further integrate automated monitoring tools to track usage patterns

By continuing to embed water efficiency into our core operations, we aim to reduce our environmental footprint while aligning with national and global water conservation goals.

Fuel Management (GRI 302-2)

During the financial year 2024/'25, Sri Lanka witnessed a notable stabilisation in fuel supply, a welcome change from the volatility experienced in prior years. This improvement was facilitated by strategic national-level agreements including a landmark contract with Sinopec and the strengthening of foreign reserves. By early 2024, the country reported its highest recorded fuel reserves in recent history, ensuring consistent availability of essential fuel types such as petrol and diesel.

Within this context of improved national energy security, MI focused on transitioning from reactive fuel management to a proactive, efficiency-driven approach. Recognising fuel as a critical yet finite operational resource, our objective was to ensure responsible consumption across all levels of the organisation, while maintaining optimal service delivery standards.



Fuel usage by location (GRI 302-2)

Branch	FY 23'24		FY 24'25	
	Petrol (ℓ)	Diesel (ℓ)	Petrol (ℓ)	Diesel (ℓ)
Akuressa	56	-	91	-
Ambalangoda	15	-	15	-
Ampara	32	-	58	-
Anuradhapura	23	-	47	-
Avissawella	55	-	90	-
Balangoda	146	-	-	167
Bandarawela	23	-	55	-
Benthota	79	-	37	-
Borella Corporate	-	44	-	22
Chilaw	42	-	65	-
Chunnakam	7	-	17	-
Elpitiya	40	-	60	-
Embilipitiya	70	-	76	-
Galle	-	238	-	143
Gampaha	20	10	-	46
Gampola	58	-	-	-
Giriulla	23	-	66	-
Godagama	-	108	-	104
Head Office	-	2,042	-	420
Horana	103	-	-	269
Ja Ela	144	-	87	-
Jaffna	-	-	-	10
Kaduwela	68	-	79	-
Kalutara	9	-	68	-
Kandy	5	-	2	-
Kegalle	90	-	118	-
Kesbewa	50	-	443	-
Kohuwala	-	90	-	-
Kotahena	25	-	-	-
Kottawa	-	49	-	96
Kuliyapitiya	45	-	77	-
Kurunegala	102	-	58	-
Mahara	-	161	-	104
Maharagama	-	79	-	-
Malabe	286	-	98	-
Matara	-	300	-	275
Minuwangoda	-	482	-	83
Moratuwa	40	-	240	-
Negombo	-	-	-	354

Nittambuwa	30	53	54	-
Polonnaruwa	52	-	56	-
Puttalam	53	-	52	-
Ragala	55	-	100	-
Ratnapura	63	-	-	108
Tambuttegama	17	-	27	-
Tissamaharama	56	-	132	-
Trincomalee	453	-	29	-
Veyangoda	37	-	100	-
Wattala	89	-	55	-
Wellawatta	-	-	10	-
Wennappuwa	-	-	32	-
Vavuniya	-	-	33	-
Pussellawa	-	-	15	-
Matale	-	-	8	-
Neluwa	-	-	81	-
Hatton	-	-	10	-
Nelliady	-	-	12	-
Manipay	-	-	-	-
Matugama	-	-	10	-
Nawalapitiya	-	-	-	-
Horana city	-	-	-	37
Nikaweratiya	-	-	248	-
Batticaloa	-	-	-	-
Maradana	-	-	-	-
Talawakele	-	-	6	-
Kekirawa	-	-	-	-
Mattakkuliya	-	-	-	10
Pelawatta	-	-	15	-
Warakapola	-	-	80	-
Welimada	-	-	115	-
Eheliyagoda	-	-	15	-
Katugastota	-	-	-	-
Total (I)	2,560.25	3,657.17	3,238.75	2,247.43
Total (GJ)	86.97	130.91	110.74	80.44

Key Focus Areas

Our fuel management efforts in FY 2024/'25 were guided by the following strategic priorities:

- **Strengthened Monitoring & Reporting:**

Fuel usage was closely monitored across both Head Office and branch networks. Usage patterns were analysed periodically to detect deviations, promote accountability, and drive timely interventions.

- **Reduced Operational Dependency:**

Increased reliance on digital collaboration tools significantly reduced the need for inter-branch travel and in-person meetings. This shift contributed to tangible savings in fuel consumption and a reduction in related emissions.

- **Logistical Optimisation:**

Movement of supplies and personnel was streamlined through route planning and scheduling adjustments, with a clear focus on reducing fuel overhead.

- **Staff Engagement:**

Awareness campaigns encouraged staff to adopt fuel-conscious behaviors and contribute to MI's broader sustainability goals.

Looking Ahead

As part of our ongoing sustainability roadmap, MI aims to build on the gains made during the year by:

- Evaluating fuel-efficient vehicle options for field operations
- Establishing branch-level fuel efficiency benchmarks
- Integrating fuel consumption data into broader environmental performance dashboards

Our long-term objective remains to align operational energy usage with national and global sustainability standards, ensuring that resource efficiency becomes an inherent part of MI's organisational culture.

