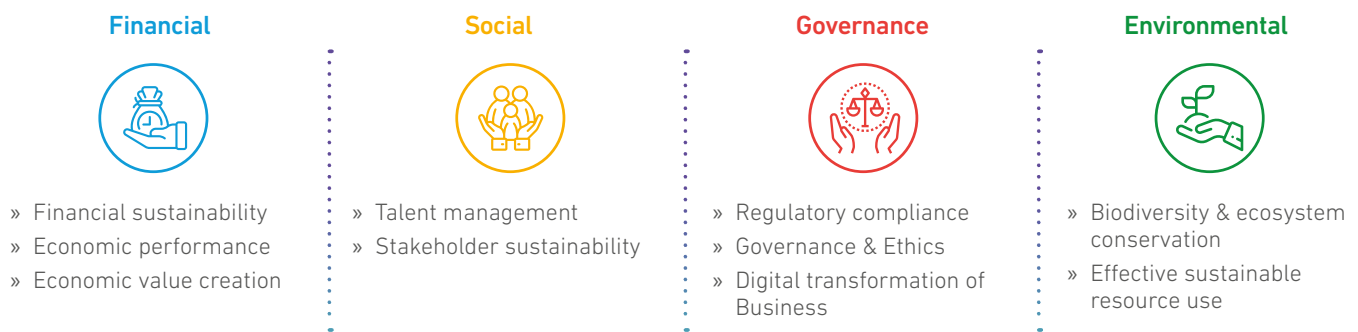


# Intellectual Capital

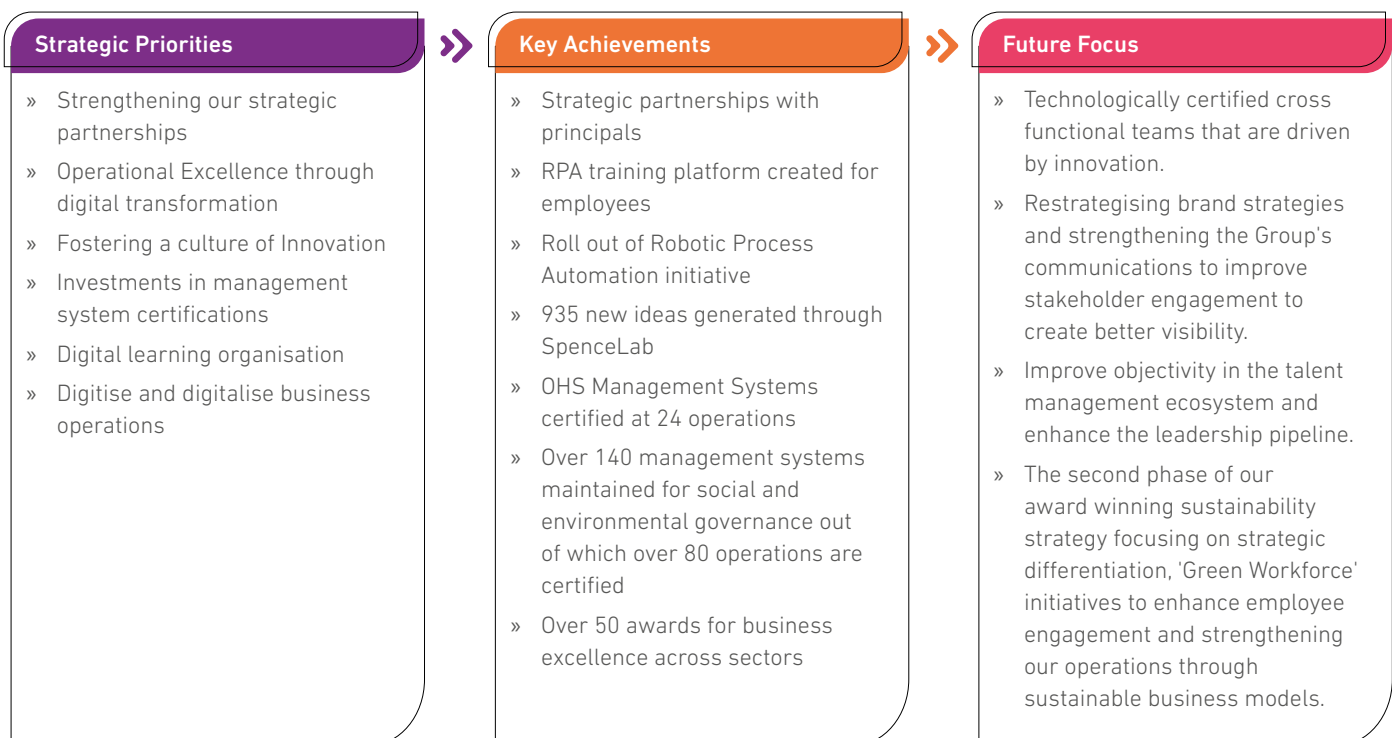


Our intellectual capital is a key driver of sustainable growth, enabling us to gain a competitive advantage in terms of operational excellence, industry expertise and brand reputation. We continue to nurture our intellectual capital by fostering a culture of innovation, investing in our people and processes and by strengthening our partnerships with our principals.

