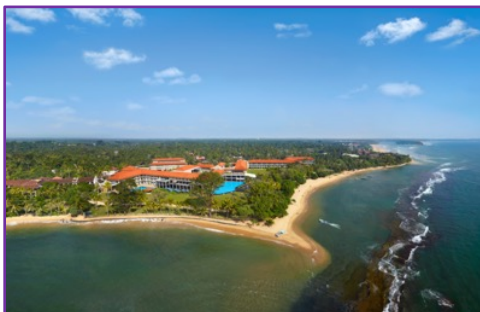
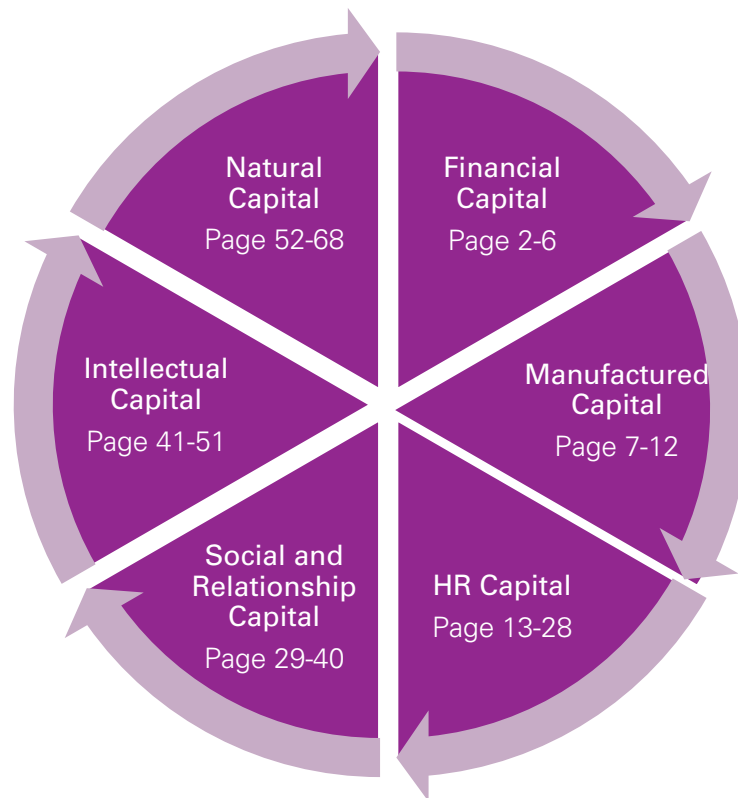


Supplementary Sustainability Report 2019/20

The Supplementary Sustainability Report sets out in detail how we employed our key capitals during the year, to continue to create sustainable value for our stakeholders in the short, medium and long term. The document serves as supplementary information to the Annual Report and Financial Statements of John Keells Hotels PLC for the year ended 31st March 2020 published on 21st of May 2020.

This report has been prepared in accordance with the Global Reporting Initiative (GRI) Standards: Core option.



Financial Capital

Performance of the Group was subdued amidst a challenging operating environment in the Sri Lankan leisure businesses and the closure of Cinnamon Dhonveli Maldives and Cinnamon Hakuraa Huraa Maldives for refurbishment. Despite the challenging start to the year, we witnessed a gradual recovery of occupancy rates towards the latter part of 2019, before being impacted by wide-spread travel restrictions due to the COVID-19 pandemic.

Our Financial Capital

Equity



Debt



*Further to the adoption of SLFRS 16 during FY 19/20 operating leases amounting to Rs. 13.4 Bn have been included in debt

Key Performance Indicators

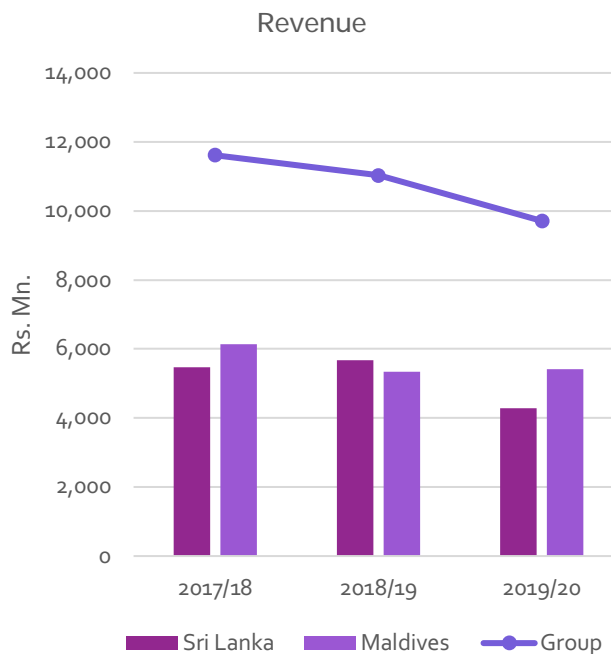
- Revenue : Rs. 9,712 Million
- Total Assets : Rs. 60,576 Million
- Net Assets per Share : Rs.19.74

Financial Performance

Revenue

Groups Consolidated revenue declined by 12% to Rs. 9,712 Mn in FY 2019/20 as a result of occupancy levels of our Sri Lankan resorts being negatively impacted by the Easter Sunday attacks and two of our Maldivian resorts being closed for refurbishments. Revenue from the Sri Lankan cluster decreased by 25% to Rs. 4,290 Mn in FY 2019/20 compared to the growth of 4% recorded during the previous year. Occupancy levels during the first half of the year were significantly impacted by the Easter Sunday terror attacks in April, although an increase in occupancy levels was witnessed towards the latter part of the 2019 as a result of the gradual recovery in tourist arrivals. During the year, the cluster directed significant efforts to maintain overall occupancy levels through targeted promotional offers and better revenue management. As a result, despite maintaining an average occupancy rate of 61%, the Average Room Rates (ARR) were lower during the year.

Performance of the Maldivian cluster too was impacted by the partial closure of Cinnamon Dhonveli Maldives and full closure of Cinnamon Hakuraa Huraa Maldives for refurbishments during the year. Cinnamon Hakuraa Huraa Maldives was closed from May 2018 till December 2019 which was being converted into a new hotel while Cinnamon Dhonveli Maldives underwent a refurbishment from May 2019 to January 2020 and operated with only 24 over water suites and 20 water bungalows during the period. Cinnamon Velifushi Maldives, our latest addition came into operation in October 2019. Overall occupancy levels therefore remained lower during the year and were further impacted in March 2020 as a result of travel restrictions placed due to the COVID-19 pandemic. Consequently, the Maldivian cluster recorded a revenue growth of 1% to Rs. 5,422 Mn during the year.

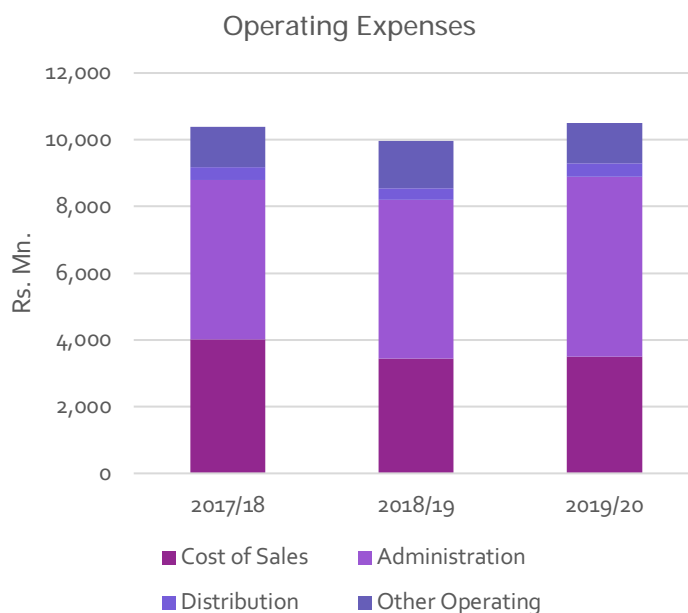


Gross profits

Lower Average Room Rates (ARR's) due to efforts taken to maintain occupancy rates of our Sri Lanka resorts through promotional offers impacted Group gross margins during the year which declined to 64% compared to 69% in FY 2018/19. As a result, gross profits during the year declined by 18% to Rs. 6,215 Mn.

Operating Expenses

Administration expenses increased by almost 13% during FY 2019/20 as a result of the additional operating expenses arising from the opening of our new property Cinnamon Velifushi Maldives and the re-opening of Cinnamon Bentota Beach and Cinnamon Hakuraa Huraa, Maldives. Distribution expenses too increased by 19% and accounted for 4% of revenue compared to 3% during the previous year. The increase was on account of higher promotional and marketing expenses incurred to attract tourists back to our Sri Lankan Resorts in the aftermath of the Easter attack. Other operating expenses however decreased by 15% due to the abolishment of NBT from December 2019 and a lower exchange loss during the year.



Operating Profits

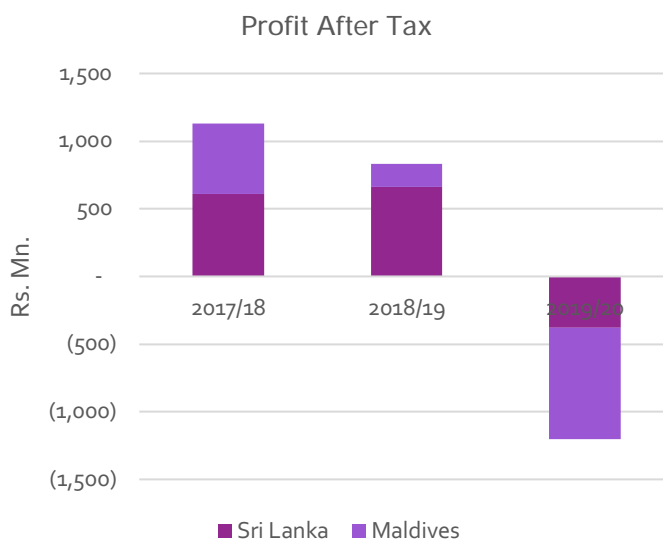
The Group recorded an operating loss of Rs. 764.5 Mn in FY 2019/20 compared to an operating profit of Rs. 1,087 Mn in FY 2018/19. Operating profits of the Sri Lankan cluster declined by 139% to record an operating loss of Rs. 284 Mn while in the Maldivian sector operating profits declined by 234% to record an operating loss of Rs. 480 Mn.

Net finance cost

The Group's finance income decreased by Rs. 101.4 Mn during the financial year due to lower interest rates and a significant portion of interest-bearing short-term investments being utilized for ongoing refurbishment projects. Meanwhile interest expenses increased by Rs. 402 Mn due to an increase in borrowings to finance additional investments in the Maldives and Sri Lanka. Consequently, net finance cost increased to Rs. 564 Mn.

Profitability

The Group recorded a net loss after tax of Rs. 1,201 Mn in FY 2019/20, a decrease of almost 244% compared to a net profit of Rs. 831 Mn in FY 2018/19. The Maldivian sector recorded a loss after tax of Rs. 821.7 Mn compared to a profit after tax of Rs. 167 Mn in FY 2018/19 mainly due to the partial closure of Cinnamon Dhonveli Maldives, full closure of Cinnamon Hakuraa Huraa Maldives and the significant increase in finance expenses during the year. The Sri Lankan cluster too recorded a net loss after tax of Rs. 379.6 Mn compared to a net profit after tax of Rs. 663.9 Mn due to the impact of the Easter Sunday attacks and the closure of Cinnamon Bentota Beach for re-development during the year.

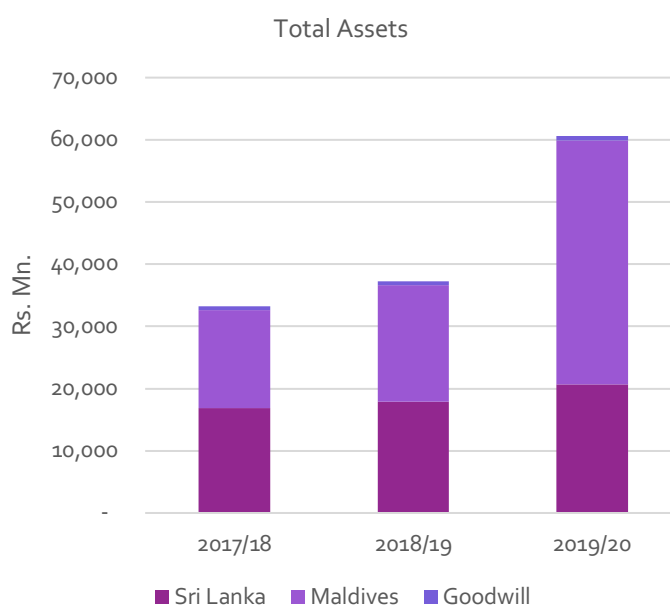


Other Comprehensive Income

Other Comprehensive Income during the year amounted to Rs. 1,174 Mn and comprised mainly of foreign exchange gains from foreign operations (Rs. 1,040 Mn).

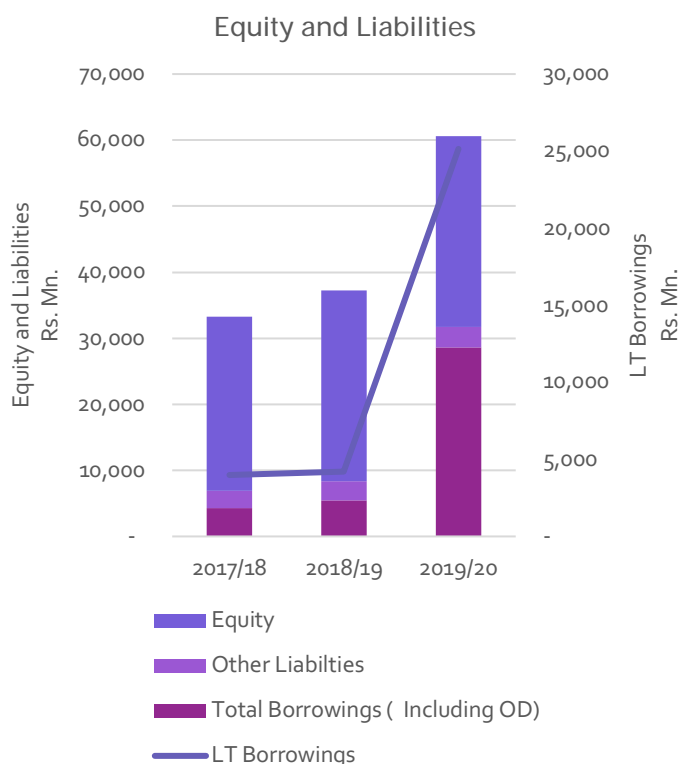
Total Assets

Total Group assets grew by 63% to Rs.60,576 Mn as at 31.03.2020. The increase during the year was due to additions to Property, Plant and Equipment (PPE) and the inclusion of operating lease assets amounting to Rs. 26,115 Mn consequent to adopting SLFRS 16. The Maldivian cluster which accounted for 66% of Group assets, increased its total assets by 110% to Rs. 39,240 Mn as at the end of March 2020 whilst the total assets of the Sri Lankan cluster, increased by 16% to Rs. 20,665 Mn. Non-current assets accounted for 93% of total Group assets as at the end of March 2020 as compared to 86% during the previous year. The current assets which accounted to 7% of total assets as at the end of March 2020 declined by 16% during the year as a result of a significant portion of short-term investments being liquidated and used to finance capital investments during the year.



Total Liabilities

Total Group Liabilities increased by almost 280% to Rs. 31,703 Mn as at the end of March 2020. Borrowings which accounted for almost 90% (Rs. 28,609 Mn) of total liabilities increased as a result of additional long-term loans used to finance the enhancements to our resort portfolio and due to introduction of SLFRS 16 into the books of accounts. The Maldivian cluster accounts for 81% of total liabilities increased by 391% to 25,630 Mn while the Sri Lankan cluster also saw total liabilities increase by 94% to Rs. 6,073 Mn during the year.



Shareholders' Funds

Shareholders' funds as at the end of March 2020 amounted to Rs. 28,872 Mn and accounted for 48% of total assets while the Debt to Equity ratio as at end March 2020 was 1.00 times compared to 0.19 times as at 31.03.2019.

Cash Flow

Net cash generated from operations increased by 19% to Rs. 2,021 Mn due to proceeds obtained from the liquidation of short-term investments and other current assets. Net cash out flows from investing activities amounted to Rs. 11,016 Mn mainly on account of outflows relating to investments related to the re-development of Cinnamon Bentota Beach, construction of Cinnamon Red Kandy, refurbishments carried out at Cinnamon Hakuraa Huraa Maldives and Cinnamon Dhonveli Maldives and the acquisition of sub lease rights of Cinnamon Velifushi Maldives. Net cash inflows from financing activities amounted to Rs. 6,122 Mn mainly due to proceeds from borrowings obtained during the year. Consequently, due to the heavy outflow of cash to finance investments in PPE during the year, the group recorded a net cash outflow of Rs. 2,872 Mn during the year.

