

Sustaining Good Practice.

Sustainability Report

A sustainable business model

As Aitken Spence completes a year since the roll out of the Group's Integrated Sustainability Policy, I am happy to note the progress made across our subsidiaries in instituting awareness of sustainability principles and of the manner in which corporate sustainability becomes a means of competitive advantage.

Our integrated sustainability policy is, in effect, a proactive long term strategy that allows us to address issues that may affect future viability, right now; ensuring that we are here today, here tomorrow. Today, all of our employees know that in the final equation, our commitment to sustainability makes strong business sense – by building long term value for our shareholders.

The business model of the future is one that focuses on sustainability; and the vastly changing global conditions during the past few years have been ample proof of the consequences of short sighted policies and practices. Challenges such as resource scarcity and climate change are compounded by natural disasters and man-made disasters such as financial crises and rising inequality; how the world responds today will shape our destinies tomorrow.

The Integrated Sustainability Policy, a quantum leap in the formal institution of sustainability at Aitken Spence, has now been fully unrolled and is being implemented on tier basis. An integral aspect of the strategy is to encourage subsidiaries to champion a sustainability issue which is strategic to their business and the industry in which they operate creating a competitive advantage. We are pleased to report that all strategic business units have commenced focused initiatives on this front.

The structure, spread and diversity of our businesses pose inherent difficulties to the development of a common platform for sustainability. It is then an endorsement of the

in-house talent that manages issues of sustainability that Aitken Spence was ranked No 2 in the STING Corporate Accountability Index of 2011. Our Integrated Policy and its implementation framework was ranked best in Policy Coverage.

We continue to promote and protect the principles of the Global Compact within our sphere of influence. We are actively involved in its promotion within Sri Lanka, with my colleague in the Board, Dr. Rohan Fernando chairing the board of the Global Compact Local Network in Sri Lanka. The company's adoption of the principles is summarised in pages 106 to 107.

During the year, Aitken Spence embraced the United Nations Women's Empowerment Principles, in an effort to strengthen our commitment towards internationally proclaimed human rights. We believe that concerted action on these principles would help businesses perform better by facilitating the development of a stronger human resource.

This year we are making a move from level C to level B in our sustainability reporting utilising capacity built internally. I sincerely thank the sustainability champions across the subsidiaries for their commitment to make it happen.

In our report on sustainability, you will find a brief outline of Aitken Spence's drive towards a truly sustainable platform.

I extend my sincere appreciation to the teams behind the initiatives.



J.M.S. Brito

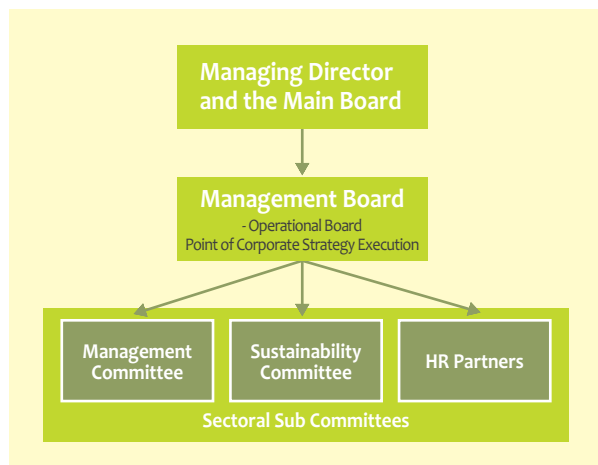
Deputy Chairman and Managing Director

27th May 2011

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Reporting methodology

We continue this year to report along the sustainability framework of the Global Reporting Initiative (GRI), which sets out the principles and indicators that organisations can use to measure and report on its sustainability parameters. This report uses the GRI G3 guidelines and meets the application criteria of a self claimed B Level report. The GRI reporting process was driven entirely by the internal expertise of Aitken Spence.

Report content and reporting boundary

This report is presented as an integrated report in the Aitken Spence PLC Annual Report 2010/11. The report covers information pertaining to all owned and managed operations, which includes operations in Asia and South Africa. Activities discussed in this sustainability report were performed at Group entities in Sri Lanka and the Maldives for the reporting period between 1st April 2010 to 31st March 2011. The report's disclosure covers owned operations in Sri Lanka and Maldives.

Data related to subsidiaries has been obtained through the main representative of each subsidiary's sustainability sub committee, who coordinates with the relevant personnel operationally in charge of the data to maintain records and submit information for reporting. The information so obtained includes information on energy consumption, water consumption, waste management, quality assurance,

performance against targets and other activities. This process involves some limitation as there are some occasions where the required data is not available. For example, the amount of water consumed from a ground water well is not measured as opposed to the water obtained from municipal water lines.

Calculation and measurement of the data is based on generally accepted industry norms and standards, and the data is presented in the most comparable manner. For example, energy saving is calculated in multiples of joules and where information is not available to present the data in joules, such as the energy saved due to efficiency improvements in a mini hydropower plant, the electricity consumption is given in kVA amounts or Watts. Amount of water consumption is given in cubic meters and waste resources are presented in kilograms.

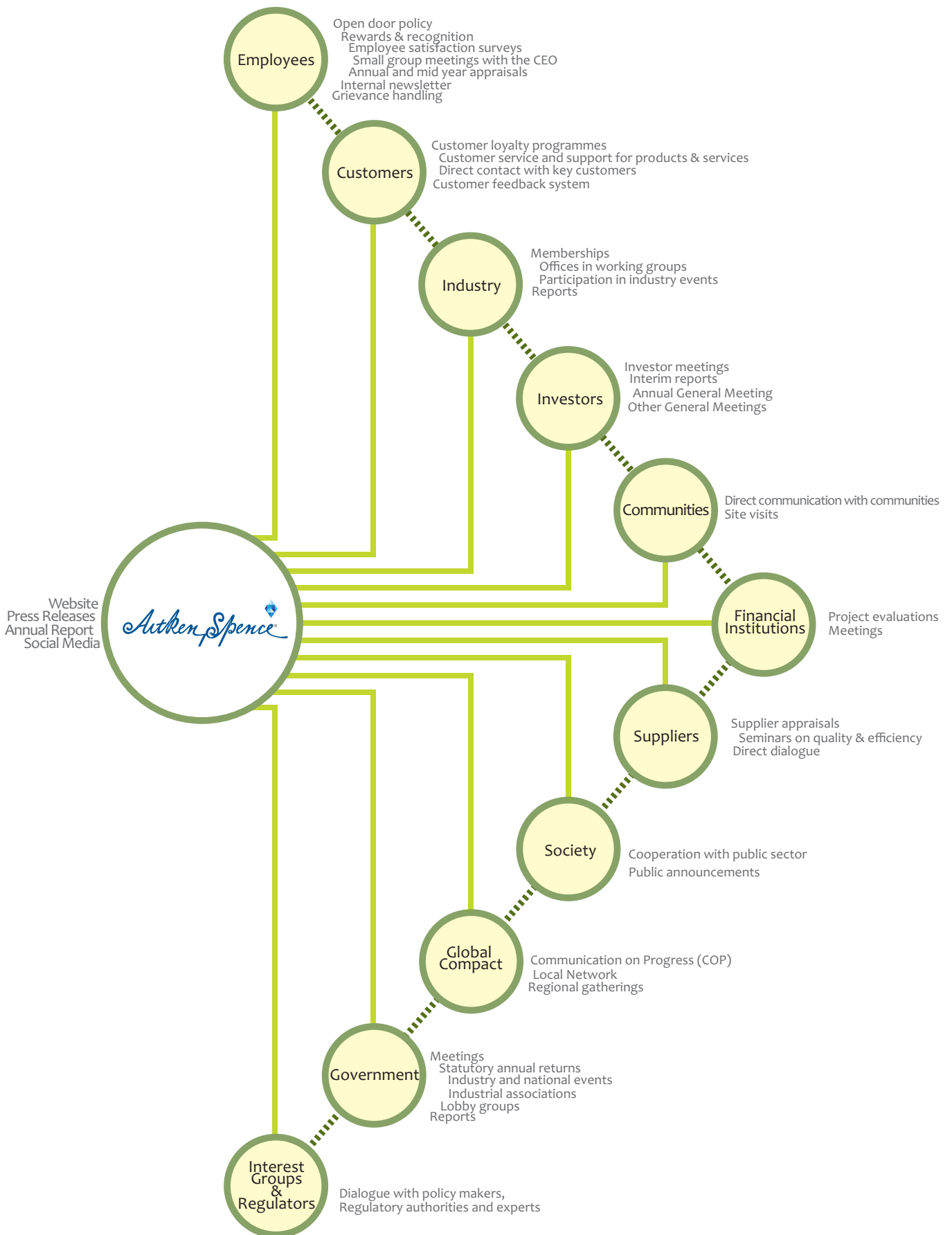
In order to identify the indicators to report on, all performance indicators of significant importance to the Company were shortlisted by the centre (Group Business Development Division). These indicators were filtered through the subsidiary sustainability representatives and the respective personnel at their subsidiaries to narrow it down further. Based on the feedback received from the subsidiaries we met with the senior management for their feedback. Throughout this process, the materiality of the performance indicators, completeness of the information available and requirements of the stakeholders played a key role in identifying the disclosures for the Group Sustainability Report of 2010/11.

