



**Communication on
Progress (CoP)**
to the UN Global Compact

OCTOBER 26, 2022



Statement of Continued Support

“ I am pleased to confirm that Jetwing Hotels Ltd reaffirms its support for the Ten Principles of the United Nations Global Compact in the areas of Human Rights, Labour, Environment and Anti-Corruption.

In this Communication on Progress, we describe our actions to continually improve the integration of Global Compact principles with our business strategy, culture, and daily operations. We also commit to share this information with our stakeholders using appropriate channels of communication. ”

– SHIROMAL COORAY
Chairman – Jetwing Hotels Ltd

■ About Us

Founded in 1973, Jetwing Hotels has grown from a humble six-room hotel in Negombo to a well-deserved reputation as Sri Lanka’s premier hospitality brand. Operating and managing properties across the island, the Jewing Hotels portfolio includes resorts, villas, and eco-luxury escapes; which uphold our reputation as the home of traditional Sri Lankan hospitality, earned through the warmth we share, while offering an impeccable service.

A family-owned company, we pride ourselves on the adherence to four simple core values – passion, integrity, honesty, and tenacity. A pioneer in responsible tourism, throughout our 48-year history, Jetwing has stood apart from its competition by a strong commitment towards the environment and our local communities. In line with the Jetwing Hotels Sustainability Strategy, across all properties sustainable and responsible practices have been given precedence, with energy & carbon, water & waste, biodiversity, community & culture, family, and sourcing & production, being identified as our key focus areas.

For more information about our sustainability initiatives: www.jetwinghotels.com/sustainability

■ Reporting Context

This communication report covers the 12-month period from 01 April 2021 to 31 March 2022. Based on the properties’ ownership status, details of fifteen ‘Jetwing’ hotels is presented in this report.

Tourism, one of Sri Lanka’s largest foreign exchange earners, is going through arguably the most challenging time the industry has ever faced. The Easter Sunday attacks of 2019, global isolation measures and the closure of country borders in 2020-21, the current global geo-political tensions and, the island’s internal political and economic crises - have over the last few years had a tremendous ripple effect on our associates, guests, suppliers, and partners, and consequently on the revenue generated across the value chain.

Despite the ongoing challenges, our commitment to reduce our environmental footprint and have a positive, sustainable impact wherever we do business remains as strong as ever. While some of our signature sustainability programs had to be revised or be halted, we have continued to embed sustainability into our operations as business conditions allow. With a hopeful outlook on the year ahead, we are intently working towards restoring stakeholder confidence and normalcy in travel. On the path to recovery, we look forward to extending our sustainability journey by implementing innovative and impactful solutions.

Human Rights Principles

Assessment, Policy and Goals

Jetwing Hotels is a premier home-grown hospitality brand in Sri Lanka that has engaged in responsible tourism for almost five decades. Notably, Jetwing was the pioneering organization among Sri Lankan businesses to have committed to the United Nations World Tourism Organization's (UNWTO) Global Code of Ethics of Tourism. As a signatory, Jetwing Hotels acknowledges and respects the principles of the Universal Declaration of Human Rights and The International Labour Organization's (ILO) Declaration on Fundamental Principles and Rights at Work. As a testament to this commitment, the Jetwing Human Rights Policy was implemented within the organization which to this day is strictly abided by, reflecting the company's commitment to conduct business operations ethically, in adherence with human rights standards in all spheres.

We are delighted to state that as a responsible business Jetwing Hotels contributes to a number of United Nations Sustainable Development Goals; most notably to goals of Zero Poverty, Quality Education, Decent Work and Economic Growth, and Responsible Consumption and Production, through our mindful hotel operations, employee relations and community outreach initiatives. The Jetwing Human Rights Policy entails principles of non-discrimination and equality, protection of the rights of a child, refrainment of forced labour, promotion of occupational health and safety, fair working conditions including working hours, fair wages, and compensation and no harsh or degrading treatment/harassment.

Implementation

The organization's policies and procedures including the Jetwing Hotels Human Rights Policy are a vital component of our orientation modules to assure that each associate of the organization is aware of the company's values and commitments, and the contribution expected by the associates in adhering with the said values and code of conduct. The Jetwing Hotels Human Rights Policy is a manifestation of the organization's commitment to protect and uphold the universal human rights through adherence to non-discrimination and equality, protection of the rights of a child, refrainment from forced labour, health and safety of our associates and guests, fair working conditions including working hours, provision of fair wages and compensation and refrainment from harsh or degrading treatment/harassment. Apart from this initial introduction to the policy during orientation, it is also displayed in all three languages in staff cafeterias, to be sure that our associates are familiar with policies detailing the manner in which Jetwing Hotels maintains relations within the organization, with our guests, partners, and suppliers. Under normal circumstances, each year, refresher sessions are conducted on the human rights policy throughout all hotel properties.

