



PURPOSE-DRIVEN STRATEGY

A PHILOSOPHY OF PURPOSE

ADVANCING OPPORTUNITY

Guided by our core purpose, we align strategy
with sustainability and shared value to attain long-term
growth and meaningful stakeholder engagement – seeking to advance
into a future of endless possibilities.



Stakeholder Engagement (GRI 2-29)

OUR APPROACH

Aitken Spence PLC recognises that meaningful stakeholder engagement is fundamental to sustainable value creation. We adopt a structured and transparent approach to identify, engage, and respond to stakeholders' evolving needs, ensuring that our business strategies align with their expectations and contribute to long-term shared value.

Identifying and Prioritising Stakeholders;

Stakeholder engagement encompasses two key aspects:

1

Responding to stakeholder concerns

While both are essential, they serve distinct purposes. Responding to concerns ensures transparency and accountability, while proactive engagement helps shape strategic decisions based on well-founded insights.

We remain committed to addressing stakeholder concerns; however, we also recognise the need for selective engagement - focusing on stakeholders whose perspectives are credible, materially relevant, and aligned with our strategic priorities. To ensure meaningful and effective engagement, we continuously assess our stakeholders based on;

- topic expertise,
- influence on the organisation,
- potential impacts,
- urgency and proximity.

2

Proactive engagement to identify material topics (priorities for action)

For example, we prioritise communities directly connected to our operations or significantly impacted by our decisions, ensuring we address our greatest areas of responsibility and impact first. Similarly, for environmental concerns, we prioritise scientifically and operationally credible feedback, ensuring that our actions are data-driven and science-based rather than opinion-driven or reactionary. This allows us to maintain a fact-based, transparent, and constructive dialogue while ensuring that our sustainability strategies remain evidence-driven and impactful.

Read more about our operational activities:



- ▶ Tourism Sector Review
- ▶ Maritime & Freight Logistics Sector Review
- ▶ Strategic Investments Sector Review
- ▶ Services Sector Review
- ▶ The Group's Integrated Sustainability Policy
- ▶ Access our Shareholder Feedback Form



