



NATURAL CAPITAL

OUR NATURAL RESOURCES:

ENSURING RESPONSIBLE STEWARDSHIP

“As a responsible corporate citizen, we are committed to advancing the global climate agenda by fostering environmentally conscious practices within our organisation and the broader community. Through robust systems and processes, we strive to make a positive contribution to environmental preservation, promote resource efficiency, including energy and water conservation and ensure the effective management of emissions and waste. Our approach reflects a long-term dedication to sustainability and responsible stewardship of natural resources.



2.10 tonnes
Recycled Waste



Rs. 6.3 Mn
Investment in Solar Power



1.7 ML
Water Treatment

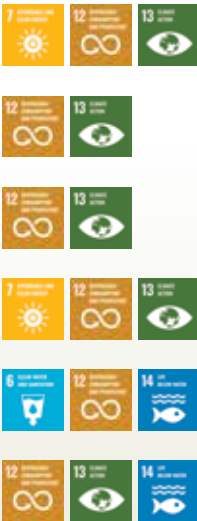


1,858.72 tCO₂e
Total Carbon Footprint

Key Highlights

- Driving Towards Low Emission Mobility
- Formation of Sustainability Management Committee
- Embedding Climate Resilience into Strategic Risk Management
- Advancing Renewable Energy at Kurunegala Facility
- Wastewater Treatment Plant Operation – Kurunegala
- Plastic and Polythene Recycling Initiative

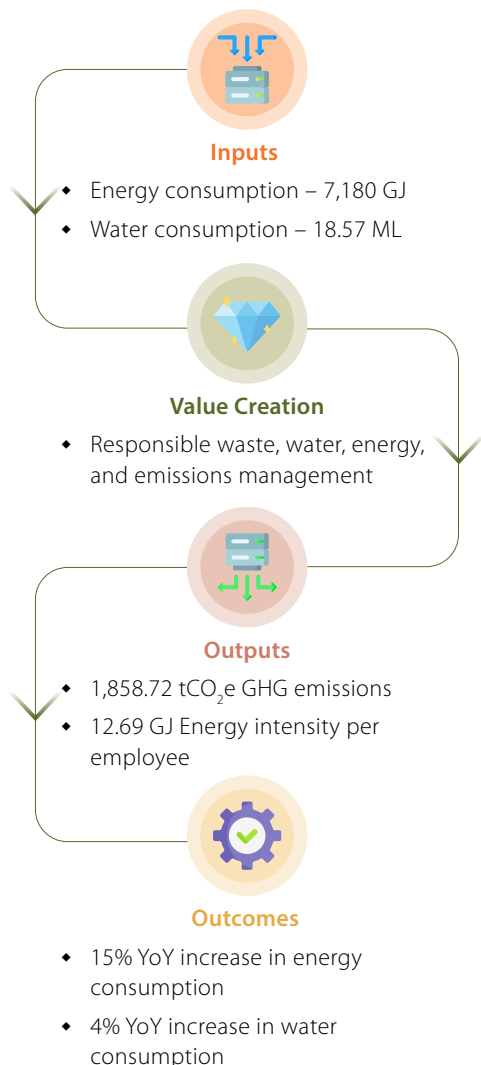
SDGs Impacted



Transitioned our transportation fleet to Electric & Hybrid vehicles



Value Creation Process



*Mainly due to increase in branch operations.

Focus Area	KPI	GRI
Waste management Refer page 124	Integrating the 5R principles, Refuse, Reduce, Reuse, Repurpose, and Recycle into every aspect of the Company's activities.	GRI 306
Responsible water consumption Refer page 123	Monitoring water usage and driving awareness initiatives to promote water conservation.	GRI 303
Sustainable emission management Refer page 122	Evaluating emission levels against established targets to ensure compliance and continuous improvement.	GRI 305
Efficient energy management Refer page 121	Identifying opportunities to enhance energy efficiency while progressively transitioning toward renewable energy sources.	GRI 302

Risks

- Physical climate risks disrupting branch operations causing impact to new business and premium collection (e.g. Tsunami/ flood etc.)
- Disaster-related claim surges (e.g., natural disasters affecting mortality, health claims, lapses and surrenders)
- Chronic climate changes impacting health and life expectancy due to increase in;
 - » Heat stress
 - » Vector-borne diseases
 - » Respiratory issues
 - » Contagious diseases
- Challenges in transitioning to low carbon operations
- Volatility in interest rate due to climate related events