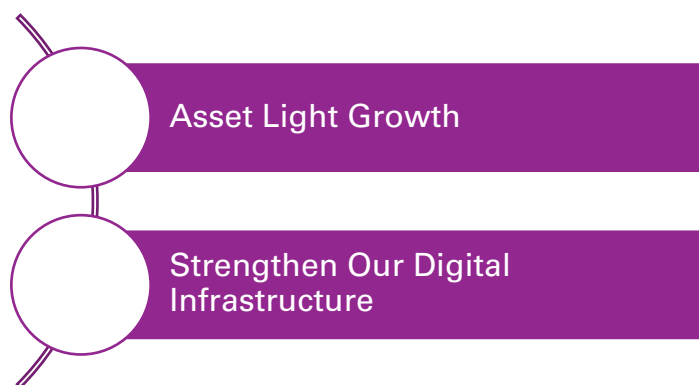
Way forward

The impact of the COVID-19 pandemic is expected to significantly dampen tourist arrivals in the short to medium term. FY 2020/21 is therefore expected to be a challenging year. We have however taken proactive steps to understand the impact on the business by evaluating multiple stress tested operating scenarios to assess the financial and cash flow impact and have already put in place stringent measures to manage our cash flows such as deferring capital expenditure and implementing spend control measures to optimize our cash management.

Manufactured Capital

Our portfolio of properties is a main source of competitive advantage, offering our guests unique experiences in terms of location, facilities and comfort. We place strategic emphasis on nurturing our manufactured capital through ongoing investments in expanding and enhancing our portfolio and continue to pursue a strategy of asset light growth to achieve this.

STRATEGIC PRIORITIES



Key Performance Indicators

- No. of Keys +31%
- PPE +52%

Our Manufactured Capital

Location	Hotel	Property, Plant and Equipment (Rs. Mn)	Room Capacity	Star Category
Sri Lanka	Cinnamon Bey Beruwala	4,153	199	5
	Cinnamon Bentota Beach	4,982	159	5
	Cinnamon Wild Yala	513	68	4
	Cinnamon Lodge Habarana	860	138	5
	Cinnamon Citadel Kandy	1,718	119	4
	Hikka Tranz by Cinnamon	1,316	150	4
	Trinco Blu by Cinnamon	1,153	81	4
	Habarana Village by Cinnamon	383	108	4
Maldives	Cinnamon Dhonveli Maldives	3,387	152	4
	Cinnamon Hakuraa Huraa Maldives	6,330	100	4
	Cinnamon Velifushi Maldives	186	90	4+
	Ellaidhoo Maldives by Cinnamon	1,359	112	4

Hotel Properties

Our properties focus on offering our guests memorable holidays and getaways complete with unique experiences combined with the warmth and vibrancy of authentic and contemporary hospitality.

Cinnamon Lodge Habarana



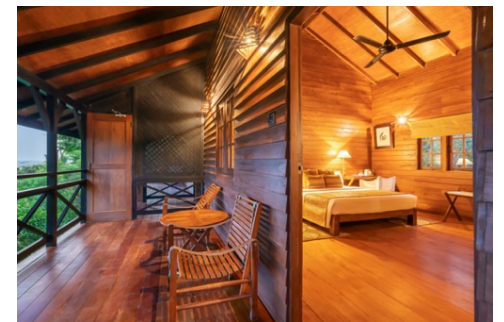
Located at the center of Sri Lanka's Cultural Triangle, Cinnamon Lodge Habarana offers its guests the unique experience of immersing themselves in Sri Lanka's cultural heritage by day and then enjoying the peace and solace of being surrounded by the pristine sounds of nature by night, all in the comfort of our well-appointed suites, chalets and rooms.

Habarana Village by Cinnamon



To truly feel rejuvenated, travel 180 Km from Colombo to the tranquil village of Habarana, and enjoy the charming simplicity of a resort founded on principles of sustainability. Enjoy the simple pleasures of waking up to bird songs and feast on the fresh produce straight from our very own gardens prepared to traditional recipes.

Cinnamon Wild Yala



A paradise for nature lovers, Cinnamon Wild offers luxury in the wilderness. Located in close proximity to the Yala

National Park and Bundala National Park, the resort is the ideal location for wildlife enthusiasts seeking the excitement of an authentic wildlife experience.

Hikka Tranz by Cinnamon



If a total beach experience is what you are looking for, Hikka Tranz by Cinnamon with its exhilarating combination of the unique party culture of Hikkaduwa, sea, sun and sand is the ideal choice. Situated just 20 Km away from the historic town of Galle, the resort is the ideal base as you explore the famed coral reefs of Hikkaduwa, visit a nearby turtle hatchery or get lost amongst the traditional masks of Ambalangoda

Trinco Blu by Cinnamon



Experience the charms of the quaint seaport town of Trincomalee, as you enjoy the laid-back hospitality of our retro-chic resort in the East, Trinco Blu by Cinnamon. Take a boat ride with dolphins swimming beside you and watch the majestic blue whale the Indian ocean is famed for. Then enjoy the sunset from the rampart walls of Fort Frederick before you return back to the comfort of the resort.

Cinnamon Bey Beruwala



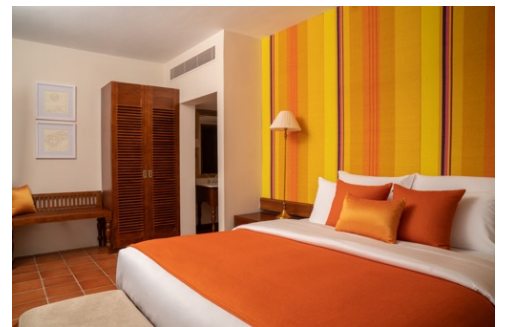
Located on the Southwest coast of Beruwala, Cinnamon Bey Beruwala offers guests panoramic vistas of the mighty Indian Ocean. Enjoy an exhilarating morning at our water-sports centre followed by a slow boat ride through the mangroves alongside the Madhu River.

Cinnamon Citadel Kandy



Nested among the lush hills of the last kingdom of the country, Cinnamon Citadel Kandy gives guests the opportunity to enjoy the grandeur of a bygone era. Located alongside the longest river in the country, the surrounding area is home to numerous endemic species of flora and fauna while a visit to one of the world heritage sites; the Temple of the Tooth Relic gives you a glimpse into the country's rich culture.

Cinnamon Bentota Beach



Immerse yourself in the architectural history of Sri Lanka at Cinnamon Bentota Beach, our iconic property originally designed by the renowned Sri Lankan architect Geoffrey Bawa. Enjoy the stunning vistas of Bentota estuary where the Bentara river meets the Indian ocean as you marvel at the incredible talent of Sri Lankan artisans who helped create the hotel space.

Ellaidhoo Maldives by Cinnamon



Soak in the azure waters, golden beaches and softly swaying palms from a luxury water bungalow or beach bungalow before heading out to explore one of the world's best dive sites located on the island. Ellaidhoo Maldives by Cinnamon is indeed a little piece of heaven on earth.

Cinnamon Dhonveli Maldives



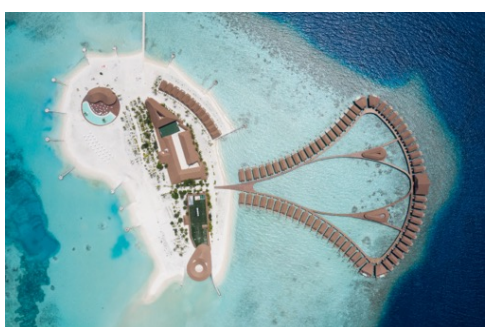
Located just 13 Km away from Male on the North Male Atoll, Cinnamon Dhonveli Maldives offers its guests an experience of a lifetime, complete with recently refurbished luxury beach bungalows with spectacular views, indulgent culinary creations at our themed restaurants and rejuvenating spa treatments.

Cinnamon Hakuraa Huraa Maldives



Meaning “Reef Above Water”, the newly refurbished Cinnamon Hakuraa Huraa Maldives is located next to the one of the longest stretches of reef in the archipelago. Step out from the brand-new beach bungalows, over-water bungalows set on stilts and platinum beach bungalows into the waist deep water and enjoy fabulous views of the lagoon as you feel a myriad of fish swim past your feet. For ultimate privacy, seclude yourself in the small private island connected to the main resort only through a walkway.

Cinnamon Velifushi Maldives



Make memories with family at our newest resort in Maldives, Cinnamon Velifushi Maldives. The 90 room five star deluxe property offers guests suites, water bungalows, villas, family accommodation and an array of unique experiences including a swimmable lagoon, private terraces, a delectable range of dining options and a luxury wellness spa operated by the acclaimed Mandara Spas.

Value Added During the Year

Improvements to physical infrastructure

During the year we continued to expand and upgrade our properties in Sri Lanka and the Maldives. Re-development of our flagship property, Cinnamon Bentota Beach was completed during the year, positioning this iconic hotel as the epitome of luxury in the Group's leisure portfolio. Meanwhile in the Maldives, Cinnamon Hakuraa Huraa and Cinnamon Dhonveli underwent re-furbishments during the year following the refurbishment of Cinnamon Ellaidhoo last year. Cinnamon Hakuraa Huraa was re-constructed and upgraded into a 100 room four-star deluxe property while Cinnamon Dhonveli was upgraded to a 152 room luxury property.

In addition to the above refurbishments we also pursued our strategy of asset light expansion with the acquisition of the sub-leasehold rights of our fourth Maldivian Resort, Cinnamon Velifushi Maldives on the island of Aarahveli.

Key investments during the year are shown below.

	Cinnamon Bentota Beach	Cinnamon Hakuraa Huraa Maldives	Cinnamon Dhonveli Maldives	Cinnamon Velifushi Maldives
Upgrade / New	Upgrade	Upgrade	Upgrade	New
Total Rooms	159	100	152	90
No. of rooms added	26	20	4	90
Facilities	<ul style="list-style-type: none"> Local Arts and Crafts Artisan experiences Spa – Operated by Spa Ceylon Six specialized restaurants / bars Banquet Hall Kids Club Water Sports 	<ul style="list-style-type: none"> Signature dining experiences Mandara Spa Sunset Fishing Residential Island Tours Dhoni rides Dolphin Safaris Sandbank Picnics 	<ul style="list-style-type: none"> Signature dining experiences Mandara Spa Dolphin Safaris Big-Game / Sunset Fishing Submarine experience Turtle and Manta Snorkeling Photo Flights Island hopping / trip to Male 	<ul style="list-style-type: none"> Signature dining experience Mandara Spa Dolphin Safaris Island hopping / village tours Sunset cruise
Status	Re- development Completed and operations commenced	Refurbishment Completed and operations commenced	Refurbishment Completed and operations commenced	Operations commenced



Way Forward

Having invested significantly in upgrading our infrastructure during the last two years, FY 2020/21 will be a year of reaping the benefits of our investments. We expect a significant downturn in arrivals due to the impact of COVID-19, however are confident that in the medium to long term our investments will reap the intended returns.

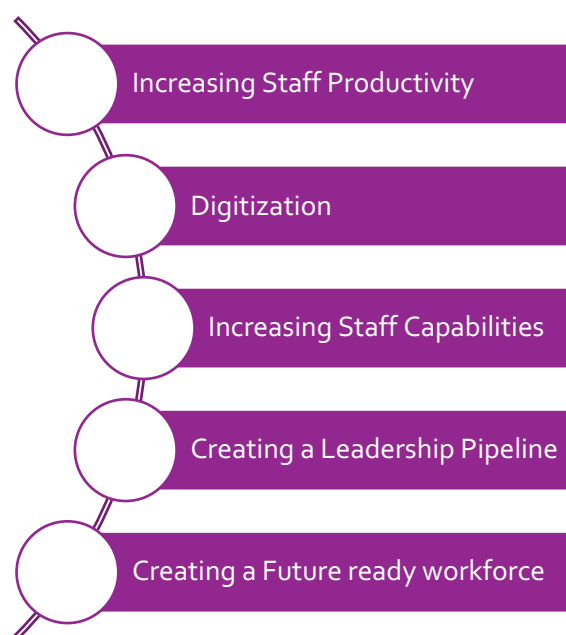
Human Capital

Developing our people capabilities to achieve our growth goals is a key business priority which continues to receive our highest attention. Integrating our HR strategic priorities with our “People Promises” have enabled us to derive mutual value as indicative from our superior levels of service excellence and consistent high levels of employee satisfaction.

Team Profile (GRI 102-8)

		
11%		89%
No.		No.
285	Total Employees	2,248
By Employment Contract		
87	Permanent	1,059
198	Contract	1,189
By Employment Type		
285	Full Time	2,248
0	Part Time	0
By Region		
171	Sri Lanka	1,717
114	Maldives	531
By Age		
117	Below 30	691
121	30-50	1,350
47	Above 50	207

STRATEGIC PRIORITIES



Key Performance Indicators

- New Recruits: 989
- Total Payments to Employees: Rs. 2,502 Mn
- Attrition: 18%

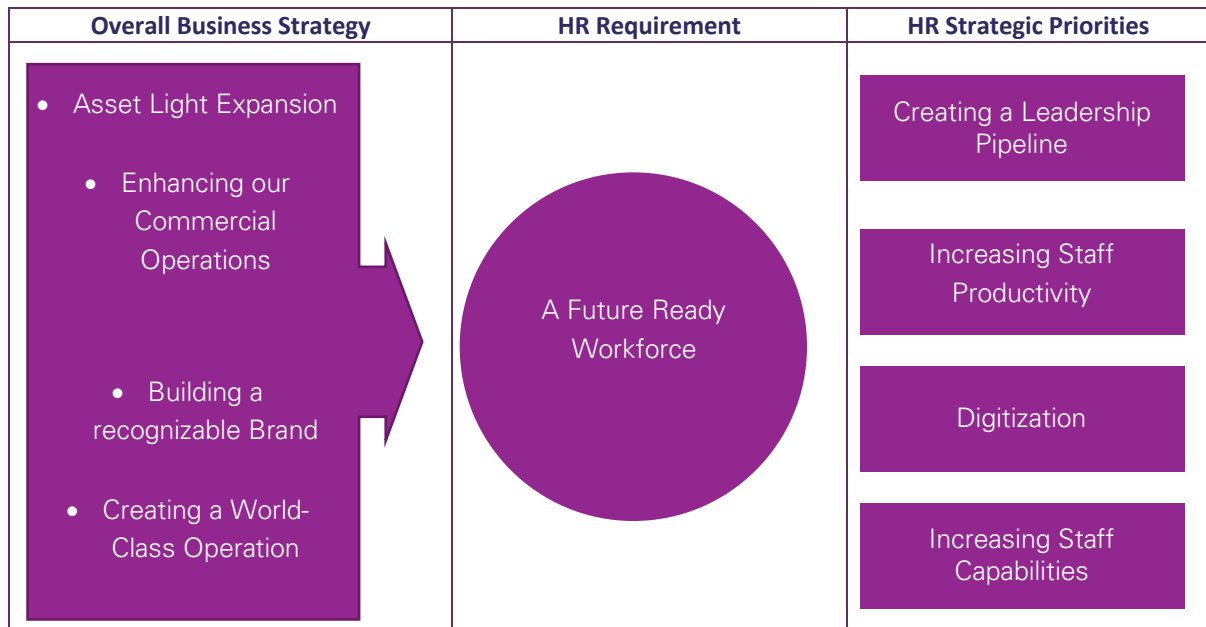
HR Governance

The Group has in place a strong HR governance structure which includes a centralized HR function responsible for policy and strategy formulation and regional HR centers tasked with operationalizing HR strategy and policies. HR strategies are formulated based on overall business strategy and regularly reviewed to ensure relevance. Our policies, procedures and frameworks are aligned with those of the JKH group and go well beyond legal requirements to reflect global industry best practices.

During the year we continued with the digitization of the HR function by expanding the scope of our Human Resources Information System (HRIS). We also reviewed and strengthened identified policies including the sexual harassment policy. Meanwhile, we are in the process of re-evaluating and re-aligning our HR function in line with our expansion strategy. As part of this initiative, regional HR centers and hotel HR departments will be upskilled and empowered to take on additional responsibilities in order for the Central HR Team to focus more on strategic level HR functions.

Strategic Priorities

Our HR strategic priorities flow directly from our overall business strategy and aim to meet the requirement for a future ready workforce.



Talent Attraction and Retention

(GRI 401-1)

Labour shortages and a high degree of labour mobility continue to be significant challenges faced by the hospitality industry in Sri Lanka. Attracting and retaining the right talent is therefore of strategic importance particularly in the context of increasing competition. Our Employee Value Proposition which offers employees competitive remuneration and benefits, attractive opportunities for training and career development and a supportive and dynamic work environment continues to attract some of the best talent in the industry while our ongoing efforts to hone our Employee Value Proposition in response to demographic changes has enabled us to maintain consistent high levels of retention.

