

## INTELLECTUAL CAPITAL



Our competitive edge in the industries we operate in is driven by our intellectual capital, which encompasses renowned brands, acquired tacit knowledge, strategic partnerships formed over 150+ years, diverse business segments, and a strong emphasis on digitalisation. We continued to nurture our intellectual capital during the year, through a culture of innovation and investments in people, processes, and strategic partnerships, positioning us for continued growth and success in an ever-evolving business landscape.

Strategic Priorities	Key Achievements 2022/23	Priorities for 2023/24
Digital transformation of business activities. - Implemented digital technologies to drive operational efficiencies and enhance the customer experience	<ul style="list-style-type: none"> <li>» Ongoing roll-out of Robotic Process Automation</li> <li>» The Group is using Power Automate to automate operational processes and one such transformative project was to transform Container Freight Station Operation</li> </ul>	<ul style="list-style-type: none"> <li>» Implementation of an ERP system in the apparel segment</li> <li>» The Group is expanding the implementation of Robotic Process Automation (RPA) to encompass additional processes, enabling the automation of tasks</li> </ul>
Nurturing a culture that inspires and encourages innovation, fostering creativity and embracing forward-thinking ideas	<ul style="list-style-type: none"> <li>» SpenceInnova ignited innovation, empowered employees to bring visionary ideas to life, and drove a transformative change for the future</li> <li>» Spence Hackathon: Seven teams used MS Power applications to develop transformative solutions</li> <li>» Group embraced innovative learning models like Tartan e-learning platform, webinars, and self-learning programs for continuous employee growth</li> </ul>	<ul style="list-style-type: none"> <li>» Investments in digital technology to enhance the customer experience</li> <li>» Increase investment in digital training and development programs to empower employees with new skills and competencies</li> <li>» The Group is committed to sustaining the initiatives of SpenceInnova, SpenceLab, and Spence Hackathon to foster an innovative and creative culture within Aitken Spence</li> </ul>
We strengthen strategic partnerships to enhance our knowledge base, access new expertise, and leverage diverse perspectives. These collaborations drive our growth and keep us at the forefront of industry advancements.	<ul style="list-style-type: none"> <li>» Equity partners and principals contribute to enhancing our corporate reputation and creating synergies that add value to customers</li> <li>» Over 30 strategic partnerships with global renowned brands</li> </ul>	<ul style="list-style-type: none"> <li>» Re-visiting the Group's brand strategy and SBUs brand strategies to strengthen the Group's brand positioning whilst improving stakeholder engagement to create better visibility</li> <li>» Strengthen strategic partnerships with existing and new partners and thereby expand business opportunities in new markets</li> <li>» Digital partnerships to drive digital innovation and growth</li> </ul>
» Management systems aligned to international standards and best practices ensure environmental control, OHS, quality, product responsibility, social sustainability, and organisational excellence	<ul style="list-style-type: none"> <li>» The Group maintains over 180 management systems, with more than 70 of them being certified.</li> <li>» A network of over 600 Spensonians is responsible for managing these diverse management systems</li> <li>» The Group has received over 120 awards for business excellence across multiple sectors</li> </ul>	<ul style="list-style-type: none"> <li>» Action plans to reach net zero emission status by 2030</li> <li>» Work towards reducing resource consumption through 2030</li> <li>» Ensure a Green Workforce at Aitken Spence</li> <li>» Engagement, education and evaluation for supply chain sustainability</li> </ul>

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## Software systems and processes



The Group is on a journey of digital transformation across all Sectors to enhance scalability of operations, drive agility and boost organisational resilience. Ongoing investments in digital infrastructure has enabled automation and streamlining of routine processes leading to increased productivity and enhanced customer relationship management while data analytics has enabled effective and insightful decision making.

Governance of the Group's digital strategy is aligned with technological advancements, evolving business needs and associated risks. Protection of systems of data assets takes place through a multi-layered security architecture, incorporating firewalls, promoting cyber risk awareness among stakeholders, and conducting regular threat monitoring and assessments. Moreover, operational continuity is ensured by developing and testing business continuity and disaster recovery strategies. Additionally, the Group seeks impactful business solutions that seamlessly integrate, offer scalability, efficiency, and are cost effective.

A brief summary of the investments made in 2022/23 to enhance our digital infrastructure is given below.

