Cinnamon Hotels and Resorts

Consolidated Sustainability Policy

March 2020

1.0 Overview

Cinnamon Hotels and Resorts acknowledges the balance between the 3 Pillars of Sustainability (People, Profits and Planet) as one of our leading principles and a key element of sound business performance. We are committed to providing a quality hospitality and related services in a manner that ensures a safe and healthy workplace for our employees while minimizing our potential impact on the environment and neighboring communities. We will operate in compliance will all relevant environmental legislation and we will strive to adapt environmental best practices in all we do.

A few focus areas of this Sustainability Policy are displayed below:

Responsible resource allocation and consumption	Safe and Just working environments	Fair and profitable transactions
Environment Conservation and Stakeholder engagement	Corporate Social Responsibility	Projects and public communications

2.0 Policy Review

Document Status: Version 03

Date Issued: 31/03/2020

Scheduled Review Date: 31/03/2021

Triggers for Policy Review:

- Standard review is timetabled

- Internal / organizational factors

- Change in group policy

- A gap has been identified

- Additional knowledge or information has become available to supplement the policy.

- External factors

- Policy is no longer relevant/current due to changes in external operating environment.

- There are changes to laws, regulations and terminology and/or government policy.

- Changes to funding environment, including requirements of funding bod(y)ies

- A stakeholder has identified a need, eg by email, telephone etc

- A serious or critical incident has occurred, requiring an urgent review.

- Need for consistency in service delivery across programs and organizations.

- Separate, stand-alone policy is now warranted

- A near miss has occurred, requiring a review to prevent a serious/critical incident in the future

3.0 Objectives

- To maintain a consolidated sustainability policy throughout all Cinnamon Hotels and Resorts to facilitate activities that are aligned to the core sustainability drives of the group.

- This policy is based on the John Keells Group Sustainability Policy and has been adapted to the needs of the leisure sector.

4.0 Our Vision

To be the trendsetter in ensuring **balance** for environment conservation and **connect** to empower lives

5.0 Definitions

Sustainability: Meeting the needs of the present without compromising the ability of future generations to meet their own needs.

(United Nations, 1987)

Sustainability Project – Any project carried out in line with the Group's Sustainability policy directly affecting the organization or organizational stakeholders or stakeholders of the organization's value chain with a defined objective of seeking to improve the economic, social or environment impact of the organisation or the said stakeholder groups.

 CSR Project - A specific property centric community-based project with the objective of empowering lives of the community in which the property operates in.

Sustainability Development Goals: 17 Goals set by the United Nations to achieve by 2030 for a better and more sustainable future for all leaving no one behind.

6.0 Summary

Cinnamon Hotels and Resorts operates 3 leading city hotels in Colombo Sri Lanka and 12 spectacular resort properties spread across Sri Lanka and Maldives. We provide superior accommodation facilities along with restaurant and bar operations which provide diverse food and beverage selection to inspire our clientele. We constantly strive to conduct its activities in accordance with the highest standards of corporate best practice and in compliance with all applicable local and international regulatory requirements and conventions. We monitor and assess the quality and environmental impact of our operations, services and products whilst striving to include our supply chain partners and customers, where relevant and to the extent possible.

We are committed to transparency and open communication about our environmental and social practices in addition to its economic performance. It seeks dialogue with its stakeholders in order to contribute to the development of global best practice, while promoting the same commitment to transparency and open communication from its partners and customers.

Cinnamon Hotels and Resorts has been identified as an employer of choice by providing a safe, secure and non-discriminatory working environment for its employees whose rights are fully safeguarded and who can have equal opportunity to realise their full potential. All Group companies will abide by national laws and wherever possible will strive to emulate global best practice governing the respective industry groups, seeking continuous improvement of health and safety in the workplace. We will promote good relationships with all communities of which we are a part and enhance their quality of life and opportunities while respecting people's culture, ways of life and heritage.

7.0 Scope of the Policy

The Sustainability policy serves to define how we will create triple bottom line value for organizational and value chain stakeholders through our normal business activities whilst also defining the manner in which property based CSR activities should be undertaken by each property keeping in line with the vision, objectives and spirit of this policy. The Cinnamon Hotels & Resorts Sustainability policy specifies areas where engagement is desirable for activities outside the direct supply chain in line with the brand identity. Exceptional projects which may lie outside the specified areas may be considered if the measurable benefits and social relevance is significantly higher than normal projects and in sync with the brand in which case the policy should be amended to capture the new aspect.

Collectively, these policies address how we will deliver economic value to our stakeholders whilst safeguarding our reputation as a responsible corporate citizen.

