

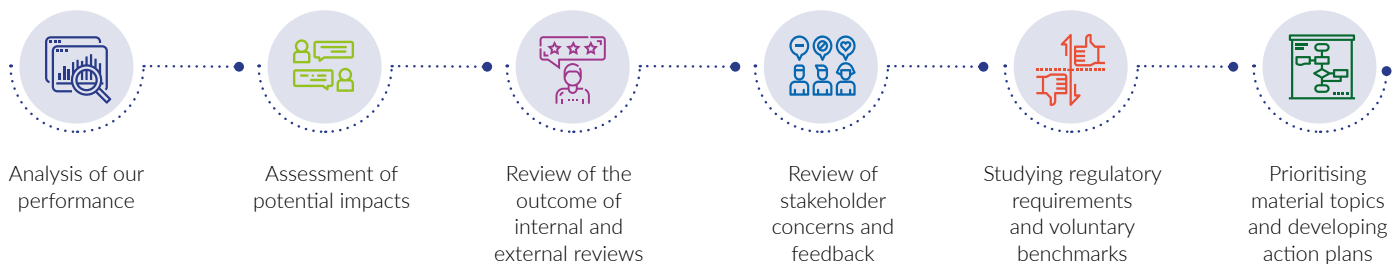
INTEGRATING SUSTAINABILITY

Championing sustainability has been part of our heritage and we have been at the forefront of the sustainability initiatives adopted in the country. The initiatives have been headed by a dedicated Sustainability Department under the watchful guidance of an Executive Director. It is a proactive effort to ensure the long term viability, profitability and integrity of the Company. In a nutshell, we want to identify where we may have disruptions to the operation or to our key stakeholders and take proactive measure to maintain our ability to sustain the business and our stakeholders.

Aitken Spence is amongst the first companies in Sri Lanka to become signatory to the UN Global Compact and to institutionalise its 10 principles. We are also among the first companies in the world to become signatory to the Women's Empowerment Principles and are committed to establish its 7 principles within our operations.

We have also identified 7 SDGs that the Group collectively contributes towards. At the same time, each sector and each SBU will also align to specific SDGs depending on their operational priorities.

Process for Determining Materiality



Material topics and key targets of the Group are determined using internal assessment mechanisms that include studying the requirements of local and global benchmarks such as the GRI Standards and the Sustainable Development Goals using this process.

We first take stock of our operations to identify our impacts. Priorities and material topics are primarily dependent on our impacts i.e. how we may affect social, environmental and economic outcomes through our operations. More details can be viewed in the Sector Reviews.



