

The background features a complex, abstract design. It consists of several overlapping grey rectangular and circular shapes. A prominent feature is a thick, light grey winding path that starts from the top right, moves left, then down, then left again, then down, then left, and finally down to the bottom edge. This path is bordered by a dashed white line. The overall aesthetic is clean and modern, with a focus on geometric forms and movement.

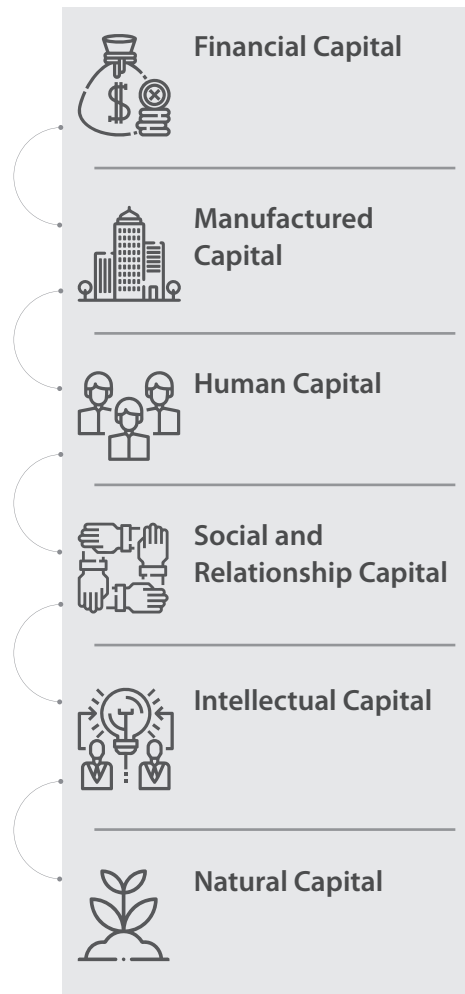
navigating complexity with

Care

SUPPLEMENTARY SUSTAINABILITY REPORT

This Supplementary Sustainability Report sets out in detail how we leveraged our capitals to weather a challenging year whilst continuing to create sustainable value for our diverse stakeholders. The document serves as supplementary information to the Annual Report and Financial Statements of John Keells Hotels PLC for the year ended 31st March 2021 published on 20th May 2021.

This report has been prepared in accordance with the GRI Standards: Core option.



FINANCIAL CAPITAL

The unprecedented challenges posed by the global pandemic, negatively impacted the Group performance, with occupancy levels across both the Sri Lanka and Maldives cluster plummeting to historically low levels. To mitigate the impact on profitability, we focused on reducing fixed cost base and implemented cashflow protection plans to strengthen our financial position

Highlights for FY 2020/21



REVENUE

RS. 3,661 MN



TOTAL ASSETS

RS. 62,475 MN



NET ASSETS PER SHARE

16.71%



Our Financial Capital

DEBT

RS. 35,327 MN

EQUITY

RS. 24,326

Strategic Priorities



Operational Excellence

- ◆ Implementation of stringent cost management initiatives to mitigate the impact of lower occupancy and revenue due to pandemic
- ◆ Focus on cash management to maintain liquidity
- ◆ Proactively restructure debt to strengthen financial position



Financial Performance

Revenue

According to the World Tourism Organization, international arrivals fell by 74% in 2020. Against this backdrop, we fared relatively well, with the Group's consolidated revenue declined by 62% to Rs. 3,661 Mn in FY 2020/21. Revenue from the Sri Lankan cluster decreased by 78% to Rs. 955 Mn in FY 2020/21 with occupancy averaging at just 16% during the year. With the closure of Sri Lankan airports on 18th March 2020, all our hotel and resort properties in Sri Lanka went into hibernation mode during the months of April and May 2020 before a phased-out re-opening commencing in June 2020. Consequently, occupancy rates which witnessed a sharp decline in Q1 of FY 2020/21, showed some recovery in Q2, as domestic tourism picked up with a relaxation of internal travel restrictions. The onset of the second wave of COVID-19 in October 2020 however once again saw occupancy rates plummet towards the end of 2020. Although the re-opening of Sri Lankan airports on 21 January 2021 brought about some improvement in occupancy rates, the general downturn in international travel has continued to impact occupancy levels at the Sri Lankan Resorts.

Performance of the Maldives cluster too was impacted by the global pandemic. Hotel operations of Cinnamon Resorts in the Maldives was temporarily suspended following the closure of the Maldives airport on 27th March 2020. However, Cinnamon resorts embarked on a phased-out re-opening of all resorts following the re-opening of Malé International airport on 15th July 2020. Maldives Resorts cluster experienced a steady growth in occupancy during the second half of FY 2020/21 with the phased-out re-opening of the resorts; however low occupancy during the first half of the year resulted in revenue declining by 50% year-on-year to Rs. 2,706 Mn in FY 2020/21.

Gross Profits

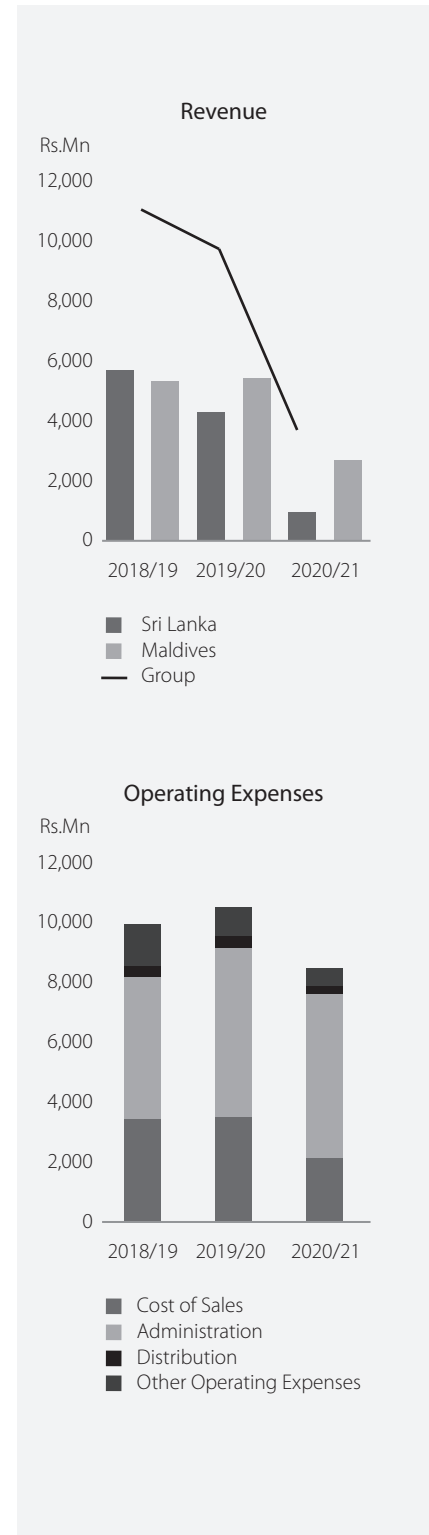
Sharp declines in occupancy impacted Group's gross margins during the year which declined to 42% compared to 64% in FY 2019/20. As a result, gross profits during the year declined by 75% to Rs. 1,530 Mn during the year.

Operating Expenses

Stringent cost management initiatives were implemented across the Group to mitigate the impact of lower occupancy levels. The implementation of spend control towers and closer monitoring of utility and other expenses contributed to the 3% reduction in administration expenses. Meanwhile, distribution expenses decreased by 33% as a result of the Group replacing big-spend marketing drives with more cost effective, high impact digital campaigns. Other operating expenses too decreased by almost 35% due to drop in power & energy cost by 26% and maintenance cost by 35%. Consequently, total operating expenses during the year decreased by 19% to Rs. 8,498 Mn.

Operating Profits

Group recorded an operating loss of Rs. 4,777 Mn compared to the operating loss of Rs. 764 Mn in FY 2019/20. The increase in operating loss is largely attributable to operating losses incurred by both Sri Lanka and Maldives cluster owing to the impact of global pandemic.



Net finance Expenses

Total finance expenses during the year increased to Rs. 1,124 Mn compared to Rs. 653 Mn in FY 2019/20, mainly on account of interest expense on term borrowings for refurbishment projects which was capitalised during last year and utilisation of short-term borrowings for working capital requirements. Meanwhile, interest income decreased due to lower interest rates during the year. Consequently, net finance expenses during the year amounted to Rs. 1,091 Mn compared to Rs 564 Mn in FY 2019/20.

Profitability

The Group recorded a net loss of Rs. 5,120 Mn in FY 2020/21, in comparison to the net loss of Rs. 1,201 Mn during the previous year due to a deterioration of performance of both the Sri Lankan and Maldivian clusters. Net losses of the Sri Lankan cluster to Rs. 2,255 Mn while net losses of the Maldives cluster increased to Rs. 2,865 Mn due to the far-reaching impact of the global pandemic.

Other Comprehensive Income

Other comprehensive income which comprises mainly of foreign exchange gains from foreign operations, declined mainly due to lower fluctuation of the Rupee during the year compared to FY 2019/20. Other Comprehensive Income during the year amounted to Rs. 679 Mn compared to Rs. 1,175 Mn in FY 2019/20.