Opportunities

- Shift towards lower-emission operations to position the Company as an environmentally responsible insurer
- Higher demand for life insurance driven by increasing acute and chronic climate risks

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Related Stakeholders


Relevant Material Topics
Environmental Risk Exposure
ESG Focused Investments
Geographic Expansion

Capital Trade-offs

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Committing to environmental sustainability requires an initial investment, but it delivers significant long-term benefits, including cost savings and value creation.
- 

Our initiatives not only strengthen compliance with environmental standards but also foster community well-being and support a resilient, sustainable value chain.
- 

By prioritising sustainability, we enhance employee well-being and foster a healthier work environment.
- 

Environmental sustainability enhances our brand reputation, positioning us as a responsible and forward-thinking organisation.

Management Approach

As a service-based organisation, our operations have a minimal dependence on natural resources, resulting in a limited direct environmental footprint. Despite this, we remain fully committed to supporting the transition toward a low-carbon economy. We continue to embed environmental responsibility across our business by fostering awareness, encouraging sustainable behaviours,

and integrating responsible operational practices that contribute to long-term environmental stewardship.

Climate Risk

The escalating impacts of climate change present significant challenges to the insurance industry, increasing financial exposure from extreme weather events and threatening operational stability and sustainability. Recognising this urgent

need for action, we remain committed to protecting natural resources and achieving a sustainable reduction in emissions, as outlined in our ESG policy. We maintain full compliance with environmental standards and have consistently upheld a record free of fines or penalties throughout the year.

Additionally, we proactively identify and mitigate both direct and indirect climate-related risks that impact our operations.

 Refer pages 30 - 39 for more information on climate-related risks and opportunities



Floods caused by cyclone Ditwah



Energy and Emissions Management

Energy management objective

Implement sustainable and efficient practices to enhance and optimise energy use

Energy efficiency measures implemented in 2025



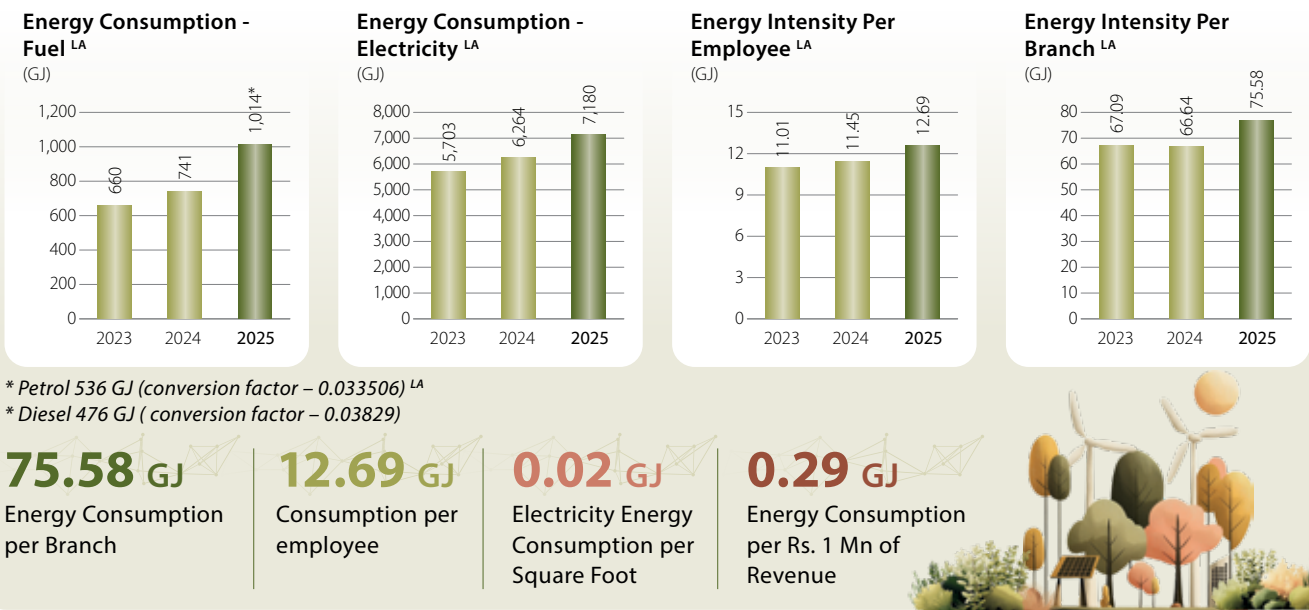
Investment in Solar Power

We initiated a solar power plant at our Kurunegala premises, with an anticipated generation capacity of approximately 60 kW, to support our transition toward renewable energy and contribute to long-term carbon reduction efforts.



