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Progress on the Global Compact

Sustainability Report

The United Nations Global Compact (UNGC) is a voluntary strategic policy initiative launched by the UN in order to encourage businesses to align their operations and strategies with 10 universally accepted principles in the areas of human rights, labour standards, environment and anti-corruption. Aitken Spence PLC has been a signatory of the Global Compact since 28th May 2002 and a privileged member of the UNGC steering committee of the Sri Lanka Network. We have also been appointed to the Board of Directors of the UNGC Network Ceylon which is currently

chaired by Dr. Rohan Fernando who is a Director of Aitken Spence PLC.

The UNGC Local Network's role is to root the Global Compact within Sri Lanka and to facilitate the progress of companies engaged in the Global Compact with respect to implementation of the ten principles, create opportunities for multi-stakeholder engagement, collective action and to deepen the learning experience of all participants through their own activities and promote action in support of broader UN goals.

Category	UNGC Principle	Relevant GRI Indicators Disclosed	General practices at Aitken Spence
Human Rights	Principle 1: Businesses should support and respect the protection of internationally proclaimed human rights	LA7, LA8, LA14, HR3, HR4, HR8, PR8	<ul style="list-style-type: none"> It is general practice at Aitken Spence to uphold the internationally accepted human rights of all stakeholders. We practice an open door policy for grievance handling where all employees are encouraged to go to the highest authority figure for any complaints The Integrated Sustainability Policy of Aitken Spence PLC formalises this practice by including a written clause on the same The first steps towards formulating a human rights protection framework were set in motion when we conducted a training programme for the Security Personnel who are employed at Aitken Spence Towers. This programme was then extended to the sustainability subcommittee members of all the Subsidiaries as well. As per clause P of the Integrated Sustainability Policy we hope to take further action towards protecting human rights. (See page 87) Clause P of the Integrated Sustainability Policy is entirely on the protection and support of internationally accepted human rights (See page 87)
	Principles 2: Businesses should make sure that they are not complicit in human rights abuses	HR3, HR4, HR8	
Labour Standards	Principle 3: Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining	LA5, HR3	<ul style="list-style-type: none"> Freedom of association is generally practiced although there is no specific written policy on this

Category	UNGC Principle	Relevant GRI Indicators Disclosed	General practices at Aitken Spence
Labour Standards	Principle 4: Businesses should uphold the elimination of all forms of forced or compulsory labour	HR3	<ul style="list-style-type: none"> The Group rigidly complies with the ILO Conventions on the employment of persons. In order to create greater awareness on human rights among all staff members we initiated a training programme with the sustainability sub committees of all subsidiaries. The purpose of this training was to use the sub committees as champions and cascade the knowledge down to all employees through them. The Company strictly ensures that no employees below the legal minimum age is offered employment
	Principle 5: Businesses should uphold the effective abolition of child labour	HR3	
	Principle 6: Businesses should uphold the elimination of discrimination in respect of employment and occupation	LA14, HR3, HR4, HR8	
Environment	Principle 7: Businesses should support a precautionary approach to environmental challenges	EN18 (Partially repoted, see GRI index)	<ul style="list-style-type: none"> The Board of Directors to the best of its ability has applied very high standards to protect and nurture the environment. EMS manages aspects which have significant environmental impacts proactively
	Principle 8: Businesses should undertake initiatives to promote greater environmental responsibility	EN5, EN6, EN8, EN11, EN12, EN23, EN28 EN3, EN4, EN10, EN16, EN18 (Partially repoted, see GRI index)	<ul style="list-style-type: none"> EMS and certification of the EMS where environmental conservation plays significant importance Awareness programmes conducted by the Corporate Sustainability Team and the Sub Committees and other subsidiaries
	Principle 9: Businesses should encourage the development and diffusion of environmentally friendly technologies	EN5, EN6, EN10, EN18 (Partially repoted, see GRI index)	<ul style="list-style-type: none"> The BMS Energy efficiency improvements developed by Aitken Spence Power Generation – Horana and Matara Herb Garden and model farm at the Embilipitiya Power Plant Environmental conservation efforts and reforestation at Elpitiya Plantations Renewable energy projects and energy efficiency improvements at Elpitiya Plantations Measurement of Carbon Footprint at Heritage Kandalama
Anti - Corruption	Principle 10: Businesses should work against corruption in all its forms, including extortion and bribery	SO2, SO3	<ul style="list-style-type: none"> Company Code of Ethics has stringent instructions on anti-corruption Internal audits
















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GRI Index and the Social Responsibility Guidelines Sustainability Report

This section presents the GRI Index as per disclosure 3.12 in the GRI Reporting Framework which will give direction to the relevant sections where information on GRI Disclosures can be found in the annual report. The first column lists the GRI Disclosures with the second column listing the section titles where information had been added in the annual report. Column 3 illustrates the disclosure level to which we have reported. We have attempted to disclose all available information for the standard disclosures and performance indicators identified as explained in the 'Reporting Methodology' chapter on page 80. In order to maintain the relevance and significance of the information disclosed, we have also referenced the ISO 26000 guidelines to direct our sustainable development practices. Column 4 in this index refers to the ISO 26000 core social responsibility themes and subjects we have covered in this report, in line with the GRI Reporting Framework, with column 5 stating the ISO 26000 clause number. Finally, the last column states the page number(s) where the information can be found in the report.