Segment	Digital infrastructure	Benefits achieved
<b>Integrated Container Services</b>	Robotic Process Automation	Increased efficiency and accuracy through the automation of all documentation processes.
	Automation of inventory reports	Improved inventory management of container seals.
	Automation of container repair estimates to e-invoices with power automate flow	Improved efficiency and increased customer satisfaction.
	Microsoft Platform WMS Solutions	Streamlining of routine processes and enhanced customer service.
	Power BI Dashboards	Improved tracking of operations, documentation, inventory management and transportation.
<b>Airline GSA</b>	Launch of Kris+ app	Provide customers with opportunities to earn and redeem air miles and enjoy exclusive travel privileges.
<b>Elevator agency</b>	Maintenance Automation System (MAS)	Automation of regular maintenance service operations.
	Contract Management Systems (CMS)	System driven generation of annual maintenance renewal agreements.
	Integration of Customer Relationship Management System, MAS and CAS with the call centre	Provision of better customer service and improved responses to queries raised by customers during calls to the call centre.
<b>Insurance</b>	Automation of fund transfers and introduction of front-end systems	Enhanced efficiency of operations and improved customer experience.
<b>Freight Forwarding</b>	Digitalisation of freight and CHA routine processes	Enhanced operational efficiency while enhancing the customer experience through improved shipment tracking, onboarding and digital access to statements of accounts.

## Brands

Our portfolio of prominent brands drives our market leadership position across many of the sectors we operate in. Over the years, our brands have become synonymous with quality, service excellence and innovation. During the year, we engaged in strategic brand activations to enhance the value of our brands and drive brand loyalty and customer engagement.



## Fostering a culture of innovation

By cultivating a culture of innovation, the Group not only encourages creative thinking and the implementation of innovative ideas but also actively drives transformative change. This dedication to innovation fuels ongoing growth within the organisation, enabling it to adapt and thrive in a dynamic business environment. Through initiatives like SpenceLab and SpenceInnova, employees are empowered to contribute their visionary ideas and play a pivotal role in shaping the Group's future.

**SpenceInnova:** The organic evolution of SpenceLab, is a program aimed at encouraging innovation and recognising individuals or teams for implementing innovative plans within the organisation.

Over a span of six months, 62 ideas were submitted, demonstrating the enthusiasm of Spence employees in driving transformative change.

**The Spence Hackathon:** Event brought together seven teams from across the Group to develop nine transformative solutions using MS Power applications. The teams received learning interventions and support from a leading Microsoft Gold Partner, to enhance their knowledge and skills.

In terms of learning and development, the Group has embraced innovative models such as 'Power Learning Sessions,' interactive e-learning through 'Tartan,' webinars, and self-learning programs tied to key performance indicators. These initiatives

## Culture of Innovation



- » 16 Process innovations
- » 21 New products & service offerings
- » 3 New business ventures
- » 62 Innovative Ideas

enhance the overall learning experience and promote continuous growth among employees. More details are provided in the Human Capital section.

This culture of innovation acts as a catalyst for positive transformation, allowing the organisation to stay ahead of the curve and attain sustained growth and success.

## Collective knowledge

The Group's strength lies in the vast reserve of tacit knowledge, skills, and experience possessed by our diverse employee base spanning 16 industries. Nurturing and harnessing this collective knowledge is a strategic priority for us, and we consistently invest in training and development initiatives to enhance the expertise and capabilities of our employees.

## Management Systems Benchmarked to Global Standards

We prioritise the use of management systems that align with international standards and global best practices to effectively manage environmental impact control, occupational health and safety (OHS), quality control, product responsibility, and social sustainability of our operations and enhance the value of our products and services. Our Sponsonians have implemented over 180 diverse management systems across the Group out of which 74 management systems have been certified, further validating their effectiveness and alignment with industry standards.

### Certifications in Environmental & Social Sustainability

#### ISO 14001:2015 Certified Environmental Management Systems

- » Aitken Spence Travels (Pvt) Ltd.
- » Heritance Kandalama
- » Heritance Tea Factory
- » Ace Aviation Services (Pvt) Ltd.
- » Ace Cargo (Pvt) Ltd.
- » Aitken Spence Cargo (Pvt) Ltd.
- » Logilink (Pvt) Ltd
- » Hapag Lloyd Lanka (Pvt) Ltd.
- » Aitken Spence Printing & Packaging (Pvt) Ltd.
- » Aitken Spence Elevators (Pvt) Ltd.