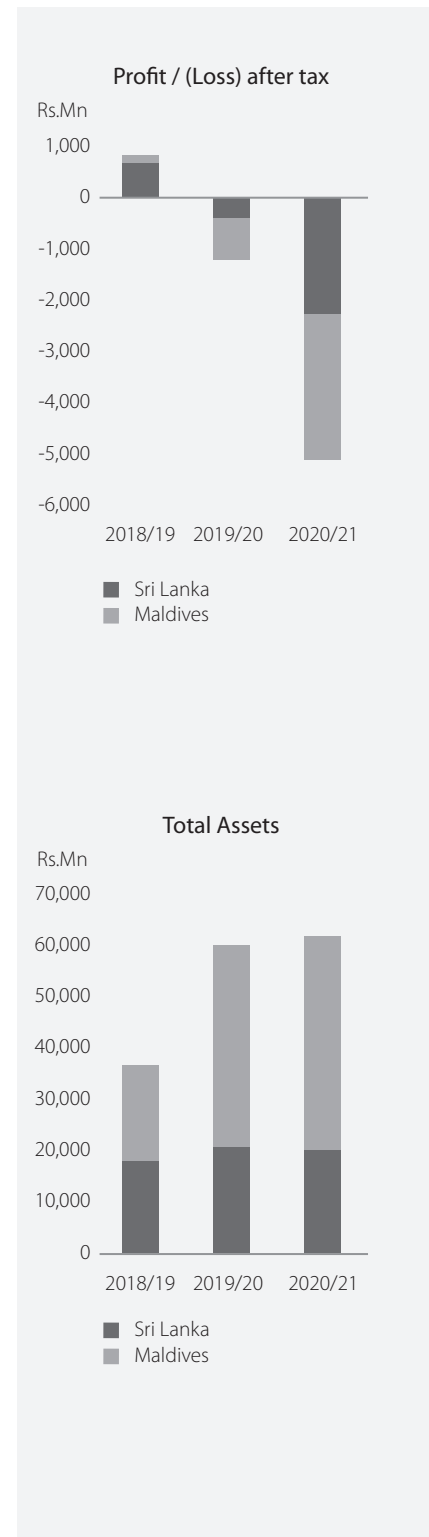
Financial Position

Total Assets

The Groups' total asset base increased by 3% to Rs. 62,475 Mn as at 31.03.2021. Non-current assets which account for 96% of total assets increased by 6% to Rs. 59,738 Mn as at 31st March 2021. The increase in non-current assets was mainly due to the translation difference of Maldives operations as the Rupee depreciated by 6% year-on-year. Meanwhile property, plant and equipment increased by Rs. 416 Mn as a result of capitalisation of the costs incurred on re-development project of Cinnamon Bentota Beach and Cinnamon Hakuraa Huraa Maldives and capital expenditure on the structural refurbishment project of Hivka Tranz by Cinnamon. Total current assets of the Group amounted to Rs. 2,737 Mn as at 31st March 2021 compared to Rs. 4,324 Mn as at the end of previous year mainly due to the drop in trade receivables because of lower level of operations during the year. As at the end of the financial year, Sri Lanka and Maldives cluster accounted for 32% and 68% of total Group assets respectively.

Total Liabilities

Total Group Liabilities as at 31st March 2021 amounted to Rs. 38,045 Mn, a 20% increase compared to the liabilities position as at end March 2020. Borrowings which account for 93% of total liabilities increased by Rs. 6,717 Mn during the year as a result of interest-bearing borrowings of the Sri Lanka and Maldives cluster increasing by 83% (Rs. 2,196 Mn) and 14% (Rs. 1,246 Mn) respectively. Further, the impact on borrowings due to the depreciation of Rupee against US Dollar amounted to Rs. 1,400Mn. The additional borrowings which consist mainly of long-term financing, were used to finance ongoing structural refurbishment at Hikka Tranz by Cinnamon and Cinnamon Red Kandy development. Meanwhile lease liabilities also increased by Rs. 2,694 Mn due to a additions to right-of-use assets of Maldives. As at the end of financial year, the Sri Lankan cluster accounted for 20% of total liabilities while the Maldives cluster accounted for 80% of total liabilities.

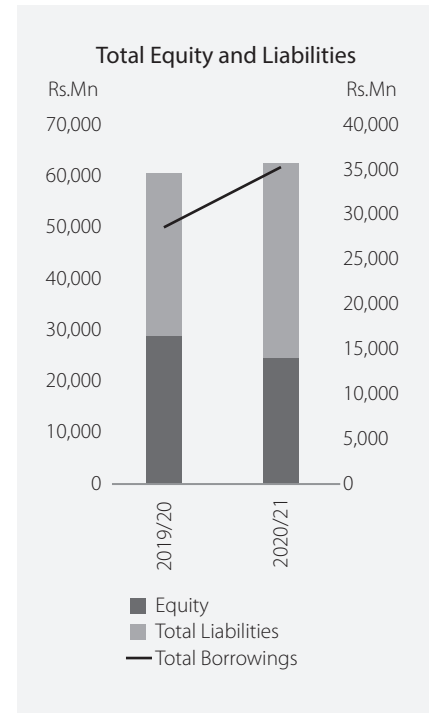


Shareholders' Funds

Shareholders' funds as at the end of March 2021 amounted to Rs. 24,326 Mn and accounted for 39% of total assets while the Debt-to-Equity ratio as at end March 2021 was 1.4 times compared to 1.0 times as at 31.03.2020.

Cash Flow

The slowdown of operations during the year resulted in a net cash outflow of Rs. 998 Mn during the period while mainly the outflows relating to redevelopment of Cinnamon Bentota Beach, structural refurbishment of Hikka Tranz by Cinnamon, refurbishment of Cinnamon Hakuraa Huraa Maldives and equity infusion for Cinnamon Red Kandy development project resulted in a net cash outflow of Rs. 1,523 Mn from investing activities. Proceeds from bank borrowings obtained during the year however contributed to a net cash inflow of Rs. 1,776 Mn from financing activities. Consequently, net cash outflow during the year amounted to Rs. 744 Mn compared to the outflow of Rs. 2,872 Mn during the corresponding period last year.



MANUFACTURED CAPITAL

We continue to set standards in the industry by adopting the highest safety and sustainability standards across all our properties. Cinnamon Hotels & Resorts was one of the first hotel chains to receive the 'Safe & Secure' certification by the Sri Lanka Tourism Development Authority (SLTDA) while Cinnamon Bentota Beach became the first hotel of its scale (159 rooms) in Sri Lanka to receive LEED PLATINUM status during the year.

Highlights for FY 2020/21

RS. 25 MN

INVESTED IN IMPLEMENTING HEALTH AND SAFETY MEASURES IN OUR PROPERTIES

CINNAMON BENTOTA BEACH RECEIVED THE LEED PLATINUM CERTIFICATION

RS. 131 MN

INVESTED IN ASSET LIGHT EXPANSIONS REFURBISHMENTS DURING THE YEAR



Our Manufactured Capital

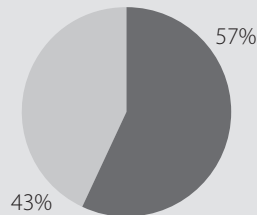
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HOTEL PROPERTIES ACROSS SRI LANKA AND THE MALDIVES

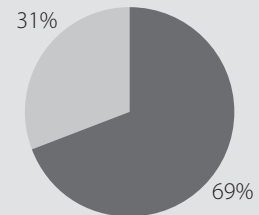
1476

TOTAL ROOM CAPACITY

Property Plant and Equipment by Sector



Room Capacity by Sector



■ Sri Lanka ■ Maldives

Strategic Priorities



- ◆ Ensure safe spaces
- ◆ Invest in green buildings
- ◆ Pursue asset light investment models



Our Portfolio of Resort Properties



Cinnamon Bey Beruwela
This 199 room Five-Star luxury resort in Beruwala is a little piece of paradise by the sea.



Cinnamon Citadel Kandy
Enjoy the grandeur of a bygone era at our 119 room resort amongst the lush central hills of Kandy



Trinco Blu by Cinnamon
This 81 room retro-chic resort on in the quaint sea port town on Trincomalee offers guests stunning views of the Indian Ocean.



Cinnamon Bentota Beach
Our iconic property originally designed by the renowned Sri Lankan architect Geoffrey Bawa is a 159 room luxury resort fit for the most discerning guest.



Cinnamon Lodge Habarana
Located at the center of Sri Lanka's Cultural Triangle this cabana style 138 room resort provides guests the perfect get-away from modern day stresses.



Hikka Tranz by Cinnamon
Immerse yourself in a truly Sri Lankan beach experience at this 150 room beach resort just 20 Km away from the historic town of Galle.



Cinnamon Wild Yala
Located in close proximity to two of Sri Lanka's main national parks this 68 room resort is truly a wild life lovers paradise.



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



Ellaidhoo Maldives by Cinnamon

Enjoy a once in a lifetime experience of exploring one of the world's best dive sites while enjoying the luxuries of this 112 room resort.



Cinnamon Dhonveli Maldives

Complete with recently refurbished luxury beach bungalows Cinnamon Dhonveli offers guests spectacular views and indulgent experiences.

