

STAKEHOLDER ENGAGEMENT (GRI 2-25, 2-29)

Stakeholder engagement is of vital importance to the Aitken Spence Group to identify and manage the wide-ranging interests across our business operations and thereby ensure that the Group’s broader objectives are aligned with the varied needs of our stakeholders. At Aitken Spence, we believe our stakeholders provide us with valuable insights and feedback that help us to identify our operational priorities, industry trends, potential threats as well as opportunities. We have developed our strategies by identifying and understanding the unique relationships and concerns of our varied stakeholders. To ensure the success of this endeavour, the Group consistently maintains and monitors easily accessible channels through which all stakeholders could engage with our business segments, offering avenues to express their concerns.

Understanding the feedback, concerns and needs of our stakeholders is crucial, as it provides direction for implementing sustainable and responsible business strategies. This brief overview outlines how we engage with our key stakeholders to achieve this objective.

OUR STAKEHOLDER ENGAGEMENT & FEEDBACK ASSESSMENT PROCESS

The objective

Obtain feedback, insights, knowledge and ideas from stakeholders to improve operations and strategies and to strengthen stakeholder relationships



Our key benchmarks for stakeholder engagement.

- Identify and address **legitimate concerns**: Responding appropriately to the valid concerns of stakeholders
- **Transparency** in engagements: Maintaining openness throughout our stakeholder interactions
- **Constructive Engagement**: Actively listening to concerns and suggestions with a receptive attitude

OUR KEY STAKEHOLDER GROUPS

Our key stakeholders	Key points of contact	Frequency of engagement
Employees 	Managing Directors and the Senior Management team, HR Partners, Chief Human Resource Officer, Group HR team, and HR coordinators across the business segments	<ul style="list-style-type: none"> ▪ Daily or on requirement ▪ Specific or routine engagement events
Customers 	Sales and customer relationship teams, operation teams and communications teams	<ul style="list-style-type: none"> ▪ Daily ▪ As required or routine reviews as planned by the segments
Shareholders 	Board of Directors, Company Secretary and Senior Management	<ul style="list-style-type: none"> ▪ AGMs/ Extraordinary General Meetings ▪ As required
Banks and other financial institutions 	Managing Directors, Chief Financial Officer and heads of Finance	<ul style="list-style-type: none"> ▪ Routine reviews ▪ As required
Community, environmental and social lobbyists 	Community Relations Managers, EMRs, HODs, relevant team leaders.	<ul style="list-style-type: none"> ▪ On requirement ▪ Community events ▪ As planned by the segments to gather and review feedback
Governments & Regulators 	Board of Directors, Company Secretary and the Senior Management and relevant team members.	<ul style="list-style-type: none"> ▪ As required ▪ Routine reviews as planned by the segments
Suppliers and business partners 	Managing Directors and the Senior Management team, procurement teams of the respective segments.	<ul style="list-style-type: none"> ▪ Daily and as required. ▪ Routine reviews as planned by the segments

HOW WE ENGAGE WITH ALL STAKEHOLDERS

Discussions, meetings and workshops

Written communication (Emails, feedback forms, letters, digital platforms etc.)

Trainings, conferences, seminars and other public events

Specific engagement activities and events

Digital platforms (social media, corporate website, CSE platform)

Surveys conducted for specific business segments

Publications (Annual /quarterly reports, articles, special features etc.)

Inspections and audit reviews

OUR APPROACH TO STAKEHOLDER PRIORITISATION



Stakeholders offer crucial insights and underscore requirements that aid us in discerning market trends and identifying potential risks and opportunities. While we consider all feedback as important, we strategically give precedence to contributions from certain stakeholders based on the significance of our actions and their impact on the stakeholder or the stakeholder’s influence on our operations.






We give significant importance to the feedback from key investors due to the direct correlation between our decisions and their investments. We meticulously evaluate customer feedback and employee concerns to comprehend requirements and establish systematic controls. Regulatory compliance requirements and non-conformities in our management systems identified by

external auditors are prioritised for impact control. Proposals for value creation are assessed against the opportunity cost of resource allocation. Community concerns are individually evaluated based on potential impact scale. We liaise directly with community leaders for insights and engage with the wider community through meetings or events.

Key stakeholders are usually consulted directly. Where the impacts are indirect or smaller in scale, we may use broader methods like aggregating customer feedback or employee surveys. Stakeholder feedback is vital for identifying our material topics, as explained in the **'Determining Materiality'** section. Based on this, we integrate appropriate action into our business models and activities.