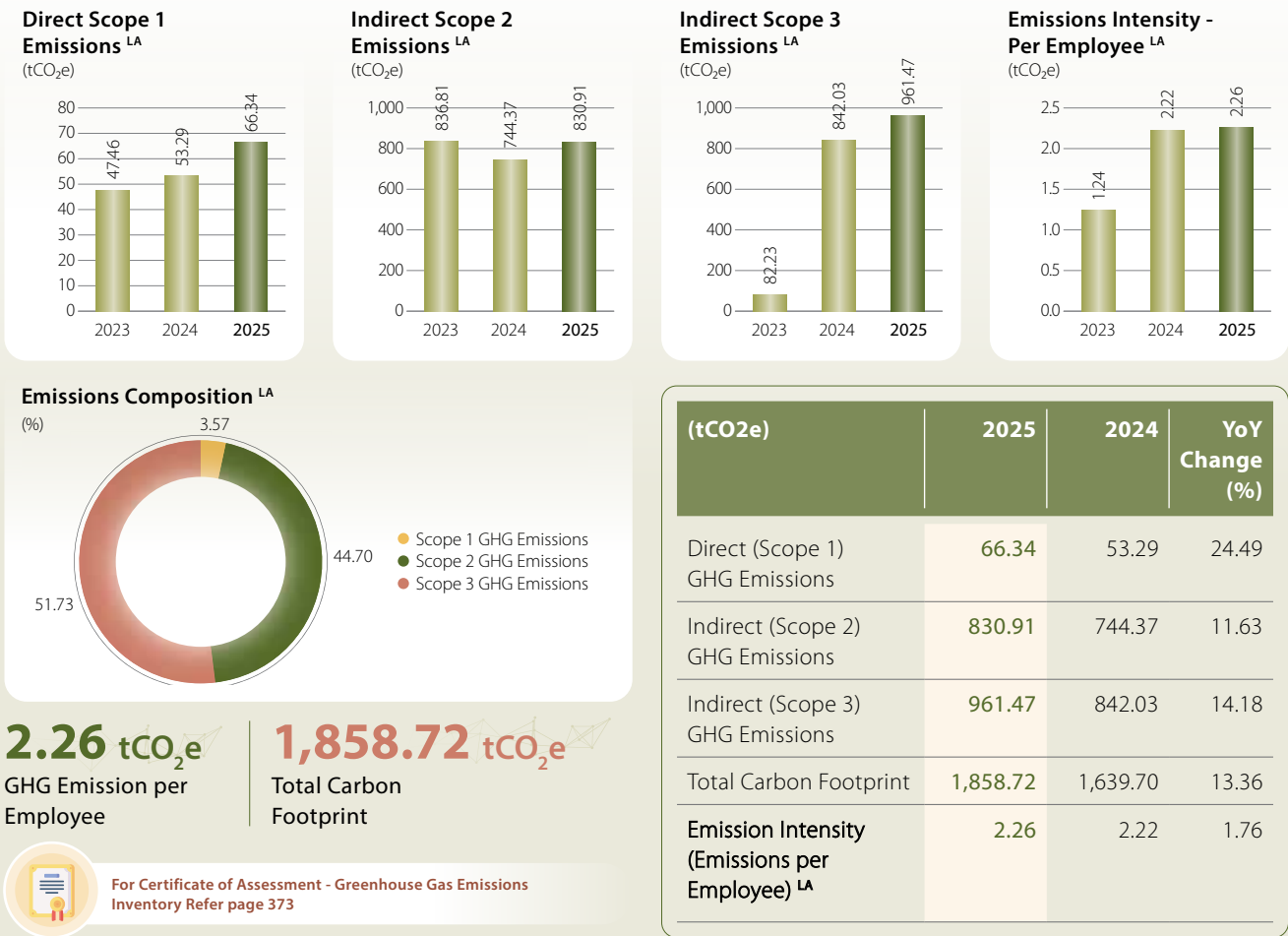
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GRI 302-1 a, 302-1 b, 302-1 c, 302-1 e, 302-1 g, 302-3 a, 302-3 b, 302-3 c, 302-3 d



