

KPIs	Progress 2022/23	Resources Allocated
Availability of internal successors for 70% of critical roles	Identified 135 critical positions & 170 successors	This strategy seeks to attract, develop and retain talent by positioning Aitken Spence as an employer of choice by offering a unique employee value proposition
Business segments using best-in-class talent acquisition tools to recruit competent talent in support of current and emerging business needs	Ongoing. Use of LinkedIn Recruiter tool Introduction of Harrisons Psychometric tool	<ul style="list-style-type: none"> » Corporate HR Team acting as the Centre of Excellence for all specialised HR functions » Dedicated 21 strategic HR Business Partners and other extended members amounting to over 130 Sponsonians supporting HR needs of 16 business segments.
Develop a robust and equitable performance management system	Ongoing	» Investment in best-in-class HR tools amounting to Rs. 23 Mn
Staff retention rates of critical mass (Asst. Manager & above) against set targets	90%	» Total Human Capital Investment – Rs. 15.1 Bn
Employee engagement/ satisfaction survey score on key lifecycle touch points	74%	» Centralised DE&I steering committee and subsidiary sub committees driving the "Freedom to be me" agenda
Increase female representation in the Group to 45%	41%	
Number of curated HR initiatives to develop a culture of innovation	SpenceInnova Spence Hackathon Spence Robo-Leap	
Performance & potential based talent mapped to 9 box grid to identify top talent of the Group	55% completed	



Strategic Alignment to SDGs



VALUE CREA



Purpose



Inspire to create great futures for all



Vision



To achieve excellence in all our activities, establish high growth businesses in Sri Lanka and across new frontiers and become a globally competitive market leader in the region.

VALUE CREATION MODEL

OUR INPUTS: RESOURCES AND RELATIONSHIPS

Page 193



Financial Capital

Foreign exchange liquidity and resultant restrictions proved to be a challenge while high interest rates deterred borrowings and investments.

Rs. 214.3 Bn
Total Assets

Rs. 56.6 Bn
Total Debt

Rs. 86.2 Bn
Equity

Page 204



Human Capital

High levels of economic migration increased employee turnover, placing a strain on talent pools. The combination of inflationary pressures and reduced availability of talent has had an impact on the quality and affordability of this essential resource.

13,033 Employees

Page 229



Social & Relationship Capital

Consistent and continual engagement and proven trust enabled the Group to strengthen and retain relationships during a challenging year for the country. Acknowledging stakeholder concerns through frank and open discussions paved the way for higher levels of support to manage challenges resulting from the economic conditions.

26 Joint Venture Partners

28,000+ Supply Chain Partners

50,890 Customers

Page 225



Manufactured Capital

Investments in Property, Plant & Equipment was minimal during the year due to market uncertainties and high costs of capital.

Rs. 105.5 Bn
Property, Plant & Equipment

60 Locations in Sri Lanka

10 Countries

Page 217



Intellectual Capital

Our intellectual capital continues to evolve to ensure that our operations are future ready, enabling the Group to compete effectively across multiple sectors and countries.

- » Governance structures, systems and processes
- » Tacit knowledge
- » Digital architecture
- » Brand and reputation