Stakeholder engagement

The ability to engage with its stakeholders in healthy, mutually beneficial, lasting relationships forms the bedrock of a sustainable organisation.

The multiple and diverse relationships built by Aitken Spence across industries and society have been formed on trust, mutual respect and understanding and have been developed over time.

There are many channels in place, as illustrated in the diagram, to facilitate engagement with these stakeholders



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so that the Company and the Stakeholder both receive continuous feedback. At Aitken Spence, the feedback thus received is analysed based on the relevance and priority of each stakeholder group and informs our internal judgment about business priorities.

Stakeholders are chosen based on relevance and priority and the feedback we receive informs our own internal judgement about the priorities for our business.

Key sustainability issues and concerns addressed through stakeholder engagement include return on investment, profit and growth for investors, business partners and shareholders; career progression, benefits, remuneration, working facilities and personal development for employees; product and service quality, cost, reliability for customers; economic, social and environmental impact including local purchasing and employment for communities.

Integrated Sustainability Policy

The Integrated Sustainability Policy, unveiled during the 2009/10 financial year was further ingrained within our businesses with the objective of creating sustainable value and driving reliable growth.

The policy attempts to encapsulate all issues related to sustainable development which we deem important to maintain the viability, profitability and integrity of the company. The policy encompasses 19 clauses on

compliance, ethical conduct, environment, community outreach, sustainable processes, governance, stakeholder engagement, quality, customer service, talent management, innovation, safety and health, human rights, information security, continuous improvement and credible reporting.

These clauses are linked to an implementation framework and each policy clause has actions to be completed by the subsidiaries. All actions are classified into a tier system according to essential actions, expected actions and exemplary actions where tier I outlines the essential actions which must be practiced across all subsidiaries.

Strategy

The sustainability strategy of Aitken Spence is a three pronged strategy flowing from the Integrated Sustainability Policy. At the second level of implementation, the strategy encompasses a strategic differentiation exercise at subsidiary level, which involves each subsidiary identifying a sustainability platform which can serve as a competitive advantage. Once this strategic exercise is complete, the next step will be identifying a Group differentiation for Aitken Spence, which takes into account the diversity and nature of its many businesses.

Our aim for the next year is to complete the implementation of all tier I action points of the policy by 90 – 100% by end December 2011. As of March 2011, we had already reached the 50% mark. In parallel, the Sustainability



Team is in the process of implementing a system for supporting and protecting human rights, drafting EMS documents to specify the systems and procedures, establishing OHS systems at every work place, corporate communications and the procedures on information security within the Group.

Structure

The Group's sustainability activities are driven by the Sustainability Team of Aitken Spence PLC, which is supported by subsidiary-level sustainability subcommittees which appoint a member each to the Team. The Sustainability Team meets once a month to discuss progress of ongoing activities and new initiatives.

Other significant events & key activities in the sustainability calendar - 2010/11

- Clause 'N' on Occupational Health and Safety was also formally introduced to the Sustainability Team during the year. All subsidiary teams now include a dedicated person monitoring the workplace to ensure the health, safety and welfare of the employees. Training needs for the newly appointed representatives have been identified and relevant programmes are being conducted gradually.

Aitken Spence Logistics took a special interest in this area and conducted an internal audit of 3 of their facilities to inspect hazards to health, safety and welfare of their employees. Corrective and preventive action was taken for more than 90% of the identified risks and the remaining work is being completed. A half day training programme was conducted for 33 department heads on the Occupational Health, Safety and Welfare Act. The OHS Committee of Logistics has also been reappointed with more representation from all sites and the company hopes to redraft the OHS policy and manual of the company along the guidelines set by OHSAS 18001 and ISO 26000.

- During the last year a clause 'R' on Information Security (IS) was formerly introduced to the Integrated Sustainability Policy. Drafted by the Group IT division, the Policy aligns our systems with international IT

security standards. An external audit on IS controls has also been conducted (Further information is disclosed in the Risk Management report) and further developments to the IS policy will incorporate higher controls.

- As a Group, we are very serious about gradually making ours a paperless office. We currently segregate all paper waste and shred old records for recycling. During the year, the amount of paper recycled from Aitken Spence Towers was 6,506 kg which amounts to 110 trees, 206,760 litres of water, 26,024 kWh of electricity, 11,418 litres of oil and 19 m³ of land fill saved. Our overall aim is to limit paper usage to only the most critical documents. Towards this goal, Group IT is implementing a Group level Document Management System to manage documents electronically where possible.

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Recognition

Awards

Aitken Spence PLC	<ul style="list-style-type: none"> • Silver Award under the Diversified Holdings Category by the Institute of Chartered Accountants of Sri Lanka at the Chartered Accountants Annual Report Awards 2010. • Placed second at South Asian Federation of Accountants, Best Presented Accounts Award 2010 Under the Category Hospitality, Health, Transport and Shipping • Top 10 winner at the Best Corporate Citizen Award - Ceylon Chamber of Commerce 2010 • Community Relations Category Awards Winner at the Best Corporate Citizen Award - Ceylon Chamber of Commerce. • Placed 2nd out of 64 companies in the STING Corporate Accountability Index • Named as 'Best in Class for Policy Coverage' and was the Highest Ranked Diversified Holdings Company in the STING Corporate Accountability Index while maintaining the Platinum Classification for the second consecutive year.
Aviation	<ul style="list-style-type: none"> • Transforming Customer Services Award 2010 for Colombo won by Mr. Wasantha Kuda Liyanage at the Singapore Airlines CEO Awards Ceremony
Cargo	<ul style="list-style-type: none"> • Sector Winners- Best Team- Freight Forwarding & Logistics Service Providers - at Sri Lanka's First Ever International Trade & Logistics Quiz
Hotels	<ul style="list-style-type: none"> • Joint Winner in the Medium Scale Category at the 7th Annual ACCA Sustainability Reporting Awards • Only Hotel company to be ranked in the top ten with a Gold classification in the STING Corporate Accountability Index
	<p>Heritage Kandalama</p> <ul style="list-style-type: none"> • Gold Award for the 5 Star Resort Category at the Presidential Awards for Travel & Tourism 2010, awarded by the Ministry of Tourism • Presidential Award for Travel & Tourism - 5 Star Resort-Hall of Fame Awarded by the Ministry of Tourism 2010 • National HRM Award 2009-Hall of Fame Awarded by the Chartered Institute of Human Resource • Gold Award Won at the Conde Nast World Saver Award 2010 for Environmental and Cultural Preservation • Silver Award for Energy Efficiency awarded by the National Cleaner Production Centre • Second place National Productivity Awards awarded by the National Productivity Secretariat • Wild Asia Responsible Tourism Award 2010 by Responsible Tourism Asia-Pacific • Best Hotel Award for Energy Efficiency 2010-North Central Province • Merit Award for Special Projects in the Environment Category at the Best Corporate Citizen Award - Ceylon Chamber of Commerce 2010 • Two Gold awards, Two Silver awards and a Bronze award won at the Culinary World Cup 2010 • Special Award presented by Jury President Aloyse Jacoby to Chef Dimuthu Kumarasinghe - Team Manager /Team Coach for Overall Commitment at the Culinary World Cup 2010
	<p>Heritage Ahungalla</p> <ul style="list-style-type: none"> • Service Sector Gold Award 2010, awarded by the National Cleaner Production Centre • Merit Award for Energy Efficiency 2010, awarded by the National Cleaner Production Centre • Excellence Award for Water Efficiency 2010, awarded by the National Cleaner Production Centre • Excellence Award for Material Efficiency 2010, Awarded by the National Cleaner Production Centre • Gold award and 2 Silver awards won at the Culinary World Cup 2010

