

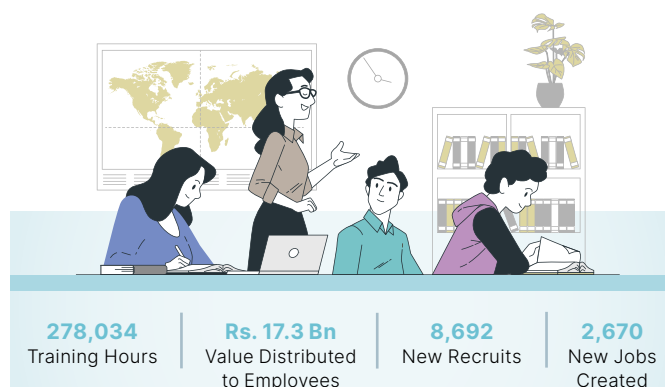


Our Capitals

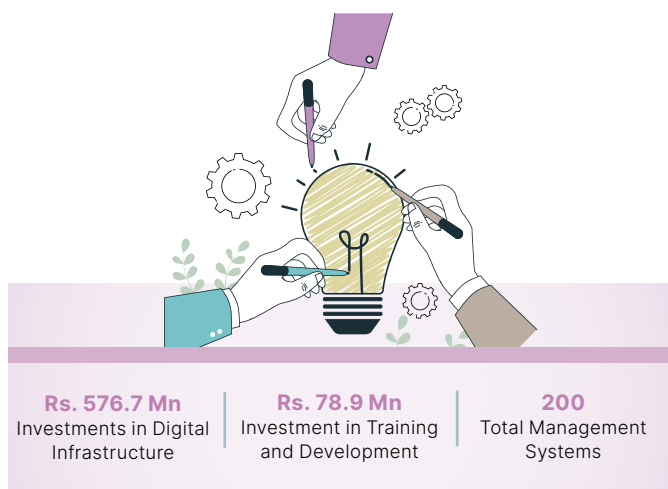
FINANCIAL CAPITAL



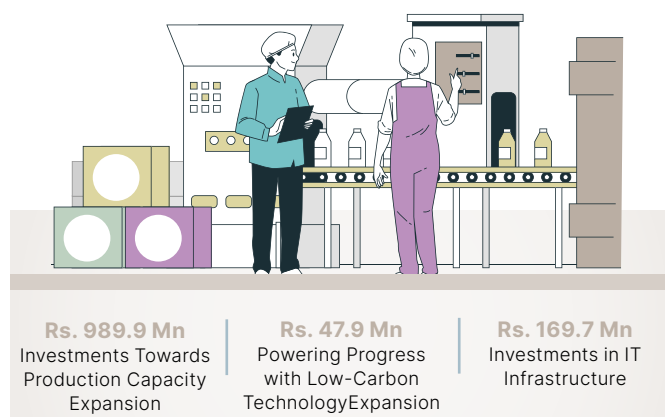
HUMAN CAPITAL



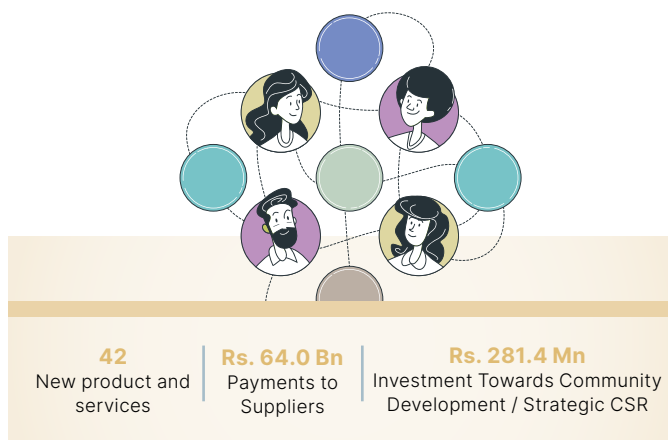
INTELLECTUAL CAPITAL



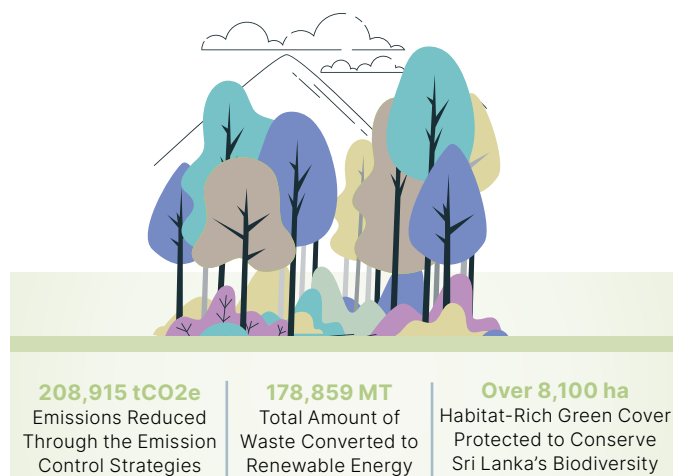
MANUFACTURED CAPITAL



SOCIAL AND RELATIONSHIP CAPITAL



NATURAL CAPITAL





Navigating the Future with Financial Stewardship: Financial Capital

Aitken Spence PLC reported a strong earnings growth of 61.3%, recording a profit of Rs. 7.2 billion for the financial year ended 31st March 2025. This performance reflects the Group's resilience and the benefits of its diversified business portfolio. Growth was primarily driven by the exceptional performance of the Tourism sector, alongside steady contributions from the Maritime & Freight Logistics, and Services sectors. Losses in the Strategic Investments sector were significantly curtailed, supported in large part by the normalisation of payment cycles in the power generation segment.

The Services sector expanded its capabilities with the addition of a new Business Process Outsourcing (BPO) segment. This segment is positioned for rapid growth over the short to medium term, complementing the sector's existing service offerings and strengthening its overall competitiveness.

The Group also saw notable improvements in several other areas. The resurgence of the tourism industry in Sri Lanka positively influenced Group performance, while the printing segment delivered improved results, reinforcing both its market presence and financial stability. Furthermore, the overseas freight business delivered exceptional results, underscoring the strategic value of the Group's geographic and sectoral diversification.

As the year progressed, the Group concentrated on fortifying its financial position and enhancing resilience to absorb potential shocks. This strategic focus led to a significant improvement in the Group's financial standing, reflected in the improvement of the Group's debt-to-equity ratio to 0.38, which demonstrates both the capacity to invest for growth and to absorb potential shocks. The easing of the working capital cycle in power generation was a notable development, alongside a robust growth trajectory driven by asset-light opportunities. Additionally, the Group experienced substantial growth across various segments, further solidifying its market position and financial health.



Financial Capital

INVESTMENT PHILOSOPHY

Aitken Spence PLC strategically focuses its investments on sectors identified as priority within the country, such as renewable energy, tourism, and maritime & freight logistics. The Group places great emphasis on using advanced technologies within these industries to achieve sustainable long-term returns. This proactive approach not only fosters sectoral growth but also positions the company as a leader in innovation and sustainable practices.

Over the years, Aitken Spence has actively pursued geographical expansion. By leveraging its established expertise, the Group has successfully entered and thrived in new markets outside Sri Lanka. This geographical diversification is part of a broader

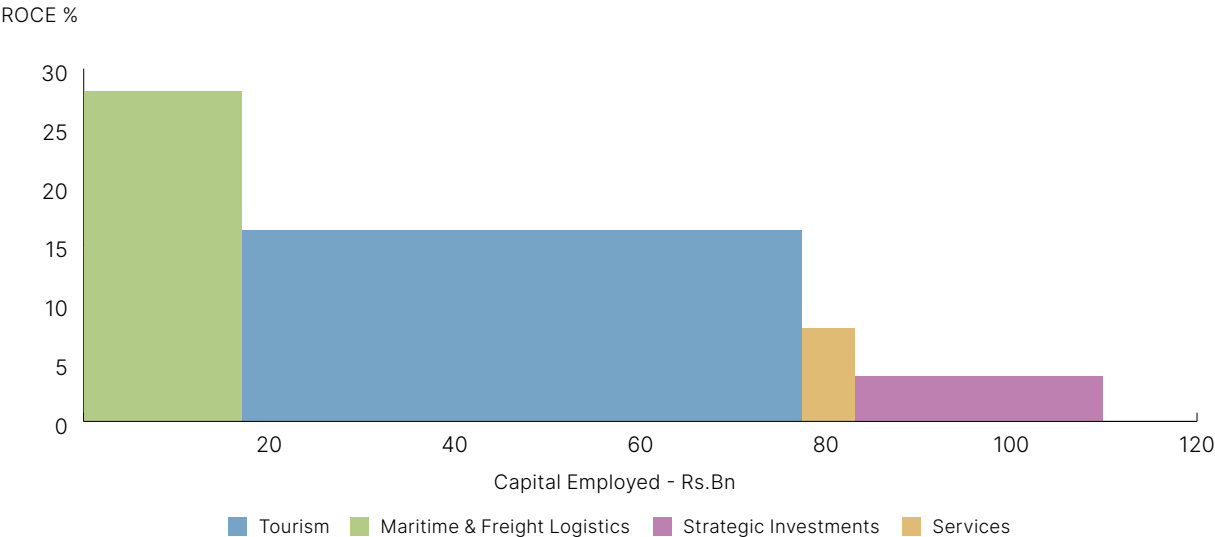
strategy to enhance the Group’s global presence and tap into new economic opportunities while strategically broad-basing its investments.

The investment strategy of Aitken Spence is finely attuned to the prevailing investment climate and specific financial metrics, such as hurdle rates. This ensures that all investments not only promise adequate returns but are also resilient to changing economic conditions. By adhering to these disciplined investment criteria, the Group manages to maintain financial stability and growth, even in volatile markets. This strategic approach reflects a deep understanding of both local and global economic landscapes, enabling Aitken Spence to make

informed decisions that align with its long-term objectives and sustainability commitments.

Aitken Spence prides itself on having obtained the necessary approvals for its investments through transparent processes. The Group adheres unwaveringly to strict ethical guidelines and places the utmost importance on sound governance when initiating any new investments. For the past 25 years, the Group has successfully financed its new investments through internally generated funds with a prudent debt composition, without requesting its shareholders for additional funds.

Portfolio Returns





Financial Capital

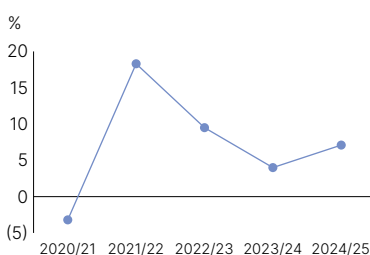
Strategic Priorities	Key Achievements	Focus for 2025/2026
Concentrating investments in priority sectors of the economy.	Invested Rs. 3.3 billion in capital expenditure across all sectors of the Group to support business growth	Maintaining a constant emphasis on liquidity and foreign exchange management to maximise the Group's profitability.
Diversifying into new geographical locations and business segments.	Achieved a notable growth with the commencement of Port City BPO (Pvt) Ltd as a joint venture that delivered strong financial performance during the first year of operations.	Sustaining investments in ventures that will drive growth and surpass the target hurdle rate.
Targeting an annual average year-over-year sustainable profit growth of 10% across the Group.	Recorded a significant increase in profit before tax to Rs. 10.8 billion; a year-on-year growth of 61.0%.	Transforming operations to enhance efficiency and productivity across all business segments, thereby improving operating profits.
Managing and optimising cost structures.	Repaid interest-bearing borrowings and loans amounting to Rs. 22.0 billion.	Preserving financial flexibility and strategically reinvesting in growth opportunities.
Improving the Group's leverage position by lowering the debt-to-equity ratio to better prepare for prudent future investment opportunities.	Debt-to-equity ratio improved to 0.38 from 0.45.	Focusing on sustaining financial discipline and supporting sustainable growth through capital allocation and reduced reliance on debt.

VALUE TO SHAREHOLDERS

During the financial year ended 31st March 2025, Aitken Spence PLC delivered strong value to shareholders, with profit before tax increasing by an impressive 61.0%, reflecting the Group's robust operational performance and effective cost management. This growth was underpinned by improved margins in the Tourism sector, reduced finance costs, and higher returns from equity-accounted investees. Profit after tax rose by 61.3% to Rs. 7.2 billion, further affirming the Group's earnings strength. Despite a marginal contraction in revenue, the Group enhanced its financial stability, demonstrated by an improvement in the debt-to-equity ratio from 0.45 to 0.38. Net assets increased by 4.9%, reinforcing the Group's ability to deliver sustained long-term value. Strong profitability and prudent financial stewardship continued to support value accretion for shareholders through improved returns and a resilient capital structure.

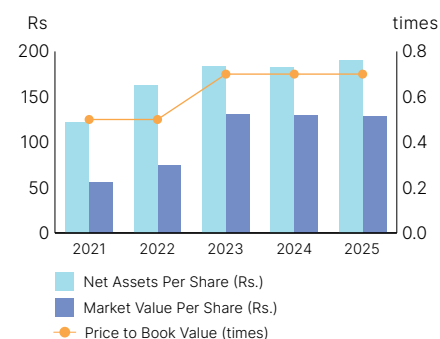
EARNINGS

Return on Equity



Net Assets per Share, Market Value per Share & Price to Book Value

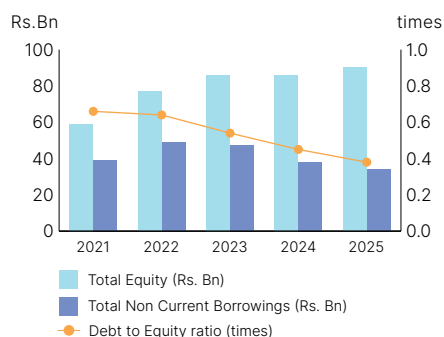
(as at 31st March)



RESILIENCE

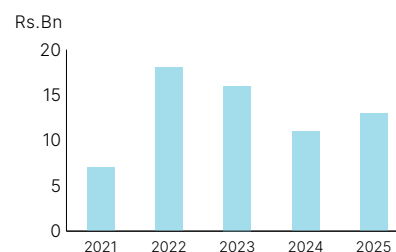
Debt to Equity Comparison

(as at 31st March)



Net Working Capital

(as at 31st March)





Financial Capital

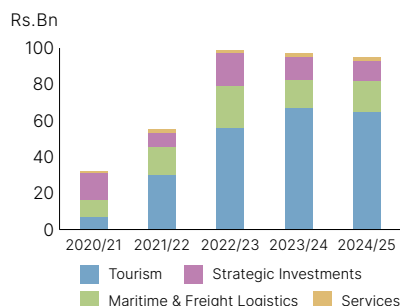
EARNINGS

Revenue

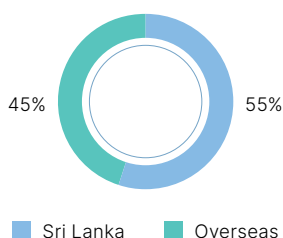
2.5%

Group revenue decreased marginally by 2.5% to Rs. 95.1 billion. The main decline in revenue was recorded in the Strategic Investments sector, primarily due to lower volumes in the apparel manufacturing segment. Additionally, the previous year's revenue from the power generation segment included six months of operations of the 100 MW thermal power plant at Embilipitiya, which remained non-operational throughout the current year under review. Overall, Group revenue was further impacted by the appreciation of the Sri Lankan Rupee against the US Dollar during the year, as the majority of the Group's revenue is either denominated in USD or pegged to it.

Revenue by Sector



Revenue by Geography



The Tourism sector continues to be the highest contributor to Group revenue although it recorded a decline of 2.5% to Rs. 65.2 billion due to the appreciation of the rupee during the year and lower revenue recorded in the destination management segment, which saw a decline in clients handled as a result of the reduced number of cruise ship calls to Sri Lanka owing to conflicts at the Red Sea. Maritime & Freight Logistics sector recorded revenue growth of 11.9% to Rs. 17.2 billion, accounting for 18.1% of Group revenue from external customers. Strategic Investments and Services sectors contributed Rs. 11.0 billion and Rs. 1.7 billion to Group revenue from external customers respectively. While Strategic Investments saw the top line decrease by 18.4% due to the previously mentioned factors in apparel manufacture and power generation, the Services sector also witnessed a 6.2% decline in revenue generated from external customers.

Summarised Profit & Loss Statement

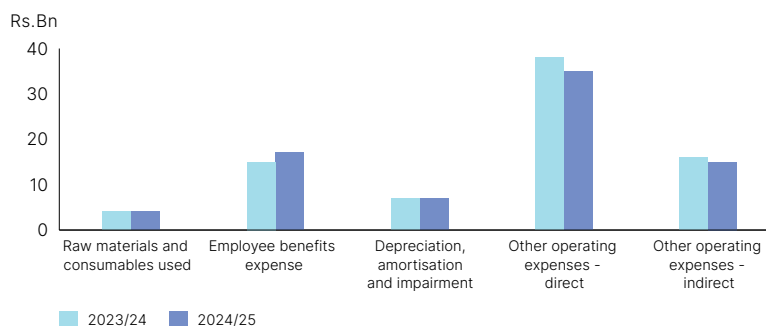
For the year ended 31st March	GROUP	
	2025 Rs. Mn	2024 Rs. Mn
Revenue	95,094	97,486
Revenue taxes	(1,463)	(1,237)
Net revenue	93,631	96,249
Other operating income	(362)	(2,307)
Operating expenses	(78,490)	(80,716)
Profit from operations	14,779	13,226
Finance income	1,920	2,909
Finance expenses	(7,450)	(10,728)
Net finance expense	(5,530)	(7,819)
Share of profit of equity-accounted investees	1,577	1,318
Profit before tax	10,826	6,725
Income tax expense	(3,647)	(2,273)
Profit for the period	7,179	4,452
Earnings per share (Rs.)	13.13	7.21

Operating Expenses

2.8%

Operating expenses declined marginally by 2.8% to Rs. 78.5 billion despite a 13.3% increase in employee benefits expense to Rs. 17.3 billion. Direct and indirect other operating expenses declined by 8.1% and 7.8%, respectively. Depreciation and amortisation accounted for Rs. 7.2 billion, which was in line with the previous year. The Tourism sector, being an asset-heavy sector with high fixed costs, accounts for 68.5% of total operating expenses. The Services sector, being an asset-light sector, accounts for the smallest share.

Analysis of Operating Expenditure



The numbers above exclude equity accounted investees, namely the plantations from the Strategic Investments sector and the BPO from the Services sector.



Financial Capital

Operating Profit (EBIT) 11.7%

Operating profit increased to Rs. 14.8 billion, with all sectors recording positive contributions. All sectors, except for the Services sector, recorded operating profit growth, reflecting improved cost management and lower inflation. The contribution by each sector is set out in the graph alongside. The charts depict the significance of the Tourism and Maritime & Freight Logistics sectors on the earnings of the Group.

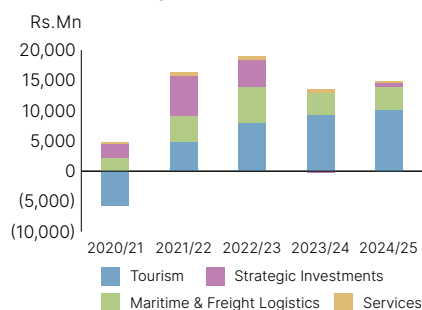
Net Finance Expense 29.3%

Finance income decreased by 34.0% to Rs. 1.9 billion, while finance costs decreased by 30.6% to Rs. 7.5 billion during the year. This was largely driven by the drop in interest rates during the year, the repayment of loans in the Tourism sector, and the settlement of short-term borrowings from the receipt of long outstanding dues from the CEB in the power generation segment. Additionally, rupee interest rates declined, and the Group also restructured its rupee and foreign currency borrowings to take advantage of lower interest rates. Interest cover improved to 2.82 times from 1.73, as interest costs decreased and profitability improved. The Tourism sector accounts for 64.8% of the Group's interest-bearing bank borrowings—both long term and the current portion of long-term bank borrowings—and incurred 75.1% of the Group's net finance cost. The Strategic Investments sector accounted for a further 20.6% of the Group's net finance costs, due to the borrowings in the power generation segment and the parent, Aitken Spence PLC, which is included in Strategic Investments.

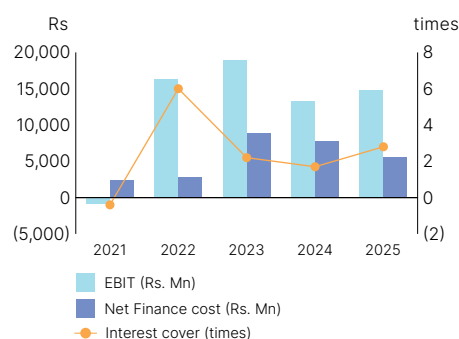
Profit Before Tax (PBT) 61.0%

Profit before tax increased by 61.0% to Rs. 10.8 billion, with all sectors contributing positively except for Strategic Investments. Equity-accounted investees contributed Rs. 1.6 billion to the profit before tax, 19.7% higher than the previous year. The Tourism sector was the highest contributor to PBT, accounting for 54.9%, while the Maritime & Freight Logistics sector accounted for 42.1%. The contribution from the Services sector was 3.0%, while the Strategic Investments sector recorded a loss—though at a significantly reduced level compared to the previous year—as a result of improved performances from the printing & packaging, plantations, and power generation segments. The power generation segment also benefited from the reversals of provisions made in previous years, with the settlements received for long outstanding dues from the CEB.

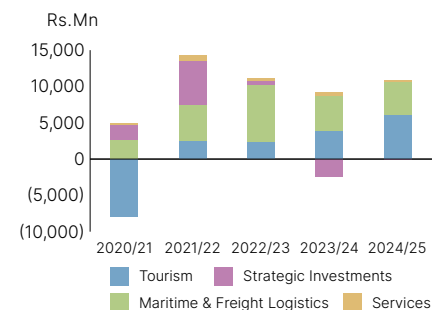
Profit from Operations



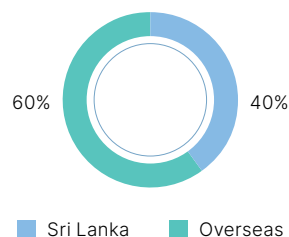
EBIT, Net finance cost, Interest cover



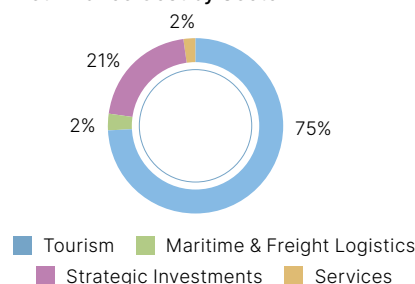
Profit before Taxation



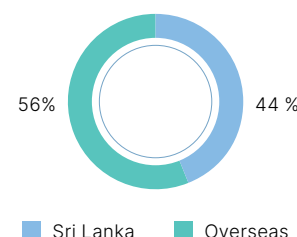
Profit from Operations by Geography



Net Finance Cost by Sector



Profit before Tax by Geography



The numbers above exclude equity accounted investees, namely the plantations from the Strategic Investments sector and the BPO from the Services sector.



Financial Capital

Taxation (GRI 3-3, 207-1, 207-2)

For the year ended 31st March 2025, the Group recorded a total income tax expense of Rs. 3.6 billion, up from Rs. 2.3 billion in the previous financial year. This comprised a current tax charge of Rs. 2.9 billion (2024: Rs. 2.5 billion) and a deferred tax expense of Rs. 726.0 million (2024: deferred tax income of Rs. 215.7 million).

Taxable income rose to Rs. 12.0 billion (2024: Rs. 9.9 billion), primarily reflecting the increase in profit before tax. Adjustments were made for tax-exempt income, capital allowances, disallowed expenses, and the utilisation of tax losses. Income not liable to tax, including dividend income, amounted to Rs. 2.9 billion. Taxes were levied at both standard and concessionary rates for

local companies, amounting to Rs. 1.3 billion, and Rs. 1.2 billion at varying rates applicable to offshore income. A 56.4% of the Group's pre-tax profits is generated outside Sri Lanka, reflecting its strategic regional diversification across South Asia, the Middle East, and the Pacific. The diversification strategy globally enhances earnings resilience and reduces reliance on one country. Consequently, Rs. 1.2 billion (2024: Rs. 978.0 million) payable as income tax across foreign jurisdictions in accordance with applicable tax laws, reinforcing the Group's commitment to responsible tax practices globally.

An additional Rs. 363.7 million (2024: Rs. 220.7 million) was recognised as withholding tax on intra-group dividend

distributions. The deferred tax expense of Rs. 726.0 million arose primarily from the temporary differences arising from accelerated depreciation (Rs. 324.2 million), reversal of expected credit losses (Rs. 231.8 million), and unrealised foreign exchange gains (Rs. 94.3 million), partly offset by reversals relating to right-of-use assets (Rs. 63.4 million) and defined benefit obligations (Rs. 46.4 million).

In addition, a further Rs. 609.9 million (2024: Rs. 434.0 million) in tax expense, attributable to the Group's equity-accounted investees, was recognised within 'share of profit of equity-accounted investees' and is not included in the Group's direct tax expense.

How we manage taxation

The Group operates across multiple jurisdictions and is subject to a wide range of direct and indirect taxes, including corporate income tax, value-added tax (VAT), customs duties, excise levies, stamp duties, employment-related taxes, Goods and Services Tax (GST) /and various other fiscal obligations. To ensure full compliance, the Group has implemented robust tax governance frameworks and internal controls to support the accurate and

timely filing of tax returns in all operating regions.

Regular engagement with local tax authorities allows for proactive clarification of new or evolving legislation, thereby reducing the risk of non-compliance arising from interpretational ambiguities. For complex transactions, the Group seeks professional advice from independent tax experts to ensure adherence to relevant statutory requirements.

Ongoing staff training is provided to build capacity and maintain up-to-date knowledge of regulatory developments.

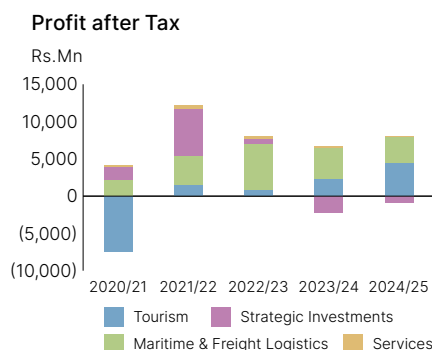
In addition to managing its own tax obligations, the Group also fulfils its role as a tax collector, with timely remittance of statutory deductions such as Advance Personal Income Tax, withholding tax and VAT /GST across all jurisdictions, including Sri Lanka.

Profit After Tax 61.3 %



Profit After Tax (PAT)

Profit after tax increased by 61.3% to Rs. 7.2 billion compared to Rs. 4.5 billion in the previous year, buoyed by the strong performance of the Tourism sector and the significant decrease in losses of the Strategic Investments sector. The Tourism sector contributed 53.5% to the profit after tax, while recording an increase of 92.3% to reach Rs. 4.3 billion. The Maritime and Freight Logistics sector reported a 15.1% decline in sector profit after tax, recording Rs. 3.5 billion.





