



# ON COURSE:

## NAVIGATING STRATEGY WITH CONFIDENCE

At Aitken Spence PLC, our strategy unfolds through prioritisation, and strengthens through coordination; we plan and execute with purpose, and growth follows.

### 3

#### PURPOSE DRIVEN STRATEGY

- 48 | Stakeholder Engagement
- 53 | Determining Materiality
- 57 | Our Strategy
- 62 | Our Value Creation Model
- 65 | The Spence Impact : Our sustainability vision in a nut shell



# STAKEHOLDER ENGAGEMENT (GRI 2-29)

## OUR APPROACH

At Aitken Spence PLC, stakeholder engagement is integral to how the Group creates long term value across its diversified portfolio. The Group places its five capital contributors at the centre of its stakeholder ecosystem, recognising that their perspectives and expectations directly inform strategic direction and capital allocation decisions across the short, medium and long term. The value creation model is therefore structured around material matters identified through continuous engagement and translated into clear strategic priorities and objectives across the business.

Stakeholder engagement is embedded within the Group's established sustainability framework, developed and refined over nearly two decades and continually evolving in response to local and international market dynamics. Through this approach, stakeholder perspectives are systematically identified, assessed and integrated into strategic planning and decision making, strengthening trust, risk management and sustainable value creation.



### PRIORITISE STAKEHOLDERS:

Focus engagement efforts based on stakeholders' influence on value creation, impact on operations, proximity to the business, urgency of concerns and subject matter expertise.



### MAINTAIN BENCHMARKS:



#### Constructive and proactive engagement

Adopt a constructive and proactive approach to stakeholder engagement, actively listening with a receptive and open mindset to identify stakeholder needs, emerging priorities and potential risks that support informed decision making.



#### Identify and address valid stakeholder concerns

Ensure accountability and transparency by assessing stakeholder concerns in a structured manner and responding to material and valid issues through appropriate management actions.



#### Transparency in engagement

Maintain open, consistent and transparent engagement with stakeholders through appropriate and accessible communication channels. Transparency is a core element of the Group's value creation model, enabling the timely identification and clear articulation of material concerns, risks and opportunities, and ensuring these are effectively considered in strategic, sustainability and capital allocation decisions.

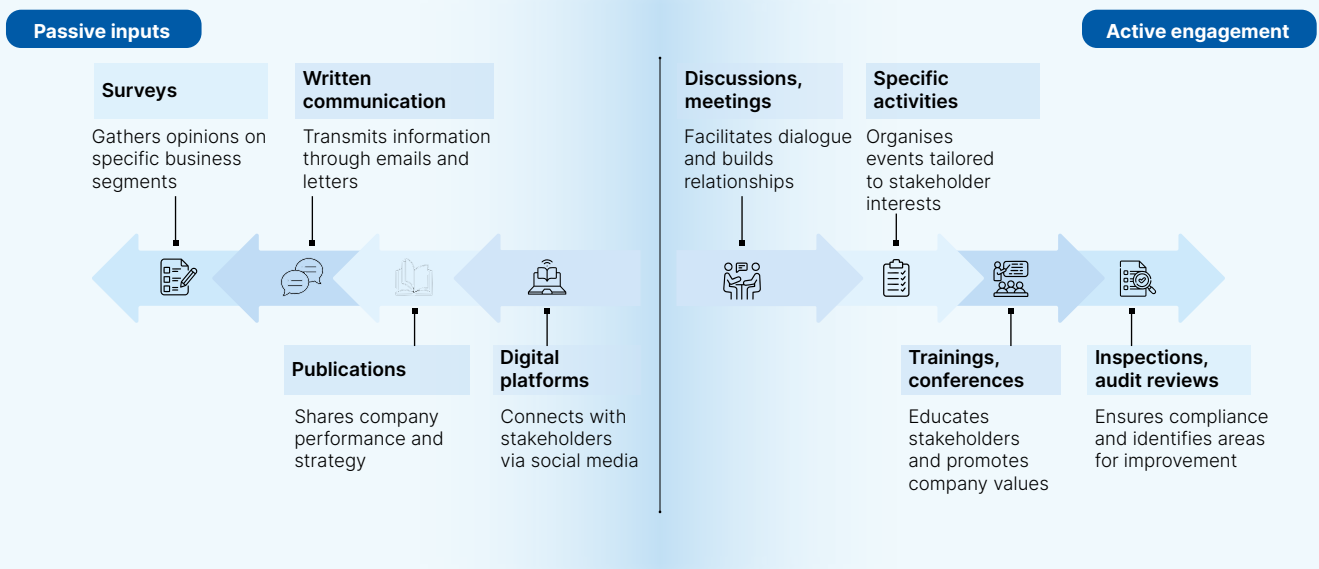
By applying this disciplined approach, the Group ensures that stakeholder inputs remain balanced, relevant and credible, particularly where issues have significant economic, environmental or social implications. Appropriate emphasis is placed on stakeholders most affected by the Group's operations, while informed and evidence based inputs are relied upon when addressing more complex or specialised matters. This supports reasoned decision making and constructive dialogue, avoiding reactive or fragmented responses.



# STAKEHOLDER ENGAGEMENT

## How we engage and integrate feedback

The Group adopts multiple engagement channels to ensure accessibility, inclusiveness, and responsiveness across diverse stakeholder groups.



Stakeholder insights are systematically analysed for trends, risks, and opportunities, and are integrated into:

- » Strategic planning and sustainability priorities
- » Risk management processes
- » Policy development and operational improvements

Stakeholder inputs form a defined component of the Group's materiality assessment process, with critical concerns, particularly those raised by regulators or high-impact stakeholders, being prioritised for immediate attention.

## GOVERNANCE, TRANSPARENCY AND PUBLIC POLICY ENGAGEMENT

(GRI 207-3)

Stakeholder engagement is supported by established governance structures, with oversight from senior management and the Board where relevant. The Group maintains transparency through externally assured regular financial and sustainability disclosures, ensuring stakeholders are informed of the Group's performance, material impacts, strategic priorities and progress against its commitments.