- Energy consumption is entirely from non-renewable sources and intensity is calculated based on electricity consumption within UA. ^{LA}
- Heating, cooling or steam consumption is not relevant to UA. ^{LA}
- Energy data is compiled using standard utility billing information and internal fuel records, and established conversion factors in line with GRI requirements. ^{LA}

Emissions Management





Water Management

Water management objective ^{LA}

Sustainable and efficient usage of water resources

UA withdraw water mainly from municipal supply and consumed for sanitation lunchroom/ pantries. Bottled water is used for drinking purposes. Wastewater is discharged to municipal sewers and storm water managed through drainage systems. Water related impacts are low and primarily indirect, including demand on urban water systems and minor runoffs from building sites/ parking areas. ^{LA}

Water management measures implemented in 2025

UA minimise water impact by installing sensor taps and leak detection through regular maintenance. We coordinate with landlords/ building owners on water efficiency and plumbing maintenance, and encourage customers to use digital channels/e-documents to reduce water-intensive paper demand. ^{LA}

Installed a wastewater management system

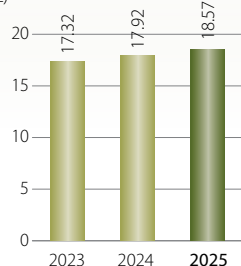
in Kurunegala to ensure that every drop of wastewater undergoes rigorous treatment to meet the highest environmental standards prior to its responsible release back into the ecosystem ^{LA}



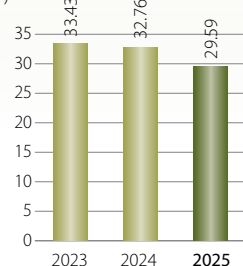
Installed sensor-activated taps across facilities to minimise water wastage and promote efficient water management ^{LA}



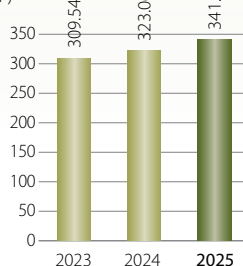
Water Consumption – Main line ^{LA}
(ML)



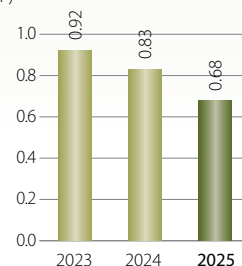
Water Consumption – Main line per Employee ^{LA}
(m³)



Water Withdrawal – Bottled Water ^{LA}
(m³)



Water Usage per Rs. 1 Mn of Revenue ^{LA}
(m³)



29.59 m³

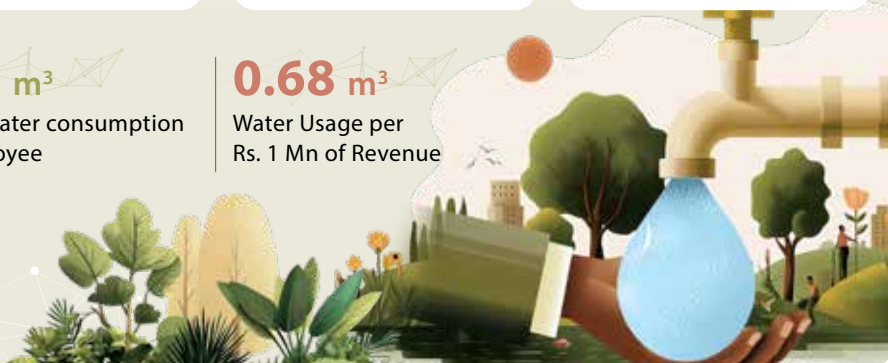
Water consumption per employee

0.42 m³

Bottled water consumption per employee

0.68 m³

Water Usage per Rs. 1 Mn of Revenue



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Waste Management



Paper saving initiatives

In partnership with Neptune Papers (Pvt) Ltd we responsibly disposed 2.10 tonnes of wastepaper, contributing to significant positive environmental outcomes.