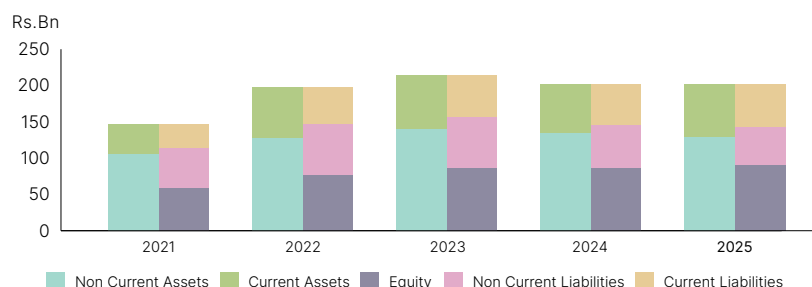
Financial Capital

BUILDING RESILIENCE

Total assets increased marginally by 0.4% during the year to Rs.202.0 billion as at 31st March 2025. As 42.4% of the Group's assets are held overseas, the appreciation of the rupee compared to the previous year resulted in a lower valuation of these assets. The Group invested a total of Rs. 3.3 billion in property, plant and equipment during the year with majority of it being for plant and equipment. The chart below depicts how the Group managed its financial position over the years while maintaining growth and liquidity.

Assets & Funding

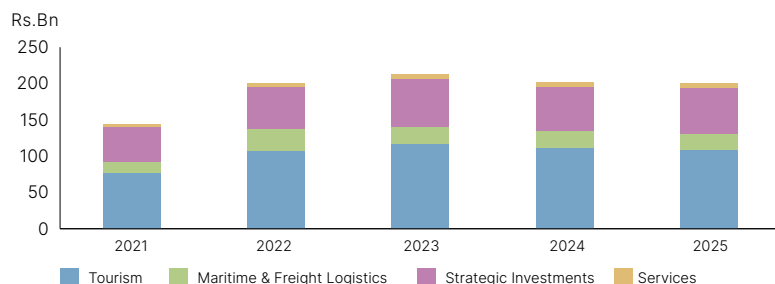
(as at 31st March)



The Group's liquidity position strengthened during the year with the current ratio improving from 1.19 to 1.22 while the quick ratio improved from 1.12 times to 1.14 times.

Total Assets

(as at 31st March)



On the funding side, equity accounted for 44.5% of the balance sheet, while bank interest-bearing loans and borrowings, including bank overdrafts and short-term borrowings, accounted for 32.4% of the same. The total interest-bearing liabilities decreased by Rs. 1.6 billion during the year, and trade payables accounted for 12.2% of funding as at year-end. Overall, total liabilities declined by 2.9% as at year-end, reflecting a healthier funding structure.

Liabilities have seen a reduction across all sectors except the Strategic Investments sector and Services sector. As the operations of the holding company are included in this sector, the segment shows an increase in liabilities due to the foreign currency-denominated loan taken by the parent company with the objective of restructuring the balance sheet. This borrowing also serves as a partial hedge for the foreign currency deposits held by the Group, to minimise losses as the rupee appreciates.

Extracts from Consolidated Statements of Financial Position

As at	GROUP	
	31.03.2025	31.03.2024
	Rs. Mn	Rs. Mn
Non-current assets	129,493	133,669
Property, plant and equipment	98,016	101,029
Right-of-use assets	14,673	16,364
Investments in equity-accounted investees	10,929	9,947
Current assets	71,612	67,418
Inventories	4,441	4,160
Trade and other receivables	19,169	19,854
Other Current assets	26,739	25,375
Cash and short-term deposits	16,601	12,133
Assets classified as held for sale	922	170
Total assets	202,027	201,257
Equity Attributable to Shareholders	77,234	73,836
Non-controlling interests	12,655	11,884
Total equity	89,889	85,720
Non-current Liabilities	53,260	58,959
Interest-bearing loans and borrowings	33,908	38,464
Lease liabilities	11,216	12,847
Current liabilities	58,878	56,578
Interest-bearing loans and borrowings	11,621	9,197
Lease liabilities	1,534	1,780
Trade and other payables	24,725	25,262
Bank overdrafts and other short-term borrowings	19,895	19,389
Total equity and liabilities	202,027	201,257



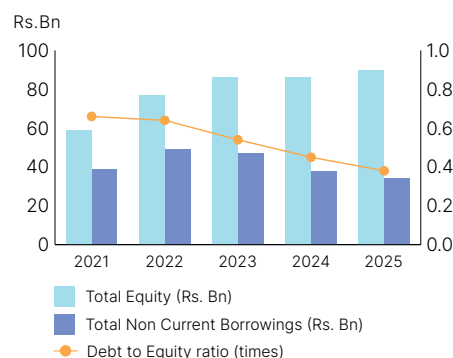
Financial Capital

The net exposure of foreign currency assets and liabilities at the balance sheet date is given below, which reflects a prudent net assets position.

Net Exposures as at 31st March 2025 Assets/(Liabilities)	
USD	80.9 Mn
Euro	(22.2 Mn)

Capital Structure

(as at 31st March)



As at	GROUP	
	31.03.2025	31.03.2024
Net Asset Per Share (Rs.)	190.23	181.86
Current Ratio (times)	1.22	1.19
Quick Asset Ratio (times)	1.14	1.12
Debt: Equity Ratio	0.38	0.45

Liquidity, Funding, and Forex Management

The Group Treasury plays a pivotal role in enhancing liquidity management, reducing financing costs, and mitigating foreign exchange risk across the Group's business segments. Improved working capital efficiency was supported by active intra-group lending, competitive short-term borrowing rates, and centralised cash management. Favourable interest rate arbitrage and timely fund placements contributed to optimised returns on surplus cash. The Group also benefited from the CEB's resumption of payments to the power generation segment, which significantly improved working capital. Forex operations focused on securing competitive conversion rates, managing remittance flows, and hedging currency exposures through forward contracts in compliance with prevailing

regulations. The Group Treasury also led negotiations for banking facilities, managed electronic banking platforms, and ensured cost-effective funding for projects and operational needs. These efforts collectively enhanced the Group's liquidity position, lowered the average cost of funds, and supported financial stability in a volatile macroeconomic environment.

Analysis of Operating, Investing, and Financing Cash Flows

For the year ended 31st March 2025, the Group demonstrated a strong improvement in cash flow performance, underpinned by a notable recovery in operational profitability and a measured approach to investing and financing activities.

Operating Activities

Net cash generated from operating activities amounted to Rs. 13.2 billion (2024: Rs. 11.9 billion), reflecting improved profitability, working capital discipline, and continued cost containment. Profit before tax rose significantly to Rs. 10.8 billion from Rs. 6.7 billion in the prior year, driven by growth across key business segments.

Favourable movements in working capital, particularly in receivables and deposits, were largely driven by the CEB's resumption of regular payments to the power segment.

Interest outflows declined year-on-year to Rs. 7.3 billion, aligned with reduced borrowing levels and interest rates. Consequently, the Group maintained healthy operating cash flows despite broader macroeconomic challenges.

Investing Activities

The Group's net cash outflow from investing activities rose by 16% year-

on-year to Rs. 4.6 billion, up from Rs. 4.0 billion in the prior year. This increase reflects a strategic capital reallocation, marked by two key trends: a significant decline in capital expenditure on property, plant, and equipment to Rs. 3.3 billion from last year's Rs. 5.5 billion and a sharp Rs. 2.0 billion rise in net outflows for financial asset acquisitions. These shifts indicate a deliberate move toward liquidity preservation and short-term yield optimisation. Additionally, interest received declined by 35.3% compared to the previous year, primarily due to lower interest rates, which negatively impacted cash generation from investing activities.

Financing Activities

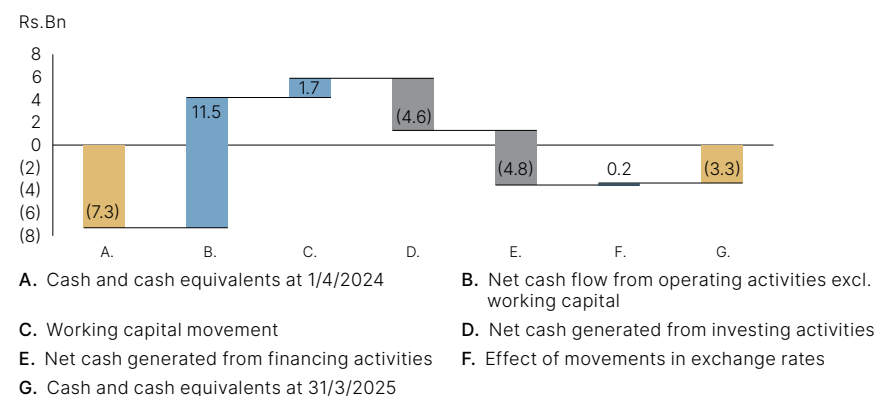
Net cash used in financing activities amounted to Rs. 4.8 billion (2024: Rs. 8.5 billion). Total debt repayments during the period stood at Rs. 22.0 billion, partially offset by Rs. 20.7 billion in new borrowings raised primarily to refinance existing obligations and support growth initiatives—resulting in a net outflow from debt servicing.

Dividends paid to shareholders totalled Rs. 1.7 billion, demonstrating continued commitment to shareholder returns. Lease liability settlements remained steady at Rs. 1.8 billion, in line with contractual obligations.

Cash Position

As a result of the above movements, the Group reported a net increase in cash and cash equivalents of Rs. 4.0 billion, improving around the negative balance of Rs. 7.3 billion at the start of the year to a closing negative balance of Rs. 3.3 billion.

Movement of Cash and Cash Equivalents during the year





Employer of Choice: Human Capital

Aitken Spence is unwavering in its dedication to achieving 'Employer of Choice' status, with strategic priorities focused on the growth, wellbeing, and development of its 16,513 strong Sponsonian team. By creating a workplace that attracts exceptional talent and fosters continuous learning, the Group aims to build an environment that nurtures every individual's and team's potential. Through innovative programmes, a vibrant and inclusive culture, and a deep commitment to employee engagement, Aitken Spence aspires to empower Sponsonians to thrive and contribute meaningfully towards its purpose to 'Inspire to Create Great Futures for All'.

VALUE CREATED IN 2024/25

2,670

New Jobs

8,692

New Hires

597

Promotions

278,034

Training Hours

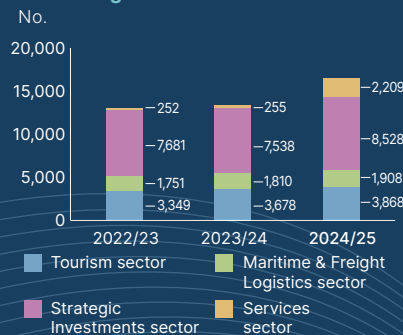
Rs 17.3 Bn

Value Distributed to Employees

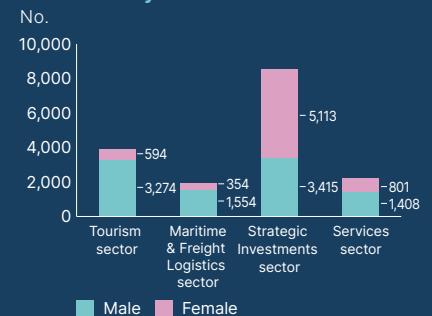
The Sponsonian team plays a vital role in Aitken Spence's success, setting the Group apart by maintaining the highest standards of service excellence, ethics, and conduct - hallmarks of its heritage. The team's diversity fosters a unique culture of shared experiences, continuously enriching the Group's collective knowledge. With a broad geographic presence, the Group enables talent mobility across borders, sectors, and functions, providing enhanced exposure and opportunities to realise potential. All employees of Aitken Spence are full-time employees, and there is no seasonal employment.

OUR TEAM (GRI 2-7, 2-8, 405-1)

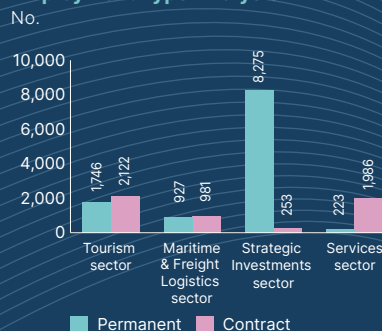
A Growing Team



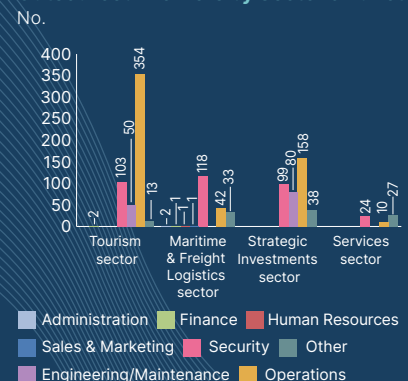
Gender Analysis



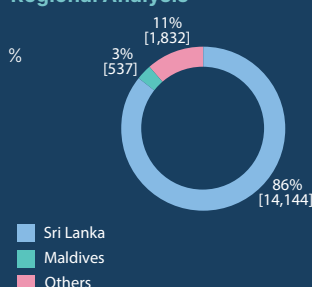
Employment Type Analysis



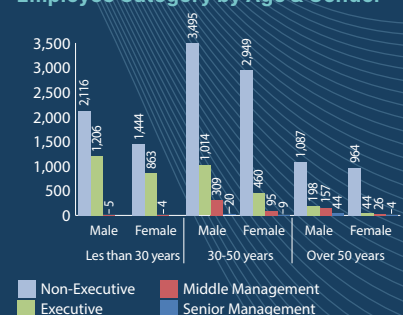
Outsourced Workers by Sector & Function



Regional Analysis



Employee Category by Age & Gender





Human Capital

Strategic Priorities	Key Achievements 2024/2025	Focus for 2025/2026
Enhance employee experience throughout the employee lifecycle	<ul style="list-style-type: none"> Action key Voice of Spensonians (VoS) survey findings Conduct Organisation Health Survey (OHS) for selected segments Focus group discussions for pulse checks 	<ul style="list-style-type: none"> Conduct OHS Group-wide
Nurture a value-centric organisational culture	<ul style="list-style-type: none"> Launch of Spence Diamonds to recognise value-centric behaviour Award employee champions 	<ul style="list-style-type: none"> Establish quarterly recognition Launch an Organisational Culture Survey
Enable Performance Management (PM) practices to support organisational transformation	<ul style="list-style-type: none"> Upgrade HRIS with enhanced KPI monitoring features 	<ul style="list-style-type: none"> Design and implement a new PM architecture
Enhance bench strength of leadership pipeline for critical positions	<ul style="list-style-type: none"> Review and update succession plan Recruit leading industry experts as potential successors 	<ul style="list-style-type: none"> Establish a talent council
Focused talent retention for critical mass	<ul style="list-style-type: none"> Conduct talent chats with senior leadership Initiate incentive scheme reviews 	<ul style="list-style-type: none"> Adopt an evidence-based HR approach by leveraging predictive analytics Conduct skip-level and stay discussions
Establish an objective based talent management eco-system	<ul style="list-style-type: none"> Develop specific technical competencies for selected segments 	<ul style="list-style-type: none"> Develop specific technical competencies for selected segments
Attract best-in-class talent using a powerful Employee Value Proposition (EVP)	<ul style="list-style-type: none"> Carry out omnichannel employer / employee branding Establish strategic partnerships Incorporate assessment tools Establish Management Trainee programme 	<ul style="list-style-type: none"> Revamp the existing EVP
Commitment to Diversity, Equity & Inclusion (DE&I)	<ul style="list-style-type: none"> Launch of Group Gender Equity policy Conduct awareness creation campaign on sexual harassment prevention Complete coursework for 1st batch of 'SpenceAscend' (female leadership certification) 	<ul style="list-style-type: none"> Implement the sexual harassment prevention plan Introduce an Employee Assistance Programme (EAP)
Develop competencies to drive innovation and digitalisation	<ul style="list-style-type: none"> Award SpenceInnova winners Continue Spence ROBOLEAP for digitalisation (Robotic Process Automation etc.) Training to promote innovation and a digital culture 	<ul style="list-style-type: none"> Conduct TechFest to recognise digital champions



Human Capital

HR GOVERNANCE (GRI 3-3)

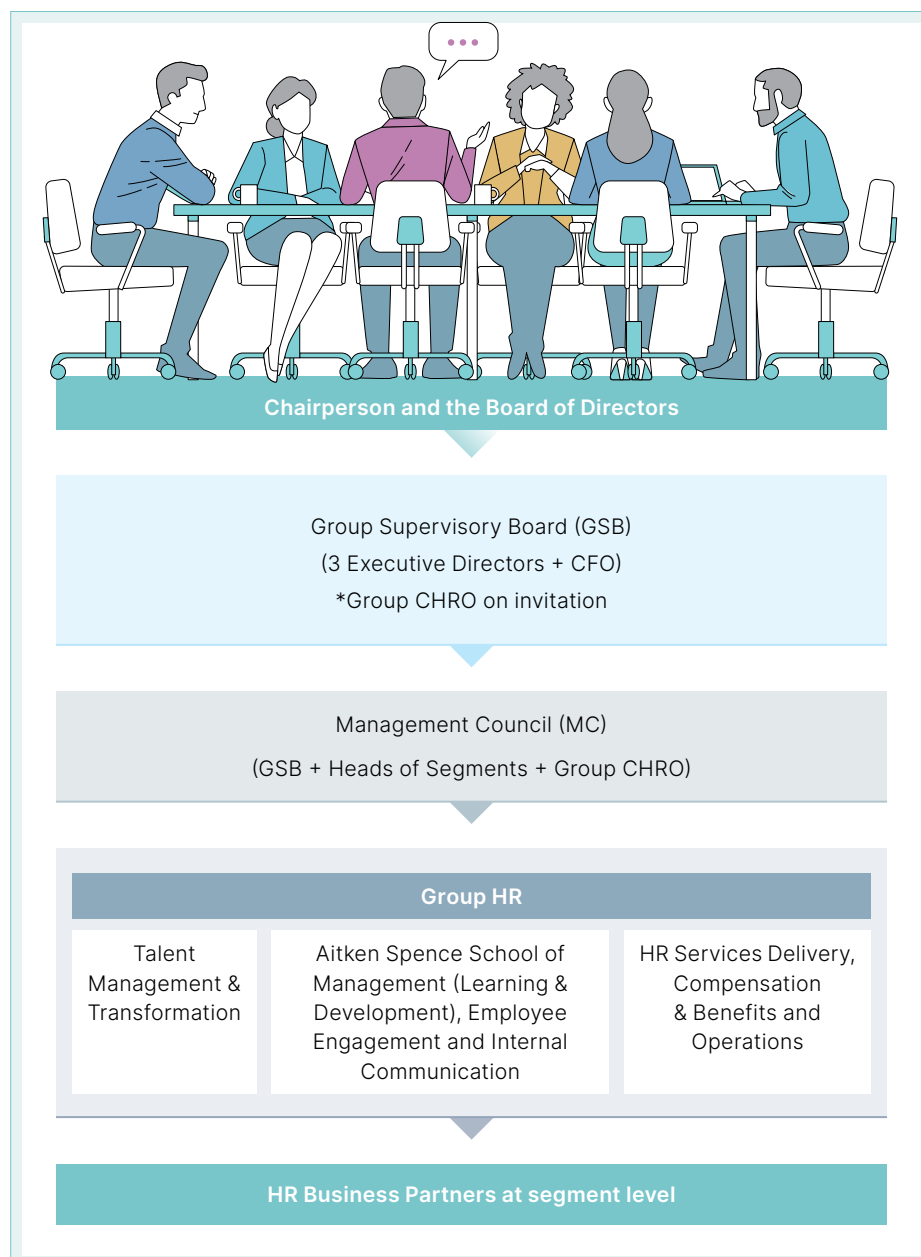
HR plays a vital role in aligning the Group's most valuable asset - its people - with strategic purpose and priorities. This involves managing leadership expectations, employee wellbeing, labour regulations, and the best global practices.

To enhance value creation, the Group CHRO represents employee interests on the Group Supervisory Board (by invitation) and the Management Council. The People Strategy is implemented through the Group HR division, which operates across three core functions. The division works closely with HR Business Partners at the segment level to ensure seamless execution of initiatives.

POLICY FRAMEWORK (GRI 2-23, 2-24)

The Group HR policy framework undergoes periodic review in consultation with the GSB to align with socio-economic needs and legal standards. Updates are communicated to all employees, with policy awareness monitored through the Learning Management System (LMS)/ Human Resource Information System (HRIS).

Aitken Spence is dedicated to creating an inspiring workplace and fostering an inclusive culture that upholds dignity for all. The Group's policies enforce a zero-tolerance approach to sexual harassment, child labour, and forced labour, with strict measures to safeguard human rights. Compliance with key labour laws, including the Factories Ordinance, the Shop and Office Employees Act, and the Employment of Women, Young Persons, and Children Act, is ensured through policies and dedicated HR functions at Group, sector, and segment levels.





Human Capital

Key HR Policies

- Code of Ethics and Professional Conduct
- Anti-Bribery & Anti-Corruption Policy
- Group Whistleblowing Policy

For more details on these three policies, please refer the Corporate Governance Section of this Annual Report.

- Group Training & Development Policy
- Group Remote Working Policy
- Corporate Gifts Policy
- Sexual Harassment Prevention Policy
- Integrated Sustainability Policy
- Parental Leave Policy
- Grievance Handling Policy
- Group Disciplinary Policy
- Diversity, Equity & Inclusion Policy
- Performance Improvement & Individual Development Planning Policy
- Reward & Recognition Policies

New policies introduced in 2024/2025

- Gender Equity Policy
- Policy on External Professional Engagements
- FlexTime Work Policy
- Adoption Leave Policy

Policies Revised during the year

- Select Benefit Policies
- Social Media Policy

Policies Under Review

- Performance Incentive Policy
- Performance Management Policy
- Recruitment Policy
- Employee Assistance Programme (EAP) Policy
- Policies related to benefits

The new policies included during the year to enhance the employee value proposition included the following:

Gender Equity Policy:
Please refer page 300 for more information.

Adoption Leave

Embracing its commitment to DE&I, the Group introduced an Adoption Leave Policy to support those who open their hearts and homes to a child. This initiative extends the existing organisational entitlement of paid maternity/paternity leave to employees adopting a child, allowing them precious time to bond and ensure a smooth transition into parenthood: One-hundred days for adoptive mothers and five days for adoptive fathers.

FlexTime Work

This policy is designed to cater to the diverse needs of the Group's multi-generational workforce. This policy provides employees in the Executive cadre with the flexibility to adjust their start and end times, allowing them to align their work hours with personal responsibilities and better manage their work-life balance.

Zero incidents of discrimination or non-compliance with labour laws during the year.



Human Capital

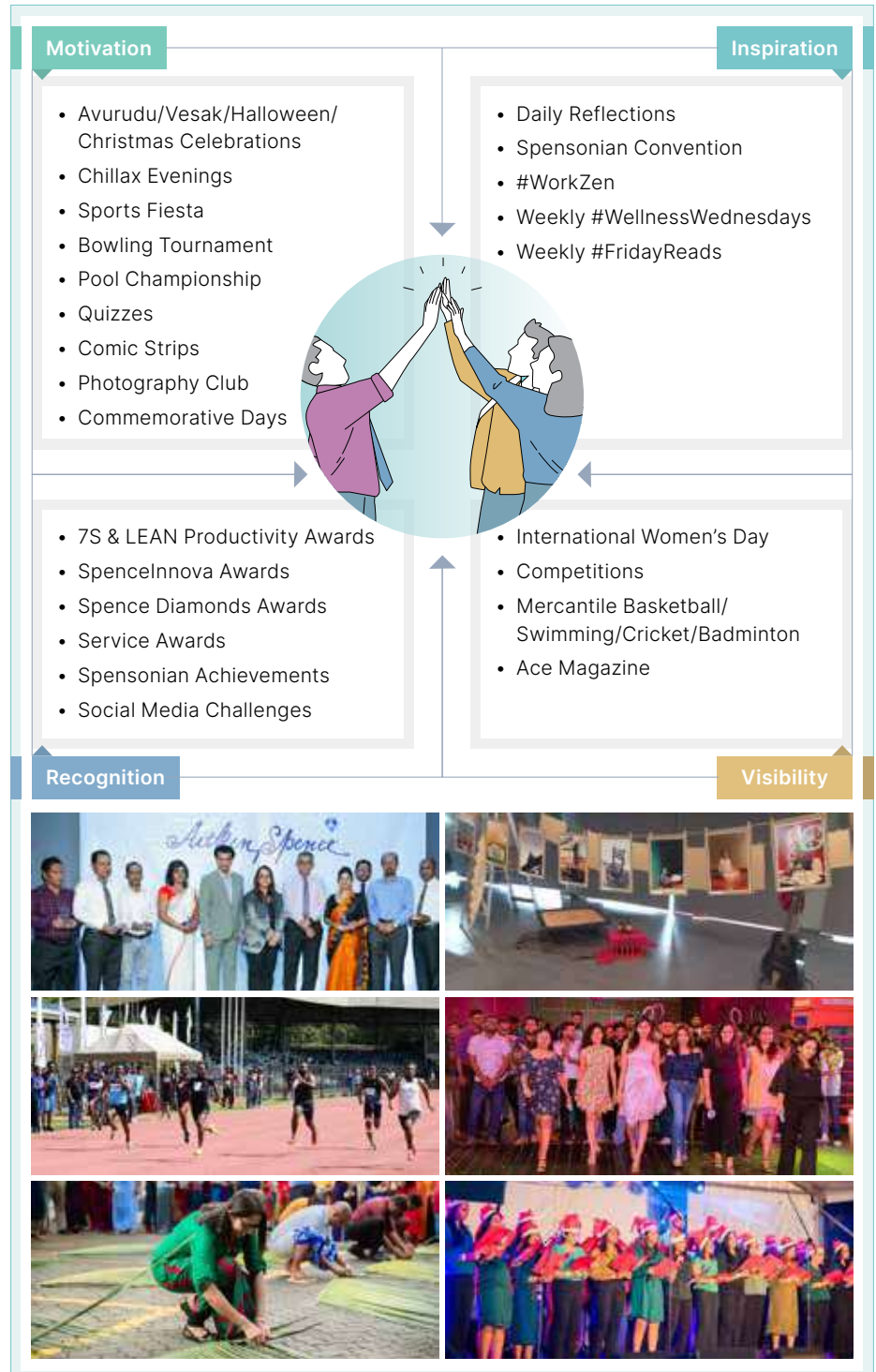
KEY CHALLENGES IN 2024/2025

During the financial year under review, Sri Lankan corporates faced significant challenges amid a rapidly evolving economic landscape. Inflationary pressure influenced the cost of living and created financial strain for many employees. The recent increase in the national minimum wage, despite less direct impact as Aitken Spence has always upheld responsible employment, introduced several complexities for businesses. It pushed market rates higher while salary gaps between entry-level and experienced employees narrowed, making it more challenging to attract and retain talent.