#### Travelife Gold Certified Hotels

- » Heritance Ahungalla
- » Heritance Ayurveda Maha Gedara
- » Heritance Kandalama
- » Heritance Negombo
- » Heritance Tea Factory
- » RIU Ahungalla

#### Travelife Certified Operations

- » Aitken Spence Travels (Pvt) Ltd

#### Forest Stewardship Council (FSC) Chain of Custody Certification

- » Aitken Spence Printing & Packaging (Pvt) Ltd

#### FSC Certified Management Systems

- » Bentota Estate
- » Deviturai Estate
- » Elpitiya Estate
- » Gulugahakanda Estate
- » Ketandola Estate
- » Lelwella Estate
- » Talgaswella Estate

#### Rainforest Alliance Certification

- » Dunsinane Estate
- » Sheen Estate
- » Fernlands Estate
- » Meddecombra Estate
- » New Peacock Estate
- » Nayapane Estate

#### ISO 50001: 2011 Certified Energy Management Systems

- » Heritance Ahungalla
- » Heritance Ayurveda Maha Gedara
- » Heritance Kandalama
- » Heritance Tea Factory

#### LEED Gold Certified properties

- » Heritance Kandalama
- » Heritance Negombo
- » Heritance Aarah
- » Aitken Spence Printing & Packaging (Pvt) Ltd.

#### Compliance + Certification

- » Aitken Spence Garments Ltd.

#### Sri Lanka organic agriculture production and processing (SLS 1324:2018)

- » Organic cinnamon certificate – Elpitiya Plantations PLC

#### Organic Certification of Sri Lanka Standards Institute (SLSI)

- » Heritance Tea Factory

#### Global Organic Textile Standard (GOTS) - Version 5.0

- » Aitken Spence Garments Ltd.



## Certifications in Product/Service Quality and Safety

### **ISO 9001: 2015 Certified Quality Management Systems**

- » Ace Aviation Services (Pvt) Ltd.
- » Ace Cargo (Pvt) Ltd.
- » Aitken Spence Cargo (Pvt) Ltd.
- » Aitken Spence Shipping Ltd.
- » Ace Distriparks (Pvt) Ltd
- » Hapag Lloyd Lanka (Pvt) Ltd.
- » Fiji Ports Terminal Ltd.
- » Financial Shared Services Centre – Financial Accounting Outsourcing Division, Aitken Spence Corporate Finance (Pvt) Ltd.
- » Aitken Spence Printing & Packaging (Pvt) Ltd.
- » Aitken Spence Garments Ltd.
- » Aitken Spence Elevators (Pvt) Ltd.

### **ISO 22000/ HACCP: 2005 Certified Food Safety Systems**

- » Adaaran Club Rannalhi
- » Adaaran Prestige Vadoo
- » Adaaran Select Hudhuranfushi
- » Adaaran Select Meedhupparu
- » Heritance Ahungalla
- » Heritance Kandalama
- » Heritance Tea Factory
- » Heritance Negombo
- » Heritance Aarah
- » Turyaa Kalutara
- » Dunsinane Tea Factory
- » Sheen Tea factory
- » Fernlands Tea factory
- » Meddecombra Tea Factory
- » Nayapana Tea Factory
- » New Peacock Tea factory

### **ISO 45001:2018 for Occupational Health & Safety**

- » Aitken Spence Travels (Pvt) Ltd
- » Logilink (Pvt) Ltd
- » Ace Distriparks (Pvt) Ltd
- » Hapag Lloyd Lanka (Pvt) Ltd.
- » Aitken Spence Printing & Packaging (Pvt) Ltd.
- » Aitken Spence Elevators (Pvt) Ltd.

### **ISO 27001: 2013 Information Security Management Systems**

- » Aitken Spence Corporate Finance – Group IT

### **Gold Certificate of Compliance – Worldwide Responsible Accredited Production (WRAP)**

- » Aitken Spence Garments (Mathugama)

### **Scuba Schools International (SSI) Diamond Status Certification for commitment to excellence and leadership**

- » Dive Point, Adaaran Select Meedhupparu

### **Authorised Economic Operator (AEO) - from Fiji Revenue and Customs**

- » Fiji Ports Terminal Ltd.

### **Sedex Members Ethical Trade Audit (SMETA – 4 Pillar)**

- » Aitken Spence Printing & Packaging (Pvt) Ltd

### **Sedex Registered Supplier**

- » Aitken Spence Garments Ltd.

### **Intertek's Supplier Qualification Program – Achiever**

- » Aitken Spence Printing & Packaging (Pvt) Lt

## Awards and accolades

Aitken Spence PLC and its subsidiaries are committed to attaining excellence in all its activities, fostering high-growth businesses in Sri Lanka and in new markets with the long-term aspiration of becoming a leading global competitor in the region. Our commitment to excellence is further validated by the numerous awards and accolades we have received throughout the year, which not only exemplify the success of our management approach but also significantly enhance our market reputation.

