

## Contribution to Local and Global Development Goals

Aitken Spence PLC is guided by local and global development priorities when we plan action for environmental impact control, social sustainability and economic stability. The Sustainable Development Goals (SDGs) are indispensable as a guide to plan action for identified material topics.

SDGs are 17 goals and 169 targets within a world-wide plan of action called 'Agenda 2030' describing local and global development priorities. We align the Group's efforts to the following specific SDGs.



Additionally, our subsidiaries also select specific SDGs to create sustainable value through their operations. Given below is a summary of our efforts to contribute towards achieving the SDGs.

	<p><b>For Goal 4:</b> <i>Inclusive and equitable quality education and lifelong learning opportunities for all</i></p>
<p><b>Targets:</b></p> <p>4.3: <i>By 2030, ensure equal access for all women and men to affordable and quality technical, vocational and tertiary education, including university</i></p> <p>4.4: <i>By 2030, substantially increase the number of youth and adults who have relevant skills, including technical and vocational skills, for employment, decent jobs and entrepreneurship</i></p> <p>4.6: <i>By 2030, ensure that all youth and a substantial proportion of adults, both men and women, achieve literacy and numeracy</i></p> <p>4.7: <i>By 2030, ensure that all learners acquire the knowledge and skills needed to promote sustainable development, including, among others, through</i></p>	<p><b>Our efforts in a nutshell;</b></p> <ul style="list-style-type: none"> <li>Increasing access to students in Sri Lanka for higher education in STEM subjects through the CINEC Campus;             <ul style="list-style-type: none"> <li>Roughly 50% of the student population is female</li> <li><b>13,939</b> student registrations during the year</li> </ul> </li> <li>Enabling access to online learning tools for employees to continue learning during lockdown             <ul style="list-style-type: none"> <li>Rs. 5.7 million invested in learning &amp; development</li> <li>3,140 training programmes conducted</li> </ul> </li> </ul> <p>Over the years, Aitken Spence companies have enabled many opportunities for employees, children, youth and other community members to acquire specific skills in diverse industries and soft skills essential to increase employability and economic development.</p> <p>Prior to the COVID-19 pandemic,</p> <ul style="list-style-type: none"> <li>Internships at our companies and specialised training provided at the TUI Academy for hospitality education</li> </ul>

*education for sustainable development and sustainable lifestyles, human rights, gender equality, promotion of a culture of peace and non-violence, global citizenship and appreciation of cultural diversity and of culture's contribution to sustainable development*

and the P.A.C.E. programme or Personal Advancement and Career Enhancement initiated at our garments segment for women in the apparel supply chain.

- Over the years, we have also provided Internships and opportunities for maritime education through our partnerships with universities in Sri Lanka and Fiji. Through CINEC, fisheries sector educational programs were developed that have trained and certified fishermen around Sri Lanka.
- Our Spensonians at MMBL Money Transfer reached over 1,500 migrant workers every year to empower them with awareness and education about financial literacy and management.
- The plantations segment also provided awareness and education on financial literacy, prevention of alcoholism, prevention of violence against women, hygiene and wellness, financial management etc.
- Creche facilities implemented in all estates are staffed with qualified educators who are also member of the estate community. These creche facilities provided essential primary education to our children in the estate communities. Digitisation introduced to the estates for the first time in the history of the plantations industry also enabled community members to access online learning for their children.



**For Goal 5: Achieve gender equality and empower women and girls**

Targets:

5.1:

*End all forms of discrimination against all women and girls everywhere*

5.5

*Ensure women's full and effective participation and equal opportunities for leadership at all levels of decision-making in political, economic and public life*

5.b

*Enhance the use of enabling technology, in particular information and communications technology, to promote the empowerment of women*

**Our efforts in a nutshell;**

- **41%** female representation in the workforce
- **16%** female representation in managerial positions

Aitken Spence Group is an equal opportunity employer with a workforce that celebrates diversity. In the midst of cultural and social challenges we strive to maintain gender parity in recruitments. Our policies to create a supportive environment with work-life balance has led to more than 41% of the Corporate team being females while female recruitments stood at 32% during the year. The ratio of the basic salary and remuneration of women to men for all employees remained 1:1 and the Group compensated its employees above the minimum wage requirement.

For more details, refer to the 'Our Employees' section of the Group's annual report (page 89 – 89).

