

GREATNESS
COMPASSION
INCLUSIVITY
WELLBEING
CURIOSITY
T R U S T
A G I L I T Y

John Keells Hotels PLC | Sustainability Report 2022/23

Cinnamon
HOTELS & RESORTS

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OUR PURPOSE

We curate emotional experiences to inspire stories that connect

At John Keells Hotels PLC, we are guided by our core values driven by a common purpose of curating emotional experiences for our guests, inspiring unforgettable stories which they will cherish and helping them make connections which will last a lifetime.

Whilst maintaining a foundation of shared behaviours that will forge our identity and beliefs, we are defined by the values that will shape our future. That's why we embrace our corporate values of Greatness, Compassion, Inclusivity, Wellbeing, Curiosity, Trust and Agility to inspire our purpose of creating value for our honoured stakeholders.

“The greatest wealth
is health.”

- *Virgil*



wellbeing

We strongly believe that our actions and behaviours build wellbeing, and we are dedicated to creating an environment where individuals feel supported and empowered to prioritise their own wellbeing.





INTRODUCTION

Sustainability has always been integral to Cinnamon Hotels & Resorts' brand ethos. Our Environmental, Social and Governance (ESG) approach is based on three fundamental pillars: protecting the wellbeing of our planet, supporting the wellbeing of our people and communities, and empowering all for sustainable development.

About this Report

We believe an open and transparent approach to report on our ESG strategy is vital to fostering stakeholder trust. This report explains how we incorporate our ESG goals into our operations and supply chain to create sustainable value for our stakeholders. This report, together with our Annual Report 2022/23, is an Integrated Report prepared in accordance with the International Framework of the International Integrated Reporting Council and the GRI Standards. The Company has sought independent third-party assurance from Messrs. Ernst & Young in relation to the non-financial information contained in this Sustainability Report.

Cinnamon Hotels & Resorts sustainability policy

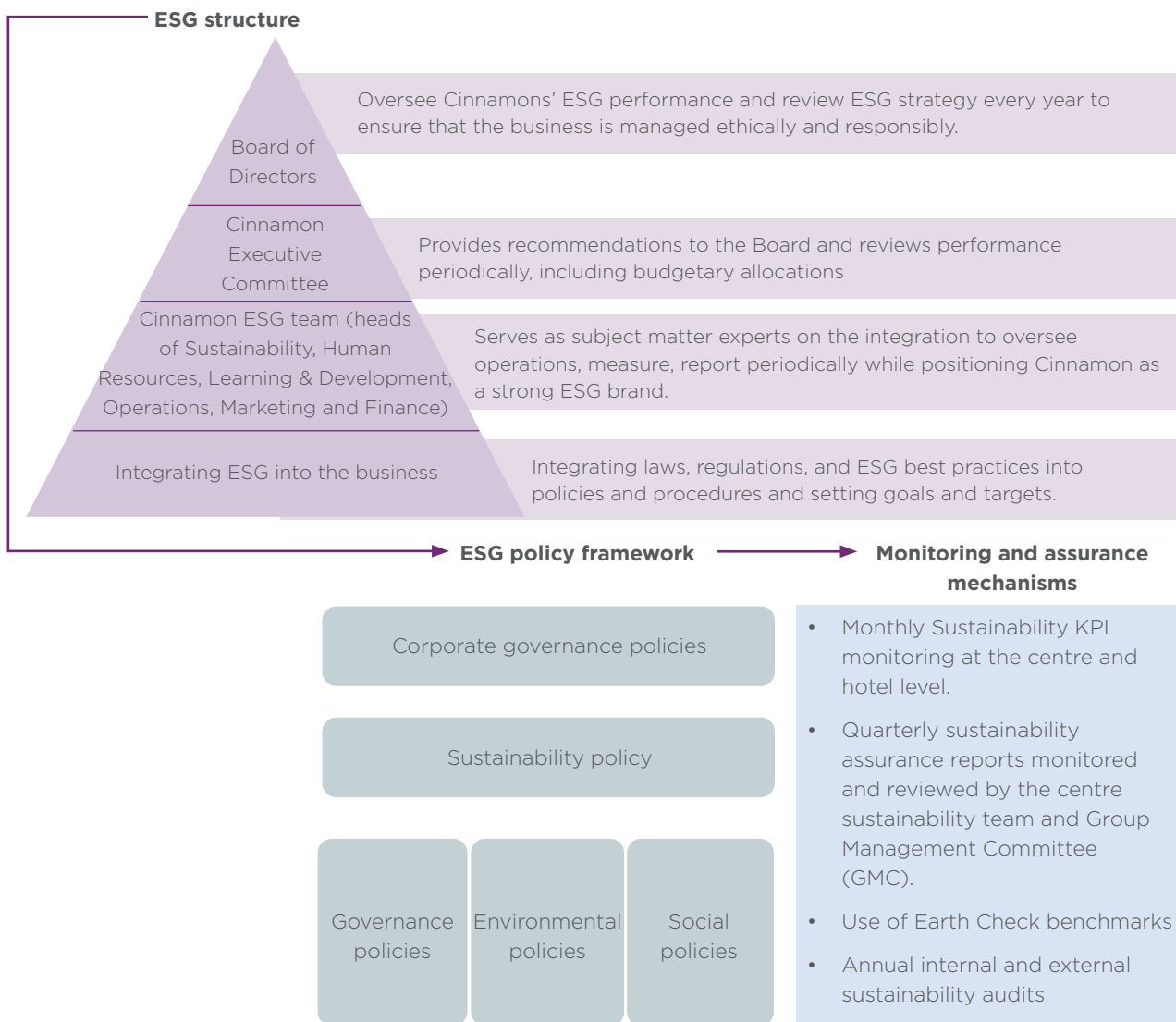
Cinnamon Hotels & Resorts acknowledges that the balance between the three pillars of sustainability (planet, people, and community) is at the core of our business. We are committed to providing a high standard of hospitality and related services in a manner that ensures a safe and healthy workplace for our employees while minimising our potential impact on the environment and neighbouring communities. We will comply with all relevant environmental legislation and strive to adopt environmental best practices in all we do. During the year, there were no instances of noncompliance with laws and regulations.

Our ESG strategy and framework



Our sustainability policy which is aligned with that of the John Keells Group enables us to maintain a consolidated policy throughout Cinnamon Hotels & Resorts and ensure all our activities are aligned with the core sustainability agenda of the Group.

A clearly defined sustainability strategy with specified goals to be achieved by 2025 was launched in 2021 with the aim of achieving measurable environmental and social progress through our business. Our 2025 goals are underpinned by targets and aligned to the United Nations Global Compact (UNGC) Principles, United Nations Sustainable Development Goals (UNSDGs), and national priorities.

The integration of these goals into our operation is supported by a robust governance framework that ensures accountability, participation, and transparency. During the year, we further strengthened our ESG framework with the realignment of the centre sustainability team to drive the group’s sustainability agenda. In addition, compliance executives were recruited for each of our resorts to drive ESG functions at the business unit level.



Key ESG highlights-FY 2022/23

 <p>Our Maldives resorts have successfully reduced total single-use plastic consumption (guest-facing) by 86%</p>	<p>Installation of 16 ocean temperature data loggers in the Maldives resorts as a part of climate change intervention.</p>	<p>Formulation of ecological maps through Geographical Information System (GIS) as a part of bio-diversity conservation efforts for all Maldivian resorts.</p>	
 <p>We have installed 16 ocean temperature data loggers at various depths in the oceans surrounding our resorts in the Maldives. These loggers will collect important ocean data such as temperature, conductivity, and salinity levels to help us better understand and monitor the ocean environment.</p>	<p>Launch of project “Aloka” for recruiting female employees into nontraditional job roles in the hospitality industry</p>	<p>Our “Cinnamon Rainforest Project” has been recognised as the Asia-Pacific Nature-Based Initiative of the Year at the Sustainable Company Awards 2022 by Environmental Finance, highlighting our efforts towards environmental sustainability.</p>	
<p>4 New partnerships with leading hospitality training partners, including Luminary learning, NSBM Green University, EHL Hospitality Business School University, Switzerland, and eCornell programmes</p>	<p>Launch of our new purpose and seven corporate values “Cinnamantra”</p>	<p>15,315 native plants were replanted in the buffer zone of Sinharaja forest reserve under “Cinnamon Rainforest” restoration project</p>	
<p>26 farmers equipped on sustainable agricultural practices through the GAP (Good Agricultural Practices) farmer project</p>	<p>Over 1,600 children fed through the “Pasal Deriya” school meal programme</p>	<p>Over 1,060 home gardens established through the “Sara Midula” home gardening initiative</p>	<p>Initiated the apprenticeship academy for youth interested in entering the industry.</p>
<p>13 employee and community awareness programmes on topics including child protection, plastic reduction, and substance abuse</p>	<p>John Keells Hotels PLC won the ACCA Sri Lanka Sustainability Reporting Awards 2022 in the Leisure and Connected Services category, recognising our commitment to sustainable practices in our business operations.</p>	<p>Transparency International Sri Lanka (TISL) has ranked John Keells Hotels PLC in 10th place in the Transparency in Corporate Reporting Assessment (TRAC) 2022, reflecting our commitment to transparency and accountability.</p>	
<p>Launch of Health and Safety Environment (HSE) strategy under “Cinnamon Care 2.0”</p>	<p>Over 13,300 training hours were completed through Cinnamon Online Academy (COA) covering 2,450 employees.</p>	<p>Over 16 scholarships provided to youth through the higher education scholarship scheme</p>	

Goal tracking

Goals	2025 targets	Progress	More information
Environmental Impact			
Bio-diversity management plans	<ul style="list-style-type: none"> Execution of bio-diversity action plan at each resort in Sri Lanka and Maldives 	●	Page 31
Bio-diversity conservation projects	<ul style="list-style-type: none"> Implementation of one bio-diversity conservation plan per resort Implementation of one mid-scale conservation project per year 	●	Page 31
Reduce carbon footprint	<ul style="list-style-type: none"> Reduce carbon footprint by 1,300 tCO₂e (scope 1 and 2) 	●	Page 25
Increase dependence on renewable energy	<ul style="list-style-type: none"> 15% of energy requirements to be met by renewable energy 	●	Page 25
Water stewardship	<ul style="list-style-type: none"> Reduce water consumption by 10 litres per Earth Check guest night 	●	Page 30
Reduce single-use plastic consumption	<ul style="list-style-type: none"> 50% reduction in single-use plastic (guest-facing) 	●	Page 28
Increase local supplier base	<ul style="list-style-type: none"> 50% of the supplier base to be local and community-based 	●	Page 59
Assess the social and environmental impact of the supply chain	<ul style="list-style-type: none"> Supplier impact assessments to be carried out for all suppliers in the top 10 purchase categories 	●	Page 59
Adoption of industry best practices	<ul style="list-style-type: none"> All resorts to comply with Global Sustainable Tourism Council (GSTC) certification scheme - Travelife 	●	Page 25
Zero waste to landfill	<ul style="list-style-type: none"> 100% of generated waste is diverted away from landfills 	●	Page 26
Social Impact			
Create awareness on responsible plastic consumption	<ul style="list-style-type: none"> Single-use plastic reduction awareness sessions for the community 	●	Page 29
Increase female participation in the workforce	<ul style="list-style-type: none"> Increase female participation in the workforce to 24% 	●	Page 43
Increase female representation in leadership	<ul style="list-style-type: none"> Increase female representation in leadership to 25% 	●	Page 43
Improve participation of differently-abled persons in the workforce	<ul style="list-style-type: none"> Increase differently-abled persons participation in the workforce to 1% 	●	Page 44
Human rights protection	<ul style="list-style-type: none"> All employees to be trained on child protection Child protection awareness sessions for the community (New) 	●	Page 51
Empowerment through employment	<ul style="list-style-type: none"> 7.5% of the approved cadre to be filled through community youth development programmes 	●	Page 59

● Behind Schedule ● On Track ● Ahead of Schedule

Engaging with our stakeholders

The Group identifies stakeholders based on a periodic assessment of stakeholders who have significant influence over, or are significantly influenced by the group's operations. We engage with our stakeholders on an ongoing basis to understand their evolving aspirations and proactively respond to their requirements. Incorporating stakeholder perspectives and concerns into the Group's policies and commitments have enabled us to drive stakeholder value consistently. Stakeholder engagement is an ongoing process incorporated into the normal course of business through formal and informal channels. The issues, concerns and suggestions raised through our engagement activities feed into our materiality assessment and form the basis of our overall strategic direction.

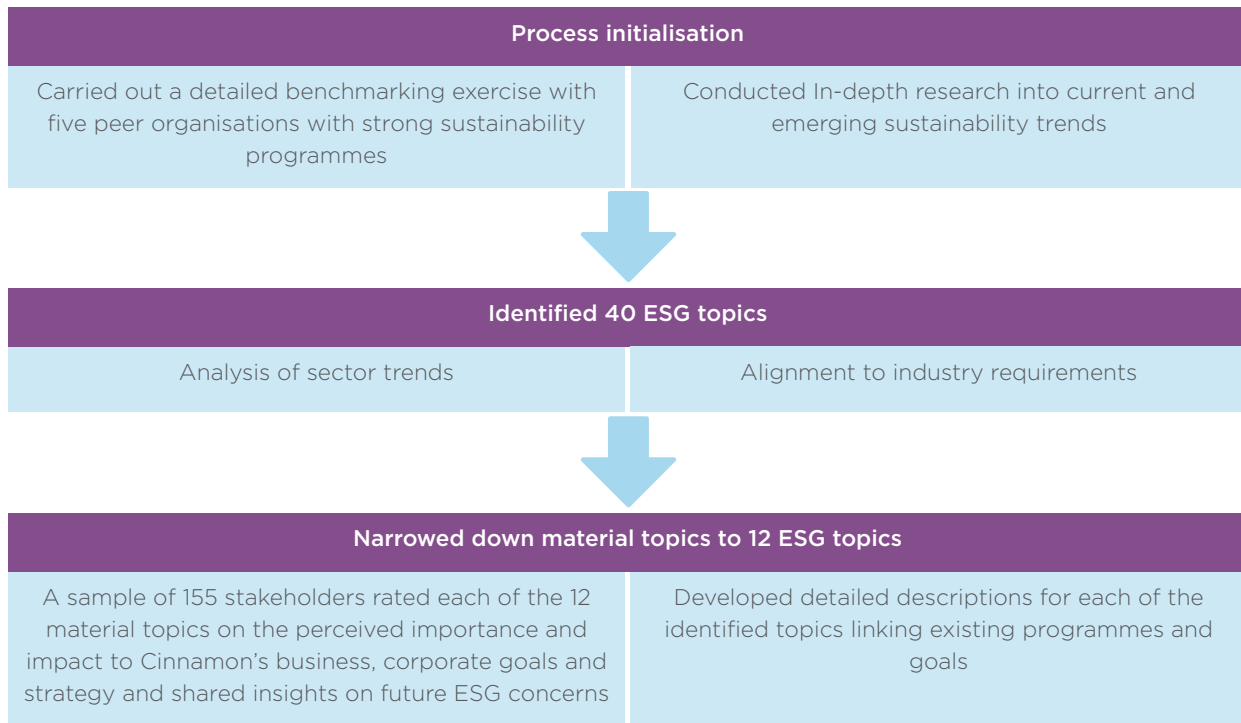
Key stakeholder group	Method and frequency of engagement	Stakeholder expectations	Link to material matters
Shareholders	<ul style="list-style-type: none"> Annual general meeting Annual report and quarterly financial statements Website (ongoing) Open door policy for investors (ongoing) 	<ul style="list-style-type: none"> Sustainable returns on investment Adequate liquidity management Sustainable growth and business continuity Risk and crisis management Compliance Corporate governance and ethics Transparency and credibility of disclosures 	<ul style="list-style-type: none"> Ethical business practices and regulatory compliance Disaster preparedness and response
Employees	<ul style="list-style-type: none"> Staff meetings (ongoing) Staff engagement activities (ongoing) Performance management system (ongoing) Employee surveys (quarterly) Collective agreements (ongoing) Newsletters (quarterly) 	<ul style="list-style-type: none"> Competitive compensation and benefits Job security Health & safety considerations Opportunities for skill development and career progression Employee engagement opportunities Diversity and equal opportunity 	<ul style="list-style-type: none"> Employee and guest health, safety and security Diversity, equity, and inclusion Employee development and wellbeing