Locations in Maldives



Cinnamon Hakuraa Huraa Maldives

Consisting of a cluster of beach bungalows, over-water bungalows on stilts and platinum beach bungalows the resort provides breath taking views of one of the longest stretches of reef in the archipelago.



Cinnamon Velifushi Maldives

Our newest resort in Maldives offers guests suites, water bungalows, villas and family accommodation and array of unique experiences.

Ensuring Safe Spaces

With the health and safety of our guests and employees continuing to be our utmost priority amidst the Global Pandemic, we focused on ensuring the highest health and safety standards across all our properties. “Cinnamon Care”- the Cinnamon Standard for Care and Cleanliness was implemented across all our resorts and hotel properties with stringent cleanliness and safety protocols. All cleanliness and safety protocols are in line with the guidelines issued by the World Health Organization and the Government of Sri Lanka and the Maldives. In addition, we also invested in several modifications in our hotel spaces to limit contact and maintain the required distance stipulated for physical distancing in public areas and restaurants.

Cinnamon Hotels & Resorts is one of the first hotel chains to receive the ‘Safe & Secure’ certification awarded by the Sri Lanka Tourism Development Authority (SLTDA). The safety audit which is conducted by KPMG Sri Lanka and reviewed by the Ministry of Health, Sri Lanka ensures that all required safety measures are in place before re-opening for guests.



Investing in Green Buildings

We strive to ensure that all our buildings are environmentally friendly, energy efficient and cost-effective with minimal impact on the surrounding environment. During the year Cinnamon Bentota Beach became the first hotel of its scale (159 rooms) in Sri Lanka to receive LEED PLATINUM status by the United States Green Building Council. The certification recognizes the use of cost-effective renewable energy sources and natural lighting architecture in the building as well as sustainable construction methods used such as protecting natural habitats, soil erosion and sedimentation control, upcycling construction material, as well as meeting the ASHRAE 62.1-2007 standard in the construction of the building.



HUMAN CAPITAL

The safety and wellbeing of our employees was a priority and we implemented stringent health and safety protocols across our Hotels & Resorts whilst supporting our people with ongoing engagement activities and flexible working arrangements. Meanwhile we remained focused on creating a future ready workforce equipped with the required skills and knowledge to face the new normal post COVID-19.

Highlights for FY 2020/21

INTRODUCTION OF AGILE
 WORK ARRANGEMENTS
 AND GENDER POLICY

TRAINING HOURS

80791

FEMALE WORKFORCE
 PARTICIPATION

10%



Our Human Capital

	Male	Female
Employees by Region		
Sri Lanka	1358	105
Maldives	494	105
Employees by Age		
Below 30	408	64
30-50	1215	98
Above 50	229	48
Employees by Employment Contact		
Permanent	978	50
Contract	874	160
Total Employees	1852	210

Strategic Priorities



- ◆ Create a Future Ready Workforce
- ◆ Create a Leadership Pipeline
- ◆ Promote greater female participation in the workforce
- ◆ Create a diverse and inclusive workforce



HR Governance

A strong governance structure and robust policies and procedures ensure that our HR strategic priorities are met efficiently, equitably and sustainably. Policy and strategy formulation is carried out at a central level while Business Unit HR heads are tasked with operationalizing strategies.

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. We continue to review our policies and processes to reflect evolving business requirements and employee aspirations. During the year we rolled out agile work arrangements and introduced a new gender policy while implementing a unified organization structure to ensure a more holistic management approach across our hotels.

Recruitment and Turnover

The challenging conditions presented by the COVID-19 pandemic compelled us to slow down recruitment drives initiated in FY 2019/20. Consequently, total new recruits during the year amounted to 285 compared to 1115 during the previous financial year following a three month recruitment freeze.

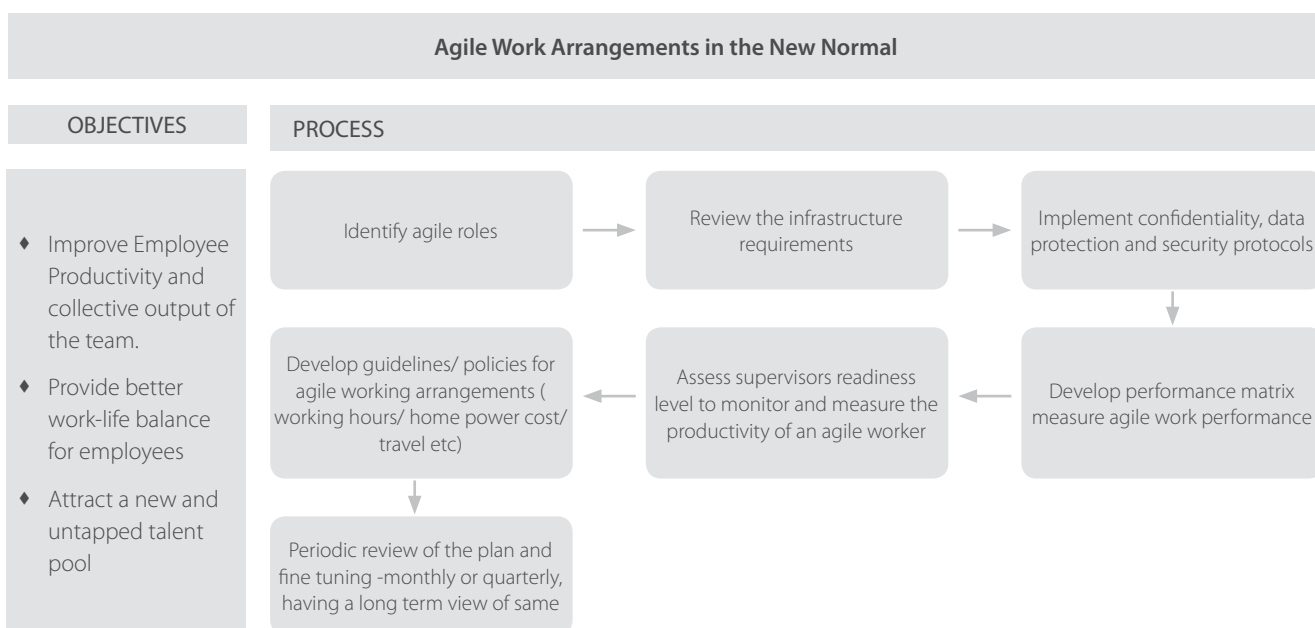
We remained focused on supporting our employees through the pandemic and are proud to note that we retained all our permanent staff and long-term contract staff despite the challenging conditions. Our ongoing commitment to our employees is evident from consistently high retention levels across our operations. Retention levels have averaged at 82% during the last three years in spite of volatile conditions in the tourism and hotel industry following the Easter attack in 2019 and Pandemic in 2020.

	New Recruits		2019/20
	2020/21		
Total	285		1115
	%	No.	
% By Gender			
Male	86%	246	83%
Female	14%	39	17%
% By Age			
Below 30	64%	182	57%
30-50	32%	92	39%
Over 50	4%	11	4%
% By Region			
Sri Lanka	43%	122	56%
Maldives	57%	163	44%

	Exits		2019/20
	2020/21		
Total	282		508
	%	No.	
% By Gender			
Male	87%	245	87%
Female	13%	37	13%
% By Age			
Below 30	55%	156	62%
30-50	39%	111	35%
Over 50	5%	15	3%
% By Region			
Sri Lanka	64%	180	72%
Maldives	36%	102	28%

Employee Health and Safety

Ensuring the health and safety of our staff was our utmost priority during the year. Stringent health and safety protocols were put in place immediately across our properties as the pandemic unfolded to ensure a safe working environment for our employees. All frontline staff were provided with Personal Protective Equipment (PPE) such as gloves, masks, sanitization liquids and wipes and other equipment while agile working arrangements were rolled out to minimize the risks to employees. Meanwhile training and awareness programs were conducted relating to COVID-19 specific health and safety guidelines.



Apart from the COVID-19 health and safety guidelines implemented during the year, all our hotels are ISO 45001:2008 compliant ensuring the highest occupational health and safety standards. A central Health and Safety Team supported by hotel specific Health and Safety team are responsible for compliance with health and safety standards across properties and for the implementation of health and safety initiatives. Worker participation in health and safety matters is encouraged through worker representation committees at each hotel. Meanwhile quarterly audits, annual surveillance audits and periodic third-party audits are carried out at all properties to ensure compliance with health and safety standards. We also provide employees access to medical and healthcare services by providing medical insurance covers.

	No.	Rate (per 100 workers)
Total Work-related Injuries	15	0.73
Total work-related fatalities	-	-
Types of work-related injury		No.
Falling		6
Exposure to Harmful Substances		2
Moving objects		6
Lifting or Moving heavy items		1

Remuneration and Benefits

Total payments to employees during the year amounted to Rs. 2,068 Mn. Cinnamon Hotels, as part of a Group-wide cost management initiative, effected a salary cut for the executives and above staff for a period of 6 months but considering the difficulties of our staff this was suspended no sooner as we saw some improvement in the pandemic situation, though the business climate remains very uncertain. Salary reductions however were not extended to non-executive staff. Meanwhile all staff were paid their previous year bonuses payments as a special ex gratia payment as part of our efforts to support our employees through the difficult times.