During the year we engaged in four major recruitment drives for Cinnamon Bentota Beach, Cinnamon Velifushi Maldives, Cinnamon Dhonveli Maldives and Cinnamon Hakuraa Huraa Maldives. Recruitment campaigns were carried out in multiple locations across Sri Lanka and in the Maldives attracting over 1,700 applicants out of which 507 new recruits were onboarded during the year. Recruitment teams also attended local career fairs and collaborated with international recruitment sites in order to strengthen recruitment efforts and identify the best talent. A true testament to our value as an employer brand we continue to attract applicants from around the world and welcomed employees from a range of countries to our team. As an equal opportunity employer, we strive to ensure diversity and equal opportunity in all our talent acquisition activities. 16% of new recruits were female while all ethnicities and religions are represented without bias. We also provide employment opportunities for low-income youth through our Youth development Program carried out in partnership with an External Non-Profit Organization. Upon successful completion of the hospitality training program and on- the job training period candidates were given employment opportunities.

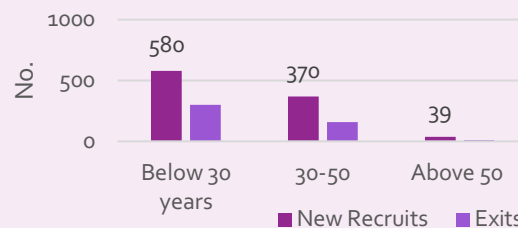
We continue to enjoy high levels of employee retention, with employee turnover averaging at around 22% during the last three years. We are especially proud that we were able to retain all our staff post the Easter Attack despite the severe impact to our operations. Our efforts to retain staff and provide all staff not only the basic salary but also a guaranteed minimum service charge during the difficult times that followed the Easter attack reflects our commitment to standing by our employees.

Highlights

	2018/19	2019/20
New Recruits	571	989
Employee Retention Rate	77%	82%

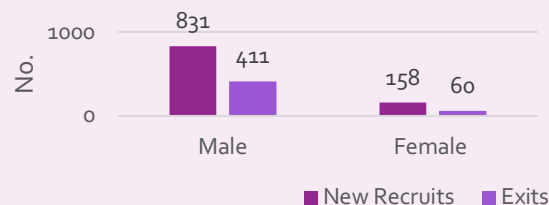
Analysis of new employee hires and employee turnover (GRI 401-1)

New Recruits and exits by age



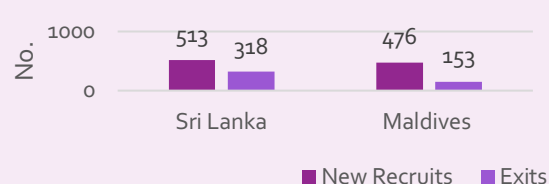
	New Recruits	Exits
Below 30	59%	64%
30-50	37%	34%
above 50	4%	2%

New Recruits & Exits By Gender



	New Recruits	Exits
Male	84%	87%
Female	16%	13%

New Recruits and Exits by Region



	New Recruits	Exits
Sri Lanka	52%	68%
Maldives	48%	32%

Our People Promises

We continue to be recognized as a preferred employer due to the strength of our People Promises. Our People Promises which revolves around five core areas (see alongside) is the basis of our HR philosophy and is closely linked to our HR strategic priorities.

Our People Promises



We Promise you the best training and career development



We promise a supportive and caring boss



We promise that your voice and opinions will matter



We promise competitive remuneration and benefits



We promise a great place to work

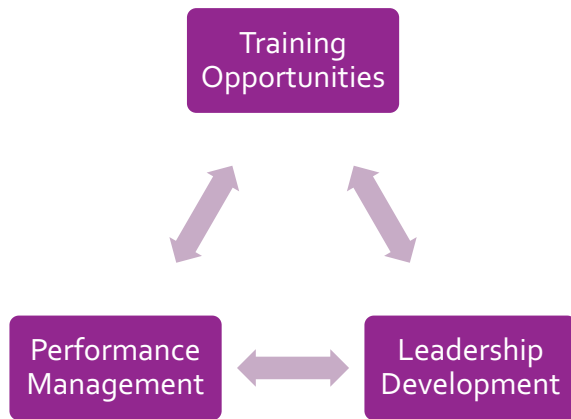
Delivering our People Promises

To ensure that we deliver on our People Promises, specific KPI's have been identified for each of our promises and monitored on an ongoing basis through the "Cinnamon Survey". The survey is conducted among all non-executive staff on a quarterly basis.

Our Promise	Measure	Metric
We provide you the best training & career development	Training score	Training hours – Executive
		Training hours - Non Executive
		Training Penetration rate
	Training programs score	Employee survey response to "We provide you the best training "
		Employee survey response to "career development"
		Training program evaluation forms
	Career development opportunities score	Percentage of existing vacancies in the respective month which are filled internally (Grade 2 and above)
	Number of successors being developed	PDP Reviews
No. of Jobs at Risk vs. number being developed		
We promise a supportive and caring boss	Employee survey score	Score from survey for the promise "We promise a supportive and caring boss"
	Unhappy with Supervisor score - Exit Interview	Percentage of employees who have left the organization who picked "Slightly Dissatisfied" or "Very Dissatisfied" for your supervisor's management method
We promise competitive remuneration and benefits	Employee survey score	Employee survey score for "We promise competitive remuneration and benefits"
	Attrition due to C&B score - Exit Interview	Percentage of employees who have left the organization due to Compensation and Benefits of total number of exit interviews conducted
We promise to listen and consider what you have to say	Platforms for voicing opinions score	Employee Feedback surveys are carried out quarterly for at least 25% of staff
		Staff Meetings - Let's talk meetings
	Employee survey score	We promise to listen and consider what you have to say
We promise a great place to work	Culture score	Score from survey for questions under Culture
	Employee engagement score	At least 1 engagement activity per BU per month
	Staff Turnover rate	Turnover rate for the Month
	Dissatisfied with job score - Exit Interview	Percentage of employees who have left the organization due to being dissatisfied with their jobs of total number of exit interviews conducted
	Environment Score	Score from survey for questions under Environment

Developing Talent

Developing our talent is an important aspect of creating a future ready Organization. We take a holistic approach to developing our talent, providing targeted training opportunities for all employees, leadership development opportunities for identified staff and ongoing performance management at all levels to encourage continuous improvement.

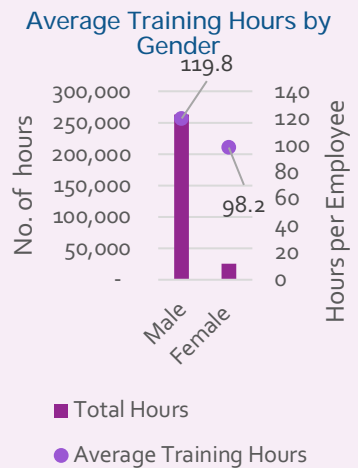


Training (GRI 404-1, 404-2)

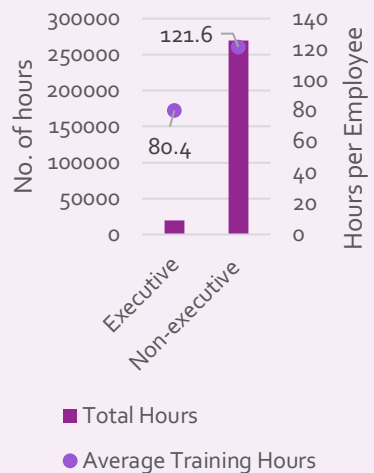
Training at Cinnamon considers not only the organization’s long-term goals but also the individual’s aspirations and development goals. Training needs are identified on an ongoing basis through a continuous process of performance management and employee engagement. During the year 92.5% of all employees in Sri Lanka and Maldives were provided training opportunities in a range of areas including Service Quality, Soft Skills, Technical Trainings, Leadership Trainings, H&S Trainings and Other. Meanwhile with the scheduled openings of Cinnamon Bentota Beach, Cinnamon Velifushi, Cinnamon Hakuraa Huraa, and Cinnamon Dhonveli, specific pre-opening staff training sessions were held throughout the year.

TRAINING AND DEVELOPMENT

Average Training Hours (GRI 404-1)



Average Training Hours by Employment Category



TRAINING AND DEVELOPMENT

Training focus areas (GRI 404-2)

Focus area	Training Hours	No. of participants
Soft Skills	29,141	8394
Technical Training	223,185	115,648
Leadership Training	8484	1922
Health and Safety Training	15,614	11,120
Other (Need Based)	12,017	9769

In developing and delivering training modules, we work closely with reputed international training institutes to provide world class training opportunities to our employees. During the year, a re-designed On-the-Job Training (OJT) program was conducted in collaboration with the Singapore Hotel and Tourism Education Centre (SHATEC), for 75 selected Heads of Department and executives.

The training program which aims to strengthen service levels of our middle managers was conducted in four modules and included an overseas training component with visits to world’s renowned hotels including Shangri-La’s Rasa Sentosa Resort & Spa, Marina Bay Sands and Amara Sanctuary Resort Sentosa. During the year we also partnered with The Singapore Training and Development Association (STADA) to conduct a custom designed Trainer Development Program for full time training professionals of the group. Based on the world renowned Association for Talent Development (ATD) framework the training program aims to upskill in- house training managers with the most effective and up-to date training techniques. 11 training managers participated in this program during the year. Participants who completed the program were awarded with a prestigious STADA Certified Trainer Certificate.

Multiple platforms such as On-the-Job-Training, classroom training, online training modules and overseas training opportunities are offered to employees to ensure variety and accessibility. ‘Lobster Ink’ our online learning platform now in its second year continued to gain momentum with 3988 courses completed since the implementation in August 2018 and 1810 completed during the current financial year. Meanwhile 1050 classroom trainings were provided to 2454 employees during the year.



Middle Manager Development Program in collaboration with SHATEC

Leadership Development

Creating a strong leadership pipeline is a key strategic priority of the Group while offering tangible career development paths is a core element of our Peoples Promise. A formal mechanism including a dedicated Career Committee to identify key talent in the organization and structured leadership development programs to fast track career progression of high performing employees in different employee categories is in place to ensure leadership development within the organization. Identified employees are also eligible to participate in Group level talent development programs such as the John Keells Development Centers and other leadership Development programs. During the year we also introduced a new middle manager training program in collaboration with The Singapore Hotel and Tourism Education Centre (SHATEC). 25 middle managers from across the group were identified for this program. Details of Leadership Development Programs can be found in the table below. During the year 28% of vacancies at our properties were filled through internal cadre re-allocations or promotions, an indication of our commitment to talent mobility.

Name of Program	Description	No. of Participants
Talent Acceleration program (TAP)	Develops identified supervisory level staff to move to Middle Manager Positions	44
Management Acceleration program (MAP)	Develops identified executives and HOD level employees to reach senior level positions	69
Middle Manager Development Program – SHATEC, Singapore	Develops identified middle managers	25
John Keells Development Centers	Develops Executives and Assistant Managers through two specific development centers	11

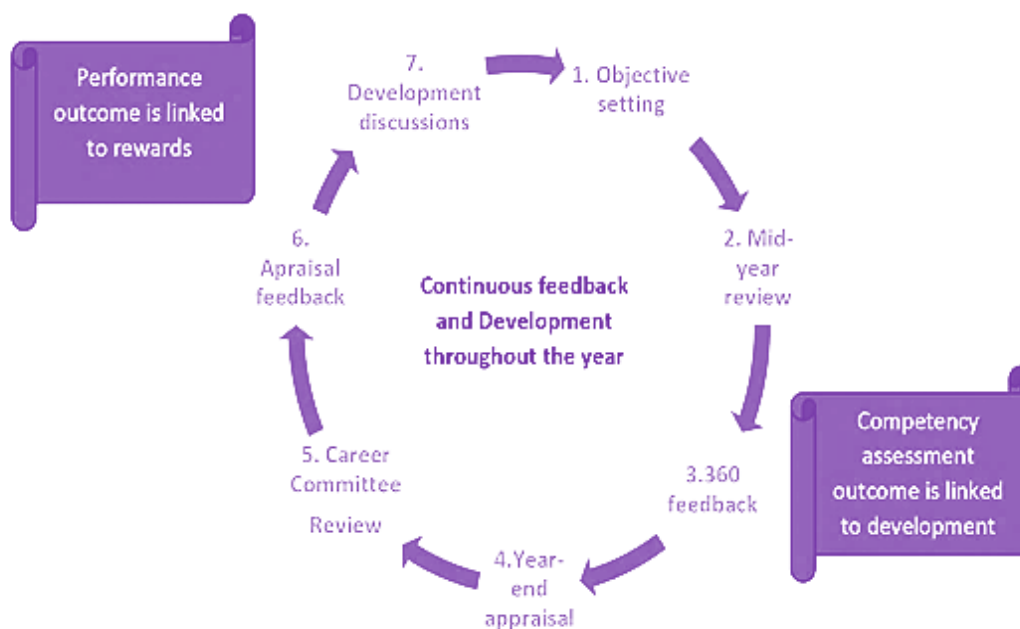


TAP & MAP Graduation 2019

Performance Management

(GRI 404-3)

Performance Evaluation Process



Highlights

	2018/19	2019/20
Investment in Training Rs. Mn	47.2	95.0
Total training hours	115,200	288,437
Total Employee trained	1687	2454
No. of Promotions	97	125

The performance Appraisal System at Cinnamon which is in line with the JKH Group Appraisal system follows a Balance Score Card method. Objectives are set based on business priorities and then cascaded down to employees using the Hoshin Kanri method. KPI's are set at the beginning of the year in consultation with employees and based on identified competencies for each employee level. All employees are evaluated on a bi-annual basis. Evaluation is carried out through a multi-step process which involves self-evaluation by the employee, supervisor review, validation by a separate Career Committee consisting of top management of the sector. Furthermore, we use a system based Continuous Performance Management (CPM) feature which encourages ongoing feedback and engagement between managers and team members.

As a part of the Group's digitization efforts we digitalized our Competency Assessment Tool and made it easily accessible through our Human Resources Information System. This has enabled employees and their supervisors to carry out assessments against set competencies by answering a series of questions. During the year we also introduced the Development Discussion Process, a forward-looking method where employees are provided the opportunity to explore and engage with their supervisors regarding their strengths, areas for improvement, career aspirations and potential development opportunities through training requirements

Employee Engagement

We continue to engage with our employees through formal and informal channels. Engaging with our employees enables us to maintain constant dialogue with our employees in order to understand employee pain points, identify areas of improvement and foster a culture of camaraderie.



We promise that your voice and opinions will matter

Open communication

We believe that a culture of open communication that respects and promotes diversity of opinion creates a fertile ground for innovative thinking and continuous improvement. We strive to communicate with our employees at every level and have multiple communication channels where employees are given the opportunity to voice their opinions and communicate their concerns and ideas and gain knowledge.

Employee Channels of Communication

- One to One meetings
- Performance Appraisals
- Bi-monthly Departmental meetings
- “Journey” Cinnamon Staff Newsletter
- Bi-monthly C3 Meetings (Cinnamon Consultative Committee)
- Cinnamon Employee Survey
- Bi-monthly Supervisory Meetings
- Employee Engagement Survey
- Suggestion boxes
- Cinnamon Wall – A digital display of management information and news
- Direct e-mail access to the Chairman

Employee Engagement Survey

During the year our employees participated in the Group-wide Great Place to Work® survey conducted by the independent consulting firm, Great Place to Work® headquartered in U.S.A. The survey was conducted online for the first time at Cinnamon’s Resorts with the participation of Non-executive and above level employees. 1022 employees participated in the survey indicating a 97% completion rate and resulted in an overall score of 77%.

Grievance Mechanism

Despite our best efforts to maintain the highest standards in labour relations; there are instances where employees may feel aggrieved. In such instances we have in place a clear grievance policy and mechanism to address these issues in an amicable and mutually acceptable manner. Multiple forums such as bi-monthly departmental meetings, supervisory meetings, Yeheliya Female Associate forum etc. are made available to raise issues and concerns. However, if issues cannot be resolved through these forums, clear guidelines have been formulated and communicated to escalate issues to the next highest authority level. In addition, an Ombudsman is appointed at group level for any matter relating to breach of Code of Conduct, fairness or sexual harassment. Total number of grievances filed during the year amounted to 7 , all of which were resolved amicably.



Yeheliya Club visit to the Air Force Seva Vanitha Unit for an awareness session

Labour Relations (GRI 102-41, 402-1, 407-1)

52% of our employees from Sri Lankan Resorts belong to 3 trade unions while 25% of our employees from Sri Lankan resorts are covered by Collective Agreements. We maintain cordial relations with unions and engage in constant dialogue. Minimum notice periods regarding operational changes are not specified in Collective Agreements. However, all employees are given reasonable notice when communicating any operational change in the organization.