Page 239



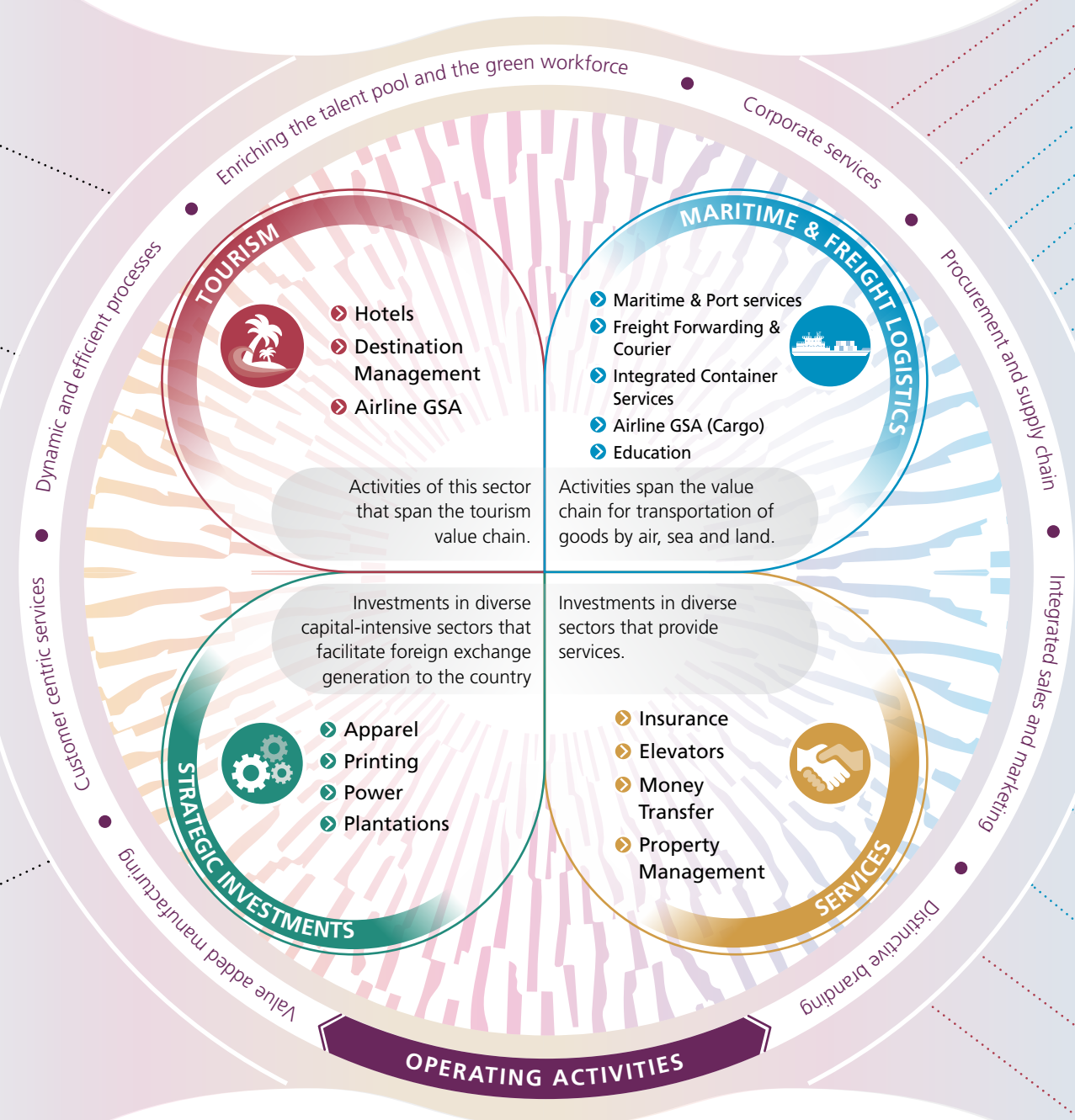
Natural Capital

Natural capital refers to the stock of renewable and non-renewable resources that contribute to producing our goods and services. To manage our natural capital, we take systemic interventions aligned to the precautionary principle such as environmental management systems, and the 7R Principle. The Group maintains 98 diverse management systems that contribute towards environmental impact control.

- » Use of energy and water
- » Operations interacting with natural ecosystems
- » Green cover exceeding 8,080 ha
- » Control of emissions, effluents, and solid waste

WHAT WE DO






OUR BUSINESS ACTIVITIES



We own and manage a portfolio of investments functionally classified into 4 main sectors and 16 segments with operations spanning 10 countries.

OUTPUT

- Tours & Excursion
- Guest Nights
- Airline Representation
- TEUs of Exports Handled
- TEUs of Imports Handled
- Liner Representation
- Courier Services provided
- Tertiary & Vocational Education
- Printing Impressions
- Tea, Rubber, Palm Oil & Minor Crops
- Renewable Energy Generation
- Apparel Manufacture
- Elevators Maintained
- Inward Remittance Transactions
- Commercial Office Space

-  **93,411** tonnes CO_{2e} Emissions
-  **651,347** m³ Waste water and effluents
-  **3,519** MT and **464** units hazardous solid waste
-  **29,795** MT and **1,240** units non-hazardous solid waste
-  **19,966** trees added to our green cover