Training and Development

We remained focused on developing our staff despite the disruptions caused by the pandemic and continued with our training and development activities virtually. During the year a total of 80791 hours of training were provided to over 2062 employees across our operations. Key training and development initiatives conducted during the year are highlighted below.

Benefits offered to Full time Employees applicable to different levels

Medical Insurance
Festival bonus
Vehicle loans
Performance based bonus

Average Training Hours

	2020/21	2019/20
By Gender		
Male	73066	263302
Female	7724	25135
By Employment Category		
Executive and above	9011	19290
Non-Executive	71780	269147

On-the-Job Training Platform	TALENT Acceleration Program (TAP)	Cinnamon Eureka	Training on Post Covid-19 Operation
We continued to work with Singapore Hotel and Tourism Education Centre (SHATEC) to revamp the existing "On the Job Training Platform". The training platform which aims to strengthen service levels of our associates will be developed for all departments and will cover key customer touch points to ensure consistent service delivery across our operation.	TAP is one of our five leadership development programs. The program is aimed at identifying and developing talented supervisory grade employees to take on executive grade positions. During the year the Fourth batch of TAP comprising of 21 Supervisory Level employees participated in the program.	A virtual quiz competition was launched during the year as part of our efforts to make online learning more participative, interactive and fun, which garnered a significant amount of interest.	A series of 20 virtual training programs were conducted to prepare operational teams to face the new normal post COVID-19. Programs covered health and safety aspects as well as customer experience aspects. The program was developed based on local authority guidelines and global best practices. A total of 150 employees participated in these programs.

Performance Management

The performance appraisal system at Cinnamon is based on the JKH Group Appraisal system which follows a Balance Score Card method. Individual KPI's are aligned to business objectives and identified competencies for each employee level are discussed and agreed upon with respective employees at the beginning of the year. Employee evaluation which is carried out bi-annually, is a multi-step process involving self-evaluation by the employee, a supervisor review and validation by a separate Career Committee consisting of top management.

Despite the challenges faced during the year we conducted performance evaluations for all our employees by shifting all performance management activities online. Collaborative tools such as MS Teams were used to facilitate a consultative and ongoing process throughout.

Employee Engagement

We continued to find innovative ways of engaging with our employees throughout the pandemic period, redesigning engagement activities to motivate and inspire employees working from home. Meanwhile we continued to communicate with our employees through virtual channels such as online meetings, social media and e-newsletters to ensure that communication lines remained open during the pandemic period. Two employee surveys were also conducted during the year to feel the pulse of our employees and to understand the effectiveness of Agile work arrangements.

Women's Day Celebrations
Achievements of our female colleagues were highlighted and celebrated at the Women's Day Celebration held in March.

SNAP! Online photography contest
Employees across our Sri Lankan and Maldivian resorts participated in the inaugural SNAP! online Photography Contest held in July.

Jungle Cat Virtual Fitness Session
Interactive sessions covering areas such as intuitive eating, maintaining a healthy work-life balance & identifying sustainable workout routines were carried out virtually by renowned dieticians & fitness professionals

#CinnamonMemories Competition
Employees shared their favorite memories at Cinnamon Hotels & Resorts on Instagram as part of this virtual competition

Labour Relations

Cinnamon Hotels & Resorts no longer has Collective Agreements with its employees. However 47% of our employees from Sri Lankan Resorts belong to 3 trade unions which is covered by a MOU. We continued to maintain cordial relations with unions by ensuring ongoing dialog to address issues and support our people throughout the pandemic.

Promoting Diversity in the Workplace

We are committed to creating an inclusive and caring culture that embraces diversity and equal opportunities for all. We adopt a zero-tolerance policy on any form of discrimination based on gender, ethnicity, religion or any other grounds and responsibly state that there were no reported incidents of discrimination during the year.

A key initiative during the year was the introduction of a comprehensive Gender policy for the Group. The gender policy is a progressive step towards achieving gender parity across the group through targeted initiatives such as Gender Targets, Employer Supported Childcare solutions, Change Agent Networks & Women Centric Training. (Please refer our Gender Parity Report for more details of our efforts to ensure gender parity)

We also established a Diversity and Inclusion (D & I) team for the Group with the specific responsibility of formulating the strategy and initiatives to achieve the objectives of the Gender Policy. A network of D&I change agents including male champions of change support the operationalization of strategies together with business and HR heads.

Meanwhile we continue to partner with leading organizations to drive positive change in gender empowerment and diversity at the workplace. As a member of IFC’s SheWorks Sri Lanka Partnership we are at the forefront of driving gender smart solutions in workplaces to increase women in the workforce. During the year we also signed up for the UN Global Compact’s gender equality accelerator programme. The program sets ambitious corporate targets for women’s representation and leadership and supports companies through facilitated performance analysis, capacity building workshops, peer-to-peer learning and multi-stakeholder dialogue at the country-level.

We also conduct ongoing awareness sessions at Group level in collaboration with Equal Grounds Sri Lanka, Grassrooted Trust and the National Transgender Network to promote non-discrimination and greater inclusivity for of LGBTIQ communities in our work places.

Diversity of Governance Body

	Male	Female
Board of Directors	8	1
Management	112	12
Executives	127	13
Non- Executives	1604	181

Employees by gender and age group has been reported on page 11. We do not however report on governance body by age category.

Diversity by Contract and Region

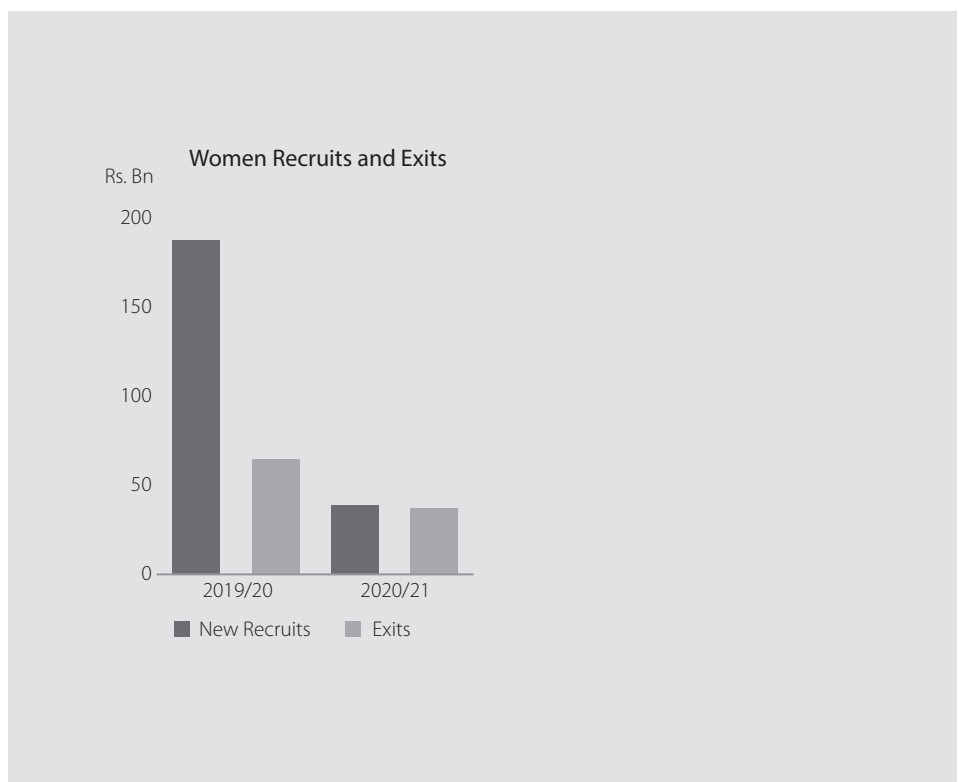
Employment Category	Sri Lanka		Maldives	
	Male	Female	Male	Female
Permanent Contract	978	50	-	-
Fixed Term/ Temporary Contract	380	55	494	105
Part time Contract	We do not engage employees on a part time basis			

GENDER PARITY REPORT

Gender Parity

“We are committed to striving for gender parity through empowerment and inclusion, equal opportunity and equal participation” – JKH Gender Policy

- Our Goals**
- Increase female participation in the workforce
 - Address unconscious bias
 - Increase women in non-traditional roles
 - Increase women in leadership roles



ENABLERS

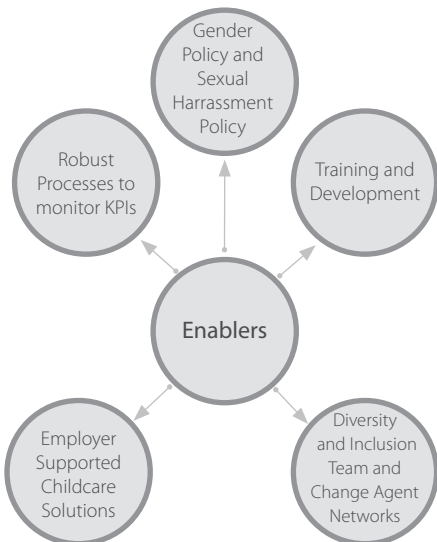
We continue to foster a culture of gender balance by equipping businesses with frameworks and guidelines to integrate gender parity into their operations.