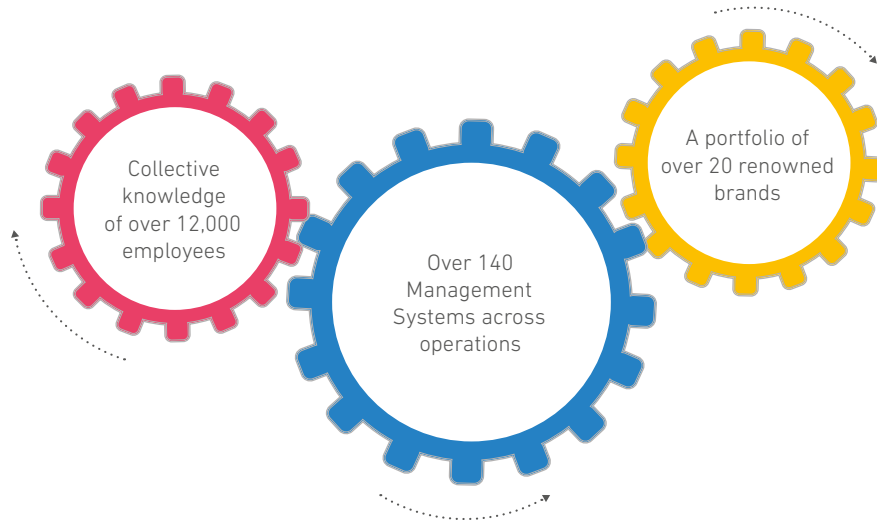
We have identified that the following matters are material to our intellectual capital through the materiality determination process.



Managing our economic, social, and environmental impacts systemically and strategically builds our intellectual capital to better equip us to serve our stakeholders. Our strategic direction is cognizant of the above. Our strategic priorities highlighting the key achievements along with the way forward are given below.



## Our Intellectual Capital



## Our Brands

Managing our economic, social, and environmental impacts systemically and strategically builds our intellectual capital to better equip us to serve our stakeholders. Our strategic direction is cognizant of the above. Our strategic priorities highlighting the key achievements along with the way forward are given below.

### Tourism



### Maritime & Freight Logistics



### Strategic Investments



### Services



# Intellectual Capital

## Collective knowledge

Our collective knowledge comprises of the tacit knowledge, skills, and experience that our diverse employee base brings to our total value proposition. Our employees are spread out across sixteen industries and bring with them a wealth of skills and experience. This collective knowledge is an integral part of our intellectual capital.

## Certifications and Management Systems

We incorporate industry best practices and global standards into all our operations by continuously upgrading our technology, systems and processes and expanding the list of international and local standards and certifications we adhere to. We maintain more than 140 management systems for environmental impact control, quality of service and health & safety. All operations have implemented management systems to establish and continually improve standard procedures to streamline the quality, safety, reliability, and sustainability of the product/service we offer. Listed below are the operations that have sought certification for specific management systems.

### Certifications in Environmental & Social Sustainability



#### ISO 14001:2015 certified environmental management systems

- » Aitken Spence Travels (Pvt) Ltd.
- » Heritance Kandalama (Kandalama Hotel (Pvt) Ltd.)
- » Heritance Tea Factory
- » Ace Aviation Services (Pvt) Ltd.
- » Ace Cargo (Pvt) Ltd.
- » Aitken Spence Cargo (Pvt) Ltd.
- » Logilink (Pvt) Ltd.
- » Hapag Lloyd Lanka (Pvt) Ltd.
- » Ace Distriparks (Pvt) Ltd.
- » Aitken Spence Printing & Packaging (Pvt) Ltd. (within the integrated management system certification)
- » Aitken Spence Elevators (Pvt) Ltd.