 36 fully grown trees	 3,691 litres of oil	 8,412 kWh of electricity	 66,833 litres of water	 6 cubic meters of landfill	Reduced Green House Gas (GHG) emission by 2.10 tonnes of carbon equivalent
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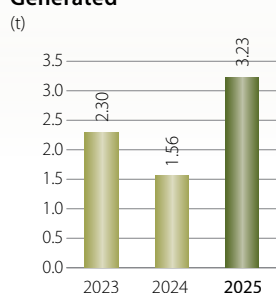
GRI

306-2 b, 306-2 c, 306-3 a, 306-4 a,
306-4 c, 306 -4 d, 306-5a

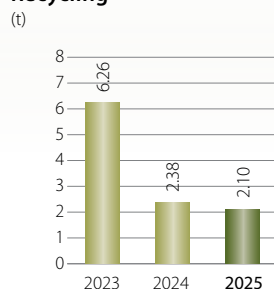
Data Collection

All waste disposed through the Municipal Council is weighed, documented, and verified by the janitorial staff, with internal records maintained by the Administration team. Waste sent for recycling is handled by a third-party vendor under the JKH Group's service agreement, and recorded through service reports issued by the authorised recycling service provider. ^{LA}

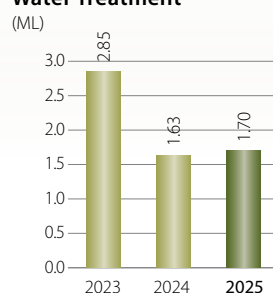
**Non-Hazardous Waste
Generated ^{LA}**



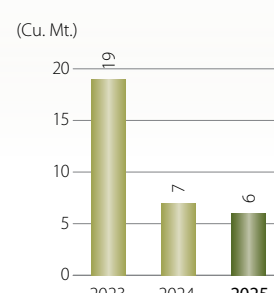
**Waste Disposed by
Recycling ^{LA}**



**Water Withdrawal –
Water Treatment ^{LA}**



Landfill ^{LA}



2.10 tonnes

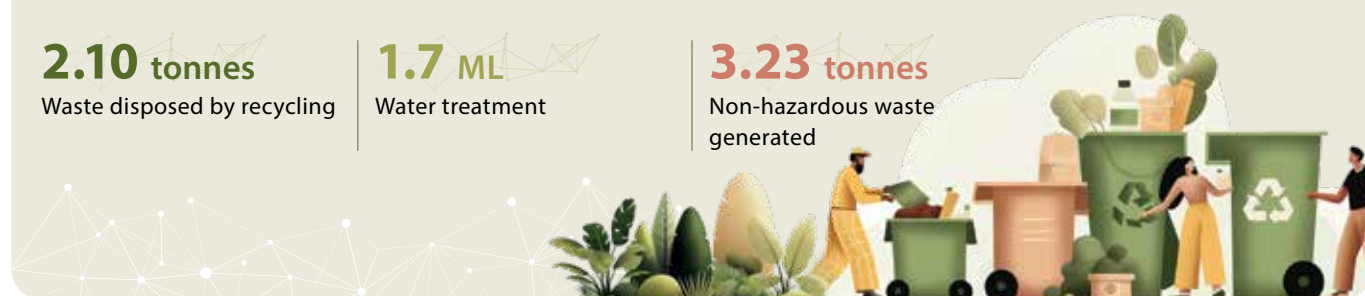
Waste disposed by recycling

1.7 ML

Water treatment

3.23 tonnes

Non-hazardous waste
generated



Way Forward

We are aligned with the JKH Group's broader environmental aspirations outlined in the ESG framework.

Objectives	2026 Short-term target	Medium to Long-term target
Develop and execute strategies to manage and optimise resources efficiently, ensuring operational sustainability.	Expand renewable energy adoption through strategic investments in solar power initiatives to reduce carbon emissions and reliance on non-renewable sources.	Implement rainwater harvesting systems to address water scarcity and promote efficient water management.
Drive initiatives that minimise emissions and waste, fostering cleaner and healthier ecosystems.	Implement a comprehensive zero-plastic policy to minimise plastic waste and promote eco-friendly alternatives across operations.	Achieve low emissions by reducing emissions at the source through cleaner technologies and sustainable practices.
Provide innovative and practical approaches to address climate-related risks and leverage opportunities for resilience and growth.	Conduct detailed energy audits and implement targeted measures based on findings to optimise energy efficiency and reduce environmental impact.	Plant trees to enhance carbon sequestration, mitigate climate change, and support biodiversity.