INTEGRATING STAKEHOLDER INSIGHTS INTO STRATEGY

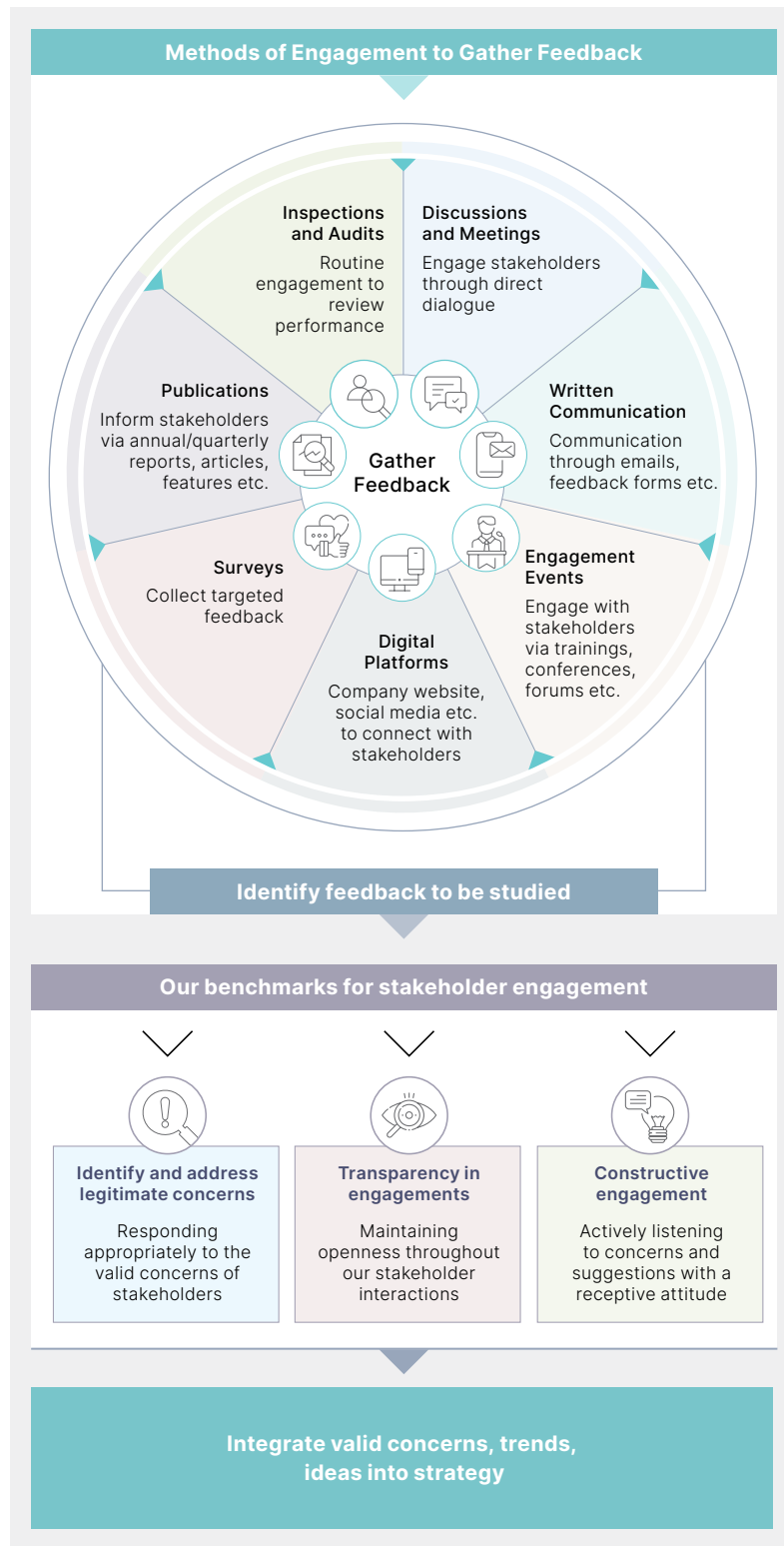
Insights gathered from stakeholder engagement inform our Spence IMPACT Strategy, ensuring alignment with our business priorities and global sustainability frameworks. Accordingly, in our overall materiality assessment process, stakeholder feedback counts for 20% of the weight. However, if the concern is addressing or highlighting a major concern, or if the stakeholder is a crucial stakeholder like a regulator, the concerns raised automatically become material for us to address.

Our stakeholder engagement process ensures that feedback, insights, and ideas strengthen our operations, strategies, and relationships. Engagement is customised for key stakeholder groups as mentioned earlier, ensuring meaningful dialogue, continuous monitoring, and ongoing feedback. We analyse feedback for trends, strengths, weaknesses, and opportunities, integrating key insights into management decisions. To maintain transparency and accountability, we share company policies, strategies, and performance updates, reinforcing our commitment to continuous improvement and responsible business practices.

Guidance on stakeholder engagement is shared with our segmental sustainability teams through policy commitment F and its implementation guideline (please see the full policy statement in our Integrated Sustainability Policy). During the year, the guidelines were revised to align with current needs and a review of these action points was conducted for all main representatives of the Group's sustainability team.



Stakeholder Engagement





Stakeholder Engagement

Investors & shareholders/ Banks & other financial institutions



Employees



Customers



Reasons for engagement

Aims to promote transparency, convey financial performance, align with growth objectives, facilitate capital access, and address financial risks, strengthening trust in governance, long-term value generation, and dedication to sustainable business practices

Ensure employee wellbeing, job satisfaction, motivation, productivity and strengthen talent retention, and skill development aligned with the company's key objectives

Enhance customer centric innovation, strengthen brand trust and royalty and drive sustainable growth and market leadership

Key points of contact

Chairperson, Deputy Chairman, Managing Directors, CEOs, Chief Financial Officer, and other senior key personnel of the Group

Managing Directors and the Senior Management team, HR Partners, Chief Human Resource Officer, Group HR team, and HR coordinators across the business segments