Key stakeholder group	Method and frequency of engagement	Stakeholder expectations	Link to material matters
Customers	<ul style="list-style-type: none"> • Global contact centre (ongoing) • Global sales offices (ongoing) • Social media platforms (ongoing) • Channel partners (ongoing) • Guest feedback programme (ongoing) • Face-to-face interactions (ongoing) • Customer relationship management (ongoing) • Brand surveys and audits (periodic) 	<ul style="list-style-type: none"> • Unique guest experiences • Efficient and caring customer service • Availability of information • Environmental and social sustainability • Value for money • Privacy of customer information 	<ul style="list-style-type: none"> • Healthy, safe and sustainable food • Responsible sourcing of goods and services
Business partners and suppliers	<ul style="list-style-type: none"> • Site visits (ongoing) • Procurement process (ongoing) • Supplier forum (ongoing) • Face-to-face interaction (ongoing) 	<ul style="list-style-type: none"> • Continued business opportunities • Ease of transactions • Timely payment • Ethical business conduct 	<ul style="list-style-type: none"> • Responsible sourcing of goods and services
Government and regulatory bodies	<ul style="list-style-type: none"> • Trade association interactions (ongoing) • Direct dialogue (ongoing) • Regulatory reporting (ongoing) 	<ul style="list-style-type: none"> • Recovery of the tourism industry • Recovery of the economy • Compliance with laws and regulations • Job creation • Environmental conservation 	<ul style="list-style-type: none"> • Ethical business practices and regulatory compliance • Community engagement and empowerment • Disaster preparedness and response
Community & environment	<ul style="list-style-type: none"> • CSR programmes (ongoing) • Dialogue with the community (ongoing) 	<ul style="list-style-type: none"> • Community development and empowerment • Reducing negative impact on the environment • Responsible consumption of resources • Bio-diversity conservation • Community support • Preservation of local culture 	<ul style="list-style-type: none"> • Bio-diversity • Climate action • Waste management and circular assessment • Water stewardship • Community engagement and empowerment

Determining materiality

Materiality analysis is a process that enables the Group to define key triple bottom-line issues that are of significance for the business and its stakeholders in the short, medium and long term. A detailed materiality assessment is carried out every five years at the JKH Group level. Identified material matters are reviewed annually, to ensure that we continue to prioritise the most significant issues to our business and stakeholders. The process for determining material matters is a consultative process that involves continuous input and feedback from a range of stakeholders. The following process was adopted in the most recent comprehensive Group materiality assessment carried out in FY 2019/20. There were no significant changes in the list of material topics during the year under review compared to previous reporting periods.

Process for determining material matters



Material topics FY 2022/23

Impact level	Material topic	Definition	Change compared to the previous year	Link to GRI topic/s
High ●	Ethical business practices and regulatory compliance	Ensuring the highest governance standards and ethical behaviour. This includes compliance with all legal requirements, including those that address bribery and corruption. This also includes implementing policies, practices and training to create a culture that prioritises ethical behaviour.	No change	GRI 408 - Child labour GRI 418 - Customer privacy GRI 205 - Anti-corruption GRI 201 - Direct economic impacts GRI 417 - Marketing and labelling
High ●	Bio-diversity	Ensuring healthy ecosystems and protecting life below and above the earth. This includes assessing the impact of Cinnamon's operations on local ecosystems and working to preserve destinations for future generations of travellers.	No change	GRI 304 - Bio-diversity
High ●	Employee and guest health, safety and security	Protecting and promoting the health, safety and security of employees and guests. This includes increasing health, hygiene and sanitation protocols at Cinnamon Hotels, communicating relevant protocols to employees and guests, ensuring safe working conditions for our employees, training employees on appropriate health, safety and security procedures, and tracking and mitigating illness and safety incidents.	No change	GRI 403 - Occupational Health and Safety
High ●	Diversity, equity and inclusion	Creating a culture of belonging and opportunities for all. This includes attracting, developing, and retaining employees from all walks of life and striving for diversity, equity and inclusion across all levels of the organisation, including executive leadership and the Board of Directors.	No change	GRI 405 - Diversity

● High ● Medium ● Low

Impact level	Material topic	Definition	Change compared to the previous year	Link to GRI topic/s
Medium ●	Climate action	Reducing Cinnamon's carbon footprint and mitigating the long-term impacts of climate change from our operation and value chain. This includes assessing climate risks to the business, implementing practices that reduce greenhouse gas emissions (such as green building design, operational efficiency and use of renewable energy) and increasing climate change resilience.	Increased	GRI 302 - Energy GRI 305 - Emissions
Medium ●	Employee development and wellbeing	Attracting, developing and retaining talent, including providing employees with opportunities for professional growth and development, protecting and promoting the mental health of employees, and providing benefits that support their personal wellbeing.	Increased	GRI 404 - Training and Development GRI 407 - Freedom of association and collective bargaining GRI 401 - Employment GRI 402 - Labour management relations
Medium ●	Waste management and circular assessment	Reducing waste and employing a circular economy model across the value chain. This includes measuring and driving waste reduction, diverting waste from landfills, increasing recycling, reducing single-use guest facing plastic waste, addressing waste-related financial and reputational risks, and working with partners, including suppliers and waste collectors, to drive towards closed-loop solutions where resources are reused or recycled into new products.	Same	GRI 306 - Waste
Medium ●	Community engagement and empowerment	Supporting our communities by partnering with local organisations, engaging employees in volunteer projects, investing in the advancement of community initiatives, and promoting inclusive community development	Same	GRI 413 - Communities GRI 203 - Indirect economic impacts

● High ● Medium ● Low

Impact level	Material topic	Definition	Change compared to the previous year	Link to GRI topic/s
Medium ●	Healthy, safe and sustainable food	Ensuring health, quality, safety and sustainability in Cinnamon's approach to food and beverage procurement and products. This includes committing to reducing food related greenhouse gas emissions and considering health and nutrition aspects in food and beverage offerings.	Same	GRI 416 - Customer Health and safety
Low ●	Responsible sourcing of goods and services	We are integrating environmental and social best practices into our procurement practices. This includes increasing our sourcing of sustainable products, services and technologies that contribute to our corporate responsibility objectives. This also includes supporting local, small, and medium-sized enterprises and minority-owned suppliers and partnering with suppliers to build a diverse, responsible and resilient supply chain.	Same	GRI 204 - Procurement GRI 308 - Supplier environmental assessment GRI 414 - Supplier social assessment
Low ●	Disaster preparedness and response	Working with our communities to enhance natural disaster resilience, mitigate the impacts of potential disasters, and deliver emergency response support to communities and Cinnamon employees in need.	Same	-
Low ●	Water management	This includes measuring and reducing operational water consumption and improving water efficiency. This also includes assessing water-related risks (availability and quality) and integrating results into business priorities and decision-making.	Same	GRI 303 - Water and effluents

● High ● Medium ● Low

“I have no special
talent. I am only
passionately
curious.”

- Albert Einstein



curiosity

By encouraging a culture of innovation, creativity, and exploration, and by being willing to leave our comfort zone, we contribute to new and exciting guest experiences. Challenging the status quo and pushing boundaries can help drive growth and success in our quest to bring the best of Sri Lanka to the world with style and elegance.





PLANET



Case-study

Ocean temperature data loggers and Geographic Information System (GIS) mapping project- Cinnamon Maldivian Resorts

The challenge

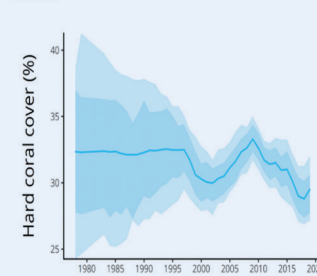
Coral reefs are among the planet’s most diverse and vital ecosystems, providing habitat and resources for millions of species but also for the humanity as a whole by protecting coastlines from storms and erosion, and supporting key industries, including fisheries and tourism. However, they are among the most vulnerable ecosystems due to increasing threats from various factors, including climate change, overfishing, pollution, and coastal development.

Our action

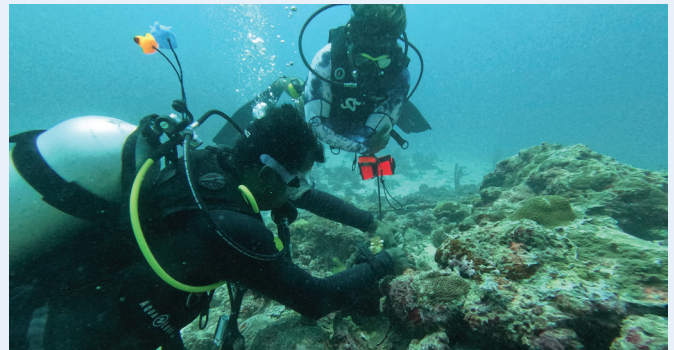
Cinnamon Hotels & Resorts owns four island resorts in the Maldives. The Maldives accounts for almost 3% of the world’s coral reefs and is home to the seventh largest reef system in the world. We are therefore committed to protecting this valuable ecosystem as part of our broader bio-diversity conservation and climate action agenda.

A key element of scientific data-driven conservation efforts is to collect and tabulate accurate and comprehensive data on the ecosystems surrounding our resorts. Systematic data collection enables us to identify threats and develop impactful conservation interventions accurately. The key initiatives implemented by our Maldives resorts in this regard are as follows,

Estimated global average cover of hard corals



Source: Status of coral reefs of the World: 2020 Report



Installation of ocean temperature loggers

Baseline bio-diversity assessments	Geographical Information System (GIS) mapping	Installation of ocean temperature loggers
Detailed bio-diversity inventories have been developed for each of our island resorts with details of fish species, reefs, mangroves, terrestrial vegetation, and other ecosystems in the area. Special emphasis was given in the study on globally endangered species as well.	GIS technology was used to develop ecological maps for all of our Maldives resorts.	Sixteen ocean data loggers were placed at different depths in the oceans surrounding our Maldives resorts to collect critical ocean data such as temperature, conductivity and salinity levels.

Outcome

While supporting our conservation efforts, the information and data gathered through these pioneering initiatives also support the Maldives government’s national ocean data collection efforts. Acknowledging the value of our data collection efforts, Cinnamon Hotels & Resorts has been invited to enter into a Memorandum of Understanding (MoU) with the Ministry of Tourism (MoT) Maldives for periodically sharing climate-sensitive data captured through the ocean temperature data loggers installed across the Maldives resorts.




















Protecting our environment

Protecting our planet is a crucial priority for us as it directly impacts the wellbeing of our guests, employees and the wider community. We therefore, continue to find innovative ways of reducing our environmental footprint and increasing our ecological handprint to address the growing impact of climate change.

Living our Values
Our commitment to ensuring the wellbeing of our planet.

Environmental resources consumed		
Energy consumption (GJ) (by Type)	Grid electricity	54,443
	Diesel	137,394
	Petrol	20,444
	LPG	8,617
	Total energy consumption	220,898
Water withdrawn (m3) (by Source)	Pipe-borne water from the municipality	271,764
	Groundwater	201,435
	Surface water (rivers, lakes, etc.)	1,940
	Sea water	204,928
	Total water withdrawn	680,067
Water consumption (m3)	Total water withdrawn	680,067
	Total water discharged	292,227
	Total water consumed	387,840
Environmental Impacts		
Emissions (tCO2e)	Direct (scope 1) GHG emissions	14,767
	Indirect (scope 2) GHG emissions	11,726
	Total carbon footprint	26,493
Effluents discharged (by location) (m3)	Surface water (rivers, lakes, etc.)	20,999
	Groundwater	-
	Municipality	154,366
	Sea	116,862
	Total effluents discharge	292,227
Waste generated (t)	Total hazardous waste	5
	Total non-hazardous waste	2,255
	Total waste generated	2,260

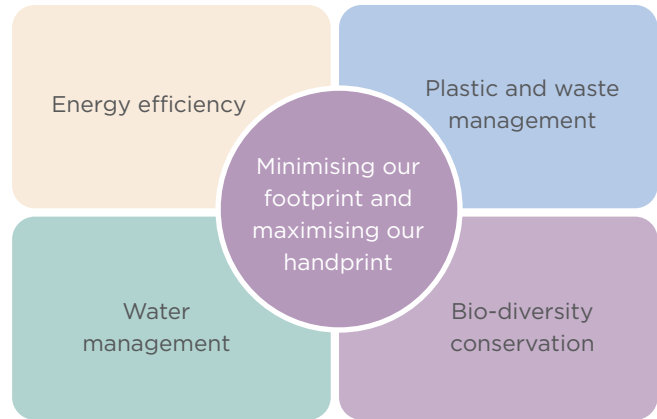
2025 Sustainability goals and progress achieved

Goals	UN SDGs	KPI	Status
Reduce carbon footprint	 	<ul style="list-style-type: none"> Reduce carbon footprint by 1,300 tCO₂e 	On track 
Increase dependence on renewable energy	 	<ul style="list-style-type: none"> 15% of energy requirements to be met by renewable energy 	Behind schedule 
Water stewardship	 	<ul style="list-style-type: none"> Reduce water consumption by 10 litres per earth check guest night 	On track 
Reduce single-use plastic consumption	 	<ul style="list-style-type: none"> 50% reduction in single-use, guest-facing plastic (base year 2018) 	On track 
Create awareness of responsible plastic consumption	 	<ul style="list-style-type: none"> Bi-annual plastic reduction awareness sessions (per resort) for the community 	On track 
Bio-diversity management plans	 	<ul style="list-style-type: none"> Execution of bio-diversity action plans 	On track 
Bio-diversity conservation projects	 	<ul style="list-style-type: none"> One conservation plan per resort One mid-scale project per year 	On track 
100% of hotels are certified to a recognised Global Sustainability Tourism Council (GSTC) certification		<ul style="list-style-type: none"> Every resort to be certified Travelife gold status 	On track 

 Behind Schedule
  On Track
  Ahead of Schedule

Climate agenda

Climate change can have potentially severe implications for our operations by reducing the attractiveness of our locations as tourist destinations and significantly increasing our operational costs. We therefore, remain committed to supporting efforts to transition to a low-carbon, sustainable economy and contribute to achieving the goals of UNFCCC COP27.