Remuneration and Benefits (GRI 401-2)

Employee remuneration consists of a fixed component and a variable component that is linked to individual and company performance. Permanent employees are also entitled to a range of benefits including Insurance, Festival bonus, vehicle loans as applicable to different levels and based on years of service.



We promise competitive remuneration and benefits

Creating a Great Place to Work

By ensuring a safe work environment that values work-life balance and diversity, provides equal opportunities for all and ensures fair work practices, we are able to foster a dynamic, inclusive and caring culture that truly reflects our ethos of “inspired living”.



We promise a Great Place to Work

Promoting a Work Life Balance

We strive to promote the ethos of “inspired living” by encouraging our employees to “live life to the fullest” and maintain work-life balance at all times. Events are held throughout the year giving employees opportunities to pursue interests outside of work, build camaraderie and participate in community service activities.

Employee Engagement Activities during the year

<p>April 2019</p> <ul style="list-style-type: none"> ▪ New Year celebrations 	<p>May 2019</p> <ul style="list-style-type: none"> ▪ Beach Cleaning Program at Cinnamon Bey ▪ Vesak Lantern Competition at Cinnamon Bey ▪ Culinary Competition at Cinnamon Wild
<p>June 2019</p> <ul style="list-style-type: none"> ▪ Battle of Brains Competition at Cinnamon Bey ▪ Annual Staff get -togethers and sporting events ▪ Health Camp for Cinnamon Wild Employees ▪ Movie night organized by Cinnamon Wild Yeheliya Women's club ▪ World environmental day celebrations 	<p>July 2019</p> <ul style="list-style-type: none"> ▪ Bollywood Themed staff night at Cinnamon Bey ▪ Interdepartmental volleyball tournament at Cinnamon Wild ▪ Blood donation campaign organized by Cinnamon Lodge ▪ Celebration of 54th Independence Day of Republic of Maldives
<p>August 2019</p> <ul style="list-style-type: none"> ▪ JKH Inter-company swimming meet ▪ Intercompany badminton tournament 	<p>September 2019</p> <ul style="list-style-type: none"> ▪ Cinnamon Awards of Excellence (Group) ▪ Cinnamon Bey Highflyers Night ▪ Beach Clean-up and art competition at Cinnamon Bey ▪ Staff day and Book donation program at Hikka Tranz Staff outings ▪ National Coastal and marine resources conservation day at Cinnamon Wild ▪ World Tourism day celebrated at Cinnamon Citadel Kandy
<p>October 2019</p> <ul style="list-style-type: none"> ▪ Housekeeping week at Cinnamon Bey ▪ Hikka Tranz Annual Trip for female staff ▪ Mercantile Swimming Championship ▪ Celebration of International Children's day and World Elders day 	<p>November 2019</p> <ul style="list-style-type: none"> ▪ Careers week ▪ Religious ceremonies ▪ Cinnamon Citadel Kandy annual staff get-together
<p>December 2019</p> <ul style="list-style-type: none"> ▪ HIV awareness programs for staff ▪ Staff Uniform Fashion show ▪ Annual staff get-togethers 	<p>January 2020</p> <ul style="list-style-type: none"> ▪ Trinco Blu by Cinnamon Annual Associate Get-together ▪ Velifushi Staff Fiesta ▪ JKH 150 years Celebrations across hotels
<p>February 2020</p> <ul style="list-style-type: none"> ▪ JKH Intercompany Goal Ring 7's ▪ Independence Day Celebrations ▪ Several sporting events (Cricket, Football etc.) ▪ Zero Waste days at Resorts ▪ Beach cleaning program at Cinnamon Hakuraa Huraa Maldives 	<p>March 2020</p> <ul style="list-style-type: none"> ▪ International Women's Day Celebrations ▪ Earth Hour Celebrations at Resorts



Cinnamon Awards of Excellence 2019



Careers week



Women's Day Celebrations



Zero Waste Day at Cinnamon Dhonveli Maldives



JKH Intercompany Goal Ring 7's

Promoting a Caring and Supportive Culture

We encourage a supportive and caring culture where management is expected to mentor and nurture employees to reach their full potential. An open-door policy ensures that employees have direct access to superiors while knowledge sharing is encouraged at every level across the group and built into our organizational culture.



We promise a supportive and caring boss

Promoting Diversity and Equal Opportunity (GRI 406-1)

We adopt a zero-tolerance policy on any form of discrimination based on gender, ethnicity, religion or any other grounds. There were no reported incidents of discrimination during the year.

Contributing to Gender Parity (GRI 401-3, 405-1)

Low participation of women among hotel workforce is a significant constraint faced by the hospitality industry in Sri Lanka, and one that we are proactively addressing as a group. The “Yeheliya” women worker networking forum introduced in 2018, has made significant strides in identifying and addressing workplace concerns such as worker facilities, health and safety, security, stigma, and sexual harassment. The forum has also provided a platform for women leaders and role models to encourage more female participation in the hospitality industry.

We continue to review our policies to ensure gender parity. During the year we strengthened our sexual harassment policy in line with JKH group policies on sexual harassment. Meanwhile awareness programs were carried out throughout the year to create awareness on the zero-tolerance policy on sexual harassment and discrimination. Our policies on parental leave are compliant with local labour laws.

We also encourage female participation in the industry through the “Cinnamon Youth Development Program”. This CSR initiative which provides training and employment opportunities in the hospitality industry for under privileged youth, seeks to create awareness particularly amongst young women about the opportunities in the industry. It is heartening that almost 75% of the participants of the program were women.

DIVERSITY AND EQUAL OPPORTUNITY

(GRI 405-1)

	Male	Female
BOD & Senior Management	93%	7%
Middle Management	87%	13%
Executives	81%	19%
Non-executives	90%	10%

	Below 30	30-50	Above 50
BOD & Senior Management	0%	71%	29%
Middle Management	11%	76%	13%
Executives	30%	61%	9%
Non-executives	34%	56%	10%

Parental Leave (GRI 401-3)	Male	Female
Employees entitled to parental leave	49	4
Employees that took Parental leave	49	4
Total number of employees that returned to work in the reporting period after parental leave ended	49	4
Total number of employees that returned to work after parental leave ended that were still employed 12 months after their return to work	49	4

Promoting Occupational Health and Safety (GRI 403-1, 403-2)

Ensuring a safe work environment for our employees is of paramount importance to us. All our hotels are OSHAS 18001:2007 compliant and have obtained ISO 22000:2005, ISO 14001:2015 certification in relation to food safety and environmental management. A central Health and Safety team is responsible for compliance and implementation of health and safety standards across our properties. The central team is supported by smaller hotel specific Health and Safety teams while worker representation committees at each hotel encourage active participation of employees in all matters relating to workplace safety. Ongoing audits including quarterly audits at all properties, annual surveillance audits and periodic third-party audits are carried out to ensure compliance with health and safety standards.

All Cinnamon properties have Emergency Response plans in place inclusive of First aid response plans. Moreover, the Company's Business Continuity Plan which is regularly reviewed outlines the Emergency preparedness and plans. Workplace injuries are monitored in order to take preventive action.

During the year several new health and safety initiatives were implemented across the group. A new hotel driver health screening program was rolled out across all Cinnamon Resorts while the Nature Trails team in collaboration with the central Health and Safety team implemented a Safari Jeep Inspection program.

Meanwhile awareness and training programs are carried out throughout the year to educate employees on health and safety issues.

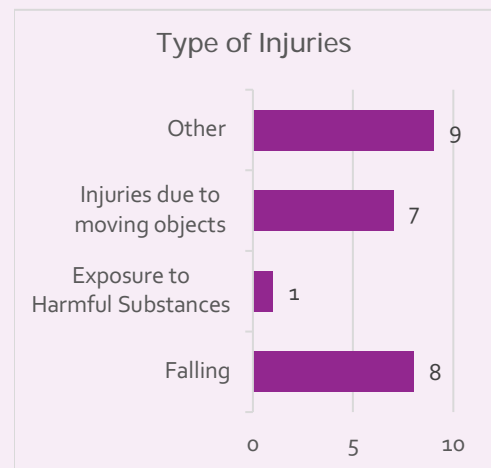
Awards received at National Occupational Safety and Health Excellence Awards 2019

- Habarana Village by Cinnamon - Sector Award (Tourism, Hotels & Restaurant and related services)
- Cinnamon Citadel Kandy – Merit Award
- Trinco Blu by Cinnamon – Merit Award

OCCUPATIONAL HEALTH AND SAFETY (GRI 403-2)



Total Work-related Injuries		
	Male	Female
Sri Lanka	20	0
Maldives	5	0
Injury rate (per 100 workers)		
Sri Lanka	1.28	N/a
Maldives	0.78	N/a
Total Work-related fatalities		
Sri Lanka	0	0
Maldives	0	0
Lost Day Rate		
Sri Lanka	0.144%	
Maldives	0.031%	



Promoting fair work practices (GRI 408-1, 409-1)

We are committed to ensuring that our operations and suppliers operations adhere to local and international labour regulations. Accordingly, our governance framework and work practices include a zero-tolerance policy on sexual harassment, child labour and forced labour and stringent policies with regards to safeguarding human rights. Ongoing training programs are conducted to create awareness regarding fair work practices and human rights. There were no reported Incidents of human rights violations, child labour, forced or compulsory labour during the year in our operations or in our supplier's operations.

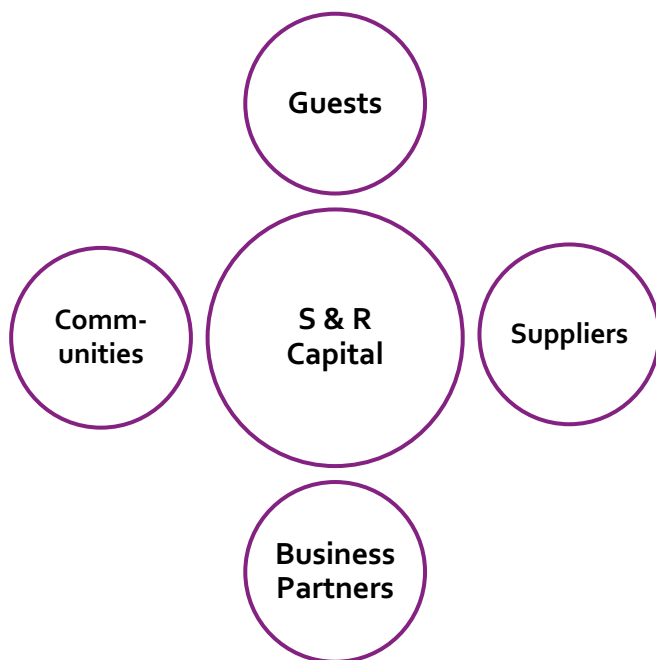
Way forward

Building our inhouse capabilities and strengthening our leadership pipeline through greater investment in learning and development initiatives will be a key focus in 2020/21. We will also continue to drive initiatives aimed at promoting greater female and youth participation in the hospitality industry as the means of addressing shortages in skilled labour in the industry. Key among these initiatives will be the "Cinnamon World Campaign" and the proposed Cinnamon Training Academy to be established in partnership with a renowned hospitality training academy.

Social and Relationship Capital

Our Social and Relationship Capital consists of our relationships with our guests, business partners, suppliers and community. These relationships are important to us as they engender customer loyalty, operational efficiency and community support which are critical success factors of our growth journey.

Our Social and Relationship Capital



STRATEGIC PRIORITIES

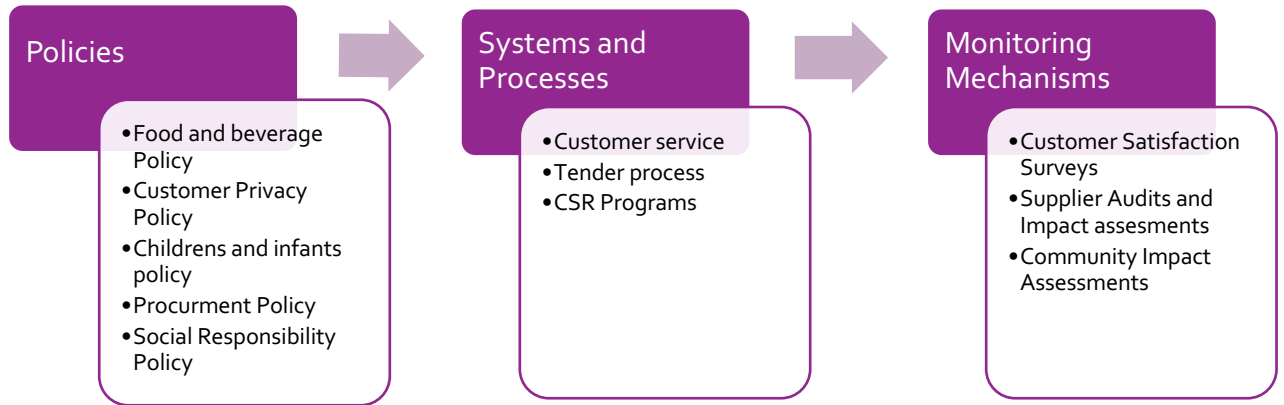


Key Performance Indicators

- Customer Satisfaction: 91 %
- Percentage of Local Suppliers: 60%
- CSR investments in communities: Rs. 6.8Mn

Management Approach

We continue to nurture our relationships with our customers, business partners, suppliers and the community by fostering mutually beneficial long-term relationships. We ensure that all dealings are transparent, fair, mutually rewarding and sustainable in the long run. Comprehensive policies and processes are in place to ensure that we consistently meet acceptable standards in all our stakeholder dealings. Meanwhile monitoring mechanisms are in place to assess satisfaction levels and impact.



Our Customers

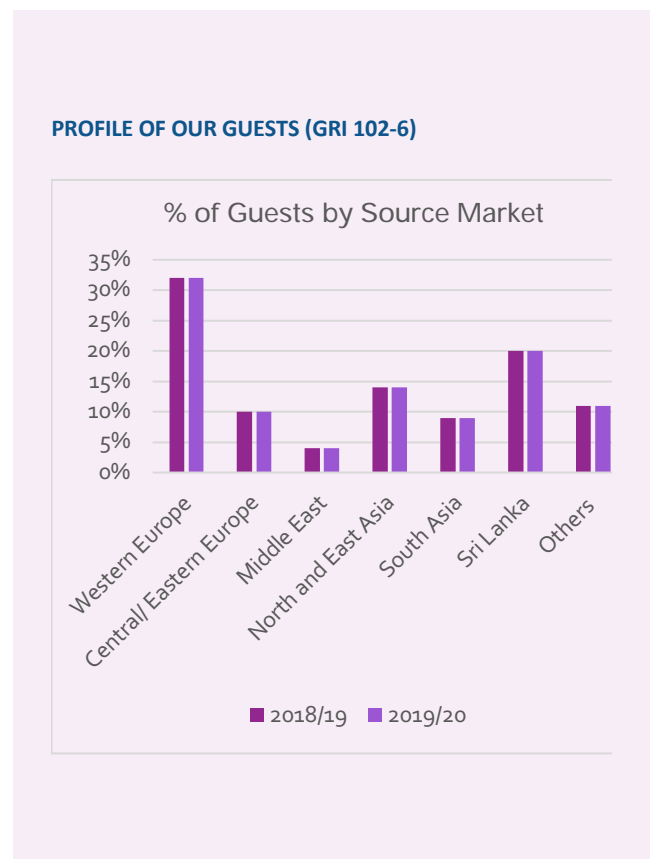
Our resorts attract guests from around the world, however our top three source markets are Western Europe, Central/Eastern Europe and South Asia. Local guests also account for a significant percentage of our clientele accounting for 31% of total guests during the year.

Convenience

Unique Experiences

Superior Customer Service

Value for money



Our Customer Promise

Unique Experiences

The Cinnamon brand is synonymous with offering unique and memorable experiences; and we strive to offer our customers an inspiring experience in all their interactions with us. We continue to invest in re-furbishing and upgrading our infrastructure. During the year Cinnamon Bentota Beach was re-developed; upgrading it into a 159 room luxury resort whilst maintaining the resort’s unique Bawa architecture which the hotel is renowned for. We also completed refurbishments carried out at our Maldivian Resorts, Cinnamon Hakuraa Huraa and Cinnamon Dhonveli Maldives and opened our 4th resort in Maldives, Cinnamon Velifushi Maldives.

Our hospitality offering goes beyond our service and accommodation offering to include an entire holiday experience complete with destination activities and a nature-loving and award-winning team of professionals to carry out these activities. With many of our resorts located in close proximity to national parks and nature reserves; we offer our guests curated wildlife and adventure excursions through Cinnamon Holidays, our award-winning Wildlife and Adventure tourism entity.