Stakeholder Group	Our Commitment	Key Concerns	Value Delivered in 2023-2024	Further Reading
Employees 	Ensure a safe and inspiring work environment that supports growth, fair remuneration and talent development.	<ul style="list-style-type: none"> Remuneration and job security A safe and inclusive workplace Well-being and work-life balance Skills development and career progression 	<ul style="list-style-type: none"> Rs. 15.3 Bn incurred as employee benefits Over 80 management systems maintained for OHS Job security Zero fatalities Work from home & health benefits Rs. 18.6 Mn invested in training & development 	<ul style="list-style-type: none"> Human Capital Report Corporate Governance Report Risk Report
Business partners- Suppliers & Service Providers 	Support mutual growth with reliable and sustainable supply chains.	<ul style="list-style-type: none"> Financial stability Transparent performance updates Long term business relationships Strong networks, referrals for opportunities 	<ul style="list-style-type: none"> Strong financial position Publishing quarterly financial statements Timely payment of all dues to ensure financial health of our suppliers 13,054 Suppliers 28 Joint venture and equity partners 	<ul style="list-style-type: none"> Financial Capital Report Social and Relationship Capital Report Corporate Governance Report Annual Report of Directors

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Customers 	Work towards innovating our processes to provide best-in-class products and services to customers.	<ul style="list-style-type: none"> Quality and best value for price paid. Fast delivery and reliable service Sustainable products and services Unique and personalised experiences 	<ul style="list-style-type: none"> 234,976 pax handled by destination management segment 1,064,058 guest nights 470,074 sq. ft. of total warehouse space 170,000+ MWh power generated 3.6 Mn apparels produced 4.2 Mn kgs tea produced 23.6 Mn kgs palm oil production 900,000+ of Inward remittance transactions Total 78 management systems certified for product/ service responsibility 	<ul style="list-style-type: none"> Social and Relationship Capital Report Intellectual Capital Report
Shareholders 	An effective and transparent governance framework aimed at fostering long-term value creation.	<ul style="list-style-type: none"> Profitable financial returns on their investment Transparent financial reporting Effective ESG and risk management process Long-term value creation 	<ul style="list-style-type: none"> Dividends distributed of Rs. 1.7 Bn Timely reporting of financial statements Award winning strategy in place to ensure business sustainability Net assets per share Rs. 181.86 Bn Shareholder wealth Rs. 73.9 Bn 	<ul style="list-style-type: none"> Executive Reviews Financial Statements Financial Capital Report Investor Information Corporate Governance Report Risk Report
Investors, banks, and financial institutions 	Deliver returns commensurate with the investment and transparently update stakeholders on progress and challenges.	<ul style="list-style-type: none"> Resilience, sustainability of earnings/ returns and timely payments Specific KPIs such as share price, dividends, interest rates and taxes paid. ESG and risk management 	<ul style="list-style-type: none"> Rs. 10.7 Mn paid as interest 1.73 Interest Cover 0.45 Debt to equity ratio Award winning strategy in place to ensure business sustainability 	<ul style="list-style-type: none"> Executive Reviews Financial Statements Financial Capital Report Investor Information Corporate Governance Report Risk Report
Community, environmental and social lobbyists 	Collaborate with the industry to ensure economic development, social sustainability and environmental protection.	<ul style="list-style-type: none"> Compliance and ESG, Community Engagement Support for community development Responsible and sustainable business practices 	<ul style="list-style-type: none"> Rs. 202.5 Mn funds channelled for communities Rs. 90 Mn 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 	<ul style="list-style-type: none"> Social and Relationship Capital Report Executive Reviews Natural Capital Report Corporate Governance Report
Governments & Regulators 	Maintain governance structures for compliance with legal/ regulatory requirements.	<ul style="list-style-type: none"> Compliance with legal and regulatory frameworks Corporate citizenship and social responsibility Long-term value creation Collaboration with industry bodies 	<ul style="list-style-type: none"> Indirect and direct taxes paid of Rs. 12.2 Bn Rs 131.0 Bn facilitation of foreign exchange generation to Sri Lanka Direct Employment created Zero tolerance for unethical behaviour 134 GWh clean energy provided to the national grid supporting Sri Lanka's NDC targets 	<ul style="list-style-type: none"> Executive Reviews Financial Statements Corporate Governance Report Risk Report Natural Capital