8.0 Structure of the Sustainability Policy

Cinnamon Hotels & Resorts corporate governance philosophy goes beyond mere conformance with regulations towards performance, in enabling sustainable value creation.

The Group has established an integrated governance mechanism which spans across the entire organisational structure in the form of strategic planning, resource utilization, accountability and assurance.

The architecture of the Sustainability is that the Corporate Governance policies are overarching and provide the broad guiding principles that define and shape the way we work. It is diagrammatically given below:

Corporate Governance Policies

Sustainability Policies

| Economic Policies | Environment Policies | Social Policies |

9.0 Economic Polices

9.1 General Economic Policy
Cinnamon Hotels & Resorts is committed to delivering sustainable economic performance and growth to all its diverse stakeholders.

9.2 Securities Trading Policy
• The Group's securities trading policy prohibits all employees and agents engaged by JKH who are aware of unpublished price sensitive information from trading in JKH shares or the shares of other companies in which the Group has a present business interest. • The Board, GEC, GOC as well as certain identified employees in senior executive roles who are privy to JKH's results in part or in full prior to their availability to the public are prohibited from trading during periods leading up to the release of quarterly and annual results, new investments, particularly mergers and acquisitions, announcements of scrip issues and dividend payments. • The JKH Group adopts a zero tolerance policy against the employees who are violating these policies

10.0 Environment Policies

Collectively these policies seek to provide guiding principles about how the group will address issues which impact the environment.

10.1 General Environment Policy

Cinnamon Hotels & Resorts is committed to promoting sound environmental practices within our key businesses, through the establishment of policies and practices that enable us to conduct our operations in a sustainable and environmentally sound manner. We will strive to continuously identify all potential impacts on the environment and manage such impacts whilst using our resources in a sustainable and efficient manner.

10.2 Energy Management Policy

Our energy management policy seeks to minimize energy related environmental impact and enhance the Group's competitiveness through energy costs savings by embracing lean energy management practices

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10.3 Water Management Policy

The Group's water policy seeks to conserve and optimize its use of water obtained from surface and ground water sources and wherever possible shall seek to re-use waste water after treatment its operations with a view to reducing the intake of fresh water.

10.4 Waste Management Policy

Cinnamon Hotels & Resorts Policy with regard to waste management is based upon the tenets of 'Reduce, Reuse, Recycle', and we encourage our employees to be conscious in terms of reducing consumption and reuse and recycle wherever possible.

10.5 Hazardous Waste Policy

Defined as waste that is or contains substances which are dangerous or potentially harmful, "Hazardous Waste" which are generated from various commercial, industrial and other institutional sources cause immense environmental and health problems across the globe. Assuming its role as a responsible corporate citizen, Cinnamon Hotels & Resorts seeks to streamline and enhance proper management of hazardous waste within the group, to mitigate the impact of such waste on the environment.

11.0 Social Policies

These policies seek to make clear our stance on social issues and how we address social issues that may impact our business operations. They are supplemented by more specific Human Resource policies which impact employees which are given in the HR policy manual.

10.1 Anti- Corruption Policy
Cinnamon Hotels & Resorts places the highest value on ethical practices and has promulgated a zero-tolerance policy towards corruption and bribery in all its transactions.

10.2 Anti-Fraud Policy
It is the Group's policy that all forms of fraud, misconduct and irregularity are very serious and violates its Values and has a negative impact on it, reputational and or monetary.

10.3 Health & Safety Policy
Through our best practices which are on par with international standards, we strive to provide a feeling of safety to our employees, customers and visitors who are involved in any business or transaction with Cinnamon Hotels & Resorts.

10.4 HIV Policy
Cinnamon Hotels & Resorts recognizes HIV and AIDS as a workplace issue and treats it like any other serious illness/condition affecting the workforce. We do not discriminate in the workplace against employees on the basis of real or perceived HIV status. We ensure confidentiality of personal data relating to a worker's HIV status. We are committed to prevention of HIV and AIDS by promoting change of attitudes and behaviours through ongoing education and awareness programmes.

10.5 Learning & Development

The corporate vision of Cinnamon Hotels & Resorts is "to build businesses that are leaders in the region". Learning and Development Function at the Centre and at the Sectors will partner with the organization in achieving this Vision.

10.6 Child Labour Policy

Cinnamon Hotels & Resorts does not engage children in employment. As a general practice, the Group does not employ any person below the age of eighteen years at the workplace.

10.7 Policy on Forced/compulsory labour

No employee of Cinnamon Hotels & Resorts is made to work against his/her will, or subject to corporal punishment or coercion of any type related to work.