These pressures were further compounded by ongoing economic challenges in Sri Lanka and global economic uncertainties, such as disruptions in global supply chains due to regional conflicts, which added to an already volatile business environment. Employees facing these challenges grew increasingly concerned about job security and financial stability, leading to heightened attrition, particularly among skilled professionals seeking better opportunities abroad. In response, the Group worked even harder to support Spenonians, carefully balancing financial realities with strategic initiatives to maintain engagement, motivation, and long-term workforce stability.

EMPLOYEE ENGAGEMENT

Employee engagement and internal communication were central to the Group HR agenda, improving employee experience, keeping employees informed about business developments, and ensuring a sustained connection with the needs and sentiments of Spenonians.





Human Capital

Key HR initiatives implemented during the year are set out below.

Inspiration

Spensonian Convention



The Spensonian Convention was held in hybrid form once again with the participation of over one-thousand employees in the Executive cadre across the Group, the Group's largest gathering to date. The exciting agenda included a keynote speech by the Deputy Chairman, panel discussion with the GSB (moderated by the Group CHRO), celebration of Group Accolades such as winning the coveted Grand Slam Award at BCCSA, recognition of Staff Achievements such as '25 Years of Service' and 7S & LEAN Productivity, SpenceInnova and Spence Diamonds Awards, as well as musical entertainment by Spensonian talent.

#WorkZen



A workplace wellness and wellbeing campaign titled #WorkZen was launched, blending the concepts of work and serenity, and promoting a balanced and harmonious approach. This includes activities such as eight webinars by professionals on topics like mental health, emotional intelligence, and anxiety management, four workshops on physical fitness and yoga; a three-month-long Biggest Loser Challenge to encourage healthy weight loss; a Health Check-Up Camp; weekly #WellnessWednesday e-flyers; a series of e-flyers on practising Workplace Ergonomics. Looking ahead, the groundwork has been laid to introduce a holistic Employee Assistance Programme (EAP).

Visibility

Ace Magazine



The relaunch of Ace Magazine marked a significant step in enhancing internal communication, serving as a bi-annual publication that aims to create awareness among employees about key milestones and success stories, fostering a sense of pride and engagement within the organisation.



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Recognition

7S & LEAN Productivity Awards

Now in its thirteenth chapter, this flagship Group productivity competition involved nearly sixty entities from all sectors across Sri Lanka and the Maldives. Since its inception in 2002, the competition has played a key role in enhancing workplace organisation and safety across the Group. The Group 7S & LEAN Productivity Competition 2023/24 awarded thirty-five winners in multiple categories for their outstanding implementation of productivity standards.

SpenceInnova Awards



SpenceInnova was introduced to highlight individuals/teams who successfully implement innovative/transformational projects related to products/services, processes, and/or new ventures. This is an organic evolution of SpenceLab, which recognised innovative ideas. After a thorough final evaluation by a panel of internal and external industry experts, three winners were honoured and six submissions were given merit awards from the sixty-two projects submitted by Sponsonians across the Group.

Spence Diamonds Awards



The inaugural employee recognition programme was launched, highlighting Aitken Spence's five core values, particularly champions whose unwavering dedication to customer service excellence turned ordinary moments into extraordinary experiences. Over twenty nominations were received, from which a panel created a shortlist, and a Sponsonian vote ultimately determined the three individual winners.

NOVEL PROJECTS ENHANCING HR VALUE-CREATION & SUPPORTING BUSINESS TRANSFORMATION

Group HR undertook several strategic initiatives to facilitate the Group's broader transformation journey and enhance its scope of engagement for better value creation. Segment-focused projects were launched based on insights from the Voice of Sponsonians survey, supported by in-depth diagnostics such as focus groups, job analysis, and an Organisational Health Survey. Another major milestone was the upgrade to a cloud-based HRIS, delivering improved functionality, analytics, and user experience. Additionally, a new electronic Document Management Solution and digital approval platform were introduced, improving efficiency, accessibility, collaboration, and sustainability.

UPHOLDING EMPLOYEE RIGHTS

(GRI 2-30,3-3,402-1)

Aitken Spence remains committed to upholding employees' rights to freedom of speech, expression, and association. Within the Group's workforce, 18% are members of trade unions, with the majority representing the plantations segment. Certain segments are covered by collective agreements. In the apparel segment, employees engage through Worker Councils and Joint Consultative Committees (JCC). The Group maintains an open dialogue with trade unions and employee representatives, fostering engagement and addressing concerns, particularly for more vulnerable employees. Communication with the 16 trade unions across the Group is conducted through formal channels, ensuring regular updates. Throughout the year, relations with trade unions remained positive. Employees receive a minimum four-week notice before any significant operational changes affecting them and there are provisions for negotiation and consultation specified in the collective agreements.

Workforce Representation in Trade Unions by Sector





Human Capital

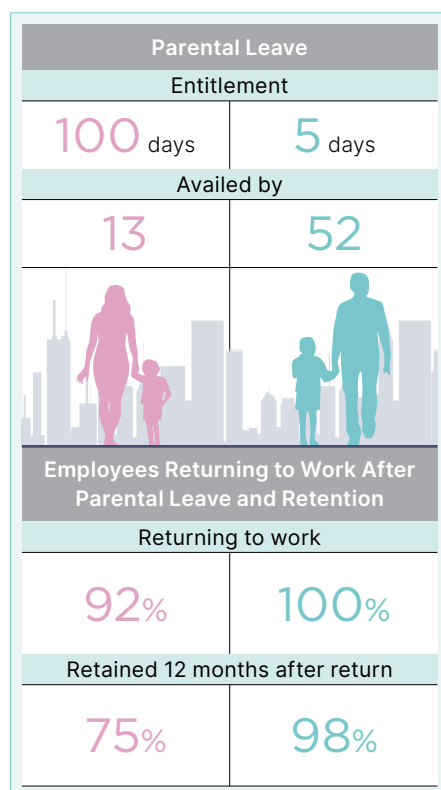
A SOUND EMPLOYEE PROPOSITION

Aitken Spence follows a holistic total rewards philosophy, combining both financial and non-financial incentives. Employee compensation includes fixed and performance-based elements. Throughout the year, the Group continuously reviewed compensation and benefits to address rising inflation and the increasing cost of living for employees. The Group provides a number of benefits in addition to the salary disbursed to employees.

Benefits (GRI 401-2)

Employee benefits provide significant value to employees while enhancing their quality of life and easing stress. The benefits provided by the Group are as follows:

Parental leave (GRI 401-3)



Benefits at beginning of year

Health & Nutrition

- Reimbursement of outdoor medical expenses
- Indoor health insurance
- Critical illness cover of 1 Mn per event for all Sponsonians
- Subsidised meals in select segments
- Telemedicine facility
- Awareness programmes by medical professionals

Education

- Financial assistance for educational pursuits
- Annual subscriptions for professional memberships

Work Life Balance

- Semi-Virtual Mobility framework for remote working
- Enhanced parental leave (100 days - Maternity Leave & 5 days - Paternity Leave)
- Carried Forward Leave
- Club memberships

Leisure

- Free holiday vouchers at Aitken Spence Hotels
- Holiday bungalows for executives

Child & Elder Care

- Subsidised childcare facility for all staff
- Crèche facility for plantation workers
- Elders' home for retired plantation staff

Welfare

- Aitken Spence Sports and Welfare Society
- Wedding gifts
- Donations on death of employee or immediate family members
- Transport facilities/travel reimbursements

Relief measures for economic crisis

- Temporary Crisis Allowance
- Meals for workers in selected categories

Benefits enhanced during the year

- Enhanced leisure, fellowship, and mobility benefits
- Increased death donation
- Introduced FlexTime work
- Launched adoption leave



Human Capital

TALENT ATTRACTION

(GRI 202-1, 202-2, 3-3, 401-1)

Aitken Spence follows a merit-based hiring approach, selecting candidates based on their knowledge, skills, and attitude while ensuring fair gender representation in line with the Group's DE&I goals. With a strong employer brand built over 156 years, the Group actively engages with top talent.

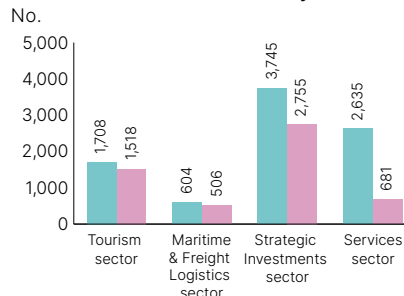
In recent years, the Group's talent acquisition process has evolved through the use of benchmarked selection tools like psychometric and aptitude assessments, diverse sourcing channels such as LinkedIn, and partnerships with educational and professional institutions. The digital platforms have assisted the Group in enhancing efficiency.

The Group prioritises internal talent for career growth while also welcoming external hires to bring fresh perspectives, depending on the role. This year, the Group welcomed 8,692 new employees to the team. The Group's induction programme, "Roots to Excellence", is conducted monthly to assist new recruits in their transition into the Spensonian team. The programme provides an overview of Aitken Spence and its values, the Code of Ethics and Professional Conduct, and various other relevant topics. Additionally, subsidiaries conduct their own unique induction programmes to welcome new joiners to their chosen industry landscapes.

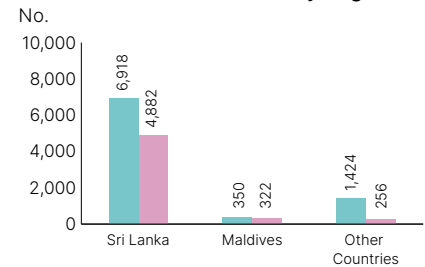
'Chat with GCHRO' is also conducted regularly to ensure new Spensonians have the opportunity to discuss their experiences with leadership and aspirations for the journey ahead.

The Group ensures that all employees, regardless of gender or job category, are paid at or above the applicable local minimum wage in every location of operation. This reflects the Group's commitment to fair compensation and compliance with national labour regulations. Demonstrating the Group's commitment to inclusive growth and regional development, 66% of jobs and 26% of the new jobs created by Aitken Spence in Sri Lanka are located outside the Colombo and Gampaha districts. Amongst newly recruited senior management, 92% was hired from the local community (Western Province) too.

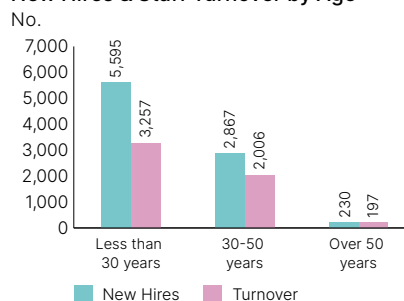
New Hires & Staff Turnover by Sector



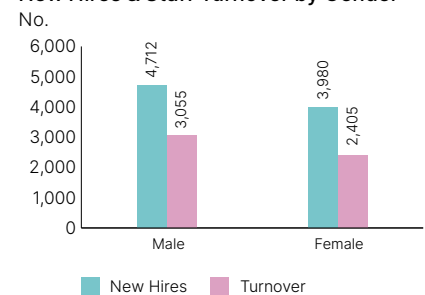
New Hires & Staff Turnover by Region



New Hires & Staff Turnover by Age



New Hires & Staff Turnover by Gender



Changes in new hires and employee turnover are part of normal business due to the uncertainty that prevailed in the recent past. The Group also has outreach programmes to facilitate entry for promising talent as set out below:

Group Management Trainee Programme | 'Elevate with Aitken Spence'



The Group welcomed six Management Trainees as part of the reintroduced Management Trainee Programme. They are currently undergoing a blended development curriculum that combines exposure to various industries, specially designed project-based assignments, competency-based learning, coaching, and mentoring. The programme aims to cultivate a pool of young talent through an accelerated 12-month journey, preparing them for leadership roles in the near future.

Special Internship Programme

A seven-day internship programme was conducted for a group of female school students, providing them with valuable exposure to various aspects of the Group's business operations. This initiative aimed to inspire and equip the next generation with insights into the corporate world. Additionally, certain segments such as hotels, power and travels conduct their own customised internship programmes.



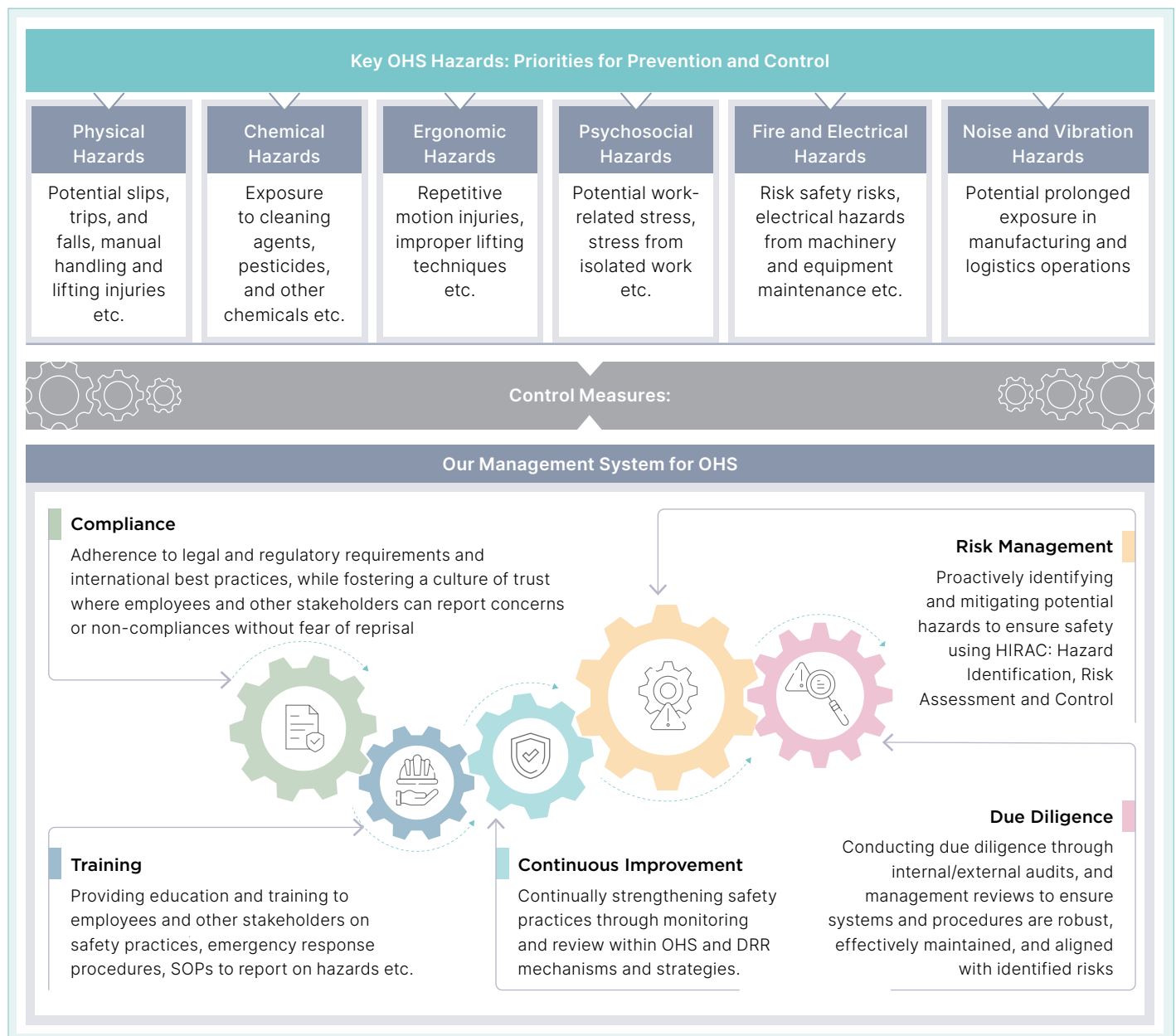
Human Capital

SAFETY AT WORK

(GRI 3-3, 403-1, 403-2, 403-3, 403-4, 403-5, 403-6, 403-7, 403-8, 403-9, 403-10)

At Aitken Spence, ensuring the health, safety, and wellbeing of all stakeholders, particularly the Group's employees, is a top priority. Guided by the Group's Integrated Sustainability Policy (policy commitment N), Aitken Spence is committed to creating safe and healthy workplaces across the Group's operations through the implementation of controls for Occupational Health & Safety (OHS) management.

All Group companies apply the Hazard Identification, Risk Assessment & Control (HIRAC) framework to identify risks and determine appropriate controls ranging from standard operating procedures for operations with low-risk activities to comprehensive systems aligned with ISO 45001 or similar for higher-risk operations. The Group's approach integrates proactive risk identification and management, targeted training and capacity building, and continuous improvement through structured monitoring and review. At a minimum, the Group ensures full compliance with Sri Lanka's Factories Ordinance and OHS regulations, while aligning with global best practices to establish best practices. The scope of the Group's OHS management systems cover 100% of the employees and stakeholders visiting the premises across the diverse sectors.





Human Capital

Aitken Spence promotes employee wellbeing through employee engagement interventions, awareness building through medical professionals, enabling access to telemedicine facilities for Executive cadre employees and on-site medical support at segments such as printing and plantations, while ensuring confidentiality of personal health information. Sector-specific awareness sessions and targeted training in first-aid, fire safety, and emergency preparedness were conducted across the Group. Additionally, the Disaster Risk Reduction (DRR) team led two key drills at Aitken Spence Towers; a night-time fire drill and an earthquake preparedness drill - to build awareness and enhance safety, particularly for employees who travel overseas.

Over 1,100 employees participated in OHS trainings during the year in review, while the Group also conducted regular #WorkZen workshops and webinars covering both physical and mental wellbeing as detailed in the Employee Engagement section above. All business segments have trained team members to provide first-aid and conduct routine HIRAC inspections to identify risks. OHS processes and management systems across the Group's business segments actively involve diverse team members, ensuring representation from all employee levels to effectively identify risks and implement controls that protect all employees and other stakeholders. The hotels segment provided specialised training in food allergy management and chemical handling during the year, tailored to operational needs. Additionally, 19 employees from the destination management team were trained and certified as first-aid officers. The Strategic Investments sector notably has the highest number of trained team members considering the nature of the operations. In the Services sector, the elevators segment conducted a series of specialised training programmes such as manual lift rescue, internal auditor training sessions and on-site mock drills to train staff members in emergency response mechanisms.



Number of Sponsonians working on OHS systems/ procedures	157	8	466	24
Number of management systems/ processes maintained for OHS	25	8	55	3
Number of management systems certified	9	4	32	1
To employees and non-employees whose work is controlled by the operation;				
Overall workplace related injuries to employees	103	47	197	1
Rate of workplace related injuries	3%	2%	2%	0.1%
Workplace related ill-health	2	0	8	0
Workplace related high-consequence injuries	2	0	1	0
Rate of workplace related high-consequence injuries from overall injuries	2%	0%	0.5%	0%
Fatalities due to workplace related injuries	0	1	0	0
Fatalities due to workplace related ill-health	0	0	0	0
Rate of workplace related fatalities from overall injuries	0%	2%	0%	0%
No. of lost workdays due to workplace related injuries	157	338	667	15



Human Capital

DEVELOPING OUR PEOPLE

(GRI 3-3, 404-1, 404-2, 404-3)

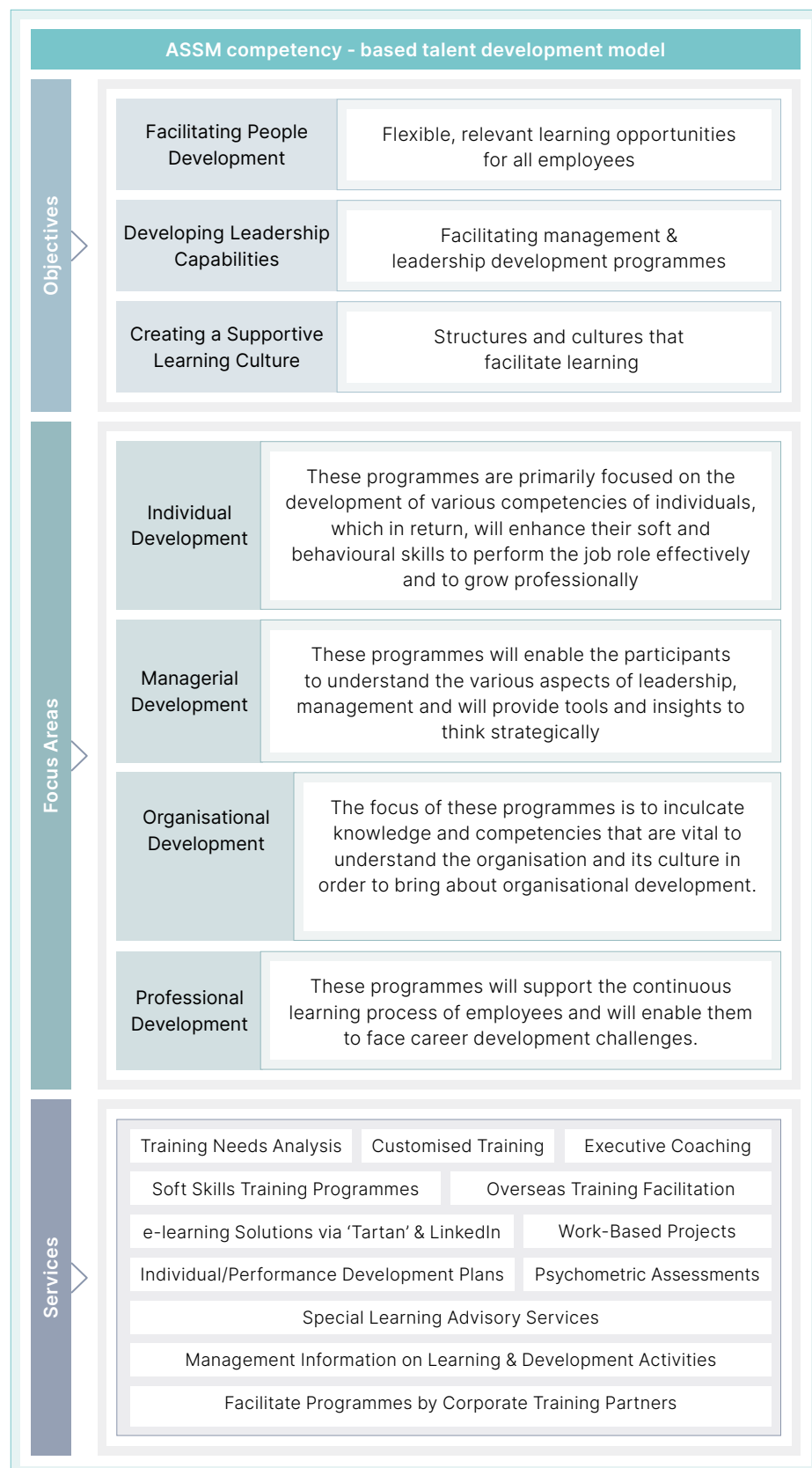
Investing in Spenzonians remains a top priority, ensuring that all individuals develop the skills, knowledge, behaviours and mindset needed to drive the Group's transformation journey and overall success. Beyond equipping employees for their roles, the Group focuses on unlocking their potential, building talent pipelines, and creating career growth opportunities.

Aitken Spence ensures that all Executive training needs are gathered and reviewed. This is done predominantly through the Group's performance management system where all employee performance and career development plans are reviewed. The recently introduced Training Needs Analysis (TNA) platform titled 'ABC Central' plays a pivotal role in completing this process now.

Group HR's interventions for Non-Executive training is typically organised based on requests from segments, while a series of mandatory training programmes are defined and conducted for selected groups.

The majority of industry-specific technical training requirements are addressed at segment level. The hotels segment has a pool of specialised trainers in hotel operations, the plantations segment trains estate associates, and the apparel segment develops sewing machine operators. Additionally, the Group supports youth employment through specialised training institute, such as the Aitken Spence Institute of Hotel Management for hospitality careers and an NVQ Level 6 elevator maintenance programme in collaboration with CINEC Campus.

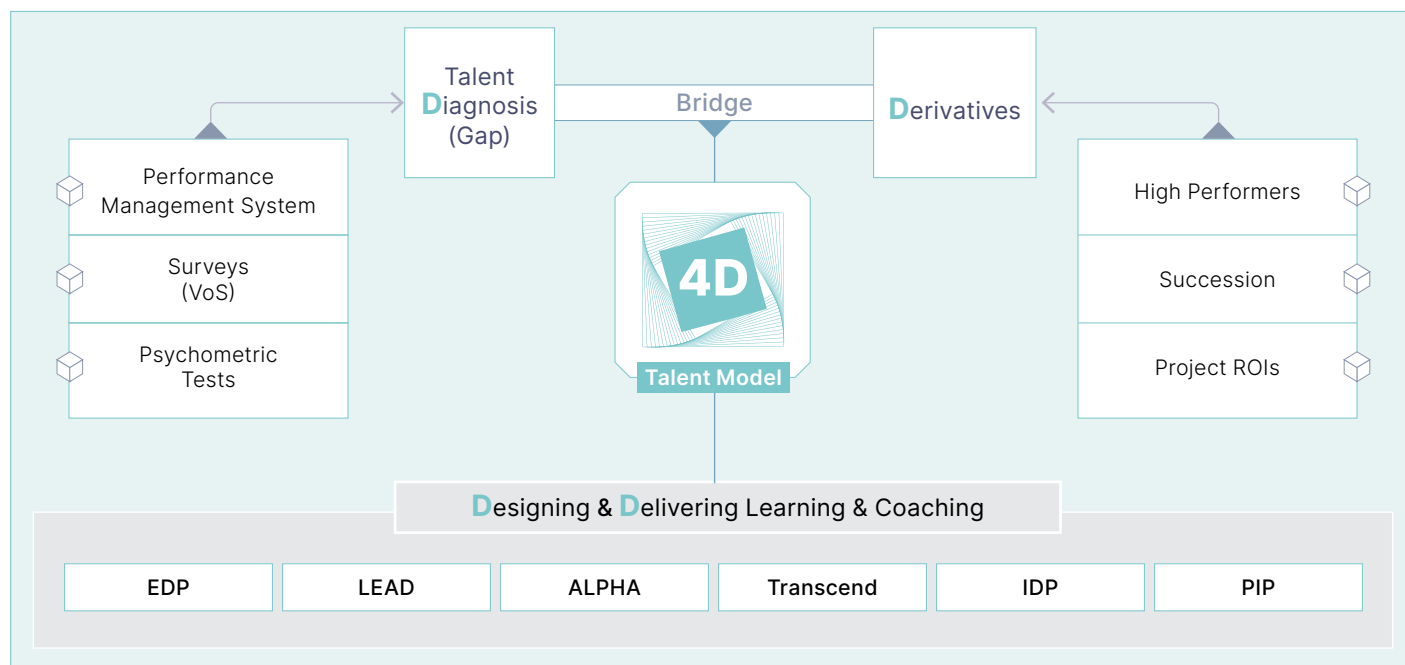
L&D initiatives are centrally coordinated by Group HR and delivered through the Aitken Spence School of Management (ASSM).





