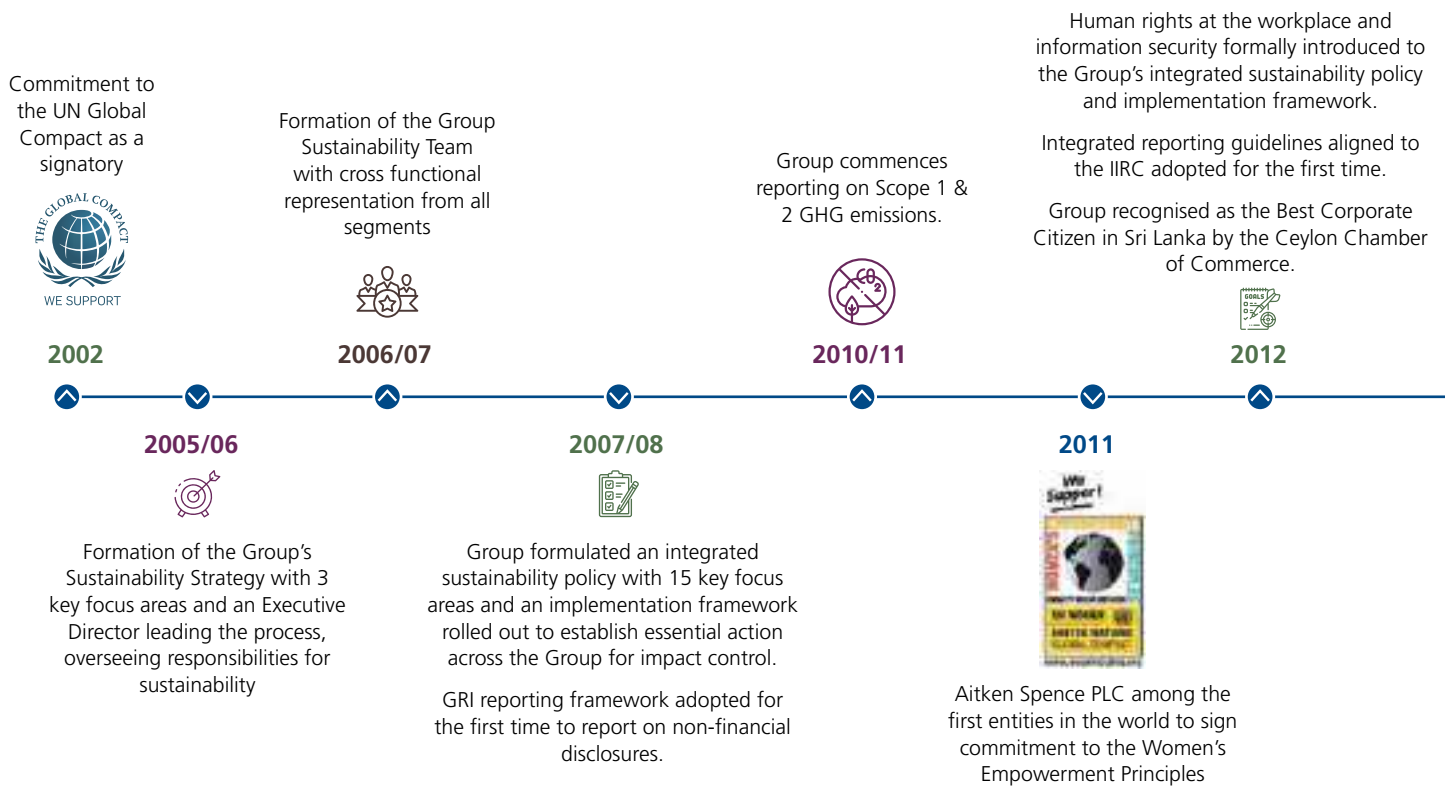


OUR SUSTAINABILITY JOURNEY:



Forward Looking Statements

This report includes forward looking statements based on external and internal information available at present to facilitate assessment of the Group's prospects. These statements are associated with a high level of uncertainty due to the high levels of uncertainty and volatility in the global and local economic outlook. The outcomes and impacts of some of these statements relate to future events which are beyond our control but can have a significant impact in the Group's ability to create value. Readers are advised to make their own judgements using the latest information available at the time of assessment due to the elevated levels of uncertainty in forward looking statements. All forward looking statements are provided without recourse or any liability whatsoever to the Board or other preparers of the Annual Report due to the reasons enumerated above.

Statement by the Board

The Management of Aitken Spence PLC has prepared, reviewed and approved the contents of the Annual Report for the year ended 31st March 2023.

The Board acknowledges its responsibility to ensure the integrity of the Annual Report and to ensure that it provides a balanced view of its performance addressing all material issues that may have an impact on the Group's capacity to create value in the short, medium and long term. We also confirm that the report has been prepared in accordance with GRI Standards 2021 and the integrated reporting framework of the International Integrated Reporting Council (IIRC).

The acknowledgment of the Boards' responsibility for the Annual Report and its contents are given in the Annual Report of the Board of Directors on page 109. The report was approved by the Board of Directors on 06th June 2023.

The Group aligns its objectives and targets with 7 Sustainable Development Goals. These SDGs were selected based on our most significant impacts and opportunity to contribute positively towards development goals.



2015/16

Group participated in UNGC's Target Gender Equality programme with Executive Director, Ms. Stashani Jayawardena, representing the Company as an ambassador.