	<p>Heritage Tea Factory</p> <ul style="list-style-type: none"> • Asia Pacific Property Awards for Best Construction & Design (Over 50 Rooms) at the Asia Pacific Property Awards 2010 • Silver Award-National Cleaner Production- Service Sector 2010, awarded by the National Cleaner Production Centre • Excellence Award- Energy Efficiency 2010, awarded by the National Cleaner Production Centre • Excellence Award-Water Efficiency 2010, awarded by the National Cleaner Production Centre • Excellence Award-Material Efficiency 2010, awarded by the National Cleaner Production Centre • 5S Productivity Award, Best Performing Entrepreneurs - Service Sector 2010, by the Department of Industries and Enterprise Promotion, Central Province • Star Awards - Best Performing Entrepreneurs (Medium Scale) 2010, by the Department of Industries and Enterprise Promotion, Central Province <p>Bandarawela Hotel</p> <ul style="list-style-type: none"> • Best Tourist Hotel in Uva Province - Wasantha Udanaya 2010, Awarded by the Uva Provincial Ministry of Tourism • Best Homestead Development & Landscaping in Uva Province -1st Place - Wasantha Udanaya, Awarded by the Uva Provincial Ministry of Tourism <p>Adaaran Prestige Water Villas</p> <ul style="list-style-type: none"> • The World's Leading Water Villa at the World Travel Awards 2010 <p>Adaaran Select Meedhupparu</p> <ul style="list-style-type: none"> • Thomson Gold Award for Three T category in Maldives
Financial Services	<ul style="list-style-type: none"> • MMBL Money Transfers (Pvt) Ltd received recognition at the Western Union Asia Pacific Agent Summit in Beijing for the services rendered for over ten years as the oldest and largest Principal Agent in Sri Lanka.
Plantations	<ul style="list-style-type: none"> • Dunsinane Estate received a Merit Award at the Taiki Akimoto 5s Awards Ceremony Organized by Japan International Cooperation Agency • Gulugahande Estate was the Best Child Development Centre in the all Island Competition Organized by the Plantation Human Development Trust
Power	<ul style="list-style-type: none"> • Aitken Spence Power Generation Horana (Pvt) Ltd was awarded Sectoral Winner for the Safest Workplace in the Engineering Services Sector at the National Safety Awards 2010
Travels	<ul style="list-style-type: none"> • Ace Conventions & Exhibitions - Presidential Award for Best Conference Organiser and entered the Hall of Fame 2009 • Aitken Spence Travels - Presidential Award for Best Destination Management Company and entered the Hall of Fame 2009 • Top Agent Merit Award at the Singapore Airlines Top Agents Awards 2010/2011

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Recognition

Certifications

ISO 14001:2004 Certification

Certifications sustained

Ace Power Generation Matara Ltd
Ace Power Generation Horana (Pvt) Ltd
Heritance Kandalama
Heritance Ahungalla
Browns Beach Hotel
Bandarawela Hotel
Earl's Regency
Ramada Resort, Kalutara
Heritance Tea Factory

New certifications

Ace Power Embilipitiya (Pvt) Ltd

EarthCheck Silver Certificate 2010

Heritance Kandalama
Earl's Regency
Ramada Resort, Kalutara
Bandarawela Hotel
Heritance Tea Factory
Heritance Ahungalla

EarthCheck Benchmarked Bronze

Browns Beach Hotel
Neptune Hotel

OHSAS 18001:2007 Certification

Certifications sustained

Ace Power Generation Matara Ltd
Ace Power Generation Horana (Pvt) Ltd

New certifications

Ace Power Embilipitiya (Pvt) Ltd

ISO 9001:2008 Certification

Certifications sustained

Ace Cargo Pvt Ltd
Aitken Spence Cargo Pvt Ltd
Ace International Express Pvt Ltd
Ace Aviation Services Pvt Ltd
Ace Power Generation Matara Ltd
Ace Power Generation Horana (Pvt) Ltd

New certifications

Ace Power Embilipitiya (Pvt) Ltd

ISO 22000/ HACCP: 2005 Certificate

Certifications sustained

Dunsinane Tea Factory
New Peacock Tea Factory
Heritance Kandalama
Heritance Ahungalla
Heritance Tea Factory
Earl's Regency

Hygienically Certified Establishment:SGS

Bandarawela Hotel

New certifications

Talgaswella Tea Factory
Deviturai Tea Factory
Nayapana Tea Factory

Forestry Stewardship Certificate (FSC)

Elpitiya Lifestyle Solutions (Pvt) Ltd. received the Forestry Stewardship Certificate (FSC) accreditation from the Control Union of Certifications of Netherlands, for Forestry Standards with the FSC Chain of Custody (COC) 'Lanka' Group.

Greening SL Hotels Certificate -

Ministry of Tourism, Sri Lanka Sustainable Energy Authority & Ministry of Environment & Natural Resources

Heritance Kandalama
Browns Beach Hotel
Ramada Resort, Kalutara
Hotel Hilltop
Bandarawela Hotel
Earl's Regency
Heritance Tea Factory

Governance

Sustainability Report

The Corporate Governance section of this report carries a detailed explanation of our governance procedures; in this section, we consider more specific efforts that ensure the ethical conduct of our business operations.

The Internal Audit Department of the Company audits all units periodically to make sure that adequate internal control systems are in place to prevent and detect fraud. All employees, including new recruits, are required to know the stipulated procedures and carry out their business activities in accordance with them.

Even in the case of our estates, while all executive staff receives training and awareness at Group learning programmes, Company procedures on anti-corruption and ethical behaviour are mentioned in all appointment letters including those of estate workers.

There have been no incidents reported of non compliance with laws and regulations of the state or voluntary codes of conduct.

Clause P of the Integrated Sustainability Policy encompasses supporting and protecting human rights. The Sustainability Teams have focused on integrating this into business management - the tier I action points of the integrated policy framework describe the essential action necessary to implement the policy clause, including creating awareness about human rights and making sure no violations occur due to lack of knowledge.

The Group has an open door policy where any employee can speak to the Chief Human Resource Officer of the Group, Senior Management or the employee's supervisors/managers regarding their concerns. The Group Legal Division also has procedures to investigate if any incidents are reported. No incidents of violations of human rights were reported during the year in the Group.

The first of a series of awareness sessions was held for the security staff at Aitken Spence Towers, marking World Human Rights Day in 2010. All personnel in the Group Security Division and about 15 of the externally sourced



security personnel working at Aitken Spence Towers participated.

The second leg of this programme was to create awareness among the sustainability subcommittee members of each subsidiary. Taking material from UNGC guidelines and the relevant covenants on human rights, the content of this segment was checked and approved by a reputed human rights expert in the country. We conducted about 4 programmes covering almost 60% of the subcommittee members spanning almost 10 hours of training. Plans for the year 2011/12 include follow up sessions to cover the remaining 40% of the subcommittee members.

The next step is to meet the subsidiary representatives on a one-to-one basis and discuss what issues each subsidiary might face in protecting human rights at the workplace and to identify what areas need improvement in order to develop a scheme to ensure the protection of human rights at the workplace. We are currently looking into the requirements, using material from the United Nations Global Compact, The Business Leaders Initiative on Human Rights and The Women's Empowerment Principles.

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Customer First

Sustainability Report

Aitken Spence believes in the tenets of reliability, trust, quality and service in all our interactions with our customers. Each of our subsidiaries has its own set of customers, whether they be end-consumers, intermediaries or internal customers. The common thread is that all the subsidiaries have a process for obtaining feedback from customers to gauge their satisfaction levels and to generate continuous improvement.

- GSA for Singapore International Airlines contacts customers through feedback forms, emails and calls to measure customer satisfaction on a monthly basis.
- The quality assurance team of Aitken Spence Printing conducts random checks on each job to guarantee service that meets the expectations of the clients.
- Aitken Spence Travels measures customer satisfaction monthly through questionnaires and spot visits.
- MMBL Money Transfer Ltd. obtains customer feedback through sub agents around the country or directly from the customers during head office visits.
- All hotels have a guest satisfaction survey form to identify areas for improvement.
- Our hotels in the Maldives also conduct informal discussions with randomly selected guests.
- Elevators (Pvt) Ltd. communicates with customers at the time of handing over new equipment, during routine service visits and other maintenance appointments.
- Aitken Spence Plantations sends a weekly feedback report with each invoice produced by brokers.
- Aitken Spence Logistics has dedicated executives assigned to each customer to attend to the customer's requirements while a routine customer satisfaction measurement is carried out each month.
- Aitken Spence Cargo conducts periodic customer satisfaction surveys as and when necessary, as per international quality standards.
- These measures are carried out in keeping with the Company's Policy towards product and service quality as well as the requirements of service standards such as ISO 9001, a certification obtained by many of our subsidiaries. Among the new certifications obtained by our subsidiaries are HACCP/ ISO 22000 for Heritage Kandalama and ISO 22000 for the Dunsinane and New Peacock tea factories for food safety management.