# STAKEHOLDER ENGAGEMENT

## Stakeholder engagement strategy for shared value and sustainable outcomes (GRI 207-3)

### FINANCIAL PERFORMANCE

(Investors, shareholders, financial institutions & banks)



**STRATEGY:**

TRANSPARENCY AND ACCOUNTABILITY

Primary engagement channels:

- AGMs.
- Extraordinary General Meetings.
- Quarterly financial statements and reports.
- Reviews on requirement.



**MATERIAL CONCERN:**  
SUSTAINABILITY OF RETURNS

Focus on sustainable financial performance, stable returns, prudent interest rate management, and alignment with global ESG and governance expectations.



**OUTCOME:**  
DISCIPLINED CAPITAL MANAGEMENT

Enhanced investor confidence and sustained access to competitive funding, strengthening the Group's attractiveness to lenders and supporting long term financial resilience and value creation.

**KPIs:**

- Return on Capital Employed (ROCE): **14.5%**
- Total Shareholder Return (TSR): **11.9%**
- Dividend payout ratio: **23.9%**

### WORKPLACE

(Employees)



**STRATEGY:**

TALENT RETENTION AND WELL-BEING

Primary engagement channels:

- Daily interactions through Group HR.
- HR Partners and the Management.
- Targeted activities and surveys.
- Performance evaluations.



**MATERIAL CONCERN:**  
SECURITY AND PROGRESSION

Seek fair and competitive remuneration structures, job security, work life balance and clear opportunities for career progression and skill development.



**OUTCOME:**  
FUTURE-READY WORKFORCE

A stable, skilled and engaged workforce underpins operational continuity, productivity and leadership depth, mitigating people, related risks and enabling the Group to execute strategy and deliver long term socioeconomic value.

**KPIs:**

- Turnover rate: **38.8%**
- Average training hours per employee (executive and non-executive): **16** hours
- Female representation: **37%**

### MARKETPLACE

(Customers)



**STRATEGY:**

CUSTOMER-CENTRIC RESPONSIBLE INNOVATION, AND QUALITY

Primary engagement channels:

- Brand related interactions of sales and customer relationship teams.
- Surveys, online/ offline feedback and R&D.
- Awards and recognition programmes.



**MATERIAL CONCERN:**  
QUALITY AND PERSONALISATION

Customers demand best-in-class product quality, fast delivery and unique, sustainable experiences.



**OUTCOME:**  
LONG-TERM CUSTOMER LOYALTY

Feedback driven engagement and responsible innovation enhance service quality and relevance, strengthening customer satisfaction, repeat business and brand value, and supporting sustainable revenue growth.

**KPIs:**

- NPS score: **47%**
- Total number of customer feedback: Over **5,000**
- Customer satisfaction rate: Please refer to the Social & Relationship Capital Review for details.

STAKEHOLDER  
ENGAGEMENT

## SOCIETY

(Communities, environmentalists  
and other lobbyists)**STRATEGY:**  
SUSTAINABLE SHARED VALUE CREATION  
WITH A LONG-TERM FOCUS**Primary engagement channels:**Routine engagements maintained by  
operational teams and/ or community  
relations managers.Other channels of communication kept open  
to enable access to communicate.**MATERIAL CONCERN:**  
RESPONSIBLE AND INCLUSIVE  
DEVELOPMENTStakeholders focus on compliance,  
community development support, sustainable  
business operations and local economic  
development.**OUTCOME:**  
STRENGTHENED LICENSE TO OPERATEStronger stakeholder trust and increases  
community participation that supports  
meaningful business growth.**KPIs:**Funds channelled for community  
development: **Rs. 85.7 Mn**Funds channelled to communities through  
donors: **Rs. 76.6Mn**Local employment: **48%** of recruitments in Sri  
Lanka were located outside the Colombo and  
Gampaha districts.

## GOVERNANCE

(Governments, regulators  
and policymakers)**STRATEGY:**  
COMPLIANCE AND PROACTIVE  
RISK MANAGEMENT**Primary engagement channels:**Transparent engagement with governments  
and regulators.Contributing to policy discussions aligned  
with local and global needs.

Active public-private collaboration.

**MATERIAL CONCERN:**  
COMPLIANCE AND MEANINGFUL  
CONTRIBUTION TOWARDS NATIONAL  
DEVELOPMENT GOALSPriorities include long-term value creation and  
compliance with regulation.**OUTCOME:**  
INSTITUTIONAL TRUSTConsistent compliance and constructive  
regulatory engagement strengthen  
institutional trust, support regulatory  
certainty and contribute to a stable operating  
environment that underpins long term value  
creation.**KPIs:**Regulatory breaches or fines: **Zero**Licenses / permits renewed: **149**Capacity building on compliance: **442**  
programmesExternal inspections conducted during the  
year: **227**

## SUPPLY CHAIN

(Suppliers and business partners)

**STRATEGY:**  
RESPONSIBLE AND RESILIENCE  
VALUE CHAINS**Primary engagement channels:**Onboarding interventions of supply chain  
teams and/ or procurement teams on the  
company's commitments.Proactive engagement for reviews to identify  
needs.**MATERIAL CONCERN:**  
FINANCIAL STABILITYPartners seek transparent performance  
updates, strong referral networks and long-  
term stability.**OUTCOME:**  
SCALABLE ECOSYSTEMSResilient value chain with enhanced  
accountability and stable partnership growth,  
mutually beneficial, long-standing business  
relationships and minimised supply chain  
disruptions.**KPIs:**Spending on suppliers: **Rs. 63.6 Bn**Number of suppliers screened  
on ESG: **511**Long term strategic relationship: **19**



# STAKEHOLDER ENGAGEMENT

(GRI 205-2)

## WAY FORWARD: STRENGTHENING OUR STAKEHOLDER STRATEGY

The Group will continue to strengthen its stakeholder engagement approach by further integrating engagement outcomes into strategy, risk management and capital allocation. Focus areas include enhancing value chain engagement, improving consistency across business segments, strengthening mechanisms to respond to stakeholder inputs, and deepening research driven insights to support informed decision making and long term value creation.



