

A hand holding a green plant stem with leaves, symbolizing sustainability. The hand is positioned at the bottom, with the fingers wrapped around the stem. The plant has several green, elongated leaves. The background is a light, textured surface.

SUSTAINABILITY REPORT

HERITANCE AHUNGALLA
2021/22



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Message from General Manager

Innovation, synergy, new normal – three words that sums up the financial year 2021/22.

Whilst the world moved ahead in the ‘new normal’ amidst uncertainty, it was ‘innovation’ and ‘synergy’ that drove businesses and economies forward, propelling new ideas to curate a growth model that highlights sustainability in business.

At Heritance Ahungalla, a subsidiary of Aitken Spence PLC, sustainability has always been part of our core DNA. Having adopted sustainable business ethos years before ‘sustainability’ became a global trend, we navigated yet another rollercoaster year giving way to innovation in sustainability, thereby driving ethical tourism to yet another sphere.

We understand that conservation and community engagement is more than a moral imperative; it also makes good business sense. Smart, socially responsible policies drive customer preference and loyalty from the next generation travelers and work force.

We continue to evolve our sustainability reporting to best meet our stakeholder’s needs. This report discloses the progress we have made towards our sustainability goals in 2021-2022.

Unless otherwise noted, the reports are based on data from our internal reports/activity logs; and reflect operational performance of our company.

Sisira Senaratne

General Manager, Heritance Ahungalla

Our Vision

To be Asia's Best Beach Resort

To give our customers a unique holiday experience,
while preserving the environment in which we operate in
for generations to come.

Our Mission

To operate a sustainable business development model.

To satisfy and retain our guest. To Build our service strength.

To handover a financially stable, environmentally-friendly beach haven to the
next generation.



Corporate Sustainable Policy

Aitken Spence Hotels Integrated Sustainability Policy

We understand corporate sustainability as a proactive approach to ensure the long-term viability, profitability and integrity of the business. As a leading hospitality group operating in several countries, we remain committed to continue our heritage of exemplary corporate citizenship by aligning our sustainability strategies with global initiatives on sustainable development.

Policy statement

Aitken Spence Hotels strives to:

- a) Exceed all legal and other requirements necessary for the sustainable operation and development of our company
- b) Facilitate the achievement of the UN Sustainable Development Goals and strengthen the adoption of the ten principles of the UN Global Compact
- c) Conduct all business in an ethical manner, promoting the adherence to the UNWTO Global code of ethics for Tourism and encourage and support our partners to conduct business ethically
- d) Use environmental management systems in all organizational operations and activities and commit to prevent pollution
- e) Engage with stakeholders, consider their opinions at all stages of planning and operations
- f) Encourage supply chains to implement and manage sustainable strategies
- g) Inculcate sustainability concepts and views in strategic decision making
- h) Use sustainable processes in organizational operations considering all relevant risks
- i) Promote innovation in the processes and products & services provided to customers
- j) Continually enhance quality of products, services and value provided to customers while ensuring profitability
- k) Get involved in community development projects and ensure employee participation
- l) Support local communities by providing employment and purchasing from local suppliers wherever possible
- m) Use the occupational health and safety management system as a basis to provide employees with a safe and healthy working environment
- n) Harness a strong and competitive human resource
- o) Support and promote the protection of internationally proclaimed human rights
- p) Report performance in a timely and accurate manner for the benefit of our stakeholders
- q) Be diligent to information security and comply with all relevant rules, regulations, industry standards and guidelines to safeguard the internal information assets, maintain information confidentiality, integrity, and availability
- r) Avoid depicting attitudes that are discriminatory or offensive to a gender, religion, ethnicity, culture
- s) or a social group; or are politically biased in company's communications
- t) Uphold annual performance review and planning
- u) Support and promote the protection of internationally proclaimed ethical treatment of animals

Implementation

The Board of Aitken Spence Hotel Holdings PLC, Aitken Spence Hotel Managements Ltd. and the Sustainability division will be responsible on setting guidelines and giving directions.

For internal circulation, policy statement will be accompanied by documents containing action points on each tier of implementation and explanatory notes.

Awareness and training programs to facilitate the implementation of the policy would be undertaken where necessary.

Sustainability Strategy

Introduction

Heritage Ahungalla was founded on the principle that quality service is at the core of how we do business. Our commitment to serve our customers, associates, environment, and communities makes our culture vibrant, our business robust and our communities strong with a vision to be Asia's best Beach Resort and to give a unique experience to the customers while preserving the environment in which we operate in for generations to come.