Economic



Rs. 47.6 Bn
Value Created

Rs. 15.1 Bn
Employee Benefits

Financial



Rs. 108.9 Bn
Revenue

Rs. 11.2 Bn
Profit Before Tax

Social



13,033
Employment Generated

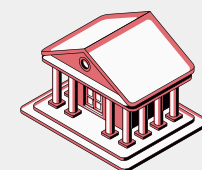
Rs. 42.4 Mn
Invested in Training

Environment



194,172 MT
Residual municipal solid waste converted to energy

Governance



Zero
Non-compliance with Laws and Regulations and Voluntary Codes of Conduct

OUTCOMES

Rs. 81.9 Bn
Foreign Exchange Inflows Facilitated

83,741
Arrivals Handled to Sri Lanka

Rs. 1.6 Bn
Dividends paid to Equity Shareholders

Rs. 10.0 Bn
Direct and Indirect Exports

Rs. 9.4 Bn
Taxes paid

Rs. 8.1 Bn
Profit After Tax

9.5%
ROE

Rs. 16.36
Earnings per Share

Rs. 8.9 Bn
Net Finance Expense

Rs. 4.5 Bn
Total Capital Expenditure

Rs. 260.0 Mn
Funds Channelled for Communities

Rs. 58.4 Bn
Payments to Suppliers

19,694
Students Enrolled at CINEC

893
Suppliers Screened for ESG

Rs. 98.0 Mn
Investment in Sustainability Processes

~1%
of the Country's Annual Energy Demand Provided for Through Renewable Energy

31.4%
of the Total Direct Energy Consumed from Renewable Sources

100%
Effluents from Manufacturing Operations Treated for Safe Disposal

Zero
Ecosystems Adversely Impacted by Our Operations

98
Management Systems for Environmental Impact Control

82
Management Systems for OHS

57
Management Systems for Quality

SYNOPSIS: THE GROUP'S ALIGNMENT TO THE SDGS



Ensure inclusive and equitable quality education and promote lifelong learning opportunities for all

One of the key methods through which we contribute to SDG 4 is by providing technical education and skills development opportunities to our employees. Led by the Group HR Division, the company has structured programmes for technical education, vocational training, upskilling/ reskilling, and leadership development of our Spensonians. Our companies also work to ensure children, youth and women from our communities have access to quality education and skills development. Further, the CINEC Campus provides tertiary education and vocational training including undergraduate and post graduate programmes recognised by the University Grants Commission of Sri Lanka.

Specific target within the SDG we are aiming to contribute to;

- 4.3** By 2030, ensure equal access for all women and men to affordable and quality technical, vocational and tertiary education, including university
- 4.4** By 2030, substantially increase the number of youth and adults who have relevant skills, including technical and vocational skills, for employment, decent jobs and entrepreneurship
- 4.6** By 2030, ensure that all youth and a substantial proportion of adults, both men and women, achieve literacy and numeracy
- 4.7** By 2030, ensure that all learners acquire the knowledge and skills needed to promote sustainable development, including, among others, through education for sustainable development and sustainable lifestyles, human rights, gender equality, promotion of a culture of peace and non-violence, global citizenship and appreciation of cultural diversity and of culture's contribution to sustainable development

KPIs for the Group (i. e. applicable to all Sectors) aligned to indicators within the SDG targets	Target/ benchmark	Performance in 2022/23
> Learning/ skills development programmes - YoY growth	-	12%
> Number of L&D opportunities extended to external stakeholders (e. g. local youth, migrant workers, community members, suppliers etc.)	-	Over 1,400 students received school supplies or scholarships
KPIs specific for the education segment (CINEC) -		
> Total number of student registrations	>15,000	19,694
> Percentage of female student registrations in degree programmes	50%	52%
> Percentage of female students in the graduating classes of the year	40%	38%

STRATEGIC ACTION MODEL



Our Goals



Our Objectives

- We strive to;
- » contribute to society through economic growth and the creation of wealth;
 - » achieve geographical/ industrial expansion and diversification; and
 - » accomplish sustainable growth ensuring environmental and social governance.



Sustainable profit growth



Geographical expansion



Diversify into new business segments



Reduce resource footprint and achieve net zero emission status



Employer of choice