Task Force on Climate-related Financial Disclosures (TCFD) - Disclosure Requirement														
Progress made														
Governance	<p>The Group's ESG strategy which includes specified targets for emission reduction is overseen by the Board of Directors. The Cinnamon Executive Committee (CEC) reviews progress towards sustainability goals and updates external and internal stakeholders including the Board of Directors. A total of 12 reviews are carried out per annum.</p> <p>Integrating ESG goals into our operations is supported by a robust governance framework that ensures accountability, participation, and transparency. During the year, we further strengthened our ESG framework by appointing compliance executives at our resorts to drive sustainability initiatives from the grassroots level.</p>													
Strategy	<p>The Group continues to assess climate-related risks and opportunities over the short, medium, and long term.</p> <table border="1"> <thead> <tr> <th></th> <th>Climate-related risks</th> <th>Climate-related opportunities</th> </tr> </thead> <tbody> <tr> <td>Short term</td> <td>Physical risk to infrastructure from high-impact natural disasters, such as floods, tsunamis, landslides, drought, rising sea levels etc.</td> <td>Increased demand for unpolluted, pristine tourist destinations</td> </tr> <tr> <td>Medium term</td> <td>Transition risks associated with policy changes in moving to a low-carbon economy</td> <td>The increased shift towards resource efficiency.</td> </tr> <tr> <td>Long term</td> <td>Long-term shifts in weather patterns and environmental degradation could reduce the desirability of our locations while also increasing the cost of operations.</td> <td>Travellers are becoming more environmentally and socially conscious, driving demand for more sustainable offerings.</td> </tr> </tbody> </table>			Climate-related risks	Climate-related opportunities	Short term	Physical risk to infrastructure from high-impact natural disasters, such as floods, tsunamis, landslides, drought, rising sea levels etc.	Increased demand for unpolluted, pristine tourist destinations	Medium term	Transition risks associated with policy changes in moving to a low-carbon economy	The increased shift towards resource efficiency.	Long term	Long-term shifts in weather patterns and environmental degradation could reduce the desirability of our locations while also increasing the cost of operations.	Travellers are becoming more environmentally and socially conscious, driving demand for more sustainable offerings.
	Climate-related risks	Climate-related opportunities												
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Long term	Long-term shifts in weather patterns and environmental degradation could reduce the desirability of our locations while also increasing the cost of operations.	Travellers are becoming more environmentally and socially conscious, driving demand for more sustainable offerings.												
Risk management	<p>Climate risk assessment is part of the quarterly risk assessments. The risk strategy of Cinnamon is to establish formal mechanisms to ensure that best efforts are taken to appropriately identify the climate related risks and maximise any potential opportunities arising from such risk events, and mitigate and minimise the adverse effects stemming from those identified risks.</p>													

Task Force on Climate-related Financial Disclosures (TCFD) - Disclosure Requirement

Metrics and targets

Metrics

- GHG emissions - Scope 1 and 2 (computation based on the GHG Protocol) - refer page 21
- Emission intensity - KgCO2e / EC GN - refer page 25 (EC GN - Earth Check Guest Night (EC GN))

Targets and Progress

Target	Progress (FY 2022/23)
<ul style="list-style-type: none"> • 15% of energy requirements to be met by renewable energy 	8.83% of energy requirement fulfilled through solar power

Minimising our footprint and increasing our handprint

During the year we continued to take action to reduce the environmental impact of our operations by enhancing our focus on energy conservation and emission control, waste management and water stewardship. Meanwhile, we continued to drive positive change through pioneering bio-diversity conservation efforts and innovative measures to reduce single-use (guest-facing) plastic consumption in our resorts.



Energy conservation efforts



Reduce carbon footprint by 1,300 tCO₂e

We remain focused on our carbon footprint through targeted efforts to reduce energy consumption and gradually increasing our dependence on renewable energy sources.

Green building strategy

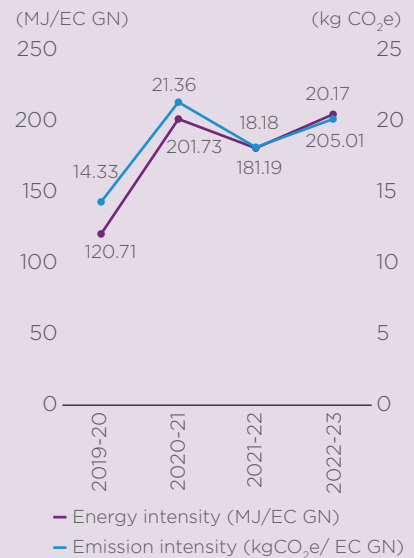
Most of our resort buildings are designed using green building concepts and include energy-efficient technology such as LED lighting, time-based lighting, photocell sensor systems and inverter technology. 100% of our resorts have obtained ISO 14001:2015 certification, while Cinnamon Bentota Beach and Cinnamon Bey Beruwala are also LEED certified. Travelife recently awarded gold certification status for accommodation sustainability to Cinnamon Lodge Habarana and Habarana Village by Cinnamon. The certification covers emissions, biodiversity, human rights, fair labour, child safeguarding, and animal welfare. The certification is currently in progress for other resorts.

Renewable energy drive

Solar PV systems have been installed at three Maldivian resorts and five of our Sri Lankan resorts. The gradual increase in solar generation capacity has enabled us to reduce our reliance on grid electricity for functions such as water heating while also reducing our overall emission levels. During the year, we collaborated with USAID to conduct technical analysis for renewable energy projects and demand-side interventions.

Measuring our Impact

Energy intensity and carbon footprint



Solar PV system - Cinnamon Dhonveli Maldives

Air quality management

Air quality is monitored continuously with annual flue gas emission testing. In addition, Hikka Tranz by Cinnamon also embarked on a stack modification project to minimise the impact of emissions in the surrounding areas.

Energy assessments

We closely monitor energy consumption and efficiency levels across our resorts to identify and address areas of energy inefficiency within the system. For example, during the year, we collaborated with PROMISE (EU Switch-Asia, National Cleaner Production Center, Sri Lanka) to conduct energy assessments at Cinnamon Bey Beruwala, Hikka Tranz by Cinnamon and Cinnamon Bentota Beach.

Contribution to UN SDGs



Our path to zero waste



Zero Waste to Landfill by 2025

94% of the waste generated through our operations consist of non-hazardous waste. Waste management practices at our resorts are based on the 7R concept of Replace, Rethink, Refuse, Reduce, Reuse, Recycle and Repair.

Waste to energy initiatives

Bio-gas digester plants have been installed at Habarana Village by Cinnamon, Cinnamon Citadel Kandy and Cinnamon Wild Yala to convert food waste into bio-gas, to be used in our kitchens and for heating purposes. During the financial year, USD 160k was invested in installing food digester plants resorts in Maldives. We ensure that waste oil is disposed of responsibly by diverting it to the production of biofuel. Garden waste, meanwhile, is used to generate organic fertiliser, which is used in our gardens.

Rethinking waste

Several innovative initiatives were launched to encourage the reuse of resources within our resorts and the wider community.

Repurposing waste

Cinnamon Lodge Habarana and Habarana Village by Cinnamon spent a week repurposing discarded equipment. The initiative was carried out to encourage staff to think out of the box about resource utilisation and waste management.



Innovation week highlights

Hikka batik project

Discarded hotel linen is collected and repurposed into batik tote bags by a group of 12 empowered women in the community of Hikkaduwa.



Hikka batiks

Measuring our Impact



	Non-hazardous waste (kg)	Hazardous waste (kg)
Waste diverted from disposal		
Recycle	473,536	5,456
Reuse	921,335	-
Composting	180,403	-
Incineration	66,024	-
Waste directed to disposal		
Landfill	613,706	-
Total (kg)	2,255,004	5,456

Artificial reef cubes made from crushed glass

Ellaidhoo Maldives by Cinnamon, as part of its marine life conservation programme, placed over 100 artificial reef cubes made from crushed glass to increase the population of fish around the resort.



Umbrella beach bags

Ellaidhoo Maldives by Cinnamon started making waterproof beach bags out of recycled umbrella cloth. The proceeds from the sale of the bags are being used to support the students at schools from nearby inhabited islands to reduce the usage of plastic bottles in their environment by providing all students and faculty members with a personalised aluminium water bottle.



Umbrella beach bags

Streamlining our waste management practices

As part of our efforts to streamline waste management practices across our Maldives resorts, we introduced an updated internal standard of waste segregation and disposal with updated standardised guidelines for waste collection, segregation, storage and disposal in line with newly enacted law addressing responsible waste disposal. We have invested USD 37,000 for implementing these initiatives.

Waste Collection and Segregation	Waste Storage	Waste Disposal
<ul style="list-style-type: none"> Resources : New colour coded waste bags, additional waste bins for staff and public areas and allocation of additional labour for waste segregation Awareness: Training for the employees 	<ul style="list-style-type: none"> Waste storage room modification <ul style="list-style-type: none"> - Adding necessary partitions - Proper labelling of partitions Waste sorting area <ul style="list-style-type: none"> - Guest public areas - Guest rooms - Staff areas 	<ul style="list-style-type: none"> Waste transport guidelines



Waste segregation facility

Switch Asia “PROMISE” project

Meanwhile, as part of the Switch Asia “PROMISE” Project, we collaborated with the National Cleaner Production Centre, Sri Lanka (NCPC) to reduce marine littering along the Lakshadweep shorelines through waste minimisation practices and better resource efficiency. As a result, waste audits were conducted at Hikka Tranz by Cinnamon, Cinnamon Wild Yala, Cinnamon Bey Beruwala and Cinnamon Bentota Beach.



Partnerships for waste management

Contribution to UN SDGs



Reducing our plastic waste footprint



50% reduction of single-use, guest-facing plastic by 2025

The hospitality industry continues to be one of the largest plastic polluters globally. We are committed to changing this narrative by leading the way in reducing single-use guest-facing plastics in our operation and by supporting responsible disposal by creating widespread awareness of the responsible consumption of plastics.

Reducing single-use guest-facing plastic

We continue to reduce plastic consumption in our resorts by replacing single-use guest-facing plastic with more sustainable alternatives. This approach has enabled us to decrease single-use plastic consumption by 86% in our Resorts in Maldives. Some of the key initiatives implemented across our resorts in Maldives and Sri Lanka are listed below;

Single-use plastic elimination initiatives carried out during the year

- Use of glass water bottles instead of PET bottles
- Use of cloth wristbands
- Re-usable personalised water canisters for guests
- Butter, ketchup and jam sachets were replaced with ceramic ramekins and glass jars
- Water filling stations in common areas for guests and staff
- Use of cloth laundry bags
- Use of ceramic dispensers for bathroom amenities
- Use of wooden cutlery



Plastic free initiatives

Consumption level of single-use guest-facing plastic

Financial Year 2018/19-	Financial Year 2022/23-
67,820 kg	48,932 kg



04
Awareness sessions on responsible plastic consumption

25
Beach cleanups

Contribution to UN SDGs



Quantitative analysis of plastic reduction - Maldives resorts

Name of the resort	December - 2021 (kg)	December - 2022 (kg)
Ellaidhoo Maldives by Cinnamon	61	45
Cinnamon Hakuraa Huraa Maldives	311	54
Cinnamon Velifushi Maldives	338	31
Cinnamon Dhonveli Maldives	187	14
Total plastic consumption	897	144
Overall reduction		753
Reduction percentage		84%

Reducing plastic pollution

Cinnamon Hotels & Resorts has been pioneering the beach caretaker program at two resorts – Cinnamon Bey Beruwala and Hikka Tranz by Cinnamon. Several beach clean-ups were also conducted at our Sri Lanka and Maldives resorts.

Beach cleanup and awareness programme at Hikka Tranz by Cinnamon was held on 17th of November 2022. This program consisted of cleaning the beach up to a 4 Km distance. It was supported by the participation of over 250 volunteers, including 80 from military services and police, 110 hoteliers and over 60 stakeholders and other well-wishers.



Waste collected quantities

92 kg

of plastic waste

180 kg

of glass waste

250 kg

of mixed waste

A cleanup program in the mangrove ecosystem of the “Huraa Island” was carried out with the support of the Cinnamon Dhonveli Maldives resort team and the local community.



Cinnamon Velifushi Maldives collaborated with the local council on the neighbouring island “Keyodhoo” to collect plastic washed ashore.



Periodic removal of waste retained on coral reefs, carried out by the in-house diving teams of the Maldivian resorts.



Our stewardship of water



Reduce water consumption by 10 litres/ Earth check guest night by 2025

Our water management strategy includes investing in technology to improve water efficiency in our resorts. Guest and employee awareness programs on responsible consumption, water recycling practices and protecting the water bodies surrounding our properties are carried out periodically.

Water efficient technology

Installation of flow restrictors across our resorts to regulate and monitor the water flow of in-house water outlets.

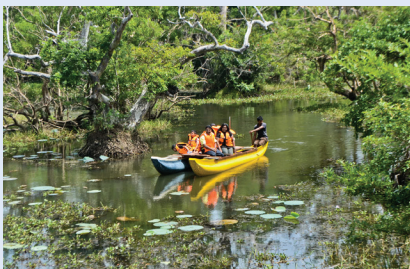
Water recycling

Water recycling is practised extensively with rainwater harvesting systems installed at Hikka Tranz by Cinnamon, Cinnamon Bey Beruwala and Cinnamon Citadel Kandy, Cinnamon Bentota Beach, Cinnamon Dhonveli Maldives and Ellaidhoo Maldives by Cinnamon.

We have a garden watering policy that specifies the optimal time for watering and ensures only recycled water is used for gardening purposes. Meanwhile, in addition to employee awareness sessions, steps such as water-saving tent cards and towel reuse cards encourage guests to be more conscious of water consumption and wastage.

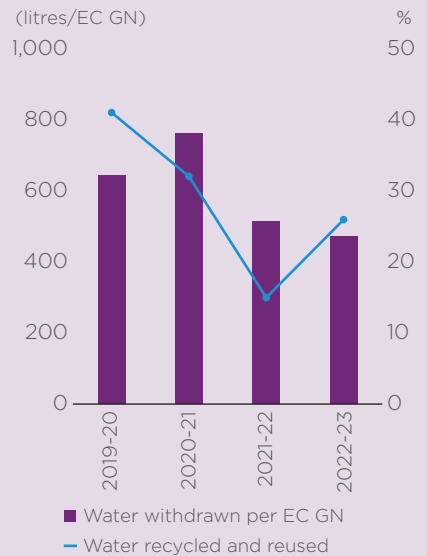
Preserving surrounding water bodies

We ensure that all effluents are treated to meet acceptable standards before being released into the environment. Effluent treatment plants with aerobic and anaerobic treatment facilities are available at each of our resorts. Potable water is tested monthly, while wastewater is tested quarterly for a number of parameters, including Biological Oxygen Demand (BOD) and Chemical Oxygen Demand (COD), fecal coliform levels and residual chlorine etc. Additionally, specific programs are executed across water bodies for conservation purposes. Eg: Removal of invasive species (Water hyacinth) from the lake at Cinnamon Lodge Habarana. (Please refer page 31 for more information on our conservation efforts)



Measuring our Impact

Water withdrawn and recycled



Impact to business

Many of our resorts are waterfront properties. Preserving the quality of water bodies adjacent to our properties adds to our Unique Selling Proposition (USP).

Contribution to UN SDGs



Bio-diversity conservation



Bio-diversity management plans and action plans for each hotel.

We take a scientific approach to bio-diversity conservation, leveraging the expertise of our dedicated team of in-house ecologists to identify and develop targeted conservation initiatives that have the impact.

Bio-diversity action plans

Our in-house ecologists from Cinnamon Nature Trails have conducted detailed bio-diversity mapping exercises for all our resorts in Maldives, Cinnamon Lodge Habarana, Habarana Village by Cinnamon, Trinco Blu by Cinnamon and Cinnamon Wild Yala. The scientific mapping process has enabled us to identify IUCN red list threatened species, invasive species, diversity of fauna and flora and develop mitigatory action through specific action resort.