- All companies in the Aitken Spence Cargo sector sustained the ISO 9001: 2008 certification during the year. This includes Ace Cargo (Pvt) Ltd., Aitken Spence Cargo (Pvt) Ltd., Ace International Express (Pvt) Ltd. and Ace Aviation Services (Pvt) Ltd. covering all operations.
- Aitken Spence Garments conforms to the standards set by the Garments without Guilt programme of Sri Lanka's Apparel Industry and has received a B level certificate of compliance from Worldwide Responsible Accredited Production in 2010.

Emphasising the importance of customers' opinions to our business operations, our companies have made efforts to ensure new channels are made available for a diverse range of customers. Aitken Spence Companies maintain a strong presence in social media where customers past and present are free to leave their comments and feedback. At the same time, we strive to ensure that our marketing communications are compliant with relevant regulations and standards. This is also addressed in clause 'S' of our Integrated Sustainability Policy.

There were no incidents reported on the breach of customer privacy and loss of customer data arising from our operations during the year.

In future, we plan to influence entities within our supply chain to conform to rules, regulations, standards and best practices that Aitken Spence conforms to.

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The Environmental Management System (EMS) that is in place across the Group attempts to manage those actions that cause the most significant environmental impacts. For majority of the subsidiaries, the most significant impact to the environment is their consumption of electricity and as such, various measures are implemented to conserve electricity. The sustainability subcommittee has ongoing discussions and assists subsidiaries in identifying where energy consumption can be reduced.

Presented below are the subsidiary-level activities to save electricity. Where no savings were achieved, the reason for the increase in consumption is also explained.

Implemented and managed by Aitken Spence Property Development Ltd., (ASPDL) the Building Management System (BMS) is intended to increase the efficiency of energy usage across the building and attempts to eliminate waste wherever possible.

In addition to the BMS, the efforts of other subsidiaries assist to boost energy saving. Most subsidiaries switch off air conditioners by 5.00pm and have allocated the task to designated persons to ensure it is carried out on a routine basis. Since the air conditioner is the most energy intensive equipment for most, remote controllers for the air conditioner units are kept in accessible locations to control the temperature and to switch off units when possible. Many subsidiaries make an effort to change the behaviour of their staff members by encouraging optimum

use of resources and reminding them to be conscious of their utility usage.

The energy saving at Aitken Spence Tower II, calculated after reaching full occupation in 2009/10 is 141,266.77 kWh or 508.56 GJ. The property management division is working towards analysing energy usage with a view to reducing energy wastage further.

This report does not incorporate details related to Aitken Spence Tower I as the building is being renovated and only 5 floors were occupied during the year, making accurate comparison of consumption patterns difficult.

The total quantified energy saving at Aitken Spence Hotels in Sri Lanka for the 2010/11 financial year is 4,610 GJ. The energy savings were achieved without any reductions to service capacity or outsourcing of any parts of their service. Environmental Management Systems were formally introduced to the hotels in Maldives during the last year. More details about the energy management activities of the hotels are given on pages 93 to 95 of this report.

Aitken Spence Logistics formed new sustainability sub committees at each of their operational sites and has encouraged behavioural changes to make the workplace more sustainable. Similar steps were taken at Aitken Spence Garments. Unfortunately, even though savings achieved in the previous year were sustained, the energy saving in 2010/11 could not be quantified for both Logistics and Garments sectors due to lack of accurate comparable data.



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Aitken Spence Printing experienced an increase in the energy consumption, 50% in peak units and 30% in off peak units, due to increased production capacity. However, the company practices a 'Switch Off' policy and conducts energy audits to identify where energy can be saved.

Influencing energy efficiency: products and services that are energy efficient or renewable energy based

The retrofitting at Aitken Spence Tower II, its BMS and rain water harvesting schemes ensure that we make good use of the natural environment where possible. As explained in greater detail last year, we employ energy efficient lighting, sensors, cooling systems and other equipment such as C-Bus lighting control, water heating through solar panels, LED lighting, occupancy sensors, T5 Low Bright louvre fluorescent fitting with dimming, CFL lighting and energy saving recessed type downlights to manage these initiatives automatically where possible. This is aimed at increasing the efficiency of energy use across the building.

The sustainability team at Aitken Spence Property Developments plans to set up an Energy Management Team for Aitken Spence Tower II comprised of energy champions from all subsidiaries housed at the Tower. This is to ensure that the human factor of the BMS is fully utilised to increase the energy saving of the building.

Elevators (Pvt) Ltd. the agent for Otis Elevators in Sri Lanka promotes energy efficient viable frequency elevators

among its customers. These have also been proposed for the new wing to be constructed at our offices at 315, Vauxhall Street. It is estimated that the energy consumption of the lifts installed at Aitken Spence Tower II consume 10 – 15% less than the lifts installed at our old building.

Aitken Spence Printing hopes to increase the resource efficiency of their operations and provide a 'Greener Product' to their customers. Their new facility is being designed with this in mind and in parallel, the company is increasing awareness of its employees and planning operations better to reduce resource wastage.

Aitken Spence Travels has taken rigorous measures to ensure vehicle engines are switched off when parked and maintain vehicle running charts to monitor mileage travelled to increase fuel efficiency. Transfers are also combined to optimise resource usage, enabling a saving of 50,000 liters of fuel during the year.

All efforts described above explain how we have tackled one of the most significant contributing factors to climate change – Green House Gas (GHG) emissions which are released when electricity is generated using non renewable energy sources such as fossil fuels and coal. Gauging from the total electricity units and fuel saved during the year, we have prevented approximately 200 tonnes of carbon dioxide from being released into the environment.

Aitken Spence Hotels continued with its initiative of replacing incandescent bulbs with CFL energy efficient



lighting. Ramada Resort and Hilltop Hotel in Sri Lanka and Rannalhi, Meedhupparu and Hudhuran Fushi hotels in the Maldives use solar panels to heat water in guest rooms, thereby reducing their dependence on electricity. Heritage Kandalama and Heritage Tea Factory use biomass gasifiers for this same purpose - the gasifier at Heritage Kandalama reduces 500 tonnes of carbon emissions in comparison with diesel fuelled boilers while the gasifier at Heritage Tea Factory reduces carbon emissions by 250 tonnes per annum.

Water resource management

The water consumption of all subsidiaries housed at Aitken Spence Tower II amounted to 26, 248 m³ of water from municipal water sources (surface water). None of the waste water is treated at Aitken Spence Towers. The tower is equipped with rain water harvesting with a tank capacity of 121.67 m³ and the harvested water is used to flush cisterns.

The environmentally friendly paving used within our premises also enables rainwater to seep through and enrich ground water sources. ASPDL is looking into increasing the efficiency of this system, while also persisting with other efforts such as dual flush mechanisms and reduced flow in faucets through the use of aerators.

Aitken Spence Printing uses about 20 m³ water on average per day in their printing facility of which 8 m³ is used for cooling the premises. Due to the increase in production capacity, the volume of water used in December 2010 has increased almost 50% from the figure in January. The company currently has no means to treat the waste water. However, the new facility is being designed with a waste water treatment plant.

At our garment manufacturing factory in Mathugama the primary use of water is for the welfare of the staff. The water for this purpose is sourced from a deep well on the factory premises. There is no accurate method used currently to monitor the amount of water withdrawn from the ground water sources. However, all water used in the kitchens is directed to a sandpit where solids are filtered out and the water seeps back into the ground.

Water resource management at the hotels is discussed in the case study on hotels with that of Plantations discussed in the third case study.

Biodiversity

These efforts are all towards the common goal of battling climate change. Our aim is to proactively minimise and mitigate environmental damage before it becomes a problem. As a leading blue chip conglomerate we take our responsibility towards conserving our environment very seriously.

None of our operations are located within close proximity to national reserves or protected areas. We take necessary precautions to ensure that areas of high biodiversity are protected and preserved. The Heritage Kandalama Hotel conserves 58 acres of forest area, flora and fauna within the hotel and 198 acres of forest area rich in bio diversity outside the hotel. Our power plant in Embilipitiya is situated on a 44 acre block of land, out of which 34 acres consist of flower gardens, herb gardens, tree cover, landscaped plots and animal husbandry plots. Bees are known to shun areas with noise pollution, therefore, the greatest endorsement of the environmental consciousness of the Embilipitiya power plant comes from the buzzing beehives barely 100 yards away.

We also use our interactions with our stakeholders, which are depicted in the stakeholder engagement diagram on page 81 to enhance awareness on protecting the environment and creating sustainable value. As the largest destination management company in Sri Lanka, Aitken Spence Travels educates its chauffeurs and tour guides on environmental sustainability and they in turn pass this knowledge on to their guests.