Customer health and safety (GRI 416-1, 416-2)

We maintain the highest health and safety standards in all our resorts. All facilities including rooms, dining and common areas are designed giving safety considerations the highest of priority. Regular maintenance including daily inspections of premises are carried out to identify and address risks to health and safety of our guests. In addition to this, we have strict guidelines and procedures to ensure the quality and safety of food and beverages offered to our guests. Regular medical tests are carried out for food handlers and ongoing training on health and safety aspects are provided for all kitchen and service staff while quality control checks are carried out on all food and beverage stocks.

Apart from these inhouse measures, all our properties have obtained ISO 22000: 2005, ISO 14001:2015 and OSHAS 18001:2007 certification and are subjected to Tour Operator Audits to ensure the highest of global health and safety standards are adhered to.






With the heightened security concerns in the country following the Easter Attacks in April, security procedures were strengthened in all locations to ensure the security of our guests and employees.

There were no instances of non-compliance concerning health and safety impacts of products and services during the year.

Customer Engagement (GRI 417-2, 417-3)

We engage with our guests through multiple channels. The Cinnamon website provides an interactive forum for guests to obtain comprehensive information about our offering, rates and value proposition while also providing them the opportunity to provide feedback and obtain clarifications. Meanwhile, our presence on social media continues to grow as guests are increasingly demanding digital engagement mediums. We have witnessed a significant increase the number of subscribers on all our social media platforms as indicative from the table

ENGAGING WITH OUR GUESTS

Social Media Engagement 2019		
	No. of Subscribers	Growth
	206,267	3%
	2,310	108%
	4,338	14%
	20,132	68%
	20,598	201%

alongside. Our innovative approach to engaging with new age customers was highlighted in Phillip Kotler’s latest book, ‘Asian Competitors, Marketing for Competitiveness in the Age of Digital Consumers’ as a case study of effective use of social media and digital mediums for customer engagement. In his book, Kotler refers to Cinnamon as a dynamic brand offering unique experiences that the target audiences earned during the events promoting Sri Lanka and Cinnamon Hotels and Resorts. There were no substantiated instances of non-compliance concerning product and service information and labeling or marketing communications during the year.

Customer Satisfaction

We use several mechanisms to measure customer satisfaction. Feedback is obtained upon checking out from our resorts through an automated feedback system which computes satisfaction scores on a real time basis. We also monitor feedback and reviews on independent travel websites and social media through specialized software that can track social media in multiple languages. Customer satisfaction score are computed hotel wise and displayed online through an internal digital dashboard. We also have a system in place to identify action areas based on customer feedback and escalate these issues to relevant parties through an alert mechanism.

Customer Privacy (GRI418-1)

A comprehensive policy on privacy ensures that appropriate data collection, storage and processing practices and security measures are adopted to protect against unauthorized access, alteration, disclosure or destruction of personal information of guests. The privacy policy is made available on our corporate website. No substantiated complaints concerning breaches of customer privacy and losses of customer data were reported during the year.

Our Suppliers

(GRI 102-9, 308-1, 308-2, 414-1,414-2)

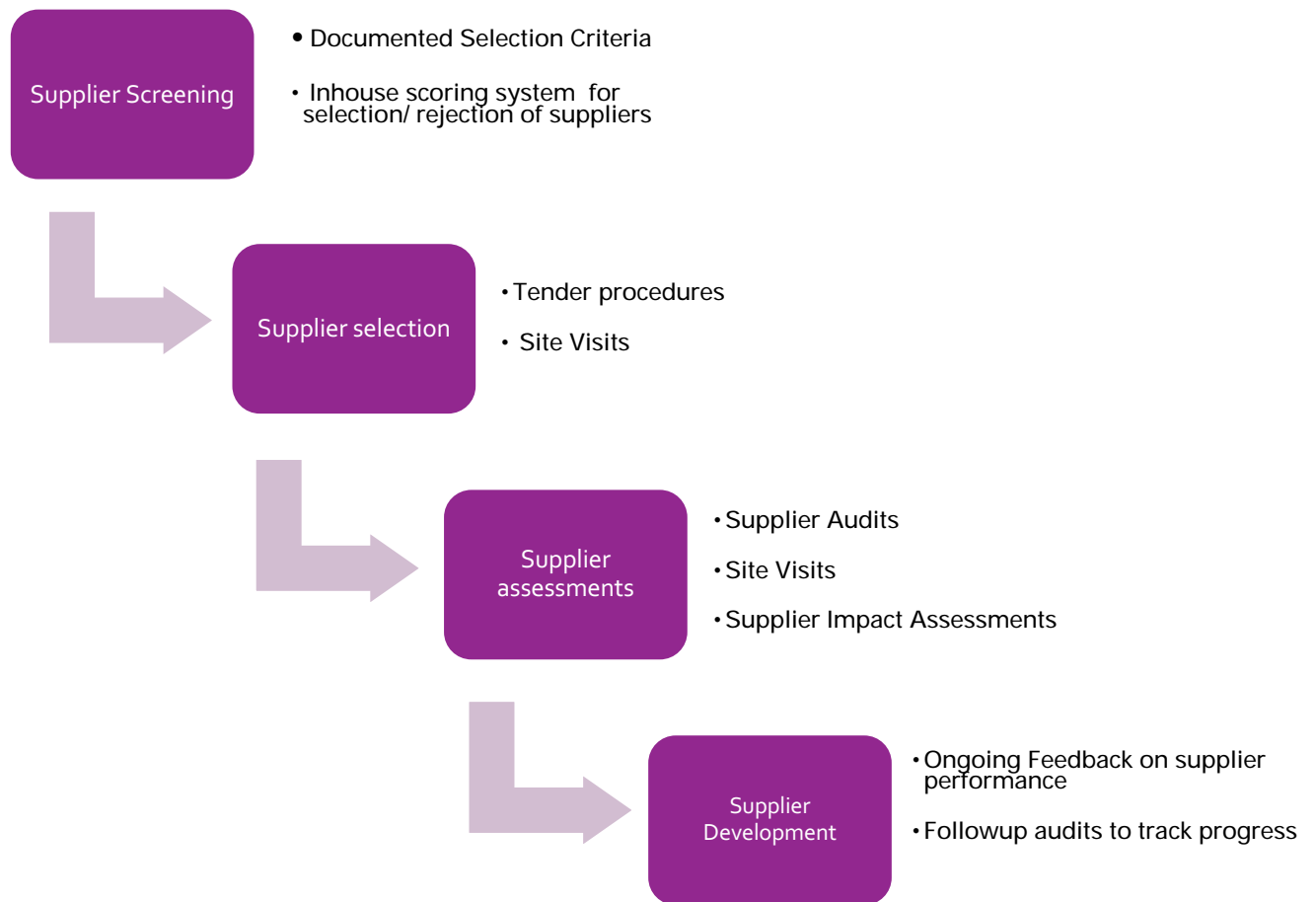
We have over 6500 suppliers supplying a range of items including Food & Beverage supplies, furniture, linen, tableware, crockery, cutlery, electrical equipment, IT equipment as well as service providers who provide transportation, consultancy services, architectural and design services etc. Stringent procurement guidelines and procedures are in place to ensure a transparent and fair process while also ensuring that our suppliers are socially and environmentally responsible. There were no negative environmental or social impacts in our supply chain during the year. The diagram below depicts our supplier engagement process.

ENGAGING WITH OUR SUPPLIERS AND BUSINESS PARTNERS

Supplier Assessments	
% of new suppliers screened using Environmental and Social Criterial *	13.7%
No. of Supplier Audits carried out during the year	117
No. of new supplier audits carried out during the year	16
Supplier Awareness sessions during the year – Sri Lanka	09
Supplier Awareness sessions during the year – Maldives	01

*Criteria include natural resource consumption, employee working conditions, hygienic factors

Supplier Engagement Process



Procurement from community suppliers (GRI 204-1)

Wherever possible we seek to source locally from our surrounding communities as this enables us to directly contribute to community development. A significant proportion of our fresh produce is sourced from communities surrounding our resorts while hotel staff are hired from surrounding areas whenever possible.

Supplier Development

We continue to conduct awareness programs on a range of topics such as of Food Safety, Health & Safety and Environment Management for suppliers. During the year a total of 117 Supplier awareness programs were conducted for 105 Sri Lankan suppliers and 12 Maldivian suppliers.

Supporting Our Communities

(GRI 413-1)

Nurturing meaningful and mutually beneficial relationships with the communities surrounding our properties is important due to the interdependent nature of these relationships. The communities that surround us are not only an integral part of our authentic guest experience, we also depend on these communities for much of our local purchases and labour requirements. Our communities meanwhile depend on us for employment generation and livelihood opportunities. Engaging with our communities in a positive manner is thus both a part of our corporate social responsibility agenda as well as of strategic importance. In line with the JKH group sustainability agenda our CSR agenda revolves around four core areas; youth development/ education, Community upliftment, Health and Environment. Key initiatives carried out by each of our resorts and hotels are listed in the tables below.



Youth Development

The Cinnamon Youth Empowerment program is an overarching initiative to facilitate skills development, enhance livelihood opportunities and improve employability of the youth. Activities are carried out in the regions of Colombo, Habarana, Trincomalee, Kandy, Hikkaduwa, Beruwala, Bentota and Yala with the objective of skilling and impacting 1000+ youth each year. Each year, the hotels and resorts conduct internships, English and IT programs and open day events in collaboration with the John Keells Foundation.

Community Upliftment

We contribute to community upliftment through employment generation, sourcing supplies from local suppliers, creating indirect employment, sponsorships and engaging in numerous community initiatives.



Health

We are committed to creating healthy communities through investments in community health infrastructure and by creating awareness on health issues such as HIV AIDS.

Environment

We are passionate about preserving our environment for future generations and believe strongly in community participation of these efforts. We engage our communities in these efforts through awareness programs and through targeted CSR projects. (Further discussed under Natural Capital)



Habarana Village by Cinnamon

Youth Development/ Education	<ul style="list-style-type: none"> • 05 youth from the community were selected for on the job training at the hotel through the “Youth Development Program” • 80 students participated in the Cinnamon Youth Empowerment Program
Community upliftment	<ul style="list-style-type: none"> • Cash donations for identified projects within the community including support for an under-privileged family, hospital painting, cultural event and construction of a pre-school
Health	<ul style="list-style-type: none"> • Blood donation campaign with over 50 participants
Environment	<ul style="list-style-type: none"> • Tree planting project- 500 jack trees planted on hotel property and surrounding village • Environmental protection awareness program for school children on World Children’s day. • Project Gathering – Elephant Conservation and Research



Youth Empowerment Program at Habarana Village by Cinnamon

Cinnamon Wild Yala

Youth Development/ Education	<ul style="list-style-type: none"> • Table etiquette training for school children of Magama Maha Vidyalaya
Community upliftment	<ul style="list-style-type: none"> • Donation of Water purifiers to the Kirinda Hospital • Donation for annual almsgiving at community elders home at Tissamaharama on Father’s Day, which was followed with the cleaning, painting and repairing of the premises
Health	<ul style="list-style-type: none"> • Conducted a community health camp in collaboration with medical officers of Hambantota general hospital to test for Osteoporosis, Blood sugar, Food Sensation Nerves and Body Mass Index. • Organized blood donation camp with over 100 donors • Conducted a First Aid training in collaboration with Red Cross Society Matara branch.
Environment	<ul style="list-style-type: none"> • Project Leopard • Beach cleaning campaign in collaboration with the marine and coastal conservation authority, Sri Lanka Navy and students of Magama Maha Vidyalaya.



Table etiquette training at Cinnamon Wild for school children of Magama Maha Vidyalaya

Trinco Blu by Cinnamon	
Youth Development/ Education	<ul style="list-style-type: none"> • English Language Scholarship Program for 44 students • Donation of supplies to children’s home in Seruwavila • Celebration of world children’s day at Trinco Grace Children’s Home
Community upliftment	<ul style="list-style-type: none"> • Landscaping of coast conservation office • Donation of supplies to single mothers in Trincomalee
Environment	<ul style="list-style-type: none"> • Beach cleanup programs • World environment day tree planting project • Project Whale- Whale Conservation and Research
Health	<ul style="list-style-type: none"> • Donation of supplies to Cancer Hospital • Donation of supplies to a local elders’ home • HIV awareness program for employees and the community



Donation of supplies to children’s home in Seruwavila by Trinco Blu By Cinnamon

Cinnamon Bey Beruwala	
Youth Development/ Education	<ul style="list-style-type: none"> • Youth from the community participated in the JKH Youth Empowerment Project
Community upliftment	<ul style="list-style-type: none"> • Cash donations to two under privileged families • Hospital ward painting • Painting of community temples • School cleanup project • Cleaning of village water drainage system
Health	<ul style="list-style-type: none"> • Donation of hospital supplies • Donation of pharmaceutical supplies to village hospital
Environment	<ul style="list-style-type: none"> • Tree planting initiative on hotel premises • Plant donations for “Save Wilpattu project” • Periodic Beach cleanup programs



Beach Cleaning Program by Cinnamon Bey Beruwala

Hikka Tranz by Cinnamon	
Youth Development/ Education	<ul style="list-style-type: none"> • Conducted “Child Protection” awareness sessions for over 750 children and adults in the community • Scholarships for underprivileged students in the community through the “Cinnamon Prajashakthi” Programme • In collaboration with Gateway College, Galle sponsored an English and soft skills development program for children in the community • Cinnamon Youth Internship Program • Career guidance program for youth in the community • Maintenance of a Pre-School in Hikkaduwa.
Community upliftment	<ul style="list-style-type: none"> • Technical and Financial assistance for the Fishing Community of the area • Professional and personal skills development programme for Beach Caretakers at the Hikkaduwa Beach.
Health	<ul style="list-style-type: none"> • Donated sanitary Unit for G/Yasodara Sangamittha Primary School in Dogangoda under “Cinnamon Prajashakthi” Program • Conducted an Eye Camp and Fully sponsored 120 cataract surgeries
Environment	<ul style="list-style-type: none"> • Signed an agreement with Marine Environment Protection Authority (MEPA) and Plasticcycle to maintain a 1Km Beach strip in front of the hotel (Beach Caretaker Program)



Beach Caretaker Program by Hikka Tranz by Cinnamon

Cinnamon Citadel Kandy	
Youth Development/ Education	<ul style="list-style-type: none"> • Sponsorship of day outing for students of Senkada Deaf and Blind school • Women’s day sustainability CSR Project • Organized a familiarisation tour for final year hospitality management students of Sri Lanka Institute of Advanced Technological Education • Celebration of International Children’s day
Community upliftment	<ul style="list-style-type: none"> • Sponsorship of Kandy Hotel School cricket tournament • Donation of furniture for Dodanwala temple



Celebration of International Children’s Day at Cinnamon Citadel Kandy

Cinnamon Lodge Habarana	
Youth Development/ Education	<ul style="list-style-type: none"> • Donation of school supplies to 60 primary school children • “Yeheliya” women empowerment program- education program for 120 students from surrounding schools.
Community upliftment	<ul style="list-style-type: none"> • A bee keeping program was introduced to the community providing employment opportunities in the surrounding community • Painting of community church and temple
Health	<ul style="list-style-type: none"> • Blood donation campaign • Cash donation for hospital supplies • Cash donation for painting of hospital • Donation of baby suppliers for expectant mothers in the community
Environment	<ul style="list-style-type: none"> • Plastic and polythene Waste collection program in area surrounding hotel • Project Gathering - Elephant Conservation and Research • Composting Project on hotel premises. • Bee Keeping project to encourage pollination.