### HIGHLIGHT OF THE YEAR | SUSTAINABILITY STRATEGY REVIEW

All employees and the Senior Management team are educated on the companies policies and procedures on anti-bribery and anti-corruption, which also includes awareness of the Group's adherence to the Code of Ethics and Professional Conduct. Aligned with the Group's policies and commitments to prevent bribery and corruption, a workshop was conducted for the Senior Management team and core team members in May 2025. Conducted jointly by two topic experts, this workshop covered key provisions in the Anti-Corruption Act No. 09 of 2023, new offenses under the act, effect and impact of key provisions of the act and steps required from corporates to mitigate risks of corruption.

During the year, the Group convened a Sustainability Strategy Townhall bringing together the Sustainability Council, Sustainability Team and selected stakeholders. The engagement provided a structured forum to review emerging global and local trends, evolving stakeholder and regulatory expectations, and the continued relevance of the Group's sustainability strategy.

Insights from the Townhall informed the identification of priority focus areas and areas for enhancement, strengthening internal alignment and supporting a strategy that remains forward looking, responsive and grounded in operational realities.




# DETERMINING MATERIALITY

(GRI 3-1, 3-2)

At Aitken Spence PLC, materiality is central to the Group's sustainability strategy, guiding the identification and management of the most significant environmental, social, governance, and economic matters arising across its operations, value chain, and stakeholder relationships. In line with the GRI Universal Standards, the Group applies an impact materiality approach, focusing on areas where its activities may have actual or potential positive and negative effects on the economy, environment, and society.

## Our Approach to Assess Materiality of Topics (How We Identify)




01

### Gather Insights and Stakeholder Feedback

The process begins with desk research, industry benchmarking and reviews of historical performance and operational experience to identify key topics that should be monitored for impact control and sustainable value creation.

Feedback from key stakeholders is gathered through structured assessment tools to identify stakeholder expectations and potential risks.




02

### Multidimensional Evaluation and Data Driven Impact Assessment to Identify Priorities for Impact Control or Value Creation (i.e. Material Topics)

Identified topics are evaluated and prioritised based on the overall significance of topics based on;

- » The scale and significance of environmental, social, and economic impacts;
- » Risks to the organisation, stakeholders, and the environment;
- » Compliance obligations and regulatory requirements; and
- » Stakeholder concerns and expectations.



03

### Impact Materiality

The core focus is on the actual or potential positive and negative impacts arising from the Group's activities on the environment and society.

## Sources and Frameworks That Guide Us (How We Align)

### Structured Frameworks



The voluntary standards we align with such as the Ten Principles of the UN Global Compact or the Science Based Targets initiative (SBTi) guide us on development needs.

### Global Benchmarks



The Group looks to the sustainable development goals (SDGs) to identify development priorities and align with 7 priority SDGs (SDGs 4, 5, 6, 8, 9, 12 and 15).

### Human Rights & Equity



The Group is guided by the UN Guiding Principles on Business & Human Rights and the Women's Empowerment Principles on inclusive workplace practices.



# DETERMINING MATERIALITY

As Aitken Spence PLC operates across multiple industries and geographies, processes to identify priorities (i.e. materiality) are integrated into the Group's broader sustainability, governance, risk management, and operational review processes. Accordingly, the materiality assessment is informed by internal and external operational due diligence processes, management reviews, stakeholder consultations, disaster risk reduction (DRR) assessments, and business continuity planning.

We are also guided by internationally recognised sustainability frameworks including the Ten Principles of the United Nations Global Compact (UNGC), Women's Empowerment Principles (WEPs), UN Guiding Principles on Business and Human Rights (UNGPs), and the Science Based Targets initiative (SBTi). The Sustainable Development Goals (SDGs) also give direction to the sustainability strategy of Aitken Spence PLC, with priority focus placed on the following goals and targets, reflecting the Group's commitment to sustainable growth, social inclusion, environmental stewardship, and operational resilience :

### Our alignment with SDGs;



The Group also considers national priorities and evolving regulatory requirements, including Sri Lanka's Nationally Determined Contributions (NDCs), environmental regulations, and sustainability disclosure requirements, when assessing material topics and defining strategic priorities.

SDG targets we directly align with;		SDGs we indirectly contribute towards;	
1		1	No poverty
2		2	End hunger
3		3	Good health & well-being
4	Quality education 4.3, 4.4, 4.6, 4.7	4	
5	Gender equality 5.1, 5.5, 5B	5	
6	Clean water & sanitation 6.3, 6.4	6	
7		7	Clean energy
8	Economic growth 8.4, 8.5, 8.8, 8.9, 8.10	8	
9	Industry, innovation & infrastructure 9.1, 9.4	9	
10		10	Reduced inequalities
11		11	Sustainable cities
12	Responsible consumption 12.2, 12.5, 12.6, 12.8, 12.b	12	
13		13	Climate action
14		14	Life below water
15	Life on land 15.2, 15.5	15	
16		16	Peace, justice & strong institutions
17		17	Partnerships for the goals



More details on how these SDGs and NDCs are aligned to the outcomes of our operations can be perused in the Sector Reviews.

### Our Material Topics (What we Found)

#### Governance, Ethical Conduct & Economic Performance

Focusing on financial governance, anti-corruption, and the integration of ESG into strategic decision-making.

#### Environmental Impact Control

Prioritising energy management, emission control, water consumption and biodiversity conservation.

#### Social Impact & Human Capital

Strengthening occupational health and safety, employee well-being, equity, inclusion and community development.

#### Operational resilience

Managing supplier assessments, disaster risk reduction, and sustainable innovation across the value chain.