In terms of waste resource management procedures, the Group's hotels aim for zero waste status, setting the benchmark for other subsidiaries to follow. A case in point is the Matugama garment factory where 1,976 kgs of polythene has been recycled through a third party vendor since 2009. During the first two months of 2011, the amount of plastic recycled was 85 kg, indicating the upward trend as greater awareness and proper waste segregation

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Aitken Spence locations in Sri Lanka in relation to biodiversity hotspots



practices are established. 12,459 kg of cardboard and 7,161 kg of paper was recycled since the team at Garments started keeping records of the material reused or recycled in 2009.

It was recorded that 45 to 50 kg of food waste was donated to animal shelters and caregivers on a daily basis. Initiatives to reduce food waste will be taken during the coming year through an EMS programme.

The Group has not faced any fines or sanctions for non compliance with environmental laws and regulations this year and we hope to always maintain activities above compliance to sustain our environment. Furthermore, no significant spills of fuel or any hazardous substances arising from the Group's operations have been reported during the year.

Elevators (Pvt) Ltd. has identified a means of reducing the quantity of oil and grease used in Elevator maintenance through the use of a nozzled can to apply lubricants. The team has also launched a pilot project to productively incinerate used cotton waste by partnering with a local brick manufacturer. The cotton waste involved is soaked in lubricant and may cause soil and water pollution, if not disposed carefully.

CASE STUDY: Sustainable Development



Leading Positive Change

Heritance Kandalama is built in Dambulla where wild life has roamed for centuries. Therefore, when our project team was planning Heritance Kandalama, it was important to pay close attention to land use planning and studying all wild life trails, water trails and animal habitats to retain the fundamentals of the environment. The hotel was built on a platform in order to let the water trails run free. It is an endorsement of the hotel's design sensitivity that the animals that lived in the area before still roam free. In fact, paddy fields that had been abandoned for almost 12 years are now being cultivated after the water systems to the area were improved and maintained by the hotel.

Sri Lanka Hotels - Energy Resource Management Data

	Heritance Ahungalla	Heritance Kandalama	Heritance Tea Factory	Ramada Resort Kalutara	Hilltop Hotel
Direct non renewable energy sources	Diesel (Generator), Furnace Oil (Boiler) and LPG (Cooking)	Diesel (Generator + Boiler) and LPG (Cooking)	Diesel (Generator + Boiler) and LPG (Cooking)	Diesel (Generator + Boiler) and LPG (Cooking)	Diesel (Generator) and LPG (Cooking)
Direct renewable energy sources	None	Gliricidia Wood for the gasifier	Gliricidia Wood for the gasifier, wet garbage used in biogas plant instead of LPG	None	None
Energy produced	The standby generator - 523 GJ	Standby Generator = 1,223 GJ, Gasifier Operation = 4,770 GJ	Standby Generator = 489 GJ, Gasifier Operation = 1,359 GJ	222 GJ	1.88 GJ
Total direct energy consumption	6,153GJ	12,799GJ	5,658 GJ	4,689 GJ	769 GJ
Intermediate energy (electricity) purchased and consumed	11,150 GJ	12, 356 GJ	2,194 GJ	7,049 GJ	1,616 GJ
Energy saved due to conservation and efficiency improvements	1,819 GJ	823 GJ	1,486 GJ	Not quantified	482 GJ
Total amount of GHG emissions	2,823 tonnes	3,176 tonnes	755 tonnes	1,819 tonnes	397 tonnes
GHG emissions reduced	252 tonnes	338 tonnes	61 tonnes	Not quantified	73 tonnes

The hotel supports the natural environment, causing the least possible disturbance and has four types of primates using the green spaces of the hotel. Of these, two are endemic – the Macaque Monkey and Purple Faced Leaf Monkey, the other two being the Gray Langur and Slender Loris.

The large open areas and the green cover over the building welcome even the most timid amongst birds. Among those sighted at the hotel has been the very rare Ceylon Shama (long tail Jungle Robin).

Sanctuaries and policies against the invasion/interference with natural habitats have ensured the protection of biodiversity and ecosystems. The hotel has also invested

over Rs. 10 million to maintain a conservational forest of over 200 acres in order to prevent deforestation, poaching and the construction of unauthorised artificial structures. No alien fauna and flora has been introduced and there is zero negative impact on the Kandalama Lake due to the operations of the hotel. This investment also helps to protect the origins of 11 natural streams which provide irrigation water to 34 dry zone reservoirs.

The Impressive biodiversity indicators reported from the hotel property are 128 species of native flora, 183 species of birds, 19 species of reptiles and amphibians, 17 species of mammals and 64 species of butterflies and dragonflies.

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Maldives Hotels - Energy Resource Management Data

	Adaaran Club Rannalhi	Adaaran Select Meedhupparu	Adaaran Select Hudhuran Fushi	Adaaran Prestige Vadoo
Direct non-renewable energy sources	Diesel (for Dhoni), Petrol (for Boats), LPG	Diesel (for Dhoni), Petrol (for Boats), LPG	Diesel (for Dhoni), Petrol (for Boats), LPG	Diesel (for Dhoni), Petrol (for Boats), LPG
Direct renewable energy sources	None	None	None	None
Energy produced	30,905 GJ	58,671 GJ	52,503 GJ	25,576 GJ
Total direct energy consumption	42,561 GJ	68,341 GJ	59,280 GJ	33,340 GJ
Intermediate energy (electricity) purchased and consumed	None	None	None	None
Total amount of GHG emissions	2,770 MT	4,504 MT	3,910 MT	2,184 MT
GHG emissions reduced	Not quantified	Not quantified	Not quantified	Not quantified

All hotels have a 5S system in operation and cleaner production (CP) practices. Many of the environmental sustainability efforts that are practiced across the Group have their roots in the Environmental Management Systems initiated at the Aitken Spence Hotels. Guided by a Green Philosophy, Aitken Spence Hotels – especially the iconic Heritance Kandalama - have stood as examples of best practice in environmental sustainability for many years.

With the exception of one hotel, all Aitken Spence hotels are ISO 14001 certified. Heritance Kandalama, Heritance Ahungalla, Ramada Resort Kalutara and our managed properties Earl's Regency and Bandarawela Hotel have received the EarthCheck Silver Award. Other certifications received by the hotels are listed in the 'Recognition' section on pages 84 to 86.

Energy management

The 'Switch Off Policy' that is now practiced across all Group Companies was introduced to Aitken Spence through the hotels. From turning off vehicle engines when stationary to planning hotel capacity to optimise energy usage, Aitken Spence Hotels have taken tremendous effort to reduce their energy consumption. They were also the first to calculate the carbon footprint in the Group with the calculation of the Carbon Footprint of Heritance Kandalama. The engineering team of the hotels division has been building in-house capacity to measure and monitor the energy consumption at the hotels.

Emission factors are calculated based on empirical values of renewable and non-renewable energy sources. The general sources of emissions are generator operations, boiler operations and fuel used for cooking at the hotel kitchens. At Heritance Kandalama and Heritance Tea Factory the boiler operation switches to furnace oil if the gasifier is not in operation in which case the emissions stem from renewable sources. Most of the emissions are caused indirectly through the consumption of purchased electricity.

Direct energy consumption from primary energy sources

Efforts taken by hotels to reduce green house gas emissions by controlling the amount of direct non renewable energy consumed were explained in the section on 'Battling Climate Change'. The measurements of consumption patterns are presented in the tables in this case study.

The EMS was extended to our resorts in Maldives during the latter part of 2009/10 and therefore the required data is not available to measure energy savings accurately. More initiatives have been introduced across the resorts to save energy while sustaining the efforts carried out in 2009/10; the engineering team has established data recording systems in order to report on energy saving and carbon emissions at the Maldives hotels by 2012.