Our heritage, renowned company culture and how we do business both informs and enriches relationships and instills a passion for who we are that our stakeholders can experience every day.

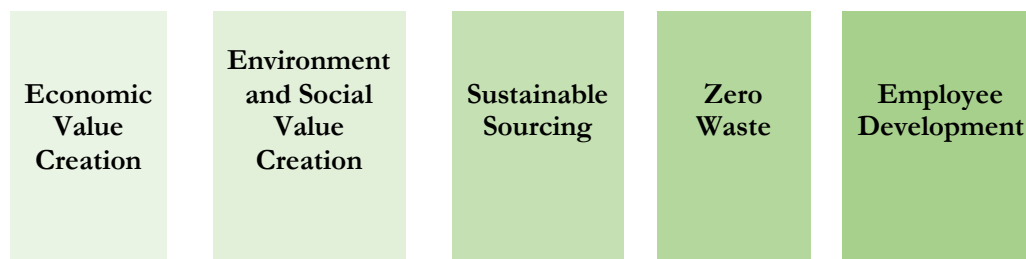
We are taking every effort to ingrain aspects of responsible tourism into their operations, embracing sustainability precepts as our guiding principle. The long-term vision is to build on the foundation of sustainability. Therefore, the strategies and operations that support their short-, medium- and long-term goals are inextricably bound to principles of sustainable business.

The sustainability objectives of the Hotel focus on four critical areas:



The hotel is having a sustainability policy which provides a sustainability structure and a platform whereby the principles of sustainability can be embedded into corporate policy.

In embedding sustainability within their operations and strategy, they have targeted five core areas:



Goals / Targets

As we look ahead, our focus will be on continuing to build loyalty to our parent company, understanding and attracting next generation associates and guests, embracing innovation and technology, and generating value for our hotel owners. We believe success in achieving these goals will allow us to sustain our presence in the market and profitability.

Our focus on sustainable hotel operations which provides job opportunities for the locals, local businesses and grows local economic and tourism infrastructure in this area.

Management Approach

As we drive our regional growth, we are focused on responsibly investing in our brand, people and the systems that supports them. We remain true to our founding principles and core values: putting people first, pursuing excellence, embracing change, acting with integrity and serving our world.

Corporate Governance

Heritage Ahungalla has a long-standing commitment to transparency and integrity. Our Board of Directors oversee management and through this oversight enhances the long-term value of the company.

A formal infrastructure of a range of panel members comprised of executives and associates guide us in making everyday decisions that affect our work environment, our sustainability practices and our business strategy.

Our Sustainability Team

Sisira Senaratne
General Manager

Malaka Samararatne
Chief Engineer / EMR

Srinath Athukorala
Front Office Manager

Janaka Liyanage
Executive Housekeeper

Gayan Pushpakumara
Executive Chef

Gayani Jayaweera
Asst. HR Manager / CSR Representative

Rasika Ratnayake
Food and Beverage Manager

Jayampathi Poddalgoda
Security Manager





Human Resource Policy

We at Heritage Ahungalla are committed to comply with the applicable labor legislation in the country, ensuring all our employees are provided healthy and safe working conditions along with an environment that is free from all types of discrimination and harassment. An 'open door' policy is in place, where our employees are encouraged and permitted to communicate with members of the Management on their views, grievances, etc. whilst encouraging career progression and maximum opportunity for development of skills.

It is a policy of Human Resource Department to monitor and evaluate the fairness in distribution of all remuneration to employees of the organization.

With the aim of uplifting the local community, the hotel maintains a policy on local employment, where preference is given for candidates from the locality on available job opportunities. Locality is defined to be within the radius of 35 kilometers from the hotel.

In spurring innovative ideas stemming from youthful vigor, the hotel also encourages students who have completed secondary level education to commence their career with the hotel. We believe that molding this youth will benefit the individual, organization, society and the country.

Sisira Senaratne
General Manager, Heritage Ahungalla

Career Progression

We provide comprehensive training for our staff to enhance their technical knowledge as well as to improve their skills. Our focus in the career progression of our team within a reasonable time. We develop our staff to the next level, and we groom them to take more new challenges in their career.