Bio-diversity mapping projects carried out

Cinnamon Lodge Habarana and Habarana Village by Cinnamon	<p>4,006 plant species</p> <p>375 types of fauna (131 invertebrates and 244 vertebrates)</p> <p>Among the recorded fauna species, 32 were endemic to the island and 27 were listed as nationally threatened</p>
Cinnamon Wild Yala	<p>114 plant species</p> <p>335 types of fauna (81 invertebrates and 254 vertebrates)</p> <p>Among the recorded fauna species, 22 were endemic to the island and 28 were listed as nationally threatened</p>

Conservation programs

Cinnamon Rainforest restoration project

The “Cinnamon Rainforest restoration project”, our award-winning climate action project, aims to restore a 59-acre plot of forest land located in the buffer zone around the Sinharaja Forest Reserve - considered the “last viable” area of the primary tropical rainforest in the country by International Union for Conservation of Nature and Natural Resources (IUCN). The three-year project launched in 2022 as a public-private partnership between Cinnamon Hotels & Resorts, Ruk Rakaganno (Tree society of Sri Lanka), the John Keells Foundation and the Forest Department of Sri Lanka, is part of the Group’s long-standing commitment to bio-diversity conservation.

Measuring our Impact

Habitats protected

Cinnamon Lodge Habarana and Habarana Village by Cinnamon

Slender loris
Elephants



Cinnamon Maldives Resorts

Coral reefs
Sharks
White-naped Tern nesting site protection



Cinnamon Hakuraa Huraa Maldives and Hikka Tranz by Cinnamon

Turtle hatching project



The scientific clearing and re-planting of over 25,000 native plants are expected to enrich the region’s ecological significance and create a habitable environment for the birds and other endemic species. Meanwhile, by providing guests with the unique opportunity to visit the site with a trained naturalist and explore the bio-diversity in the area, the project also contributes to creating awareness and interest in bio-diversity conservation.

Progress to date	
Area restored to date	59 acres
No. of native plants replanted	15,315
Number of volunteers	343
Number of volunteer hours involved	1,711

Ongoing projects

Project Gathering

Cinnamon Nature Trail’s “Elephant Gathering” Project commenced in 2016 in collaboration with the Centre for Conservation and Research to address the issue of human-elephant conflict prevalent in the area. The project seeks to integrate elephant viewing tourism with research on behavioural patterns, demographics and health status of elephants in the area by collecting valuable data on the elephant population in the area. To date, 02 satellite radio collars have been successfully placed on elephants in the Habarana region. A renowned elephant scientist in the country then collates the data collected.

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 was used for high quality whale watching programmes and public awareness programmes.

Coral propagation

Cinnamon Dhonveli Maldives, in collaboration with Meridis Dive & Relax Team, launched the coral propagating project with the objective of transplanting corals to protect ocean bio-diversity and create awareness of the importance of coral conservation. The project, 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, implementing an accelerated growth plan and monitoring the progress of the installed reef.



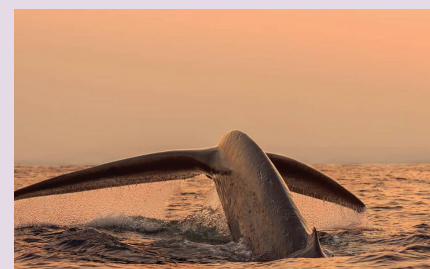
CINNAMON RAINFOREST RESTORATION PROJECT
Wins Environmental Finance, Sustainable Company Award for the nature-based initiative for the year in APAC 2022.



Impact to business

The bio-diversity surrounding our resorts is an important element of our Unique Selling Proposition (USP) which attracts guests to our resorts.

Contribution to UN SDGs

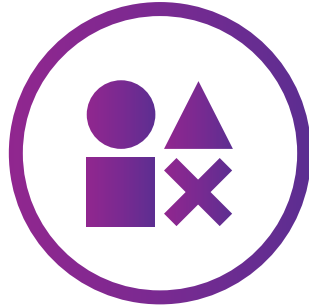


	Name of Protected Area	Proximity to Resort	Bio-Diversity Value and protected status
Cinnamon Lodge Habarana	Minneriya National Park Ritigala Strict Nature Reserve	Within 20 Km radius	Wildlife & Forestry
Habarana Village by Cinnamon	Kaudulla National Park	Within 22 Km radius	Flora and Fauna Protection Ordinance 1937 IUCN Category II - National Park
Cinnamon Bey Beruwala	Hikkaduwa Marine National Park	45 km	Maritime
Hikka Tranz by Cinnamon		0.5 km	
Cinnamon Bentota Beach		40 km	Flora and Fauna Protection Ordinance 1937 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	1km	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



“In diversity there is
beauty and there is
strength.”

- *Maya Angelou*



inclusivity

At John Keells Hotels PLC, we have created a workplace culture that is open to diversity. We believe in valuing and celebrating differences, thus creating an environment where all individuals feel heard, valued, and respected.





PEOPLE

Case-study

Project “Aloka”

Translating to Light



The challenge

The female labour force participation rate in Sri Lanka remains low, ranging between 30% – 35% during the past two decades. The issue is more pronounced in the hospitality sector where females account for less than 10% of the workforce. Social norms, values, and perceptions pose as key deterrents against more women joining the industry. Apart from the obvious socio-economic benefits from encouraging women to participate in the labour force, attracting women into the hospitality industry will also help bridge the widening labour shortage in the sector.

Our action

In line with the John Keells Group-wide Diversity, Equity and Inclusion (DE&I) initiative, Cinnamon Hotels & Resorts (CH&R) work towards increasing female representation in the workforce. CH&R work through multiple platforms such as our EmpowHer female network, improving female employment related brand visibility, addressing female specific issues and improving facilities, etc. with the ultimate objective of improving female representation in the workforce to at least 24% by the year 2025. As a further step of achieving this objective, Cinnamon Hotels & Resorts launched project “Aloka” with the objective to attract, train, develop and empower prospective female employees to take-up non-traditional job roles in the hospitality industry through vocational training and thereby develop them to role models who could inspire the youth to undertake careers in the hospitality industry.

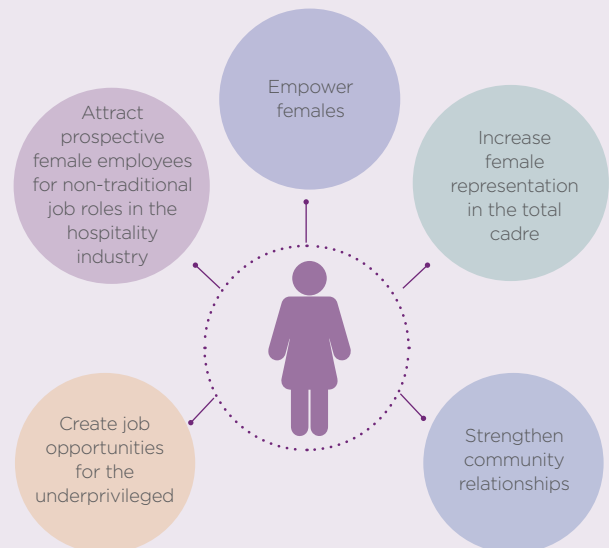
The pilot project was carried out at Cinnamon Lodge Habarana, Cinnamon Bey Beruwala and Cinnamon Citadel Kandy. Upon the success of the pilot project, Cinnamon Hotels & Resorts is now working towards improving female numbers for non-traditional job roles across all resorts.

The project adopts a holistic approach that involves addressing unconscious bias regarding certain roles, providing vocational training and creating meaningful employment opportunities for females within the hospitality industry. The project specifically targets underprivileged youth, females from neighbouring communities and young mothers seeking employment opportunities within the industry.



Translating to “Light”

Project “Aloka” Objectives



Further strengthening this pioneering project, Cinnamon Hotels & Resorts entered into a partnership with the National Apprentice and Industrial Training Authority (NAITA) to develop a curriculum for identified positions and provide vocational training certifications.

Project next steps

- Widespread awareness creation through community awareness programs, focus group campaigns and social media campaigns
- Development of business level targets for “Aloka” project

Designations identified as non-traditional roles for females

Housekeeping Attendant
Laundry Attendant
Kitchen Steward
Demi Chef de Partie, Chef de Partie, Specialty Chef
Maintenance Technician
Swimming Pool Attendant/Lifeguard
Boat Crew
Recreation attendant
Security



Caring for our people

Our commitment to building a dynamic and future-ready workforce extends beyond our operations. We believe in developing a steady pipeline of skilled employees to the hospitality industry. To achieve this, we continue to lead industry initiatives that draw the youth into the business. At the same time, we are dedicated to enhancing our employee value proposition to attract and retain the best talent to our organisation. We understand the importance of investing in our people so that they have the skills, knowledge, and resources necessary to excel in their jobs while also contributing to the growth of the industry.


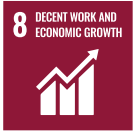









Living our Values

- WELLBEING • AGILITY • COMPASSION
- TRUST • CURIOSITY • INCLUSIVITY
- GREATNESS

Our employee profile

	Sri Lanka	Maldives	Total
By gender			
Male	1,446	599	2,045
Female	148	116	264
By contract			
Permanent	929	377	1,306
Temporary (contract)	665	338	1,003
By age			
Below 30	448	206	654
30 to 50	931	428	1,359
Over 50	215	81	296
	69%	31%	

2025 Sustainability goals and progress achieved

Goals	UN SDGs	KPI	Status
Increase female participation in the work force	 	Increase female participation in the work force to 24%	On track 
Increase female representation in leadership		Increase female representation in leadership to 25%	On track 
Improve participation of differently abled persons in the workforce		Increase differently abled participation in the workforce to 1%	Behind schedule 
Human rights protection	-	100% of on-property associates to be trained on child protection	On track 
Empowerment through employment	 	7.5% of approved cadre to be filled through community youth development programmes	On track 

● Behind Schedule ● On Track ● Ahead of Schedule

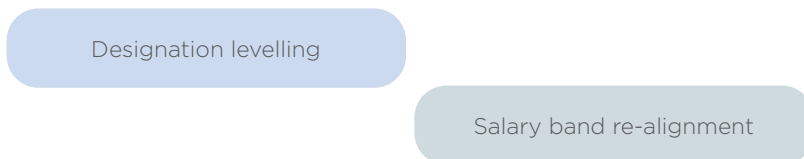
Management approach

Governance structure	Policies and processes
<p>The overall HR strategy and policy formulation for Cinnamon Hotels & Resorts is carried out at the centre level. The HR heads for Sri Lankan and Maldivian sectors ensure strategic and operational alignment with the policies and procedures. The Human Resource Managers at the business units are tasked with operationalisation of the strategies.</p>	<p>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.</p> <p>HR policy framework</p> <ul style="list-style-type: none"> Policy on ombudsperson Policy on support network Recruitment and selection policy Performance management policy Reward and recognition policy Leave policy Flexi-hours policy Teleworking policy Compensation and benefits policy Code of conduct Policy against sexual harassment Diversity, Equity and Inclusion related policies Gender policy HIV AIDs workplace policy Policy on equal opportunity and non-discrimination Anti-fraud policy Grievance handling policy Disciplinary procedure Whistle blowing policy Part Time work policy

Aligning ourselves for the future

During the year, we engaged in an extensive exercise to align our organisational structure and salary bands with benchmarked international players. The exercise objectives were two fold: becoming more competitive in terms of employee remuneration and benefits schemes and defining career development paths for all designations across all tiers of Cinnamon Hotels & Resorts. This standardisation of the structure, designations and salary brands is expected to support recruitment efforts.

Future focused



The first phase was the levelling exercise, where all designations across Cinnamon Hotels & Resorts were analysed and then aligned to job profiles of benchmarked international players. The re-aligned designations were then categorised under a new levelling structure from Level 1 to Level 12 based on the complexity of the job role and the business. Further to the levelling exercise, we also revised our internal salary band structure based on the findings of a market salary survey conducted by Messrs. Ernst & Young. The salary survey was conducted for 127 critical positions across Cinnamon Hotels & Resorts.

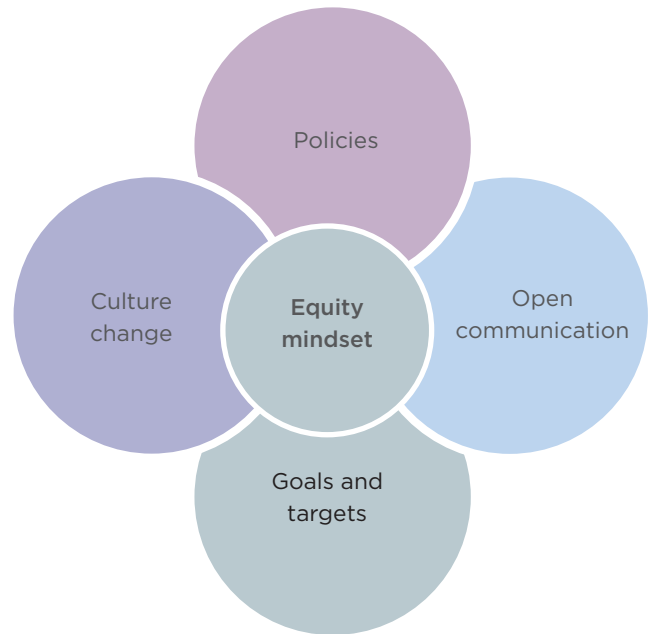
“Cinnamantra” our new purpose and seven corporate values, was also rolled out during the year through a series of employee engagement activities culminating in the official value launch on 21st March 2023. The launch of “Cinnamantra” is the first step in our new strategic journey.

“Cinnamantra”

- WELLBEING • AGILITY • COMPASSION
- TRUST • CURIOSITY • INCLUSIVITY
- GREATNESS

Advancing diversity, inclusion and belonging

Inclusivity and compassion are core values which we strive to inculcate in all our employees by fostering a culture that values and celebrates diversity. While making a concerted effort to eliminate workplace discrimination based on an individual's ethnicity, gender identity, sexual orientation, age, or ability, we are also actively working towards addressing some of the ingrained biases and discrimination against women in our societies and workplaces, thereby levelling the playing field and fostering a diverse environment whilst also empowering women. While continuing to adopt work practices that support and encourage more women to enter and remain in the workforce, we also continue to provide more opportunities for persons with disabilities to thrive in the workplace. We are proud to note that there were no reported incidents of discrimination during the year.