DETERMINING  
MATERIALITY*(GRI 3-2, 3-3)*

Based on the assessment conducted during the reporting period, the Group identified the following material topics on basis of potential and actual impacts:

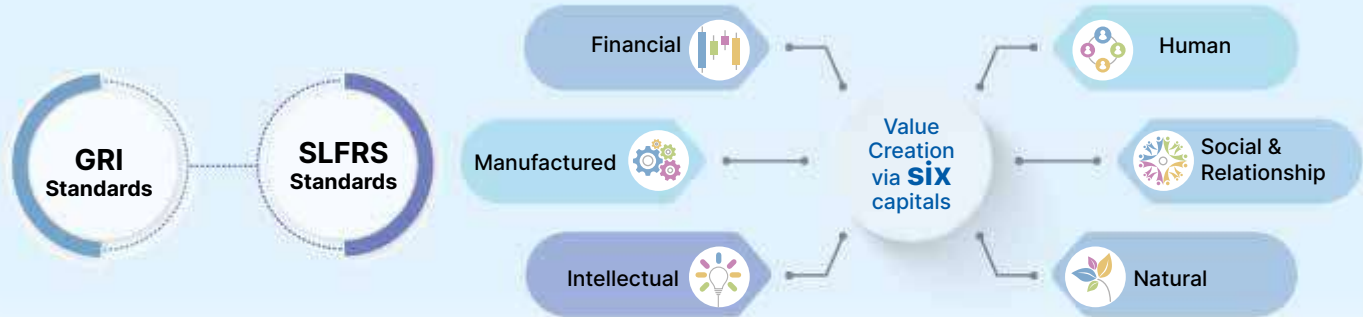
	High significance	Medium significance	Low significance
<b>Governance &amp; Ethical Conduct</b>	Financial governance (GRI 201, 415)	Innovation	Market presence (GRI 202)
	Anti-corruption (GRI 205)		
	Anti-competitive behaviour (GRI 206)		
	Compliance & ESG		
<b>Economic Performance</b>	Direct economic value created & distributed (GRI 201)	Indirect economic value created (GRI 203)	
	Taxes (GRI 207)		
<b>Environmental Impact Control</b>	Energy consumption (GRI 103)	Supplier environmental assessment (GRI 308)	Materials (GRI 301)
	Emission control (GRI 102)	Biodiversity (GRI 101)	
	Effluent control (GRI 303)		
	Water consumption (GRI 303)		
	Solid waste management (GRI 306)		
<b>Social Impact Control &amp; Human Capital</b>	OHS & employee welfare (GRI 403, 401)	Supplier social assessment (GRI 414)	
	Human rights & labour standards (GRI 402, 406, 407, 408, 409, 410, 411)	Diversity, Equity and inclusivity (GRI 405)	
<b>Operational Resilience</b>	Learning & development for employees (GRI 404)	Local purchasing and employment (GRI 204)	
	Product responsibility, information security & customer satisfaction (GRI 416, 417, 418)	Local community development (GRI 413)	

The Group's material topics remain broadly consistent with prior reporting periods, reflecting the continued relevance of governance, people, environmental stewardship, and operational resilience to the Group's long-term sustainability and business strategy.



# DETERMINING MATERIALITY

## Strengthening Materiality Assessments with Financial Materiality



The sustainability strategy of Aitken Spence Group has primarily been developed based on the principles of impact materiality, reflecting the Group's long-standing emphasis on managing impacts, strengthening operational resilience, and creating sustainable long-

term value for stakeholders. The approach has been guided by the Global Reporting Initiative (GRI) Standards for impact-related disclosures, together with Integrated Reporting principles linking sustainability performance and value creation across the six capitals. At the same time, the Group

recognises the growing importance of financial materiality and investor-focused sustainability disclosures in supporting long-term business resilience and access to capital.

While the current materiality assessment of Aitken Spence PLC has primarily focused on the impacts of the Group's operations on the economy, environment, and society, the Group is progressively strengthening its assessment processes to also consider how the financial implications of sustainability-related and climate-related risks and opportunities may affect business performance, resilience, and long-term value creation. This evolving approach supports alignment with SLFRS Sustainability Disclosure Standards (SLFRS S1 and S2) and reflects the Group's move towards a broader double materiality perspective. The process builds on the Group's existing enterprise risk management (ERM), disaster risk reduction (DRR), and business strategy frameworks.



*More details are provided in the Integrated Sustainability & Climate Disclosures section of this report.*



# OUR STRATEGY

## PURPOSE-DRIVEN STRATEGY

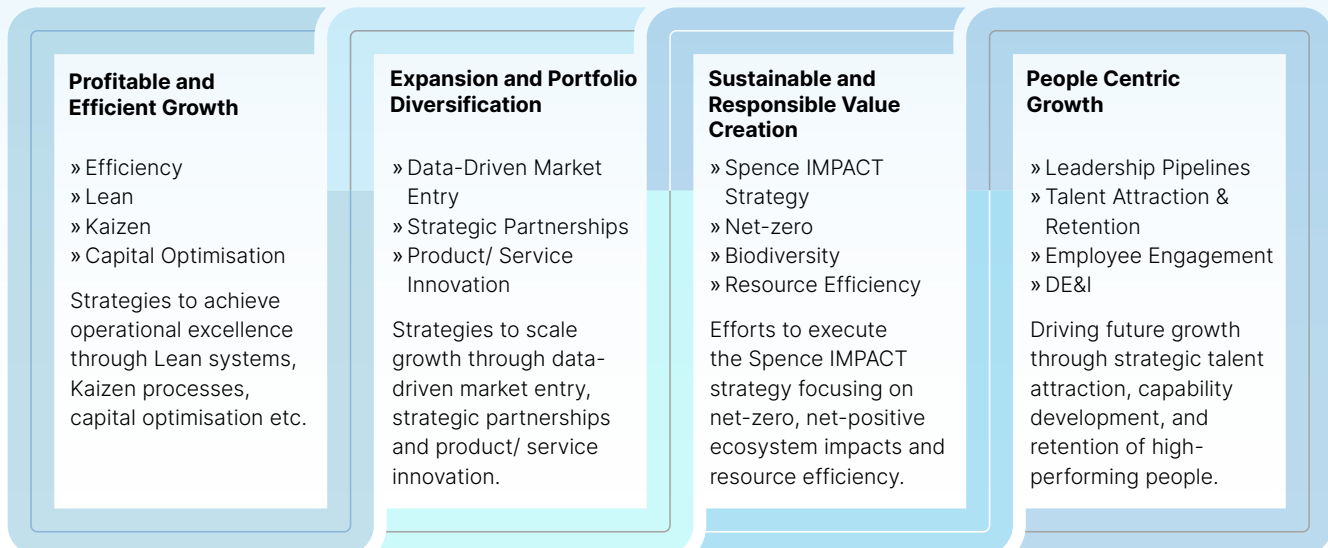
Strategy at Aitken Spence is no longer a static map, but a discipline of continuous navigation. In an era of volatility, we don't just endure complexity; we master it. Anchored by our purpose and vision, our framework translates long term ambition into daily execution, balancing immediate results with sustained value while staying on course toward sustainable, long term growth.