During the year, we introduced a comprehensive gender policy aimed at achieving gender parity across the Group. The Group also has a policy on sexual harassment and has institutionalized a process by which sexual harassment of any form could be brought to the notice of the management for redress. This is to facilitate the dignity of work of all our employees, ensure they are free of harassment of any form, and provide safe working conditions for all.

We also established a Diversity and Inclusion (D & I) team for the Leisure Group with the specific responsibility of formulating the strategies and initiatives to achieve gender parity. Meanwhile, a robust quarterly reporting framework is in place to monitor the progress towards achieving the Gender parity targets.

A network of D & I change agents including male champions of change, support the operationalization of strategies together with business and HR heads.

The Group also introduced a Chairman’s Award for Diversity and Inclusion which recognizes tolerance, acceptance and inclusion of all individuals irrespective of gender and other differences.



Upward Mobility	Women Centric Training	Employer Supported Childcare solutions																					
<table border="1"> <thead> <tr> <th colspan="2">Female Representation</th> </tr> </thead> <tbody> <tr> <td>Board of Directors</td> <td>11%</td> </tr> <tr> <td>Management</td> <td>10%</td> </tr> <tr> <td>Executives</td> <td>9%</td> </tr> <tr> <td>Non- Executives</td> <td>10%</td> </tr> </tbody> </table>	Female Representation		Board of Directors	11%	Management	10%	Executives	9%	Non- Executives	10%	<table border="1"> <thead> <tr> <th>Training Program</th> <th>No. of Female Participants</th> </tr> </thead> <tbody> <tr> <td>Female leadership development program in association with Marry Wright Association Australia</td> <td>10</td> </tr> <tr> <td>Talent Acceleration Program</td> <td>1</td> </tr> </tbody> </table>	Training Program	No. of Female Participants	Female leadership development program in association with Marry Wright Association Australia	10	Talent Acceleration Program	1	<ul style="list-style-type: none"> ◆ Introduction of agile work arrangements ◆ Increase of parental leave quota for staff ◆ Introduction of adoption leave ◆ Subsidized childcare services to employees to be launched post governmental approval for creche to operate ◆ Launch of “Winning over New Parents” supervisor & HR tool kits 					
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<p>Female Mentoring 10 women participated in the group-wide mentoring program</p>	<p>PROPORTION OF WOMEN WHO RECEIVED TRAINING DURING THE YEAR</p> <p>10%</p> <p>Training Hours by Gender</p> <table border="1"> <thead> <tr> <th>Gender</th> <th>Percentage</th> </tr> </thead> <tbody> <tr> <td>Male</td> <td>94%</td> </tr> <tr> <td>Female</td> <td>6%</td> </tr> </tbody> </table>	Gender	Percentage	Male	94%	Female	6%	<table border="1"> <thead> <tr> <th>Parental Leave</th> <th>Male</th> <th>Female</th> </tr> </thead> <tbody> <tr> <td>Employees entitled to parental leave</td> <td>1114</td> <td>110</td> </tr> <tr> <td>Employees that took parental leave</td> <td>31</td> <td>4</td> </tr> <tr> <td>Employees that returned to work after parental leave</td> <td>31</td> <td>2</td> </tr> <tr> <td>Employees that returned to work after parental leave that were still employed 12 months after their return to work</td> <td>27</td> <td>1</td> </tr> </tbody> </table>	Parental Leave	Male	Female	Employees entitled to parental leave	1114	110	Employees that took parental leave	31	4	Employees that returned to work after parental leave	31	2	Employees that returned to work after parental leave that were still employed 12 months after their return to work	27	1
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Employees that returned to work after parental leave	31	2																					
Employees that returned to work after parental leave that were still employed 12 months after their return to work	27	1																					

Participating in Change Agent Networks

- ◆ The Group continues to work towards enhancing gender-smart solutions and increasing women in the workforce in partnership with the IFC SheWorks Sri Lanka Partnership
- ◆ During the year the Group also signed up for the UN Global Compact’s gender equality accelerator program. The program sets ambitious corporate targets for women’s representation and leadership and supports companies through facilitated performance analysis, capacity building workshops, peer-to-peer learning and multi-stakeholder dialogue at the country-level.

INTELLECTUAL CAPITAL

As the world gradually emerges from the Global Pandemic, we will need to rely on our intellectual capital more than ever to navigate an unfamiliar tourism landscape in the "New Normal. Our unique brand proposition, world class systems and processes and in-depth organizational knowledge provides us with a distinct advantage which we will leverage not only for our own recovery but also to support the recovery of the nation's tourism industry.

Highlights for FY 2020/21

RECOGNIZED AS THE MOST VALUABLE HOSPITALITY BRAND IN SRI LANKA IN 2020 BY LMDZ

ONE OF THE FIRST HOTEL CHAINS IN SRI LANKA TO RECEIVE THE 'SAFE & SECURE' CERTIFICATION AWARDED BY THE SRI LANKA TOURISM DEVELOPMENT AUTHORITY (SLTDA)



Our Intellectual Capital

BRAND EQUITY

RS. 5,001 MN

LOCAL AND INTERNATIONAL CERTIFICATIONS AND ACCREDITATIONS

SYSTEMS AND PROCESSES



Cinnamon Standard for Care and Cleanliness

Organizational Knowledge

Market insights and customer knowledge

Strategic Priorities




Management Approach

We continue to nurture our intellectual capital by leveraging technology and incorporating global best practices to create a compelling brand value.

Brand Building

The Cinnamon Hotels and Resorts brand is consistently ranked among the Top 50 most valuable brands in Sri Lanka and was ranked 29th by Brand Finance in 2020. We were also named as the Most Valuable Hospitality Brand in Sri Lanka in 2020 by LMD.

Despite the challenging conditions during the year, we continued to find innovative ways of building our brand and staying at the top of our customers minds. From virtual experiences to intimate signature events we stayed true to our brand ethos of creating “inspiring moments” during the troubling times. These events which garnered significant interest amongst both local and international audiences not only enhanced the visibility of the Cinnamon Brand but also contributed towards positioning Sri Lanka as a safe and attractive tourist destination post COVID-19.

Brand Finance- Top 100 most valuable Sri Lankan brands	
	
Ranking	29th
Brand Value	5,001
Brand Rating	AA+

Some of the key events held during the year are listed below. (Please refer our Annual Report for more details on these events)



Traveling Photographers



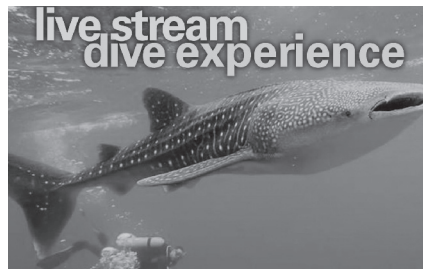
The Cinnamon Future of Tourism Virtual Summit



In Situ – an Intimate Bawa Experience



A Literary Weekend with the Gratiæn Winners



Virtual Diving Experience with Cinnamon DiveStream Maldives

Systems and Processes

Our systems and processes are some of the best in the industry. In the face of the global pandemic, we were quick to implement “Cinnamon Care”-the Cinnamon Standard for Care and Cleanliness. The standard is a holistic approach to sanitation across all hotel spaces with stringent cleanliness and safety protocols in line with the guidelines issued by the World Health Organization and the Government of Sri Lanka and the Maldives.



Organizational Knowledge

With over 40 years as one of Sri Lanka’s leading hotel operators, we possess a wealth of knowledge, experience and insights into our operation, our customers and our industry. We continue to harness this knowledge by promoting a culture of knowledge sharing and mentoring.

Certifications and Accreditations

We are committed to adopting global best practices in all aspects of our operation, and comply with a host of accreditations and certifications relating to health and safety, food safety, environmental management and sustainable tourism. All our resorts in Sri Lanka received the ‘Safe & Secure’ certification awarded by the Sri Lanka Tourism Development Authority (SLTDA), making it one of the first hotel chains to receive this certification. All our properties in the Maldives too have also received similar certification from the Maldives Ministry of Tourism. The financial year also saw Cinnamon Bentota Beach obtain LEED Platinum Status and Ellaidhoo receive Green Globe Green status further strengthening our commitment to sustainable practices.