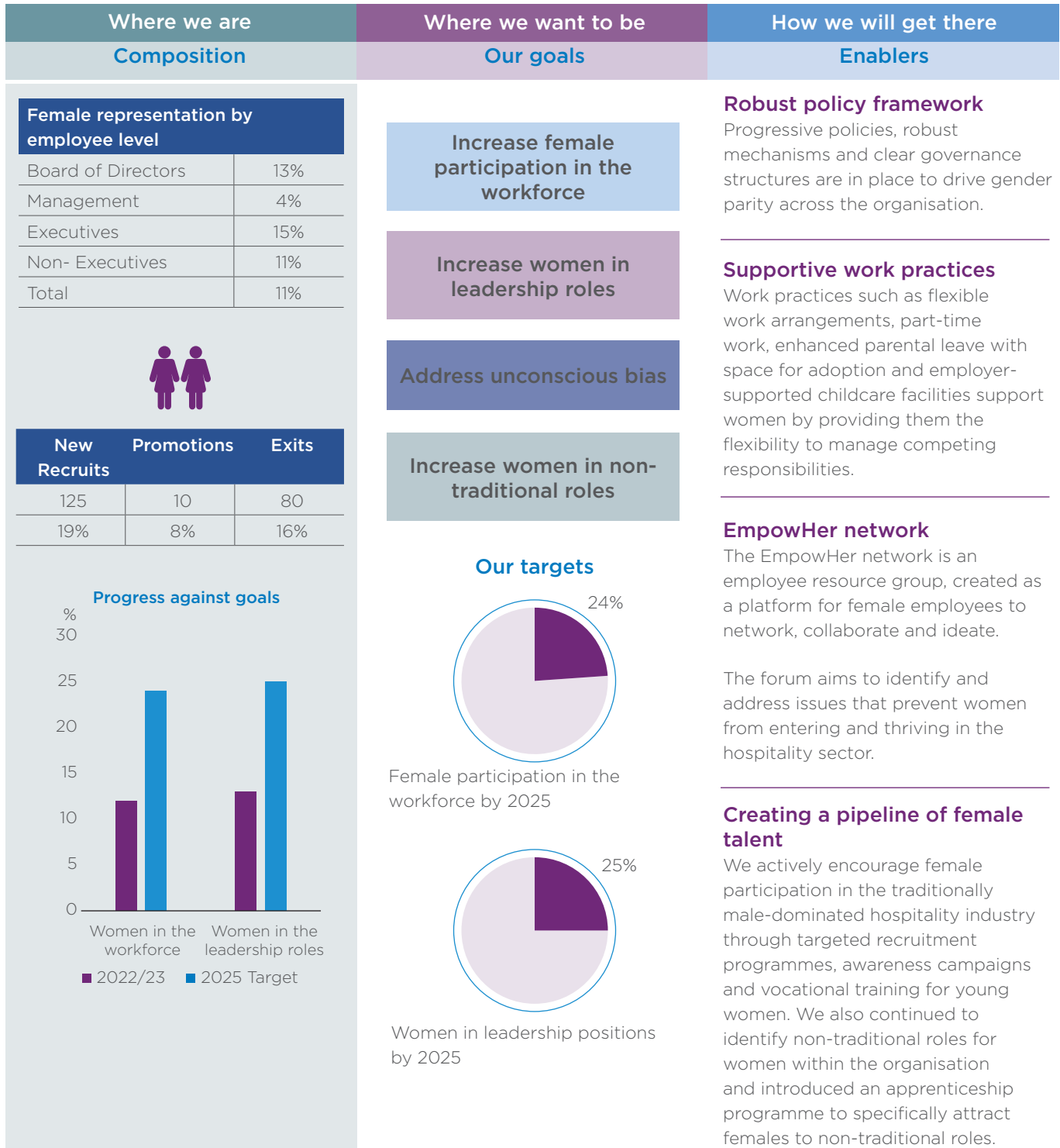


Open communication

We strive to create a culture that respects and values diverse opinions. At our organisation, we prioritise open communication to foster collaboration and transparency. Our new open-plan office spaces encourage more employee interaction while multiple channels are available to ensure that every voice is heard. We are committed to maintaining open lines of communication across our organisation, recognising the valuable contributions of each team member towards our collective success. Meanwhile, robust policies, including a clearly articulated grievance policy, provide a formal channel for employees to raise concerns. During the year, we also conducted the Great Place to Work (GPTW) survey for the 5th time as part of our ongoing efforts to understand the pulse of our people. The response rate on the survey was an impressive 95.5%.

We also maintain the right to freedom of association and collective bargaining. 50% of our employees from Sri Lanka resorts belong to two trade unions covered by a Memorandum of Understanding (MoU). We continue to conduct an ongoing dialogue with trade unions. We ensure a minimum notice period of one month before any significant operational change.

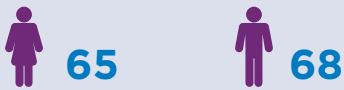
Progress towards gender parity



Gender gap indicators

Parental leave	Male	Female
Employees entitled to parental leave	2,045	264
Employees that took parental leave	63	5

Average training hours



Persons with Disabilities (PWD)

We continue to provide opportunities for Persons with Disabilities to integrate into the workforce. During the last financial year, we absorbed 11 persons with disabilities.

Hotel Name	PWD Count
Hikka Tanz by Cinnamon	2
Habarana Village by Cinnamon	2
Trinco Blu by Cinnamon	5
Cinnamon Wild Yala	1
Cinnamon Dhonveli Maldives	1

Creating life-changing opportunities Flexible employment opportunities

Faced with the growing challenge of attracting and retaining skilled hospitality professionals within the industry amidst rising migration levels in the country, we continue to explore innovative work arrangements such as part-time work and agile work arrangements to expand opportunities to a more diverse employee demographic.

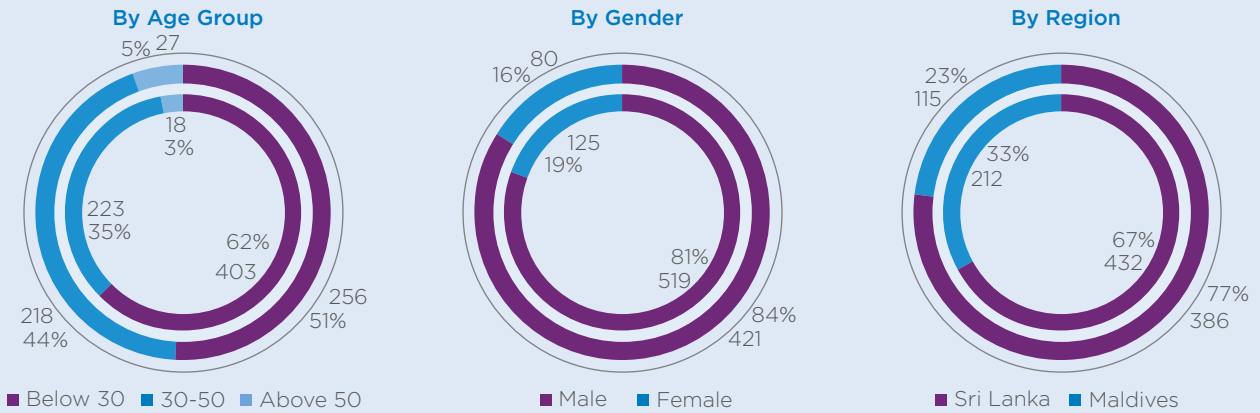
Part-time project

The part-time project was designed as an internship programme to attract youth interested in obtaining industry experience on a part-time basis. As a result, university students participated in the programme, receiving remunerated employment experience while enabling us to fulfil manpower requirements during the year.

Agile work arrangements

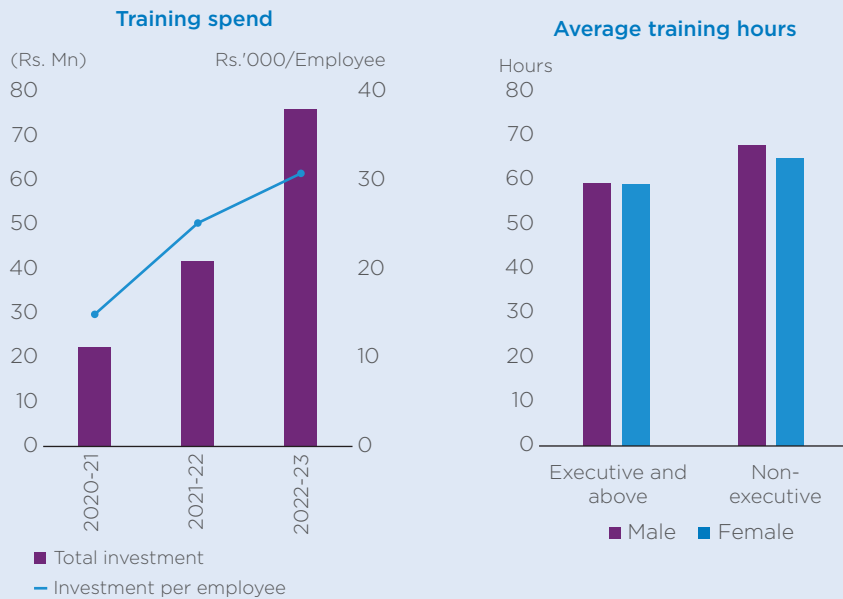
Agile work arrangements, including work-from-home options, allow employees to manage commitments and remain in the workforce while attracting previously untapped cohorts, such as persons seeking flexible work options.

New employee hired and employee turnover 2022/23



Note: Inner circles represent new employee hires and outer circles represent employee turnover

Employee training

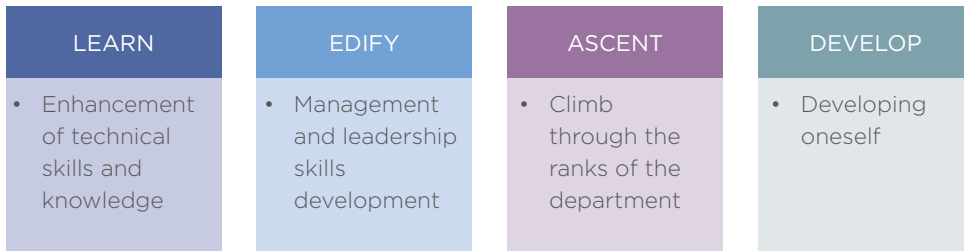


Enriching learning and development opportunities

Access to ongoing learning and skill development opportunities is a key element of our employee value proposition and we continue to collaborate with industry specialists and leading hospitality training providers to offer our employees best-in-class training opportunities.

Cinnamon LEAD

Our management trainee program was revamped during the year to include a practical training component of local and international exposure at our Sri Lankan and Maldivian resorts. The program comprises of four levels and provides personalised development plans for each candidate. Progress against development plans are closely monitored and evaluated at each stage of learning. Nine management trainees were selected to participate in our first LEAD programme in 2022.



Impact and Voice of Leadership (VOL) communication coaching programme

We partnered with YKG Associates during the year to offer identified senior managers and general managers one-to-one English communication coaching sessions.

Emotional intelligence training

Smart Quest and its panel of ICF-qualified coaches conducted a series of emotional intelligence coaching sessions. The programme aimed to develop managers' ability to lead with self-awareness and connect with their customers and teams with improved empathy and care.

International exposure

Employees are provided ongoing opportunities to participate in global industry events. For example, during the year, seven of our food and beverage department associates participated in FHA-HoReCa 2022 held in Singapore. The event is considered the leading food service and hospitality event in Asia and provided invaluable global exposure to the participants.

Lobster Ink food safety training programme

During the year, 27 executives and supervisory-level food handlers participated in the pilot project of the Lobster Ink food safety training programme.

Cinnamon Online Academy (COA)

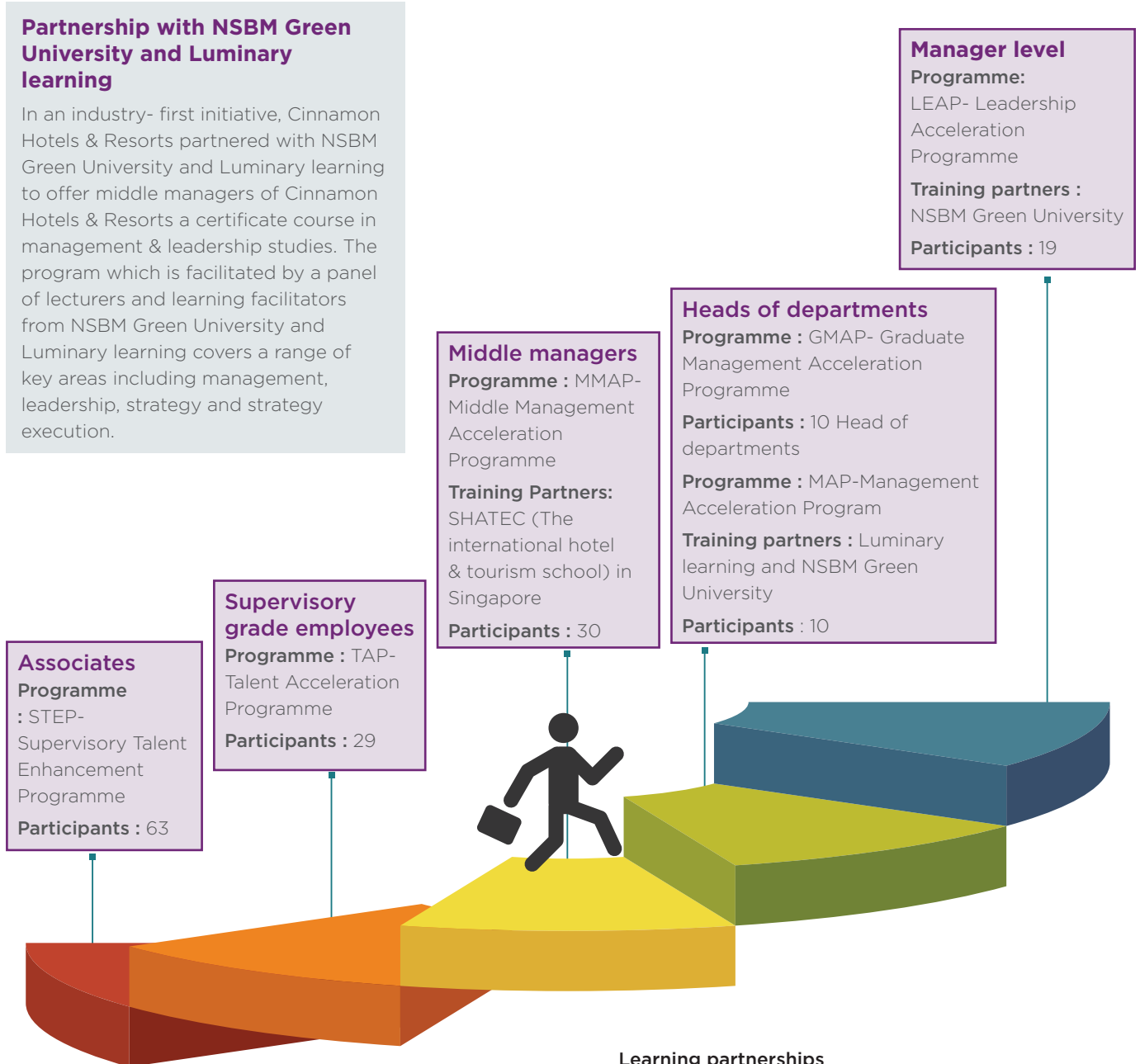
Our online learning platform continues to make learning more accessible, interactive and engaging. Over 122 online courses are available through the platform, providing employees with an interactive and agile learning environment with the flexibility to learn anytime, anywhere and at their own pace. During the year, COA collaborated with JKH to offer "Bridge courses"

Leadership development

Cinnamon Hotels & Resorts takes pride in having one of the most recognised leadership development programmes in the Sri Lanka hospitality industry with structured programs to support identified talent to acquire skills and knowledge required to progress along management levels. We continued to expand our leadership development programs during the year, strengthening existing program content and adding several new development programs.

Partnership with NSBM Green University and Luminary learning

In an industry- first initiative, Cinnamon Hotels & Resorts partnered with NSBM Green University and Luminary learning to offer middle managers of Cinnamon Hotels & Resorts a certificate course in management & leadership studies. The program which is facilitated by a panel of lecturers and learning facilitators from NSBM Green University and Luminary learning covers a range of key areas including management, leadership, strategy and strategy execution.



Learning partnerships



Managing performance

Our dynamic performance management process enables employees to grow and develop continuously. The performance appraisal system at Cinnamon is based on the JKH group appraisal system, which follows a balance scorecard method. Individual KPIs are aligned to business objectives and identified competencies for each employee level. At the beginning of the year, the KPIs are discussed and agreed upon with respective employees. Employee evaluation, carried out bi-annually, is a multi-step process involving self-evaluation by the employee, a supervisor review and validation by a career committee consisting of representatives from the top management and an independent member from the group. All executive employees receive regular performance evaluations. During the year, we also introduced a customised performance management system for our non-executive employees. The system deployment has further streamlined the performance management process of non-executives by automating the entire performance management cycle.

Prioritising employee wellbeing

A healthy and happy workforce leads to better productivity, higher retention rates and a positive work culture. Ensuring the holistic wellbeing of our employees by supporting the physical, mental, emotional, and social wellbeing of employees is therefore, a key priority in our HR agenda.