### The Strategic Intent of our Goals and Objectives

Achieve strategic expansion and industrial leadership through sustainability driven business transformation and a future ready workforce.



### Strategic Focus Areas Driving our Efforts to Achieve our Goals and Objectives (Growth and Market Share)





# OUR STRATEGY

## Cross cutting key enabler: Digitalisation and Transformation

**Expected output:**

Stability, better margins, new revenue streams, reduced risk, enhanced reputation

**Expected outcome:**

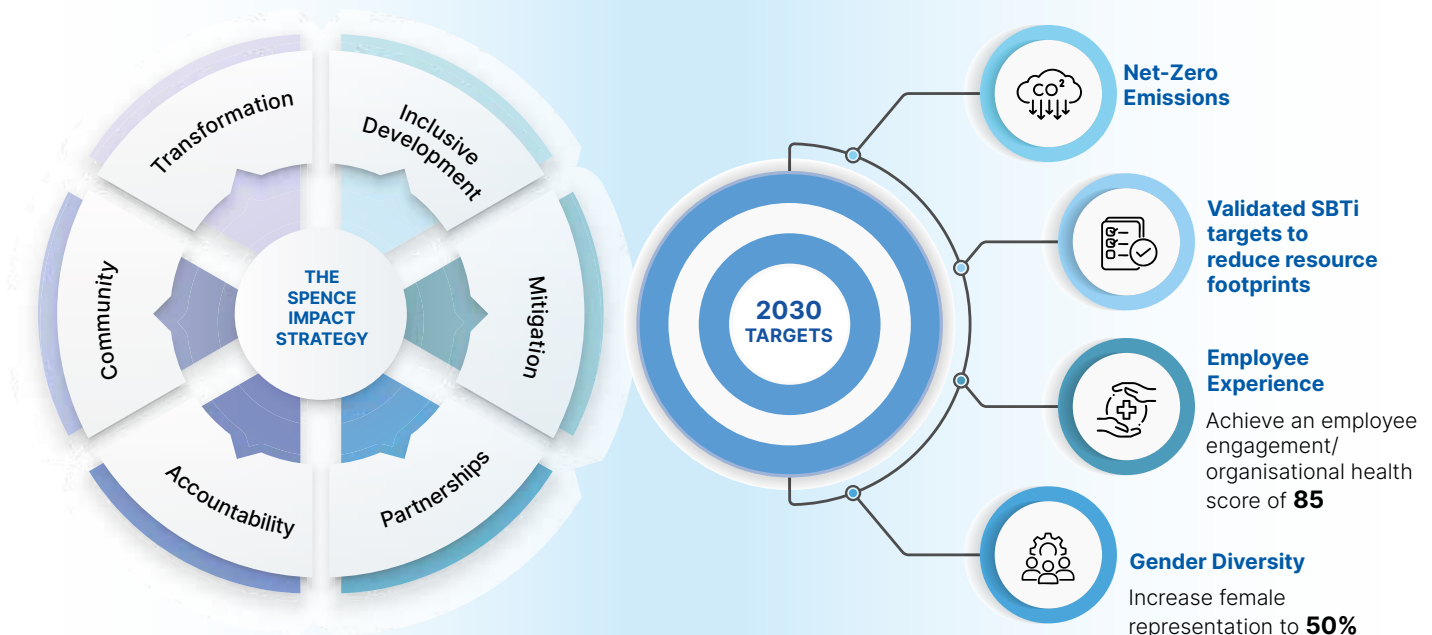
Sustained value creation, resilient profitability, and a strengthened global competitive position.

### 1. Profitable and Efficient Growth through Expansion and Portfolio Diversification

The Group pursues profitable and efficient growth by prioritising sectors where its capabilities and market positioning provide a competitive advantage. Capital is allocated selectively to optimise returns while managing risk. Further details on sector specific growth strategies and performance are set out in the Group's Sector Reviews.

### 2. Sustainable and Responsible Value Creation

The Group integrates sustainability driven decision making across the organisation through the Spence IMPACT strategy and the Group's integrated sustainability policy, embedding environmental and social considerations into business operations and investment decisions.



An overarching sustainability framework focusing on Inclusive development, Mitigation, Partnerships, Accountability, Community, and Transformation.

OUR  
STRATEGY**3. People Centric Growth**

Developing a future-ready workforce is one of the key priorities of the Group to achieve our goals and objectives. The following strategies are being rolled out by Group HR towards the same;

**Cultivate a Transformative Culture**

Transform organisational culture to align with future-proof strategies and become an 'Employer of Choice'

**Elevate the Employee Experience**

Enhance engagement, well-being, and inclusion across the employee lifecycle

**Enable High Performance**

Through talent management ensure excellence via integrated, objective-based talent frameworks

**Strengthen Leadership Pipeline**

Establish leadership bench strength and retain key talent

**Develop Future-Ready Talent**

Create future-ready Spensonians with digital and innovation capabilities

**Digital and Business Transformation (Cross-Cutting Enabler)**

For all these strategic pillars, digital and business transformation is a cross-cutting enabler strategy of the Group that is currently being driven by the Group's Transformation Steering Committee.

- » Data-driven decision-making (dashboards, analytics)
- » Customer intelligence (CRM)
- » Digital adoption
- » Process improvement and automation (RPA, no-code platforms)
- » AI readiness and adoption roadmap

**PERFORMANCE AGAINST KPIS AND TARGETS**



Strategic Focus Areas	Key Priorities	KPI	Target	Performance/Achievements in 2025/2026	
<b>Profitable and efficient growth</b> 	Financial performance	Revenue growth	Segment specific benchmarks	Please refer to the Sector Reviews	
		EBIT	Segment specific benchmarks		
	Market position	Market share by segment	Year-on-year increase in all key segments		47%
		Net Promoter Score (NPS)	≥ +60 (or internal benchmark)		
	Operational efficiency	Energy consumption per unit revenue	Maintain below 10GJ/Rs. Bn at Group level	Maintained	
		Water consumption per unit revenue	Maintain below 20m3/Rs. Bn at Group level	Maintained	