Food Safety	Environment Management	Health and safety	Sustainability
<ul style="list-style-type: none"> ◆ ISO 22000:2005 / ◆ ISO 22000:2018 	<ul style="list-style-type: none"> ◆ ISO 14001:2015 	<ul style="list-style-type: none"> ◆ OHSAS 18001:2007 ◆ ISO 45001:2018 ◆ Safe & Secure Tourism certificate of compliance 	<ul style="list-style-type: none"> ◆ Green Globe Certification ◆ Travellife Certification ◆ LEED Certification ◆ SL National Sustainable Tourism Certification

Hotel	Award	Awarding Body
Cinnamon Hotels & Resorts	LMD's Most Valuable Hospitality Brand in Sri Lanka 2020	LMD
	Bronze Award Integrated Marketing Plan & Recovery Campaign	HSMAI Adrian Awards
Cinnamon Bentota Beach	"LEED PLATINUM" Certification	United States Green Building Council (USGBC)
Cinnamon Wild Yala	Silver award in the leading wildlife lodge category	South Asian Travel Awards (SATA)
Cinnamon Citadel Kandy	Gold award in the leading riverfront hotel/resort category	South Asian Travel Awards (SATA)
Habarana Village by Cinnamon	Traveler Review Award	Booking.com
Cinnamon Lodge Habarana	Traveler Review Award	Booking.com
Cinnamon Bey Beruwala	Silver award in the leading F&B Hotel/Resort category	South Asian Travel Awards (SATA)
	Travelife Certification	Travelife
	Green globe Certificate	Green Globe
All Sri Lankan Resorts	Safe & Secure Tourism certificate of compliance	Sri Lanka Tourism Development Authority (SLTDA)
Cinnamon Hakuraa Huraa	Loved by Guests Award	Hotels.com
Ellaidhoo Maldives by Cinnamon	Green Gold Globe Certification	Green Globe
	Chairman's award for sustainability – Large Scale Operations	John Keells Holdings
	Loved by Guests Award	Hotels.com
Cinnamon Dhonveli Maldives	Green Globe Certification	Green Globe
	Silver Award - Leading surf category in South Asia	South Asian Travel Awards (SATA)
	TripAdvisor Travelers' Choice 2020	Trip Advisor
	Loved by Guests Award	Hotels.com

SOCIAL AND RELATIONSHIP CAPITAL

We continued to explore innovative ways of engaging with our customers, business partners, suppliers and communities in order to stay connected with these key stakeholders amidst the pandemic.

Highlights for FY 2020/21

IMPLEMENTATION OF
 "CINNAMON STANDARD
 FOR CARE AND
 CLEANLINESS - CINNAMON
 CARE"

RS. 1 MN ON OTHER CSR
 ACTIVITIES AND RS. 0.5 MN
 ON COVID-19 RELIEF FOR
 COMMUNITIES

"CINNAMON TRAVEL
 PLEDGE" - 2000
 COMPLIMENTARY HOLIDAY
 PACKAGES TO THE
 FRONTLINE HEALTH CARE
 PROFESSIONALS



Our Social and Relationship Capital



Strategic Priorities



- ◆ Focus on guest health and safety
- ◆ Ensure ongoing engagement with customers, suppliers and business partners
- ◆ Enhance health and safety of supply chain
- ◆ Support COVID-19 response through community engagement
- ◆ Facilitate socio-economic progress in communities



Management Approach

We strive to ensure that our relationships with our customers, business partners, suppliers and communities are mutually rewarding and sustainable in the long run. A culture of respecting and caring for one another guide our relationships with these key stakeholders, while comprehensive policies and robust systems and processes ensure all our dealings are transparent, fair and meet acceptable standards. Meanwhile we ensure strict compliance with all laws and regulations. There were no instances of socio-economic non-compliance with laws and regulations during the year.

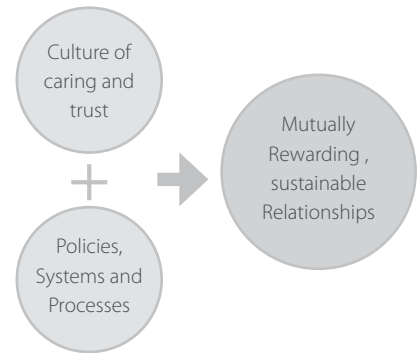
Customers

We remain attuned to the evolving needs of our customers amidst the pandemic and continue to explore ways in which we can offer unique guest experiences in the new normal. During the year two of our resorts served as level 1 certified 'safe and secure' hotels for international tourists and we took every effort to ensure their safety and comfort. Furthermore, Cinnamon Citadel Kandy was declared as an intermediate care centre (ICC) under the guidance of the Ministry of Health.

Guest Health and Safety

The global pandemic has created new challenges and requirements for the health and safety of travelers across the globe. Pro-actively responding to these requirements, Cinnamon Hotels put in place stringent health and safety protocols with the implementation of the "Cinnamon Standard for Care and Cleanliness- Cinnamon Care". Developed in strict adherence to the domestic and World Health Organization guidelines, the standard aims to deliver an unobtrusive experience at our properties whilst adhering to the highest health and safety standards. Enhanced health and safety measures introduced through the standard include high frequency cleaning and disinfection of guest areas, installation of disinfectant machines , regular PCR and antigen testing for resort staff , compliance for supply chain deliveries, and cleaning protocols for culinary and housekeeping areas. Modifications have also been made to limit contact and maintain the required distance stipulated for physical distancing through seating arrangements in public areas and restaurants. Meanwhile airport transfers, check-in and check-out procedures, use of hotel facilities such as the pool, the gym and sports activities and banqueting have also been enhanced to meet the Standard. There were no incidents of non-compliance concerning the health and safety impacts of products and services during the year.

Cinnamon Hotels & Resorts was one of the first hotel chains to receive the 'Safe & Secure' certification awarded by the Sri Lanka Tourism Development Authority (SLTDA). The Safe and Secure Tourism Certificate is an accreditation granted by the SLTDA pursuant to a rigorous safety audit which is conducted by an independent body- KPMG Sri Lanka and reviewed by the Ministry of Health. Cinnamon's four properties in the Maldives, have also received similar certification from the Maldives Ministry of Tourism.



Customer engagement

We stepped up our digital engagement to ensure that we stayed connected with our guests throughout the pandemic. Our website and social media pages include detailed information about travelling to Sri Lanka and the Maldives as well as information on the “Cinnamon Care” health and safety measures adopted by our resorts. We also provide easily accessible information on guidelines pertaining to making reservations at our resorts and fulfilling the required health and safety requirements. There were no instances of non-compliance regarding product and service information, labelling or marketing communications.

While physical customer engagement activities were limited due to pandemic induced restrictions, we found innovative ways of engaging with our customers virtually. Virtual interactions such as “Dive Stream Maldives”, “Travelling Photographers Webinars” and the “Cinnamon Future of Tourism Conference” provided guests and other stakeholders the opportunity to come together virtually during the pandemic and garnered significant interest.

Customer Privacy

A comprehensive policy on customer privacy ensures that any information on guests are protected with adequate security measures to protect against unauthorized access. 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.

Business Partners and Suppliers

Our supplier network includes almost 550+ suppliers supplying a range of items from food and beverages to other services. Wherever possible we seek to source locally from our surrounding communities as this enables us to directly contribute to community development. Procurement of suppliers is based on a detailed screening and selection process that includes documented selection criteria, an inhouse scoring system and transparent tender procedures. Meanwhile ongoing engagement with suppliers occurs through periodic supplier audits, supplier visits, and supplier impact assessments.

During the year, several additional health and safety measures were introduced across our supply chain through the “Cinnamon Standard for Care and Cleanliness”. Detailed food supplier guidelines were developed with stringent safety protocols to prevent any exposure to COVID-19. Meanwhile a risk based matrix was adopted to identify critical suppliers. A total of 68 new suppliers were screened using social and environmental criteria during the year. There were no negative environmental or social impacts in our supply chain during the year.

Supplier Engagement	
No. of supplier audits conducted during the year	68
Supplier Awareness sessions conducted during the year	07
Our purchases from local suppliers as a proportion of total procurement during the year amounted to more than 70%	

Community

We continued to lead the industry response to the COVID-19 pandemic, actively engaging in efforts to support communities respond to the unprecedented crisis. We were one of the first hotel chains to offer one of our resorts as a quarantine facility to the Government and currently operate a care center for government medical staff at Cinnamon Citadel Kandy. We also introduced the “Cinnamon Travel Pledge” where we offered 2000 complimentary holiday packages to the frontline health care professionals as a way of showing our appreciation for their dedicated work.

Notwithstanding the disruptions caused by the pandemic, we remained committed to our strategic CSR agenda of facilitating socio-economic progress in the communities we operate in. While continuing to directly support local communities through employment opportunities at our resorts, we continued to carry out projects in the core areas of youth Development, community upliftment, health awareness and environment conservation.

Youth Development	Community upliftment	Health awareness	Environment conservation
Improve employability of the youth with skills development through the “Cinnamon Youth Development Program”	Facilitate Community upliftment by sourcing supplies from local suppliers, by creating employment opportunities and through sponsorships.	Investments in community health infrastructure and by creating awareness on health issues such as HIV Aids.	Create awareness on bio-diversity conservation through projects such as Project Leopard Project Gathering Coral Propagation Project Project Wild Blue



NATURAL CAPITAL

We continue to adopt environmental best practices across our operation and are committed to leading the way in sustainable tourism in the country. Energy, water and waste management initiatives are developed, implemented and monitored based on global environmental standards. Meanwhile we continue to actively contribute to bio-diversity conservation, through long term projects in the localities we operate in.