Ensuring financial wellbeing

Our employees are entitled to a wide range of benefits besides the designation-based basic salary and performance-based bonuses. Understanding the financial constraints faced by our employees amidst rising living costs, we paid an ex-gratia payment to all employees in April 2022. Continuing this support, we have also implemented a temporary crisis allowance from January 2023, which will continue until the next increment cycle. Meanwhile, as part of our efforts to ensure competitive compensation, we have developed new salary bands that better the market conditions. We have continued to maintain zero gender based pay discrepancy.

Occupational health and safety

Our commitment to health and safety starts with caring for our employees, and we strive to create a safe and secure work environment for all our employees. All our resorts have been ISO 45001: 2018 (occupational health and safety management system) compliant since 2008, ensuring the highest occupational health and safety standards. During the year, we also launched our new Health Safety Environment (HSE) strategy under Cinnamon Care 2.0, Cinnamon's new standard for care and cleanliness. In addition, ongoing engagement with employees and worker represented health and safety teams at the resort level ensures employee participation in health and safety matters.

Total remuneration to employees

Sri Lankan resorts

Rs. 1,001 Mn

Maldivian resorts

USD 2.5 Mn

Benefits provided to full-time employees

- Medical insurance
- 100 days parental leave
- Travelling allowances
- Bonuses

We are committed to offering our employees convenient, accessible, and affordable medical care. In addition to health insurance benefits for all permanent employees, annual medical checks are carried out for all resort staff.

Meanwhile, significant investments were made to improve staff accommodation facilities during the year.

Employee safety record 2022/23	
Workplace related accidents and incidents	45
Workplace related fatalities	01
No. of lost workdays due to workplace related injuries	305



Cinnamon Care 2.0 Key improvements introduced through Cinnamon Care 2.0

Passion for Health, Safety and Environment (HSE)

Strengthening the HSE compliance structure	Enhancement of HSE knowledge	Strengthening HSE audit procedures
<ul style="list-style-type: none"> Recruitment of compliance executives for each resort Preparation of comprehensive job descriptions for HSE executives Developed a health and safety cross-exposure plan covering key HSE areas 	<ul style="list-style-type: none"> Development of a comprehensive health and safety training plan Refresher training programmes on occupational health, safety & environment and food safety management systems were conducted for over 123 employees Developed a Health and Safety training programme consisting of over 21 training videos on food safety for Cinnamon Online Academy (COA) Introduction of Lobster Ink food safety programme for executives and non-executives 	<ul style="list-style-type: none"> Implementation of individual monitoring systems, including quarterly KPI monitoring system, internal and external HSE audits, and HSE management review meetings at resort level

Mental wellness initiatives

During the last two years, we have increased our focus on mental wellness as we see this as an integral part of overall employee wellbeing. “It’s Okay not to be Okay” wellness initiative was launched as a pilot program and is currently being rolled out across the organisation.

Mental Wellness Initiatives

“It’s Okay not to be Okay” wellness initiative

A five-series webinar under the theme “It’s Okay not to be Okay” was conducted by AFI Corp. The webinar was made available in all three languages and included the following sessions.

- Dealing with your mental health during an economic and political crisis
- Immunising yourself against anxiety, depression and excessive stress
- Positive thinking patterns and work-life balance
- People management, decision making and problem solving

Employee engagement

Employee engagement activities that create opportunities for employees across the group to interact informally build a sense of belonging, directly contributing to their emotional wellbeing. Events are held throughout the year giving employees opportunities to pursue interests outside of work, build camaraderie and participate in community service activities.

- Virtual Avurudu celebration
- International Mothers’ Day celebrations
- International Fathers’ Day e-messages
- Interdepartmental sport meet
- Online photography competition
- Origami contest to celebrate International Children’s Day
- Annual Wesak Day celebrations
- Career week 2022
- Annual welfare trips
- Annual staff get together
- Maldives and Sri Lanka National Day celebrations
- International Womens’ Day celebrations



Maldives national day celebration at Cinnamon Dhonveli Maldives



Women's day celebrations at Cinnamon Lodge Habarana

Protecting human rights

We are committed to ensuring that our operations and supplier 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.

Building a pipeline of talent for the industry

In addition to developing our internal talent, we are also focused on creating a pipeline of talent ready to take on the operations. Accordingly, we have taken the lead on several collaborative initiatives aimed at developing the country's talent and attracting youth to join the hotel industry amidst growing labour shortages.

The Apprenticeship Academy	Partnership with the Vocational Training Authority (VTA)	MoU with skills for inclusive growth program (S4IG)
<p>The Apprenticeship Academy was launched with the aim of attracting youth to the hospitality industry by providing practical vocational training opportunities within the Group resorts.</p>	<p>During the year, we entered into a partnership with the Vocational Training Authority (VTA) to develop potential talent in the industry. Through this industry- first partnership, we will provide opportunities for students to obtain on-the-job training at our properties while also sharing our industry expertise and best-in-class practices to uplift the standards of VTA facilities and curriculum.</p> <p>The partnership also paves the way for our existing employees to obtain VTA certification for prior learning, further enhancing industry talent quality.</p>	<p>As part of an MoU signed with the Australian government-funded Skills for inclusive growth program (S4IG), we acted as the hospitality partner for season 3 of the hit show 'Supreme chef'. The show aims to promote the hospitality industry, specifically cooking, as a viable career option for Sri Lankans. 20 budding chefs were provided internships at our properties through the program.</p>



'Supreme chef' season 3 highlights

“Compassion is not a relationship between the healer and the wounded. It’s a relationship between equals.”

- *Pema Chödrön*



compassion

We are always attuned to the requirements of those with a vested interest in our establishment. Our generosity, kindness and care are embodying values that shine a guiding light on the path to better serving our people.





PROSPERITY

Case-study

“Live and Let Live” project



The challenge

The Human-Elephant Conflict (HEC) is a severe socioeconomic and conservation problem in Sri Lanka. Apart from rising fatalities of elephants and humans, crop and property damage caused by wild elephants continue to result in significant losses for farmers. Despite various measures taken to address the problem, such as the creation of elephant corridors, relocation of problem elephants, and installation of electric fences, the conflict continues to pose a significant threat to both elephants and humans.

Our action

In response to this growing problem, Cinnamon Nature Trails, in collaboration with the Centre for Conservation and Research (CCR) and TUI Foundation Germany, launched the ‘Live and Let Live’ project as a pilot project for installing community fencing to keep wild elephants within a safe distance from village communities. Community fences surrounding villages and cultivated plots are increasingly considered the most viable solution for achieving meaningful co-existence between humans and wild elephants.

Designed as a community-led initiative, the “Live and Let Live” project provides financial and technical support for villagers from the remote village of Badi Wewa Habarana to construct and maintain a five-kilometre elephant barrier around their village. Cinnamon Nature Trails remained closely involved in the project with monthly visits and by providing ongoing technical support. The project’s next stage will include the erection of a cultivation fence around cultivated plots.



Outcome

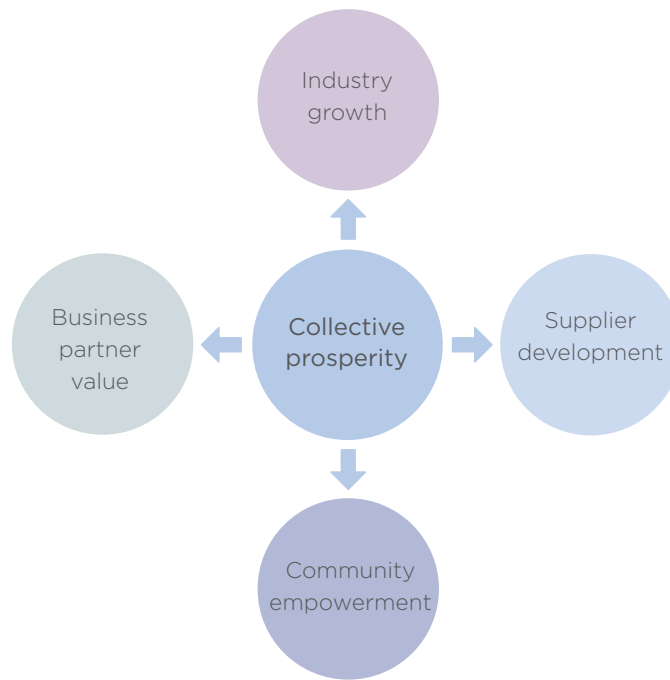
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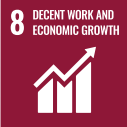



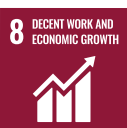

Families impacted

By protecting the lives and livelihoods of over 120 families in the “Badi Wewa” community, the “Live and Let Live” project continues to contribute to the empowerment and prosperity of the community directly. Meanwhile, by reducing friction between villagers and elephants in the area, the project contributes to elephant conservation efforts in the island.

Promoting prosperity

We strive to make a meaningful impact on our wider community through our CSR initiatives and by embedding community responsibility into our business strategy. In addition to sourcing locally wherever possible, we continue to create employment and training opportunities for community youth to empower local communities. Meanwhile, we remain focused on reviving the tourism industry in the country through targeted destination marketing efforts aimed at attracting tourists back to Sri Lanka.



Goals	UN SDGs Impacted	KPI	Status
Increase local supplier base	 	<ul style="list-style-type: none"> 50% of the supplier base to be local and community-based 	Ahead of schedule ●
Assess the social and environmental impact of the supply chain		<ul style="list-style-type: none"> Supplier impact assessments to be carried out for 100% of suppliers in the top 10 purchase categories 	On track ●
Adoption of industry best practices		<ul style="list-style-type: none"> All resorts to be Global Sustainable Tourism Certified (GSTC) 	On track ●
Youth empowerment through employment	 	<ul style="list-style-type: none"> 7.5% of the approved cadre to be filled through community youth development programmes 	On track ●

● Behind Schedule ● On Track ● Ahead of Schedule

Empowering communities through our value chain



Almost 77% of our suppliers are from surrounding communities

Mrs. Nandani Thabrew was a small-scale food supplier from our Hikkaduwa community. After she joined Hikka Tranz by Cinnamon as the resident hopper maker in 1994, she gained her mastery as a Sri Lankan food specialist with the multifaceted exposure she received to food safety, occupational health and safety and industry best practices on work ethics. With the vast amount of knowledge, she gathered through her experience at the resort and the support received from management, she gradually expanded her business and is now a successful businesswoman in her community.



"My small business enabled me to support both my children's education"- Mrs. Nandani Thabrew



Mr. Lalith Peiris was a small-scale fish supplier in Aluthgama when he started supplying fish to Cinnamon Hotels & Resorts almost 25 years ago. The technical knowledge he has gained in food safety and hygienic practices through close interaction with Cinnamon's health and safety team helped him grow his business to what it is today, a key fish supplier to several star hotels across the country.



Mr. Ajith Bandara initiated his small dairy business in 2015. He started supplying his products to Cinnamon Hotels & Resorts a few years later. With the support of Cinnamon's health and safety team, he was able to improve the standards of his business continuously. Now he operates a lucrative business with over seven employees from the community with a production capacity of 700 litres of milk per day. He is currently in the process of obtaining HACCP certification.

Supporting communities through our value chain

We are committed to sourcing locally wherever possible. While directly contributing to community upliftment, sourcing from communities surrounding the resorts also reduces our risk of supply chain disruptions and adds to our unique guest proposition. Almost 77% of our current supplier base is from surrounding communities, of which 80% are SMEs.

Suppliers are selected based on a transparent and unbiased tender procedure which includes documented social, environmental, and financial criteria. During the year, 45 new suppliers from the communities surrounding our resorts were onboarded. 18 of these new suppliers were screened based on social and environmental criteria.

We also work closely with suppliers and business partners to promote sustainable practices and responsible behaviour. Ongoing supplier audits, supplier visits and supplier impact assessments enable us to work closely with our suppliers and business partners to identify social and environmental risks in the supply chain and address these issues proactively. During the year, 11 new suppliers (06 from our Sri Lankan resorts and 05 from our Maldivian resorts) underwent detailed supplier impact assessments. We aim to complete supplier impact assessments for 100% of our top 10 purchase categories by 2025. There were no identified negative social or environmental impacts in the supply chain during the year.

Advancing responsible sourcing Leading the farm-to-fork experience

Cinnamon Bentota Beach and Cinnamon Lodge Habarana launched the inspirational modern green houses with hydroponic systems to provide a wide range of lettuce and vegetables for the restaurants. This benefits the environment by recycling organic resources while conserving landfill space. The ultimate objective of this initiative is to promote eco-friendly farming techniques and offer meaningful guest engagement activities for young and seasoned travellers.



The modern green house at Cinnamon Bentota Beach



Supporting communities through our value chain

No. of local suppliers onboarded during the year	45
Proportion of cadre filled through community youth development programs	7%



Empowering communities through strategic CSR Initiatives

Our CSR vision					
Our strategic CSR initiatives aim to empower our communities to enjoy a better standard of living tomorrow by fostering relevant skills, opportunities and environment today.					
Our focus areas					
Education	Health	Environment	Livelihood development	Art and culture	Disaster relief
To provide better access to educational opportunities for those in need to enhance their employability and entrepreneurship	To foster healthy communities that contribute to the wellbeing and productivity of nations.	To minimise the impact of our operations and promote conservation and sustainability towards enhancing environmental and natural capital.	To foster sustainable livelihoods through relevant skills, capacity, and infrastructure enhancement towards building empowered and sustainable communities	To nurture the livelihoods of artists and preserve our cultural heritage towards safeguarding and promoting local arts and culture	To aid national and global communities in times of adversity and disaster by enabling them to rebuild their lives and livelihoods.
Projects carried out in collaboration with John Keells Foundation (JKF) in FY 2022/23					
<ul style="list-style-type: none"> Higher education scholarship scheme English language scholarship scheme 	<ul style="list-style-type: none"> “Pasal Deriya” school meal program 	<ul style="list-style-type: none"> Cinnamon Rainforest restoration project 	<ul style="list-style-type: none"> “Sara Midula” Community home gardening initiative Sustainable farming initiative - Good Agricultural Practices (GAP) farmer project Working Against Violence through Education (WAVE) awareness sessions, including child protection and substance abuse training. 		

Resort specific projects carried out in FY 2022/23

<ul style="list-style-type: none"> • Awareness creation for youth on prospects of careers in the hospitality sector • Enhancing infrastructure of community schools 	<ul style="list-style-type: none"> • Enhancing infrastructure of community hospitals (Kirinda government hospital and Horiwila Ayurveda hospital) 	<ul style="list-style-type: none"> • Beach cleanups • Mangrove cleanups • Ocean temperature data loggers and Geographical Information System (GIS) mapping project in the Maldives • Bio-diversity mapping and action plans • 'Live and Let Live' project - Elephant fencing • Project gathering • Coral propagation projects (Refer "Our Environment" on page 31 for more details) 	<ul style="list-style-type: none"> • Hikka batik program - Hikka Tranz by Cinnamon • Roof material (Kadjan) making project with the involvement of nearby island women-led community 	<ul style="list-style-type: none"> • Facilitate showcasing and selling of local art and sculptures to guests • Cultural shows for the clientele 	<ul style="list-style-type: none"> • Resort specific disaster relief action plans
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Supporting JKH group's accelerated crisis response program

As communities across the country continued to be impacted by the crisis situation in the country, The John Keells Group's CSR arm, John Keells Foundation (JKF) launched its accelerated crisis response programme; 'John Keells Praja Shakthi' in collaboration with the group's businesses to address key challenges arising from the crisis situation. Cinnamon Hotels & Resorts continued to be involved in the response programme through its ongoing involvement in key initiatives aimed at alleviating immediate hardships and empowering communities to recover from the crisis situation in Sri Lanka.