Group joins the Climate Ambitions accelerator programme of the UNGC.

Aitken Spence leads the Working Group on Human Rights in the UNGC Local Network Sri Lanka



2020/21

2018/19



Aitken Spence was awarded as the Best Corporate Citizen of Sri Lanka for the 3rd consecutive year; 4th time in total and the 8th time to have been ranked among the top 3 best corporate citizens in the country.

Group's integrated sustainability policy reviewed and revised to include 21 statements of policy commitment for material topics.

Group's MDs and Heads of Divisions educated on climate change and Disaster Risk Reduction and the Group's core DRR team formed.

2021/22



Early adopters of the GRI Universal Standards (2021).

First conglomerate in Sri Lanka to make a public commitment to the Science Based Targets initiative and to commit towards Business Ambition for 1.5°C.

Aitken Spence marks 20 years as a signatory to the UN Global Compact.

Aitken Spence is the only Sri Lankan company in the global ranking of Top 100 Companies in Sustainability 2022, among global business leaders, in an independent international assessment.

Feedback & Inquiries

A feedback form is provided on pages 425 - 426 and on our website (www.aitkenspence.com/feedback). We would appreciate your feedback on the Annual Report using this form which can be mailed to the Company Secretaries with "Annual Report 2023 Feedback" marked on the top left-hand corner of the envelope or emailed to the address given below. These responses will be perused by the Management of the Company. We value your feedback and will use the same to improved the Annual Report.



aitkenspence



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AitkenSpencePLC

Please contact the following person for inquiries regarding the Annual Report:

Ms. Nurani Dissanayake
 Email : nurani@aitkenspence.lk
 Facsimile : +94 11 244 5406
 Mail : No 315, Vauxhall Street,
 Colombo 2, Sri Lanka

SHARED GROWTH THROUGH STAKEHOLDER ENGAGEMENT

(GRI 2-25,-29)

Aitken Spence adopts a proactive approach to identify and address impacts across our operations, the use of our products or services, and our supply chain. This proactive approach plays a vital role in our sustainability strategy by allowing us to gain insights into both potential and actual impacts through the valuable concerns and feedback provided by stakeholders. By doing so, we aim to minimise any potential negative consequences while maximising positive outcomes. Additionally, this approach enables us to assess the effectiveness of our strategies and action plans, ensuring the sustainability of our social, environmental, and economic initiatives. As reflected throughout our illustrious history of more than 150 years, we believe it is crucial to engage with stakeholders in order to identify and manage impacts, thus facilitating the growth of our business.

Each stakeholder holds a unique influence over our operations and can be affected in different ways. Therefore, we tailor our engagement efforts to accommodate the specific needs and preferences of each stakeholder. To determine the stakeholders to engage with, we assess the extent of impacts or the degree to which our decisions can affect them.

Our process for engaging stakeholders



The summarised results of our stakeholder engagement process is given in this section of the report.

The shareholder feedback form provided with this report as well as our website (www.aitkenspence.com/feedback) can be used to give us feedback on our disclosures. Feedback collected from this form will be used to improve the information provided in this report.

Stakeholder Group	Employees	Customers & Buyers
Method of engagement 	<ul style="list-style-type: none"> » Direct communications » Performance reviews » Employee engagement activities » HRIS system » Social media 	<ul style="list-style-type: none"> » Direct contact » Meetings » Feedback forms » Surveys » Buyer reviews » Social media
Key points of contact 	<ul style="list-style-type: none"> » HODs » HR Partners » MDs » CHRO » Group HR 	<ul style="list-style-type: none"> » Sales teams » Reservations teams » Communications teams
Frequency of engagement 	<ul style="list-style-type: none"> » Daily » Planned routine engagement (bi-annual / annual reviews) » On requirement (Open Door Policy) 	<ul style="list-style-type: none"> » On requirement / immediate where necessary » Routine reviews as planned by the segments
Stakeholder concerns 	<ul style="list-style-type: none"> » OHS / wellbeing » Learning & development » Labour standards » Quality of work » Career progression » Remuneration and benefits 	<ul style="list-style-type: none"> » Quality / best value for price paid » Fast delivery » Reliable service » Unique experiences » Personalised service » Sustainable products and services » Certification of products / services in key markets
Mechanisms to handle grievances/ feedback 	<ul style="list-style-type: none"> » Open door policy » Segmental HR Partners for direct assistance » On site counsellors (apparel segment) » Mid-year / annual reviews » Tools enabled on the HRIS including Training Needs Assessment form, Personal and Professional Goal Planning tools etc. 	<ul style="list-style-type: none"> » Complaints and other feedback obtained is investigated by the respective teams and preventive / corrective action is taken upon consultation with senior management. Responses are planned aligned to communication strategies of the Group / SBU.
Our commitment 	<ul style="list-style-type: none"> » Provide a safe and inspiring working environment supporting personal and professional growth through fair remuneration and talent development. 	<ul style="list-style-type: none"> » Work towards innovating our processes to provide best in class products and services to customers.