Highlights for FY 2020/21

RS. 25 MN

INVESTED IN
 IMPLEMENTING HEALTH
 AND SAFETY MEASURES IN
 OUR PROPERTIES

CINNAMON BENTOTA BEACH
 RECEIVED THE "LEED PLATINUM"
 CERTIFICATION

RS. 131 MN

INVESTED IN ASSET
 LIGHT EXPANSIONS
 REFURBISHMENTS DURING
 THE YEAR



Our Natural Capital

Inputs

WATER CONSUMPTION
405,254 M3

ENERGY CONSUMPTION
126,467 GJ

Outputs

SOLID WASTE
805 MT

EFFLUENTS
305,800 M3

EMISSIONS
13,512
 KgCO₂e

Strategic Priorities



- ◆ Promote energy efficiency across locations
- ◆ Implement water conservation and recycling in all resorts
- ◆ Reduce consumption of plastic and reduce waste
- ◆ Ensure responsible disposal of waste and effluents
- ◆ Preserve Natural habitats and bio-diversity

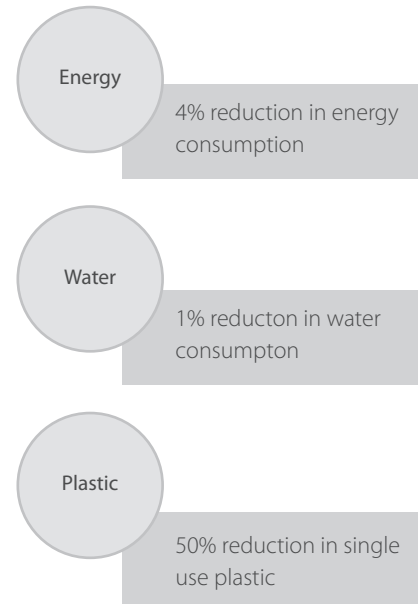






Management Approach

The Environmental Management Framework of Cinnamon Hotels and Resorts is guided by the JKH Group Sustainability Policy and is aimed at ensuring responsible consumption of resources, managing our environmental impacts and promoting bio-diversity conservation. Clearly specified sustainability indicators and benchmarks are in place together with robust systems and processes to monitor our impact on an ongoing basis. A state-of-the-art Utility Management System (UMS) enables us to centrally monitor our utility consumption while a Groupwide Online Sustainability System, track sustainability indicators based on GRI Reporting Standards on a quarterly basis. The data entered is periodically audited by an external audit firm to ensure accuracy and transparency.

During the year, we revised our sustainability policy to introduce sector specific changes and bring better alignment to the UN's Sustainability Development Goals. Accordingly, areas related to Energy, Water & Waste Management, Biodiversity Conservation, Economic & Social Sustainability, Product Quality, Sustainability Communications were reviewed and updated with specific sustainably goals for 2025 in the areas of energy consumption, water consumption and plastic reduction.

We are committed to adopting global best practices in sustainability. During the year Cinnamon Bentota Beach became the first Sri Lankan large-scale hotel to be awarded LEED Platinum status by the United States Green Building Council. Meanwhile Ellaidhoo Maldives by Cinnamon received Green Globe Gold Status, further reinforcing our commitment to maintaining the highest global standards in sustainability. There were no incidents of non-compliance with environmental laws or regulations during the year.



LEED PLATINUM Certification for Bentota Beach Bentota Beach is the first hotel of its scale (159 rooms) under LEED NC 2009 (Version 3) to be LEED PLATINUM Certified in Sri Lanka.	
The LEED (Leadership in Energy and Environmental Design) Certification awarded by the United States Green Building Council, is a prestigious globally recognized symbol of sustainability, aimed at promoting highly efficient, healthy and cost-effective buildings.	
LEED Platinum Certification was obtained due to the following measures adopted by the hotel ;	
Water Efficiency 	Installation of RO-Softener hybrid water purification system that supports greater water efficiency and regulated flow rates Use of Rainwater harvesting for irrigation Under the guidelines of LEED platinum certification all hotel sanitary fittings match lower flow rate in accordance to LEED certification guidelines Use of saltwater chlorinators in the swimming pool to reduce energy, water, and chlorine usage.
Energy Efficiency 	The hotel generates 15% of its total energy consumption through a 300-kW solar PV system. Adoption of Magnetic bearing chiller technology, which has a 20 % (or higher) efficiency rate and with a high part load efficiency rating. This system coupled with a high-end Building Management System enables the engineering team to monitor lighting system effectively and to control the entire HVAC system of the hotel efficiently according to the current elements. Operating heat pumps for hot water with chill water regeneration for maximum efficiency of both hot water and central air conditioning systems Introduction of water-cooled walk-in chiller/freezers for higher efficiency Wherever possible natural cross ventilation and use of natural lighting Over 90% of light fittings used are LED based Installation of a fresh air pumping system with CO2 sensors
Waste Management 	Planned waste management based on LEED Guidelines to avoid/ minimize landfill waste in both construction and operations
Bio- Diversity Conservation 	Trees within the premises were numbered and tagged to ensure preservation throughout the project.

Energy Management

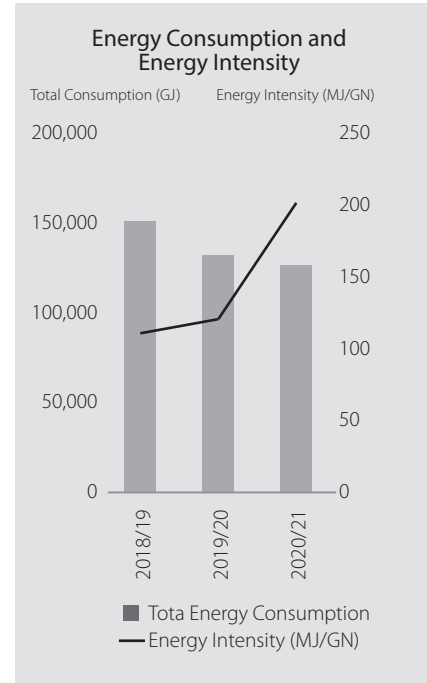
Energy consumption

Total energy consumption during the year amounted to 126,467 GJ compared to 131,866 GJ in FY 2019/20. Managing energy costs was a key element of the Group's overall cost management drive during the year. We sought to reduce energy costs by increasing energy efficiency and closely monitoring consumption and efficiency levels across locations. Stringent processes including daily benchmarks were set for each of our hotels to ensure that energy costs were closely tracked and kept within the set limits.

We remain committed to adopting green energy sources across our locations. Solar-Diesel hybrid electricity generation plants have been installed at Cinnamon Dhonveli Maldives and Ellaidhoo Maldives and a Net Plus 80kW Solar PV system has been installed at Hikka Tranz. A 300 kW Solar PV system was also installed at Cinnamon Bentota Beach last year. We are planning on expanding our solar generation capacity with projects planned for our remaining hotels as well.

Emissions

Emissions continued to decrease during the year as a result of sustained efforts to increase energy efficiency across resorts. We monitor our carbon footprint as per the Green House Gas Protocol as governed by the World Resource Institute (WRI) and the World Business Council for Sustainable Development. During the year our total carbon footprint declined by 14%.

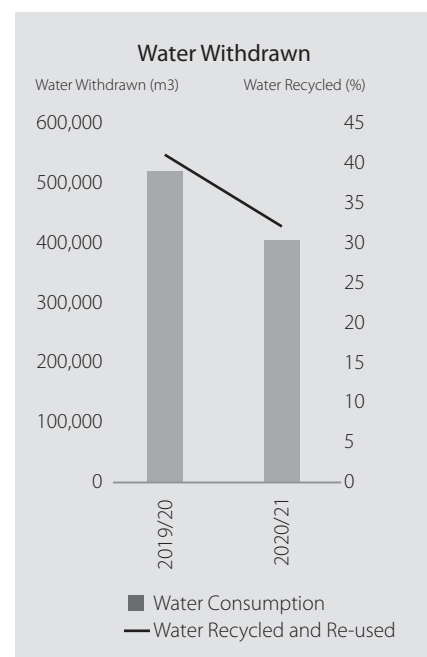


Direct and Indirect GHG Emissions (GRI 305-1 and 305-2)			
MT of Co2 equivalent	2020/21	2019/20	2018/19
CO2 Footprint - Direct Energy through Primary Sources (Scope 1)	6,570	5,698	6,820
CO2 Footprint - Indirect Energy through Primary Sources (Scope 2)	6,865	10,006	10,664
Total CO2 Footprint	13,435	15,704	17,484

Water Management

Water Consumption

Systematic processes are in place to conserve water and improve water efficiency across our operations. We have invested in flow restrictors across our properties which has resulted in significant savings in water consumption. Meanwhile rain- water harvesting systems have been installed at Cinnamon Citadel Kandy, Cinnamon Dhonveli Maldives, Ellaidhoo Maldives by Cinnamon and most recently at Cinnamon Bentota Beach. Water recycling is also practiced extensively in all our resorts with almost 32.1% of total water discharged is recycled and re-used for flushing and gardening purposes.

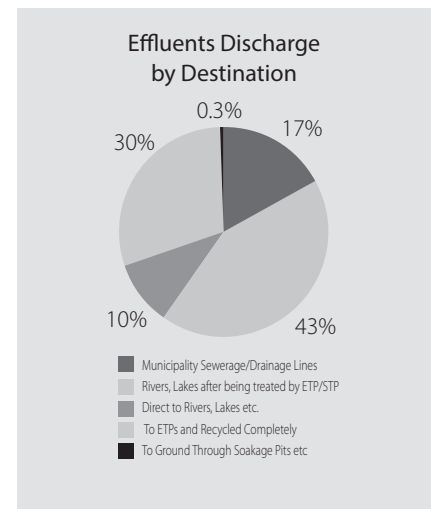


Water Management		2020/21	2019/20
Water withdrawn GRI 303-5	Total water Withdrawn (m3)	405,254	520,570
Water withdrawal by source– GRI 303-3	Surface water-wetlands, rivers, lakes oceans (m3)	167,749	108,498
	Ground water (m3)	119,094	276,113
	Rainwater harvested (m3)	1,057	1,583
	Municipality water sources (m3)	147,067	134,376
	Total water withdrawn (m3)	405,254	523,070
Water Efficiency	Water Withdrawn per guest night (Litres/Earth CheckGuest night)	475.00	644.35
Water Recycling	Water Recycled and Re-used%	32.1%	41.1%

Effluents

All our hotel properties (except Hikka Tranz) have separate on-site Effluent Treatment Plants to ensure that all effluents from our resorts are treated before being released into the environment. Effluent water from Hikka Tranz by Cinnamon meanwhile is sent directly to the Hikkaduwa Public Wastewater Treatment plant. We closely monitor the quality of water discharged into the environment to ensure that all regulatory standards are strictly adhered to. Periodic audits are also conducted by independent assessors to ensure that water quality standards are consistently met.