Waste Management (GRI 306-2, 306-4, 306-5)

At MI, we recognise that effective waste management is vital in addressing environmental, social, and public health concerns. Our commitment to sustainability is reflected in our efforts to minimise pollution, conserve resources and safeguard natural ecosystems.

As a financial service provider, our core operations generate minimal physical waste, predominantly in the form of paper. Nevertheless, we have adopted a proactive and structured approach grounded in the 3R principle – Reduce, Reuse and Recycle – to ensure minimal environmental impact.

A key enabler of this effort has been our transition toward digitalisation. During the year, we continued to expand our digital infrastructure through in-house software development and the integration of customised digital solutions. This evolution significantly reduced our dependency on hard copy documents across all functions from customer engagement to internal operations.

Key initiatives included:

- Migration of employee communications to secure email platforms
- Storage of operational records in centralised virtual repositories
- Deployment of process automation tools to eliminate redundant paper workflows
- Ongoing function to deploy digital signature application to both internal and external process approved and sign-off.

These initiatives collectively contribute to a measurable reduction in paper usage and resource consumption, reinforcing our commitment to sustainability and operational efficiency.

Waste Disposal Strategy (GRI 306-3, 306-4, 306-5)

MI remains committed to responsible waste management through structured disposal practices and continuous engagement with certified partners. In FY 2024/'25, we extended our partnership for the seventh consecutive year with a third party company, a licensed recycler, to ensure that all non-essential paper waste was disposed of in accordance with our 3R strategy – Reduce, Reuse, and Recycle.

This collaboration directly supported our sustainability goals by:

- Redirecting recyclable paper away from landfills
- Reducing operational overhead associated with waste disposal
- Reinforcing our internal waste segregation protocols
- Solid and inorganic waste handling

All solid waste including food remnants and polythene was systematically segregated at the source and handed over to local municipal councils for proper disposal. We engaged with licensed third-party waste handlers who specialise in environmentally compliant disposal practices.

The company did not generate any hazardous waste, effluents, or discharge wastewater with hazardous properties during the reporting period. This underscores MI's sustainability-linked operational model's alignment with environmental safeguards and regulatory requirements.

Type of Waste	Total Amount (Kg)
Waste paper	1,381
Food	1,604
E waste	28
Damaged office equipment	155
Polythene	191
Total	3,359

Paper Usage and Resource Consumption (GRI 301-1)

Despite strides made in our digitisation journey, paper remains a frequently used material in MI's operational workflows sourced in non-renewable sources, particularly in customer on boarding, collections, communications, and administrative processes.

With continued expansion of the branch network and increased documentation requirements, total paper usage rose by 35% compared to the previous year. However, this increase is viewed as a transitional effect, as the organisation accelerates its move toward a fully digital operating model.

Item	FY 24'25	FY 23'24	FY 22'23	FY 21'22	FY 20'21	FY 19'20
A4 Photocopy Paper (Units)	7543	5479	4,376	6,396	5,765	7,500
Legal Paper (Units)	136	110	98	160	129	180
A5 Paper (Units)	589	541	275	471	357	580
Total Paper	8,268	6130	4,749	7,027	6,251	8,260
Ink Cartridges (units)	82	280	183	240	200	223
Printer Toners & Fax Toners (units)	2506	1988	1,782	2,400	2,032	2,200
Box Files (units)	1432	783	653	825	774	890

This trend is expected to reverse over the medium term, supported by:

- A comprehensive system migration to digital platforms
- Process automation to reduce manual documentation
- Elimination of paper-based approvals and duplication across departments

Through these efforts, we aim to progressively reduce our reliance on paper while maintaining operational effectiveness.

Recycle Effort (GRI 301-2)

As paper continues to be one of the most consumed materials in our daily operations – particularly in customer documentation, internal reporting, and administrative activities – management has taken deliberate steps to reduce its environmental impact through structured recycling initiatives.

In FY 2024/'25, the Company strengthened its commitment to responsible paper consumption by:

- Reducing non-essential paper use through continued digitisation
- Redirecting recoverable paper waste to certified recycling channels
- Tracking recycling metrics for performance transparency

While MI's operations do not rely heavily on recycled inputs yet, the organisation prioritised the recycling of non-essential and obsolete paper materials. This was achieved through our long-standing engagement with a licensed third-party paper recycling partner, ensuring safe, compliant, and efficient waste diversion.

During the reporting period, we successfully recycled **1,381 kg** of paper, representing a meaningful contribution toward minimising our overall waste footprint. This initiative also enabled us to:

- Reduce landfill dependency
- Optimise document lifecycle management
- Enhance awareness among employees about sustainable paper use



MI's internal monitoring mechanisms continue to track paper consumption and recycling volumes across departments, fostering accountability and reinforcing a culture of environmental stewardship.