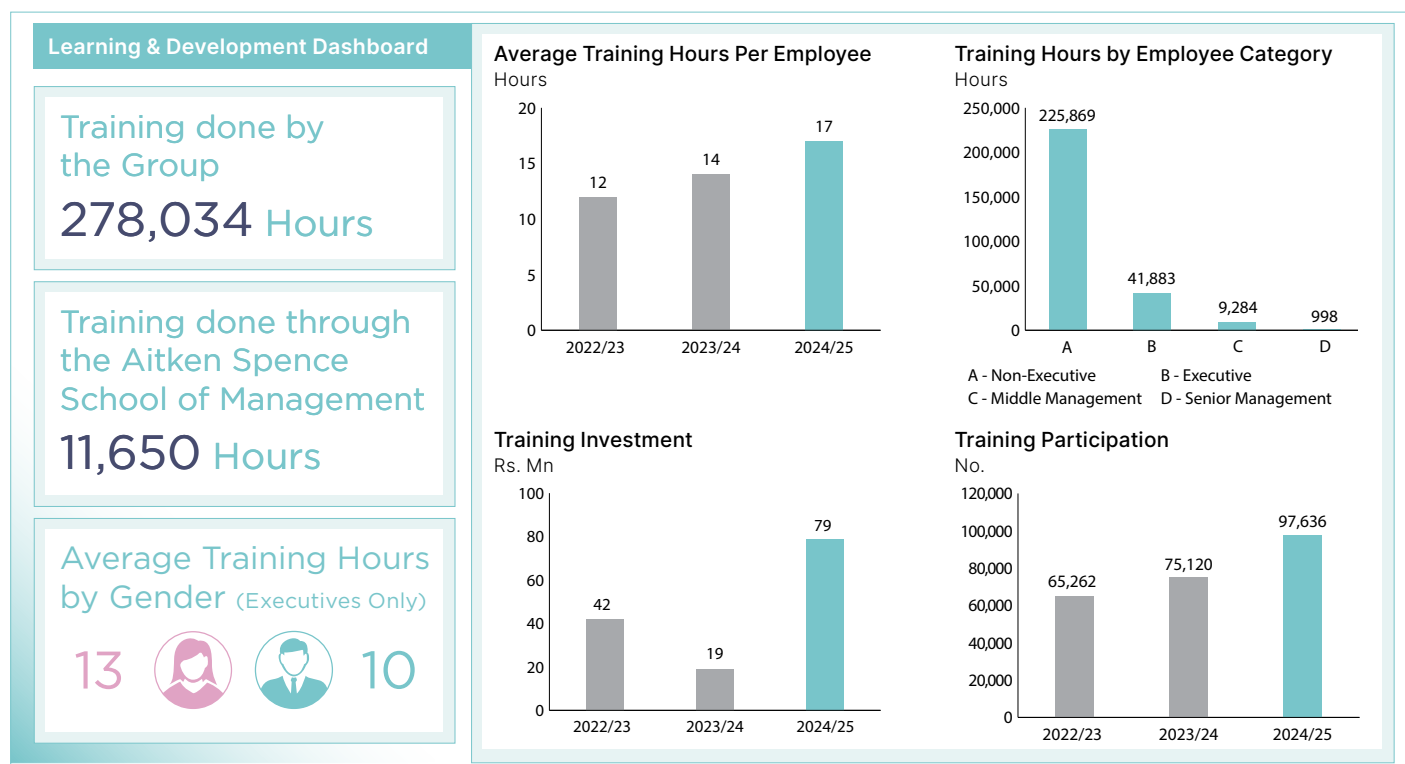
Human Capital

ASSM places strong emphasis on multi-channel training needs identification, ensuring customised learning solutions aligned with both performance and potential within the Aitken Spence Behavioural Competency (ABC) framework. In support of this, the 4D model - Diagnose, Design, Deliver, and Derive - was introduced to guide all L&D initiatives.



A training evaluation form is administered immediately after each programme to assess overall effectiveness. Performance appraisals were conducted via the HRIS for all Executives also.

Learning & Development Initiatives During 2024/2025





Human Capital

Beyond routine Learning & Development (L&D) initiatives, ASSM prioritised special initiatives designed to support and accelerate the Group's transformation journey.

Training Needs Analysis (TNA) Platform | 'ABC Central'

A home-grown, competency-based platform for Executives, 'ABC Central' provides employees and supervisors an opportunity to objectively identify existing skill gaps and create customised training plans. It also tracks development progress and aligns learning with career growth.

New Learning Management System (LMS) | Tartan 2.0

The upgraded LMS, Tartan 2.0, delivers competency-based courses tailored to individual development needs. It enhances the learning experience through improved navigation and promotes peer collaboration across the Group.

Executive Development Programme (EDP) | 'Purposeful Transformation'

This programme was designed to enhance leadership capacity among Assistant Vice Presidents and above to drive transformation. It included sector-specific sessions and a workshop with the Group Supervisory Board (GSB) to align strategic insights with key learnings.

Spensonian Luminary



This internal mentoring initiative equips senior managers with the skills to guide their teams on career and life progression. The first batch of mentors completed a workshop on the 'Art & Science of Mentoring.'

New Manager Programme



Revamped to support first-time managers, this programme covers core managerial competencies and includes an outbound training component to build practical leadership skills.

Transcend Nexus

The novel Transcend Nexus curriculum involving four programmes covering critical competencies was continued.

Programme	Progress in 2024/2025
Spence LEAP 360° (Leadership, Entrepreneurship, Agility, Performance, & 360° Innovation)	Launch of the 2nd batch of this holistic development programme, featuring a psychometric assessment and interactive modules.
Communication Skills + Speechcraft	Expansion to empower all Executives with the skills to confidently lead discussions and establish meaningful connections in business forums.
ROBOLEAP	Engagement across 4 key platforms - Power BI, Power Apps, Robotics, and AI - to foster the growth of tech enthusiasts within the Group.



Human Capital

HUMAN RIGHTS, NON-DISCRIMINATION & EQUAL OPPORTUNITY

(GRI 3-3, 410-1, 2-25, 2-26)

Aitken Spence is committed to upholding internationally recognised human rights and fostering a safe and inclusive workplace, in line with the UN Guiding Principles on Business and Human Rights. HRBPs serve as key contacts for reporting any workplace human rights concerns and the Group employs an 'Open-Door' policy where any employee can seek direct discussions with the management to voice their concerns. As part of the Group's ongoing efforts to protect human rights at the workplace, annual briefings are conducted for all security personnel at Aitken Spence Towers, including outsourced staff, to reinforce the Group's policy commitments. To date, 100% of the executive team of the Group Security Division has been briefed on the UN Global Compact's Ten Principles and key statements from the Universal Declaration of Human Rights. During the year, the Group also incorporated key points on the Group's communication strategies and the role of security personnel in DRR mechanisms into these briefings. The Group also plans to extend these briefings to outsourced personnel at other sites moving forward.

Sri Lanka's female labour force participation rate is one of the lowest in Asia, highlighting the need for focused action. In response, Aitken Spence has implemented initiatives to promote fair gender representation across the organisation. The Group was among the first globally to endorse the United Nations Women's Empowerment Principles and has participated in the UNGC's Target Gender Equality programme for the third time, reaffirming the Group's commitment to achieving gender parity in the workplace. Additionally, Aitken Spence remains dedicated to its Diversity, Equity & Inclusion (DE&I) agenda, titled 'Freedom to be me'.

United Nations Women's Empowerment Principles

1 PRINCIPLE

Establish high-level corporate leadership for gender equality.

2 PRINCIPLE

Treat all women and men fairly at work – respect and support human rights and non-discrimination.

3 PRINCIPLE

Ensure the health, safety, and well-being of all women and men workers.

4 PRINCIPLE

Promote education, training, and professional development for women.

5 PRINCIPLE

Implement enterprise development, supply chain, and marketing practices that empower women.

6 PRINCIPLE

Promote equality through community initiatives and advocacy.

7 PRINCIPLE

Measure and publicly report on progress to achieve gender equality.





Human Capital

A Strong Policy Framework

(GRI 3-3, 2-25)

Aitken Spence has in place the following policies to ensure that there is equal opportunity as well as promote inclusion and establish grievance handling mechanisms.

Equal Opportunity



- Diversity, Equity & Inclusion Policy
- Gender Equity Policy

Inclusion



- Enhanced Parental Leave Policy
- Semi-Virtual Mobility Policy
- FlexTime Work Policy
- Adoption Leave Policy

Grievance Mechanisms



- Grievance Handling Policy
- Sexual Harassment Prevention Policy

Grievance Handling Policy

Aitken Spence has a formal Grievance Handling Policy in place to ensure that legitimate work-related concerns are properly identified, addressed, and resolved in a fair and satisfactory manner for all involved parties. The policy outlines a clear and structured procedure that can be followed by an individual employee or a group of employees. Depending on the nature of the grievance, employees may escalate their concerns step-by-step to their Immediate Supervisor, Head of Department, Managing Director, or the GSB-appointed Grievance Committee, which includes the Group CHRO.

The Group proudly launched a Gender Equity Policy, underscoring Aitken Spence's dedication to creating a supportive, fair, and secure environment where all stakeholders - regardless of gender identity - feel valued, respected, and empowered. This policy ensures equitable opportunities for growth, success, and recognition, paving the way for a workplace where everyone can thrive.

GRI Topic	The Performance Indicator	2023/2024	2024/2025
(None)	Total number of harassment related grievances reported to HRBPs	01	02
(None)	Total number of harassment related grievances resolved	01	01
GRI 402-1	Minimum notice periods	4 weeks	4 weeks
GRI 406-1	Total number of incidents of discrimination and corrective action taken	None	None
GRI 407-1	Operations in which the right to freedom of association and collective bargaining may be at risk	None	None
GRI 408-1	Operations at significant risk for incidents of child labour and/ or young workers exposed to hazardous work	None	None
GRI 409-1	Operations at significant risk for incidents of forced or compulsory labour	None	None
	Total number of grievances filed through formal grievance mechanisms during the reporting period	03	01

All reported harassment-related cases were treated with due consideration and diligence according to the Group's established policies, the relevant individuals issued written advice, and preventive action taken in the form of a Group-wide employee engagement and training campaign.

Sri Lanka has signed and ratified key International Labour Organisation (ILO) conventions on child labour, forced and compulsory labour, and freedom of association, and Aitken Spence upholds these commitments by strictly adhering to national labour laws and integrating them into the Group's policies and practices across all operations. The Group maintains due diligence procedures to ensure compliance with laws, regulations and voluntary standards established at the Group's operations and did not identify any operations with significant risk for incidents of child labour or young workers exposed to hazardous work during the reporting period. Segments such as plantations and apparel are globally identified for potential vulnerabilities. To control these risks, both segments maintain stringent management systems aligned to best practices above the compliance requirements of the country. Aitken Spence ensures employees are provided a minimum of four weeks' notice for any significant change that may impact them. Within the Group's workforce, 18% are members of trade unions, and certain segments are covered by collective agreements.



Human Capital

AFFIRMING ACTION

Aitken Spence continued and implemented several initiatives to realise the intent of the policies and address the underlying issues. These include the following:

SpenceKids

Maintained the subsidised childcare facility for Spensonian parents to leverage, to pursue their professional and personal aspirations while promoting work-life balance.

SpenceAscend

Designed to enhance the capabilities of high-potential female employees, preparing them for leadership roles in the future. The first cohort of Spence Ascend is approaching graduation.

SpenceInspire

Made strides in this mentorship programme aimed at connecting junior female employees with female employees holding senior management positions, thereby providing the opportunity to leverage a treasure trove of experience. Identified female leaders were trained on enhancing their mentoring skills.

Sexual Harassment Prevention

Launched a comprehensive Sexual Harassment Prevention Campaign titled 'Respect @ Work' aimed at establishing a structured, transparent, and sustainable framework to prevent, address, and eliminate harassment across all segments, both in Sri Lanka and overseas. This initiative underscores the Group's dedication to fostering a workplace where every individual feels valued and protected.

Accelerating Action on International Women's Day (IWD)

This IWD, the Group focused on empowering the 'SpenceWomen@Work' through vibrant celebrations, including employee pledges to #AccelerateAction, a Compliment Chain and other social media challenges, and inspirational stories from women across the world. A highlight was the 'Wish Tree', where employees were invited to share their hopes, dreams, and aspirations for women's empowerment. These heartfelt suggestions, displayed on the tree, symbolised the Group's collective vision for a more diverse, equitable and inclusive world. The business segments conducted their very own sessions as well to further engage female Spensonians.

'Spence Women @ Work' Testimonials



Discover her path to success in a traditionally male-dominated industry!

Ms. Prashani Liyanage,
Deputy General Manager -
CFS, Aitken Spence Logistics



Explore her story about how workplace equality plants the seeds for growth!

Ms. Yasasi Rangika,
Account Manager -
Merchandising, Aitken Spence Apparel



Reflect on her inspiration and the strength that drives her forward every day!

Ms. Maarimuthu Sasikala,
Tea Plucker,
Aitken Spence Plantations



Scan the QR code for more insight into parental leave and other details (GRI 401-1, 401-3).

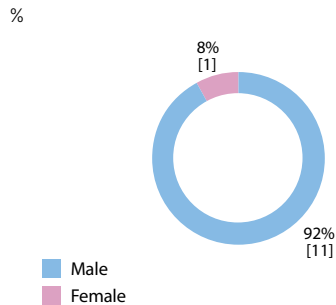




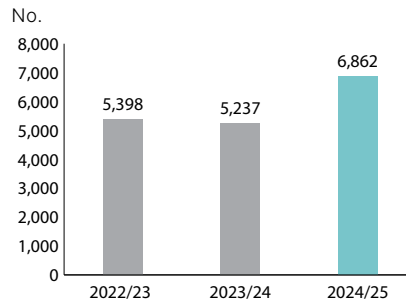
Human Capital

MEASURING PROGRESS

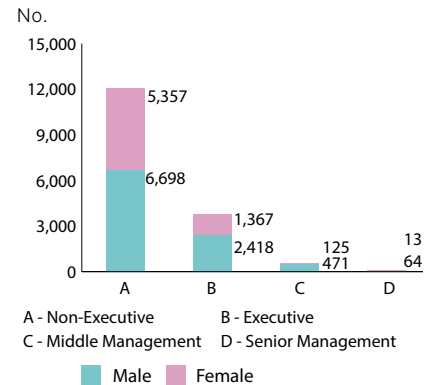
Gender Representation on the Main Board



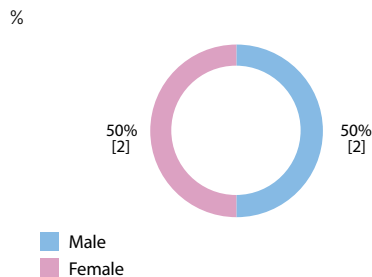
Female Employees



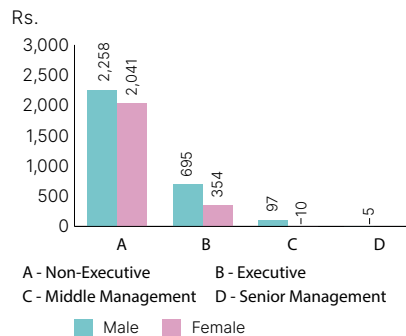
Team Gender Analysis by Category



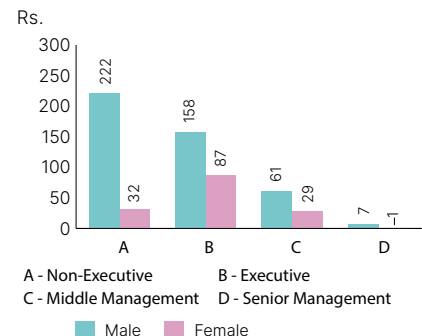
Gender Representation on the Group Supervisory Board



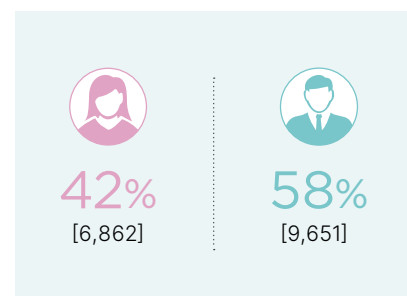
Exits Gender Analysis by Category



Promotions Gender Analysis by Category



Team Gender Representation



Gender Pay Gap (GRI 405-2)

Employment Category	Ratio of Male to Female Pay in Sri Lanka	
	2023/2024	2024/2025
Non-Executive	1 : 0.87	1 : 0.73
Executive	1 : 0.82	1 : 0.80
Middle Management	1 : 1.01	1 : 0.95
Senior Management	1 : 0.98	1 : 0.87



Ms. Stasshani Jayawardena was appointed as the **1st female Chairperson** of Aitken Spence PLC.



Breaking Boundaries: Intellectual Capital

Strengthening our intellectual capital empowers us to innovate, adapt swiftly, and maintain a competitive edge in evolving global markets.

Digital prowess and a culture of innovation continue to serve as powerful catalysts in advancing the Group's strategic objectives of expanding Aitken Spence's presence across new geographies and business segments. In addition, these capabilities play a critical role in enhancing operational efficiencies and improving both customer and employer experiences. Accordingly, the Group continues to invest in technology as a strategic enabler to strengthen its intellectual capital, drive agility, and cultivate a culture of continuous improvement. These investments position the Group to respond proactively to market dynamics, deliver differentiated value, and build a resilient, future-ready organisation.

VALUE CREATED IN 2024/25

Rs **576.7** Mn

Investments in Digital Infrastructure

200

Total Management Systems

Rs **78.9** Mn

Training Spend



Intellectual Capital

OUR INTELLECTUAL CAPITAL

Brand Portfolio

Our brand portfolio reflects a legacy of excellence and innovation, comprising a trusted lineup of names that uphold our market leadership across the diversified sectors in which we operate. Each brand embodies the Group's core values: reinforcing our reputation as a catalyst of progress in Sri Lanka and beyond.

Tourism



Maritime & Freight Logistics



Strategic Investments



Services



Tacit Knowledge and Industry Expertise

Over 20% of our employees have over a decade of experience within the Group, reflecting a deep reservoir of tacit knowledge.

Certifications

The Group maintains over 200 management systems aligned with international standards and global best practices. These systems not only ensure operational excellence and compliance but also contribute to the growth of our intellectual capital.



Detailed information on the certifications for each of the segments is provided in the Management Discussion and Analysis section.

Recognition and Awards

The Group's sustained recognition through numerous awards reflects its position as a pioneer and thought leader across the diverse sectors in which it operates. In financial year 2024/25, Aitken Spence PLC earned 93 accolades, reinforcing its reputation for excellence and innovation. Notably, the Group was inducted into the Hall of Fame at the Best Corporate Citizen Sustainability Awards (BCCSA) by securing the prestigious Grand Slam Award for 2024. It remains the only Sri Lankan entity to be ranked among the Top 10 Corporate Citizens for 19 consecutive years—an extraordinary accomplishment that reflects its enduring commitment to sustainability, stakeholder engagement, and responsible corporate citizenship. Another notable recognition is that Aitken Spence PLC was recognised as the most awarded entity in the Diversified category by LMD in 2024. These awards and recognitions reinforce our objective of achieving employer of choice status.

The key awards received by the Group during the year are outlined under each business segment in the Management Discussion and Analysis. For a complete list of awards and accolades the group has achieved, refer our website <https://aitkenspence.com/sustainability>





Intellectual Capital

Strategic Priorities	Key Achievements	Focus for 2025/2026
Supporting organisational adaptability and cultural alignment	Successfully automated 7 processes across finance, and operations, reducing processing time	Continue to explore opportunities for Robotic Process Automation
Integrating systems and data across the group	3 New business ventures	Increase use of artificial intelligence (AI) and business intelligence (BI) tools
Maximising the use of existing technologies	55 Process innovations and improvements	Leverage data insights to strategise the organisation for 2030 and beyond
Enhancing data-driven decision making	93 Awards and accolades	Enhance legal protections for intellectual assets, strengthen compliance, update strategies, and intensify employee training to safeguard against emerging digital challenges
Modernising processes for improved experience	42 New product and service offerings	Established dashboards with real-time BI tools, providing actionable intelligence and reducing managerial decision-making time
Encouraging a progressive and agile mindset	86 Total certifications	
Strengthening customer-centric practices		



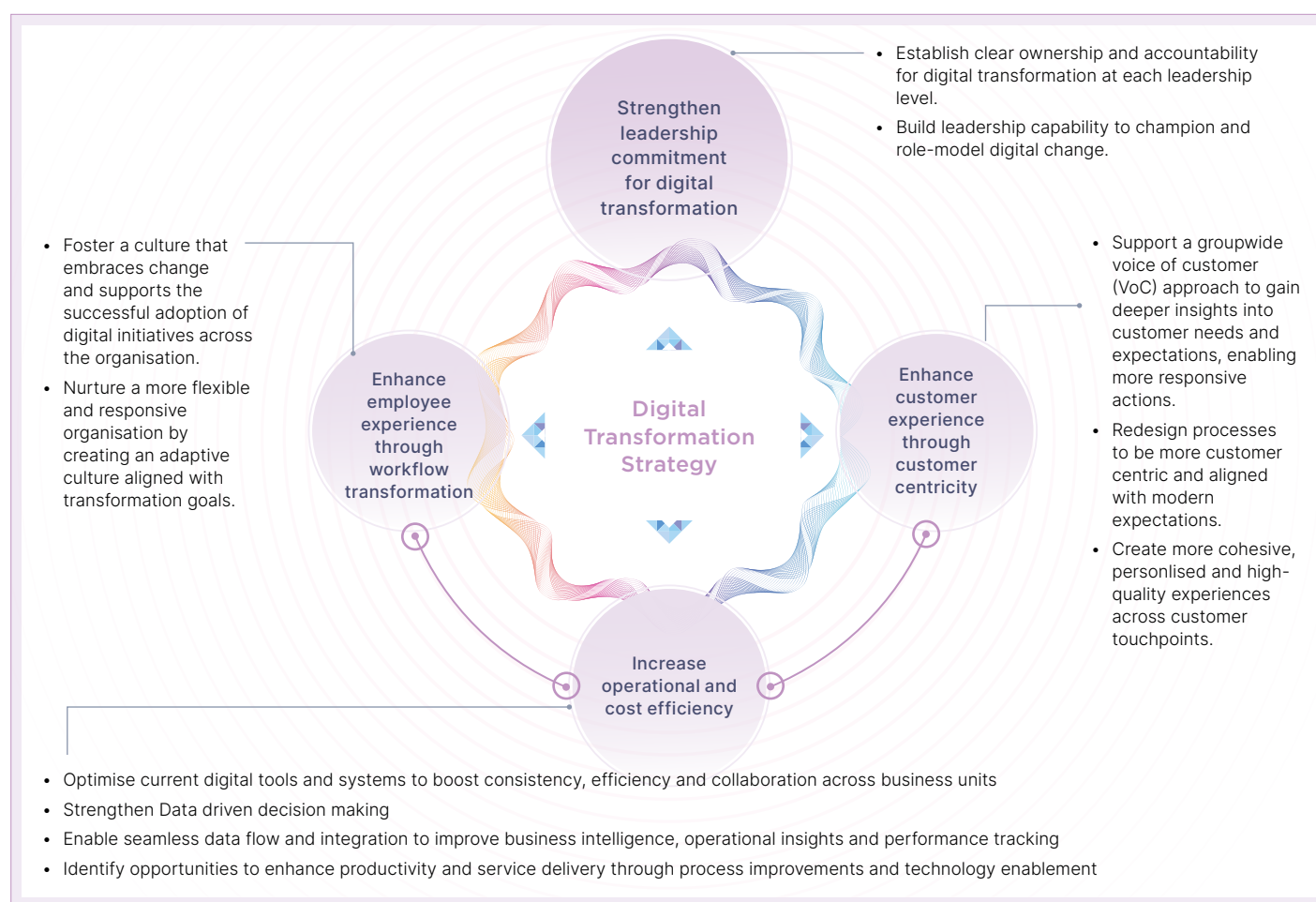


Intellectual Capital

DIGITAL TRANSFORMATION JOURNEY

Digitalisation remains a vital pillar of the Group's broader transformation journey and serves as the connecting thread among its five strategic objectives. The leadership has adopted a digital-first mindset, recognising technology as a cornerstone of future readiness and organisational agility. Moreover, this paves the way to explore opportunities and venture into new business segments that is one of our Group's objectives.

The Group's digital initiatives are designed to enhance both customer and employee experiences, improve operational efficiency, and support cost optimisation. Beyond these operational benefits, digital transformation plays a significant role in strengthening the Group's intellectual capital—empowering teams with advanced tools, fostering a culture of continuous learning and innovation, and enabling data-driven decision-making. Through the integration of digital capabilities across the organisation, the Group is cultivating a more agile, informed, and future-ready workforce.



Management Approach

Leadership plays a pivotal role in advancing the Group's digital transformation by setting a clear strategic vision, overseeing the implementation of digital initiatives, and fostering a culture of innovation across the organisation. The Group's digital transformation is therefore led from the top, with the Board setting the strategic direction and the management team actively championing change, empowering teams, and ensuring alignment with long-term business objectives.