LGP Safety	Fire Safety	Legionella	First Aid	Energy & Environment	ISO System
3.8 Training Hours, Per Employee					



Include caption1

Workplace Satisfaction

Highflyer

Every month this will be offered to the employees those who have performed well during the month. Each department will be nominating two employees and all the nominees will get collaborative ranking from HOD's/ AM & GM. Based on the marks scored two team members will be selected from Face of the House (Front Office/ F&B/ Housekeeping Departments) and Heart of the House (Engineering/ Kitchen/ Finance/ HR Departments). At the end of the financial year of 24 winners, one best team member will be selected as the Highflyer of the Year



Human Capital Corridor

Human Capital corridor displays all positive comments mentioned in the guest's reviews, staff birth days and all policies with Sinhala translation.

Also, the Highflyer winners will be displayed here with their pictures.



Team Accommodation

Staff who are willing to stay in the hotel premises are provided with separate accommodation on shared basis. This staff accommodation consists with common dome (Day Users), seven other domes (Stayers), Staff gym and TV room. There are also separate areas for carrom and smoking.

There are two restaurants made available exclusively for our staff.

Samudra Restaurant

Seating capacity: 50

Facilities: Separate Kitchen, TV, News Paper

Nildiya Restaurant

Seating Capacity: 50

Facilities: TV, News Paper

Medical Camps

Ensuring healthy, strong and efficient work force at the workplace, the hotel conducts a Medical Camp annually for employees and their immediate family members. This is done in collaboration with Kalubowila Hospital. All employees are benefited with a free medical check-up.



Staff Day

Staff Day is the most important day for our employees. They are entitled to bring their families on that day to the hotel. At the entrance, Management team welcomes all staff members and their families on the red carpet and take a family photograph. Many activities and entertainment are organized for kids and adults alike.



Sports Activities

Annual Inter-department Sports Festival is another key activity in the staff calendar. Employees are also encouraged to participate in Group Sport-O-Rama, Mercantile Tournaments representing Aitken Spence PLC, etc. Further, the Heritance Battle which is held annually is one of the most looked forward to activities at Heritance Ahungalla.



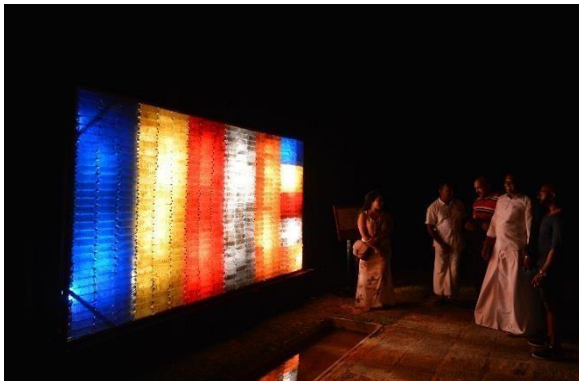
National and Religious Activities

In showcasing the strength of our culture and traditions as well as the diversity as a multi-religious country, Heritance Ahungalla family celebrates these special occasions, not only for self-gratification but also to showcase these vibrant traits to visitors from around the globe. Some of the days thus celebrated are, Independence Day of Sri Lanka, Vesak Day, Christmas, Sinhala & Tamil New Year, among others.

An annual pirith service is also held at the hotel, in line with the hotel anniversary.



Independence Day celebrations 2022



Vesak celebrations 2021



Annual Pirith Service 2021





Health & Safety Policy

Heritage Ahungalla considers the safety, health and wellness of our stakeholders as a priority.

We remain committed to:

- Complying with the relevant legal and other requirements
- Operating a functioning Health and Safety Committee that is tasked with the maintenance of Health and Safety Management System of the Hotel
- Creating a safer environment through preventive action, including training and awareness, preventive maintenance, and housekeeping best practices: thereby sustaining a health and safety conscious work culture
- Conducting regular assessments to identify and assess risks to health and safety of our stakeholders through daily inspections of our premises
- Setting health and safety due diligence as a compulsory agenda point in the routine management reviews and acting to eliminate or control risks
- Dedicating resources for planned implementation of health and safety management in incorporating performance targets in the annual budget and human resources plan
- Maintaining documentation relating to health and safety, including the risks identified, associated action undertaken, proposed action and accident/ incident register
- Building specific capacity amongst our employees, so they may uphold their roles and responsibilities relating to health and safety
- Ensuring emergency preparedness and response through continuous monitoring and implementation
- Reporting on health and safety performance including types of injury, injury rates, occupational diseases, lost days and absenteeism

The hotel strives to continually improve its performance on health and safety. Operational practices and procedures are developed in line with OHSAS 18001. These commitments are applicable to all stakeholders including our employees, guests, suppliers and service providers, and guests.