Investors, Shareholders, & Financial Institutions	Governments & Regulators	Community	Suppliers & Service Providers	Environmental/ Social Lobby Groups & Voluntary Endorsements
<ul style="list-style-type: none"> » Meetings/ discussions » Investor audits » Public disclosures » Direct reporting 	<ul style="list-style-type: none"> » Meetings/ discussions » Audits » Public disclosures » Direct reporting 	<ul style="list-style-type: none"> » Direct exchanges » Community development initiatives » Social media 	<ul style="list-style-type: none"> » Discussions » Trainings » Reviews » Direct written exchanges 	<ul style="list-style-type: none"> » Meetings » Public disclosures » Direct reporting » Social media
<ul style="list-style-type: none"> » Top / Senior management » HODs » Relevant team leaders 	<ul style="list-style-type: none"> » Senior management » Relevant team leaders 	<ul style="list-style-type: none"> » Community Relations Managers (for specific segments) and EMRs » Senior management / HODs » Relevant team leaders 	<ul style="list-style-type: none"> » Senior management » HODs / Central Purchasing Unit » Relevant team leaders 	<ul style="list-style-type: none"> » Community Relations Managers (for specific segments) and EMRs » Senior management / HODs » Relevant team leaders
<ul style="list-style-type: none"> » Annual General Meetings / Extra-ordinary General Meetings » On requirement » Routine reviews where mandated / as agreed 	<ul style="list-style-type: none"> » On requirement » Routine reviews where mandated 	<ul style="list-style-type: none"> » On requirement » As planned by the segments to gather and review feedback 	<ul style="list-style-type: none"> » On requirement » Routine reviews as agreed 	<ul style="list-style-type: none"> » On requirement » Routinely as agreed (e.g. Working Group meetings of the UNGC)
<ul style="list-style-type: none"> » ROI » Interest rates » Taxes » ESG 	<ul style="list-style-type: none"> » Compliance » Collaboration for knowledge sharing / policy development / research 	<ul style="list-style-type: none"> » ESG » Development opportunities 	<ul style="list-style-type: none"> » Profit » Reliable service » Long-term business relationships » Strong networks for opportunities » Referrals » Project planning 	<ul style="list-style-type: none"> » ESG » Development opportunities » Education and awareness about the SDGs, NDCs for Sri Lanka » Commitments for sustainable development
<ul style="list-style-type: none"> » Discussions and communication on reviews » Top level engagement to investigate grievances / complaints and implement corrective / preventive measures. 	<ul style="list-style-type: none"> » Direct written / verbal communication » One on one consultations 	<ul style="list-style-type: none"> » Direct communications to understand grievances » Senior level engagement to investigate grievances / complaints and implement corrective / preventive measures. 	<ul style="list-style-type: none"> » Regular engagement mentioned above. Received feedback is investigated by the respective teams and action is taken in consultation with senior management. 	<ul style="list-style-type: none"> » Senior level engagement to investigate grievances / complaints and implement corrective / preventive measures.
<ul style="list-style-type: none"> » To deliver returns commensurate with the risks undertaken and keep them apprised of our progress and challenges in a timely and transparent manner. 	<ul style="list-style-type: none"> » Continue to establish and maintain governance structures that comply with legal and other regulatory requirements necessary in the industries we operate in. 	<ul style="list-style-type: none"> » Engage in industry collaborations to strengthen economic development, enhance social sustainability and ensure environmental protection. 	<ul style="list-style-type: none"> » Support mutual growth with reliable and sustainable supply chains. 	<ul style="list-style-type: none"> » Be a partner to promote and achieve sustainable development

DETERMINING MATERIALITY

(GRI 3-1 to 3)

As a responsible organisation, we make it our duty to create sustainable value through our business activities. Aligned to the Group’s goals and key objectives, our sustainability strategy strives to;

- » take proactive action towards the identification and management of significant adverse impacts that could harm to the environment, the society and the economy; and
 - » enhance positive outcomes and opportunities;
- to contribute towards local and global development needs.

We continue to refine our approach to determine material matters for the Aitken Spence Group, within the boundary explained in the ‘About the Report’ section, taking into consideration the outputs and outcomes of our businesses on the economy, environment, and people as well as our capitals.



ACTUAL AND POTENTIAL ECONOMIC, SOCIAL, AND ENVIRONMENTAL IMPACTS

Examples of Actual Adverse Impacts

- » Depletion of non-renewable resources due to the use of fossil fuels for energy
- » Impacts on water systems by the withdrawal of water for consumption
- » Generation of solid waste, effluents, and emissions
- » Impacts on the workforce due to workplace injuries

Examples of Potential Adverse Impacts

- » Impacts of emissions on natural ecosystems
- » Possible impacts on human rights due to poor labour standards within supply chains
- » Possible closure of business resulting in loss of economic opportunities for local communities

OPPORTUNITIES TO CREATE POSITIVE VALUE

Examples of actual positive outcomes

- » Income generation through employment opportunities and local purchasing
- » Skills development for employees through learning and development strategies
- » Increasing green cover through targeted reforestation interventions

Examples of potential positive outcomes

- » Local economic development within the extended supply chain through opportunities channelled from our operations.
- » Contribution towards developing a green workforce through environmental education and sensitisation in the workplace