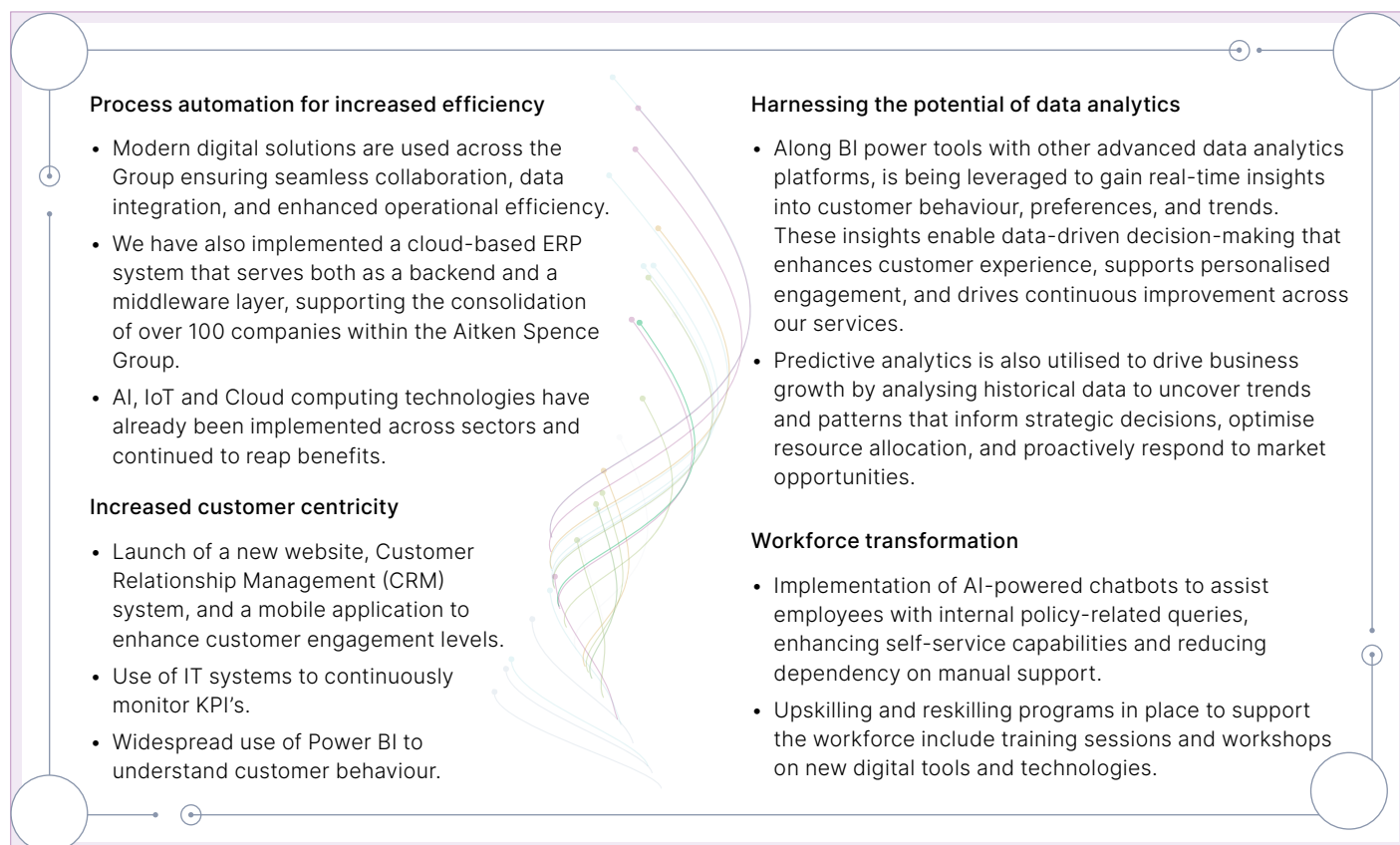
To institutionalise this shift, the Group established Digital Transformation Enablers (DTEs)—a cross-functional team of champions responsible for driving innovation, promoting digital adoption, and aligning technology initiatives with strategic priorities. DTEs will continue to play a key role in embedding digital thinking across the organisation and sustaining transformation momentum. This centralised team is expected to drive ongoing knowledge exchange and cross-functional collaboration, ensuring a holistic and unified approach to the Group's evolving digitalisation journey.



Intellectual Capital

Key Developments in our Digital Transformation Journey

The Group continued to advance its digital transformation by investing in new platforms, implementing Robotic Process Automation (RPA) to manage repetitive tasks efficiently, and expanding the use of advanced analytics to deliver greater customer value, enhance operational efficiency, and support data-driven decision-making. A summary of key digital initiatives is provided below.



Sector Specific Digitisation Initiatives 2024/2025

Tourism	Maritime and Freight Logistics	Strategic Investments	Services
<ul style="list-style-type: none"> Advance revenue management engines integrated to the booking engines for real time rate updates RPA and chat bot usage Implement CRM Implementation of advanced tools such as channel manager, booking engine, and corporate booking tools to improve customer journey and experience, automate the booking process, and to increase revenue 	<ul style="list-style-type: none"> Implementation of Customer Relationship Management (CRM) system in liner segment Adoption of RPA technology in liner and CFS operations Integration of power tools to streamline functions across the CFS and Depot Implementation of a system to record all customer feedback in Freight sector Introduction of cargo track and trace system in cargo agency representation and overseas operations 	<ul style="list-style-type: none"> Implementation of updated ERP system for plantation sector Ongoing process engineering in the printing and packaging industry Use of BI tools across segments 	<ul style="list-style-type: none"> Implementation of end to end electronic process on support functions such as order to cash value chain Move for AI to LLM and Deep learning tools CRM integrations and rollout Move from RPA to AI Automations Smart document recognition for Digitisation



Intellectual Capital

CREATING A CULTURE OF INNOVATION

Cultivating a culture of innovation is essential to the development and strengthening of the Group's intellectual capital. A multi-pronged approach is adopted—investing in cutting-edge technologies, systems, and processes to continuously challenge the status quo, while also empowering employees by providing the space, support, and encouragement needed to embrace innovation and drive meaningful change.

Thinking Forward

Driving Thought Leadership

The Group's Business Transformation and IT teams consistently engage with global industry leaders to adopt forward-thinking strategies. Simultaneously, active participation in industry associations and forums is encouraged across all levels of the organisation to ensure employees remain informed of the latest developments within their respective fields.

The leadership is empowered to identify and trigger digital transformation opportunities, thereby creating a transformation pull rather than relying on a traditional push approach.

The Group is also in the process of strategising its Digital Blueprint for 2030, while recalibrating current initiatives to ensure alignment with long-term strategic priorities.

Empowering Innovation Through Collaboration

The Group has also established several partnerships and collaborations with technology providers and startups to infuse fresh ideas and disruptive innovation into the organisation's ecosystem. These collaborations play a vital role in fostering continuous improvement and delivering future-ready solutions.

In addition, the Group has engaged a number of transformative catalyst partners as external advisors to support a shift in mindset and drive strategic thinking across the organisation.



Recognising and Rewarding Innovative Ideas

Continuation of Groupwide initiatives such as 'Spence Hackathon' and SpenceInnova where teams across the group develop innovative solutions for identified business problems. Over 15 teams and 47 individuals participated in these competitions resulting in 62 new innovative solutions during the year.

PROTECTING OUR INTELLECTUAL CAPITAL

As the Group advances its transition to digital platforms and places greater emphasis on digitisation, strengthening systems to safeguard digital assets and data remains a top priority. Accordingly, comprehensive cybersecurity measures have been implemented across the organisation to prevent system breaches, data loss, and operational disruptions. The Group also ensures strict compliance with data protection regulations to uphold the integrity and confidentiality of its information systems.

The Group has established robust data governance frameworks and policies aligned with the ISO 27001 Cybersecurity standard. Cybersecurity measures implemented to protect digital assets and data include advanced encryption protocols, controlled access mechanisms, cyber drills, vulnerability assessments, regular audits, and the maintenance of detailed audit trails.

In parallel, the Group continuously monitors evolving cybersecurity threats and proactively enhances its security posture. To further strengthen threat detection and incident response capabilities, third-party services such as Computer Emergency Response Teams (CERT) and Security Operations Centres (SOC) have been consolidated and integrated into the Group's cybersecurity infrastructure.



Strengthening Our Footprint: Manufactured Capital

Aitken Spence Group's manufactured capital forms the backbone of its diverse and geographically dispersed operations. It comprises high-quality physical infrastructure, advanced technological systems, and energy-efficient facilities that collectively support seamless service delivery and production excellence across multiple industries and regions.

During the year under review, the Group invested Rs. 3.3 billion in enhancing its manufactured capital, reaffirming its commitment to building a resilient and future-ready infrastructure. These investments enabled ongoing asset modernisation, capacity expansion, and digital integration, aligning with operational requirements and sustainability priorities.

VALUE CREATED IN 2024/25

Rs **989.9** Mn

Investments Towards Production
Capacity Expansion (CWIP)

Rs **47.9** Mn

Powering Progress with Low-Carbon
Technology

Rs **169.7** Mn

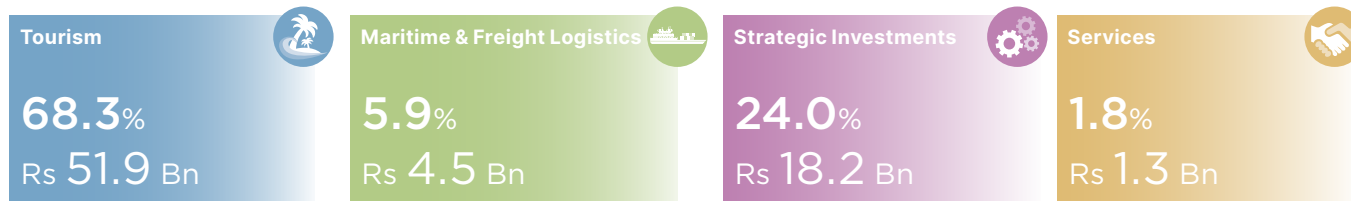
Investments in IT Infrastructure

The Group's extensive geographical presence spanning strategically located hotels, power plants, logistics hubs, apparel factories, and printing facilities, continues to enhance scalability, strengthen its global footprint, and align with its environmental goals. Aitken Spence remains committed to optimising asset utilisation, reducing resource intensity, and integrating sustainability into its physical infrastructure to support long-term growth and innovation. As at 31st March 2025, net book value of the Group's manufactured capital stood at Rs. 76.0 billion, encompassing a diverse range of high-value assets that enable efficient, reliable, and resilient operations across 17 business segments in 12 countries.



Manufactured Capital

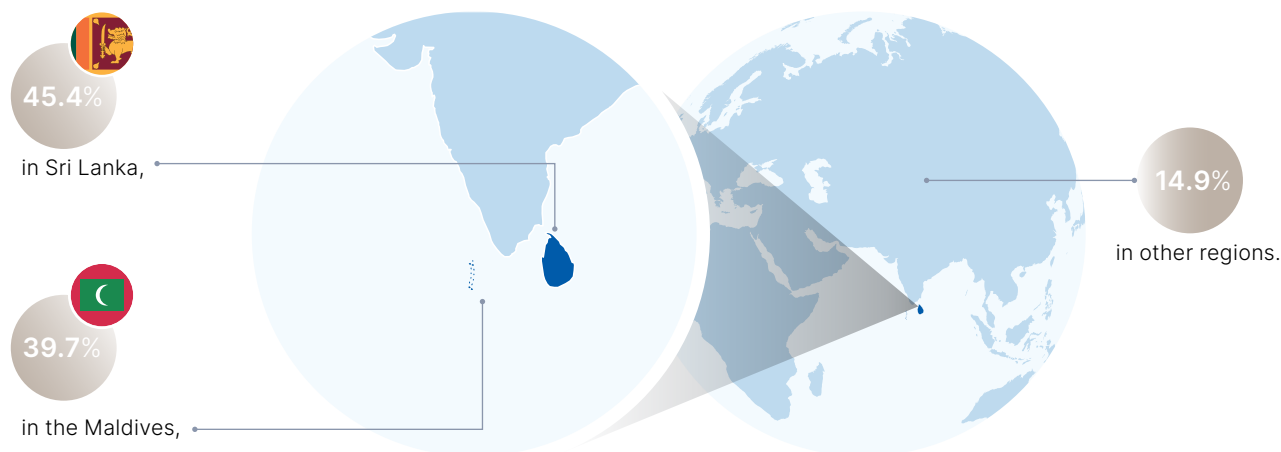
Sector wise Distribution of Manufactured Capital*



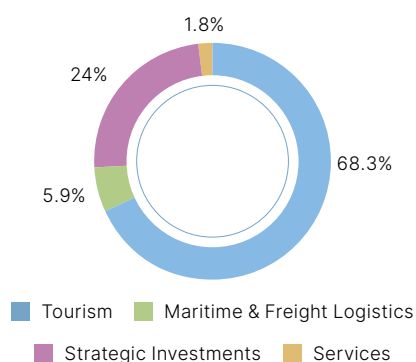
* NBV as at 31st March 2025.

The Group's manufactured capital is strategically distributed across its broad portfolio of businesses and geographies, Nearly 68.3% of the manufactured capital is concentrated in the Tourism sector, with the remainder allocated to key Strategic Investments sector such as power generation, apparel manufacturing, and printing and packaging. Approximately 45.4% of the Group's manufactured capital is located in Sri Lanka, 39.7% in the Maldives, and the balance across other regions. This geographic and sectoral distribution reflects the Group's commitment to regional diversification, operational resilience, and a holistic approach to long-term capital management.

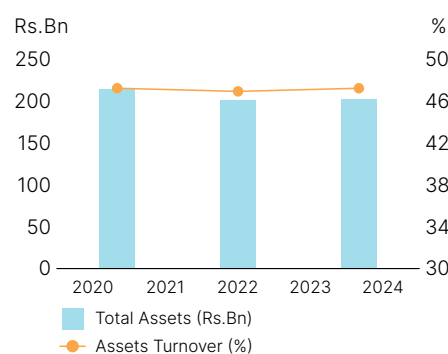
Regional Distribution of our Manufactured Capital



Sector wise Distribution of our Manufactured Capital



Assets Turnover










Manufactured Capital

Strategic Priorities	Key Achievements	Focus for 2025/2026
Demand driven capacity expansion	Capacity expansion undertaken in the apparel manufacture, printing and packaging, and Maritime & Freight Logistics Sector.	Continue to strategically invest in capacity enhancement in growth sectors of the Group.
Transitioning spaces and processes towards low carbon options	Received carbon neutral certification for all production facilities in the apparel segment for the year 2024/25.	Continue investing in solar energy generation and energy-efficient technologies to achieve the Group's emission targets.
Geographical expansion	Refurbishment and renovation of our Resorts in Sri Lanka and Maldives.	Targeted expansion of physical infrastructure locally and globally to expand geographical reach.
Digitisation and Process Automation	Smooth transition of waste-to-energy plant operations and maintenance, enabling expected cost efficiencies and enhanced control over maintenance activities.	Ensure regular maintenance and upkeep of manufactured capital to minimise disruptions.
Minimise downtime through maintenance	Increase in solar energy generation and energy efficient technology across the Group.	
Improve asset reliability internally	Zero major operational disruptions during the year, attributed to predictive maintenance and structured servicing protocols.	
Reduce costs via self-management		





Manufactured Capital

Segment	Snapshot of the Groups' strategic manufactured capital	Capital expenditure highlights for 2024/2025	Environmental stewardship embedded in asset management
Hotels 	21 hotel properties across Sri Lanka, Maldives, Oman, and India. Includes iconic resorts under Heritance and Adaaran brands.	In line with the Group's continued focus on delivering exceptional guest experiences, routine capital expenditure was incurred to ensure the consistent upkeep and presentation of hotel properties across Sri Lanka, the Maldives, Oman, and India. This ongoing maintenance supports the Group's brand positioning and service excellence, with a total investment of Rs. 1.6 billion during the year.	Green Globe certification for all Maldives resorts. The segment introduced the concept of sustainable manufactured capital to the tourism industry with Heritance Kandalama, the first LEED certified hotel in the world and the first building outside USA to obtain this certification. The segment also introduced LEED architecture to the Maldives with Heritance Aarah.
Maritime & Freight Logistics sector 	Warehousing space over 471,250 sq.ft., three container yards with 6,500 TEU capacity, and a logistics fleet of 112 vehicles.	During the year, the Maritime & Freight Logistics sector invested Rs. 783.6 million to strengthen its end-to-end supply chain and distribution capabilities.	Solar panels, LED lighting, energy-efficient equipment including the EV forklifts which are used in the operating the warehouse.
Power generation 	Renewable power plants across Sri Lanka, including hydro, solar, wind, and waste-to-energy facilities.	An investment of Rs. 147.2 million was made in the power generation segment during the year, aimed at strengthening the reliability, stability, and performance of the Group's power plants. This capital outlay supports infrastructure upgrades, maintenance, and technology enhancements, all of which are geared towards ensuring uninterrupted operations and increasing overall energy generation capacity.	Aitken Spence's power segment invested in enhancing plant reliability and output, while advancing Sri Lanka's clean energy goals through hydropower, solar, and the nation's only waste-to-energy plant reinforcing its leadership in sustainable and future-ready energy solutions.
Printing and packaging 	South Asia's first LEED-certified printing plant, with automated printing and packaging equipment and capacity for industrial-scale output.	The printing and packaging segment invested Rs. 82.2 million in plant and machinery to enhance product offerings and drive cost efficiency. Key investments included a window patching machine to automate carton production, eliminating manual intervention, and a high-spec laminating machine that enables in-house lamination of metallised boards. Furthermore, the installation of a sewerage treatment plant supports improved waste management practices.	The printing and packaging segment operates South Asia's first LEED Gold-certified, carbon-neutral facility, integrating solar power, rainwater harvesting, and wastewater treatment. Certified for seven consecutive years, it sets industry benchmarks in sustainability through eco-friendly operations and adherence to global environmental standards.
Apparel manufacture 	Apparel factories based in Koggala and Matugama offer vertically integrated operations and have recently expanded into knitwear production.	The segment invested Rs. 260.7 million in enhancing factory infrastructure and committed Rs. 214.7 million towards diversifying into knit manufacturing. During the year, significant capital was allocated to upgrading machinery and refurbishing all three plants to meet enhanced compliance requirements.	The apparel segment has strengthened its manufactured capital through investments in energy-efficient technologies, such as LED lighting and advanced servo motors, and waste-reducing machinery like digital plotters enhancing operational efficiency while supporting its carbon-neutral manufacturing goals.



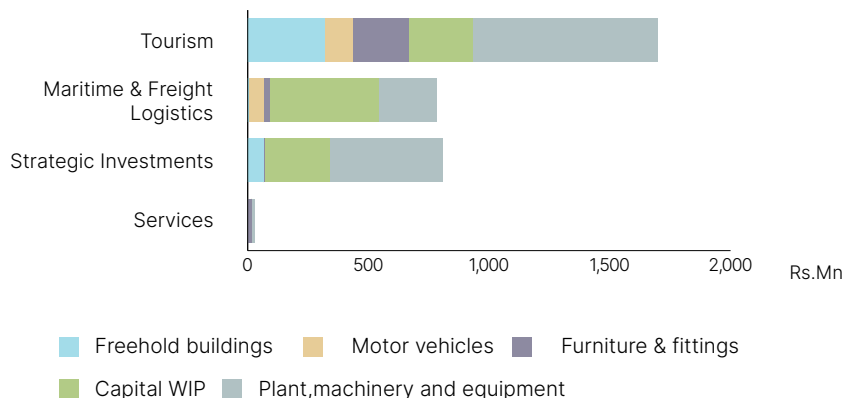
Manufactured Capital

VALUE ADDITION TO MANUFACTURED CAPITAL

The Group continued to enhance its manufactured capital during the year through strategic investments focused on expanding and diversifying its geographical and business footprint, driving operational excellence, and strengthening the long-term sustainability and resilience of its physical assets.

Total capital expenditure for the year amounted to Rs. 3.3 billion, with approximately 51.2% allocated to the tourism sector, primarily for refurbishments and enhancements to properties in Sri Lanka and the Maldives. Significant investments were also made across the apparel and plantation segments as well as the Maritime & Freight Logistics sectors.

Capital Expenditure by Sector



Key capital expenditure investments during the year (by Sector)

Tourism

Rs 429.2 Mn

Refurbishments and modernisation of hotels

Rs 562.5 Mn

IT infrastructure including systems

51.2%

% of Group
Capex

Maritime & Freight Logistics

Rs 136.4 Mn

Acquisition of machinery and equipment

Rs 339.3 Mn

Acquisition of reach stackers

23.6%

% of Group
Capex

Strategic Investments

Rs 54.1 Mn

Acquisition of machinery and equipment for printing and packaging segment

Rs 12.0 Mn

Sewerage treatment plant for the printing and packaging segment

Rs 214.7 Mn

Capacity expansion for apparel manufacturing segment

Rs 140.9 Mn

Plant and machinery for apparel manufacturing segment

24.3%

% of Group
Capex

Services

Rs 6.5 Mn

Network expansion (Money transfer segment-Jaffna branch)

Rs 9.5 Mn

Head office renovation in elevator segment

0.9%

% of Group
Capex



Manufactured Capital

WAY FORWARD

Aitken Spence PLC remains firmly committed to strengthening its manufactured capital as a foundation for operational resilience, strategic growth, and long-term value creation. The Group's forward agenda is anchored in sustainability, digital integration, and infrastructure excellence.

Aitken Spence leverages its manufactured capital to strengthen local infrastructure and support inclusive economic growth by developing efficient, sustainable, climate-resilient assets across sectors. Our ongoing investments in modern facilities, renewable-energy systems, and smart infrastructure enhance operational productivity, reduce resource intensity, and improve access to quality services. By integrating the concept of 'Build Better Before, promoting LEED-certified architecture and sustainable engineering solutions, we ensure our built environment contributes to a net positive impact on natural ecosystems and advances the shift towards a low-carbon, circular economy. (SDGs 8, 9, 12 and 15)

Key segments including hotels segment, power generation, integrated logistics, and apparel manufacture will benefit from ongoing modernisation and proactive maintenance to ensure brand consistency, service excellence, and asset longevity. Geographic and sectoral expansion will be supported through agile, scalable infrastructure and selective development of new facilities.

Digitalisation will be accelerated through the adoption of smart technologies, automation, and integrated platforms to enhance asset performance and operational efficiency. All infrastructure enhancements will adhere to global health, safety, and environmental standards, ensuring alignment with evolving regulations and stakeholder expectations.





Reinforcing Relationships: Social and Relationship Capital



We view all our stakeholders, both internal and external, as our partners in progress, recognising their integral role in our ecosystem. This inclusive, relationship driven approach strengthens engagement across the board and helps us deliver a more cohesive and consistent brand experience, ultimately enhancing our overall brand value.

VALUE CREATED IN 2024/25

42

New product and services

Rs 64.0 Bn

Payments to suppliers

Rs 281.4 Mn

Investment towards community development/ strategic CSR

OUR SOCIAL AND RELATIONSHIP CAPITAL

Over 50,000+

Customers across 12 geographies

Average NPS (Net Promoter Score) of

54 across all Sectors.

Business Partnerships

30+

Principals and joint venture partnerships

14,000+

Total suppliers

11,500+

Local suppliers
over 80% of the
total suppliers



Strong relationships with communities, that have been nurtured over the years, by consistently creating mutual value and fostering trust through collaborative engagement.



Social and Relationship Capital

Strategic Priorities	Key Achievements	Focus for 2025/2026
Develop a sustainability focused product portfolio to meet evolving customer needs	Over 42 new product and service offerings were introduced during the year	Focus on market research and product development (R&D) to enhance offering through product innovation and differentiation.
Strengthen customer engagement to clearly communicate value proposition	Positive NPS scores for all SBUs with 75% of our companies achieving an 'excellent' rating	Strengthen alliances with industry leaders, suppliers, and technology partners to foster innovation and market expansion.
Expand reach into new geographies and venture into new business segments	3 Expansion through new incorporations during the year	Integrate local communities into supply chains to drive socio-economic empowerment.
Enhance resilience and sustainability across the supply chain.	Established a dedicated supply chain control team	
Socio Economic Empowerment through community engagement	Re-introduced the Sustainable Supplier Code of Conduct for the Group and revised the Social and Environmental Governance Due Diligence evaluation guide for suppliers with translations availed in Sinhala and Tamil	
	80% local suppliers across sectors	
	Rs 281.4 Mn channelled towards strategic CSR/ community development across the Group	
	Rs 98.9 Mn directed towards community development initiatives through our valued partnerships	

CUSTOMER RELATIONSHIPS (GRI 3-3)

As a leading diversified Group of companies with operations across 12 countries in Asia, Oceania, and Africa, Aitken Spence serves a broad and diverse customer base. We nurture these relationships by consistently delivering personalised, high-quality experiences and by remaining attuned to evolving customer expectations through ongoing engagement. While the diversity of our customer base necessitates a tailored, sector- or SBU-specific approach, we ensure that our core brand values — reliability, honesty and transparency, warmth and friendliness, genuineness, and inspiring confidence — are deeply embedded in our customer interactions, fostering lasting trust and loyalty across all markets.





Social and Relationship Capital

CUSTOMER ENGAGEMENT (GRI 2-25)

We foster continuous, two-way engagement with our customers, regularly gathering feedback and providing clear, up-to-date information on our products and services. Each subsidiary has its own feedback mechanisms tailored to its specific customer base. Subsidiaries operating primarily in B2B markets manage communication through dedicated contact points, ensuring responsive and relationship-specific engagement as issues arise. Customers can also provide feedback via the Group website or the individual segment websites.

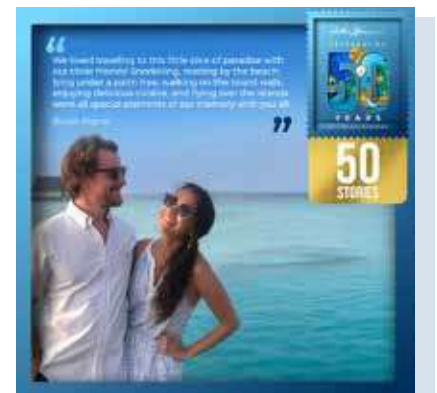
Each subsidiary manages and maintains its own customer data and addresses complaints received through various channels, including email, websites, social media, third-party platforms, and surveys. Databases include only those customers who have made direct purchases and received surveys. Complaints received through other channels are documented and discussed at weekly divisional meetings.

At the Group level, customer feedback is systematically collected and analysed through the annual SpenceWay Service Excellence Survey, with the Net Promoter Score (NPS) serving as a key indicator of customer satisfaction and loyalty. This year, all our companies recorded positive NPS scores, reflecting strong overall customer loyalty. Notably, 75% of our companies achieved an 'excellent' rating, while the remainder also maintained commendable, positive scores.

Transparent communication and responsible marketing play a vital role in strengthening customer trust and enhancing the overall experience with our products and services. All advertisements, press releases, and marketing material are reviewed by the Group Corporate Communications and Branding Unit before publication. For SBU-related product or service advertisements, the marketing heads of each SBU conduct the initial review and, where necessary, consult with the Group Corporate Communications and Branding Unit. This process ensures the integrity and accuracy of content across the Aitken Spence Group, while also promoting autonomy and empowering the marketing teams within each SBU.

RESPONSIBLE MARKETING

Marketing and communications activities across the Group are guided by a cohesive branding and communication strategy, overseen by the Group Corporate Strategy and Sustainability Division. A cross-functional communication and branding team, comprising of representatives from all SBUs and companies, meets every two to three months to align efforts, foster collaboration, and address challenges and successes. Regular one-on-one discussions with SBU representatives further promote awareness, idea sharing, and best practices across the Group. This structured approach strengthens good governance and ensures consistency and effectiveness in communication. To build capacity, the team actively participates in targeted training sessions and workshops. During the year, we conducted a series of Group level workshops on effective social media marketing, the application of AI tools in communication and marketing, with additional sessions planned in collaboration with the Group's Business Transformation division.