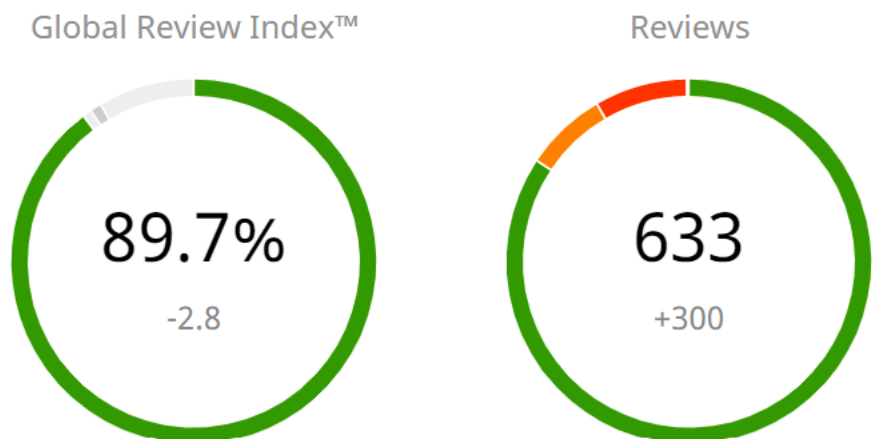
Sisira Senaratne
General Manager, Heritage Ahungalla



Guest Engagement

Our guests remain a top priority and is the central focus around which activities and hotel plans are made. Our aim has and remains to be to create undeniable moments of joy for our guests, thereby creating everlasting memories of their stay at Heritance Ahungalla.

This is achieved by continuously monitoring our guest satisfaction – both with in-house guests and for post-stay analysis through our review platforms. The hotel uses the industry-standard Global Review Index (GRI) to assess its online reputation score as a benchmark for reputation management efforts. Based on review data collected from 175 online travel agencies (OTAs) and review sites in more than 45+ languages, the scores are calculated for a given point in time (day, week, month, year, etc.)



Heritance Ahungalla GRI score for 2021-22
As at 18.03.2022

Department	Index
GRI™	89.7%
Service	87.1%
Location	88.7%
Room	87.0%
Cleanliness	87.7%
Value	79.2%
Food & Drink	84.4%

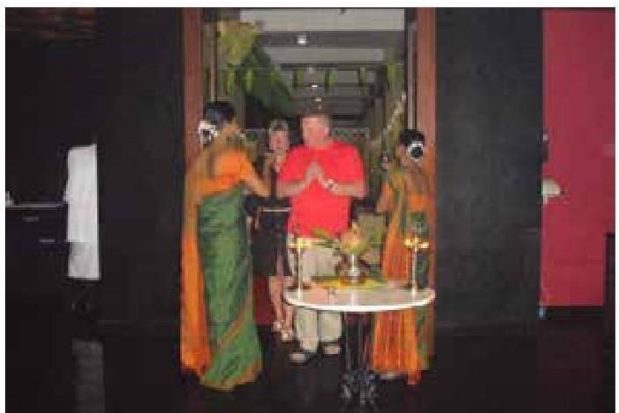
Departmental breakdown of the score for 2021-22
As at 18.03.2022

The hotel also organizes a host of events and activities throughout the year including food promotions, special entertainment, special day celebrations, and other, to ensure guests receive a lifestyle experience like no other, whilst staying at the hotel.

Pictorial: Cultural Shows & Recreational Activities



Pictorial: Local special day celebrations





Community Development

As a responsible hospitality company that embraces sustainability across strata including communities and localities in which we are located, we have launched numerous projects for the benefit of our community. The underlying objective is to enhance their quality of life and to ensure cultural conservation; as the hotel believes that only by developing the community, we will be able to create social and cultural development. This has enabled the hotel to improve its public reputation among the communities at large.

This aspect is fully integrated into the business concept of Heritance Ahungalla Management. In the long-term, the hotel management views its sustainability, focus to be a key not only to the financial and commercial interest of the company but also to Sri Lanka as a destination. With a growing number of travelers looking towards green destinations to minimize their own carbon footprints, this hotel is an indication in assisting Sri Lanka to achieving a green destination status by protecting the environment. The culture within which it operates the group identifies its capacity to differentiate the product offer and retain a truly Sri Lankan identity.