#### Travelife Gold certified hotels for sustainable tourism standards maintained

- » Adaaran Club Rannalhi
- » Adaaran Prestige Vadoo
- » Adaaran Select Hudhuranfushi
- » Adaaran Select Meedhupparu
- » Heritance Ahungalla
- » Heritance Ayurveda Maha Gedara
- » Heritance Kandalama
- » Heritance Negombo
- » Heritance Tea Factory

#### Travelife certified operations

- » Aitken Spence Travels (Pvt) Ltd

#### Rainforest Alliance certification

- » Dunsinane Estate
- » Sheen Estate
- » Fernlands Estate
- » Meddecombra Estate
- » New Peacock Estate
- » Nayapane Estate

#### Green Fins accredited members

- » Dive Point, Adaaran Select Hudhuranfushi
- » Dive Point, Adaaran Prestige Vadoo
- » Dive Point, Adaaran Club Rannalhi

*\* Please note that the certifications are awarded according to the boundary assigned for the management system and is listed accordingly.*

#### ISO 50001: 2011 certified energy management systems (recertification pending)

- » Heritance Ahungalla
- » Heritance Ayurveda Maha Gedara
- » Heritance Kandalama (Kandalama Hotel (Pvt) Ltd.)
- » Heritance Tea Factory

#### Operations that offset carbon emissions through purchased credits (ISO 14064 – 1:2008)

- » Aitken Spence Printing & Packaging (Pvt) Ltd
- » Aitken Spence Printing & Packaging (Pvt) Ltd has been carbon neutral for 9 consecutive years

#### LEED Gold certified properties

- » Heritance Kandalama (Kandalama Hotel (Pvt) Ltd.)
- » Heritance Negombo
- » Heritance Aarah
- » Aitken Spence Printing & Packaging (Pvt) Ltd.

#### LEED Gold certified properties

- » Heritance Kandalama (Kandalama Hotel (Pvt) Ltd.)
- » Heritance Negombo
- » Heritance Aarah
- » Aitken Spence Printing & Packaging (Pvt) Ltd.

#### Compliance+ certification

- » Aitken Spence Garments (Pvt) Ltd.

#### Sustainable Apparel Coalition certificate of compliance on the Higg Facility Environmental Module

- » Ace Apparels (Pvt) Ltd.

#### Forest Stewardship Council Chain of Custody certification

- » Aitken Spence Printing & Packaging (Pvt) Ltd

#### Management systems maintained, aligned to the FSC certification (certification pending)

- » Bentota Estate
- » Deviturai Estate
- » Elpitiya Estate
- » Gulugahakanda Estate
- » Ketandola Estate
- » Lelwella Estate
- » Talgaswella Estate

## Certifications in Product/Service Quality and Safety



### ISO 14001:2015 certified environmental management systems

- » Adaaran Club Rannalhi
- » Adaaran Prestige Vadoo
- » Adaaran Select Hudhuranfushi
- » Adaaran Select Meedhupparu
- » Earl's Regency
- » Heritage Ahungalla
- » Heritage Kandalama
- » Heritage Tea Factory
- » Turyaa Kalutara
- » Deviturai Tea Factory
- » Dunsinane Tea Factory
- » Nayapana Tea Factory
- » New Peacock Tea factory
- » Talgaswella Tea factory

### ISO 9001: 2015 certified quality management systems

- » Ace Aviation Services (Pvt) Ltd.
- » Ace Cargo (Pvt) Ltd.
- » Aitken Spence Cargo (Pvt) Ltd.
- » Aitken Spence Shipping Ltd.
- » Hapag Lloyd Lanka (Pvt) Ltd.
- » Fiji Ports Terminal Ltd.
- » Financial Shared Services Centre – Financial Accounting Outsourcing Division, Aitken Spence Corporate Finance (Pvt) Ltd.
- » Aitken Spence Printing & Packaging (Pvt) Ltd. (within the integrated management system certification)
- » Aitken Spence Garments Ltd.
- » Aitken Spence Elevators (Pvt) Ltd.

### Organic certification of Sri Lanka Standards Institute

- » Heritage Tea Factory

### Global Organic Textile Standard (GOTS) - version 5.0

- » Aitken Spence Garments Ltd.

### Global Organic Textile Standard (GOTS) - version 5.0

- » Aitken Spence Garments Ltd.

### Sedex Members Ethical Trade Audit (SMETA)

- » Aitken Spence Printing & Packaging (Pvt) Ltd
- » Aitken Spence Garments (Pvt) Ltd (Sedex Registered Supplier)

### ISO 27001: 2013 information security management systems

- » Aitken Spence Corporate Finance – Group IT

### Gold certificate of compliance – Worldwide Responsible Accredited Production (WRAP)

- » Aitken Spence Garments (Pvt) Ltd (Mathugama)

### Scuba Schools International Diamond Status Certification for commitment to excellence and leadership

- » Dive Point, Adaaran Select Meedhupparu

### ISO 45001:2018 for occupational health & safety

- » Aitken Spence Travels (Pvt) Ltd
- » Logilink (Pvt) Ltd
- » Ace Distriparks (Pvt) Ltd
- » Aitken Spence Printing & Packaging (Pvt) Ltd. (within the integrated management system certification)
- » Aitken Spence Elevators (Pvt) Ltd.