Social and Relationship Capital

SUSTAINABILITY-FOCUSED PRODUCT PORTFOLIO (GRI 3-3, 416-1)

In line with our goal of achieving net-zero emissions across the Group by 2030, maintaining net positive impact on ecosystems and biodiversity and reducing our resource footprint by 2030 we continue to develop a sustainability-focused product portfolio designed to minimise our direct and indirect impacts. By integrating inclusive frameworks, systems focused on ethical production, low-emission alternatives, eco-friendly practices, and innovative solutions across our offerings, we aim to significantly reduce our environmental and social impacts. This approach not only aligns with our corporate goals across the Group but also empowers our customers to make more environmentally and socially responsible choices.

Efforts taken by each of our Sectors to make our product and service offering more sustainable include the following:

Tourism Sector



- Increased fleet of hybrid/ electric vehicles
- Implemented a transition towards sustainable energy by deploying rooftop and floating solar photovoltaic facilities, with the objective of deriving 50% of each resort's energy consumption from renewable sources
- Set ambitious goals and targets for reduction in emissions and resource efficiency with more robust mechanisms to monitor progress
- Greater collaboration with stakeholders and industry partners to achieve sustainability goals
- Focus on local economic development and labour standards committed to employee health, safety and welfare

Embedding Sustainability into Customer Offering

Regular policy and procedure updates to ensure products and services consistently meet required environmental and social standards

Continuous focus on research and development to make our offering eco-friendlier

Groupwide drive towards more sustainable packaging

Innovative promotion strategies that highlight the sustainability and safety features of our products

Continuous customer engagement to better align our offering with customer needs and environmental trends

Maritime and Freight Logistics Sector



- 5.3 MT and 568 units of solid waste safely disposed
- 390 GJ solar energy produced
- Focus on employee health, safety and welfare
- Plans in the pipeline towards electrification of part of the fossil fuel needs of the integrated logistics segment to reduce emissions and support the Group's efforts to achieve net-zero

Strategic Investments Sector



- Heightened emphasis on Non-Conventional Renewable Energy (NCRE) to drive growth and attain net-zero emissions across the Group
- Programmes identified to support the net zero pathway to progressively lower GHG emissions in the printing operations
- Adhering to the 7Rs and adopting creative solutions to reduce waste
- Developing strategies and partnerships with industry leaders to ensure the circularity of fabric waste
- Investing in renewable energy sources
- Implementing energy-efficient technologies and practices
- Biochar project for terrestrial carbon capture and sequestering carbon
- Bamboo cultivation to create carbon sinks
- Generating compost from biodegradable waste
- Rainwater harvesting
- Expanding the renewable energy portfolio
- Focus on local economic development and labour standards committed to employee health, safety and welfare

Services Sector



- Efficiency improvement and reduction of resource consumption through an integrated data management system
- Implement an integrated ISO
- Management System for ISO 14001 and 9001
- Achieve a significant reduction in paper usage through process automation
- Enhance environmental management and sustainability training for all staff
- Reducing overall resource consumption by 10% in 12 months
- Focus on local economic development and labour standards focused on employee health, safety and welfare



Social and Relationship Capital

PRODUCT OR SERVICE RESPONSIBILITY (GRI 417-1)

Our commitment to product and service responsibility is centred on ensuring that our offerings do not negatively impact the health, safety, or well-being of our customers and society at large. Each of our business segments rigorously adheres to both internal and external standards, maintaining the highest levels of product and service quality.

This commitment includes compliance with nearly 200 globally recognised management systems related to social sustainability, including occupational health and safety, quality control, food safety, and Environmental, Social, and Governance (ESG) criteria. Robust quality control processes and regular audits are conducted to ensure continuous compliance with these standards.

For a comprehensive list of certifications obtained across each segment, please refer to the respective segment reviews.



Compliance

GRI 416-2	Incidents of non-compliance concerning the health and safety impacts of products and services	None
GRI 417-2	Total number of incidents of non-compliance with regulations and/or voluntary codes concerning product and service information and labelling	None
GRI 417-3	Total number of incidents of non-compliance with regulations and/or voluntary codes concerning marketing communications	None
GRI 418-1	Total number of substantiated complaints received concerning breaches of customer privacy	None

BUSINESS PARTNER RELATIONSHIPS (GRI 2-6)

Joint Venture Partners and Principals

We work alongside over 30 joint venture partners and principals across the Group, who play an integral role in advancing our global growth ambitions by connecting us with customers, supply chains, and networks worldwide. These strategic alliances enhance our reach and capabilities, enabling us to co-create value and remain competitive in an evolving global marketplace.

We continue to collaborate closely with our partners to drive synergies, unlock new opportunities, and deliver mutually beneficial outcomes. Our relationships are founded on transparency, integrity, and mutual trust, principles that underpin the long-term sustainability and resilience of our partnerships.



Building a Greener Supply Chain

Recognising that environmental and social risks within the supply chain can directly and indirectly impact on our customers, we have taken proactive steps to strengthen its sustainability. During the year, we established a dedicated supply chain control team to identify areas for improvement, mitigate potential risks, and lead the implementation of sustainable practices across the supply chain.

Key improvements introduced during the year include:

- Reintroduction of the Group's Sustainable Supply Chain Code of Conduct
- Revision of the Social and Environmental Governance Due Diligence Evaluation Guide for suppliers
- Integration of a sustainability pillar within the supply chain mapping process



Social and Relationship Capital

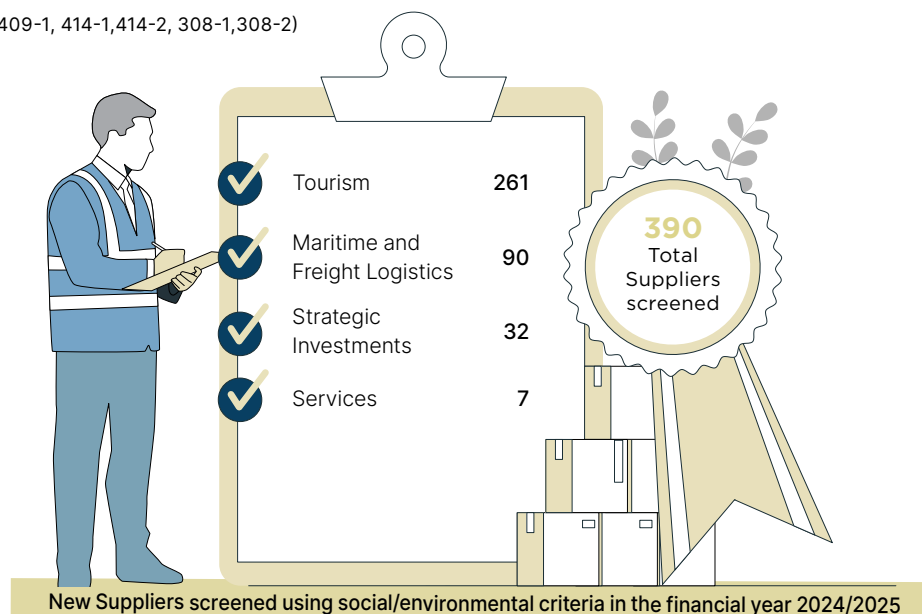
SUPPLIER RELATIONSHIPS (GRI 2-6, 3-3)

Our supplier network comprising of more than 14,000 suppliers spread across the regions we operate in is a vital link in our value creation process. Building supply chain resilience and greening our supply chain remain key priorities as we strive to achieve our strategic objectives of growing market share, expanding our geographical presence and achieving net-zero emissions.





Supplier Screening (GRI 203-2, 407-1, 408-1, 409-1, 414-1, 414-2, 308-1, 308-2)

We endeavour to ensure all suppliers meet the highest environmental and social standards through rigorous compliance checks. Our ongoing efforts include conducting thorough document reviews to ensure compliance, such as verifying operational licenses before engaging in services. We also carry out on-site inspections for our key suppliers and newly registered suppliers. For instance, suppliers shortlisted to provide recycling solutions undergo on-site reviews to ensure the safe disposal of resources.

During the year, a total of 390 suppliers were screened using our revised “social and environmental governance due diligence evaluation guide” for suppliers. We also closely monitor adverse environmental and social impacts across our supply chain. Significant impacts identified and the corresponding actions taken are discussed below.



There were no reported incidents of non-compliance with laws, regulations, or minimum standards related to product responsibility. We also ensure that our suppliers comply with all applicable laws prohibiting child labour and forced labour.

Sector	Key social and environmental impacts in supply chain identified	Preventive or corrective action taken
Tourism 	Over visitation to certain environmentally sensitive sites like the Yala National Park	Diversion of guests to alternative locations.
Maritime and Freight Logistics 	High fuel consumption of cargo transportation vehicles	Retrofitting and route planning of company cargo vehicles where feasible.
Strategic Investments 	Depletion of microorganisms and biodiversity by using fertiliser in the plantation sector	Moving towards organic fertiliser to improve the soil health
Services 	High paper wastage and storage cost in money transfer operation	Document archiving through scanning Strengthening of contractual obligations of suppliers







Social and Relationship Capital

VALUE CREATED FOR OUR SUPPLIERS (GRI 203-2)

As key partners in our value creation process, we are committed to ensuring that our supplier partnerships are mutually beneficial. We also prioritise working with local SMEs and MSMEs to strengthen the local economy and provide growth opportunities for emerging businesses. Our partnerships contribute to capacity building, job creation, and the advancement of sustainable industrial practices. Total payments to suppliers during the year amounted to Rs. 64.0 billion. Meanwhile ongoing capacity building programmes and engagement with our suppliers ensures that our suppliers particularly in rural areas of Sri Lanka grow with us.

Strengthening Supplier Partnerships

Tourism Sector 	
Capacity building	Strategic guidance
Hotels	Destination Management
Successfully guided and developed a domestic supplier to produce high-quality laundry bags made from craft paper. This supplier now consistently fulfils all orders for all hotel properties of the Group in Sri Lanka and has expanded her business by securing additional orders from other hotels.	A local entrepreneur initiated the Madampa Lake Boat Safari but struggled to sustain the business. After approaching the destination management segment, our teams evaluated and guided the supplier on necessary improvements for safety and sustainability. Following these changes, we recommended his services, and today, the supplier is a well-established supplier within our supply chain.
Maritime and Freight Logistics Sector 	
Process guidance	
Maritime & Port Services	Integrated Container Services
Guidelines were issued by the principal to minimise environmental impact, and they recognise the initiatives taken by suppliers for environmental protection.	A long-standing supplier who has supported the company for over 25 years continues to provide essential spare parts with remarkable consistency. Despite operating on a small scale, he ensures timely delivery, even for items that are difficult to source in the market. His strong connections within the spare parts industry make him an indispensable part of our operations. Recognising his reliability, the company has supported him in improving documentation processes to further enhance our collaboration.
Strategic Investments Sector 	
Technical collaboration	Process guidance
Printing & Packaging	Plantations
Successfully developed the quality standards of our key local suppliers for adhesives and varnish to match imported products. This initiative not only boosted the local industry but also saved foreign exchange and created local employment. Through collaboration with technical teams and multiple trials, both organisations and the country have greatly benefited.	The carbonic manure supplier initially used handwritten quotations and bills in a disorganised manner. He was advised to print proper documents, and the company guided him to follow a more structured procedure, including adhering to purchase orders, delivery advice, ensuring quantities by signing delivery notes, and sending invoices and outstanding lists. These improvements have streamlined his operations and enhanced our collaboration.
Services Sector 	
Property Development	
A few of our suppliers initially faced challenges with inconsistent delivery times and quality control issues. Through close collaboration and guidance, we helped them implement robust quality checks and streamline their production processes. Over time, their performance significantly improved, resulting in on-time deliveries and higher quality products. This transformation not only strengthened our relationship but also made them our most reliable suppliers, enhancing our overall supply chain efficiency.	

Capacity building through our partnerships and networks such as;

- UNGC Sustainable Supply Chain Working Group
- WEConnect International Regional Conference and corporate matchmaking programme.
- SBU-led supplier training and development programmes



Social and Relationship Capital

(GRI 203-2, 407-1, 408-1, 409-1, 414-1, 414-2, 308-1, 308-2)

Industry Affiliations and Memberships (GRI 2-28)

We are active participants of over 130 industry organisations. Our involvement in these associations enables us to meaningfully engage in industry dialogues that shape the future of the industries we are involved in. Membership in these associations also enables us to keep abreast of the latest developments on the local and global fronts which in turn would strengthen our operational frameworks for environmental and social governance, as well as responsible product and service delivery.

(visit our website aitkenspence.com/sustainability for details of our memberships and affiliations).



COMMUNITY RELATIONSHIPS (GRI 3-3)





We feel a deep sense of responsibility towards the wider communities in which we operate and are strongly committed to making a positive and lasting impact through inclusive, sustainable, and socially responsible actions. Whilst ensuring strict compliance with all applicable laws and regulations, we ensure that our operations are conducted with integrity and transparency, placing a strong emphasis on environmental stewardship, social empowerment, and meaningful community engagement. We also make every effort to integrate our communities into our supply chain, meaningfully contributing to the socio-economic upliftment and empowerment of our communities.

Local Sourcing and Livelihood Development (GRI 202-2, 203-2)

We actively seek out local sourcing not only to build supply chain resilience but also as part of our efforts to empower local communities and foster inclusive economic growth. All Sectors actively integrate local suppliers into our value chain, while also creating employment opportunities in our surrounding communities.

(visit our website aitkenspence.com/sustainability for details of our memberships and affiliations).



	 Tourism	 Maritime & Freight Logistics	 Strategic Investments	 Services
Local suppliers engaged	418	489	662	765
Proportion of senior management hired from the local community (GRI 202-2)	Over 30%	N/A	10%	N/A
Note: 'Local' refers to the community within 35-45km radius of the property for operations outside Colombo (or urban cities) in Sri Lanka. For locations outside Sri Lanka, 'local' refers to local employees of the country of operation.				





Social and Relationship Capital

STRATEGIC COMMUNITY DEVELOPMENT INTERVENTIONS AND CSR (GRI 203-1, 203-2, 413-1, 413-2)

Our community development interventions and CSR activities are designed to reflect our purpose of 'Inspire to Create Great Futures for All' and are aligned with the United Nations Sustainable Development Goals (UN SDGs). By focusing on long-term impact and sustainable development, we strive to create meaningful change that empowers individuals and strengthens communities across the regions where we operate. These initiatives are carried out both at group level as well as at segmental level. A summary of the community development interventions and CSR initiatives carried out during the year is given below. No operations were identified as having significant actual or potential negative impacts on local communities during the reporting period.

Working to build communities to thrive independently with dignity

Our communities have fundamental needs: access to good jobs, food security, quality education, and equal opportunities to name a few. When they can meet those needs, communities are strengthened, and their overall well-being is uplifted. The best way we can support these needs is not through temporary aid, but by building inclusive business models and local supply chains that empower communities directly and sustainably.

Local employment prioritised (GRI 202-2)

- Plantations segment: Over **90%** of the workforce and **60%** of the management
- Hotels segment: Almost **40%** of the current workforce
- Tourism sector: Over 30% of the senior management
- Strategic Investments sector: About 10% of the senior management

Local suppliers engaged in the supply chain (GRI 204-1)

- **90%** of transport, **10%** of accommodation and **100%** of the excursion service providers in the destination management segment
- **80%** of the accessories for apparel manufacturing
- **70%** of the firewood, **41%** of the green leaf in the plantations segment
- Hotels segment developed local material-based products from SMEs/MSMEs using kithul, teak wood, copper, and natural stone. Guided by experts, these items reached export quality, serving overseas hotels and promoting sustainable practices.
- Destination management segment engages local suppliers through training, awareness sessions, and implementing a code of conduct. Microfinancing supports sustainable practices, ensuring compliance with global standards and enhancing supply chain efficiency.
- Printing & packaging segment collaborates with suppliers to meet market standards through trial testing and feedback. Obtaining necessary certifications enhances their global competitiveness.
- Plantations segment conducts stakeholder engagement sessions routinely and conduct one-on-one consultations with suppliers and key community members to identify needs. The segment also works to enhance the processes of both key and regular suppliers, focusing on operational efficiency and product quality.

Opportunities enabled for skills development

- **90** local students graduated from the **hotel schools in Ahungalla and Kandalama** in 2024-2025
- Over 100 national park drivers/ tour guides provided with **training on conservation and ESG screening benchmarks every year**
- **42.75%** of the female workforce in the apparel segment graduated from the **P.A.C.E (Personal Advancement & Career Enhancement) programme of Gap facilitated by the segment**, strengthened with the 'Gurukulaya Training Center' in 2024-2025. A total number of 391 students graduated from the PACE programme.
- Partnership between Aitken Spence Elevators and CINEC Campus to provide **elevator technician skills development** had 45 youth enrolled in 2024-2025





Social and Relationship Capital

Supporting entrepreneurship and ensuring food security

- At Group level we partner with a social enterprise to offer **local suppliers a free platform** to sell their products on our premises.
- Aitken Spence supports a Foundation, which empowers young **adults with disabilities** in Sri Lanka by providing tie-dye skills. We purchase curated corporate gifts from the Foundation to promote sustainability and community upliftment.
- **Ape Rahe Piyasa** community store maintained by the apparels segment to encourage employees to sell homegrown produce and homemade food to inspire entrepreneurship and additional income.
- **Care packages** of rice, dry rations, and vegetables, distributed in the estates to families with special-needs-children, widows and orphans.
- **Mid-day meals** provided to all estate workers; Contracts to supply the meals also provided to estate workers and their families.
- Plots of land in the plantations segment used to cultivate vegetables which are distributed FOC to workers



Infrastructure facilities enabled to communities most in need (GRI 203-1)

- The power generation segment engaged in the rehabilitation and repair of the access roads to the Hambantota solar power plant and Matale mini hydro power plant, providing the local community with improved and easier access.
- **Child Development Centres** maintained at all estates with certified educators monitoring the nutrition and health of all children
- **Ambulances and medical centres** facilitated at all estates with qualified medical officers
- Work areas of women with infants adjusted to allow them to work close to their homes
- All estates are being reviewed to be certified as '**Mother & Child Friendly Estates**'
- **Access enabled to ATMs** and bank accounts for all employees, especially women, along with financial literacy education
- **Co-op societies facilitated** at all estates to enable access to goods at subsidised rates
- Special programmes conducted partnering with vendors of school supplies like shoes for children to **enable employees access to required items at subsidised, affordable costs**



Our policy commitments

Commitment **G**

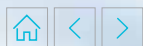
Encourage and support our partners within the supply chains to conduct business ethically with accountability.

Commitment **M**

Drive sustainable value creation for local communities through partnerships, local employment, local purchasing and other strategic interventions.

Our alignment with SDGs;

SDG targets we directly align with;		SDGs we indirectly contribute towards;	
1		1	No poverty
2		2	End hunger
3		3	Good health & wellbeing
4	Quality education 4.3, 4.4, 4.6, 4.7	4	
5	Gender equality 5.1, 5.5, 5B	5	
8	Economic growth 8.4, 8.5, 8.8, 8.9, 8.10	8	
10		10	Reduced inequalities
16		16	Peace, justice & strong institutions
17		17	Partnerships for the goals



Nurturing our Foundations for the Future: Natural Capital

At Aitken Spence, we recognise that our actions today have a profound impact on the environment and the well-being of future generations. As a diversified conglomerate with a legacy of responsible business practices, we are deeply committed to integrating sustainability across all sectors of our operations. Guided by the concept of 'Build Better Before', a principle rooted in taking accountability for the intrinsic connection between long-term business success to environmental governance, we continue to invest in sustainable innovations, reduce our ecological footprint, and lead transformative initiatives that contribute to a more resilient and environmentally responsible future.

VALUE CREATED IN 2024/25

208,915 tCO₂e

Emissions reduced through the emission control strategies of the Group.

178,859 MT

of municipal solid waste kept away from landfills protecting wetland ecosystems and reducing emissions.

Over 8,100 ha

of habitat-rich green cover protected to conserve Sri Lanka's biodiversity

OUR NATURAL CAPITAL

Sector wise breakdown of the environmental footprint

Sector wise breakdown of the environmental footprint	Tourism 	Maritime and Freight Logistics 	Strategic Investments 	Services 
Input (As a percentage of the Group total)				
Energy consumption	61%	7%	31%	1%
Water consumption	78%	3%	18%	1%
Output (As a percentage of the Group total)				
Emissions (Scope 1 & 2)	74%	9%	16%	1%
Solid Waste Generation	8%	2%	90%	Negligible
Effluents	15%	18%	67%	Negligible

Aligned with the Group's commitment to achieving net zero emissions and a net positive impact on ecosystems, and with SBTi targets submitted for validation, we continue to advance strategies that enhance resource efficiency, reduce emissions, and protect biodiversity across our operations.



Natural Capital

Locations of operation mapped against protected areas and areas of high biodiversity value* (GRI 304-1, 304-2)



[Click here to view the full maps on our website.](#)



ENVIRONMENTAL PERFORMANCE HIGHLIGHTS (GRI 3-3, 13.4)

Strategic Priorities and revised targets*

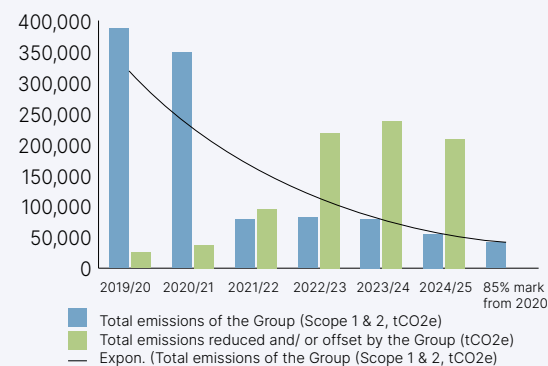
Consumption of energy From the 2020 baseline;

- Phase out commercial thermal energy generation for the national grid by 2030
- Replace 12% of the energy needs in the hotels segment with renewables
- Reduce transport related emissions by 20% by 2030

Key Achievements

- The Group's energy consumption per unit revenue declined 12% reflecting on the collective efforts of the Group.
- The Group reduced 208,915 tCO₂e emissions through renewable energy generation, emission reductions achieved, and emissions offset through other means.

Total Scope 1&2 Emissions Vs. Emissions Reduced



Focus for 2025/2026

- Process control for energy efficiency to reduce emissions
- Strategies to reduce emissions from transport



Natural Capital

ENVIRONMENTAL PERFORMANCE HIGHLIGHTS FOR FY 2024/25

Strategic Priorities and revised targets	Key Achievements	Focus for 2025/2026
Withdrawal of water <ul style="list-style-type: none"> Ensure zero adverse impacts on water bodies from the withdrawal of freshwater 	<ul style="list-style-type: none"> The Group's water consumption per unit revenue declined by 19% across the Group although some key sectors saw an increase in the consumption of water per unit revenue. Efforts across the Group to improve water use efficiency, consume treated water and harvested rainwater to reduce the withdrawal of freshwater contributed to this performance. 	<ul style="list-style-type: none"> Process control and focus on positive behaviours to reduce waste and improve water use efficiency
Use of resources <ul style="list-style-type: none"> Use the 7R Principle to monitor and manage resource consumption patterns 	<ul style="list-style-type: none"> A valuable addition to the country's infrastructure for a circular economy, the waste to energy power plant repurposed 178,859 MT of residual municipal solid waste which is equivalent to the average weight of about 32,520 adult elephants. This is also our most significant contribution to the Clean Sri Lanka project of the government. 	<ul style="list-style-type: none"> Focus will shift to input materials and supply chains to reduce emissions associated with purchased goods and goods transport.
Land use and interaction with natural ecosystems and biodiversity (GRI 304-1, 304-2, 304-3, 13.4) <ul style="list-style-type: none"> Aligned with the 'Build Better Before' concept, work proactively to prevent adverse impacts through responsible land use practices, ecosystem protection, and sustainable design from the outset Use available platforms to create awareness and educate key stakeholders 	<ul style="list-style-type: none"> The hotels segment continued to maintain over 211 acres of forest cover in its pristine condition with the long-term goal of building an animal corridor. The forest is home to 19 species of reptiles and amphibians, 64 species of butterflies and dragonflies, 128 species of native flora and 183 species of birds. The properties in the Maldives also continued their efforts to protect and conserve marine ecosystems through coral restoration projects. All coastal hotels conduct weekly beach cleanups to keep our beaches clean from non-biodegradable waste. The Plantations segment, meanwhile, conducted biodiversity surveys across its estates and documented the biodiversity in the vicinity. Most of the flora and fauna within the estates have been identified, with daily records being maintained by field officers. We have also developed a comprehensive biodiversity conservation plan in collaboration with the Rainforest Alliance. The plantations segment actively prevents deforestation and forest degradation by adhering to Rainforest Alliance (RA) and Forest Stewardship Council (FSC) certification standards, which promote sustainable land use and ecosystem conservation. Accordingly, no deforestation or conversion of natural ecosystems has occurred on any land owned, leased, or managed by the segment. These certifications, verified through regular independent audits, confirm that 100% of the cultivated crops as well as sourced volumes are traceable and deforestation-free, with no ecosystem conversion at the estates or across the supply chain. Suppliers are screened through the company's due diligence process and certification requirements. 	<ul style="list-style-type: none"> In line with the Group's net-zero pathways, greater emphasis will be placed on quantifying carbon capture from newly created green cover and identifying additional nature-based projects the Group can champion. None of the operational sites owned, leased, or managed are located within protected areas. However, the Rainforest Ecolodge, which we manage, is located adjacent to the Sinharaja Forest Reserve. It is operated with the highest environmental sensitivity, aligning with sustainable tourism principles and conservation objectives. In addition, several segments operate within areas rich in biodiversity, though not formally designated as protected. The efforts to ensure 'net positive impacts' on these ecosystems will be an ongoing priority for our companies.



Natural Capital

OUR APPROACH TO ENVIRONMENTAL SUSTAINABILITY

At Aitken Spence PLC, we take a precautionary approach to managing natural capital that reflects our recognition of the critical role environmental resources play in our operations. We are committed to responsibly managing our environmental impacts and preserving natural resources, thereby creating sustainable value for stakeholders today and in the future.