In addition to the diesel generator and fuel used for cooking purposes, direct energy through primary sources is required for the diesel powered dhonis and the petrol powered

Aitken Spence Hotels - Water Resource Management Data

Hotel	Total direct water withdrawal from ground water, surface water and rain water	Water withdrawn from utilities	Percentage or quantity of water recycled or reused from the full quantity withdrawn
Heritage Ahungalla	Ground Water = 82,803 m ³ /year	None	90%
Heritage Kandalama	Ground Water = 81,352 m ³ /year Surface Water = 875 m ³ /year	None	95%
Heritage Tea Factory	Ground Water = 26,507 m ³ /year	None	90%
Ramada Resort Kalutara	Ground Water = 47,977 m ³ /year	None	95%
Hotel Hilltop	None	18,110 m ³ /year	95%
Adaaran Club Rannalhi	Sea Water - 141,280 m ³ /year	None	All consumed water is treated - 35,350 m ³ /year Water reused for flushing and gardening - 10,600 m ³ /year
Adaaran Select Meedhupparu	Sea Water - 317,780 m ³ /year Ground Water - 8700 m ³ /year	None	Not available
Adaaran Select Hudhuran Fushi	Sea Water - 285,560 m ³ /year	None	Not available
Adaaran Prestige Vadoo	Sea Water - 104,700 m ³ /year	None	All consumed water is treated - 26,175 m ³ /year Water reused for flushing and gardening - 7,850 m ³ /year

boats. Three of the hotels in Maldives, Rannalhi, Meedhupparu and Hudhuran Fushi heat water in the guest rooms through solar panels. Ongoing activities to replace old equipment such as pumps, motors and incandescent bulbs with more energy efficient equipment and replacing two stroke boat engines with four stroke engines also help to reduce the green house gas emissions by increasing energy usage efficiency. Another effort to change human behaviour is to implement and practice the 'Switching Off' policy. Guest transportation schedules are also organised to reduce unnecessary travel and thereby reducing green house gas emissions.

The iconic Heritage Kandalama took another step in its commitment to environmental conservation and Green House Gas (GHG) emission reduction by engaging with KPMG India to estimate its GHG emissions for the year 2009/10. The Carbon Footprint was calculated for Scope 1 (Direct GHG emissions), Scope 2 (Electricity Indirect emissions) and Scope 3 (Other Indirect emissions) for day to day operations of the hotel based on The Green House Gas Protocol – A Corporate Accounting and Reporting Standard by WRI & WBCSD; and ISO 14064-GHG Accounting and Verification Standards.

Water resource management

At Heritage Hotels and Aitken Spence Hotels all waste water is treated and reused in the hotel gardens to reduce fresh water withdrawal from sources. For example, Heritage Ahungalla sources its water from two surface wells, one deep water well and the on-site water treatment unit. All waste water generated is treated and reused at the hotel grounds for landscaping.

The water consumption at our hotels is as explained in the water resources management data tables.

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Waste resource management

The World follows 3 Rs – Reduce, Reuse and Recycle. Aitken Spence Hotels follow 7Rs which were introduced to the world by the in-house consultant Mr. Ravi De Silva. They are;

Reject all non biodegradable material such as packaging material and plastic where possible. Packaging material is rejected at the purchasing point and all hotels maintain a plastic inventory with the aim of eliminating the use of plastic eventually.

Reduce the use of resources, especially those based on non biodegradable material that cannot be rejected. This includes reducing energy usage through the 'Switch Off' policy and water usage through the 'Close Tap' policy.

Reuse every possible resource, especially those that cannot be rejected or reduced. This includes paper, shampoo containers, plastic liquid containers and empty clay pots.

Reclaim what cannot be reused. For example, waste water and sewage sludge which are reclaimed and treated so that they can be reused.

Repair what is broken and reuse them. Furniture, machinery and other equipment that can be repaired will be repaired and reused before claiming new resources.

Replace what cannot be rejected, reduced or reused with more environmental friendly options. An example is to replace oil based paints with water based emulsion paints or to replace plastic with more sustainable clay or ceramic options.

Recycle every material so that nothing goes to waste. From waste water, cooking oil and engine oil to metal cans, plastic containers, PET bottles and empty curd pots all material that cannot be rejected, reduced, reused any further, repaired or replaced are reclaimed and recycled with registered service providers. This is the key ingredient in making our hotel free of any waste dumping.

All Aitken Spence hotels can proudly claim that they dump no waste into the environment as all waste is segregated and made use of. Garbage is waste resources that are mixed up together. The hotels earn a monthly income from what could have ended up in a landfill or in the ocean and the next aim of the hotels is to take this message to the communities.

Our aim is to disclose quantified information on waste resource management activities in 2012.



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At Aitken Spence, corporate sustainability in practice translates into creating sustainable value and driving reliable growth. One of the most effective ways of being a meaningful partner with the community is to generate livelihoods; by opting for locally based suppliers at significant locations of operation or by facilitating employment opportunities for talent from the local communities when and where possible. The definition of local is subjective and depends on the operation of each subsidiary. For most operations, we have defined the areas within a 20 km radius as 'local'. Some of our achievements in this area are listed below -

- Hotels belonging to the Group abide by a Green Purchasing Policy which mandates that optimum possible requirements are obtained locally. Overall, our hotels purchase over 75% of their produce and other resources locally. Heritance Kandalama sources 98% of their vegetables, fruits, fish, meat, eggs, dry rations and other such supplies from local suppliers while Heritance Tea Factory obtains 100% of their vegetables from local farmers.
- Of the senior management at our hotels, an average of 28% belong to the local community.
- 69% of the workforce at Heritance Ahungalla is made up of talent from the local community.
- The Gliricidia wood for the biomass gasifiers at Heritance Tea Factory and Heritance Kandalama are procured from local farmers who are guaranteed a steady income from our environmental conservation efforts.
- Treated sewage sludge is converted to organic fertiliser and is sold to local farmers at a nominal cost at Heritance Kandalama.
- Items recovered in the waste segregation process such as plastic containers, glass bottles and curd pots are also given to locals for their domestic industries at Aitken Spence Hotels
- Ramada Resort Kalutara has engaged with over 70 local suppliers to provide transport and sell other goods to the guests.
- All estates which fall under the umbrella of Aitken Spence Plantations purchase their raw materials for estate supplies from within 25 km of the estates, with the exception of fertiliser, other chemicals and packaging material.
- Aitken Spence Travels sources 100% of their safari vehicles, 50% of the transportation and 30% of the tour guides from locally based suppliers and service providers. The Company also carries out many programmes to educate and improve skills of chauffeur guides and tour guides to improve the tourism industry. Fifty such chauffeur guides were provided with skills development training during the year.
- More than 50% of the workforce at our power generation plant in Embilipitiya is from the area itself and transport vehicles for the plant is hired from local suppliers when and where possible.

In some instances, how we define 'local' may essentially depend on the community we are looking to assist. For example, subsidiaries based at our Vauxhall Street premises consider students from universities as part of the 'local community'. Ace Cargo, Ace Power Generation, Aitken Spence Travels, Aitken Spence Corporate Finance and the Group Human Resource Division thus extend internship opportunities to students at local universities and institutions such as National Apprentice and Industrial Training Authority. These programmes are discussed in greater detail in the employee engagement section of this report.

Many of our subsidiaries, especially those operating in rural locations, have engaged with their communities to develop community infrastructure. Among such initiatives taken during the year were the following:

The Embilipitiya power plant has an ongoing project to provide clean water by funding water tanks and ground water wells.

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The Matara power plant has partnered the community in projects ranging from planting trees to cleaning water wells in schools. Subsidiaries also continue to engage in community development projects that are more short term in duration and touch lives at a personal level. We believe such initiatives enable us to begin a process of engagement which can be transformed into a mutually beneficial sustainable engagement in future.

An important aspect to note is our assessment of the impact of our activities on the communities and the environment and the sustainability of our interventions before any assistance is extended. The usual practice is to conduct a need analysis that weighs the pros and cons against the negative and positive impacts to communities and the environment. Examples of this process can be found in our Gliricidia projects, which involve educating self-employed farmers and the Estate Welfare Supervisors and midwives in our plantation sector appointed to survey the needs of communities at our estates.

More details of the community engagement projects will be listed in our website.

The efforts of our Group companies were recognised at the Best Corporate Citizens Awards of 2010 organised by the Ceylon Chamber of Commerce when we emerged the category winners for Community Relations.



CASE STUDY: Sustainable Development



Shifting Paradigms

Aitken Spence Power, the Company's power generation business, was the first power generation company in the country to obtain all three certifications: ISO 9001 for quality, ISO 14001 for environmental conservation and OHSAS 18001 for occupational health and safety management. It operates three power plants - in Horana, Embilipitiya and Matara - which employ sustainable processes and international best practice to maintain and improve the quality of the power generation process.

As required by the Central Environmental Authority, our power plants are regularly monitored to ensure emissions, effluents, solid waste and noise generated are within legally accepted levels while water is treated to ensure that chemical content does not exceed stipulated limits. Furthermore, none of the power plants are within close proximity to protected areas.

Resource efficiency

The engineering teams at all 3 plants continuously improve the efficiency of equipment with a view to saving energy. Significantly, there is no reduction in production capacity to achieve these energy savings at any of the plants.