Recovering from the COVID-19 pandemic, conducting of these refresher sessions resumed, thus refreshing the related knowledge of our associates.

The principle of non-discrimination and equality ensures that no individual is subjected to discrimination based on race, colour, gender, religion, creed, age, social and civil status, family origin, physical or mental disability or sexual orientation in any of our hiring and employment practices. This guarantees that all associates are treated equally and impartially through our employee relations, which includes comprehensive compensation schemes, policies guaranteeing equal pay for work of equal value, equal opportunity in recruitment, retention, and training and development opportunities.

As a responsible organization, we are committed to providing our associates with the necessary training and development opportunities, for the realization of personal and professional development as well as to meeting with world-class service standards. As such, various structured career development programmes are designed and conducted for promising associates in non-supervisory, supervisory, and executive grades, to help achieve personal and professional objectives of associates. All above initiatives are carried out to maintain a fair and equitable working environment for our associates, where they are treated with dignity and respect.

As a testament to our values, whenever and wherever possible we actively seek opportunities to integrate those marginalized such as, those economically disadvantaged and physically challenged into the business, creating a more inclusive workplace. As the industry's average female participation records 10%, Jetwing Hotels has actively sought opportunities to increase female talent within the business through an initiative named Second Careers. Through the implementation of this creative, inclusive recruitment project, Jetwing Hotels has employed over 20 women aged 45 and above, from economically challenged backgrounds, providing employment in areas of Housekeeping and Kitchen. The project enables the augmenting of their existing skills in household management to a professional environment through a structured onboarding and skills development programme. The project has thus far proven to be a sustainable solution to the difficulties in attracting female talent to the tourism workforce, while empowering local women of need, socially and economically through capacity building for better accessibility to engage in skilled jobs in hospitality.

Further in appreciation of cultural diversity, to foster an inclusive work environment, Jetwing Hotels continues Project WE; which was launched in 2019 as a diversity inclusion programme to foster respect for diverse opinions and beliefs and celebrate the plurality of cultures and identities within the workplace and society.

During the COVID recovery, we continued to offer opportunities for quality vocational training and employment, through various community outreach programmes, empowering and integrating the economically marginalized into the value chain as associates and suppliers. Despite the pandemic's impact on tourism, Jetwing's flagship youth empowerment initiative, the Jetwing Youth Development Project (JYDP) was conducted targeting economically challenged youth across the island. This vocational training initiative in hotel operations was offered free-of-charge to selected youth in areas of Gurudeniya, Wellawaya Tissamaharama and Negombo. The successful graduates were also awarded a recognised certificate and offered employment at multiple Jetwing properties. This programme caters to both young men and women providing equal accessibility to education and employment opportunities, whenever possible.

Despite the policies and procedures that have been implemented, in the event that an associate feels that he/she is treated in a manner which is unfair, unreasonable, or discriminatory to any reasons relating to work, all associates are strongly encouraged to follow the grievance procedure, where the associate is expected to consult his/her Supervisor/ Executive/ Department Head or Manager who will assist him/her with utmost confidentiality. In the case that an associate deems to have not received a satisfactory solution, he or she may refer the grievance directly to Director HR, or any member of the Senior Management including the Chairman, as per the open-door policy observed.

On the subject of occupational health and safety, promoting the health and safety of our associates and maintaining a safe work environment is a priority at our resorts. Therefore, the Jetwing Health and Safety Policy is communicated during the orientation programmes and the associate handbook to create awareness among all associates on the health and safety measures that are required to be adhered to. Our comprehensive Health and Safety Policy is also supported by numerous drills and programmes such as first-aid treatment and fire drills. Especially with the threat of the spread of COVID-19, numerous training programmes were held to normalise COVID safety protocols and best practices at properties island-wide, during the period under review, to ensure an optimal climate of well-being of our associates and guests. Apart from this, Jetwing's wellness programme, I Care has constantly engaged with associates, communicating healthy behaviour and tips and awareness programme geared towards lifestyle adjustments to keep safe and healthy, promoting their physical, mental, and emotional wellbeing.