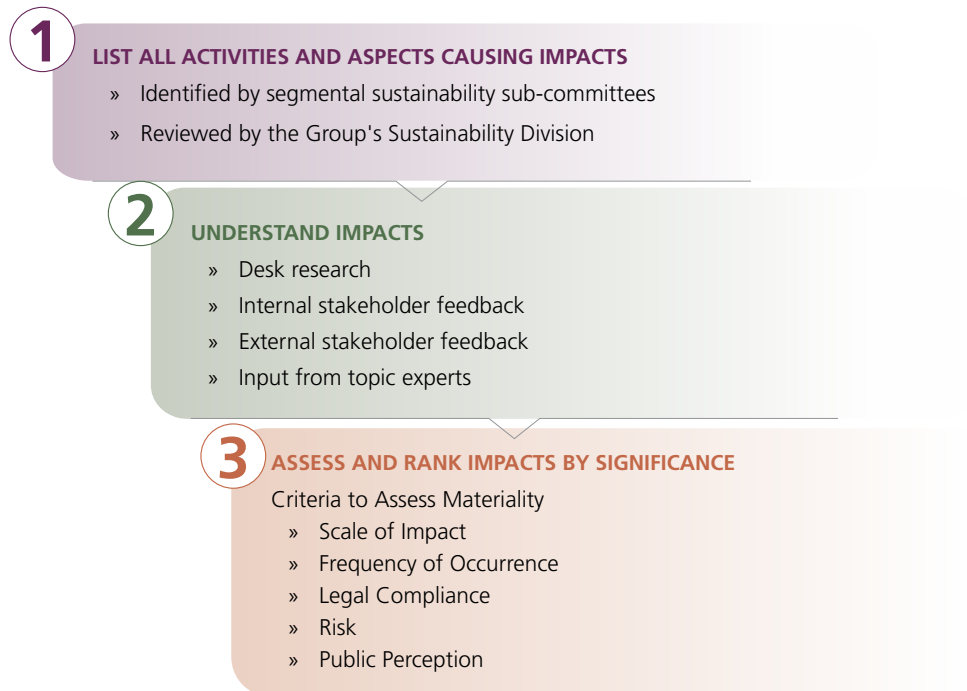
To determine our significant impacts (i. e. material topics), we followed the process set out herewith. We list the activities of our operations and the aspects causing impacts and review their materiality (i. e. significance) using five criteria, and a scale of

0 – Low significance

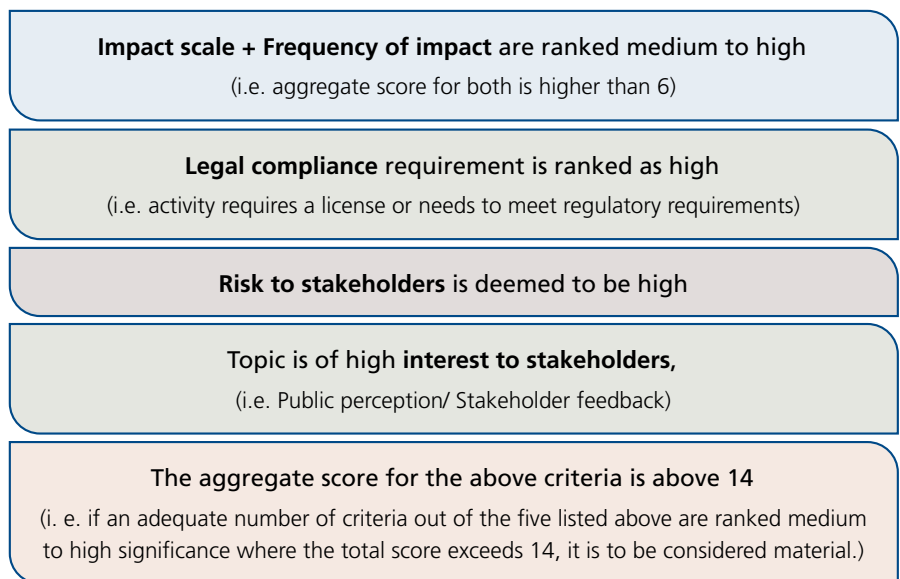
3 – Medium significance and

5 – High significance

for each criterion. Topics thus determined to be of 'High' or 'Medium' significance (see the list of material topics overleaf) are covered in detail while topics with 'Low' significance are covered in less detail in the report.



Activities and aspects causing impacts are considered 'material' if;



The team uses this process combined with the collective feedback from internal teams, external stakeholder feedback and expert insights to determine the significant impacts (i. e. material topics). We group these aspects causing impacts according to the topics given in the Topic Standards of the GRI Standards and the list of material topics by significance can be seen herewith. The full list of our disclosures can be found in our GRI Index.

DETERMINING MATERIALITY

Our list of material topics by significance at Group level;

	HIGH SIGNIFICANCE	MEDIUM SIGNIFICANCE	LOW SIGNIFICANCE
Governance	<ul style="list-style-type: none"> » Financial governance (GRI 201, 415) » Anti corruption (GRI 205) » Anti-competitive behaviour (GRI 206) » Compliance & ESG 	<ul style="list-style-type: none"> » Innovation 	<ul style="list-style-type: none"> » Market presence (GRI 202)
Economic Performance	<ul style="list-style-type: none"> » Direct economic value created & distributed (GRI 201) » Taxes (GRI 207) 	<ul style="list-style-type: none"> » Indirect economic value created (GRI 203) 	
Environmental impact control	<ul style="list-style-type: none"> » Energy consumption (GRI 302) » Emission control (GRI 305) » Effluent control (GRI 303) » Water consumption (GRI 303) » Solid waste management (GRI 306) 	<ul style="list-style-type: none"> » Supplier environmental assessment (GRI 308) » Biodiversity (GRI 304) 	<ul style="list-style-type: none"> » Materials (GRI 301)
Social impact control	<ul style="list-style-type: none"> » OHS & employee welfare (GRI 403, 401) » Human rights & labour standards (GRI 402, 406, 407, 408, 409, 410, 411) » Learning & development for employees (GRI 404) » Product responsibility & customer satisfaction (GRI 416, 417, 418) 	<ul style="list-style-type: none"> » Supplier social assessment (GRI 414) » Diversity, Equity and inclusivity (GRI 405) » Local purchasing and employment (GRI 204) » Local community development (GRI 413) 	

These material matters feed into the Group's strategy formulation process and are supported by formal policies. It is supported by our **Integrated Sustainability Policy** that covers 21 policy commitments and an implementation framework that lists all recommended action to be implemented for each policy commitment, to control adverse impacts and enhance positive outcomes.