10.8 Equal Opportunities Policy

Cinnamon Hotels & Resorts is an equal opportunity employer. Accordingly, the Group is committed to hiring, developing and promoting individuals who best meet the requirements of available positions, possess the required competencies, experience and qualifications to carry out assigned tasks and have the potential for growth within the organisation; and has put in processes and systems that ensure the same.

In keeping with its policy on equal opportunities for all, the Group remains committed to maintaining workplaces that are free from physical or verbal harassment or discrimination on the basis of race, religion, gender, age, nationality, social origin, disability, political affiliation or opinion. The Group policy on equal opportunity is adhered to in advertising vacancies as well as recruitment and promotion processes.

10.9 Products and Services Policy

Cinnamon Hotels & Resorts will strive to maintain products and services at the highest standards through embracing industry and corporate best practice and compliance with all relevant local and international statutory and regulatory requirements in the markets we serve. All products and services will seek to identify and assess any environmental and social impact through communications, services, operations and supply chain.

10.10 Quality Policy

Cinnamon Hotels & Resorts will strive to maintain products and services at the highest standards through embracing industry and corporate best practice and compliance with all relevant local and international statutory and regulatory requirements in the markets we serve. All products and services will be assessed for any environmental and social impact through communications, services, operations and supply chain.

10.11 Food Safety Policy

Cinnamon Hotels & Resorts is committed to maintaining food hygiene at the highest level at all times. We will purchase, store, prepare and serve all our food & beverage in keeping with applicable regulations and legislations which will help to eradicate all biological, physical and chemical hazards. This will be achieved through continuous training and awareness.

10.12 Purchasing Policy

Cinnamon Hotels & Resorts will procure goods and services in a sustainable manner considering impacts on the environment and society. We will procure from the local economy whenever possible to support and sustain local communities. The procurement process is based upon a partnering approach in which both the buyer and the supplier seek to gain maximum mutual advantage through successful relationships and continuous improvement.

The following criteria will be considered when selecting significant or long term suppliers.

a.   Employment

Ensure that our vendors do not employee persons that are less than 18 years of age, although the legal employable age in the country is 16 years and above. We will also put in place a process to identify and assist value chain partners to remedy any identified instances of child labour within their operations.

b.   Health and safety certification

We strive to ensure that the products sourced are of good quality, safe, durable, easy to use and maintain and offer value for money through local suppliers. We obtain "Best Value" products through the planned and skillful management of procurement and supply chains. We source from reliable and recognized suppliers and wherever possible, we use suppliers that are often registered under ISO standards.

c.   Environment Sustainability

Preference to suppliers who can provide adequate information with regard to environmental best practices that are implemented in their organization, towards the protection and conservation of the environment. We will further strive to minimize wastage by obtaining re-usable, returnable and recycled goods where available and extra consideration given to the suppliers who provide and take back reusable packaging.

10.12 CSR Policy

Cinnamon Hotels & Resorts believes in wider societal needs than our own and meaningfully enriching the lives of communities of which we are an integral part. We abide by the values of 'Caring, Trust and Integrity' by ensuring that through our actions we demonstrate our commitment to and respect for all our stakeholders, including the communities and the environment in which our businesses operate."

We engage with communities to facilitate their socio economic advancement through projects that enhance skill levels, resolve human animal conflicts and an appreciation of culture. We seek to *empower lives for tomorrow* by creating awareness and inspiring positive evoking a sense of satisfaction in those who give as well as those who benefit.

CSR Projects identified will be further classified as follows to determine the applicability and need for involvement at Corporate level.

Corporate (Brand Building) Projects
- These projects will typically engage guests or a wider audience with activities and measurable outcomes communicated in the public domain periodically.
- Ex: Leopard Project, Project Wild Blue, Earth Day
- These projects will be planned ahead and involve partners who will contribute technical expertise and be a recognised leader in the relevant field.
- Project outcomes will be measured in no. of participants engaged, no. of beneficiaries, volunteer hours, increase in flora/fauna populations etc.

Entity Level Projects
- These projects will typically be handled at property level within the discretionary budgets allocated and involve no formal communication to a wider audience but will be aggregated for annual reporting
- Projects may involve significant levels of employee engagement
- Ex: Donations made to Elders Homes and temples, hosting orphans and elders,
- Project outcomes will be measured in terms of volunteer hours, amounts invested, lives impacted

The following issues should be addressed in project formulation to ensure optimal resource allocation and impact.
a. Does it fit in to our CSR policy?
b. Who does it benefit?
c. How will it benefit?
d. How will we measure success?
e. Are there employee engagement opportunities?
f. Are there opportunities for engaging guests?
g. Are there opportunities for engaging a wider audience?
h. Will it be a positive experience for those engaged?

i.   What are the credentials of our project partners?

j.   Is this a Corporate, Employee or Community engagement level project?

k.   How will we communicate the activities, i.e pre-event communication?

l.   How will we communicate the outcomes, i.e.post-event communication?

m.   How often will we communicate?

n.   Is there a better way to achieve the result?