Focusing on the supply chain, supporting, and strengthening those in the value chain, Jetwing Hotels since 2019 has conducted a small-scale supplier sustenance programme named Thrive, to provide selected small-scale suppliers the awareness, training and financial assistance needed to upscale their enterprises, with the intention of strengthening the local communities and making a positive contribution towards social upliftment. During the pandemic and after, selected suppliers from Sigiriya, Wellawaya and Kirinda were assisted with new market opportunities, in order to help them keep buoyant during the challenging times.

Measurement of Outcomes

As an equal opportunity employer, through our consistent efforts to achieve gender parity, Jetwing Hotels has been able to achieve a women's participation rate of 12.4% during the year under review, which is slightly higher than the industry average. Furthermore, the 36th & 37th phases of the signature youth empowerment programme, the Jetwing Youth Development Project, which was conducted in Gurudeniya, Wellawaya, Tissamaharama and Negombo have extended opportunities to 60 economically marginalised youth to receive quality vocational training free-of-charge through industry professionals, and enter the industry through employment at our properties.

During the financial year 2021/22, Jetwing Hotels has had no reports of investigations, cases, rulings, fines, or other events related to human rights abuse in the workplace. Each year, all staff policies and procedures relating to human rights are revisited and reviewed to ensure they are relevant and up to date.

Labour Principles

Assessment, Policy and Goals

Jetwing Hotels' is committed to creating and maintaining an optimal work environment for our associates. The Grievance Policy and Procedure along with the Open-door Policy was introduced to support aggrieved parties to discuss their grievances without hesitation or fear. Our grievance policy is introduced as an effective alternative to collective bargaining and is a formalized step by step process to encourage the resolution of associate grievances at the functional level, while the open-door policy encourages the upward communication process within the company.

Jetwing acknowledges and commits to upholding the principles contained in the Universal Declaration of Human Rights and the International Labour Organization's (ILO) Declaration on Fundamental Principles and Rights at Work. The Jetwing Human Rights Policy is a testament to this commitment to conduct our business operations in adherence with the principles entailed, to protect fundamental human rights in all spheres of the business. As an ethical business entity, we vehemently reject all forms of forced labour and child labour. Thus, the company has adopted a zero-tolerance policy on the exploitation and/or abuse of the young, condemning all forms of child exploitation. Thus, Jetwing Hotels does not recruit any young person under the age of 18 in compliance with the company policy and supports the elimination of exploitative child labour.

Furthermore, our employee relations are conducted in compliance with the ILO Convention, Sri Lanka Labour Regulations (i.e. Shop & Office Employees Act and Wages Board Ordinance) and other applicable statutory laws of the country. As such, we support the elimination of all forms of forced or compulsory labour, and do not accept the use of prison labour or illegal labour.

Jetwing Hotels also provides a safe working environment for the associates through the company's Health and Safety Policy. The occupational health and safety policy details the mandatory requirements to be applied throughout the company, to promote health and safety of all our associates at every level of employment, while also creating a safe space for our guests. Apart from this, special measures which were adopted against the spread of COVID-19, was continued within the year under review.

Implementation

As elaborated in the chapter on Human Rights Principles, Jetwing Hotels has committed to upholding fundamental human rights through the implementation of the Jetwing Human Rights Policy. Thus, we ensure the principles of non-discrimination and equality, protection of the rights of a child, refrainment from forced labour, occupational health and safety, fair working conditions including working hours, fair wages and compensation and refrainment from harsh or degrading treatment/harassment are upheld in our business operations. To create awareness on the company's commitments, associate responsibilities and code of conduct at work, all associates are made aware of the company policies and procedures through the structured orientation programmes and associate handbook each associate is provided with, which is a comprehensive guide on employee entitlements and benefits such as statutory entitlements, remuneration, fringe benefits, leave entitlements, attendance and working hours, career development opportunities and all company policies and procedures.

Further, upon recruitment, every associate is provided with a written contract of employment with agreed terms and conditions. The working hours comply with the national laws and benchmarks of the industry and no associate is required to work in excess of 45 hours a week on a regular basis. Associates are also provided with one and a half off days on average per week. All associates are provided with adequate and reasonable rest breaks, access to drinking water and other sanitary facilities, days off and statutory leave. Furthermore, Jetwing Hotels adheres to the minimum wage requirement of the industry and complies with the mandatory 84 days maternity leave provision. Over and above the statutory requirements, the company also offers 2 days of paternity leave for all new parents.

Jetwing Hotels vehemently rejects all forms of exploitative labour including child labour. The Zero Tolerance Policy on Child Abuse and Child Labour is a manifestation of this stance and is implemented to raise awareness on such exploitation. Should the company become aware of such instances of exploitation, we are committed to cooperating with law enforcement authorities to address any such issues. Through awareness creation, we encourage our guests and associates to be vigilant, particularly in relation to the presence of paedophiles and to report any suspicious activities.