OUR  
STRATEGY

Strategic Focus Areas	Key Priorities	KPI	Target	Performance/ Achievements in 2025/2026
<b>Expansion and portfolio diversification</b> 	<b>Geographical expansion</b>	Number of countries of operation	Strategically aligned investment opportunities.	<b>The Plantation segment's strategic investment in Fiji</b>
	<b>Partnerships and market entry</b>	Number of strategic partnerships / JVs	Maintain and grow the existing partnerships	<b>Maintained 26 partnerships</b>
	<b>Governance and accountability</b>	Percentage of operations covered by ESG policies	100%	<b>88%</b>
		External assurance coverage	All key processes to be covered	<b>Please refer pages 498-501</b>
	Percentage of suppliers screened on ESG matters	100% key suppliers	<b>Please refer to the Social &amp; Relationship Capital Review</b>	

<b>Sustainable and responsible value creation</b> 	<b>Energy and climate action</b>	Scope 1 GHG emissions intensity from commercial power generation (tCO <sub>2</sub> e per MWh)	Reduce by 95% by FY2030 from FY2020 baseline	<b>Achieved</b>
		Absolute Scope 1 GHG emissions (excluding power generation)	Reduce by 42% by FY2030 from FY2020 baseline	<b>5%</b>
		Percentage of electricity sourced from renewable energy	Increase from 0% (FY2020) to 100% by FY2030	<b>6x the electricity use matched with renewable energy generation</b>
	<b>Water and effluents</b>	% of effluents and wastewater safely treated and repurposed/disposed	100% treatment and safe disposal	<b>Maintained</b>
		Impact of operations on water bodies	Zero adverse impacts	<b>Maintained</b>
	<b>Waste, resource and management</b>	Percentage of waste diverted from landfill	100% (Zero waste to landfill by 2030)	<b>Over 90%</b>
		% of solid waste repurposed/recycled (7R framework)	100% of waste managed through 7Rs	<b>Over 90%</b>
		Resource efficiency (energy, water, materials intensity)	Year-on-year improvement	<b>Maintained</b>

OUR  
STRATEGY

Strategic Focus Areas	Key Priorities	KPI	Target	Performance/ Achievements in 2025/2026
	<b>Biodiversity, ecosystems and land management</b>	Impact on biodiversity and sensitive ecosystems	Maintain Net Positive Impact	<b>Maintained</b>
		Ecosystem disturbance from operations	Zero damage to natural ecosystems	<b>Maintained</b>
	<b>Supply chain and value chain engagement</b>	Percentage of key suppliers screened for ESG and environmental impact	100% coverage	<b>Please refer to the Social &amp; Relationship Capital Review.</b>
		Percentage of suppliers (by emissions) engaged on science-based targets	46.4% by FY2030	
		Percentage of customers (by emissions) engaged on emission reduction (use of sold products)	80% by FY2030	
Percentage of investments (by emissions) aligned with emission reduction pathways	90% by FY2030			
<b>People centric growth</b> 	<b>Leadership Pipeline</b>	Percentage of critical roles with internal successors	≥ 70% annually	<b>76%</b>
	<b>Diversity, Equity &amp; Inclusion</b>	Percentage of female representation	50% by 2030 in the overall workforce	<b>37%</b>
			30% in management positions by 2030	<b>22%</b>
<b>Enhancing workforce experience through digitalisation</b>	Percentage of executives trained on digital/AI and Lean/ Kaizen modules	20% of executives annually	<b>61%</b>	

**BEYOND THE HORIZON: ARCHITECTING OUR NEW WORLD**

At Aitken Spence, strategy remains adaptive rather than static. By continuously recalibrating priorities across the short and long term, the Group ensures that capital allocation, operational focus and sustainability commitments remain aligned to build resilience and long-term value. Agility is approached as a deliberate strategic choice, enabling the group to respond to change while maintaining a clear long-term direction and sustaining stakeholder trust.



# OUR VALUE CREATION MODEL (GRI 2-6)

## CAPITAL INPUTS

Strategic intent:



### Financial Capital

To deploy capital prudently and efficiently to deliver sustained profitable growth, support strategic expansion and strengthen long-term financial resilience.

**Rs. 104.3 Bn**  
Equity

**Rs. 42.6 Bn in**  
Long-term bank  
borrowings

**Rs. 14.3 Bn**  
Operating cash flow



### Manufactured Capital

To build and maintain a sustainable, geographically diversified infrastructure platform that enables efficient operations, scalability and operational resilience across the Group.

**Rs. 105.9 Bn**  
Property plant &  
equipment

**2,676**  
Hotel keys

**12**  
Production facilities  
**413,890 Sq.Ft**  
Warehouse space



### Human Capital

To build and sustain a skilled, experienced and engaged workforce that underpins innovation, service excellence and consistent operational performance.

**20,300**  
Employees across

**17**  
business segments

**12**  
geographies



### Intellectual Capital

To strengthen proprietary knowledge, systems, processes and brand equity as drivers of innovation and sustain competitive advantage.

Strong brand  
portfolio

**196**

Management  
systems aligned  
with local and global  
best practices and  
benchmarks



### Social and Relationship Capital

To foster long standing, trust-based relationships with key stakeholders that enable shared value creation, responsible growth and a strong license to operate.

**26** Principals

**14,000**

Strong network of  
suppliers (local and  
overseas)

Diverse customer  
base

Strong community  
relationships



### Natural Capital

To embed stewardship and climate considerations into business decisions, supporting responsible growth, resource efficiency and long-term resilience.

SBTi aligned targets

**37.8 MW**

of renewable energy  
portfolio

Over **8,100 ha** of  
preserved green  
cover

## Resource Allocation Aligned to Strategic Priorities and Long-Term Value Creation

Deployed to fund  
priority growth,  
resilience and  
sustainability  
investments

**0.35 times**

Debt to equity ratio

**3.76 times**

Interest cover

**Rs. 4.3 Bn**

Net finance cost

**1.40 times**

Current ratio

Investments focused  
on efficiency,  
digitalisation and  
scalability

**Rs. 1.7 Bn**

Invested in capacity  
expansion

**Rs. 162.1 Mn**

Invested in digital  
infrastructure

**Rs. 86.9 Mn**

Invested in  
sustainability related  
infrastructure

Strengthened  
through capability  
development,  
engagement and  
leadership continuity.