Sustainability teams across the Group evaluate and report on their progress on the implementation of these actions and conduct annual internal audits / inspections of their operations which are reviewed with the respective management teams. Where specific segments have certified management systems to manage certain topics identified as 'high significance, the progress is also externally audited. Results of these audits / inspections are discussed and reviewed with the respective

management teams. The Group Supervisory Board is updated on the performance and progress on key topics at Group level on a monthly basis. Feedback from these processes is used when we repeat this process to identify and update our material topics. Our sustainability governance structure is detailed in the Corporate Governance report for further reading.

GRI Topics Covered in this section;

- GRI 3: Material Topics 2021
- 3-1 Process to determine material topics
- 3-2 List of material topics

For more information on GRI 3-3 Management of material topics, please refer to the following sections;

- | | |
|----------------------|-----------------|
| Corporate Governance | Page 68 to 90 |
| Capital Reviews | Page 193 to 248 |
| Sector Reviews | Page 120 to 192 |
| GRI Index | Page 399 to 405 |

DECODING OUR INTEGRATED APPROACH TO SUSTAINABILITY

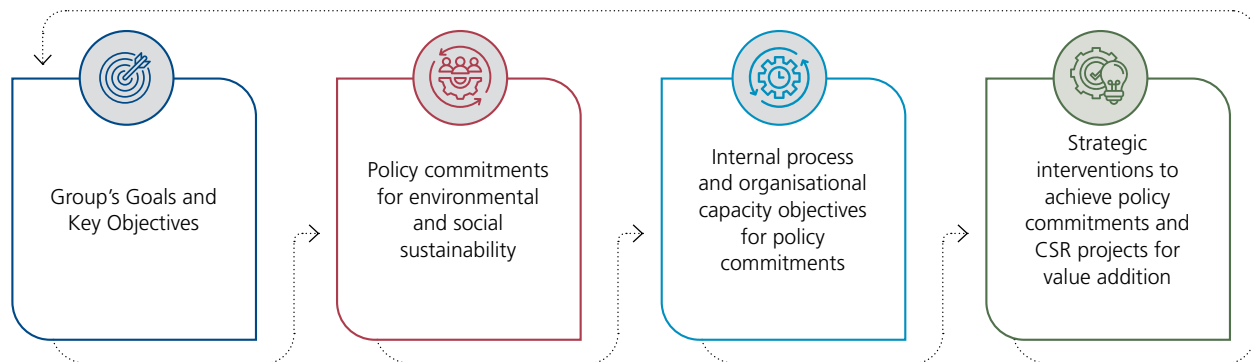
Our Integrated Sustainability Policy



As we have detailed in earlier sections of this report, the approach we take in our integrated sustainability strategy gives priority to potential and actual socioeconomic and environmental impacts identified for our operations. We use stakeholder feedback, desk reviews, expert insights as well as local and global needs identified to prioritise the impacts. To present an example, we studied the targets and indicators within the SDGs before we aligned with seven SDGs towards which the Group's companies collectively contribute through;

- » Systemic interventions (i. e. efforts integrated into the business models)
- » CSR interventions (i. e. additional efforts to provide support and advance development)



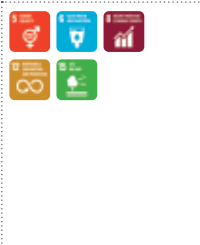




These collective interventions contribute towards reaching the key objectives of the Group to achieve our goals. Shown below is a synopsis of these efforts.



The process of identifying impacts and integrating within the sustainability strategy of the Group








DECODING OUR INTEGRATED APPROACH TO SUSTAINABILITY

Synopsis of collective interventions to achieve our goals and key objectives;

Integrated Policy Commitments:	Internal Process or Organisational Capacity Objectives	Alignment to SDGs	Applicable GRI Topics
<p>A Maintain best practices in legal and regulatory compliance</p>	<p>Zero non-compliance with laws and regulations</p>		<p>General Disclosures</p>
<p>B Endorse local & global development priorities</p>	<p>Establish systemic interventions to facilitate the achievement of the SDGs and strengthen the adoption of the Ten Principles of the UNGC, the Women's Empowerment Principles and other voluntary endorsements of the company across the Aitken Spence Group</p>		<p>General Disclosures</p>
<p>C Ethical conduct of business</p>	<p>Zero non-compliances with laws and regulations, and stipulations regarding voluntary codes concerning marketing communications, product and service information and labelling</p> <p>Zero incidents of corruption, anti-competitive behaviour, ant-trust and monopoly practices, discrimination, and non-compliance concerning the health and safety impacts of products & services</p>		<p>General Disclosures</p>
<p>D Commit to prevent adverse environmental impacts</p>	<p>100% segments to establish impact control mechanisms</p> <p>Zero adverse impacts to natural water sources, protected areas and areas of high biodiversity value outside protected areas</p> <p>Set and achieve science-based targets towards reaching a state of net zero emissions by 2030</p>		<p>Topic Standards on environment (300 series of standards)</p>
<p>E Climate change risk and disaster risk reduction (DRR)</p>	<p>By 2025, all SBUs to strengthen BCPs with Disaster Risk Reduction (DRR) mechanisms with special focus on climate change related risks.</p> <p>Proactively strengthen business resilience against climate change related risks year on year</p>		<p>General Disclosures</p> <p>Topic standard 201</p>
<p>F Stakeholder engagement</p>	<p>Continually and proactively engage with key stakeholders to identify social, environmental, and economic impacts, needs and consumer trends</p>		<p>General Disclosures</p>
<p>G Encourage supply chain sustainability</p>	<p>Encourage 100% suppliers to implement and maintain sustainable strategies</p> <p>100% suppliers to be included within ESG due diligence procedures</p>		<p>General Disclosures</p> <p>Topic standards, 308 and 414</p>