Donation of school supplies to 60 primary school children by Cinnamon Lodge

Cinnamon Dhonveli Maldives	
Youth Development/ Education	<ul style="list-style-type: none"> • Celebrated “International Women’s Day 2020” under the theme “I am generation equality : Realizing women’s rights” • Commemorated the 54th Independence Day of Republic of Maldives on 26th July 2019
Community upliftment	<ul style="list-style-type: none"> • Cash donations to Huraa health center for “Eid and Ramazan festivals” • Donation to Huraa health center for “coastal cleanup day” • Cash donation to Himafushi police station to upgrade facilities
Health	<ul style="list-style-type: none"> • HIV/AIDS awareness program with over 200 participants. • Awareness on novel Corona virus outbreak to all the staff. • “First Aid” training for Resort first aid team by Red Crescent.
Environment	<ul style="list-style-type: none"> • Celebrated Earth Hour under the theme of “change the way we live” • Carried out a novel initiative to create awareness about the food wastage among the associates themed as Zero Waste Day. • Organized a “Beach & Reef cleaning campaign” • Celebrated Earth Day under the theme of “Protect Our Species”



Commemoration of the 54th Independence Day of Republic of Maldives at Cinnamon Dhonveli Maldives

Ellaidhoo Maldives by Cinnamon

<p>Youth Development /Education</p>	<ul style="list-style-type: none"> • Celebration of Earth Hour to increase awareness on the program “Change the way we live” • World Tourism Day - Awareness program for School Children & Teachers at Hangnaameedhoo
<p>Health</p>	<ul style="list-style-type: none"> • HIV AIDS Awareness program
<p>Environment</p>	<ul style="list-style-type: none"> • World Environment day tree planting campaign • World Cleanup Day at Hangnaameedhoo addressing marine plastic pollution • Replacing plastic laundry bags with bags made out of recycled cinnamon magazines and introducing Reusable Bags as Garbage bag as attempts to reduce plastic pollution



World Cleanup Day program by Ellaidhoo Maldives by Cinnamon

Cinnamon Hakuraa Huraa (Commenced operations in December 2019)

<p>Environment</p>	<ul style="list-style-type: none"> • Together with hotel guests organized a “Island Plastic Clean up” program as part of #MyJKH150promise • A beach and reef clean-up program was carried out as part of pre-opening activities.
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Beach and reef clean-up program at Cinnamon Hakuraa Huraa Maldives

Cinnamon Velifushi (Commenced operations in October 2019)	
Health	<ul style="list-style-type: none"> • Awareness session on HIV/AIDS
Environment	<ul style="list-style-type: none"> • Tree planting campaign • Beach and reef clean up with staff and in-house guests



Beach and reef clean up with staff and in - house guests at Cinnamon Velifushi

Way Forward

We will continue to invest in technology and digital channels which will facilitate more efficient interactions with our customers, suppliers and business partners. Meanwhile we will continue to nurture relationships with our communities through meaningful CSR initiatives.

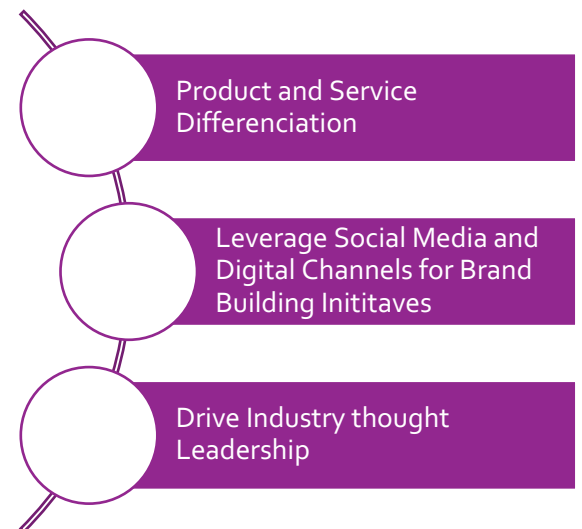
Intellectual Capital

We continue to nurture our Intellectual capital in order to offer our customers, employees and communities unique, value creating experiences. Our unique brand proposition, robust systems and processes and in-depth organizational knowledge has resulted in us being recognized as an industry thought leader locally and internationally

Our Intellectual Capital



STRATEGIC PRIORITIES



Key Performance Indicators

- Brand Value: Rs. 7,945 Million
- 25+ Awards and Accreditations during the year

Management Approach

We consider our intellectual capital comprising of our brand equity, organizational knowledge, systems and processes a key competitive advantage and strive to nurture these elements by leveraging technology and incorporating global best practices.



“The Cinnamon Brand embodies a passion for inspired living and promises holistic and enhanced experiences that are tailor-made to suit the specific interests of travellers. The Cinnamon brand focuses on delivering memorable holidays and getaways that deliver exceptional standards of service whilst showcasing the warmth and vibrancy of contemporary Sri Lankan hospitality”

Brand Equity

The “Cinnamon” brand is one of our key competitive advantages and a critical element of our “asset light” growth strategy of expanding our footprint through third-party owned properties. We therefore direct significant resources towards enhancing our brand value through innovative brand building initiatives and an events-led communication strategy. During the year our brand value increased by 23% to Rs. 7,945 Mn and was ranked 23rd among Sri Lanka’s most valuable brands in 2019 by Brand Finance PLC. The Cinnamon Hotels & Resorts brand was also recognized as the Most Valuable Hospitality Brand in Sri Lanka for 2019 by Brand Finance PLC, a clear validation of the success of our brand strategy.

We continue to explore social media and digital channels to find innovative ways of driving brand value. Brand communication was driven by celebrity endorsements including Sri Lankan Bollywood sensation Jaqueline Fernandez and former Miss World, Manushi Chhillar being hosted in Sri Lanka, along with a campaign to drive the goodness of the brand titled Cinnamon Bring a Friend Home. Cinnamon’s thought-leadership was further solidified with the Cinnamon Future of Tourism Summit featuring the Prime Minister of Sri Lanka and Richard Quest of CNN along with other renowned speakers to discuss timely topics post crisis of April 2019. During the year we were proud to be featured in marketing guru Philip Kotler’s latest book ‘Asian Competitors, Marketing for

Competitiveness in the Age of Digital Consumers' as a case study on how social media and creative digital initiatives have been used effectively to create brand value. Cinnamon Hotels & Resorts is the only hospitality brand from Asia to be featured in this book as a brand considered to be disruptive across the continent.

Our brand ethos of creating inspiring moments permeates into our Customer Promise, Employee promise, Finance promises, operational promises and community promises through our core values which form the basis of how we behave and how we work.

As a leader in the hospitality industry, we see it as our responsibility to be at the forefront of the efforts to revive the industry post the tragic events of April 21st, 2019 and the impact of the COVID-19 pandemic in Q4. During the year several events were held in collaboration with key industry stakeholders to promote Sri Lanka as a safe tourist destination. Whilst the primary objective of these events was to encourage tourists back into the country, these high-profile events also contributed to further enhancing our brand value through greater brand visibility. Key events held during the year are listed below.



These high-profile events also contributed to further enhancing our brand value through greater brand visibility. Key events held during the year are listed below.

Bring a Friend Home campaign

Cinnamon's "Bring a Friend Home" campaign was launched in July 2019, with the aim of promoting user-generated content to spread the message that Sri Lanka is a safe destination to visit. Through the project Sri Lankans were given the opportunity to be ambassadors for their country and promote Sri Lanka as a safe place to visit amongst family and friends. The campaign was carried out in association with partners across several industries with the common goal of reviving tourism in Sri Lanka.



Cinnamon Future of Tourism (FOT) Summit 2019

In September 2019 Cinnamon hosted the third edition of the Future of Tourism Summit (FOT 2019). The high-profile summit for which the key note speaker was CNN's foremost business correspondent Richard Quest attracted some of the world's top destination experts and over 400 participants from around the world. Running under the theme 'Challenges and Growth in the Face of a Crisis', top global destination experts, shared their specialist knowledge and insights on how tourism industries can implement sustainable strategies in the long-run and recover and rebuild following a variety of incidents ranging from terror attacks, to natural disasters.



BGTW International Tourism Awards

Cinnamon Hotels & Resorts partnered with the British Guild of Travel Writers (BGTW) UK to host their Awards event held on 3rd November 2019. BGTW is a leading organization of travel media professionals in the UK. Launched 40 years ago, The BGTW International Tourism Awards scheme recognizes excellence in tourism projects and acknowledges the best in travel writing, photography, blogging and broadcasting. This year's awards were presented at the BGTW Annual Gala Awards Dinner at The Savoy hotel in central London. Cinnamon Hotels & Resorts partnered the reception on the evening of the celebration to announce the opening of Cinnamon Bentota Beach. The event was attended by over 300 British journalists and generated significant media attention.



Tacit Knowledge, Skills and Experience

Our diverse employee base creates a wealth of knowledge, skills and experience which we continue to harness by promoting a culture of knowledge sharing and mentoring across the organization. A culture of knowledge sharing is promoted through knowledge sharing sessions, training sessions and mentoring programs that ensure that this wealth of knowledge is retained within the organization. (Please refer Human Resource Capital for more details on training and mentoring programs carried out during the year).

Systems and Processes

We continue to fine tune our systems and processes relating to all aspects of our operation including customer service, delivery, customer engagement and social and environmental sustainability.

Certifications and Accreditations

Our resorts comply with a host of accreditations and certifications relating to food safety, environmental management and sustainable tourism.

	Food safety		Environment Management	Occupational Health & Safety	Occupational Health & Safety	Sustainability			
	ISO 22000:2005	ISO 22000:2018	ISO 14001:2015	OHSAs 18001:2007	ISO 45001 : 2018 Replacement of OHSAS 18001	Green Globe Certification *	Travelife Certification **	LEED Certification	SL National Sustainable Tourism Certification
Cinnamon Bey	•		•	•		•	•	•	•
Cinnamon Wild	•		•	•		•			•
Cinnamon Lodge	•		•		•	•			•
Cinnamon Citadel		•	•		•	•			•
Cinnamon Bentota Beach								•	
Hikka Tranz by Cinnamon	•		•	•		•	•		•
Trinco Blu by Cinnamon	•		•		•	•	•		•
Habarana Village by Cinnamon	•		•		•	•			•
Ellaidhoo Maldives by Cinnamon	•		•	•		•	•		
Cinnamon Dhonveli Maldives	•		•	•		•			
Cinnamon Hakuraa Huraa	•		•	•					

*Cinnamon Hakuraa Huraa has obtained Green Globe Status





* *Cinnamon Wild, Cinnamon Citadel, Cinnamon Lodge, Habarana Village by Cinnamon, Cinnamon Dhonveli and Cinnamon Hakuraa Huraa has obtained Travelife Member status

Compliance (GRI 419-1)

We comply with all regulatory requirements and industry standards and there were no instances of non-compliance with laws and regulations in the social and economic area.

Awards

The numerous awards and accolades we continued to receive during the year are a testament to our commitment to excellence in all aspects of our operation.

Group	<ul style="list-style-type: none"> • LMD – Most Respected Entities in Sri Lanka 2019 • 217 medals for Cinnamon Hotels & Resorts at the Culinary Art Food Expo awards 2019 • W3 Awards 2019 - Gold Award - General website categories, hotel and lodging • W3 Awards 2019 - Silver Award -Website Feature, Visual Appeal and experience • CA Sri Lanka Annual Report Awards 2019 - Silver Award (Leisure Sector) • ACCA Sustainability Reporting Awards 2019 – Runner-up (Leisure and Connected Services) • Pacific Asia Travel Association (PATA) Gold Award for Heritage and Culture for the Guru Gedara Festival • “Most Valuable Hospitality Brand in Sri Lanka 2019”- Brand Finance PLC <div style="text-align: center; margin-top: 20px;">  <div style="display: flex; justify-content: space-around; align-items: center;"> <div style="text-align: left;"> <p>Rank 2019: 23</p> <p>BV 2019: Rs. 7,945m</p> <p>BV 2018: Rs. 6,454m +23%</p> <p>Brand Rating: AA+</p> </div> <div style="text-align: center;">  <p>MOST VALUABLE HOSPITALITY BRAND IN SRI LANKA</p> </div> </div> <div style="margin-top: 10px;">   </div> </div>
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Cinnamon Bey Beruwala

- National Sustainable Tourism Certification 2019 – Bronze Award
- SATA Award 2019 - Best F&B resort (For 3rd consecutive year)
- Expedia Loved by Guest Awards 2019 – 8.4
- Most outstanding down south culinary team at the Chef's Guild Culinary Art Competition in 2019



Cinnamon Wild Yala

- National Sustainable Tourism Certification 2019 – Silver Award
- 27th National Bartenders competition - 2019 - Gold Award
- South Asian Travel Award (SATA) - Gold Award for Leading Best Wild Life Resort 2019



Cinnamon Lodge Habarana

- Expedia Loved by Guest Awards 2019 – Score: 9.0
- Booking.com 2020 - Score: 8.90
- Agoda Gold Circle – 2019
- National Sustainable Tourism Certification 2019 – Silver Award



Cinnamon Citadel Kandy

- National Occupational Safety and Health Excellence Awards 2019 - Merit Award
- Expedia Loved by Guest Awards 2019 – Score: 8.7
- National Sustainable Tourism Certification 2019 – Silver Award
- Most outstanding Kandy region culinary team at the Chef's Guild Culinary Art Competition in 2019



Hikka Tranz by Cinnamon

- National Sustainable Tourism Certification 2019 – Silver Award
- Presidential Environment Awards- Merit Award



Trinco Blu by Cinnamon

- National Occupational Safety and Health Excellence Awards- Merit Award
- Expedia Loved by Guest Awards 2019 – Score 8.6
- National Sustainable Tourism Certification 2019– Bronze Award
- Presidential Environment Awards 2019 - Presidential Silver Award



<p>Habarana Village by Cinnamon</p>	<ul style="list-style-type: none">• National Sustainable Tourism Certification 2019 – Silver Award• National Occupational Safety and Health Excellence Awards- Sector Award (Tourism, Hotels, Restaurant and Related Services) 
<p>Ellaidhoo Maldives by Cinnamon</p>	<ul style="list-style-type: none">▪ Trip Advisor Certificate of Excellence 2019▪ Holiday Check 2019- Score 5.2▪ Booking.com Guest Review Awards 2019 – Score 8.6▪ Hotels.com loved by Guest Award Winner 2019 - Score 8.6 

<p>Cinnamon Dhonveli Maldives</p>	<ul style="list-style-type: none"> • Maldives Police Special Recognition Award to the contribution to Kaafu Atoll Police Station from 2018 – 2019 • Most Loyal Customer Award by JAAH 2019 • Expedia Award - Loved by Guests Winner 2019 • Hotels.com - Loved by Guests Winner 2019 – Score: 9.1 • TUI Quality Award 2020 • Leading Surf Hotel in Maldives Awarded by MATATO at the Maldives Travel Awards 2019 
<p>Cinnamon Hakuraa Huraa Maldives</p>	<ul style="list-style-type: none"> • Hotels.com - Loved by Guests Winner 2019 - Score: 9.0 

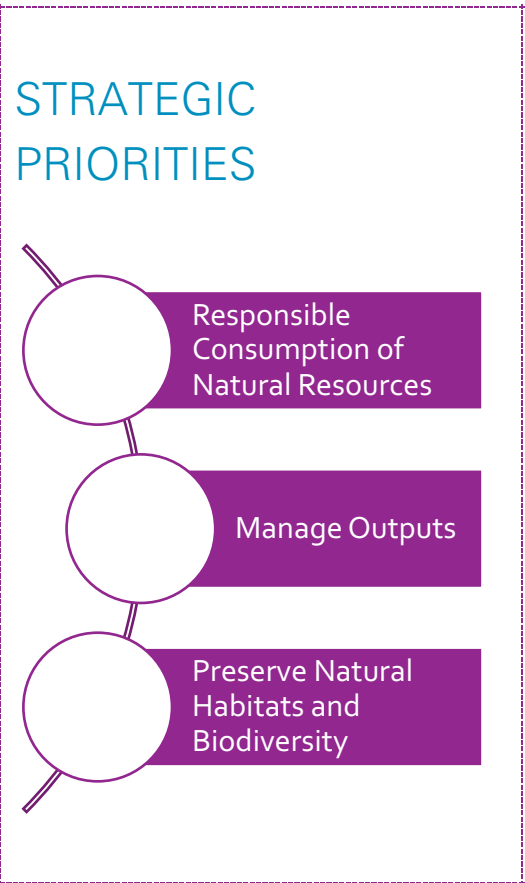
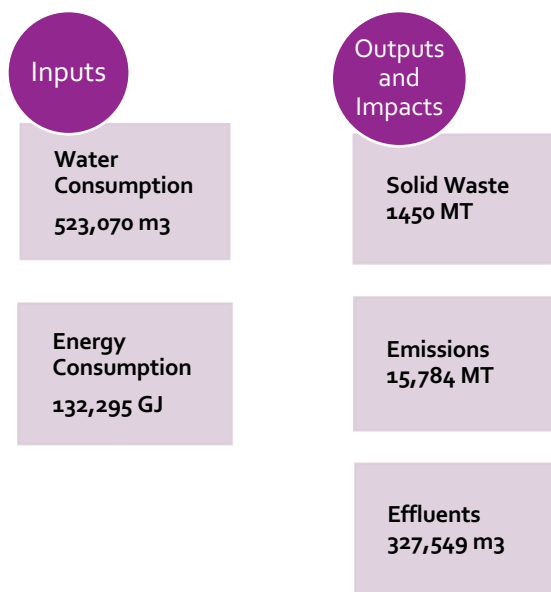
Way forward

We will continue to focus on brand building initiatives that not only add to the Cinnamon brand value but also attract attention to Sri Lanka as a tourist destination for the new age. Meanwhile we will continue to invest in our systems and processes and find innovative ways of harnessing the wealth of knowledge and skills within the organization to strengthen our brand proposition and further our asset light growth strategy.

Natural Capital

As a responsible corporate entity, we see it as our prerogative to lead the way in promoting a sustainable tourism industry in the country. We do this, not only by ensuring that our operations are carried out in the most environmentally sustainable manner but by also promoting sustainable practices across our value chain and by taking an active role in conservation efforts.