There are various ways of making a difference and giving positive contributions to the local community and area by hotel sustainable practices. Heritance Ahungalla believes in responsible tourism and contribute to create responsible travelers during their holiday in Sri Lanka. Community in the area, Ahungalla is less privileged, and schools do not have many facilities. Cinnamon cultivation and fishing are the main sources of income. Some are involved in various tourism related activities for income in the beach area. Therefore, the underprivileged students were found to be the main target for a futuristic development for the community.

Employment Opportunities

As part of the Aitken Spence Hotels promise, our recruitment involves a high number from the host area. The female employment ratio is fair and considerably high compared to other hotels in the area as well.

Total workforce
221

58%
within 35 kms of the
Hotel

Pictorial: Business Opportunities curated for the community



Local ammes making boppers at the restaurant buffet



Hotel drivers sourced from the community



Local arts & crafts displayed for purchase at the hotel



Local artists showcasing their talent and popular form of Sri Lankan dance forms as part of hotel entertainment





Purchasing Policy

We, at Heritage Ahungalla Hotel are committed to protecting and conserving our present and future environment as an environmentally sensitive organization.

- All our purchasing is done in the most environmentally friendly manner.
- Bulk purchasing is preferred over supplies in small containers.
- Priority is given to supplies in returnable and reusable containers.
- Packaging out of biodegradable materials will be encouraged.
- Suppliers should be able to deliver with the least handling and transport.
- Goods with eco-labels and recycle labels are preferred over all others.
- Biodegradable soap and detergents and items with the least number of chemicals such as phosphates, sulphates, nitrates and boron salt are purchased.
- Local materials and fair-trade products including elements of local art and cultural heritage is given priority in purchasing.

When selecting suppliers, their environmental commitment and policies is always considered.

Sisira Senaratne
General Manager, Heritage Ahungalla





Environmental Policy

We, at Heritage Ahungalla are highly motivated and committed to comply with relevant laws and regulations to improve our environment, on a continual basis, in our daily activities together with the local community.

This policy focuses on reducing greenhouse gas emissions, enhancing energy efficiency, conservation and management of freshwater consumption, conservation of the ecosystem and development, improving land use planning and management, optimizing wastewater management, minimizing, re-using and re-cycling waste, ensuring air quality protection and noise control and improving the management of hazardous substance storage and use. Employment of suitable staff primarily from local communities and maximizing the purchase of local products and services will be practiced.

Heritage Ahungalla has implemented an environmental management system (EMS) based on ISO 14001:2009 to contribute to sustainable development, with a commitment to best practice in environmental and address significant environmental aspects.

Objectives, targets and environmental programs are established to achieve the environment policy and is communicated to all employees, external stakeholders and to the public.

Sisira Senaratne
General Manager, Heritage Ahungalla



Energy Policy

The energy policy of Heritage Ahungalla will serve as the framework for continually improving energy efficiency within the Hotel thereby demonstrating the commitment to conserving energy as well as reducing greenhouse gas emissions.

This policy requires the hotel to develop its objectives and targets using the guidelines issued periodically and demonstrate effective energy management through management systems based on ISO 50001:2011. The management team of the Hotel is expected to provide information, resources and all other requirements needed to effectively implement the management system to achieve objectives and targets identified, whilst meeting applicable requirements relating to its energy aspects, whether legally required or agreed by the hotel.

Management ensures purchase of energy efficient products and services to enable the organization to effectively implement this policy.

The effective implementation of this policy will build confidence among all stakeholders of Heritage Ahungalla on the capability of the hotel to meet escalating energy demands whilst meeting sustainable development. This is communicated to all employees.

Sisira Senaratne
General Manager, Heritage Ahungalla

Sustainability Indicators

Indicator	Target 2022/23	2021/22	2020/21	2019/20
Total GHG Emission (CO _{2E} Kg) per GN	31.74	33.96	39.22	33.42
Total Energy per guest night (kwh)	50.28	54.88	62.01	54.66
Total Water consumption per GN	912.42	1013.09	1,173.97	960.45
Average Training Hrs. per Person	48	44	56	57.5
Community Engagement (Volunteer Hrs.)	500	390	345	382

Certifications and Standards