**12,061**

New hires across  
sectors

**Rs. 87.0 Mn**

Invested in  
training and skills  
development

Leveraged to  
enable innovation,  
data driven  
decision making  
and competitive  
advantage.

**196**

Management systems

**Rs. 8.1 Mn**

Invested in  
digital training

Built through trusted  
partnerships,  
engagement and  
shared value creation.

**26**

Partnerships during  
the year

**Rs. 46.9**

Invested in corporate  
sustainability  
initiatives

Managed through  
climate action,  
resource efficiency  
and long term  
environmental  
resilience

**180,241 MT**

of residual municipal  
solid waste kept away  
from landfills

Generated over

**62 %**

more renewable energy  
than total direct energy  
consumed from fossil  
fuels

OUR VALUE  
CREATION MODEL

## Purpose

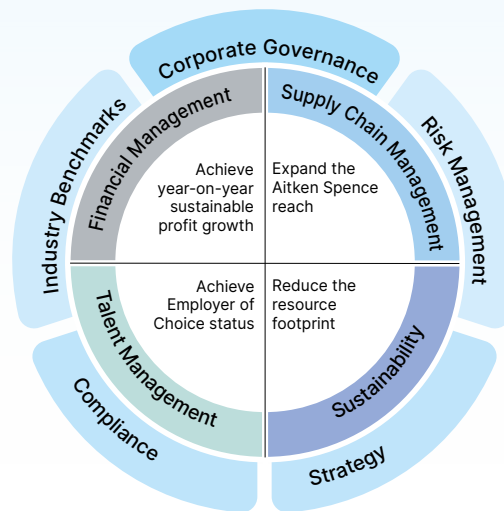
Inspire to Create Great Futures for All

## Group Vision

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

## Values

Reliable | Honest &amp; Transparent | Warm &amp; Friendly | Genuine | Inspire Confidence



	TOURISM	MARITIME & FREIGHT LOGISTICS	STRATEGIC INVESTMENTS	SERVICES
Core Businesses	<ul style="list-style-type: none"> <li>» Hotels</li> <li>» Destination Management</li> <li>» Airline GSA</li> </ul>	<ul style="list-style-type: none"> <li>» Maritime &amp; Port Services</li> <li>» Freight Forwarding &amp; Courier</li> <li>» Integrated Container Services</li> <li>» Airline GSA (Cargo)</li> <li>» Education</li> </ul>	<ul style="list-style-type: none"> <li>» Apparel Manufacture</li> <li>» Printing &amp; Packaging</li> <li>» Power Generation</li> <li>» Plantations</li> </ul>	<ul style="list-style-type: none"> <li>» Insurance</li> <li>» Money Transfer</li> <li>» Property Management</li> <li>» BPO Services</li> <li>» Elevators</li> </ul>
Key Performance Indicators	<ul style="list-style-type: none"> <li>» Guest nights</li> <li>» Tour pax</li> <li>» Flights handled</li> </ul>	<ul style="list-style-type: none"> <li>» TEUs handled</li> <li>» Tonnage uplifted</li> <li>» No. of packages handled</li> <li>» No. of students</li> </ul>	<ul style="list-style-type: none"> <li>» Apparels manufactured</li> <li>» Printing impressions</li> <li>» Tea, rubber, palm oil and minor commercial crops</li> <li>» Energy generated</li> </ul>	<ul style="list-style-type: none"> <li>» Elevators maintained</li> <li>» Inwards remittance transactions</li> <li>» Insurance brokerage services and claims settlements</li> <li>» Commercial office spaces rented</li> <li>» BPO Service deliveries</li> </ul>
How the sector delivers on the Group vision	<ul style="list-style-type: none"> <li>» Delivers globally competitive hospitality and travel experiences</li> <li>» Strengthens Sri Lanka's tourism brand globally</li> <li>» Generates foreign exchange earnings for Sri Lanka</li> <li>» Creates long-term economic value</li> <li>» Supports livelihoods and uplifts local communities</li> </ul>	<ul style="list-style-type: none"> <li>» Facilitates regional and international trade</li> <li>» Strengthens global and local connectivity</li> <li>» Enhances efficiency and reliability across supply chains</li> <li>» Delivers integrated and technology-driven logistics solutions</li> <li>» Creates long-term value through logistics and port-related services</li> </ul>	<ul style="list-style-type: none"> <li>» Supports inclusive economic growth</li> <li>» Contributes to sustainable industrial development</li> <li>» Advances renewable energy and circular economy solutions</li> <li>» Invests in technology-enabled operations and infrastructure</li> <li>» Supports community development and future-ready value creation</li> </ul>	<ul style="list-style-type: none"> <li>» Connects local businesses with global partners</li> <li>» Delivers specialised financial and business process solutions</li> <li>» Enhances operational efficiency and resilience</li> <li>» Supports stable and diversified earnings</li> <li>» Strengthens the Group's value ecosystem</li> <li>» Creates long-term value through service excellence</li> </ul>

More Information on materiality topics and the alignment with SDGs and NDCs are included in Tourism Sector Review on Page 174

More Information on materiality topics and the alignment with SDGs and NDCs are included in Maritime and Freight Logistics Sector Review on Page 195

More Information on materiality topics and the alignment with SDGs and NDCs are included in Strategic Investments sector Review on Page 216

More Information on materiality topics and the alignment with SDGs and NDCs are included in Services Sector Review on Page 242

OUR VALUE  
CREATION MODEL

## OUTPUTS AND OUTCOMES

## GROUP OUTPUTS

Rs. 96.6 Bn  
Group  
Revenue

## INVESTORS

- 14.5% ROCE
- 11.9% Total shareholder return
- Rs. 4.00 Dividend per share

Rs. 12.8 Bn  
Group PBT

## CUSTOMERS

- 47% Average NPS score
- Top rated across key service rankings

Rs. 227.6 Bn  
Total Assets

## EMPLOYEES

- 38.8% Turnover rate
- 16 average training hours per employee (Executive and Non-executive)

82  
CertificationsSUPPLIERS AND  
BUSINESS PARTNERS

- Rs. 63.6 Bn in payments to suppliers
- 11,000+ Local suppliers over 80% of the total suppliers