Our policy commitments to protect natural capital:

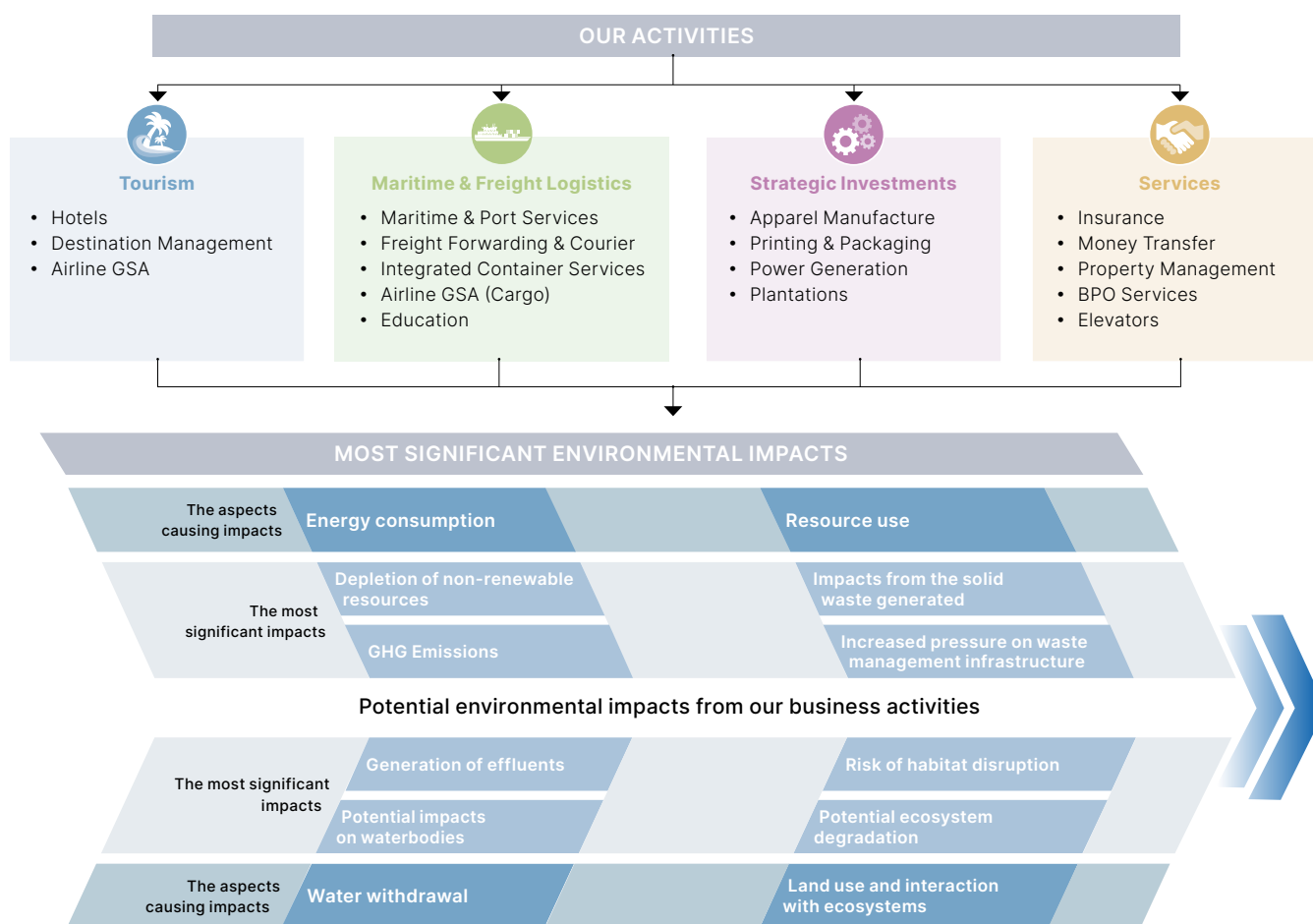


Embrace the precautionary principle to identify environmental impacts and employ environmental management systems to mitigate potential adverse environmental impacts



Ensure a 'Net Positive Impact' on biodiversity, wildlife, and sensitive ecosystems, upholding humane and ethical practices in all operations

Aitken Spence has operations across diverse industries and geographies and takes a proactive approach to managing environmental impacts throughout its value chain. Grounded in a 'build better before' philosophy, sustainability is embedded into business processes from the outset, while we attempt to 'build back better' to drive continuous improvements to mitigate key impacts.



This cause-and-effect diagram illustrates how our environmental governance priorities are centred on addressing our most significant impacts by managing four key drivers: energy consumption, water withdrawal, resource use, and land use including ecosystem interaction.



Natural Capital

Based on the nature and scale of our operations, and the potential impacts, the environmentally material topics for action can be listed as below.

	Material topic with high significance	Material topic with medium significance	Material topic with low significance
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"> • Learning & development for employees (GRI 404) • Product responsibility, information security & customer satisfaction (GRI 416, 417, 418) 	<ul style="list-style-type: none"> • Supplier social assessment (GRI 414) • Local purchasing and employment (GRI 204) 	

Keeping in mind our priorities for impact control and the capacity to create sustainable value, we align with these SDGs and UNGC principles to guide our actions, shape our response, and set realistic targets and KPIs with a vision to Build Back Better and Build Better Before. The listed policy commitments further reflect their integration into the Group's sustainability policy.

Applicable policy commitments	SDG targets directly aligned with for environmental impact control;	Applicable UNGC Principles
B – Support local and global development priorities	4 4.7: Education for sustainable development	7 – support a precautionary approach
D – Environmental impact control	6 6.3, 6.4: Reduce pollution and increase water use efficiency	8 – promote greater environmental responsibility
E – Climate action and DRR	8 8.4: Improve resource efficiency and decouple economic growth from environmental degradation	9 – encourage the development and diffusion of environmentally friendly technologies
G – Supply chain control	9 9.1, 9.4: Develop sustainable & resilient infrastructure and accelerate sustainable industrial transformation	
H – ESG in strategic decisions	12 12.2, 12.5, 12.6, 12.8, 12.b: Enhance resource efficiency, waste reduction, responsible business, and sustainable tourism.	
J – Process control	15 15.2, 15.5: Protect forests, restore ecosystems, and halt biodiversity loss.	
Q – Public disclosure of performance		
T – Net positive impact on ecosystems		
U – Performance review		



Natural Capital

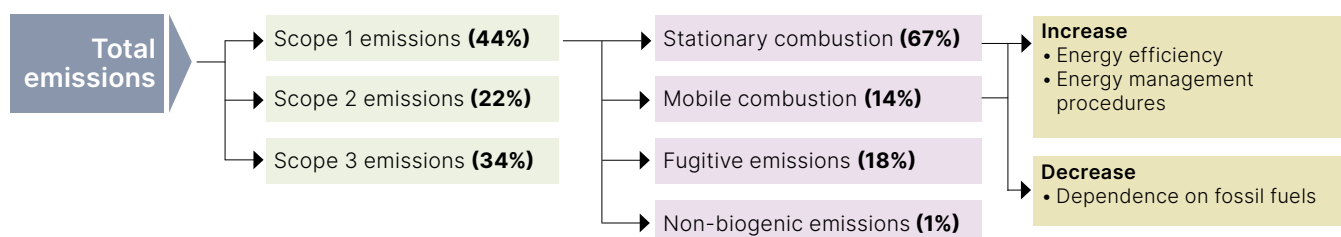
Accordingly, our control measures and targets for the identified material topics can be summarised as below;

Significant Aspects	Significant impacts	Control Measures	Revised Targets	Current Status
Consumption of energy	<ul style="list-style-type: none"> GHG emissions Depletion of non-renewable resources 	<ul style="list-style-type: none"> Energy management Transition to renewable energy where practicable 	From the 2020 baseline; <ul style="list-style-type: none"> Phase out commercial thermal energy generation for the national grid by 2030 Replace 12% of the energy needs in the hotels segment with renewables Reduce transport related emissions by 20% by 2030 	On Track
Withdrawal of water	<ul style="list-style-type: none"> Impacts on water bodies and availability Generation of effluents 	<ul style="list-style-type: none"> Water management Process control to control effluents 	<ul style="list-style-type: none"> Ensure zero adverse impacts on water bodies from the withdrawal of freshwater 	Achieved and maintained
Use of resources	<ul style="list-style-type: none"> Generation of solid waste and effluents Contribution to landfills and associated emissions, pollution and contamination risks 	<ul style="list-style-type: none"> Use the 7R Principle to monitor and manage resource consumption patterns 	<ul style="list-style-type: none"> Treat and safely repurpose or dispose 100% of effluents and wastewater Repurpose or recycle 100% of the solid waste generated Increase resource efficiency YoY 	Achieved and maintained
Land use and interaction with natural ecosystems and biodiversity	<ul style="list-style-type: none"> Potential degradation of ecosystems Increased risk of habitat disruption from operations Impacts from supply chains on natural ecosystems and biodiversity 	<ul style="list-style-type: none"> Build Better Before and prevent adverse impacts from the onset Use available platforms to create awareness and educate key stakeholders 	<ul style="list-style-type: none"> Maintain 'Net Positive Impact' on biodiversity and sensitive ecosystems 	Achieved and maintained

Impact control:

Consumption of Energy (GRI 3-3)

44% of the Group's emissions stem from direct energy consumption (Scope 1 emissions). Most significant emissions stem from stationary combustion for energy (62%) while the next highest proportion of scope 1 emissions is due to mobile combustion of fossil fuels for transport at 14%. Therefore, management of energy consumption is crucial to reduce our impacts on the environment.







Out of our scope 1 emissions, 74% is accountable to the Tourism Sector while the Strategic Investments Sector is responsible for 16%. For this reason, the most notable efforts to curb energy dependence on fossil fuels would be seen in the tourism and strategic investments Sectors. However, all business segments use structured environmental management systems or systemic processes to improve energy efficiency and reduce consumption. Emissions from refrigerants and fire suppressants are accounted for under Scope 1 emissions. NOx and SOx emissions applicable to the power segment are tested regularly and remain within stipulated regulatory limits; however, specific values are not disclosed due to confidentiality considerations.

(GRI 305-6, 305-7)



Natural Capital

Group's energy consumption (GRI 302-1, 305-2)

 Tourism Sector	 Maritime & Freight Logistics Sector	 Strategic Investments Sector	 Services Sector
<p>67.9% Diesel 59% of the Sector's emissions (Scope 1&2)</p> <p>22.3% Grid electricity 33% of the Sector's emissions</p> <p>5.2% LPG 4% of the Sector's emissions</p> <p>4.2% Renewable energy</p> <p>0.4% Petrol Insignificant emissions</p>	<p>85.4% Diesel 79% of the Sector's emissions (Scope 1&2)</p> <p>13.2% Grid electricity 19% of the Sector's emissions</p> <p>1.4% Petrol 1% of the Sector's emissions</p>	<p>81.8% Renewable energy</p> <p>13.1% Grid electricity 39% of the Sector's emissions (Scope 1&2)</p> <p>4.1% Diesel 8% of the Sector's emissions</p> <p>0.9% Petrol 2% of the Sector's emissions</p>	<p>79.3% Grid electricity 71% of the Sector's emissions (Scope 1&2)</p> <p>11.7% Diesel 7% of the Sector's emissions</p> <p>9% Petrol 5% of the Sector's emissions</p>

Efforts to manage energy consumption

<p>Current efforts;</p> <ul style="list-style-type: none"> Energy management systems implemented at all hotels Route mapping conducted to increase fleet fuel efficiency Ongoing efforts to increase energy efficiency <p>Future plans;</p> <ul style="list-style-type: none"> Replace fossil fuel consumption with renewable energy Transition to electric vehicles 	<p>Current efforts;</p> <ul style="list-style-type: none"> Environmental management systems utilised to improve operational efficiency Route mapping conducted to increase fleet fuel efficiency Investments in electric forklifts <p>Future plans;</p> <ul style="list-style-type: none"> Invest in energy efficient fleet options Invest in solar energy Transition to electric vehicles 	<p>Current efforts;</p> <ul style="list-style-type: none"> Environmental management systems utilised to improve operational efficiency Investments in renewable energy Development of carbon sinks to monitor emissions. <p>Future plans;</p> <ul style="list-style-type: none"> Exploring further expansion into renewable energy generation Carbon footprint mapping for products to monitor emissions 	<p>Current efforts;</p> <ul style="list-style-type: none"> Environmental management systems utilised to improve operational efficiency Energy management system being implemented at Aitken Spence Towers to enhance energy efficiency in the use of the building. <p>Future plans;</p> <ul style="list-style-type: none"> Exploring options to invest in renewable energy Transition to electric vehicles
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Note: All planned activities are subject to practicability and availability of infrastructure and technology



Natural Capital

TOTAL DIRECT AND INDIRECT ENERGY CONSUMPTION WITHIN THE ORGANISATION (GRI 302-1, 302-3, 302-4, 302-5)

ENERGY	Unit of Measure	Group	Tourism	Maritime & Freight Logistics	Strategic Investments	Services
Non-renewable sources						
Petrol	(GJ)	5,201	1,847	726	2,170	458
Diesel	(GJ)	379,057	324,332	44,370	9,765	590
Furnace Oil/ HFO	(GJ)	-	-	-	-	-
LPG	(GJ)	25,128	24,793	-	335	-
Kerosene	(GJ)	2	-	-	2	-
Total energy consumed from non-renewable sources	(GJ)	409,388	350,972	45,096	12,272	1,048
Renewable sources						
Biomass/fuel wood	(GJ)	152,463	11,312	-	141,151	-
Briquettes	(GJ)	877	-	-	877	-
Hydropower	(GJ)	977	-	-	977	-
Solar energy	(GJ)	2,032	2,032	-	-	-
Wind energy	(GJ)	6,251	6,251	-	-	-
Municipal solid waste	(GJ)	52,774	-	-	52,774	-
Total energy consumed from renewable sources	(GJ)	215,375	19,596	-	195,780	-
Total indirect energy consumption within the organisation	(GJ)	147,583	105,482	6,830	31,263	4,009
Total energy consumption within the organisation - 2024/2025	(GJ)	772,347	476,050	51,926	239,315	5,056
Total energy consumption within the organisation - 2023/2024	(GJ)	901,543	445,605	51,439	399,769	4,731
Total energy generated from non-renewable sources for external consumption	(GJ)	-	-	-	-	-
Total energy generated from renewable sources for external consumption	(GJ)	448,582	-	390	448,192	-
Energy consumption per unit revenue (Rs. Billion) - 2024/2025	(GJ/Rs.Bn)	8.7	7.3	4.7	21.8	2.9
Energy consumption per unit revenue (Rs. Billion) - 2023/2024	(GJ/Rs.Bn)	9.9	6.7	5.6	29.7	2.5
Reductions achieved in energy consumption i.e. change in energy consumption within the organisation based on energy used per unit revenue	(GJ)	(129,197)	30,445	487	(160,454)	326
	%	(12.0)	9.6	(15.5)	(26.7)	14.0



Natural Capital

OUR EMISSIONS (GRI 305-1, 305-2, 305-4, 305-5, 305-6, 305-7)

EMISSIONS	Unit of Measure	Group	Tourism	Maritime & Freight Logistics	Strategic Investments	Services
Category 1 (Scope 1)						
Petrol (mobile combustion)	tCO2e	370	131	52	154	33
Diesel (stationary combustion)	tCO2e	23,284	23,059	31	156	38
Diesel (mobile combustion)	tCO2e	4,966	1,069	3,312	577	6
HFO (stationary combustion)	tCO2e	-	-	-	-	-
LPG (stationary combustion)	tCO2e	1,597	1,576	-	21	-
Kerosene (stationary combustion)	tCO2e	-	-	-	-	-
Fugitive emissions - refrigerants	tCO2e	2,149	1,750	45	237	117
Fugitive emissions - fire suppressants	tCO2e	49	-	-	49	-
Fugitive emissions - fertilisers	tCO2e	4,448	-	-	4,448	-
Non-biogenic emissions from biomass	tCO2e	287	21	-	266	-
Total Category 1 (Scope 1) emissions	tCO2e	37,150	27,607	3,440	5,909	194
Biogenic emissions from biomass	tCO2e	17,174	1,267	-	15,907	-
Category 2						
Energy purchased from the grid	tCO2e	18,357	13,347	818	3,715	476
Total Category 2 (Scope 2) emissions	tCO2e	18,357	13,347	818	3,715	476
Category 3						
Employee commuting	tCO2e	1,019	421	175	239	183
Business travel	tCO2e	201	100	61	38	3
Transport of goods, supplies, and waste	tCO2e	4,149	540	8	1,275	2,326
Transport of guests (chartered flights and excursions only)	tCO2e	3,600	3600	-	-	-
Total Category 3 (Scope 3) emissions	tCO2e	8,969	4,661	244	1,552	2,512
Category 4						
Waste management	tCO2e	18	9	-	9	-
Water supply	tCO2e	84	71	5	7	2
Transmission and distribution losses	tCO2e	1,599	1,163	71	324	41
Wastewater treatment	tCO2e	175	169	1	4	-
Purchased goods	tCO2e	18,483	11,473	765	6,239	6
Total Category 4 (Scope 3) emissions	tCO2e	20,359	12,885	842	6,583	50
Total emissions (Category 1,2,3 and 4)	tCO2e	84,835	58,500	5,344	17,759	3,232
Emission intensity (emissions per unit revenue, 2024-2025)	(tCO2e / Rs. Bn)	0.62	0.63	0.39	0.88	0.38
Emission intensity (emissions per unit revenue, 2023-2024)	(tCO2e / Rs. Bn)	0.87	0.57	0.45	2.71	0.34
Difference	%	(28.2)	9.8	(13.7)	(67.6)	14.5
Emissions Reduced	tCO2e	208,915	3,753	77	205,078	7

Emissions from refrigerants and fire suppressants are accounted for under Scope 1 emissions. NOx and SOx emissions applicable to the power segment are tested regularly and remain within stipulated regulatory limits; however, specific values are not disclosed due to confidentiality considerations.

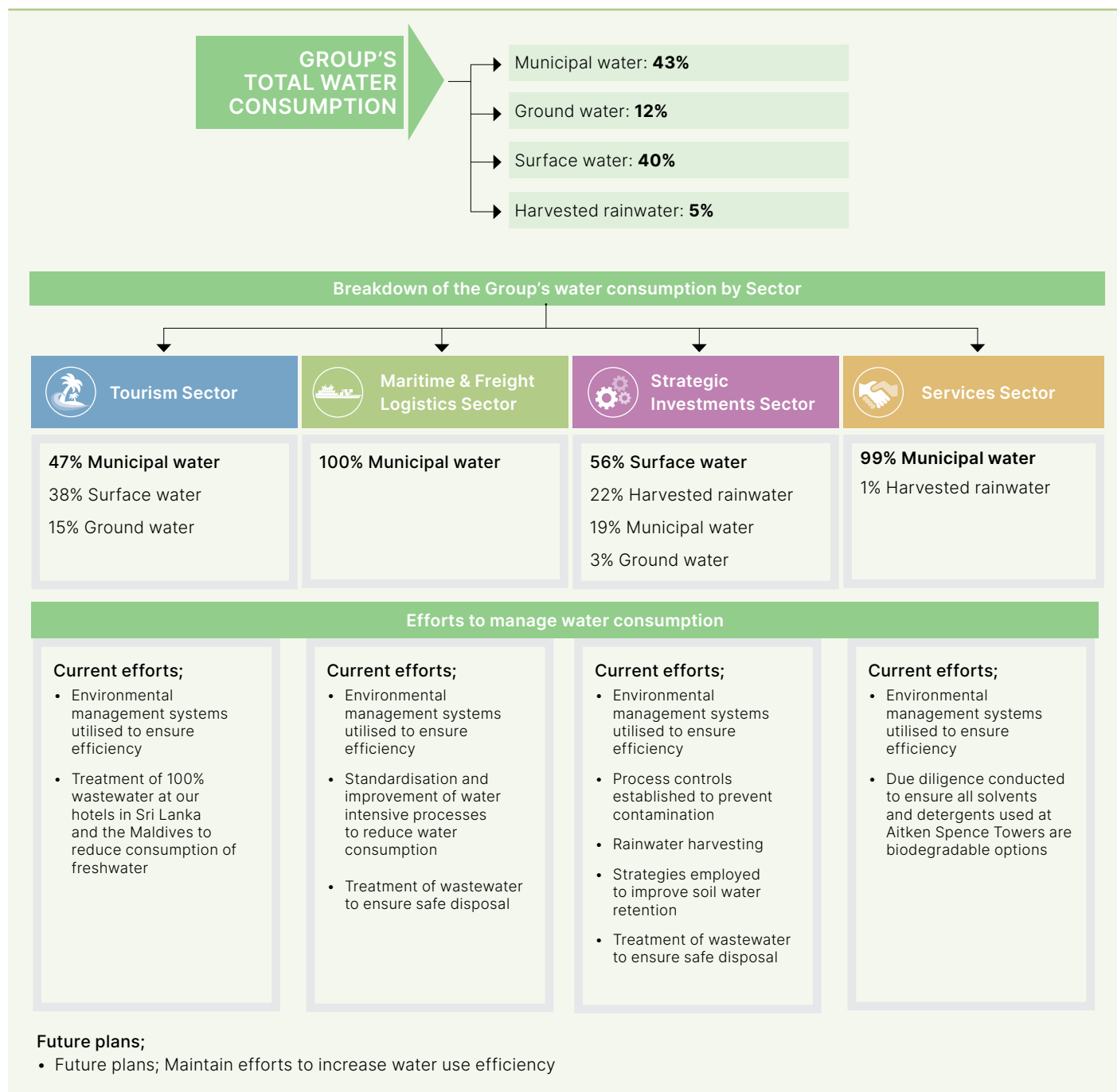


Natural Capital

Impact control: Withdrawal of water

(GRI 3-3, 303-1, 303-2, 303-3)

Consumption of water is another aspect causing impacts to the environment. We are committed to ensuring zero adverse impacts on water bodies and natural ecosystems from our operations. This involves minimising any potential negative impacts of effluents and ensuring responsible water consumption. The Tourism Sector has the highest water use, followed by the plantations segment. Other operations are not particularly water-intensive due to the nature of their operations





Natural Capital

WATER AND EFFLUENT MANAGEMENT (GRI 303-2, 303-3, 303-4, 303-5)

WATER USAGE	Unit of Measure	Group	Tourism	Maritime & Freight Logistics	Strategic Investments	Services
Water composition by sector	%		78%	3%	18%	1%
Total water withdrawn	(m ³)	1,300,376	1,018,327	33,062	236,354	12,632
Municipal water consumption	(m ³)	564,109	474,354	33,062	44,182	12,510
Ground water consumption	(m ³)	157,614	150,264	-	7,350	-
Surface water consumption	(m ³)	521,536	389,540	-	131,996	-
Harvested rainwater consumption	(m ³)	57,117	4,169	-	52,827	122
Wastewater safely disposed	(m ³)	868,394	839,882	6,360	22,030	122
% of water recycled and re-used/ disposed	%	67	82	19	9	1
Water sources significantly affected by withdrawal of water		None	None	None	None	None
Water withdrawn from areas in water distress		None	None	None	None	None
Water consumption per unit revenue (2024-2025)	(m ³ /Rs.Bn)	14.6	15.6	3.0	21.5	7.2
Water consumption per unit revenue (2022-2023)	(m ³ /Rs.Bn)	18.0	21.9	3.5	10.7	3.8
Difference in water consumption	%	(18.7)	(28.5)	(14.6)	101.3	92.5





Natural Capital

Impact control: Use of resources (GRI 3-3, 306-1, 306-2, 13.5.1, 13.6.1, 13.6.2)

Considering the nature of our operations, the use of resources is not a significant concern due to the nature of the impacts. However, use of resources is still monitored within our processes to identify and control any adverse outcomes. Aitken Spence companies prioritise responsible resource consumption and solid waste management to enhance resource efficiency and promote circularity. While our industries do not significantly harm the environment by sourcing raw materials, continuous improvement in sourcing remains a priority.

Towards this objective, we adhere to the **7R principle—Reject, Reduce, Reuse, Reclaim, Repair, Replace and Recycle**. Companies are required to segregate all waste and ensure it is responsibly managed. Recycling service providers need to be screened for appropriate licenses and the authority to recycle scheduled waste. Process improvements are continually implemented to reduce resource consumption and manage waste effectively.

The plantations segment implements a comprehensive soil and pest management approach aligned with RA and FSC certification requirements. Soil health is safeguarded through erosion control, organic matter enhancement, and optimised fertiliser use to minimise nutrient runoff. Pest control is guided by integrated pest management practices, with strict controls on pesticide use. Highly hazardous pesticides are avoided, and less hazardous alternatives are prioritised where feasible. Field staff are regularly trained on safe pesticide handling and application techniques. Detailed soil and pest management plans are maintained as part of certification compliance and are available for review upon request. More details can be perused in the Elpitiya Plantations annual report of 2024-2025.

RESPONSIBLE RESOURCE CONSUMPTION AND WASTE MANAGEMENT (GRI 301- 1, 301-2, 301-3)





RESOURCE USAGE	Unit of Measure	Group	Tourism	Maritime & Freight Logistics	Strategic Investments	Services
Agricultural chemicals	MT	59			59	
Fabrics	MT	764			764	
Fertiliser: Inorganic	MT	4,430			4,430	
Fertiliser: Organic	MT	7,374			7,374	
Glass	MT	2	2			
Ink	MT	71			71	
Lubricating oil/ grease	L	30,082		26,437	1,597	2,048
Packing material: biodegradable	MT	669		527	142	
	Nos	42,858		43	42,815	
Packing material: Non-biodegradable	MT	59	58	0.48	0.02	
	Nos	808,382			808,382	
Packing material: Repurposed, biodegradable	Nos	43		43		
Paper	MT	4,259	5	10	4,243	
Pesticides Intensity; • Extremely hazardous: 0 • Highly hazardous: 0 • Moderately hazardous: 2,028 kg • Slightly hazardous (weedcides): 14,239 kg • Unlikely to present an acute hazard: 0	MT	16			16	
Residual municipal solid waste repurposed	MT	178,859			178,859	

Aitken Spence advances circular economy practices by integrating recycled and repurposed materials into its operations across multiple sectors. The waste-to-energy power plant operates on municipal solid waste as 100% of its input materials, converting waste into renewable energy for the national grid. In 2024/25, the volume of waste diverted from landfill is equivalent to the combined weight of approximately 32,520 adult elephants, demonstrating the scale of impact reduced. In the freight management segment, repurposed packaging materials are used in warehouse operations, contributing to material circularity, though currently accounting for less than 1% of total material use. In the plantations segment, oil palm bunches and refuse tea are reused as organic fertiliser, which now represents approximately 62% of total fertiliser use, reducing dependence on inorganic alternatives and enhancing soil sustainability. In the hotels segment, aligned with the 7R principle, resources such as soap, glass bottles, plastic bottles etc. are reclaimed and repurposed.



Natural Capital

Breakdown of the Group's waste generation by Sector

 Tourism Sector	 Maritime & Freight Logistics Sector	 Strategic Investments Sector	 Services Sector
8% of solid waste and 15% of effluents	2% of solid waste and 19% of effluents	90% of solid waste and 67% of effluents	Comparatively negligible

Efforts to manage solid waste (GRI 306-1, 306-2)

Current efforts;

- Hotels segment segregates solid waste into over 20 categories to manage waste responsibly.
- Due to limitation of recycling service providers in the Maldives, our properties dispose of miscellaneous non-biodegradable waste in compliance with local regulations. All other waste, including hazardous materials such as plastics, is diverted from disposal and managed according to national guidelines.