Total water discharge by quality and destination	m3
To Municipality Sewerage, Drainage Lines	53,938
To ETPs and Recycled Completely	98,112
To Rivers, Lakes after being treated by ETP/STP	138,426
Direct to Rivers, Lakes, Wetlands, Marshes	32,366
To Ground Through Soakage Pits etc	878



Material Management

Raw Material Consumption

As a service operation we do not rely heavily on any one raw material. However, we make every effort to use environmentally sustainable products wherever possible and reduce wastage particularly in relation to food waste and plastics. “Plasticcycle” the John Keells Group wide initiative aimed at reducing plastic consumption also continued during the year with several programs being rolled out across our resorts. (See table alongside)

Waste

Waste generated by our operation consist mainly of non-hazardous waste such as food waste from our hotel operations. Waste segregation and responsible disposal is practiced across all locations. A significant amount of all food waste generated is converted to bio-gas through Bio-gas Digester Plants installed at Habarana Village by Cinnamon, Cinnamon Citadel Kandy and Cinnamon Wild Yala. The Bio gas thus generated is used for staff kitchens in these respective hotels. The remainder of wet waste is composted and used in our gardens or dispatched to piggeries in respective localities. Other waste including electronic waste is responsibly disposed of through recyclers certified by the Central Environmental Authority

Disposal method of Non—Hazardous Waste (GRI 306-4, 306-5)		
(Kg)	2020/21	2019/20
Reuse	224,978	624,264
Recycling	97,221	128,118
Incineration	2,484	1,874
Deep Well Injection	329,515	351,140
Landfill	234,240	350,613
Total Non-Hazardous Waste Disposed	804,677	1,541,091
Kgs of Landfill waste per guest night	0.37	0.32
Kgs of Total Non-Hazardous waste per guest night	1.28	1.41

There were no instances of significant spills or water bodies affected by water discharge during the year.

Initiatives during FY 2020/21

Plastic Bottle Replacement Project

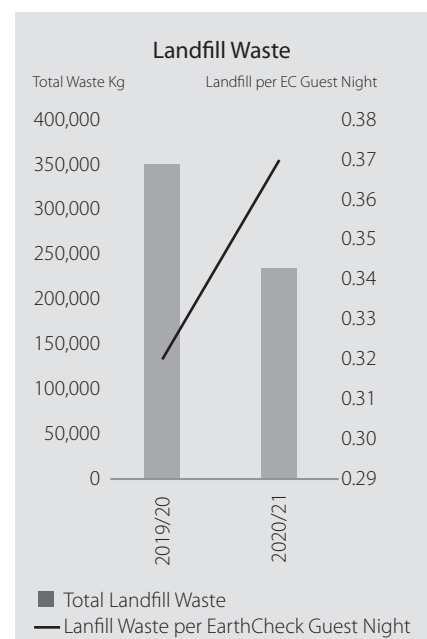
Glass water bottle pilot projects were rolled out at Cinnamon Wild Yala and Cinnamon Bentota Beach while Ellaidhoo Maldives replaced plastic bottles with customized aluminum bottles and installed water dispensers across the property for guest to re-fill their bottles.

Beach Clean-up Project

Hikka Tranz by Cinnamon together with the Marine Environmental Protection Authority (MEPA) and Plasticcycle launched the Beach Caretaker initiative to maintain a 1km stretch of beach along the resort. Similar projects have also been initiated at Cinnamon Bey and will be extended to other beach properties as well.

Sponsorship of Collection Bins

A total of 18 collection bins were sponsored by Cinnamon Wild Yala to reduce plastic pollution along the Southern Highway. These new bins are located towards the Southern end of the expressway at the Mattala, Hambantota and Sooriyawewa exits leading to the Mattala International Airport and the Hambantota Port. Collected plastic is thereafter sent for re-cycling through a reputed third party.



Bio Diversity Conservation

Many of our resorts are in close proximity to protected areas and areas of high biodiversity value.(See table below). We are committed to ensuring that our operations have a minimal impact on the bio-diversity of the areas surrounding our resorts. During the year we launched a series of bio-diversity studies across all our Resorts to better understand the surrounding habitats and conservation requirements.

	Name of Protected Area	Proximity to Resort	Bio Diversity Value and protected status
Cinnamon Lodge Habarana	Minneriya National Park Ritigala Strict Nature Reserve	Within 20 Km radius	Wildlife & Forestry Flora and Fauna Protection Ordinance 1937 IUCN Category II - National Park
Habarana Village by Cinnamon	Kaudulla National Park		
Cinnamon Bey Beruwala	Hikkaduwa Marine National Park	45 km	Maritime
Hikka Tranz by Cinnamon		0.5 km	Flora and Fauna Protection Ordinance 1937
Cinnamon Bentota Beach		40 km	IUCN Category II - National Park
Cinnamon Wild Yala	Yala National Park Bundala National Park	Within 32 Km radius	Wildlife & Forestry Flora and Fauna Protection Ordinance 1937 IUCN Category II - National Park
Trinco Blu by Cinnamon	Pigeon Island Marine National Park	16 km	Maritime IUCN category 11-National Park Flora and Fauna Protection Ordinance
Cinnamon Citadel Kandy	Udawatte Kele Sanctuary	6 km	Wildlife & Forestry Flora and Fauna Protection Ordinance 1937 IUCN Category IV - Habitat/ Species Management Area
Cinnamon Dhonveli Maldives	Thamburudhoo thila	1 km	Maritime The Environmental Protection & Preservation Act
Cinnamon Hakuraa Huraa Maldives	Lhazikuraadi	1 km	Maritime The Environmental Protection & Preservation Act
Ellaidhoo Maldives by Cinnamon	Orimas thila	1 km	Maritime The Environmental Protection & Preservation Act

As part of our ongoing focus on biodiversity conservation, a series of Bio Diversity Studies were launched across our resorts during the year. We also actively engaged in bio-diversity conservation efforts through long term projects carried out by the Cinnamon Hotels & Resort's eco-tourism arm Cinnamon Nature Trails. Details of key long term projects are highlighted below.

Project Leopard

The project aims to address the ongoing human- leopard conflict in the areas surrounding the Yala National Park by providing cattle farmers in the area viable solutions to protect their cattle from leopards. Over the course of the last 10 years Cinnamon has provided over 100 steel pens for farmer families in the local community.



Coral Propagation Project

The project was launched in 2018 by Cinnamon Dhonveli Maldives, in collaboration with Meridis Dive & Relax Team to create awareness on the importance of coral conservation through ongoing research activities.



Project Gathering

A collaborative effort between Cinnamon Hotels and the Centre for Conservation and Research, the project aims to develop best practices in elephant tourism by integrating elephant viewing with research on behavioral patterns, demographics and health status of elephants in the area. The project has enabled researchers to gather valuable information on elephant herds in the area and support efforts to address the ongoing human-elephant conflict in the area.



Project Wild Blu

Initiated in 2013, the project seeks to collect data on Blue Whales and super pods of Sperm Whales off the Trincomalee sea. The data collected through the projects supports the research efforts of the Department of Wildlife Conservation.



INDEPENDENT ASSURANCE REPORT

Independent Assurance Report to John Keells Hotels PLC on the Sustainability Reporting Criteria Presented in the Integrated Annual Report- 2020/21

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- 2020/21 ("the Report").

- ◆ Reasonable assurance on the information on financial performance as specified on page 167 of the John Keells Hotels PLC Annual Report.
- ◆ 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 XX XX 2021. 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 2021.
- ◆ 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 167 of the John Keells Hotels PLC Annual Report are properly derived from the audited financial statements of the Company for the year ended 31 March 2021.
- ◆ 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

The logo for Ernst & Young, featuring the company name in a stylized, handwritten font.

20 May 2021
Colombo

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	102-3 Location of headquarters	Annual Report Page 177	
	102-4 Location of operations	Annual Report Page 10	
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	102-8 Information on employees and other workers	Supplementary Sustainability Report Page 10	
	102-9 Supply chain	Supplementary Sustainability Report 24	
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	102-33 Communicating critical concerns	Not covered	
	102-34 Nature and total number of critical concerns	Not covered	
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	102-47 Material topics	Annual Report Page 50	
	102-48 Restatement of Information		There s no restatement of information
	102-49 Changes in reporting		No changes in Reporting
	102-50 Reporting period	Annual Report Page 5	
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