Our Natural Capital

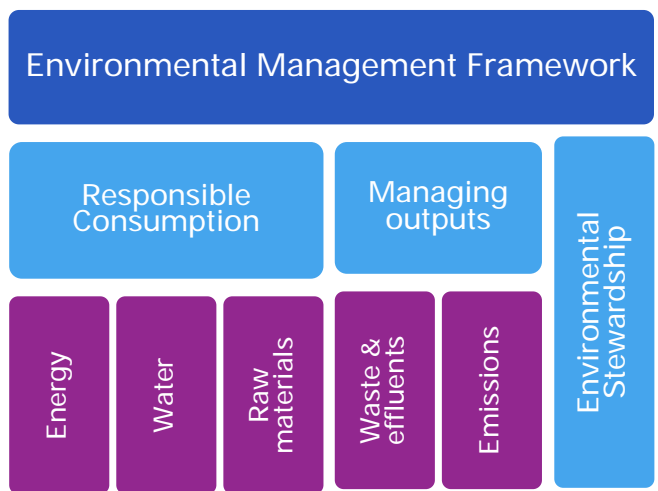


Key Performance Indicators

- Energy Intensity: 239.29 MJ/GN
- Water Intensity: 946.12Ltrs / GN
- Carbon Footprint per Guest Night: 28.55 Kg/GN
- Water Recycled and Re-used: 58%

Management Approach

Our Environmental Management Framework (EMF) revolves around Responsible Consumption of Resources, Managing Outputs and Environmental Stewardship. We have in place environmental benchmarks that are based on global standards and best practices and continue to implement initiatives to achieve these benchmarks. Reducing plastic consumption was a key area of focus during the year while ongoing initiatives aimed at reducing energy and water consumption continued. Monitoring our impacts is an important aspect of this framework, for which we have in place a state-of-the-art Utility Management System (UMS) which enables us to centrally monitor our utility consumption. We also have in place a John Keells Holdings Group wide Online Sustainability System that tracks sustainability indicators based on GRI Reporting Standards. Data is entered on a quarterly basis and audited to ensure accuracy and transparency. The Environment Management Framework of Cinnamon Hotels and Resorts is governed by our Consolidated Sustainability Policy which was revised this year to be more relevant and increase inclusivity of all our stakeholders.



Responsible Consumption

We drive the ethos of responsible consumption of resources across all our operations, through the use of more efficient and environmentally friendly processes and by engaging employees and stakeholders in these efforts.

Energy Consumption (GRI 302-1, 302-3, 302-4)

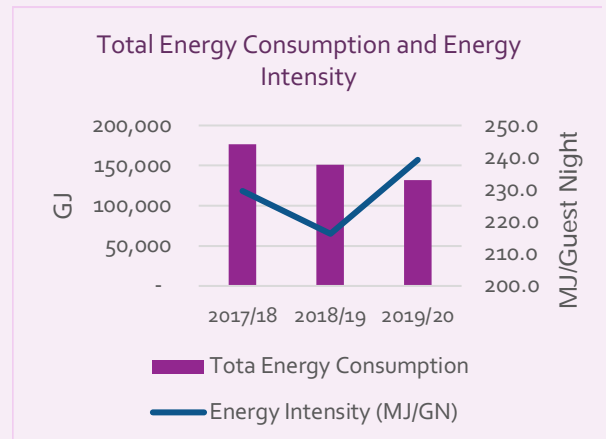
The main sources of energy for our resorts are electricity, diesel, petrol and liquid petroleum gas (LPG). We are committed to reducing our dependence on fossil fuels and continue to adopt alternate energy sources such as solar power across our properties. Solar-Diesel hybrid electricity generation plants have been installed at Cinnamon Dhonveli Maldives and Ellaidhoo Maldives by Cinnamon while a Net Plus Solar PV system has been installed at Hikka Tranz by Cinnamon.

ENERGY CONSUMPTION

GRI 302-1

Energy Usage in GJ	2019/20	2018/19	2017/18
Diesel	59,786	65,461	84,017
Petrol	8,685	16,695	19,747
LPG	10,546	12,878	13,510
Electricity	53,278	56,324	59,498
Direct Energy	79,017	95,034	117,273
Indirect Energy	53,278	56,324	59,498
Total Energy Consumption	132,295	151,358	176,771

GRI 302-3



Renewable Energy Generation during the year

Resort	Type of System	System Capacity kW	Energy Generated in 2019/20 kW	% of Total Energy Requirement of the Hotel
Ellaidhoo Maldives by Cinnamon	Solar-Diesel hybrid system	150	203,400	7 %
Cinnamon Dhonveli Maldives	Solar-Diesel hybrid system	310	436,750	13 %
Hikka Tranz by Cinnamon	Net Plus Solar PV	80	119,080	4 %



Solar PV Systems at Cinnamon Dhonveli Maldives, Hikka Tranz by Cinnamon and Ellaidhoo Maldives by Cinnamon

Energy Saving Initiatives during the year (GRI 302-4)

Energy efficiency is a key focus of our energy management strategy. We monitor our hotel efficiencies through Key Performance Indicators measured against Earth-Check benchmarks. During the year, the benchmark measuring energy efficiency was strengthened to further improve energy efficiencies across all hotels in Sri Lanka and Maldives.

Energy saving initiatives continue to be implemented across all our properties. Meanwhile Cinnamon Bentota Beach and Cinnamon Velifushi Maldives which commenced operations during the year also invested significantly to integrate energy saving technology extensively across their locations.

Energy Saving Initiatives in 2019/20

Resort	Energy Saving Initiatives	Estimated Energy Saving (kWh)
Cinnamon Lodge Habarana	<ul style="list-style-type: none"> Replaced 12 conventional air-conditioners in guest rooms with inverter type air conditioners 	15,000
Trinco Blu by Cinnamon	<ul style="list-style-type: none"> Replaced 4 conventional air-conditioners in guest rooms with inverter type air conditioners Guest rooms and staff areas replaced with LED illumination 	3,000 2,300
Habarana Village by Cinnamon	<ul style="list-style-type: none"> Replaced 19 conventional air-conditioners in guest rooms with inverter type air conditioners 	14,000
Cinnamon Dhonveli Maldives	<ul style="list-style-type: none"> Replaced over 94 Fluorescent lamps with LED lighting across the property 	1,450
Ellaidhoo Maldives by Cinnamon	<ul style="list-style-type: none"> Replaced over 85 Fluorescent lamps with LED lighting 	3,650
Cinnamon Bentota Beach	<ul style="list-style-type: none"> Installation of energy efficient air conditioning with magnetic bearing chillers. Installation of LED lighting with efficient controls Renewable Energy generation through Solar PV system 	Resort commenced operations during 2019/20
Cinnamon Velifushi Maldives	<ul style="list-style-type: none"> Hot and Cold water supply system in guest rooms, staff accommodation and public areas operate with Variable Frequency Drive circulation and supply pumps Generating of hot water circulation through the co-generation heat exchange system coupled to the hotel generator All air conditioner units within the hotel premises are energy saving inverter type units 	Resort commenced operations during 2019/20

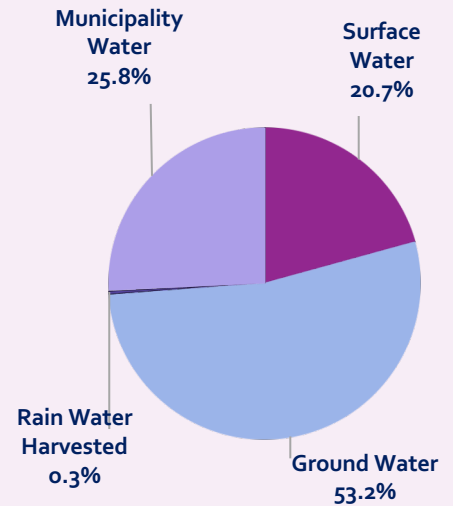
Water Consumption (GRI 303-1 ,303-3)

Total water consumption during the year amounted to 523,070 m³ out of which almost 53% of the water requirement of our resorts is met through ground water sources. During the year we continued with our efforts to conserve water and improve water efficiency across our operations. We increased the amount of water we recycled and reuse to 58% of the total water discharged by improving our effluent treatment systems. Following the successful implementation of rainwater harvesting systems at Cinnamon Citadel and Cinnamon Dhonveli, similar rainwater harvesting systems were installed at Cinnamon Bentota Beach and Ellaidhoo Maldives by Cinnamon during the year. Meanwhile, we continued the installation of flow restrictors across our properties to standardize flow rates and save water. During the year the total water consumption decreased by 6%. Effluent Treatment Plants at resorts are discussed in detail under “Managing Our Outputs”

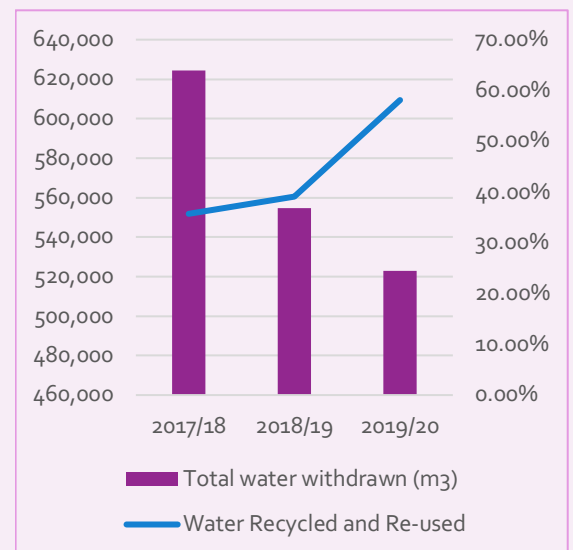
Source of water	2019/20	2018/19	2017/18
Surface water-wetlands, rivers, lakes oceans (m3)	108,498	112,898	155,866
Ground water (m3)	278,294	283,668	295,584
Rainwater harvested (m3)	1,583	1,390	1,593
Municipality water sources (m3)	134,695	156,781	171,392
Total water withdrawn (m3)	523,070	554,737	624,435
Water Withdrawn per guest night (Litres/Guest night)	946	793	811
Water Recycled and Re-used	58.1%	39.1%	35.7%

WATER CONSUMPTION

GRI 303-1 Water Withdrawn by Source



GRI 303-3: Water Recycled and Reused



Raw Materials Consumption (GRI 301-1)

Raw material consists mainly of food and beverages, linen and other consumables. We source almost 60% of our raw materials locally. In line with our ethos of responsible consumption of resources we strive to use environmentally sustainable products wherever possible. We also encourage guests to use resources responsibly, in order to reduce wastage. During the year we carried out several initiatives to create awareness on reducing food waste and reducing plastic consumption. The plastic management plan was launched in all our resorts in Sri Lanka and Maldives with the aim of reducing single use plastics. During the year plastic straws were replaced with paper straws and plastic stirrers were replaced with wooden stirrers at all resorts. In addition, as a pilot project plastic bottles were replaced with glass water bottles at Cinnamon Wild Yala and Cinnamon Bentota Beach. We hope to introduce glass water bottles to other Resorts in Sri Lanka and Maldives as per the Plastic Management Plan timelines. Meanwhile programs such as the “No Bin Day” and “Zero Waste Day” were carried out aimed at creating awareness about food and plastic wastage among staff.

RAW MATERIAL CONSUMPTION

GRI 301-1

Materials Used (MT)	2019/20	2018/19
Vegetables	653	716
Fruit	522	654
Fish	285	287
Meat	408	407



Staff Cafeteria at Cinnamon Dhonveli Maldives on Zero Waste Day aimed at creating awareness on food wastage

Managing Our Outputs

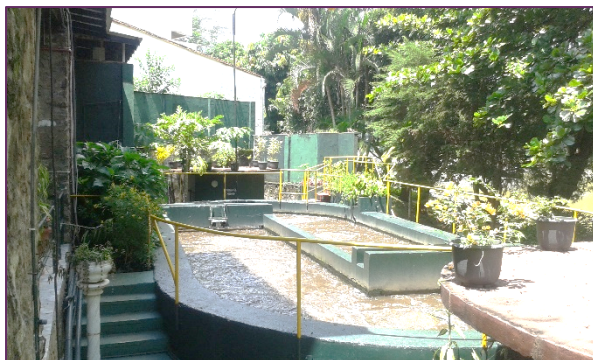
We are committed to reducing the negative environmental impacts of our operations by having in place stringent standards relating to waste, effluent and emission management

Effluents and Waste Management

(306-1, 306-2, 306-3, 306-5)

We ensure effluent water from all our resorts are treated before being released to the environment. All our hotel properties in Sri Lanka and the Maldives except Hikka Tranz by Cinnamon have separate on-site Effluent Treatment Plants. Effluent water from Hikka Tranz by Cinnamon is sent directly to the Hikkaduwa Public Wastewater Treatment plant. Almost 58% of the water discharged from our resorts in Sri Lanka and the Maldives is recycled and utilized for flushing and gardening purposes. The remainder of the water is discharged to rivers, lakes or sea after ensuring that the water quality meets regulatory standards. Discharged water quality is periodically tested by independent assessors to ensure that statutory water quality standards are strictly adhered to.

The total volume of waste generated during the year amounted to 1450 MT and consist primarily of non-hazardous waste. We have in place stringent guidelines for waste management including guidelines for waste segregation and disposal. As part of a waste-to-energy solution rolled out by Cinnamon Hotels and Resorts, three Biogas Digester Plants have been installed at Habarana Village by Cinnamon, Cinnamon Citadel Kandy and Cinnamon Wild Yala. Almost 35% of the total food waste generated by these three properties are now converted to biogas which is in turn used for staff kitchens in these respective hotels. The remainder of wet waste generated is safely dispatched to piggeries in respective localities. Plans are currently under way to enhance the capacities of the existing three digesters to optimize their usage, whilst investing in similar plants in all Cinnamon resorts in the Maldives.



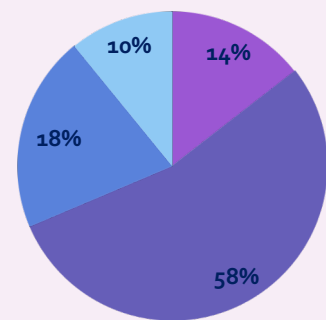
Effluent Treatment Plant at Cinnamon Citadel Kandy

EFFLUENTS AND WASTE MANAGEMENT

GRI 306-1

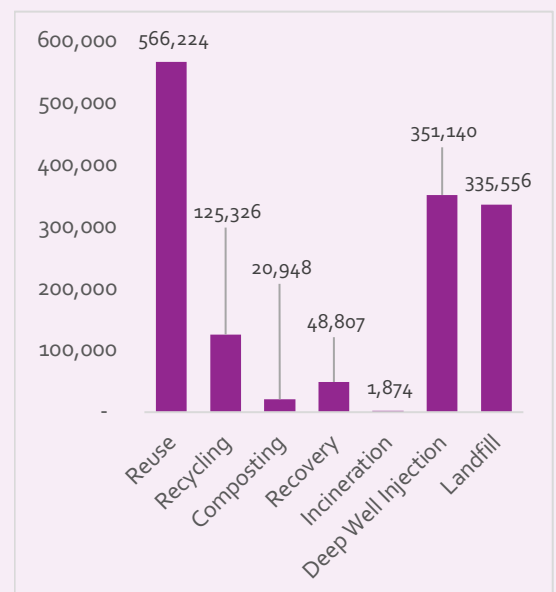
Effluents Discharge by Destination

- Municipality Sewerage/Drainage Lines
- ETPs & Recycled Completely
- Rivers, Lakes after being treated by ETP/STP
- Direct to Rivers, Lakes etc.



GRI 306-2

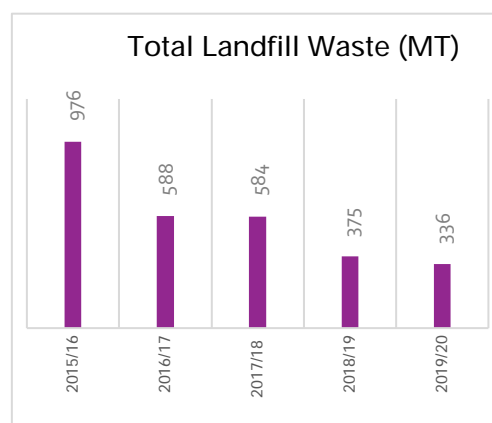
Waste by Disposal Method



Non-Hazardous Waste (Kg)	2019/20	2018/19	2017/18
Disposed through Reuse	566,224	747,533	781,440
Disposed through Recycling	125,326	144,387	192,650
Disposed through Composting	20,948	24,780	13,239
Disposed through Recovery	48,807	65,748	67,635
Disposed through Incineration	1,874	1,691	17,312
Disposed through Deep Well Injection	351,140	353,042	535,011
Disposed through Landfill	335,556	375,312	584,180
Total Non-Hazardous Waste Disposed	1,449,875	1,712,493	2,191,467
Kgs of Landfill waste per guest night	0.61	0.54	0.76
Kgs of Total Non-Hazardous waste per guest night	2.62	2.45	2.85

We also encourage re-use and recycling wherever possible. We promote the re-use of items such as glass water bottles and laundry bags among others. Recyclable waste is segregated and sent to recyclers certified by the Central Environmental Authority while garden waste is composted and used as fertilizer in our gardens.