Among initiatives taken during the year was the reduction of the heavy oil used for power generation in Horana, by introducing a combustion improvement unit to the fuel system. The resulting fuel saving amounted to 1g/kWh; the total fuel saved during the year being 102,572 kg. An audit was also carried out at Horana to identify areas of high energy consumption.

In Embilipitiya, the Company introduced new techniques and practices to save energy and provide a more energy efficient service. A special procedure was introduced for operational staff to follow during plant stops in order to reduce maximum kVA demand, which dropped by 36% as a result. Variable Speed Drive (VSD) units introduced for the engine radiator cooling fans also saved 598 MWh of energy per annum. Further improvements planned for the plant include a VSD unit for the engine hall ventilation fans and a CI unit for the engine fuel system, both of which are expected to come on board in 2011/12.

The Matara power plant uses energy efficient products and sources to save energy and converted the existing lighting to energy saving lights. The plant also performed an

augmentation of its transmission line to ensure a more efficient dispatch of energy to the national grid. On the cards for 2011/12 are further energy saving measures including the replacement of existing conventional airconditioning units to inverter type units which are 20% more energy efficient and the introduction of VSD units to the auxiliary bay fans which makes the energy consumption of these fans 10% lower.

Total water withdrawal at the power plants amounted to 10,694 m³, 18,000 m³ and 6,349 m³ for the Horana, Embilipitiya and Matara power plants respectively during the period from December 2009 to December 2010, with Embilipitiya sourcing water from groundwater wells. No toxic or untreated waste water is released into the environment.

Of the total water consumption at our power plants, the usage is divided between housekeeping, staff usage and usage for maintenance of engines and other electrical units. Waste water generated from general use in restrooms and kitchens is directed to sewage pits.

Waste water contaminated with oil from maintenance operations is treated at a filtration unit which separates oil from water; the sludge thus collected is sold to a third party. The separated water is stored in separate tanks which have special storage for water with a contamination level higher than 10ppm (parts per million). Usable water is reused for gardening and to clean roads. The treated water at the plants is tested for contamination every quarter by the Central Environmental Authority. The Company has been successful at all these tests.

Impact on biodiversity

The Central Environmental Authority (CEA) must issue a mandatory Environmental Protection License for the

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maintenance of power plants in Sri Lanka. While meeting the CEA criteria, Aitken Spence performs above minimum compliance and has obtained ISO 14001 certification, an indication that significant environmental impacts have been assessed and the activities that cause these impacts are controlled to minimise, and where possible mitigate, the impacts.

With any power plant, one of the impacts on the environment is the transmission line corridor from the power plant to the nearest substation. Our power plants have relatively short transmission line corridors – 500m in Horana, less than 1km in Embilipitiya and 3km in Matara. These lines restrict the height of trees along their path to 25 m but do not restrict movement of animals along pathways.

The thermal discharge or the waste heat from the power generation is dissipated to the environment through exhaust air and radiators. Thus no water is used to remove heat from the plant thereby limiting damage to aquatic biodiversity. No heated water is released to the environment from any of the three power plants. Our plants convert 40 – 43% of the total fuel energy (HFO) to electrical energy and the remaining energy is dissipated through other means such as exhaust air (30%), heat generated (20%), lubricant oil (5%). Of the heat generated, 30% is discharged into the environment through exhaust air and the amount of heat dissipated from each plant will depend on the capacity of the plant (Horana and Matara

have a capacity of 25MW each and Embilipitiya has a capacity of 100MW).

Heat generated in other parts of the operation is managed through technologies which are continuously monitored. The engineering teams at all 3 plants are constantly seeking ways to improve the efficiency of the plant's operations. For example, radiator fan energy consumption at the Horana Plant was reduced by increasing the cooling capacity of air by developing a Programmable Logic Controller based system which is capable of reducing the total energy consumption of radiator fans on average by 1.6 MWh/Day. This has been in operation since November 2009. At the Embilipitiya plant, cooler modifications were carried out in 2009 leading to a cost saving of over Rs. 9 million and an energy saving of over 2,389.3 MWh per annum.

All three power plants have taken necessary steps to mitigate the significant direct and indirect impacts on biodiversity due to operations. There have been no reported incidents of significant spills during the year and no invasive species were introduced in maintaining the natural eco- systems around the power plants.

Embilipitiya model garden

The Ace Power Generation plant in Embilipitiya is a paragon of sustainable practice even in a global industry known for pollution.



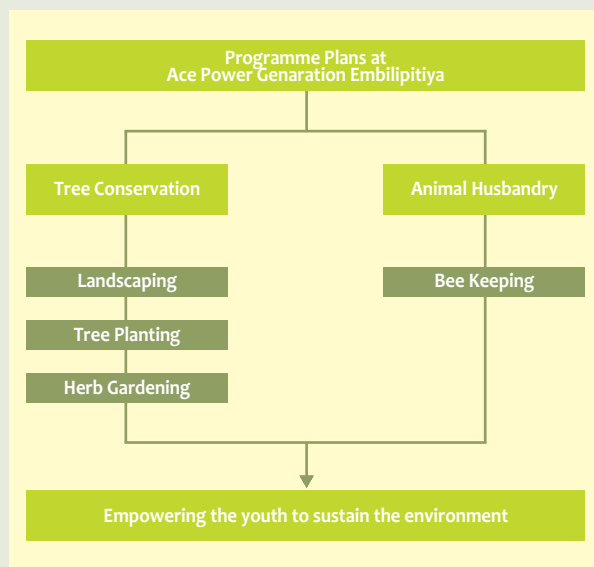
All emissions, effluents and solid waste are within legally accepted limits and robust management and control systems are in place to mitigate environmental damage.

The Embilipitiya power plant has also introduced a ‘Model Garden’ in a bid to improve the environment. The garden is spread across 34 of the plant’s 44 acre property and accommodates about 10,000 to 15,000 plants, medicinal herbs, agricultural projects, animal husbandry and bee keeping projects.

The herb garden is home to many plants of ayurvedic value such as Eth Demata, Thelambu and Aralu and attracts rare species that are unique to the locality such as the Danduwelbaya (little bee) and Salabaya (butterflies and moths).

Recognising the area’s potential for agriculture, the plant has taken steps to develop agricultural skills of youth in order to promote local industries. The animal husbandry area is used to educate youth on industrial bee keeping and the premises are also used as a teaching ground for young entrepreneurs keen on learning the art of landscaping. The plant also conducts tours of the Model Garden to educate school children and youth in the vicinity in the long term aim of preserving the biodiversity of the Embilipitiya area.

The programme plan is illustrated below:



The environmentally friendly practices of the plant have left a lasting impression on the community.

As Amal Thushara, an employee at the plant who has worked there since its inception and has risen to the rank of plant assistant technician from his former general helper status, says- “ A real change, and a change for the better has taken place through the various services offered by the plant. Everyone is pleasantly surprised because as soon as they walk through the gates of the plant they can see the difference. The plant is open for viewing 3-4 times a week and this greatly benefits the school children too. Also the plant and the Company help the community no matter who they are. This good will and good reputation is beneficial to all of us who work at the plant as well. This plant is a plant with a difference”

Community development

Noting the scarcity of fresh water, the company has also provided access to fresh water to the local communities in Embilipitiya by constructing 6 water tanks and a ground well for the benefit of over 2000 families at a cost of approximately Rs. 2 million. It has also focused on the supply of electricity to the villages and developing roads in Matara, all of which have been executed with of labour sourced locally.

Our power plants in Matara and Embilipitiya have contributed significantly to the infrastructure development of their immediate communities. Details of the projects carried out by the power plants will be posted on our website.

Although Ace Power has no written policy or a standard procurement budget for local purchasing or employment, all three power plants have contributed significantly towards building the economy of their immediate neighbourhood. For example, the Embilipitiya power plant employs over 50% of its staff from the local community. The plants also work with local suppliers, who are selected through a rigorous process that includes factors such as their EMS performance, usage of resources and environmental impact.

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Patron of the Community

The communities and Aitken Spence Plantations interact very closely, with the company addressing critical needs of the community by enhancing education, awareness and promoting good practices.