Strategic Interventions	CSR Projects	Progress
<ul style="list-style-type: none"> » Internal audit procedures » Legal registers maintained as per the requirements of management systems maintained across the Group 	None	Achieved and ongoing
<ul style="list-style-type: none"> » Participation in the UNGC Working Groups on climate action, gender, and human rights at the workplace » Leading the Working Group on human rights » Participating in the accelerator programmes of the UNGC for Target Gender Equality, Climate Ambitions, Human Rights at the Workplace and SDG Innovators » Partnerships maintained (See list of Memberships and Industry Associations on our website and in the Annexes) 	Awareness campaigns conducted on social media Alignment of community development projects and environmental projects to SDGs (More details provided in the Capital reports)	Ongoing
<ul style="list-style-type: none"> » Group's Code of Ethics and Professional Conduct made accessible to all employees as a printed document and an online learning tool with over 10,000 employees views » Internal audit procedures » Group's integrated sustainability policy and implementation framework rolled out through the Sustainability Team » Ongoing employee engagements to create awareness on the Group's HR policies 	None	Achieved and ongoing
<ul style="list-style-type: none"> » Environmental Management Systems (EMS) aligned to ISO 14001:2015 or similar mandated and KPIs monitored across the Group » Annual internal/ external inspections » Certified EMSs maintained across key operations with higher estimated vulnerability to environmental impacts » Supplier screening introduced for ESG due diligence 	Tree planting campaigns carried out by business segments Plants donated by the nursery maintained at the Embilipitiya power plant	Ongoing
<ul style="list-style-type: none"> » MDs, HODs and core members required to work on DRR trained by the Asia Pacific Alliance for Disaster Management Sri Lanka (APAD-SL) and the Disaster Management Centre – Sri Lanka » DRR Team formed with sectoral teams and communications channels formed with direct access to share alerts, notices and briefings from the DMC/ APAD-SL 	Reforestation and food safety initiatives implemented within the plantations segment (More details in the Capital Reviews) Discussion panels, events and social media used to create awareness on public platforms	Ongoing
<ul style="list-style-type: none"> » Shareholder Feedback Form made accessible on this report and on our website on aitkenspence.com/feedback » Proactive activities rolled out routinely to seek feedback from stakeholders on specific material topics » 'Voice of Spensonians' survey launched across the Group » 'SpenceWay' survey carried out to seek feedback from specific customer segments » Segmental engagements with communities to enable a channel of engagement to seek feedback and comments 	Routine community development initiatives implemented across the Group to engage with community members proactively. (More details to be provided in Social & Relationship Capital report)	Achieved and ongoing
<ul style="list-style-type: none"> » Due diligence procedures introduced within the Group 	Specific segments conduct training and awareness building programmes for suppliers on ESG	Ongoing

DECODING OUR INTEGRATED APPROACH TO SUSTAINABILITY

Integrated Policy Commitments:	Internal Process or Organisational Capacity Objectives	Alignment to SDGs	Applicable GRI Topics
<p>H Incorporate ESG in strategic decision-making processes</p>	<p>All investment decisions to be screened through ESG due diligence procedures of the Group</p> <p>Routinely brief and sensitise the HODs, the Management Council, the Group Supervisory Board and the Main Board on key topics material to ensure the Group's social, environmental and economic sustainability.</p>		<p>General Disclosures</p>
<p>J Process control for risk management</p>	<p>Implement and maintain processes across all operations to proactively identify and manage risks</p>		<p>General Disclosures</p>
<p>K Promote innovation in internal processes, products & services</p>	<p>Inculcate a culture of innovation with internal processes implemented to generate new ideas, deliver unique customer experiences, and improve productivity across all operations</p>		<p>General Disclosures</p>
<p>L Enhance quality of products and services and value delivered to customers</p>	<p>Year on year, continual process improvements to deliver best in class customer experiences</p> <p>Strengthen brand visibility across all market segments</p>		<p>Topic standards; particularly 308, 404, 414, 416, and 417</p>
<p>M Build partnerships for community development</p>	<p>Proactively identify community needs and introduce strategic interventions to deliver long term value</p> <p>Plan projects to drive at least 75% employee engagement in community development interventions</p>		<p>Topic Standards; particularly 201, 202, 203, 204, 401, 403, and 413</p>
<p>N Support and enable local economic development</p>	<p>Prioritise and enable employment and purchasing opportunities to communities from within 35-45km radius of the operations outside Colombo where practicable adhering to SOPs</p> <p>Engage with local suppliers to create awareness about ESG, and sustainability</p> <p>Create awareness among key community segments to create a green workforce</p>		<p>General Disclosures</p> <p>Topic Standards; particularly 201, 202, 203, 204, 401, 403, and 413</p>
<p>O Ensure safe workplaces for employees</p>	<p>All operations to implement HIRAC procedures to ensure occupational health & safety (OHS) and safe workplaces for all stakeholders</p> <p>Zero accidents at the workplace</p>		<p>Topic Standards on employment and labour standards (400 series of topic standards)</p>