“Sara Midula” community home gardening initiative

The community home gardening initiative was implemented in collaboration with John Keells Foundation as a response to the current and impending food-security issue in Sri Lanka. This project implemented over 1,056 home gardens, impacting over 4,085 individuals across the communities.



“Sara Midula” project launch at Cinnamon Citadel Kandy

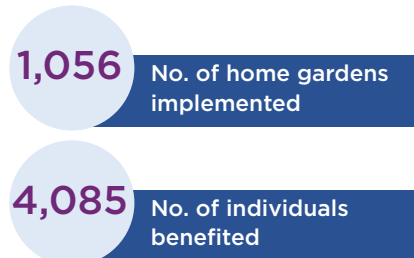
	Total number of households
Cinnamon Citadel Kandy	55
Cinnamon Bentota Beach	150
Cinnamon Lodge Habarana and Habarana Village by Cinnamon	140
Cinnamon Bey Beruwala	46
Trinco Blu by Cinnamon	75
Hikka Tranz by Cinnamon	450
Cinnamon Wild Yala	140
Total households	1,056

“Pasal Deriya” school meal program

Aims to eliminate child malnutrition in Sri Lanka and increase school attendance. In collaboration with John Keells Foundation, the initiative provides Rs. 100 per student daily to over 1,500 children across many regions in Sri Lanka. The project also involved building relevant infrastructure for meal preparation (school kitchens) and facilitated in-house school gardens.



“Pasal Deriya” project launch



Sustainable farming initiative - Good Agriculture Practices (GAP) farmer project

Sri Lanka's agricultural sector is a cornerstone of the country's economy, supporting many rural small-scale producers. However, the current socio-economic crisis has limited their capacity to cultivate, leaving resource-poor farmers with little or no options to recover. In this context, the sustainable farmer initiative addresses the immediate food crisis while providing awareness and inputs on sustainable agriculture practices towards increasing efficiencies, yield, and access to markets. They are a collaborative effort between John Keells Foundation (JKF) and Modern Agri (MA). This programme aims to provide knowledge and technical support on modern agricultural practices that pave the way for efficient and productive farming, thereby enhancing farmers' livelihoods and food and nutrition security in the country. As a result, 26 farmers from communities surrounding our resorts were selected, trained, and equipped with Good Agricultural Practices (GAP), including land preparation, fixing insect-proofed nets, layering poly mulch, and installing irrigation systems.




Higher education scholarship scheme

The project aims to address the alarming trend of increasing school drop-outs due to rising financial constraints by offering scholarships for underprivileged children and youth to continue their higher education. During the last financial year, 16 scholarships were provided for selected students from island-wide locations.

	Resort	CSR activities
In addition to groupwide initiatives, individual resorts also continue to engage with their surrounding communities through targeted CSR programs. A sample of the initiatives carried out by each of our resort during the financial year include;	Cinnamon Bentota Beach	<ul style="list-style-type: none"> • Donations to the Galapatha temple for the "Perahera" ceremony • "Sip Uwasara " project- book donation for tsunami victims • Provided refreshments for the "Benthara Ahasayata" - art exhibition participants • Community beach cleanups
	Trinco Blu by Cinnamon	<ul style="list-style-type: none"> • Community beach cleanups • Child protection awareness sessions
	Hikka Tranz by Cinnamon	<ul style="list-style-type: none"> • Community beach cleanups • Ocean strainer project - work in progress • Drug prevention awareness program - Balapitiya divisional secretariat

	Resort	CSR activities
	Cinnamon Bey Beruwala	<ul style="list-style-type: none"> • Adolescent health program • Donation of school stationery items on World Children's Day • Infrastructure development of "Dhammikaramaya " temple • Donations to the "Kaluwamodara" school (cutlery and crockery) • Sponsorship for the talent show - "Moragolla" junior school • Sponsorships for Christmas events at the divisional secretariat
	Cinnamon Wild Yala	<ul style="list-style-type: none"> • World Children's Day and Elder's Day celebrations - book and wheelchair donation • Hotel operation awareness and training for the students of Tissamaharama School • "Sandagirigama" elders' home shramadhana (community service programme)
	Cinnamon Citadel Kandy	<ul style="list-style-type: none"> • Hotel operations practical awareness programme for hotel school students on world tourism day • Blood donation campaign • Study day for deaf and blind school children • Study books and stationary donation for underprivileged children in the community
	Cinnamon Lodge Habarana and Habarana Village by Cinnamon	<ul style="list-style-type: none"> • Repainting Habarana Railway station • Supported elephant-attack victims for infrastructure development. • Gateway English language scholarship program for underprivileged children • Repainting of clinical wards at "Horiwila" ayurvedic hospital • Habarana Lake clean up programme • Training on green supply management systems for the SLIIT students • Awareness session on hotel operations to Air Force trainee cadets • Hotel operations exposure programme for NSBM Green University students • Organic fertiliser and seed distribution ceremony for the community

	Resort	CSR activities
	Ellaidhoo Maldives by Cinnamon	<ul style="list-style-type: none"> • Hotel operations exposure programme for students of Vaavu atoll school • Awareness program on the elimination of violence against women. • Beach clean up programme
	Cinnamon Dhonveli Maldives	<ul style="list-style-type: none"> • Mangrove ecosystem clean-up programme at the “Huraa” island • Donation of discarded linen to the residents of the drug treatment and rehabilitation center on “Himafushi” island
	Cinnamon Velifushi Maldives	<ul style="list-style-type: none"> • Hotel practical awareness programme for students of Vaavu atoll school • Career development awareness on “Keyodhoo” island
	Cinnamon Hakuraa Huraa Maldives	<ul style="list-style-type: none"> • Alms giving to commemorate tsunami victims • Donated soup kettles for “Mulak” school

Promoting industry growth

The tourism sector plays a key role in Sri Lanka's economy generating employment opportunities across the country and providing much needed revenue and foreign exchange to the government. The speedy recovery of the tourism industry is therefore of critical importance as Sri Lanka looks to re-build its economy. As a leading player in the industry, we are committed to supporting efforts to attract tourists back into the country and conducted several targeted destination marketing campaigns aimed at attracting guests back to the country and our properties. Key campaigns conducted during the year include;

'Come Home to Cinnamon' campaign

#Home2Cinnamon was a brand-level awareness campaign aimed at generating top-of-mind recall for the Cinnamon brand among the Sri Lankan expatriate community living abroad. The first phase of the campaign was launched from November to December 2022 and featured a series of sensorial images and videos on social media designed to evoke the nostalgic experience of home and showcase the unique essence of Sri Lankan culture presented at our properties.



Sri Lanka, Your Home Away From Home...



Cinnamon Hotels & Resorts

4.86K subscribers



4



“Be Inspired” world tourism day campaign

The “Be Inspired” promotional social media video was launched to celebrate world tourism day. Aligned to the global theme of “Rethinking Tourism” the video aimed to showcase Cinnamon’s unique offering and inspire travellers to explore new and innovative travel experiences. The video reiterated Cinnamon’s commitment to reimagining travel.

“We are a village. We are a city. We are an island, or many. We are the dream that inspires your moments. Cinnamon Hotels & Resorts, Sri Lanka & Maldives, are waiting for you. Come. Be inspired.”

Inspiring moments with Cinnamon

Visit Sri Lanka campaign

An online testimonial video campaign where celebrities, guests at our resorts and key opinion leaders shared their experiences in Sri Lanka and encouraged tourists to visit the country. The campaign aimed to address negative perceptions about the country in the aftermath of the political and social unrest in the country and reassure guests that Sri Lanka is a safe place to visit.

The testimonial campaign commenced with leading Australian cricketers on tour, encouraging guests to visit Sri Lanka and then moved onto language and market specific messaging. These campaigns were run in French, German and Tamil with a wide range of guests including celebrities and key opinion leaders speaking of their experience in the country.

“Sri Lanka defined by warmth not by adversity”



Several market specific campaigns were also conducted to attract tourists from key source markets and emerging markets.

India

The Indian market is a growing market for Sri Lanka, accounting for almost 17% (123,004) of all tourist arrivals to the country in 2022. A series of destination marketing videos were therefore carried out to attract Indian tourists back into the country. The three-part digital marketing campaign strategically targeted a demographic of high spending, young and aspirational Indian travellers by featuring a pool of Indian celebrities with niche fan bases and a strong digital presence. Celebrities and key opinion Leaders featured in the series included Bollywood actress Pooja Gor, actress Shruthi Sharma, MTV India Splitsvilla's Nibedita Pal, and Aarushi Dutta, India's next top model winner - Pranati Rai Prakash, actress Abigail Pande and Adithi Sharma.



Namaste from Sri Lanka



From Our Family to Yours, Happy Diwali...



Sri Lanka, Your Home Away From Home...

France

The French travel market is yet another growing source market accounting for almost 5% of all tourists to Sri Lanka in 2022. To encourage arrivals from the market, sixty travel agents from France were invited for the 7th edition of Treasure Hunt (Chasse aux Tresors), a unique familiarisation tour designed in the form of a Treasure Hunt around the country. The tours were followed by a series of testimonial videos by participants who shared their experiences in French, further encouraging travel to Sri Lanka.



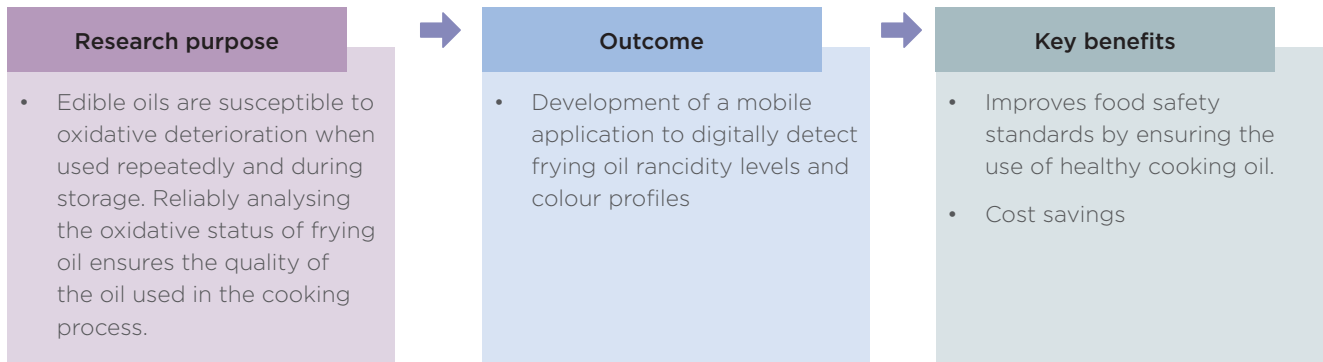
Partnerships for progress

We believe in the value of partnerships in driving positive change and continue to work closely with the government and other stakeholders on several identified areas.

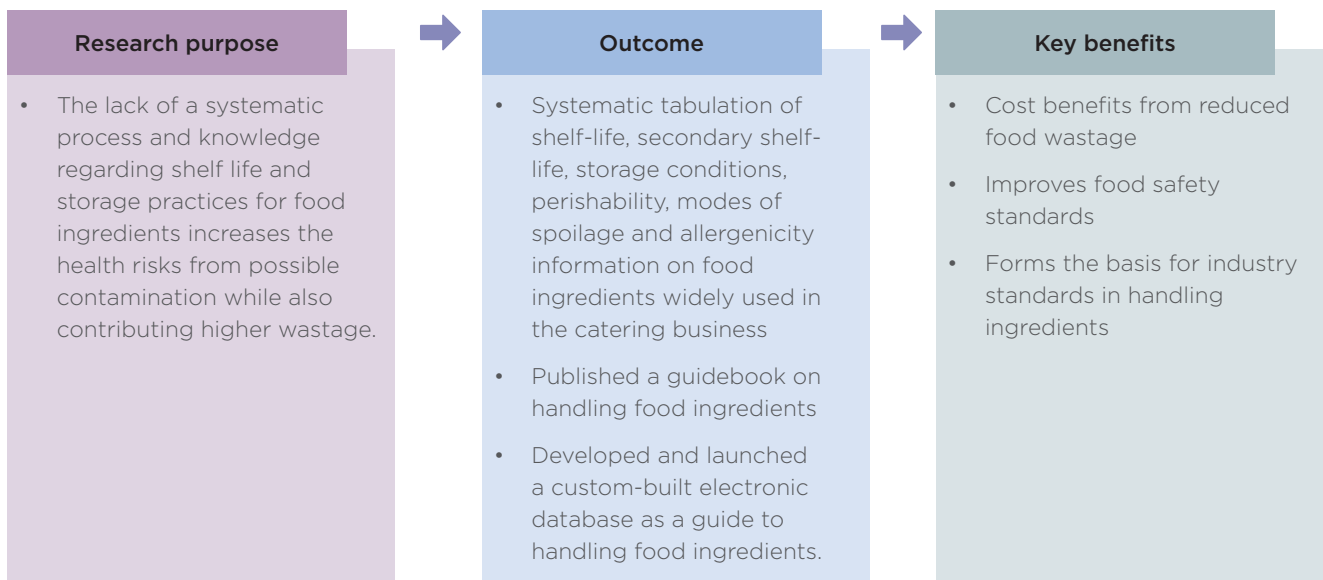
Food safety best practices

Pioneering research projects were carried out in collaboration with the University of Peradeniya, Faculty of Agriculture, and Department of Food Science and Technology to improve food safety standards and reduce food wastage in the catering industry.

Research on the safety of edible oils



Research on shelf life and storage practices for food ingredients



Environment and bio-diversity conservation

Several of our key environmental conservation projects are carried out in collaboration with governmental and non-governmental bodies.

Refer page 31 (Our Environment) for more information

Industry skill development

We continue to partner with leading hospitality training partners to offer vocational training opportunities for youth interested in joining the hospitality industry.

Refer page 45 (Building a Pipeline of Talent for the Industry) for more information.

Employee and community awareness

Plasticcycle awareness sessions

Awareness sessions were conducted across our hotels in collaboration with Plasticcycle to develop advocates to drive the plastic minimisation efforts at the resort level, monitor the disposal processes and work as trainers for community awareness sessions. A community outreach programme will follow the awareness sessions.



Plasticcycle awareness session at Cinnamon Lodge Habarana, Habarana Village by Cinnamon and Trinco Blu by Cinnamon

Child protection awareness sessions

Cinnamon Hotels & Resorts collaborated with John Keells Foundation (JKF) and LEADS Sri Lanka to conduct employee awareness sessions on identifying and taking action on child abuse incidents. The next stage of this three year action plan will be to extend the awareness programs to the community.