Some of the initiatives taken during the year include the following:

- The Company has in place several committees that focus on developing plantation communities, including the Crèche Development Committee, Mid Day Meal Project committee, Road Rehabilitation Project committee, Welfare Societies and Cooperative Groups as well as holding membership in the Plantations Human Development Trust (PHDT).
- Annual staff networking functions which coincide with Staff Performance Awards at the estates. The plantations management also gets closely involved with the staff and villagers to mark festive occasions.
- The company provides crèche facilities to about 45 units, which can accommodate 1,485 children. These crèches are developed to the level of pre schools and are managed by qualified and trained Child Development Officers. A mid day meal is provided at all child development centres. The efforts of our plantations were recognised at the PHDT annual awards when the trust awarded the Gulugahakanda estate crèche facility the rank of Best Child Development Centre out of 420 estates in the country, citing high standards of quality in the health and welfare of the children and the standards of activities carried out towards improving the literacy of estate workers' children. Total spending to maintain the creche facilities in all estates in 2010/11 was Rs. 23.9 million.
- Plantations provide health facilities including prenatal and antenatal clinics at all estates with free vaccination and medical checkups. Each estate has a medical officer who looks into these programmes. The company has also made available four ambulances, three for the up-country clusters and one for the low-country clusters, to minimise the time taken to transport serious patients to base hospitals.
- During pregnancy, female workers are given 'light work' at a location close to their homes and a 'Nursing Interval' of 12 months is extended to all new mothers. A qualified midwife looks after the wellbeing of expectant mothers at each estate.
- Aitken Spence Plantations in association with the the Merrill J. Fernando Charitable Foundation provides educational scholarships to children of estate workers. This includes scholarships to students who have been accepted to university and students who have performed well at their GCE Ordinary Level Examinations. Currently, there are 20 scholarship recipients and the total number of student to receive these scholarships to date is 130.
- The plantation sector recognises that its success is intrinsically linked to its workers. Therefore, the health of workers is of paramount importance. During the year, Elpitiya Estate organised free medical camps and eye camps for workers and also conducted a 'Well Woman' clinic and a workshop to create awareness of Sexually Transmitted Diseases (STD). Sheen estate conducted antenatal clinics, expanded immunization and contraception clinics for orkers which were also extended to villagers. Similar programmes were also

held at Guluahakanda, Ketandola, Talgaswella, and Dunsinane estates.

- The plantations also encouraged community spirit by organizing and supporting events such as annual trips, get togethers and pilgrimages while the community was also brought together to conduct shramadana campaigns at several instances.
- With the aim of improving the quality of life of plantation staff, many awareness programmes have been conducted, specifically addressing issues such as Dengue prevention (at Lelwala, New Peacock, Sheen and Tangaswella estates) and prenatal and antenatal care (at Talgaswella, New Peacock and Dunsinane).
- The company has also partnered the Ministry of Livestock & Rural Community Development in a special project to concrete roads in the Nuwar Eliya region. Full length of the road developed by Dunsinane, Fernlands and Sheen estates was 1.84 km at a cost of Rs. 6.7 million in 2011 in addition to which another 35 km was developed under the Plantation Development Project (PDP) at Rs. 43.4 million.
- Total spending on developing field rest rooms, water schemes, play grounds, places of worship, social development centres, re-roofing and rehabilitating internal roads was Rs. 55.3 million.
- The estates also pay special attention to the education of the children of its workers. Total spending on various activities carried out in 2010/11 at the estates is approximately Rs. 1 million with over 1600 students benefiting from these activities.
- Directing the funds granted by the PDP, skills development programmes were conducted for members of the Quality Circles at a total cost of Rs. 942,182. Funds directed towards programmes to prevent alcoholism is Rs. 233,885.

Environmental conservation

In the context of the plantations sector, environmental conservation is two pronged – controlling soil erosion, soil pollution, water pollution and land loss caused by the

process of cultivation and managing the energy consumed by estates and tea/ rubber/ palm oil factories.

Rubber cultivation may cause considerable damage to water streams and soil quality if not managed properly. Our estates consumed 35,752 m³ of water in the production of rubber during the year. Many of the rubber estates use sand pits to filter the contaminating solids from the water before it is directed to central drainage systems. At our low country estate cluster II, approximately 4.5 m³ of water is taken from ground water wells and streams daily, for domestic use as well as for rubber manufacturing. The cluster of estates span across 952.44 ha and the cluster also manages a forest area of 29.22 ha where the forest cover is not disturbed.

At the Deviturai estate of this cluster, a new secondary level wastewater treatment unit, including anaerobic and aerobic tanks and a clarifier tank, was constructed. This followed tests carried out on a collection of water samples for contaminant levels. Henceforth, water samples will be tested randomly for Biochemical Oxygen Demand (BOD) and Chemical Oxygen Demand (COD) levels from Deviturai as well as other estates to identify and mitigate significant impacts to the environment gradually. Deviturai Estate tea factory recently received ISO 22000:2005 certification for food safety management.

The tea estates of the Aitken Spence Plantations do not produce any effluents or waste water that can be considered significant enough to require immediate attention. The estate management has undertaken to minimise, and eventually eliminate, the spraying of pesticides to control tea tortrix by pursuing biological methods such as the collection of egg masses and moth traps.

To address soil pollution caused by chemical fertilisers, estates use compost as the preferred choice of fertiliser wherever possible. The Plantations team is in the process of replacing artificial fertiliser with organic fertiliser to minimise the impact to the soil, by moving into site specific fertilising, which provide only the required nutrients without excess chemicals. Compost pits are also maintained in the estates for this purpose with the long term goal of

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replacing one round of artificial fertiliser with compost/ organic fertiliser in all the estates.

There were no reported incidents of significant release of hazardous substances which have adversely affected human health, land, vegetation, water bodies or ground water during the year. No incidents of violations of stipulated environmental laws and regulations have been reported.

The plantations also grow leguminous cover crops in order to improve soil properties, reduce soil erosion and to control the growth of weeds which would otherwise require chemical fertilisers/ weedicide. Aitken Spence Plantations work with their communities to reduce their solid waste generation and also harvests rain water to improve moisture content in the micro environment.

Our plantations span over 4410.57 ha of mature land and 1201.98 ha of immature land and none of our estates are within a 20 km radius to any nature reserves or protected areas. Aitken Spence Plantations have a continuous Forestry Management Programme which has helped to preserve and improve the biodiversity in the plantations and enhance their environmental value at large. Currently over 700 ha of forest has been planted by the Company. The forestry management programme includes the plantation of Eucalyptus Grandis to fuel the withering process, instead of using electricity or nonrenewable fuels.



Energy Efficiency

The Plantation sector is passionate about energy efficiency and has been investing in environmentally friendly projects such as mini hydropower plants, fuel switching and process improvements in order to reduce energy costs while also reducing emissions. Among the micro level efficiency improvements carried out by the sector's engineering team are fuel switching and power factor correction systems and Fibre Reinforced Plastic (FRP) fan installation.

A comparison of consumption levels during the years between 2008 and 2011 showed that energy saving in the estates amounted to approximately 1000 kVA units per month, a saving achieved with no production cutbacks or outsourcing of production. The energy savings were also enabled through process redesigns and efficiency improvements.

Efforts taken to achieve this include;

- Workshops in collaboration with Sri Lanka Sustainable Energy Authority (SLSEA) on "Possible Energy Efficiency Improvements in Tea Factories" to educate up country estates about day-to-day best practices to reduce energy consumption.
- A tariff structure change (except rubber factories) necessitated greater control over energy usage in order to control consumption costs.



- Separate utility connection lines for estate buildings and the factory enabled closer monitoring of usage patterns of each building.
- Installed energy efficient FRP trough fans – replacing inefficient aluminum fans.
- Installed power factor correction systems at all factories, which reduces the reactive power taken from the utility and thereby helps the stability of the national grid system.

A more long term project undertaken by the Aitken Spence Plantations is the commission of Mini Hydro Power Plants (MHPP) within estates which sell generated power to the national grid. Mini-hydro is a preferred method of power generation since the damage caused to the topography of an area is eliminated from the equation and the produced energy is cleaner than that of larger scale energy projects.

The commission of a 560 kW MHPP at Sheen estate in October 2008 brought about an estimated annual income of Rs. 33 million for the first year, vis-à-vis a total project cost of Rs. 130 million. In fact, the annual generation at Sheen in 2009/10 and 2010/11 has enabled Elpitiya Plantations PLC to edge close to Energy Neutrality. In the year 2009/10, the consumption was at 3.319 GWh and generation of energy was at 2.592 GWh. This gap was closed further in 2010/11 when the consumption was 3.529 GWh and the generated power was 3.174 GWh.

Similar MHPPs are being planned for other up country plantations and four new sites have been identified for MHPPs ranging in capacities from 200 to 900 kW. Feasibility studies are presently being carried out for three of these projects totalling a capacity 1.9 MW, at an estimated investment of Rs. 360 - 400 million and projected revenue of approximately Rs. 100 million in the first year. The Group has also commenced a 2.5 MW hydro power project in Matale.

Here To Stay.

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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GRI Index and the Social Responsibility Guidelines Sustainability Report

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	