Aitken Spence Travels was the first destination management company in Sri Lanka to receive the ISO 45001: 2018 Occupational Health and Safety (OHS) management certification.

Aitken Spence Elevators became the first and only Elevator company in Sri Lanka to establish a certified integrated management system for quality, environmental impact control and occupational health & safety.

### OEKO TEX 100 Certification

- » Aitken Spence Printing & Packaging (Pvt) Ltd

### Authorised Economic Operator (AEO) - from Fiji Revenue and Customs

- » Fiji Ports Terminal Ltd.

# Intellectual Capital

## How we enhanced our intellectual capital during the year

We continued to nurture our intellectual capital by exploring synergies arising out of strategic partnerships, leveraging technology, and driving innovation to achieve operational excellence and brand value across our businesses.

## Strengthening our strategic partnerships

Our equity partners and principals contribute to our intellectual capital by enhancing our corporate reputation and by creating synergies that add value to our customers in terms of quality and efficiency. During the year we expanded our network of business partners in the insurance, plantations and travel segments and continue to closely collaborate with our partners to drive operational excellence and revenue growth.



## SDG Commitments



### Our strategic partnerships



Agents since 1876



Equity partner since 1989



JV partner



First Sri Lankan company to venture into a Public Private Partnership overseas through the equity holding in Fiji Ports Terminal Ltd. and Fiji Ports Corporation Ltd.



Financier and equity partner



Representing one of the world's largest destination management companies for over 40 Years and JV partners since 2004.



the longest standing GSA representation in the Singapore Airlines network (since 1972).



Representing Western Union since 2006



GSA for Qatar Airways (Cargo) Since 2011



Representatives in Sri Lanka and the Maldives since 2015



Representing Emirates Holidays Since 2014

The relationships we have formed and maintained reflect the values we strive to uphold



## Operational excellence through digital transformation

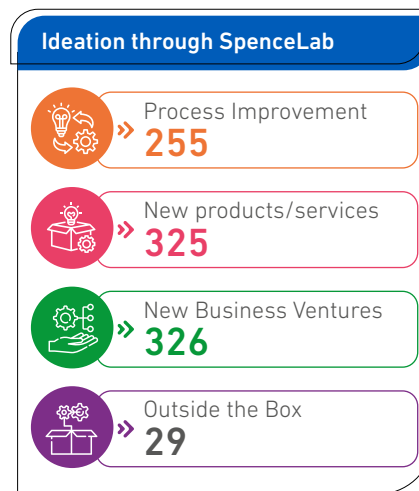
Our digital strategy has enabled us to continue to grow and thrive in the face of change by leveraging on technology to deliver services and products to the customer more efficiently and effectively. Key areas of our digital transformation agenda are the implementation of robotics process automation to streamline logistics, travels, liner shipping operation and financial shared services and the adoption of digital workflows and approvals across the Group. During the year we accelerated these digitisation efforts bringing about significant value in terms of increased productivity, lower operational costs, better customer experience, and improved employee engagement. More details on how we enhanced our digital capital during the year are found on page 193 of this report.

## Fostering a culture of innovation

A culture of innovation that permeates across our operation has been a key factor contributing to our ability to challenge the status quo and stand above our competition. We continue to foster this culture of innovation by encouraging our employees to think out of the box and rewarding innovation at all levels. SpenceLab, our unique intrapreneurship initiative continues to encourage employees to think innovatively and provide ideas and solutions that can drive the business forward. Through this initiative, employees are encouraged to submit their ideas and are rewarded under four key categories. A total of 935 ideas have been submitted during the year and many of these ideas were successfully implemented during the year.

## Awards and Accolades

Aitken Spence PLC and its companies strive towards achieving excellence in all our activities, to establish high growth businesses in Sri Lanka and across new frontiers, and to become a globally competitive market leader in the region. The numerous awards and accolades we received during the year are a testament to the success of our management approach and directly contribute to our reputation in the market.