Strategic Interventions	CSR Projects	Progress
<ul style="list-style-type: none"> » Due diligence procedures for new projects » Internal weekly communiqué called 'Coffee Break' shared among the GSB and the Management Council (MC) on news, updates and trends in sustainability and innovation. This was initiated by Dr. Parakrama Dissanayake and is reviewed by Dr. Fernando every week. » Executive Director, Ms. Stasshani Jayawardena, received briefings and participated in discussions on policies, procedures and best practices for gender equality at the workplace as the Ambassador from Aitken Spence in UNGC's Target Gender Equality accelerator programme. » The Group's CHRO, Mr. Suresh Muttiah, is currently participating as the Ambassador from Aitken Spence in the Business & Human Rights accelerator programme » Executive Director and former Chairperson of the Board of Directors of the UNGC Local Network Sri Lanka, Dr. Rohan Fernando, is briefed on our material topics on a daily basis. Dr. Fernando discusses updates and pertinent issues with the GSB, MC and the Main Board on progress made in the Group's sustainability strategy. 	None	Ongoing
<ul style="list-style-type: none"> » Internal due diligence procedures » Vulnerability assessments carried out at all key operations by the Group's DRR team 	None	Ongoing
<ul style="list-style-type: none"> » 'SpenceLabs', 'Spence Hackathon' and 'Spence Innova' platforms launched for employee engagement to enable idea generation (More details in the Human Capital report) » Two teams of four Spensonians are participating in the UNGC SDG Innovation accelerator programme with MD/ CEO of Elevators and MMBL and Certified Lean Six Sigma Black Belt Mr. Hindurangala participating as the Ambassador from Aitken Spence to guide these teams. 	Travels and hotels segments participate in supplier engagement activities to educate and encourage suppliers to embrace ESG and innovation to elevate their product and service offering.	Ongoing
<ul style="list-style-type: none"> » Quality management systems and/ or SOPs maintained by all operations » Elevators segment partnered with CINEC Campus to train the next generation of elevator service technicians 	Plantations segment also engages with SMEs to introduce new products and services	Ongoing
<ul style="list-style-type: none"> » Segmental engagement in industry associations and organisations » Group level and segmental partnerships with organisations such as Save the Children, Foundation of Goodness, APAD-SL etc. to engage in strategic interventions 	Please refer to the Social & Relationship Capital section for details on community development interventions	Ongoing
<ul style="list-style-type: none"> » Local purchasing policies practiced by key segments » Priority given to applicant from the local community, especially in operations located outside Colombo » Educating suppliers from local communities on expected ESG standards to develop supply chain sustainability and to ensure local suppliers can have access to bigger supply chain networks 	Partnering with external organisations to reach extended supply chains for education on ESG and to showcase their products and services	Ongoing
<ul style="list-style-type: none"> » Group level OHS procedures » Certified management systems maintained by segments who have identified OHS as a significant material topic » HR procedures and frameworks such as e-platforms for medical consultations 	<p>Awareness programmes such as Power Learning sessions and webinars with specialist doctors</p> <p>Annual blood donation campaign to create awareness on Thalassaemia</p>	Ongoing

DECODING OUR INTEGRATED APPROACH TO SUSTAINABILITY

Integrated Policy Commitments:	Internal Process or Organisational Capacity Objectives	Alignment to SDGs	Applicable GRI Topics
<p>P Policies & strategies to harness a strong and motivated workforce</p>	<p>Achieve employer of choice status with a 90% employee engagement score by 2030</p>		<p>Topic Standards on employment and labour standards (400 series of topic standards)</p>
<p>Q Support & protect internationally proclaimed human rights</p>	<p>Zero incidents of discrimination and violations of human rights at the workplace Ensure 100% awareness among all employees about grievance handling mechanisms and remedial action available for violations of human rights across the Group</p>		<p>Topic Standards on employment and labour standards (400 series of topic standards)</p>
<p>R Public disclosure of performance</p>	<p>Align the Group's performance disclosures in accordance with the GRI Standards Train and educate assigned team members across the group on data requirements and ensure routine disclosure on data recording platforms enabled across the Group</p>		<p>General Disclosures</p>
<p>S Ensure information security of the organisation</p>	<p>Educate all employees on information security related SOPs Zero non-compliances with relevant rules, regulations, industry standards Ensure adherence to guidelines to safeguard the internal information assets, maintain information confidentiality, integrity and availability</p>	<p>None</p>	<p>Not covered in GRI</p>
<p>T Policies & strategies for responsible communication</p>	<p>Zero incidents of non-compliance with regulations and/or voluntary codes concerning product and service information and labelling, and marketing communications Increase brand visibility across all markets Resolve 100% substantiated complaints received concerning breaches of customer privacy All communications from our companies to be screened to ensure adherence to SOPs</p>		<p>General Disclosures Topic standards; particularly 308, 404, 405, 406, 407, 408, 409, 414, 416, 417, and 418</p>
<p>U Uphold animal welfare</p>	<p>Uphold animal welfare within our operations considering all animals as sentient beings, who deserve humane treatment</p>		<p>Topic Standard on Biodiversity</p>
<p>V Uphold annual performance review and future planning</p>	<p>100% operations to carry out annual internal inspections and conduct reviews and future planning with the Top Management</p>		<p>General Disclosures and all Topic Standards</p>

For more information and our management approach for all material topics, please refer to the Capital reports on pages 193 to 248.