12,061  
New Hires

## COMMUNITIES

- Rs. 85.7 Mn Invested in community development interventions
- 7% reduction in water consumption per unit revenue

188,922 tCO<sub>2</sub>e  
Emissions  
ReducedGOVERNMENT AND  
REGULATORS

- Rs. 14.8 Bn in taxes
- SBTi approved targets established to reduce emissions
- Over 8,100 ha Green cover maintained

## OUTCOMES DELIVERED TO STAKEHOLDERS

## INVESTORS

- Sustainable long-term returns from a diversified and resilient portfolio
- Greater investor confidence through disciplined governance and risk management
- Stable earnings and long-term value creation across business cycles

## CUSTOMERS

- Reliable, high-quality products and services across markets
- Stronger trust and long-term customer relationships
- Solutions that evolve with changing customer needs and expectations

## EMPLOYEES

- Stable employment and income opportunities across economic cycles
- Safer workplaces and improved well-being
- Stronger skills, career growth, and long-term employability

SUPPLIERS AND  
BUSINESS PARTNERS

- Stable commercial opportunities and timely engagement
- Stronger long-term partnerships across value chains
- Shared growth, resilience, and responsible business practices

## COMMUNITIES

- Sustained livelihoods and local economic development
- Improved environmental and social well-being through responsible operations
- Greater community resilience and inclusive growth opportunities

GOVERNMENT AND  
REGULATORS

- Continued contribution to national economic growth and foreign exchange earnings
- Support for national priorities in sustainability, infrastructure, and resilience
- Strengthened economic stability through responsible and compliant operations

## HOW STAKEHOLDERS ENABLE VALUE CREATION

## INVESTORS

- Long-term capital support aligned with sustainable value creation
- Confidence in long-term strategy and performance
- Constructive engagement and trust in governance and disclosures

## CUSTOMERS

- Open feedback and collaboration to evolve offerings
- Long-term partnerships built on shared value and trust
- Continued loyalty and engagement amid changing needs

## EMPLOYEES

- Commitment to performance, ethics, and continuous improvement
- Active contribution to a safe, inclusive, and responsible culture
- Accountability in delivering long-term value and resilience

SUPPLIERS AND  
BUSINESS PARTNERS

- Reliable delivery, quality, and ethical business practices
- Collaboration to strengthen efficiency, resilience, and sustainability
- Shared commitment to responsible value chain practices

## COMMUNITIES

- Constructive engagement around operations and development initiatives
- Shared responsibility for social and environmental well-being
- Collaboration to support resilient and inclusive communities

GOVERNMENT AND  
REGULATORS

- Stable, transparent, and predictable regulatory frameworks
- Collaborative engagement on national development and sustainability priorities
- Policy consistency that supports long-term investment and resilience



# THE SPENCE IMPACT: OUR SUSTAINABILITY VISION IN A NUTSHELL

## Integrated Sustainability Policy and Spence IMPACT Strategy

### Must do

(Essential minimum standards)  
Baseline compliance and core controls

### Should do

(Expected controls)  
Stronger controls for high-impact segments

### Could do

(Exemplary leadership)  
Best practices and innovation

To ensure consistency across its diverse industries and operating geographies, Aitken Spence has established an Integrated Sustainability Policy that serves as the Group's overarching framework for identifying and managing material environmental, social, governance, and economic impacts. The policy outlines the Group's commitments relating to governance, ethical conduct,

environmental impact control, stakeholder engagement, occupational health and safety, human rights, responsible supply chain management, disaster risk reduction, operational resilience, innovation, and community development.

The policy is supported by an implementation framework comprising "Must Do", "Should Do", and "Could

Do" action points, enabling the Group to maintain minimum sustainability expectations across all business segments while allowing flexibility to strengthen controls and pursue strategic differentiation based on the nature, scale, and significance of impacts within each industry.



More details of this process are presented in the Corporate Governance section of this report. Please visit our website to access the Group's integrated sustainability policy in English, Sinhala or Tamil.

The Group's sustainability priorities and long-term strategic direction are further captured through the "Spence IMPACT" strategy for sustainability, which reflects the Group's impact-driven approach towards sustainable business growth. The strategy focuses on six interconnected priority areas:



These pillars guide the translation of material topics into policy commitments, operational controls, targets, management systems, and long-term strategic initiatives across the Group.



# THE SPENCE IMPACT: OUR SUSTAINABILITY VISION IN A NUTSHELL

## Aligning Value Creation and Corporate Reporting with Strategic Priorities

Material topics are embedded across our governance, strategy and operations, driving sustainable value creation for all stakeholders.



### Inform value creation across the 6 capitals



#### Financial Capital

Strengthening financial performance and long-term returns



#### Manufactured capital

Investing in quality assets, infrastructure and technology



#### Intellectual capital

Driving innovation, digitalisation and knowledge creation



#### Human capital

Empowering our people and enhancing health, safety and well-being



#### Social & relationship capital

Building trust, partnerships and positive societal impact



#### Natural capital

Managing natural resources responsibly and minimising our environmental footprint



### Integrated throughout our reporting and management

Integrated throughout the **annual report** and linked to the capitals-based approach we have aligned with under the Integrated Reporting framework.

### Connection to value creation and strategic priorities

#### Governance and risk management process

Material topics inform our governance structure, enterprise risk management and internal controls supporting robust and ethical decision-making.

#### Sustainability related disclosures aligned with GRI standards

We disclose our material topics and performance in accordance with the Universal Standards of the Global Reporting Initiative (GRI).

#### Climate related and sustainability related assessments

Material topics guide our climate and sustainability related assessments, strengthening our readiness for SLFRS S1 and S2 disclosure requirements.

#### Target setting and performance monitoring

Material topics shape our targets and KPIs, enabling consistent monitoring, evaluation and continuous improvement.

#### Operational controls and management systems

We integrate material topics into operational processes and management systems to drive efficiency and effectiveness, resilience and responsible business practices.

#### Alignment with SDGs, SBTi and other global frameworks

Our approach to select material topics is informed by the local and global development priorities, best practices and benchmarks.

**By integrating material topics into our strategy, operations and reporting, we create sustainable value, enhance resilience and contribute to a better future for people, planet and prosperity.**