	<p><b>For Goal 6:</b> Ensure sustainable management of water and decrease demand on freshwater</p>
<p><b>Targets</b></p> <p>6.3 <i>By 2030, improve water quality by reducing pollution, eliminating dumping and minimizing release of hazardous chemicals and materials, halving the proportion of untreated wastewater and substantially increasing recycling and safe reuse globally</i></p> <p>6.4 <i>By 2030, substantially increase water-use efficiency across all sectors and ensure sustainable withdrawals and supply of freshwater to address water scarcity and substantially reduce the number of people suffering from water scarcity</i></p>	<p><b>Our efforts in a nutshell;</b></p> <ul style="list-style-type: none"> <li>• <b>100% waste water and effluents</b> treated at our hotels, logistics sites and manufacturing facilities</li> <li>• <b>147,895m3</b> rainwater harvested for consumption</li> <li>• <b>339,482m3</b> waste water treated for safe reuse or disposal</li> <li>• Our local hotels reuse treated water to reduce freshwater consumption</li> <li>• Elpitiya Plantations teams have implemented many measures to improve soil quality, to establish buffer zones of tree belts and cover crops and to reduce use of chemical fertilisers to reduce pollution from surface runoff</li> <li>• Our Spensonians are constantly educated about individual water footprint and conservation of water resources</li> <li>• No water sources were affected by our withdrawal of freshwater or disposal of waste water</li> </ul>
	<p><b>For Goal 8:</b> Sustained, inclusive and sustainable economic growth by ensuring a safe and conducive workplace and facilitating economic growth for local suppliers and service providers</p>
<p><b>Targets</b></p> <p>8.4 <i>Improve progressively, through 2030, global resource efficiency in consumption and production and endeavour to decouple economic growth from environmental degradation, in accordance with the 10-year framework of programmes on sustainable consumption and production, with developed countries taking the lead</i></p> <p>8.5 <i>By 2030, achieve full and productive employment and decent work for all women and men, including for young people and persons with disabilities, and equal pay for work of equal value</i></p> <p>8.6</p>	<p><b>Our efforts in a nutshell;</b></p> <p>Sri Lanka has signed and ratified the core conventions of the ILO. These requirements are included in the Labour Laws of our country and as law abiding corporate citizens, we ensure compliance with our laws and regulations. The requirements of the Factories Ordinance, Shop and Office Act, Employment of Women, Children and Young Persons Act as well as the specific requirements of Environmental Protection Licences necessary for our operations have also been included in to the Group's internal Social and Environmental Due Diligence monitoring mechanisms.</p> <ul style="list-style-type: none"> <li>• <b>All operations</b> are inspected on environmental impact control, labour standards and compliance</li> <li>• The Group maintains <b>over 140 management systems</b> for environmental impact control, energy management, biodiversity, occupational health and safety, quality and product responsibility</li> </ul>

<p><i>By 2020, substantially reduce the proportion of youth not in employment, education or training</i></p>	<ul style="list-style-type: none"> <li>• <b>76</b> of our management systems are certified aligned to international benchmarks</li> <li>• We have a <b>network of over 400 trained Spensonians</b> maintaining these management systems and coordinating internal/ external inspections. This includes trained and certified fire wardens, first aid officers, environmental management representatives, Human Resource Partners, Human Rights Support Teams and internal audit teams.</li> <li>• Aligned to the Group's efforts to enable economic development opportunities for our local communities, our operations outside Colombo adopt local purchasing policies prioritizing local farmers, suppliers and services providers for our requirements. To make sure they can meet our benchmarks for environmental impact control, labour standards and quality, we educate our suppliers where necessary. We also screen our suppliers on social and environmental concerns. <b>Over 3,500</b> suppliers have been educated and evaluated so far on social and environmental governance.</li> <li>• MMBL Money Transfer enables access to financial services for migrant workers through their network of over 2,000 sub agents. The company provided essential services to expatriate workers especially in the aftermath of the Easter attacks when movement was restricted.</li> </ul>
<p>8.8 <i>Protect labour rights and promote safe and secure working environments for all workers, including migrant workers, in particular women migrants, and those in precarious employment</i></p>	
<p>8.9 <i>By 2030, devise and implement policies to promote sustainable tourism that creates jobs and promotes local culture and products</i></p>	
<p>8.10 <i>Strengthen the capacity of domestic financial institutions to encourage and expand access to banking, insurance and financial services for all</i></p>	<p>For more details about our policies, refer to the 'Our Employees' section of the Group's annual report (page 89 – 89) and the Corporate Governance Report (page 176 – 190).</p>