### Recognised for Excellence

- » Aitken Spence PLC was the only Sri Lankan company to be recognised within the global ranking of Top 100 Companies in Sustainability 2022 carried out by 'Sustainability' magazine.
- » Aitken Spence PLC was the most awarded corporate entity at the Best Corporate Citizen Sustainability Award 2021 organised by the Ceylon Chamber of Commerce with a total of 11 awards.
- » Aitken Spence PLC's annual report of 2020-2021 was ranked among the 'Ten Best Integrated Reports' at the CMA Excellence in Integrated Reporting Awards 2021.
- » Aitken Spence PLC' Annual Report of 2020-2021 won the Bronze award under the diversified category and was recognised in the top 10 companies' annual reports at the 56th Annual Report Awards, organised by the Institute of Chartered Accountants of Sri Lanka (CA Sri Lanka).
- » Aitken Spence PLC was recognised for transparency in corporate reporting, as per the reviews conducted by Transparency International Sri Lanka (TISL). The company received a high score in the 'Significantly Transparent' category
- » The Institute of Chartered Professional Managers of Sri Lanka (CPM) recognised Aitken Spence PLC among the 10 best managed companies in Sri Lanka in a programme themed 'Back to Business in the New Normal'.
- » Aitken Spence PLC was among the most awarded companies in Sri Lanka and the winner of the Diversified Sector, in the LMD Most Awarded companies ranking for 2021.
- » Aitken Spence PLC was ranked amongst the top 15 in the Most Respected of the nation's most admired corporations for 2021 by LMD.

**The complete list of all awards and accolades can be found in [aitkenspence.com/sustainability](https://aitkenspence.com/sustainability)**

# Intellectual Capital

## Tourism Sector



### » Aitken Spence Hotel Holdings PLC

- » Winner of the Hospitality Sector, in the LMD Most Awarded companies ranking for 2021
- » Winner in the Leisure and Connected Services category at the ACCA Sri Lanka Sustainability Reporting Awards 2021
- » Recognised among the top 30 companies of Transparency International Sri Lanka assessment
- » Gold award under the hotel sector category at the 56th Annual Report Awards, organised by the Institute of Chartered Accountants of Sri Lanka (CA Sri Lanka).
- » 19 of its 22 properties received TripAdvisor Travelers' Choice Awards with two of its flagship resorts receiving 'Best of the Best' status

### » Heritage Hotels and Resorts

- » Topped LMD's list of Customer Excellence Survey in the category of Nationwide Hotels 2021

### » Aitken Spence Travels (Pvt) Ltd.

- » Best Ground Tour Operator for Sustainability' by an international tour operator

## Maritime & Freight Logistics



### » Hapag Lloyd Lanka (Pvt) Ltd

- » Gold Award for Main Line operations – Medium Category, at the inaugural National Logistics Awards ceremony organised by the Sri Lanka Logistics & Freight Forwarders Association (SLFFA)

### » Aitken Spence Cargo (Pvt) Ltd

- » Silver Award in the Freight forwarders – Large Category, at the inaugural National Logistics Awards ceremony

### » DBS Logistics Ltd

- » Bronze for Freight Forwarding under the Medium size Category, at the National Logistics Awards ceremony

### » Ace Distriparks (Pvt) Ltd

- » Bronze Award in the Warehousing & Distribution – Large Category, and the Best Submission Overall at the inaugural National Logistics Awards ceremony

## Strategic Investments



### » Western Power Company (Pvt) Ltd

- » Recognised as one of the best sustainability projects at the Best Corporate Citizen Sustainability Award 2021 organised by the Ceylon Chamber of Commerce.

### » Elpitiya Plantations PLC (EPP)

- » 'Go Green and Beyond' initiative was recognised as one of the best sustainability projects at the Best Corporate Citizen Sustainability Award 2021 organised by the Ceylon Chamber of Commerce
- » The 2020/21 Annual Report of EPP was one of the 'Ten Best Integrated Reports' at the CMA Excellence in Integrated Reporting Awards 2021. EPP also was also the winner in the Plantations Sector.
- » Silver award in the plantation companies' sector category at the 56th Annual Report Awards, organised by the Institute of Chartered Accountants of Sri Lanka (CA Sri Lanka).

### » Aitken Spence Garments (Pvt) Ltd

- » Bronze Award for Industrial Excellence in the Manufacturing sector -Extra Large category Provincial level and a Merit Award in the Manufacturing sector – Extra Large category National level at the Ceylon National Chamber of Industries (CNCI) Awards 2021, organised by the Ceylon National Chamber of Industries.

## Services Sector



### » Aitken Spence Elevators (Pvt) Ltd

- » Excellence in Business Transformation Award for demonstrating superior business process management and workflow at the international Business Transformation Leadership Awards presented by the World Leadership Congress, powered by CMO Asia.