Tourism



Maritime & Freight Logistics

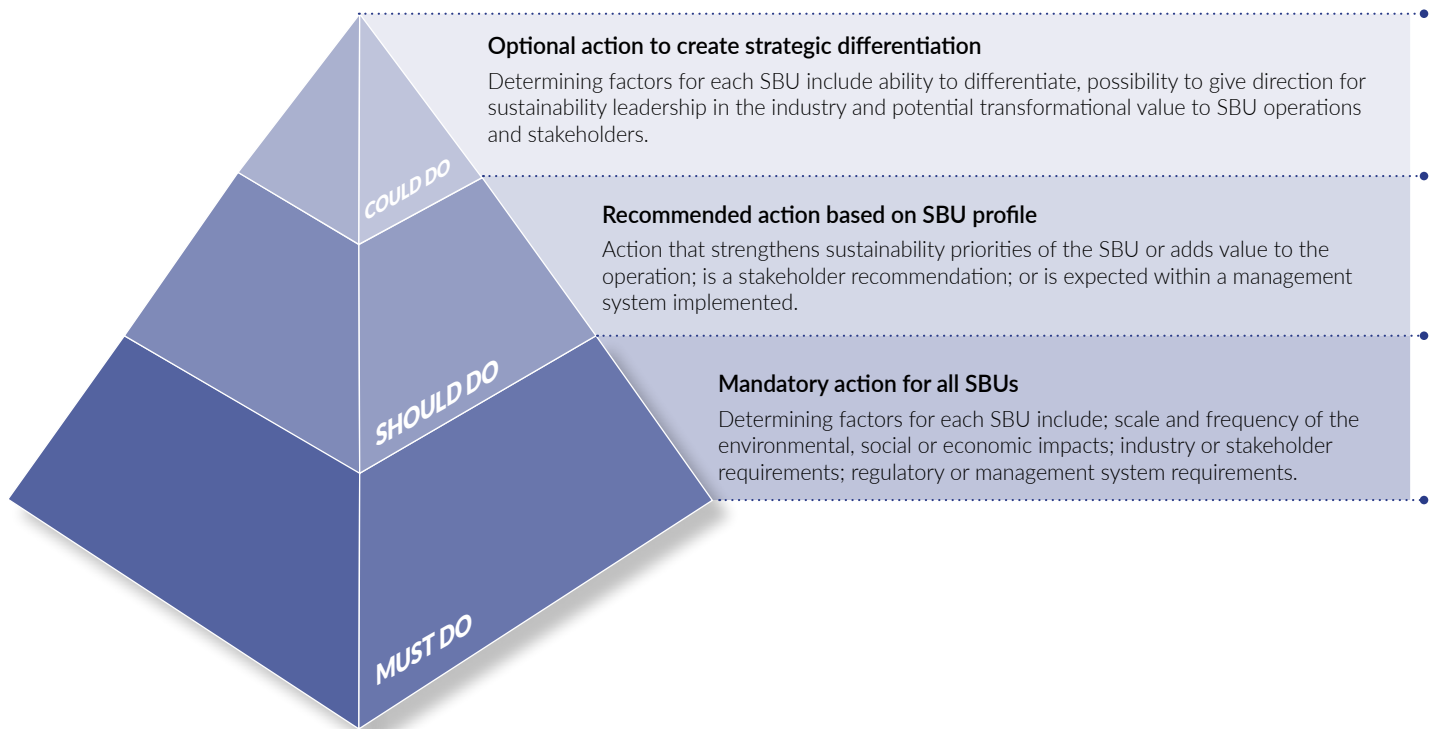


Strategic Investments



Services

These identified topics and targets are then mapped into action plans for the respective SBUs using a 3-tiered approach. The foundation of this approach is what we call “Must do” action (i.e. Essential action points); these are priorities that apply to all our SBUs. Next level is what we call “Should do” action (i.e. Expected action points) that are specific to SBUs based on the nature of their operations. The third tier of this approach is called “Could do” action (i.e. Exemplary action points) that are optional to create strategic differentiation. These action points guide our SBUs on their operational priorities. We have explained how this process works in this diagram.

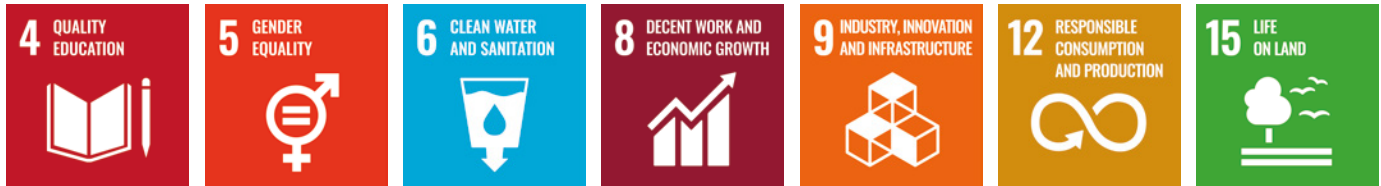


INTEGRATING SUSTAINABILITY

KEY TARGETS OF THE GROUP

<p>Using internal reviews and external feedback from key stakeholders, we identify key targets for the Group.</p> <p>These targets are further mapped according to the relevance to each sector.</p>	Uphold compliance & ethics	● ● ● ●
	Create economic value	● ● ● ●
	Ensure occupational health & safety	● ● ● ●
	Uphold exemplary labour standards	● ● ● ●
	Efficient use of energy, water & other resources	● ● ● ●
	Reduction and safe management of emissions and solid waste	● ● ● ●
	Reduction and safe management of effluents	● ● ●
	Increase female representation in the workforce	● ● ● ●
	Biodiversity conservation	● ● ●

SDGS ALIGNED AT GROUP LEVEL



(Note: Refer to the Sector Reviews for sector specific commitments)

WE ARE COMMITTED TO



MATERIAL TOPICS

(as per the GRI Standards)

Topic specific disclosures; 200 – Economic Standards

- » Economic performance (201-1, 2, 3),
- » Market presence (202 – 1, 2),
- » Indirect economic impacts (203 – 1, 2)
- » Procurement practices (204 – 1)
- » Anti – corruption (205 – 1, 2, 3)
- » Anti – competitive behaviour (206 – 1)

Reasons for materiality;

- » Economic value generation
- » Financial sustainability
- » Social and environmental governance

SDGs to which the outcome of action is expected to contribute;



Topic specific disclosures; 300 – Environmental Standards

- » Energy (302 – 1, 4)
- » Water (303 – 1, 2, 3)
- » Biodiversity (304 – 1, 2, 3, 4)
- » Emissions (305 – 1, 2, 5)
- » Effluents & waste (306 - 1, 2, 3, 5)
- » Environmental compliance (307 – 1)
- » Supplier environmental assessment (308 – 1, 2)

Reasons for materiality;

- » Environmental impact control
- » Local and global commitments
- » Stakeholder expectations
- » Potential to create positive influence

SDGs to which the outcome of action is expected to contribute;



Topic specific disclosures; 400 – Social Standards

Labour Practices & Decent Work

- » Employment (401 – 1, 2)
- » Labour/ management relations (402 - 1)
- » Occupational health & safety (403 – 1, 2)
- » Training & education (404 – 1, 2, 3)
- » Diversity & equal opportunity (405 – 1, 2)
- » Non-discrimination (406 – 1)
- » Freedom of association & collective bargaining (407 – 1)
- » Child labour (408 – 1)
- » Forced or compulsory labour (409-1)

Reasons for materiality;

- » OHS, risk management and compliance
- » Talent retention and management
- » Business sustainability

Human Rights

- » Security practices (410 – 1)
- » Human rights assessment (412 – 1, 2)

Reasons for materiality;

- » Business sustainability
- » Risk management and compliance

Society

- » Local communities (413 – 1, 2)
- » Supplier social assessment (414 – 1, 2)

Reasons for materiality;

- » Building stakeholder relationships
- » Potential to create sustainable value
- » Business sustainability

Product Responsibility

- » Customer health & safety (416 – 1, 2)
- » Marketing & labelling (417 – 1, 2, 3)
- » Customer privacy (418 – 1)
- » Socioeconomic compliance (419 – 1)

Reasons for materiality;

- » Impact on customers
- » Risk management and compliance

SDGs to which the outcome of action is expected to contribute;