Disclosure level: Partially disclosed - 

Fully disclosed - 

Disclosure Type	Section in Annual Report	Level	ISO 26000 core social responsibility subjects and themes	ISO 26000 Clauses	Page Number
1. Standard Disclosures - Strategy and Analysis					
1.1	Statement from the Managing Director and Chairman	Chairman's Report Managing Director's Review		Organisational governance	6.2 9-11 13-17
1.1	Key impacts, risks and opportunities	Managing Director's Review Risk Management		Organisational governance	6.2 13-17 61-67
2. Standard Disclosures - Organisational Profile					
2.1	Name of the Organisation	Corporate Information		-	- Back Cover
2.2	Primary brands, products and/or services	Management Discussion and Analysis Group Companies		-	- 30-51 186-189
2.3	Operational structure of the organisation	Management Discussion and Analysis Group Companies		Organisational governance	6.2 30-51 186-189
2.4	Location of the organisations headquarters	Corporate Information		-	- Back Cover
2.5	Number of countries where the organisation's operates	Management Discussion and Analysis Our Network		-	- 30-51 28-29
2.6	Nature of ownership and legal form	Corporate Information		-	- Back Cover
2.7	Markets served	Management Discussion and Analysis Financial Statements		-	- 30-51 132-173
2.8	Scale of the organisation	Management Discussion and Analysis Financial Statements		-	- 30-51 132-173
2.9	Significant changes during the reporting period	Chairman's Report Managing Directors Review Management Discussion and Analysis Annual Report of the Board of Directors		-	- 9-11 13-17 30-51 122-128
2.10	Awards received in the period	Recognition		-	- 84-86
3. Standard Disclosures - Report Parameters					
3.1	Reporting period	1st April 2010 to 31st March 2011		-	- -
3.2	Date of the most recent previous report	31st March 2010		-	- -
3.3	Reporting cycle	Annual		-	- -

Disclosure Type		Section in Annual Report	Level	ISO 26000 core social responsibility subjects and themes	ISO 26000 Clauses	Page Number
3.4	Contact point for further information	Corporate information	●	-	-	Back Cover
3.5	Process for defining report content	Reporting Methodology	●	-	-	80
3.6	Boundary of the report	Reporting Methodology	●	-	-	80
3.7	Limitation on the scope of the boundary of the report	Reporting Methodology	●	-	-	80
3.8	Basis of reporting on joint ventures and other operations	Financial Statements	●	-	-	132-173
3.9	Data measurement techniques	Reporting Methodology	●	-	-	80
3.10	Effects of any re-statements	Financial Statements	●	-	-	132-173
3.11	Significant changes from previous reporting periods	Reporting Methodology	●	-	-	80
4. Standard Disclosures - Governance, Commitments and Engagements						
4.1	Governance structure of the organisation	Chairman's Report Corporate Governance	●	Organisational governance	6.2	9-11 116-123
4.2	Indicate whether the chair of the highest governance body is also an executive member	Corporate Governance	●	Organisational governance	6.2	116-123
4.3	The Board composition	Corporate Governance	●	Organisational governance	6.2	116-123
4.4	Mechanisms for shareholders and employees to provide recommendations	Stakeholder Engagement	●	Organisational governance	6.2	80-82
4.5	Linkages between compensation for members of the highest governance body, senior managers and executives and the organisation's performance	Remuneration Committee Report Corporate Governance	●	Organisational governance	6.2	129 116-123
4.6	Processes in place for the highest governance body to ensure conflicts of interest are avoided	Corporate Governance	●	Organisational governance	6.2	116-123
4.7	Process for determining the qualifications and expertise of the members of the highest governance body for guiding the organisation's strategy	Corporate Governance	●	Organisational governance	6.2	116-123
4.8	Internally developed statements of mission or values, codes of conduct and principles	Vision Corporate Governance Integrated Sustainability Policy	●	Organisational governance	6.2	116-123 82-83
4.9	Procedures of the highest governance body for overseeing the organisation's identification and management of economic, environmental and social performance	Risk Management report Corporate Governance	●	Organisational governance	6.2	61-67 116-123
4.10	Processes for evaluating the highest governance body's own performance	Corporate Governance	●	Organisational governance	6.2	116-123
4.11	Explanation of whether and how the precautionary approach or principle is addressed by the organisation	Battling Climate Change	●	Organisational governance	6.2	89-96
4.12	Externally developed economic, environmental and social charters, principles or other initiatives to which the organisation subscribes or endorses	Progress of the Performance on Global Compact	●	Organisational governance	6.2	106-107