Looking forward, MI remains focused on:

- Increasing the share of recyclable materials in total waste
- Promoting digital workflows to reduce printed documentation

- Expanding recycling efforts beyond paper to include toner cartridges and packaging materials

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

As MI continued to expand its footprint across Sri Lanka including urban, semi-urban, and rural landscapes, we remained steadfast in our commitment to safeguarding biodiversity. In line with our Sustainability Pledge, we implemented a comprehensive framework to ensure that our operations did not cause adverse impacts on local ecosystems, flora, or fauna.

All new branch sites were subject to rigorous environmental screening, including proximity assessments to protected areas, ecological zones, and culturally significant landscapes. This process ensured that our presence posed no direct or indirect harm to biodiversity hotspots or conservation zones.

Regular audits were conducted to validate compliance with environmental regulations and to confirm that our physical operations aligned with ecological sensitivity guidelines. MI's operational model prioritises low-impact infrastructure, helping to reduce disturbance to the surrounding environment.

Branches operating in proximity to areas of ecological or historical importance. Each location was assessed for its distance from the site, operational footprint size, and the value of the biodiversity or heritage in the vicinity.

Branch Proximity to Biodiversity-Sensitive 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

Climate-Related Financial Implications and Risk Management (GRI 201-2)

The intensifying impacts of climate change, manifesting as global warming, prolonged droughts, floods, and extreme weather events, have introduced widespread uncertainty across economic sectors. While MI's business model as a financial services provider results in limited direct exposure to physical climate risks, we remain indirectly vulnerable through our lending portfolios, especially to climate-sensitive sectors such as agriculture, transportation, and rural enterprises.

To address this, MI has implemented an agile, forward-looking climate risk framework designed to:

- Identify and assess sectoral exposure to environmental stressors
- Integrate climate considerations into lending and investment decisions
- Promote climate resilience among clients and communities

Our advocacy extends beyond internal operations. We continued to support national environmental goals by:

- Sustainable finance inclusive finance options to society like solar, EV, agriculture backed equipment supply.
- Participating in tree planting campaigns and resource conservation efforts
- Promoting climate awareness among staff and stakeholders
- Encouraging the adoption of sustainable practices as a lifestyle choice

These efforts aim to not only reduce our organisational carbon footprint but also empower our stakeholders to become active participants in climate mitigation and adaptation.

Sustainability Financing

In 2024, MI formalised its commitment to sustainability by establishing a dedicated Sustainability Finance Committee, tasked with expanding and mainstreaming green financing across our customer base. This strategic initiative is a cornerstone of our environmental governance framework and reflects our belief that financial institutions must play a catalytic role in enabling a low-carbon economy.

The committee is responsible for:

- Defining and validating sustainability financing criteria
- Evaluating opportunities for green, social, and sustainable financial products
- Building the required infrastructure and internal expertise to assess ESG-compliant financing proposals

By embedding sustainability into our product offering, we aim to serve not just financial performance objectives, but also long-term environmental and societal outcomes.

Environmental Compliance

Our environmental responsibility extends beyond regulatory obligations. The Company proactively adopted best-in-class practices across operations to ensure minimal environmental impact, particularly in relation to energy use, waste management, and branch development.

Key highlights from FY 2024/25 include:

- Zero incidents of non-compliance with environmental laws or standards
- Continued commitment to resource-efficient operations across the branch network
- Active efforts to cultivate an internal culture of green thinking and accountability

Our strategy is not only to comply with regulations, but to lead by example fostering a responsible, resource-conscious workplace aligned with national sustainability priorities

Capital Interdependency & Strategy Position

Capital	Short Term	Medium Term	Strategy Map
Financial	Manage costs during expansion	Improve cost-efficiency and invest in green initiatives	<ul style="list-style-type: none"> ❖ Control costs while investing in green and digital solutions. ❖ Foster a culture of sustainability through people and partnerships ❖ Minimise environmental impact with smart infrastructure and operations.
Alliances	Launch paperless, eco-friendly services	Build sustainable stakeholder relationships	
Infrastructure	Implement eco-efficient branch layouts	Expand with minimal environmental impact	
Intellectual	Drive digitalisation and reduce travel	Automate to cut resource use	
Nature	Enhance recycling and CSR programs	Reduce emissions and set resource benchmarks	

Future Set forth



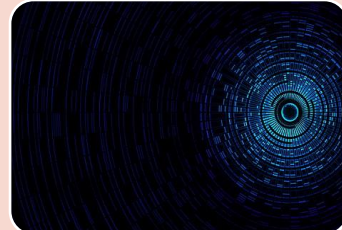
Short Term

Promote small-scale
branch concept
Empowering and
expanding green
corporate practices



Medium Term

Transfer operations
to digital platform
Promote sustainable
financing



Long Term

Implement fully-
fledged
environmental
impact management
system