



Recognising that people are our most valuable asset and they make the greatest difference to our business, we strive to benchmark ourselves against the best practices in human resource management and development adopted worldwide. Our efforts have borne positive results as shown by greater openness in communication, positive attitude of employees and a willingness to share knowledge and information across the organization. Rationalization of organizational structures and effective manpower planning processes have ensured that the optimum number of people are deployed. In this process certain jobs were redefined and certain other non-value adding jobs were made redundant. The rationalization process is phased out to complete by March, 2003. At the same time company worked towards retaining our productive, loyal employees. Employee Suggestion Systems and on the spot recognition by way of "Job Well Done" certificates were introduced throughout the Group.

Our human resource learning and growth activities begin with a team development plan that is then translated into individual development plans. The Development Needs Matrix, the tool used for this purpose, will continue to be used continuously, years ahead.

Despite the difficult economic climate, the training and development of our staff continued unabated. The 1550 man days of training, the majority of which was done using in-house resources, amply demonstrates our commitment to staff development.

The initiative to create a "High Performance Organisation" undertaken by The Lion Brewery Ceylon Limited has reaching its maturity with the setting up of multi-skilled work teams and skills based compensation. The Balanced Scorecard, which has been adopted as a strategic tool for driving performance, has been passed down to the divisional level and the management team is in the process of refining it based on their past learning experiences. The Key Result Areas (KRA) were identified and mapped so that individual KRA were aligned to the company's strategy. The regular performance reviews are carried out in revisiting the KRA. The brewery sector is also seeking to secure transformational changes in their distributors' performance by upgrading the technical and behavioural skills of the distributors' staff.

Performance management and strategic job coverage have been two key HR initiatives that will be launched in the oil palm plantation sector. Balanced Scorecard has been implemented with a view of focussing strategic key success criteria of the plantations. The management team is meeting on a monthly basis to review their key performances.

In order to motivate our employees, an art competition & exhibition of employees' children was held with active participation of 60 children. The selected arts will be used in designing the staff birthday cards & Christmas cards.

In support of staff children's education, company offered annual scholarships to selected children on the basis of their academic achievements. These scholarships offer financial assistance up to completion of university education.

In line with our social objective of contributing to improve the quality of university graduates who will be entering the future workforce, the Carsons human resources division extended its support to the universities of Colombo and Kelaniya. The Career Development Unit of the Kelaniya University benefited from the mentoring programmes and job-related skills development programmes carried out by Carsons. Similar programmes were carried out at the Management and Finance Faculty of the Colombo University, with the participation of the student body and faculty who greatly appreciated this effort. AIESEC, leading global networks of

young people have also benefited by our human resources facilitation in their events in Sri Lanka.

Distribution of books to the village children in support of their education, providing leadership and logistic support to a blood donation campaign are our integration to the society development activities.

Both Lion Brewery Ceylon Ltd and Carsons Management Services (Pvt) Ltd conducted employee satisfaction surveys with a view of identifying areas for improvement. Progressive action were taken to address the areas highlighted.

The Group's accident insurance policy had been revised to offer greater benefit to the staff. All non-managerial staff are covered under personal accident insurance for 24 hours with far greater benefits than before.

Our oil palm plantation in Central Kalimantan, Indonesia, is home to approximately 1600 families; and we have invested in creating the social infrastructure that will uplift the quality of life of our workforce and that of the surrounding villages.

The road network of 800 km within the plantation has become a useful asset to all those who live and work in the vicinity. All workers and staff have been provided with superior quality housing with all necessary amenities. The health needs of the people are looked after by a resident doctor, a well equipped 12 bed hospital and several clinics held on a regular basis. The doctor also visits the surrounding villages regularly.

The schools within the vicinity which provide for the educational needs of the surrounding villages including 250 children of our plantation employees have been upgraded by the Company and additional teachers hired to supplement those already there. Plans are underway to construct a new school within the plantation. Places of worship have been provided for workers of different religious faiths. In addition, the well being of the families is looked after by numerous recreational facilities and the organisation of social events on important national occasions.

We attempt as far as possible to integrate the community outside the plantation with our own activities to ensure that the spillover benefits from our plantation to the local community are maximized and their economic status is thereby enhanced. Much of our inputs have been sourced from the villages and skilled people employed for the provision of services to the business. A scheme for supporting out-growers outside the plantation with planting material, fertilizer and expertise, with the option of purchasing their crop for processing by our mill, is also in place.

Keeping in mind the need for environmental consciousness, we adopt practices which help to sustain the environment within and outside the plantation. Maintaining the water quality of the river which runs through the plantation is of utmost importance since it is the main water source for the surrounding villages. Use of bio pesticides and natural pest control methods as well as recycling of waste products for use as fertilizer are some of the other activities worthy of mention. The technology in the oil processing mill too has been selected with the intention of minimizing environmental impact.

Carsons are extending its manpower resources in support of government's initiatives on the developments of Public Sector human resources productivity.

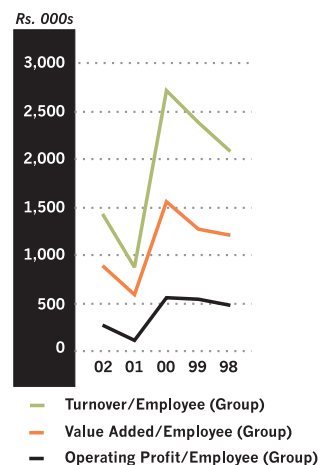
FINANCIAL YEAR 2001/2002

EMPLOYEE STRENGTH							
Sector	Category						Total
	Directors	Managers	Asst. Managers	Executives	Clerical	Others	
Overseas Plantations	1	12	28	52	17	1,748	1,858
Real Estate	0	3	0	4	9	0	16
Brewery	2	11	14	69	70	0	166
Airlines & Hotels	1	4	0	30	31	154	220
Management Services	4	13	4	35	8	0	64
	8	43	46	190	135	1,902	2,324

SERVICE ANALYSIS - ALL CATEGORIES						
Sector	Years in Employment					Total
	Over 20	16 - 20	11 - 15	6 - 10	0 - 5	
Overseas Plantations	0	47	21	44	1,746	1,858
Real Estate	1	6	3	2	4	16
Brewery	2	1	0	17	146	166
Airlines & Hotels	8	11	15	37	149	220
Management Services	4	4	9	11	36	64
	15	69	48	111	2,081	2,324

AGE ANALYSIS - ALL CATEGORIES					
Sector	Age in Years				Total
	50 - 60	41 - 50	31 - 40	20 - 30	
Overseas Plantations	0	162	731	965	1,858
Real Estate	3	5	6	2	16
Brewery	4	14	91	57	166
Airlines & Hotels	9	41	65	105	220
Management Services	7	8	28	21	64
	23	230	921	1,150	2,324

STAFF STRENGTH & PRODUCTIVITY *



* Staff statistics of Indonesian plantation included from 2001 onwards