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Disclosure Type		Section in Annual Report	Level	ISO 26000 core social responsibility subjects and themes	ISO 26000 Clauses	Page Number
4.13	Memberships of 'Aitken Spence PLC' in associations (such as industry associations) and/ or national/ international advocacy organisations	Membership in the Ceylon Chamber of Commerce Membership in the Steering Committee of the Global Compact Network Ceylon (GCNC) Member of the Board of the GCNC <i>(Detailed list for all subsidiaries to be posted on the Group website)</i>	●	Organisational governance	6.2	-
4.14	List of stakeholder groups engaged by the organisation	Stakeholder Engagement	●	Organisational governance	6.2	80-82
4.15	Basis of identification and selection of stakeholder	Stakeholder Engagement	●	Organisational governance	6.2	80-82
4.16	Approaches to stakeholder engagement	Stakeholder Engagement	●	Organisational governance	6.2	80-82
4.17	Key topics and concerns raised through stakeholder engagement	Stakeholder Engagement	●	Organisational governance	6.2	80-82
Performance Indicators - Economic Performance Indicators						
EC1	Direct economic value generated and distributed	Financial Review	●	Community involvement and development Community involvement Wealth and income creation Social investment	6.8 6.8.3 6.8.7 6.8.9	52-58
EC3	Coverage of the organisations defined benefit plan obligations	Financial Statements	●	-	-	132-173
EC 6	Policy, practices, and proportion of spending on locally-based suppliers	Building Lives	●	Promoting social responsibility in the value chain Community involvement and development Employment creation and skills development Wealth and income creation	6.6.6 6.8 6.8.5 6.8.7	97-105
EC 8	Development and impact of infrastructure investments and services provided primarily for public benefit through commercial, in-kind or pro bono engagement	Building Lives Annual Report of the Board of Directors - Donations	●	Economic, social and cultural rights Community involvement and development Community involvement Education and culture* Employment creation and skills development Technology development and access* Wealth and income creation Social investment	6.3.9 6.8 6.8.3 6.8.4 6.8.5 6.8.6 6.8.7 6.8.9	97-105 122-128

Disclosure Type	Section in Annual Report	Level	ISO 26000 core social responsibility subjects and themes	ISO 26000 Clauses	Page Number	
Performance Indicators - Environmental Performance Indicators						
EN5	Energy saved due to conservation and efficiency improvements	Battling Climate Change	●	The Environment Sustainable resource use	6.5	89-96
EN6	Initiatives to provide energy – efficient or renewable energy based products and services and the reduction in energy consumption as a result of these initiatives	Sustainable Development Case Studies: Leading Positive Change	●		6.5.4	93-96
EN 8	Total water withdrawal by source	Shifting Paradigms (Sector supplement for EN8 and EN12)	●			99-101
EN 11	Location and size of land owned, leased managed in, or adjacent to, protected areas and areas of high biodiversity value outside protected areas	The Patron of the Community	●	The Environment Protection of the environment & biodiversity, and restoration of natural habitat	6.5 6.5.6	102-105
EN 12	Description of significant impacts of activities, products, and services on biodiversity in protected areas and areas of high biodiversity value outside protected areas		●			
EN 23	Total number and volume of significant spills	Battling Climate Change	●	The Environment Prevention of pollution	6.5 6.5.3	89-96
EN28	Monetary value of significant fines and total number of non – monetary sanctions for non – compliance with environmental laws and regulations	Battling Climate Change	●	The Environment	6.5	89-96
EN3	Direct energy consumption by primary energy source	Sustainable Development Case Study: Leading positive change	●	The Environment Sustainable resource use	6.5 6.5.4	93-96
EN4	Indirect energy consumption by primary source		●			
EN10	Percentage and total volume of water recycled and reused	Sustainable Development Case Studies: Leading Positive Change Shifting Paradigms	●	The Environment Sustainable resource use	6.5 6.5.4	93-96 99-101
EN16	Total direct and indirect greenhouse gas emissions by weight	Sustainable Development Case Study: Leading positive change	●	The Environment Climate change mitigation action	6.5 6.5.5	93-96
EN18	Initiatives to reduce greenhouse gas emissions and reductions achieved		●	The Environment Climate change mitigation action	6.5 6.5.5	
Performance Indicators - Social Performance Indicators						
Labour Practices and Decent Work						
LA1	Total workforce by employment type, employment contract and region	Human Resources	●	Labour Practices Employment and employment relationships	6.4 6.4.3	69-73
LA3	Benefits provided for full time employees	Bonus/ Salary increments on performance basis Festival advance Medical benefits Retirement benefits obligations	●	Labour Practices Employment and employment relationships Conditions of work and social protection	6.4 6.4.3 6.4.4	-