Child protection awareness session at Habarana Village by Cinnamon

GRI CONTENT INDEX

Statement of use	John Keells Hotels PLC has reported in accordance with the GRI Standards for the 01 April 2022 to 31 March 2023
GRI 1 used	GRI 1: Foundation 2021
Applicable GRI sector standard(s)	Not applicable

GRI standard/ other source	Disclosure	Location	Omission	Explanation	
			Requirement(s) omitted		Reason
General disclosures					
GRI 2: General Disclosures 2021	2-1 Organisational details	AR 7			
	2-2 Entities included in the organisation's sustainability reporting	AR 10			
	2-3 Reporting period, frequency and contact point	AR 4,5			
	2-4 Restatements of information	AR 4			
	2-5 External assurance	AR 4			
	2-6 Activities, value chain and other business relationships	AR 7-9			
	2-7 Employees	SR 40			
	2-8 Workers who are not employees		2-8	Information unavailable/incomplete	Information on outsourced employees has not been captured in the current financial year. We are in the process of collating this information
	2-9 Governance structure and composition	AR 66			
	2-10 Nomination and selection of the highest governance body	AR 69			
	2-11 Chair of the highest governance body	AR 67			
	2-12 Role of the highest governance body in overseeing the management of impacts	AR 67			
	2-13 Delegation of responsibility for managing impacts	AR 73			
	2-14 Role of the highest governance body in sustainability reporting	AR 119			
	2-15 Conflicts of interest	AR 71			
	2-16 Communication of critical concerns	AR 89			

GRI CONTENT INDEX

GRI standard/ other source	Disclosure	Location	Omission		Explanation
			Requirement(s) omitted	Reason	
	2-17 Collective knowledge of the highest governance body	AR 68			
	2-18 Evaluation of the performance of the highest governance body	AR 72			
	2-19 Remuneration policies	AR 72			
	2-20 Process to determine remuneration	AR 72			
	2-21 Annual total compensation ratio		2-21	Information unavailable/incomplete	This ratio is not currently calculated. It will be calculated going forward.
	2-22 Statement on sustainable development strategy	SR 6			
	2-23 Policy commitments	SR 7			
	2-24 Embedding policy commitments	SR 7			
	2-25 Processes to remediate negative impacts	SR 42			
	2-26 Mechanisms for seeking advice and raising concerns	SR 42			
	2-27 Compliance with laws and regulations	SR 6			
	2-28 Membership associations	SR 10,11			Tourist Hotels Association of SL, Chamber of Commerce
	2-29 Approach to stakeholder engagement	SR 10			
	2-30 Collective bargaining agreements	SR 42			
Material topics					
GRI 3: Material Topics 2021	3-1 Process to determine material topics	SR 12			
	3-2 List of material topics	SR 13-15			
	3-3 Management of material topics	SR 13			

GRI standard/ other source	Disclosure	Location	Omission		Explanation
			Requirement(s) omitted	Reason	
Economic performance					
GRI 201: Economic Performance 2016	201-1 Direct economic value generated and distributed	AR 218			
	201-2 Financial implications and other risks and opportunities due to climate change	SR 23			
	201-3 Defined benefit plan obligations and other retirement plans	AR 194-196			
	201-4 Financial assistance received from government		201-4	Not applicable	Company did not receive financial assistance from the government during the year.
Indirect economic impacts					
GRI 3: Material Topics 2021	3-3 Management of material topics	SR 60			
GRI 203: Indirect Economic Impacts 2016	203-1 Infrastructure investments and services supported	SR 60			
	203-2 Significant indirect economic impacts	AR 41			
Procurement practices					
GRI 3: Material Topics 2021	3-3 Management of material topics	SR 59			
GRI 204: Procurement Practices 2016	204-1 Proportion of spending on local suppliers		204-1(a)	Information unavailable/incomplete	The company has a large number of suppliers at community level and therefore the company is in the process of collating information.

GRI CONTENT INDEX

GRI standard/ other source	Disclosure	Location	Omission		Explanation
			Requirement(s) omitted	Reason	
Anti-corruption					
GRI 3: Material Topics 2021	3-3 Management of material topics	SR 13			
GRI 205: Anti-corruption 2016	205-1 Operations assessed for risks related to corruption		205-1	Information unavailable/incomplete	This is a new area and this will be captured during next risk assessment.
	205-2 Communication and training about anti-corruption policies and procedures	AR 88			
	205-3 Confirmed incidents of corruption and actions taken		205-3	Not applicable	There were no identified instances for reported on.
Energy					
GRI 3: Material Topics 2021	3-3 Management of material topics	SR 25			
GRI 302: Energy 2016	302-1 Energy consumption within the organisation	SR 21			
	302-2 Energy consumption outside of the organisation		302-2	Information unavailable/incomplete	This is beyond the scope of current energy management policy.
	302-3 Energy intensity	SR 25			
	302-4 Reduction of energy consumption	SR 25			
	302-5 Reductions in energy requirements of products and services		302-5	Information unavailable/incomplete	This information was not captured in last financial year. But will be captured going forward.
Water and effluents					
GRI 3: Material Topics 2021	3-3 Management of material topics	SR 30			
GRI 303: Water and Effluents 2018	303-1 Interactions with water as a shared resource	SR 30			
	303-2 Management of water discharge-related impacts	SR 30			
	303-3 Water withdrawal	SR 21			
	303-4 Water discharge	SR 21			
	303-5 Water consumption	SR 21			

GRI standard/ other source	Disclosure	Location	Omission		Explanation
			Requirement(s) omitted	Reason	
Bio-diversity					
GRI 3: Material Topics 2021	3-3 Management of material topics	SR 31			
GRI 304: Bio-diversity 2016	304-1 Operational sites owned, leased, managed in, or adjacent to, protected areas and areas of high bio-diversity value outside protected areas	SR 33			
	304-2 Significant impacts of activities, products and services on bio-diversity	SR 31			
	304-3 Habitats protected or restored	SR 31			
	304-4 IUCN Red List species and national conservation list species with habitats in areas affected by operations	SR 31			
Emissions					
GRI 3: Material Topics 2021	3-3 Management of material topics	SR 25			
GRI 305: Emissions 2016	305-1 Direct (Scope 1) GHG emissions	SR 21			
	305-2 Energy indirect (Scope 2) GHG emissions	SR 21			
	305-3 Other indirect (Scope 3) GHG emissions		305-3	Not applicable	This is beyond the scope of our current energy monitoring system.
	305-4 GHG emissions intensity	SR 25			
	305-5 Reduction of GHG emissions	SR 25			
	305-6 Emissions of ozone-depleting substances (ODS)		305-6	Not applicable	As a service organisation, we do not generate significant amount of these substances.
	305-7 Nitrogen oxides (NOx), sulfur oxides (SOx), and other significant air emissions		305-7	Not applicable	As a service organisation, we do not generate significant amount of these substances.

GRI CONTENT INDEX

GRI standard/ other source	Disclosure	Location	Omission		Explanation
			Requirement(s) omitted	Reason	
Waste					
GRI 3: Material Topics 2021	3-3 Management of material topics	SR 26			
GRI 306: Waste 2020	306-1 Waste generation and significant waste-related impacts	SR 26			
	306-2 Management of significant waste-related impacts	SR 26			
	306-3 Waste generated	SR 21			
	306-4 Waste diverted from disposal	SR 26			
	306-5 Waste directed to disposal	SR 26			
Supplier environmental assessment					
GRI 3: Material Topics 2021	3-3 Management of material topics	SR 59			
GRI 308: Supplier Environmental Assessment 2016	308-1 New suppliers that were screened using environmental criteria	SR 59			
	308-2 Negative environmental impacts in the supply chain and actions taken	SR 59			
Employment					
GRI 3: Material Topics 2021	3-3 Management of material topics	SR 45			
GRI 401: Employment 2016	401-1 New employee hires and employee turnover	SR 45			
	401-2 Benefits provided to full-time employees that are not provided to temporary or part-time employees	SR 48			
	401-3 Parental leave	SR 44	401-3 (c,d)	Information unavailable/incomplete	The company did not collate information related to 401-3 (c,d) during the year.
Labour/management relations					
GRI 3: Material Topics 2021	3-3 Management of material topics	SR 42			

GRI standard/ other source	Disclosure	Location	Omission		Explanation
			Requirement(s) omitted	Reason	
GRI 402: Labour/ Management Relations 2016	402-1 Minimum notice periods regarding operational changes	SR 42			
Occupational health and safety					
GRI 3: Material Topics 2021	3-3 Management of material topics	SR 48			
GRI 403: Occupational Health and Safety 2018	403-1 Occupational health and safety management system	SR 48			
	403-2 Hazard identification, risk assessment, and incident investigation	SR 48			
	403-3 Occupational health services	SR 48			
	403-4 Worker participation, consultation, and communication on occupational health and safety	SR 48			
	403-5 Worker training on occupational health and safety	SR 49			
	403-6 Promotion of worker health	SR 49			
	403-7 Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	SR 48			
	403-8 Workers covered by an occupational health and safety management system	SR 48			
	403-9 Work-related injuries	SR 49			
	403-10 Work-related ill health	SR 49			
Training and education					
GRI 3: Material Topics 2021	3-3 Management of material topics	SR 45			
GRI 404: Training and Education 2016	404-1 Average hours of training per year per employee	SR 44,45			
	404-2 Programs for upgrading employee skills and transition assistance programs	SR 46			
	404-3 Percentage of employees receiving regular performance and career development reviews	SR 48			
Diversity and equal opportunity					
GRI 3: Material Topics 2021	3-3 Management of material topics	SR 43			

GRI CONTENT INDEX

GRI standard/ other source	Disclosure	Location	Omission		Explanation
			Requirement(s) omitted	Reason	
GRI 405: Diversity and Equal Opportunity 2016	405-1 Diversity of governance bodies and employees	SR 43	405-1 a.(2)	Information unavailable/ incomplete	Age details of governance body were not captured.
	405-2 Ratio of basic salary and remuneration of women to men	SR 48			
Non-discrimination					
GRI 3: Material Topics 2021	3-3 Management of material topics	SR 42			
GRI 406: Non- discrimination 2016	406-1 Incidents of discrimination and corrective actions taken	SR 42			
Freedom of association and collective bargaining					
GRI 3: Material Topics 2021	3-3 Management of material topics	SR 42			
GRI 407: Freedom of Association and Collective Bargaining 2016	407-1 Operations and suppliers in which the right to freedom of association and collective bargaining may be at risk	SR 42			
Child labour					
GRI 3: Material Topics 2021	3-3 Management of material topics	SR 51			
GRI 408: Child Labour 2016	408-1 Operations and suppliers at significant risk for incidents of child labour	SR 51			
Local communities					
GRI 3: Material Topics 2021	3-3 Management of material topics	SR 60			
GRI 413: Local Communities 2016	413-1 Operations with local community engagement, impact assessments, and development programs	SR 60-70			
	413-2 Operations with significant actual and potential negative impacts on local communities		413-2	Information unavailable/ incomplete	Process of reliably quantifying potential negative impacts are currently underway.
Supplier social assessment					

GRI standard/ other source	Disclosure	Location	Omission		Explanation
			Requirement(s) omitted	Reason	
GRI 3: Material Topics 2021	3-3 Management of material topics	SR 59			
GRI 414: Supplier Social Assessment 2016	414-1 New suppliers that were screened using social criteria	SR 59			
	414-2 Negative social impacts in the supply chain and actions taken	SR 59			
Customer health and safety					
GRI 3: Material Topics 2021	3-3 Management of material topics	SR 13			
GRI 416: Customer Health and Safety 2016	416-1 Assessment of the health and safety impacts of product and service categories	AR 27			
	416-2 Incidents of non-compliance concerning the health and safety impacts of products and services	AR 27			
GRI 417: Marketing and Labelling 2016	417-1 Requirements for product and service information and labelling	AR 24			
	417-2 Incidents of non-compliance concerning product and service information and labelling	AR 24			
	417-3 Incidents of non-compliance concerning marketing communications	AR 24			
Customer privacy					
GRI 3: Material Topics 2021	3-3 Management of material topics	SR 13			
GRI 418: Customer Privacy 2016	418-1 Substantiated complaints concerning breaches of customer privacy and losses of customer data	AR 24			

Note: AR - Annual Report
SR - Sustainability Report

INDEPENDENT ASSURANCE REPORT TO THE BOARD OF DIRECTORS OF JOHN KEELLS HOTELS PLC



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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 its Integrated Annual Report for the year ended 31st March 2023 (“the Report”).

- Reasonable assurance on the information on financial performance as specified on page 218, 194-196 of the Report.
- Limited assurance on other information presented in the Report, prepared in accordance with the GRI Standards.

Basis of our work and level of assurance

We perform our procedures to provide reasonable and limited assurance in accordance with Sri Lanka Standard on Assurance Engagements (SLSAE 3000) (Revised): ‘Assurance Engagements Other than Audits or Reviews of Historical Financial Information’.

The criteria applied for this assurance engagement:

- The Global Reporting Initiative’s (GRI) Sustainability Reporting Guidelines, publicly available at GRI’s global website 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 (Revised) 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.

Management of the Company’s responsibility for the Report

The management of the Company is responsible for selecting the criteria, and for the preparation and presentation and self-declaration of the information contained in the Report in accordance with the given criteria, in all material respects. This responsibility includes establishing and maintaining internal controls, maintaining adequate records and making estimates that are relevant to the preparation of the information, such that it is free from material misstatement, whether due to fraud or error.

Ernst & Young’s responsibilities

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 given criteria. This Report is made solely to the Company in accordance with our engagement letter dated 15th May 2023. 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 of Ethics for Professional Accountants issued by CA Sri Lanka,

EY also applies International Standard on Quality Control 1, Quality Control for Firms that Perform Audits and Reviews of Financial Statements, and Other Assurance and Related Services Engagements, and accordingly maintains a comprehensive system of quality control including documented policies and procedures regarding compliance with ethical requirements, professional standards, and applicable legal and regulatory requirements.

Key Assurance Procedures

We planned and performed our procedures to obtain the information and explanations considered necessary to provide sufficient evidence to support our assurance conclusions. We performed such other procedures as we considered necessary in the circumstances. Key assurance procedures included:

- Agreed the information on financial performance as disclosed on page 218, 194-196 of the Report to audited financial statements
- Validated the information presented and checked the calculations performed by the organisation through recalculation
- Performed a comparison of the content given in the Report against the criteria given in the selected sustainability standards/frameworks.
- Conducted interviews with relevant organisation's personnel to understand the process for collection, analysis, aggregation and presentation of data. Interviews included selected key management personnel and relevant staff
- Read the content presented in the Report for consistency with our overall knowledge obtained during the course of our assurance engagement and requested changes wherever required.
- Provided guidance, recommendations and feedback on the improvement of the sustainability reporting indicators to improve the presentation standard.

Although we considered the effectiveness of management's internal controls when determining the nature and extent of our procedures, our assurance engagement was not designed to provide assurance on internal controls. Our procedures did not include testing controls or performing procedures relating to checking aggregation or calculation of data within IT systems.

Limitations and considerations

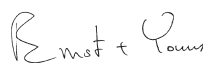
Social, Natural and Intellectual capital management data/information are subject to inherent limitations given their nature and the methods used for determining, calculating and estimating such data.

We also do not provide any assurance on the assumptions and achievability of prospective information presented in the Report.

Conclusion

Based on our procedures and the evidence obtained, we conclude that:

- The information on financial performance as specified on page 218, 194-196 of the Report are properly derived from the audited financial statements for the year ended 31st March 2023.
- Nothing has come to our attention that causes us to believe that the information presented in the Report are not fairly presented, in all material respects, in accordance with the relevant criteria.



23 May 2023
Colombo

Partners: H M A Jayasinghe FCA FCMA, R N de Saram ACA FCMA, Ms. N A De Silva FCA, W R H De Silva FCA ACMA, Ms. Y A De Silva FCA, Ms. K R M Fernando FCA ACMA, N Y R L Fernando ACA, W K B S P Fernando FCA FCMA, Ms. L K H L Fonseka FCA, D N Gamage ACA ACMA, A P A Gunasekera FCA FCMA, A Herath FCA, D K Hulangamuwa FCA FCMA LLB (London), Ms. G G S Manatunga FCA, A A J R Perera ACA ACMA, Ms. P V K N Sajewani FCA, N M Sulaiman ACA ACMA, B E Wijesuriya FCA FCMA, C A Yalagala ACA ACMA

Principals: W S J De Silva BSc (Hons)-MIS MSc-IT, G B Goudlan ACMA, D L B Karunathilaka ACMA, Ms. P S Paranavitane ACA ACMA LLB (Colombo), T P M Ruberu FCMA FCCA

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