Sales and customer relationship teams, operation teams and communications teams

Frequency of engagement

- AGMs/ Extraordinary General Meetings
- Quarterly financial statements
- As required
- Routine reviews

- Daily or on requirement (through employee engagement surveys etc.)
- Routine performance evaluations
- Specific or routine engagement events

- Daily
- As required or routine reviews as planned by the segments

Our commitment

- Deliver returns commensurate with the investment and transparently update stakeholders on progress and challenges

- Ensure a safe and inspiring work environment that supports growth, fair remuneration and talent development

- Work towards innovating our processes to provide best-in-class products and services to customers

Material concerns

- Sustainability of earnings/ returns, timely payments
- Specific KPIs (share price, dividends, interest rates and taxes paid etc.)
- Compliance with global benchmarks for ESG
- Enhance the depth of assurance services for operational due diligence

- Remuneration and job security
- A safe and inclusive workplace
- Well-being and work-life balance
- Skills development and career progression

- Quality and best value for price paid
- Fast delivery, reliable service
- Sustainable products and services, and unique and personalised experiences

Value delivered in 2024-2025

- Rs. 7.3 billion paid as interest
- 2.82 Interest cover
- 0.38 Debt to equity ratio
- Award winning strategy in place to ensure business sustainability
- Submission of near-term targets to the Science Based Targets initiative (SBTi) for validation as the first conglomerate in Sri Lanka to sign commitment

- Rs. 17.3 billion incurred as employee benefits
- Over 90 management systems and processes maintained for occupational health & safety (OHS)
- Job security
- Work from home and health benefits
- Rs. 78.9 million invested in training and skills development

- Net Promoter Score (NPS) of 54% across all sectors
- Total 86 management systems certified for product/ service responsibility and quality



Stakeholder Engagement

(GRI 207-3)

Local communities, environmental and social lobbyists



Governments, regulators and policymakers



Suppliers and business partners



Reasons for engagement

Foster inclusive and sustainable development, strengthen social license to operate and enhance resilience and shared value creation

Proactive risk management, ensuring compliance, collaboration for inclusive development and strengthening public private partnerships

Ensuring responsible and sustainable supply chains, building trust and mutually beneficial long-standing business relationships

Key points of contact

Community Relations Managers, environmental management representatives (EMRs), heads of departments (HODs), relevant team leaders

Board of Directors, Company Secretary and the Senior Management and relevant team members.

Managing Directors and the Senior Management team, procurement teams of the respective segments.

Frequency of engagement

- On requirement
- Community events
- As planned by the segments to gather and review feedback

- As required
- Routine reviews as planned by the segments

- Daily and as required
- Routine reviews/ due diligence processes as planned by the segments

Our commitment

Collaborate with the industry to ensure economic development, social sustainability and environmental protection.

Maintain governance structures for compliance with legal/ regulatory requirements.

Support mutual growth with reliable and sustainable supply chains.

Material concerns

- Compliance and ESG,
- Community Engagement
- Support for community development
- Responsible and sustainable business practices

- Compliance with legal and regulatory frameworks
- Corporate citizenship and social responsibility
- Long-term value creation
- Collaboration with industry bodies

- Financial stability
- Transparent performance updates
- Long term business relationships
- Strong networks, referrals for opportunities

Value delivered in 2024-2025

- Rs. 281.4 million funds channelled for communities
- Rs. 82.2 million invested towards sustainability related processes and controls
- Award winning sustainability strategy maintained, guided by a sustainability policy availed in English, Sinhala and Tamil to enable community awareness and participation

- Input and feedback provided on specific targets being planned for Sri Lanka's nationally determined contributions (NDCs)
- Direct employment created
- Zero tolerance for unethical behaviour
- Indirect and direct taxes paid of Rs. 13.6 billion
- Rs 163.1 billion facilitation of foreign exchange generation to Sri Lanka

- Strong financial position
- Publishing quarterly financial statements
- Timely payment of all dues to ensure financial health of our suppliers
- 14,000+ suppliers
- 30 Joint venture and equity partners