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Disclosure Type		Section in Annual Report	Level	ISO 26000 core social responsibility subjects and themes	ISO 26000 Clauses	Page Number
LA5	Minimum notice periods	1 month	●	Labour Practices Employment and employment relationships Conditions of work and social protection Social dialogue	6.4 6.4.3 6.4.4 6.4.5	-
LA8	Education, training, counselling, prevention and risk-control programs in place to assist workforce members, their families or community members regarding serious diseases	Awareness session on HIV/AIDS as a workplace issue in the Group's Orientation Programme for new recruits. Awareness programme and consultation clinic including free blood test for employees marking World Diabetes Day 2010 on the 15th November 2010.	●	Labour Practices Health and safety at work Community involvement and development Community involvement Education and culture Health	6.4 6.4.6 6.8 6.8.3 6.8.4 6.8.8	-
LA11	Programmes for skills management and lifelong learning	Human Resources	●	Labour Practices Human development and training in the workplace Employment creation and skills development	6.4 6.4.7 6.8.5	69-73
LA12	Percentage of employees receiving regular performance and career development reviews	100% of the executive cadre	●	Labour Practices Human development and training in the workplace	6.4 6.4.7	-
LA14	Ratio of basic salary of men to women by employee category	1:1	●	Discrimination and vulnerable groups Fundamental principles and rights at work Labour Practices Employment and employment relationships Conditions of work and social protection	6.3.7 6.3.10 6.4 6.4.3 6.4.4	-
Society Performance Indicators						
SO2	Percentage and total number of business units analysed for risks related to corruption	Sustaining Good Practice - Governance	●	Fair Operating Practices Anti-corruption	6.6 6.6.3	87
SO3	Percentage of employees trained in organisation's anti-corruption policies and procedures		●	Fair Operating Practices Respect for property rights	6.6 6.6.3	
SO8	Monetary value of significant fines and total number of non-monetary sanctions for non-compliance with laws and regulations		●	Fair Operating Practices Respect for property rights Wealth and income creation	6.6 6.6.7 6.8.7*	

Disclosure Type	Section in Annual Report	Level	ISO 26000 core social responsibility subjects and themes	ISO 26000 Clauses	Page Number	
Human Rights Performance Indicators						
HR3	Total hours of employee training on policies and procedures concerning aspects of human rights that are relevant to operations, including the percentage of employees trained	Sustaining Good Practice - Governance	●	Human Rights Avoidance of complicity	6.3 6.3.5	87
HR4	Total number of incidents of discrimination and actions taken	Sustaining Good Practice - Governance	●	Human Rights Resolving grievances Discrimination and vulnerable groups Fundamental principles and rights at work Employment and employment relationships	6.3 6.3.6 6.3.7 6.3.10 6.4.3	87
HR8	Percentage of security personnel trained in the organisation's policies or procedures concerning aspects of human rights	Sustaining Good Practice - Governance	●	Human Rights Avoidance of complicity Employment and employment relationships Promoting social responsibility in the value chain	6.3 6.3.5 6.4.3 6.6.6	
Product Responsibility Performance Indicators						
PR5	Practices related to customer satisfaction, including results of surveys measuring customer satisfaction	Customer First	●	Consumer Issues Protecting consumers' health & safety Sustainable consumption Consumer service, support and complaint and dispute resolution Access to essential services* Education and awareness	6.7 6.7.4 6.7.5 6.7.6 6.7.8 6.7.9	88
PR7	Total number of incidents of non-compliance with regulations and voluntary codes concerning marketing communications, including advertising, promotion, and sponsorship		●	Consumer Issues Fair marketing, factual and unbiased information and fair contractual practices Consumer service, support and complaint and dispute resolution Education and awareness	6.7 6.7.3 6.7.6 6.7.9	
PR8	Total number of substantiated complaints regarding breaches of customer privacy and losses of customer data		●	Consumer Issues Consumer data protection and privacy	6.7 6.7.7	
PR9	Monetary value of significant fines for non-compliance with laws and regulations concerning the provision and use of products and services		●	Consumer Issues Consumer service, support and complaint and dispute resolution*	6.7 6.7.6	