It is noteworthy to mention that as a result of our efforts to reduce wastage and improve recycling efforts, we have successfully reduced our total landfill waste by 66% over the last five years. There were no instances of significant spills or water bodies affected by water discharge during the year.



Hotel	Effluents	Solid Waste	
		Onsite Biogas plant	Onsite Composting
Cinnamon Bey Beruwela	Yes	No	No
Cinnamon Wild Yala	Yes	Yes	Yes
Cinnamon Citadel Kandy	Yes	Yes	Yes
Cinnamon Bentota Beach	Yes	No	No
Hikka Tranz by Cinnamon	No	No	No
Trinco Blu by Cinnamon	Yes	No	Yes
Habarana Village by Cinnamon	Yes	Yes	Yes
Cinnamon Lodge Habarana		No	
Ellaidhoo Maldives by Cinnamon	Yes	Planned for 2020/21	Yes
Cinnamon Dhonveli Maldives	Yes		Yes
Cinnamon Hakuraa Hurra Maldives	Yes		No
Cinnamon Velifushi Maldives	Yes		No

Emissions Management

(GRI 305-1, 305-2 305-4, 1 305-5)

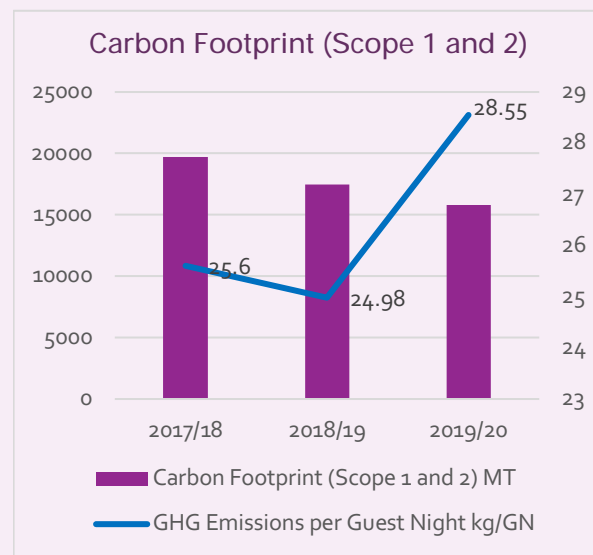
We continue to monitor carbon dioxide emissions generated by our day to day operations. Emissions are measured using the Green House Gas Protocol as governed by the World Resource Institute (WRI) and the World Business Council for Sustainable Development. The emission factors have been derived from IPCC Guidelines for National Greenhouse Gas Inventories. The boundary for the emission measurement has been governed by Scope 1 and Scope 2.

Scope 1 - GHG emissions occurring directly from sources that are owned or controlled by the Organisation

Scope 2 - Direct emissions generated in the production of electricity consumed

EMISSION MANAGEMENT

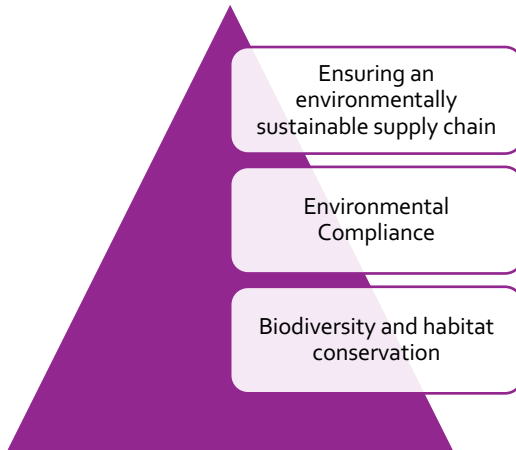
GRI 305-1, 305-2



MT of Co2 equivalent	2019/20	2018/19	2017/18
Diesel	4,430	4,850	6,226
Petrol	602	1,157	1,368
Liquid Petroleum Gas (LPG)	665	813	852
Electricity	10,087	10,664	11,265
CO2 Footprint - Direct Energy through Primary Sources (Scope 1)	5,697	6,820	8,446
CO2 Footprint - Indirect Energy through Primary Sources (Scope 2)	10,087	10,664	11,265
Total CO2 Footprint	15,785	17,484	19,711
CO2 per guest night (KgCO2e / Guest Night)	28.55	24.98	25.60

Ongoing efforts to shift to renewable energy sources and reduce energy consumption within our resorts through greater energy efficiency have resulted in a sustained reduction of our emission levels during the last three years. During the year our total Carbon Footprint declined by 10%.

Environmental Stewardship



Ensuring an environmentally sustainable supply chain

We are committed to promoting environmentally sustainable practices across our supply chain. Our supplier selection criteria are based on good manufacturing and hygienic practices. We also carry out Supplier Impact Assessments which evaluate suppliers in terms of natural resource consumption, employee working conditions, quality, health and safety among other factors. Ongoing engagement with our suppliers enables us to identify potential negative environmental impacts in our supply chain and proactively address these issues. (Please refer Social and Relationship Capital for details on supplier assessments carried out during the year).

Environmental Compliance (GRI 307-1)

We ensure compliance with all applicable regulations and laws of the countries we operate in. Routine internal audits are carried out which include compliance checks to ensure that licenses, certifications and permits are up to date and renewed on time. There were no incidents of non-compliance with environmental laws or regulations during the year.

Biodiversity and habitat conservation (GRI 304-1, 304-3)

With many of our properties located in close proximity to protected areas and areas of high biodiversity value, we ensure that our operations have a minimum impact on the bio-diversity of these areas. Meanwhile Cinnamon Hotels & Resort's eco-tourism arm Cinnamon Nature Trails have several ongoing initiatives aimed at protecting identified areas and species in these habitats.

Biodiversity Surrounding our Resorts (GRI 304-1)

Locations in Sri Lanka



Locations in Maldives



Cinnamon Bentota Beach	Name of Protected Area	Hikkaduwa Marine National Park
	Biodiversity Value	Maritime
	Protected status	Flora and Fauna Protection Ordinance 1937 IUCN Category II - National Park
	Position of Resort in relation to protected area	40 Km adjacent

Cinnamon Lodge Habarana	Name of Protected Area	Minneriya National Park Ritigala Strict Nature Reserve Kaudulla National Park
	Biodiversity Value	Wildlife & Forestry
	Protected status	Flora and Fauna Protection Ordinance 1937 IUCN Category II - National Park
	Position of Resort in relation to protected area	15km adjacent 20km adjacent 20km adjacent

Habarana Village by Cinnamon	Name of Protected Area	Minneriya National Park Ritigala Strict Nature Reserve Kaudulla National Park
	Biodiversity Value	Wildlife & Forestry
	Protected status	Flora and Fauna Protection Ordinance 1937 IUCN Category II - National Park
	Position of Resort in relation to protected area	11km adjacent 17km adjacent 22km adjacent

Cinnamon Bey Beruwala	Name of Protected Area	Hikkaduwa Marine National Park
	Biodiversity Value	Maritime
	Protected status	Flora and Fauna Protection Ordinance 1937 IUCN Category II - National Park
	Position of Resort in relation to protected area	45 km adjacent

Hikka Tranz by Cinnamon	Name of Protected Area	Hikkaduwa Marine National Park
	Biodiversity Value	Maritime
	Protected status	Flora and Fauna Protection Ordinance 1937 IUCN Category II - National Park
	Position of Resort in relation to protected area	0.5 km Adjacent

Cinnamon Wild Yala	Name of Protected Area	Yala National Park Bundala National Park
	Biodiversity Value	Wildlife & Forestry
	Protected status	Flora and Fauna Protection Ordinance 1937 IUCN Category II - National Park
	Position of Resort in relation to protected area	2km adjacent 32km adjacent

Trinco Blu by Cinnamon	Name of Protected Area	Pigeon Island Marine National Park
	Biodiversity Value	Maritime
	Protected status	IUCN category 11-National Park Flora and Fauna Protection Ordinance
	Position of Resort in relation to protected area	16 Km adjacent

Cinnamon Citadel Kandy	Name of Protected Area	Udawatte Kele Sanctuary
	Biodiversity Value	Wildlife & Forestry
	Protected status	Flora and Fauna Protection Ordinance 1937 IUCN Category IV - Habitat/ Species Management Area
	Position of Resort in relation to protected area	6Km adjacent

Cinnamon Dhonveli	Name of Protected Area	Thamburudhoo thila
	Biodiversity Value	Maritime
	Protected status	The Environmental Protection & Preservation Act
	Position of Resort in relation to protected area	1 Km

Cinnamon Hakuraa Huraa Maldives	Name of Protected Area	Lhazikuraadi
	Biodiversity Value	Maritime
	Protected status	The Environmental Protection & Preservation Act
	Position of Resort in relation to protected area	1 Km

Elaidhoo Maldives by Cinnamon	Name of Protected Area	Orimas thila
	Biodiversity Value	Maritime
	Protected status	The Environmental Protection & Preservation Act
	Position of Resort in relation to protected area	1 Km

Protecting habitats (GRI 304-3)




We are committed to conserving our wildlife and natural habitats for future generations, and have initiated several ground breaking conservation projects both in Sri Lanka and the Maldives. Many of these projects are carried out in collaboration with renowned conservationists and wildlife organizations.

Project Leopard

Project Description

“Project Leopard”, now in its 9th year of operation, is a project initiated by Cinnamon Nature Trails as a solution to the Human- Leopard friction that continues to impact the communities as well as the leopard population living in close proximity to the boundaries of the Yala National Park. Cinnamon has provided over 100 steel pens for 52 farmer families to safely cage their cattle. Total investment in this project over the nine years since its inception has been Rs. 7.5 Mn and this effort has assisted the dairy farmers to secure their income by efficiently protecting their young calves. The quality of life among these farmers has improved and they vouch that the output of fresh milk has risen over the years as a result of this help that has come their way.

Impact

		
Decrease in rate of loss of livestock to predator killings	Increase in average cattle herd size	Increase in Dairy Farmer Income



Project Gathering

Project Description

Cinnamon Nature Trail’s “Cinnamon Elephant Project” commenced in 2015 in collaboration with the Centre for Conservation and Research with the aim of gathering more data that can help understand the Human-Elephant conflict that rages in the North Central Province. This innovative project seeks to integrate elephant viewing tourism with research on behavioral patterns, demographics and health status of elephants in the area. The project has contributed significantly to scientific knowledge on Asian elephants while enabling the research teams to determine and predict the movement of the herds and make recommendations for the better management of land. Since its launch the project has identified over 130 male elephants and 71 females, including 11 tuskers. Through this project Cinnamon sponsored the importation of high tech satellite collars on the elephants to track and understand their seasonal movements on a real time basis.

Impact

		
<p>Over 200+ elephants identified</p>	<p>Reduction in incidents of human- elephant conflict</p>	<p>Real time information of two elephant herds</p>






Coral Propagation Project

Project Description

Cinnamon Dhonveli Maldives, in collaboration with Meridis Dive & Relax Team, launched the coral propagating project with the objectives of transplanting corals in order to protect the ocean’s bio-diversity and creating awareness on the importance of coral conservation. The Project which was launched in September 2018 involves assessing the reef’s health and water quality, formulating a restoration plan that includes the exact locations and the numbers to be planted, implementation of an accelerated growth plan and monitoring progress of the installed reef.

Impact

		
Greater awareness on coral conservation	Protection of coastlines from erosion	A source of income of local economies depending fishing, tourism and recreation




Project Wild Blu

Project Description

Project Wild Blue was initiated in 2013 to promote Whale watching in a nature friendly manner, collate photographic evidence and data to identify Blue Whales and super pods of Sperm Whales. The project is carried out by Cinnamon Nature Trails in collaboration with Trinco Blu by Cinnamon. The program, since its commencement 7 years ago, has identified 45 individual Blue Whales based on characteristics and supports the Department of Wildlife Conservation by providing scientific information for the better management of marine habitats in Sri Lanka.

Impact

		
Sri Lanka being identified as a "Mega Pod for Whales".	Better management of marine habitats in Sri Lanka.	Increased awareness and appreciation of Blue Whales in Sri Lankan Seas



Way forward

Responsible consumption of resources will continue to be a priority as we continue to focus on driving energy and water efficiency across our properties. Meanwhile we remain committed to reducing plastic consumption and strive to achieve minimum wastage in all aspects of our operation.

Independent Assurance Report



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Independent Assurance Report to John Keells Hotels PLC on the Sustainability Reporting Criteria Presented in the Integrated Annual Report- 2019/20

Introduction and scope of the engagement

The management of John Keells Hotels PLC (“the Company”) engaged us to provide an independent assurance on the following elements of the sustainability reporting criteria presented in the annual report- 2019/20 (“the Report”).

- Reasonable assurance on the information on financial performance as specified on page 161 of the John Keells Hotels PLC Annual Report 2019/20
- Limited assurance on other information presented in the Report, prepared in accordance with the requirements of the Global Reporting Initiative GRI Standards: ‘In accordance’ – Core guidelines.

Basis of our work and level of assurance

We performed our procedures to provide limited assurance in accordance with Sri Lanka Standard on Assurance Engagements (SLSAE 3000): ‘Assurance Engagements Other than Audits or Reviews of Historical Financial Information’, issued by the Institute of Chartered Accountants of Sri Lanka (“ICASL”).

The evaluation criteria used for this limited assurance engagement are based on the Sustainability Reporting Guidelines (“GRI Guidelines”) and related information in particular, the requirements to achieve GRI Standards ‘In accordance’ - Core guideline publication, publicly available at GRI’s global website at “www.globalreporting.org”.

Our engagement provides limited assurance as well as reasonable assurance. A limited assurance engagement is substantially less in scope than a reasonable assurance engagement conducted in accordance with SLSAE-3000 and consequently does not enable to obtain assurance that we would become aware of all significant matters that might be identified in a reasonable assurance engagement. Accordingly, we do not express an opinion providing reasonable assurance.

Management of the Company’s responsibility for the Report

The management of the Company is responsible for the preparation of the self-declaration, the information and statements contained within the Report, and for maintaining adequate records and internal controls that are designed to support the sustainability reporting process in line with the GRI Sustainability Reporting Guidelines.

Ernst & Young’s responsibility

Our responsibility is to express a conclusion as to whether we have become aware of any matter that causes us to believe that the Report is not prepared in accordance with the requirements of the Global Reporting Initiative, GRI Standards: ‘In accordance’ - Core guidelines. This report is made solely to the Company in accordance with our engagement letter dated 31 May 2020. We disclaim any assumption of responsibility for any reliance on this report to any person other than the Company or for any purpose

other than that for which it was prepared. In conducting our engagement, we have complied with the independence requirements of the Code for Ethics for Professional Accountants issued by the ICASL.

Key assurance procedures

We planned and performed our procedures to obtain the information and explanations considered necessary to provide sufficient evidence to support our limited assurance conclusions. Key assurance procedures included:

- Interviewing relevant the company's personnel to understand the process for collection, analysis, aggregation and presentation of data.
- Reviewing and validation of the information contained in the Report.
- Checking the calculations performed by the Company on a sample basis through recalculation.
- Reconciling and agreeing the data on financial performance are properly derived from the Company's audited financial statements for the year ended 31 March 2020.
- Comparison of the content of the Report against the criteria for a Global Reporting Initiative, GRI Standards: 'In accordance' – Core guidelines.

Our procedures did not include testing electronic systems used to collect and aggregate the information.

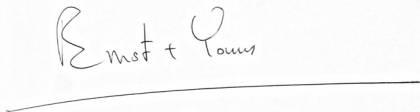
Limitations and considerations

Environmental and social performance data are subject to inherent limitations given their nature and the methods used for determining, calculating and estimating such data.

Conclusion

Based on the procedures performed, as described above, we conclude that;

- The information on financial performance as specified on page 161 of the John Keells Hotels PLC Annual Report 2019/20 are properly derived from the audited financial statements of the Company for the year ended 31 March 2020.
- Nothing has come to our attention that causes us to believe that other information presented in the Report are not fairly presented, in all material respects, in accordance with the Company's sustainability practices and policies some of which are derived from Sustainability Reporting Guideline, GRI Standards- 'In accordance' Core.



Ernst & Young

Ernst & Young
Chartered Accountants

15. 06. 2020
Colombo

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GRI 101: Foundation 2016 (does not include any disclosures)			
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