**For Goal 9: Resilient infrastructure, inclusive and sustainable industrialisation**

<p>Targets 9.1 <i>Develop quality, reliable, sustainable and resilient infrastructure, including regional and trans-border infrastructure, to support economic development and human well-being, with a focus on affordable and equitable access for all</i></p>	<p><b>Our efforts in a nutshell;</b> Aitken Spence is a pioneer in the sustainability movement in Sri Lanka. We introduced LEED architecture (Leadership in Energy and Environmental Design) to the world outside USA with Heritance Kandalama: the first LEED certified hotel in the world. Heritance Kandalama proved that economic development can coexist with social and environmental sustainability. The lessons learned from Heritance Kandalama have been formulated</p>
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<p>9.4 <i>By 2030 upgrade infrastructure and retrofit industries to make them sustainable, with increased resource use efficiency and greater adoption of clean and environmentally sound technologies and industrial processes, all countries taking action in accordance with their respective capabilities.</i></p>	<p>into frameworks and passed down to other Aitken Spence Companies.</p> <p>We also introduced the first LEED certified, green printing facility in South Asia that has been carbon neutral for 8 consecutive years. In 2019, we introduced LEED architecture to the Maldives with Heritance Aarah.</p> <p>The infrastructure as well as our management systems as explained above increase resource efficiency, reduce waste and establish environmental impact controls while creating opportunities for economic growth.</p> <p>Staying true to our vision of providing sustainable infrastructure, we introduced Sri Lanka's first waste to energy power plant in 2021. To date, <b>over 45,000 MT</b> of residual municipal solid waste was kept away from landfills eliminating over 28,000tonnesCO<sub>2</sub>e generated from municipal solid waste in landfills.</p>
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*Sustainable consumption and production*

<p><b>Targets</b></p> <p>12.2 <i>By 2030, achieve the sustainable management and efficient use of natural resources</i></p> <p>12.5 <i>By 2030, substantially reduce waste generation through prevention, reduction, recycling and reuse</i></p> <p>12.6 <i>Encourage companies, especially large and transnational companies, to adopt sustainable practices and to integrate sustainability information into their reporting cycle</i></p> <p>12.8 <i>By 2030, ensure that people everywhere have the relevant information and</i></p>	<p><b><i>Our efforts in a nutshell;</i></b></p> <p>As we have explained so far, Aitken Spence companies take a proactive, precautionary, systemic approach to safeguard natural ecosystems and to increase efficient use of natural resources. Records of our performance is reported in the Group's annual report aligned to the Global Reporting Initiative reporting standard.</p> <p>We also use the 7R principle to eliminate waste, plan our resource use and to manage waste resources effectively. Through this principal, our operations segregate more than 20 different types of solid waste in an effort to ensure safe disposal. Our ultimate objective is to achieve zero waste dumping to landfills.</p> <p>Our Spensonians are also educated about this principle through constant awareness campaigns. During the lockdown, we conducted online webinars and launched a process to reward Spensonians who practice all 7Rs at home to encourage our employees to take our best practices home.</p>
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<p><i>awareness for sustainable development and lifestyles in harmony with nature</i></p> <p>12B <i>Develop and implement tools to monitor sustainable development impacts for sustainable tourism that creates jobs and promotes local culture and products</i></p>	<p>The results of our efforts</p> <ul style="list-style-type: none"> <li>• <b>36%</b> of the Group’s total energy consumption and <b>44%</b> of the Group’s direct energy consumption sourced from renewable energy</li> <li>• <b>4,615 MT and 4,256 units</b> of solid waste and <b>443,249 litres</b> of ETP/ STP sludge and burnt oil kept away from landfills or natural ecosystems</li> <li>• <b>Zero</b> waste dumping to landfills using the <b>7R principle</b></li> </ul>
 <p><i>Protect, restore and promote sustainable use of terrestrial ecosystems</i></p>	
<p>Targets</p> <p>15.2 <i>By 2020, promote the implementation of sustainable management of all types of forests, halt deforestation, restore degraded forests and substantially increase afforestation and reforestation globally</i></p> <p>15.5 <i>Take urgent and significant action to reduce the degradation of natural habitats, halt the loss of biodiversity and, by 2020, protect and prevent the extinction of threatened species</i></p>	<p><b><i>Our efforts in a nutshell;</i></b></p> <p>As we discussed before, we work proactively to protect our biodiversity and all ecosystems. We believe it is better to <b>Build Better Before</b> than trying the build back after the damage is caused.</p> <ul style="list-style-type: none"> <li>• <b>Heritage Kandalama</b> protects 198 acres of forest cover outside the hotel and 58 acres of forest cover inside the hotel premises in its pristine condition.</li> <li>• Our plantations segment has surveyed <b>over 8,000ha</b> of forest cover for biodiversity conservation. Certified for Rainforest Alliance standards in the up-country cluster with management systems implemented aligned to the Forestry Stewardship Council’s benchmarks in the low-country cluster of estates, our teams at plantations have established buffers zones of trees to protect biodiversity from human activity.</li> <li>• Our power plant in Embilipitiya has a plant nursery and a tree belt that is home to <b>over 15,000 trees with many endemic trees and colonies of bees</b>. The operation now distributes thousands of tree saplings to community members.</li> </ul> <p>In addition, aligned to goal 14: Life Under Water, our hotels work to protect coastal and marine ecosystems. More details are provided in our annual report on page 102. Please also refer to the Annual Report of Aitken Spence Hotel Holdings PLC.</p>