For the full list of awards and accolades, refer our website <https://aitkenspence.com/sustainability>



## Aitken Spence PLC



### **Best Corporate Citizen Sustainability Award 2022 - Ceylon Chamber of Commerce**

- » Most awarded corporate entity, winning a total number of nine awards and the highest number of certificate awards for 'Consistent Commitment and Continuous Improvement'.
- » Only corporate in Sri Lanka to have been consistently ranked among the Top 10 Corporate Citizen for the 17th consecutive year.
- » Ranked among the top three Best Corporate Citizens of Sri Lanka for 8 years

### **Main awards categories – 4 awards**

- » Diversified Holdings Sector Award winner
- » Winner of Demonstrated Resilient Practices for COVID-19 context
- » Top 10 Corporate Citizen
- » Category award winner for Customer Relations

### **Awards for Consistent Commitment and Continuous Improvement in the last 5 years**

- » Environmental integration
- » Environment commitment
- » Employee relations
- » Customer relations
- » Community relations

### **Transparency in Corporate Reporting - Transparency International Sri Lanka (TISL)**

- » For the third consecutive year, among the top companies in Sri Lanka for responsible corporate conduct. Aitken Spence PLC was recognised in 11th place for transparency in corporate reporting and received a high score in the 'Significantly Transparent' category.

### **Top 10 Most Respected – LMD**

- » Ranked amongst the Top 10 Most Respected of the nation's most admired corporations for 2022.

## Tourism sector



### **Hotels**

- » Aitken Spence Hotel Holdings PLC was overall ranked in fourth place in the LMD Most Awarded companies ranking for 2022.
- » Aitken Spence Hotel Holdings PLC won 'Gold' under the hotel sector category at the 57th Annual Report Awards, organised by the Institute of Chartered Accountants of Sri Lanka -CA Sri Lanka's TAGS Awards 2022 (Transparency, Accountability, Governance and Sustainability).
- » Aitken Spence Hotel Holdings PLC became the Runner-up in the Leisure and Connected Services category at the ACCA Sustainability Reporting Awards 2022.

### **Sri Lanka Hotels**

#### **Heritage Kandalama**

- » Trip Advisor Travellers Choice award in 2022
- » Leading Eco-Friendly Resort at the South Asia Travel Awards (SATA) 2022
- » Leading Designer Hotel/Resort at the South Asia Travel Awards (SATA) 2022
- » Booking.com Traveller Review Awards 2023

#### **Heritage Ahungalla**

- » Trip Advisor Travellers Choice award in 2022
- » Top Hotel Partner, Schauinsland Reisen
- » Booking.com Traveller Review Awards 2023

#### **Heritage Negombo**

- » Leading Wedding Hotel/Resort at the South Asia Travel Awards (SATA) 2022.
- » Booking.com Traveller Review Awards 2023

#### **Heritage Tea Factory**

- » Leading Theme Resort at the South Asia Travel Awards (SATA) 2022.
- » Booking.com Traveller Review Awards 2023

#### **Heritage Ayurveda**

- » Leading Wellness and Spa Resort at the South Asia Travel Awards (SATA) 2022.
- » Leading Ayurveda Resort at the South Asia Travel Awards (SATA) 2022.
- » Booking.com Traveller Review Awards 2023

#### **Heritage Negombo - (Browns Beach Hotels PLC)**

- » Silver Award – Hotel Sector

#### **Turyaa Kalutara**

- » Booking.com Traveller Review Awards 2023



## Maldives Hotels

### Heritage Aarah

- » 13 Awards at the Villerooy and Boch Culinary World Cup 2022, (five Gold, four Silver and four Bronze).
- » Best Luxury Water Villa Resorts in Maldives 2022 - Luxury Lifestyle Award
- » Global winners (Best of the Best) in the 'Best All-Inclusive Hotels' category year 2022
- » Winner - TripAdvisor Travellers' Choice Awards 2022
- » Winner - Leading All-Inclusive Resort 2022 at the South Asia Travel Awards (SATA).
- » Winner – Leading Wellness and Spa Resort 2022 at the South Asia Travel Awards (SATA)
- » Contribution towards the Development of Tourism 2022 recognition at Raa Tourism Expo 2022
- » Country Winner - Luxury Villa Resort 2022 at the World Luxury Hotel Awards 2022.
- » Country Winner - Indigenous/Heritage Cuisine 2022 at the World Luxury Restaurant Awards 2022.