12.0 Property/Sector Specific Sustainability Policies

12.1 Beach Property Sustainability Policies

Cinnamon Hotels & Resorts is committed to coast and reef conservation promoting sound environmental practices within our key businesses, through the establishment of marine protection practices that enable us to conduct our operations in a sustainable and environmentally sound manner. We will strive to continuously identify all potential impacts on the marine environment and manage such impacts whilst using our resources in a sustainable and efficient manner.

12.2 Wild-life and Heritage Property Sustainability Policies

Cinnamon Hotels & Resorts is committed to wildlife and heritage conservation promoting sound environmental practices within our key businesses, through the establishment of environment protection practices that enable us to conduct our operations in a sustainable and environmentally sound manner. We will strive to continuously identify all potential impacts on wild life and heritage sites and manage such impacts whilst using our resources in a sustainable and efficient manner.

12.3 City Property Sustainability Policies

Cinnamon City Hotels is committed to providing superior facilities within the convenience of the city while ensuring environment and social practices that mitigate our environmental and social impact within the city. We will strive to continuously identify all potential impacts and manage such impacts whilst using our resources in a sustainable and efficient manner.

13.0 Sustainability / CSR Projects

13.1 Project Approval for Sustainability Projects

The following process should be adhered to when obtaining approval for proposed sustainability projects

(1) Determine if the project is necessary for compliance with regulations, certifications and standards.

(2) Prepare a technical feasibility report together with the sector sustainability team.

(3) Obtain approval from the relevant sector head of City Hotels / Resorts.

If the sustainability project formulated is not for compliance but to drive productivity efficiencies, it is recommended that a financial feasibility is also included in the paper referred to in (2) above.

13.2 Project Approval for CSR Projects – Corporate projects (Brand Building)

The following process should be adhered to when obtaining approval for proposed new projects

(1) The proposed project's compliance to the Cinnamon Hotels & Resorts Sustainability and CSR policy should be evaluated along with its suitability in being aligned under the said pillars.

(2) The project execution entity should be identified and a clearly defined project execution proposal should be submitted.

(3) The project proposal should be forwarded to BMT PR / Foundation MC

(4) Approval should be obtained from the relevant sector head of City Hotels / Resorts.

Corporate Level Sustainability & CSR Projects will be formally evaluated quarterly to ensure key outcomes are being monitored and achievements are in line with expectations. Projects which fail to meet targets for 2 consecutive quarters must be re-evaluated and aspects modified to align the projects if project retrieval is the desired outcome of the evaluation.

Photographs of all CSR projects must be submitted along with the post event reports.

13.3 Measuring success of projects

Sustainability: Success of sustainability projects will be measured against the measures of success specified in the project proposal which has been approved. We will also monitor trends of the GRI indicators to ensure that our objectives are fulfilled and there is continued compliance with certifications.

CSR : It is important to determine how we will measure success prior to approval of the projects as these will provide valuable information for decision support regarding future activities and identification of projects that can be escalated to Corporate Level for roll out on an organisation wide basis. Possible measures of success are listed below:

a. No. of Participants

b. No. of Beneficiaries

c. No. of Volunteers /Volunteer Hours

d. Funds raised

e. Population increase (for endangered and vulnerable species)

f. No. of Likes (on social media)

g. Press generated

h. Lives impacted

i. Certifications supported

j. No. of inquiries

14.0 Sustainability related communication

14.1 Celebrity ambassadors/endorsements

The selection and appointment of celebrity ambassadors and/or endorsements should be in accordance with the following approval process

- Evaluation of the suitability of the ambassador based on his/her credibility, values, fit of his/her image with the relevant project and brand image among other factors.
- Clearly define the terms and content of the endorsement
- The proposal should be forwarded to BMT
- Approval should be obtained from the relevant sector heads of City Hotels and Resorts.

14.2 Public Communication

Public announcements/commentaries/press releases regarding all Sustainability projects should be communicated in reference to the defined pillars. For instance, activities carried out as part of Project Leopard should be communicated as commitment towards 'Preserving the Planet'.

At a property level, the project champions can engage in public communication regarding their respective projects provided it is in reference to the relevant pillar and under the guidance of the respective Sustainability Champion. All such documentation would include common boilerplate language. Meanwhile, overall project outcomes are to be communicated at a unified brand level, quarterly or annually upon requirement.