Current efforts;

- The Sector repurposes packing materials to reduce resource consumption. For example, packing materials used by the freight segment are repurposed items.
- The Sector also digitised processes to reduce resource consumption.





Current efforts;

- The plantations segment composts 100% of organic waste to improve soil carbon levels. The Printing segment aims to reduce waste by 50% and maintain 80% capacity utilisation.
- The Apparel segment reduced fabric waste through a new pattern-making system.
- The waste-to-energy power plant converted residual municipal solid waste from the Colombo district to generate renewable energy for the national grid.

Current efforts;

- Business segments within the Sector also utilise RPA systems to increase process efficiency and eliminate the use of paper.
- Further, the Sector maintains streamlined processes to manage solid waste.

(GRI 306-3, 306-4, 306-5)

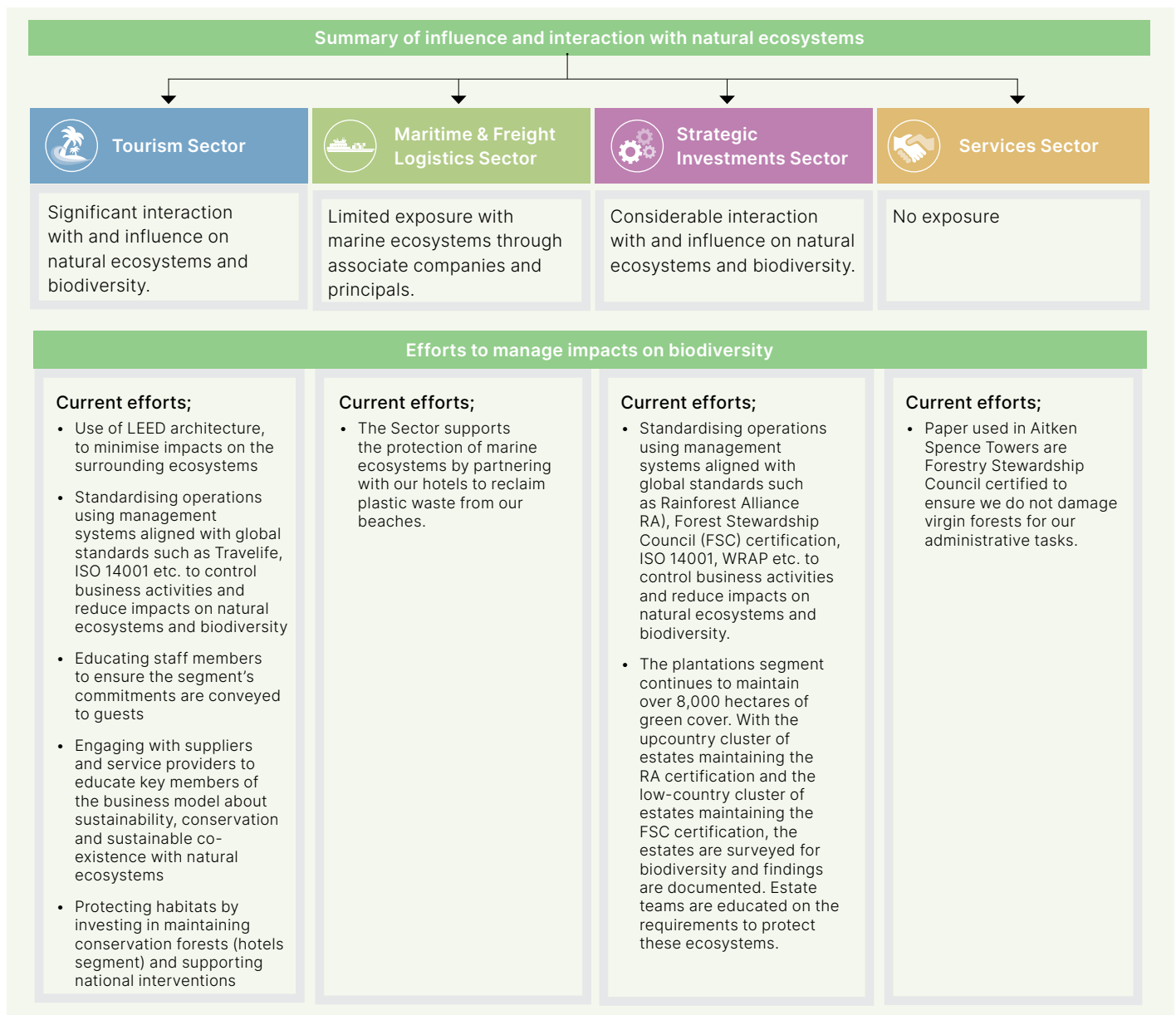
WASTE MANAGEMENT	Unit of Measure	Group	Tourism	Maritime & Freight Logistics	Strategic Investments	Services
						
Total waste recycled						
Total hazardous waste (tonnes)	MT	88	31	-	57	-
	Nos	118	64	-	54	-
	Litres	36,300	-	-	36,300	-
Total non-hazardous waste	MT	1,280	88	0	1,185	7
Total waste sold for reuse or repurposed						
Total hazardous waste (tonnes)	MT	2,987	5	-	2,982	-
	Nos	54	54	-	-	-
Total non-hazardous waste	MT	22,590	1,923	2	20,661	4
	Nos	588	20	568	-	-
	Litres	21,808	8,626	10,802	2,380	-
Total hazardous waste (tonnes)	MT	3,165	36	3	3,125	2
	Nos	172	118	-	54	-
	Litres	36,300	-	-	36,300	-
Total non-hazardous waste (tonnes)	MT	24,026	2,011	3	22,001	11
	Nos	588	20	568	-	-
	Litres	21,808	8,626	10,802	2,380	-
Total waste incinerated						
Total hazardous waste (tonnes)	MT	90	-	3	85	2
Total non-hazardous waste	MT	156	-	-	156	-
Total waste sent to landfill	MT	36	31	0	5	0



Natural Capital

Impact control: Land use and interaction with ecosystems (GRI 3-3, 304-2, 304-3, 304-4)

Unregulated business activities can pose risks to biodiversity and natural ecosystems. This is particularly relevant to our Tourism and Strategic Investments sectors, where operations often intersect directly with ecologically sensitive areas. Both the hotels and plantations segments have conducted biodiversity surveys at their operations, and we hope to identify the number of IUCN Red List species by level of extinction risk from these surveys. At Aitken Spence, ensuring a net positive impact on biodiversity and ecosystems is a material priority that demands rigorous controls and forward-thinking management approaches. In line with the 'Build Better Before' principle, we emphasise early intervention to avoid and minimise ecological harm. As a foundational step, we have mapped our operational sites against protected areas and regions of high biodiversity value to identify where our presence could either pose risks or contribute meaningfully to conservation efforts.



Aitken Spence and its companies are committed to responsible land use and the protection of natural resources, including customary and informal tenure rights, in line with national laws. We support Environmental Impact Assessment (EIA) processes where applicable and uphold our commitment to achieving net positive impacts on biodiversity and ecosystems, in line with our "Build Better Before" strategy. Aitken Spence does not have any operations which are located in areas where land or natural resource rights may be affected, and no instances of violations of such rights, including customary, collective, or informal tenure, have occurred.



Natural Capital

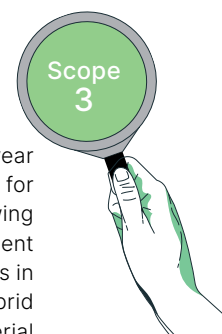
AITKEN SPENCE'S NET-ZERO JOURNEY

Demonstrating strong commitment to combating climate change and embedding sustainability into its operations, Aitken Spence became the first diversified Group to publicly commit to setting science-based targets by becoming a signatory to the Science Based Targets initiative (SBTi) in 2022. Aitken Spence is also part of the Business Ambition for 1.5°C campaign—an initiative led by a global coalition of UN agencies, businesses, and industry leaders in collaboration with the Race to Zero, calling for decisive action to limit global warming to 1.5°C. In line with this commitment, emission reduction targets and action plans have been developed to achieve net-zero emission status by 2030. In setting targets and measuring progress the Group has adopted a dual-baseline approach that ensures that emission reduction targets are both ambitious and reflective of the company's evolving operational landscape.

Baseline year for emission reduction targets



FY 2019/2020 financial year was selected as the baseline year for Scope 1 and 2 due to the Company recording the highest emissions during that year on account of the operation of the Embilipitiya power plant and peak activity in the company's hotels, destination management and logistics operations.



The 2023/2024 financial year was selected as the baseline for monitoring our emissions, following a comprehensive assessment that reflects recent shifts in supply chains, the rise of hybrid work models, and other material operational changes.

Aitken Spence has established near-term targets as part of its strategic roadmap to achieve net zero-emissions by 2030, by focusing on the Group's most significant emission sources. These targets reflect a careful and progressive approach, ensuring that emission reductions are both impactful and achievable. By prioritising high-emission areas, the company is taking deliberate steps to drive meaningful progress toward its long-term climate commitments.



Our Climate Strategy

A TCFD-Aligned View on Climate Governance, Risk, and Opportunity

As a diversified conglomerate with a global footprint, we understand that climate change presents material risks to both short- and long-term business continuity. Shifting weather patterns, rising sea levels, and increasing volatility in natural systems affect not only our operations but also the communities we support and the ecosystems we depend on. And we understand the need to take urgent action to both mitigate and adapt to climate change. This is why the Group has worked with our business segments for many years to integrate environmental impact control as well as climate resilience into the core business strategy. Proactive climate action is central to safeguarding our people and assets, strengthening supply chain resilience, and ensuring sustained value creation across our diverse portfolio.

WHAT IS CLIMATE CHANGE AND WHY SHOULD BUSINESSES BE WORRIED?

Climate change refers to long-term alterations in earth's climate system, primarily driven by the accumulation of greenhouse gases (GHGs) like carbon dioxide (CO₂), methane (CH₄), and nitrous oxide (N₂O) in the atmosphere. These gases retain heat in the atmosphere; this is a natural phenomenon known as the greenhouse effect which is essential for life. However, human activities like burning fossil fuels, deforestation, and industrial processes have significantly increased GHG concentrations, intensifying the greenhouse effect and driving global temperatures upward accelerating changes to climate patterns faster than humans are capable of adapting.

More than 90% of the excess heat trapped by greenhouse gases is absorbed by the oceans. Because water has a high specific heat capacity, the oceans warm slowly but retain that heat for much longer than land or air, releasing it gradually over time. Ocean warming disrupts marine ecosystems by altering currents and circulation patterns, impacting fisheries productivity, and influencing global climate dynamics. Additionally, changes in ocean surface temperatures affect atmospheric conditions, leading to shifts in wind patterns, rainfall distribution, and weather extremes. Consequences of this warming include rising sea levels due to thermal expansion of ocean water and melting glaciers and ice sheets, reduced snow cover, shrinking Arctic Sea ice, and increased humidity levels. Scientific assessments confirm the earth has experienced significant warming, with the last decade recorded as the warmest on record.

IMPLICATIONS FOR INDUSTRIES AND BUSINESSES FROM CLIMATIC CHANGES;

Extracts from the regional synthesis provided by the IPCC for South Asia

Climatic Impact-Drivers	Predicted Future Changes to these Drivers	
Extreme heat	▲	High confidence of increase
Cold spells	▼	High confidence of decrease
Mean precipitation (rainfall in context of South Asia)	▲	High confidence of increase
River floods	▲	Medium confidence of increase
Heavy precipitation and pluvial flood	▲	High confidence of increase
Landslide	▲	Medium confidence of increase
Fire weather	▲	Medium confidence of increase
Relative sea level	▲	High confidence of increase
Coastal flood	▲	High confidence of increase
Coastal erosion	▲	High confidence of increase
Marine heatwave	▲	High confidence of increase
Ocean acidity	▲	High confidence of increase

Source: IPCC AR6-WGI Atlas - Regional synthesis (no date) IPCC WGI Interactive Atlas. Available at: <https://interactive-atlas.ipcc.ch/regional-synthesis>

Note: A pluvial flood is a type of flooding caused by intense or prolonged rainfall that overwhelms the natural or built drainage systems, leading to water accumulation on the ground. It occurs without a river or water body necessarily overflowing.



Our Climate Strategy

CLIMATE SCENARIO ANALYSIS – A PREPARATORY OVERVIEW

Indicator	1.5°C Scenario	2°C Scenario
Global Temperature Rise	1.5°C above pre-industrial levels	2.0°C above pre-industrial levels
Potential sea-Level Rise (by 2100)	~0.26 to 0.77 m	~0.36 to 0.87 m
Extreme Heat	14% of world population exposed once every 5 years	37% of world population exposed
Coral Reef Loss	70–90% loss	>99% loss
Species at Risk	Lower extinction risk	Significantly higher extinction risk
Crop Yields (tropics)	Smaller declines	Larger declines, food insecurity risks increase
Water Stress	Lower population exposed to water scarcity	61 million more people exposed compared to 1.5°C
Poverty & Inequality	Less impact on vulnerable populations	Higher risks of pushing millions into poverty
South Asia	Reduced monsoon disruptions, manageable agricultural impacts	Higher flood risks, lower crop productivity, more health stress
Global GDP Loss (projected)	~1–2%	Up to 3–4%

POTENTIAL RISKS TO OUR PEOPLE AND OPERATIONS

These IPCC projections reinforce the climate-related risks identified by our teams as the most probable and relevant to our context, presented below in summary;

1. Impacts on operations in coastal areas from rising sea levels and coastal flooding
2. Heat-stress on employees due to extreme heatwaves
3. Disruption to operations or supply chains from increased cyclones, storm surges, other natural disasters and climate events
4. Disruption to tourist activities from higher ocean temperatures and coral bleaching
5. Droughts and changing rainfall patterns having adverse impacts on communities and agriculture
6. Higher maritime and air turbulence disrupting supply chains
7. Water scarcity for industrial and agricultural use
8. Rising energy demand and stress on energy infrastructure

Aitken Spence is steadfast in our commitment to climate action across our diverse operations. As a leader in sustainability, we recognise the urgency and significance of addressing climate change. Our actions are customised to address the specific nature of our impacts, balancing local and global development priorities, and leveraging our scale to create meaningful change. We continue to invest in impact control and proactive measures for both mitigation and adaptation. This summary highlights our initiatives, metrics, and targets, underscoring our dedication to this critical issue that affects all stakeholders and the ecosystems sustaining life.

SUSTAINABILITY GOVERNANCE

The Group has established a comprehensive governance framework to manage business sustainability which has been shaped and strengthened over more than two decades. This structure has been explained in detail in the Corporate Governance section of this report on page 100 to 136.

Oversight of climate-related risks and opportunities is embedded within the Group's governance structure and anchored at the Board level through the Sustainability Council, a formal

subcommittee that meets monthly. The Council is chaired by a Board Director and includes another Board member, along with the Managing Directors and CEOs of each business segment, the Group Chief Financial Officer, Chief Legal Officer, and Chief Human Resources Officer. This Council provides strategic direction on climate and sustainability matters and monitors performance across the Group.

To support effective implementation, a Group sustainability team—comprising sustainability leads from each business segment—also meets monthly and works closely with internal committees at the operational level. These teams are responsible for integrating climate-related considerations into day-to-day operations and segment strategies. Senior management, in turn, is accountable for executing climate actions and reports regularly to the Sustainability Council on progress, emerging risks, and opportunities.

RISK IDENTIFICATION AND MANAGEMENT

To identify and assess climate-related risks, the Group adopts a structured, multi-tiered approach that combines desk research with on-the-ground insights from segment-level risk management,



Our Climate Strategy

sustainability, and Disaster Risk Reduction (DRR) teams. Climate risk assessments are informed by global and regional projections (such as those from the IPCC), evolving regulatory landscapes, and geographic-specific hazard mapping. These are further refined through consultations with segmental teams to ensure risks are contextualised for each business.

A key part of this process is the work undertaken by our DRR teams, who evaluate the vulnerabilities of six critical assets—people, inventory, equipment, buildings, data, and business activity—to both natural and man-made hazards. For example, assessments consider the impact of extreme heat or flooding on employee safety, equipment downtime, data centre exposure, or business continuity. These evaluations directly inform contingency planning and resilience measures at site and segment level.

During the year, we further strengthened this process by introducing 'supply chains' as a seventh critical asset, recognising the growing exposure of logistics, sourcing, and vendor networks to climate-related disruptions. Cross-functional teams were formed across business segments to identify segment-specific climate-related risks and opportunities, ensuring a more integrated and forward-looking view of risk.

Identified risks are prioritised based on likelihood and severity and are embedded within the enterprise risk management (ERM) framework, enabling appropriate mitigation or adaptation responses. This process is reviewed periodically to account for emerging risks and evolving climate scenarios and is reported to the Sustainability Council for strategic oversight. For more information, please refer to the Risk Report on page 137 to 146.

STRATEGIES

This climate strategy forms a core component of the Spence IMPACT strategy; Aitken Spence's overarching sustainability framework that strives to integrate Inclusive development, Mitigation of adverse impacts,

Partnerships, Accountability, Community, and Transformation into every aspect of our business. In recognition of the physical and transitional risks posed by climate change, our approach under Spence IMPACT ensures that climate action is not a standalone initiative but embedded into long-term value creation across all sectors.

Inclusive Development: Ensure that our transition to a low-carbon future leaves no one behind.

We engage employees, supply chain partners, and communities in strengthening resilience, with a focus on safe working conditions, equitable access to opportunities, and support for those most vulnerable to climate impacts. Our Group-wide Disaster Risk Reduction and Business Continuity Management (DRR/BCM) teams proactively identify risks from natural and man-made hazards, to ensure adequate safeguards are in place to protect both people and operations. Key actions during the year included;

1. Development and publication of maps highlighting flood-, landslide-, and earthquake-prone areas in Sri Lanka
2. Expansion of emergency response drills to cover extraordinary scenarios
 - Night-time drills to train staff on overnight shifts
 - Earthquake response training and drills at Aitken Spence Towers
3. Enhanced vulnerability assessments through direct discussions with segmental Managing Directors and DRR teams to review preparedness strategies
4. Launch of the inaugural 'DRR Day' to reinforce the Group's commitment to ensure resilience

Mitigation of adverse impacts: Ensure environmental impact control and prioritise achieving Net Zero emissions across the Group by 2030.

Aitken Spence remains committed to proactive environmental impact control, guided by a science-aligned roadmap developed in line with the Science Based

Targets initiative (SBTi) and aligned to the 1.5°C climate goal. Our net zero pathway focuses on reducing significant emissions across the value chain through the following strategies;

1. Drive absolute emissions reduction
 - Improve energy efficiency to cut Scope 1 and 2 emissions
 - Transition from fossil fuels to renewable energy where feasible (Scope 1)
 - Optimise supply chains to lower Scope 3 emissions from procurement and logistics
2. Plan for carbon capture and removal projects to address residual emissions and achieve net zero balance

In parallel, we continue to pursue a Net Positive Impact on biodiversity and sensitive ecosystems, enhance resource efficiency year-on-year, and ensure 100% of effluents and solid waste are treated, repurposed, or safely disposed in line with circular economy principles and the 7Rs.

Partnerships for progress: Accelerate action through knowledge sharing and collaboration.

Building strategic partnerships remains critical to our strategy. We actively collaborate with platforms such as the UN Global Compact, and the Asia Pacific Alliance for Disaster Management (APAD-SL) and also take inspiration from the guidance received from SBTi to leverage global knowledge, local insight, and multi-sector cooperation to enhance climate action.

Accountability: Transparent reporting and measurable progress.

We strive to ensure transparency by reporting emissions and climate-related performance in line with global standards and obtaining third-party assurance. Progress is closely monitored against defined KPIs and targets under the Spence IMPACT strategy, keeping key stakeholders informed and engaged throughout our sustainability journey.



Our Climate Strategy

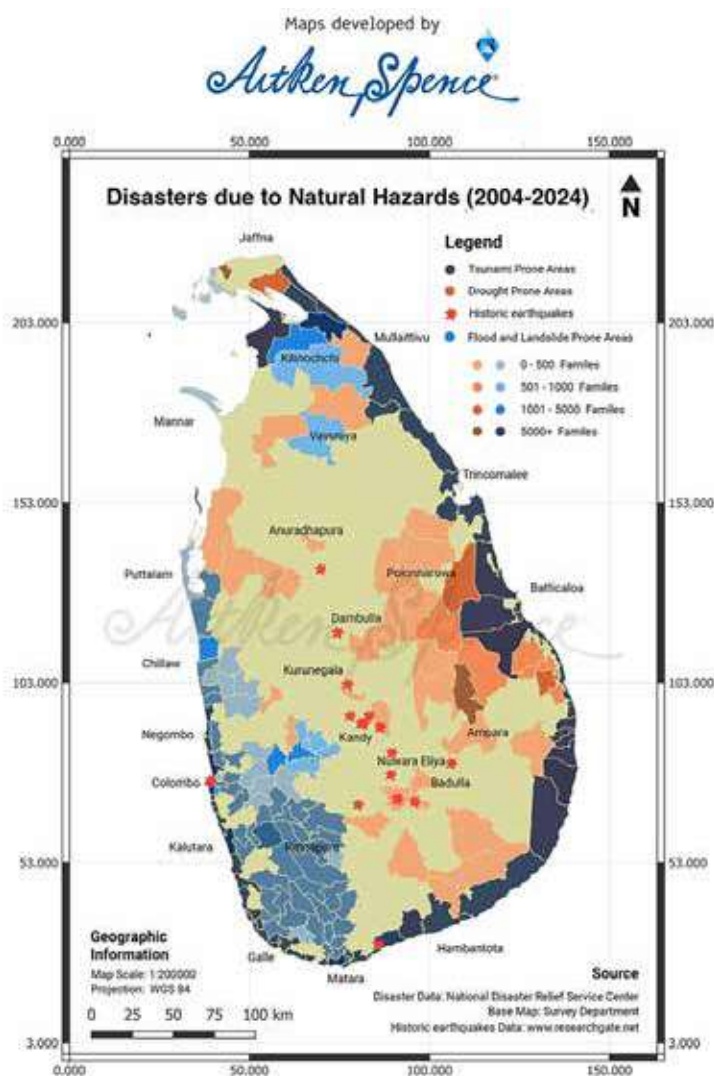
Community engagement and development: Ensuring equitable climate solutions and shared resilience.

We are working to embed our sustainability values across the supply chain by promoting responsible practices, safeguarding worker welfare, and supporting community-level adaptation to climate risks. During the year;

1. The Supplier Code of Conduct and Due Diligence Guidelines were translated into Sinhala and Tamil to enhance accessibility and understanding.
2. The Group's Supply Chain Team made progress on value chain mapping to identify vulnerabilities and develop targeted resilience strategies
3. Cross-functional DRR/BCM teams also continued to assess vulnerabilities and local community needs, integrating them into Group-wide DRR strategies.

Transformation: The lens through which we future-proof our business models.

Our climate strategy drives long-term resilience by integrating DRR and climate risk management into risk assessments, investing in sustainable technologies, and diversifying revenue streams. The Group's growing portfolio of renewable energy projects, including solar, wind, mini-hydro, and waste-to-energy, reflects this commitment. Our transformation strategy also actively explores emerging risks and disruptive shifts, identifying how sustainability and climate action can strengthen business models and unlock future opportunities.



Endorsed by:



Read more about our DRR/ BCM Strategy and performance

Together, these strategies within the pillars of Spence IMPACT shape a climate strategy that is bold, inclusive, science-based, and action-oriented—designed not only to mitigate risks, but to create shared sustainable value for all our stakeholders.

METRICS & TARGETS

In 2024, the Main Board of Aitken Spence PLC approved a set of near-term emission reduction targets as part of the Group's net zero commitment, with the objective of achieving net zero emissions across the Group by 2030. These targets are informed by climate science and aligned with the 1.5°C pathway, consistent with global efforts to meet the goals of the Paris Agreement;

1. Phase out commercial thermal power generation from fossil fuels for external power grids by 2030.
2. Reduce emissions from transport by 20% across the Group
3. Replace 12% of the energy needs in the hotels segment with renewables



Our Climate Strategy

The Group has submitted its science-aligned targets to the Science Based Targets initiative (SBTi) for validation, demonstrating its commitment to credible and externally verified climate action;

Target	Current performance
1. Aitken Spence PLC commits to reduce overall Scope 1+2 emissions by 85% by FY2030 from a FY2020 base year.	The Group is on track to achieve this target, having phased out commercial thermal power generation to the national grid in 2024–2025. Scope 1 and 2 emissions have declined significantly since the 2019–2020 baseline, with the Group currently operating at 14% of baseline emissions.
2. Aitken Spence PLC commits to reduce Scope 1 emissions from commercial thermal power generation from fossil fuels by 100% by FY2030 from a FY2020 base year.	Supporting the country's nationally determined contributions, the Group phased out commercial thermal power generation from fossil fuels to the national grid in 2024–2025.

To complement these efforts, the Group tracks year-on-year progress using a set of performance indicators, including:

- Absolute GHG emissions (Scope 1, 2, and where available, Scope 3)
- Percentage of renewable energy in the Group's energy mix
- Energy consumption per unit revenue
- Emissions per unit revenue
- Waste diverted from landfill and emissions reduced
- Water consumption per unit revenue

These metrics are subject to independent third-party assurance and are reported transparently under internationally recognised frameworks. The Group continues to enhance data accuracy and completeness, including upstream and downstream value chain emissions, and to align performance disclosures with evolving global standards

As part of the Group's broader DRR/BCM strategy, efforts are underway to establish a dedicated resilience pool fund to enable rapid deployment of resources in the event of climate-related or other disruptions, ensuring the protection of people, continuity of operations, and minimisation of financial losses. During the year, segment-level teams were formed across the Group to identify the most significant climate-related risks and opportunities relevant to their operations. These teams, along with segmental Managing Directors, were also engaged in targeted awareness sessions to deepen their understanding of climate change and its potential financial and operational implications. This has supported the integration of climate considerations into strategic and investment planning processes and enhanced the Group's ability to make informed, risk-adjusted decisions aligned with long-term resilience goals.

LOOKING AHEAD

Aitken Spence remains steadfast in its commitment to lead climate action through innovation, strategic investment, and strong governance. Moving forward, we will continue to align with global climate frameworks, including SBTi, while supporting Sri Lanka's NDCs under the Paris Agreement. By embedding climate resilience and low-carbon strategies into our core operations, we aim to create long-term stakeholder value and contribute meaningfully to a sustainable and climate-secure future for generations to come.

Our strategies to achieve these priorities can be perused in the following sections of this report;

- Corporate Governance (Pg 100 to 136)
- Risk Report (Pg 137 to 146)
- Human Capital (Pg 285 to 302)
- Natural Capital (Pg 325 to 339)
- Social & Relationship Capital (Pg 315 to 324)
- Intellectual Capital (Pg 303 to 308)
- Manufactured Capital (Pg 309 to 314)