### Adaraan Select Hudhuran Fushi

- » Winner of the Leading Dive Hotel / Resort at the South Asia Travel Awards (SATA) 2022.
- » Winner of the Best CSR Hotel in 2022 at the Raa Tourism Expo 2022.
- » Winner of the Leading Surf Hotel / Resort at the South Asia Travel Awards (SATA) 2022.

### Adaraan Prestige Vadoo

- » Most Outstanding Culinary Organisation 2022 by the Food and Hospitality Asia Maldives (FHAM).
- » Winner in Agoda's Customer Review Award 2022

## Adaraan Club Rannalhi

- » Gold 100 company at the Top 100 companies in Maldives Corporate Maldives 'Gold 100 Gala'.

### Adaraan Select Meedhupparu

- » Gold 100 company at the Top 100 companies in Maldives Corporate Maldives 'Gold 100 Gala'.

### Aitken Spence Maldives Resorts

- » Award of Appreciation 2022 by the Ministry of Tourism – Maldives.

## Oman Hotels

### Dessert Nights Camp – Oman

- » Traveller Review Awards 2023 – Booking.com
- » Desert Nights Resort, Studiosus Quality Award – Studiosus

### Sur Plaza Hotel – Oman

- » Certificate for Recognitions and Appreciations by Ministry of Tourism, Oman Film Festivals, Ministry of Labour & Royal Court of Diwan

## India Hotels

### Turyaa Chennai

- » Customer Choice Award – Star Partner Award 2022 by Make My Trip

### Aitken Spence Travels (Pvt) Ltd

- » Recognised as the Most Sustainable DMC and the Role Model of Sustainability in the Tourism Industry at the Sustainability Awards 2022, organised by the AHK (Delegation of German Industry and Commerce in Sri Lanka), together with the Friedrich Naumann Foundation in December 2022.

### Airline GSA (Singapore Airlines Sri Lanka)

- » Singapore Airlines Sri Lanka was awarded the 'GRIT' Award for Passenger and Cargo for the Financial Year 2021/22 at the Marketing Warrior Awards by Singapore Airlines HQ.

## Maritime & Freight Logistics

### Maritime

- » Hapag-Lloyd Lanka won two Customer Service Awards for the Europe Trade, for the third consecutive year and Mediterranean Trade, for the second consecutive year at the award ceremony by the Institute of Chartered Shipbrokers (UK) - Sri Lanka Branch

### Freight

- » Category Winner in Transport, Logistics, Shipping and Shipping related services in the Freight sector and recognised among the overall top 10 companies at the Best Management Practices Company Awards 2023 organised by the Institute of Chartered Professional Managers of Sri Lanka.
- » Recognised for 'Outstanding Revenue Contribution 2022' by a global network at an awards ceremony in Singapore in 2023
- » Certificate of appreciation from American Airlines in March 2023





## Strategic Investments

### Aitken Spence Printing

- » Awarded the Platinum Trophy 2022 for Overall Winner and winner of 4 Gold and 2 Silver awards at the Sri Lanka Packaging Awards 'Lanka Star 2022' organised by the Sri Lanka Institute of Packaging

### Elpitiya Plantations PLC

- » Awarded the following awards at the Best Corporate Citizen Sustainability Award 2022 organised by the Ceylon Chamber of Commerce,
  - » Top 10 Corporate Citizen
  - » Triple bottom line winner - Environment category.
  - » Best sustainability project award winner – environmental sustainability Living Green Soil
  - » Best sustainability project award winner – social sustainability – Ready to be Ready.
  - » Best sustainability award and second runner up in the below Rs. 15 billion category.
- » Gold award winner for Green Productivity by Sri Lanka Association for Advancement of Quality and Productivity.
- » Winner of the Sustainability Award - Agriculture Sector (large category) at the German Industry and Commerce in Sri Lanka (AHK Sri Lanka) and the Friedrich Naumann Foundation.
- » Silver award (joint winner) in the overall category and the sector winner in Agriculture and Plantations.
- » Recognised among the Top 5 Excellence Awards for their Best Management Practices by CPM (The Institute of Chartered Professional Managers of Sri Lanka).
- » Runner-up in the Retail & Trading category at the ACCA Sustainability Reporting Awards 2022

### Aitken Spence Garments (Pvt) Ltd

- » Merit Award, Manufacturing sector – Extra Large category National level at the Ceylon National Chamber of Industries (CNCI) Awards 2022 organised by the Ceylon National Chamber of Industries.
- » Among the Top 10 Companies and a Certificate of Recognition in Best Management Practices Company Award 2023 from The Institute of Chartered Professional Managers of Sri Lanka.