Strategic Interventions	CSR Projects	Progress
<ul style="list-style-type: none"> » Enhance talent bench strength for leadership and critical positions » Establish an objective based talent management ecosystem » Attract best-in-class talent » Nurture a value centric performance culture » Focused talent retention for critical mass » Enhance employee experience » Commitment to Diversity and Inclusion » Foster innovation and digital transformation 	Employee engagement activities carried out by Group HR and the HR Partners	Ongoing
<ul style="list-style-type: none"> » Human Resource procedures of the Group including SOPs for grievance handling and prevention of sexual harassment » Due diligence procedures maintained across the group » Training and education provided to key team members on human rights at the workplace » ESG introduced into supplier screening procedures 	Awareness provided to suppliers on the Group's ESG benchmarks and due diligence procedures	Ongoing
<ul style="list-style-type: none"> » Group's public disclosures adhere to GRI Standards 2021 » Online and offline systems enabled, monitored and reviewed across the Group for performance data collection » Internal capacity built on the GRI Standards (including a key team member who is a GRI certified sustainability professional) to ensure accurate adherence to the standard » Internal gap assessments conducted on disclosures » External assurance sought by Aitken Spence PLC, and Elpitiya Plantations for public disclosures. 	Participation in awards programmes and other public platforms to share our insights on public disclosures	Ongoing
<ul style="list-style-type: none"> » ISO 27001 certified management system and SOPs maintained by Group IT for information security 	None	Ongoing
<ul style="list-style-type: none"> » Brand custodianship controlled by Group Business Development Division with the Group's Communications Teams » SOPs maintained for communications of the Group with standards reviewed routinely with the Group's Communications Teams » Key team members of the Group's Communications Teams educated on sign language to ensure special needs guests are able to access the services they need 	None	Ongoing
<ul style="list-style-type: none"> » Guidelines developed for the guests, associates, employees and suppliers to educate stakeholders and to ensure compliance within the supply chain » Key stakeholders educated on biodiversity, conservation, prevention of wildlife trafficking and prevention of the exploitation of wildlife 	Partnerships formed by the hotels segment to ensure the welfare of community dogs	Ongoing
<ul style="list-style-type: none"> » Annual reviews mandated at segmental and Group level to evaluate performance against our policy commitments. 	None	Achieved and ongoing

BENCHMARKED TO GLOBAL STANDARDS:

THE GRI INDEX, THE UN GLOBAL COMPACT AND THE WOMEN'S EMPOWERMENT PRINCIPLES

28 May 2022 marked 20 years of engagement for Aitken Spence PLC as a signatory to the UN Global Compact. This was an integral step in the company's formation of a formal sustainability strategy, incorporating priorities for long-term social, environmental and economic sustainability, viability, profitability and integrity of the company. Aitken Spence internalised these 10 principles from the inception of the Group's sustainability strategy and our progress can be viewed in this report as connected through this GRI Index.

Aitken Spence PLC aligns with the Global Reporting Initiative's frameworks for sustainability reporting as it is the most widely used framework in the world affording us comparability of information. Our report for this financial year is 'In Accordance' with the GRI Standard reporting framework to disclose our performance information. Requirements of these global benchmarks also influences the Group's integrated sustainability policy and its implementation framework.

The Group became signatory to the Women's Empowerment Principles in 2010/2011, among the first entities in the world to do so.

The Ten Principles of the UN Global Compact

Human Rights

1. Businesses should support and respect the protection of internationally proclaimed human rights
2. Business should make sure they are not complicit in human rights abuses.

Labour Standards

3. Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining.
4. Businesses should uphold the elimination of all forms of forced and compulsory labour.
5. Businesses should uphold the effective abolition of child labour.
6. Businesses should uphold the elimination of discrimination in respect of employment and occupation.

Environment

7. Businesses should support a precautionary approach to environmental challenges.
8. Businesses should undertake initiatives to promote greater environmental responsibility.
9. Businesses should encourage the development and diffusion of environmentally friendly technologies.

Anti-corruption

10. Businesses should work against corruption in all its forms, including extortion and bribery.

The 7 UN Women's Empowerment Principles

1. Establish high-level corporate leadership for gender equality
2. Treat all women and men fairly at work – respect and support human rights and nondiscrimination
3. Ensure the health, safety and well-being of all women and men workers
4. Promote education, training and professional development for women
5. Implement enterprise development, supply chain and marketing practices that empower women
6. Promote equality through community initiatives and advocacy
7. Measure and publicly report on progress to achieve gender equality



Refer to the following icons in the GRI Index, showing the connection between the Ten Principles of the UNGC, and the seven principles of the Women's Empowerment Principles;

UNGC Principles:



Women's Empowerment Principles:





This is our **Communication on Progress** in implementing the principles of the **United Nations Global Compact** and supporting broader UN goals.

We welcome feedback on its contents.