Further, as a responsible business entity Jetwing Hotels acknowledges our responsibility in ensuring the health and safety of our associates and guests alike. Thus, suitable arrangements are made to control and mitigate any risk relating to the health, safety, and welfare of our associates and those affected by our business operations, through the Health & Safety Policy. Each associate is made aware of the Occupational Health and Safety Policy through orientation programmes, the associate handbook and training programmes communicating individual and collective responsibility to comply with the health and safety regulations and to report and act upon any potential workplace hazard or incident, to create a safe work environment. Associates are provided with adequate training and personal protective equipment, needed to follow the said policy and procedure. All incidents are recorded and tracked to address them effectively, utilizing them as lessons learnt to prevent recurrence of a similar incident.

During the year under review, rigorous awareness and refresher sessions were conducted to cultivate best practices against the spread of COVID-19, and other routine trainings such as first-aid and fire-safety drills.

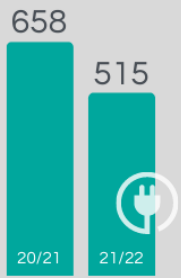
Measurement of Outcomes

Incidents relating to associate health and safety are monitored through the monthly reports maintained to record accidents and incidents relating to health and safety issues at the workplace. We are delighted to report that during the year under review, no serious accidents/injuries were reported. However, 30 minor incidents were recorded relating to cuts, sprains, and falls.

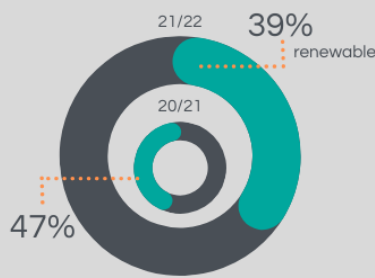
At Jetwing Hotels, we have also had no reports or cases of investigations, rulings, fines, or other events related to labour law violations during the financial year 2021/22.

SUSTAINABILITY PERFORMANCE SUMMARY

Environmental Performance



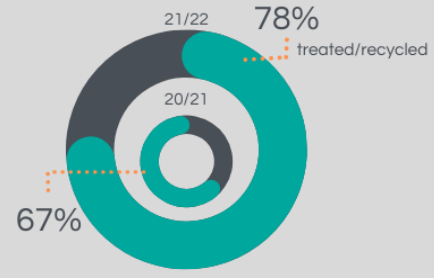
energy used per guest (MJ)



renewables in energy mix



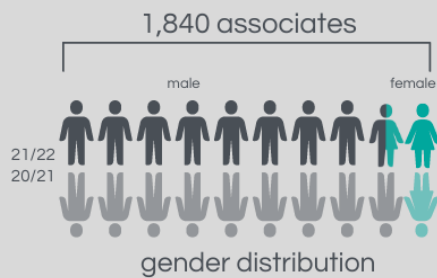
water used per guest (m3)



solid waste treated/recycled

Variations observed are primarily a result of reduced occupancy levels and disruptions to the scale and flow of operations; and are thus recognized as neither representative nor continual.

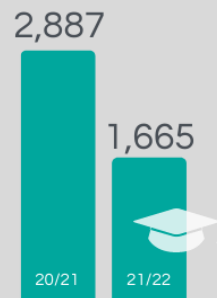
Employee Relations



gender distribution



regional distribution



training hours¹



health & safety issues reported

¹ In 2020/21, additional training sessions were conducted on COVID-19 safety protocols.

Community Engagement



community engagement programs conducted²



local youth trained²



(%) supplies sourced locally (within the district)

² Opportunities for community engagement/development programmes limited during the pandemic lockdowns.

* 20/21 - year ending 31st March 2021 and 21/22 - year ending 31st March 2022

Environment Principles

Assessment, Policy and Goals

Across all strategy and action, respect for eco-systems around our locations, environmentally friendly processes and care for natural resources are fundamental to Jetwing Hotels. Our commitment to continuous improvement in key impact areas in both environmental and community spheres is outlined in Jetwing Hotels' Sustainability Strategy. Specific measures for maintaining a clean and healthy environment are highlighted in the Jetwing Environmental Policy, and efforts to continually improve our energy performance via efficient and innovative strategies is outlined in our Energy Management Policy.

The hotels' environmental sustainability initiatives also contribute to the achievement of targets set under the United Nations Sustainable Developments Goals of Responsible Consumption and Production, Clean Water and Sanitation, Affordable and Clean Energy, Climate Action and Life Below Water.

Implementation

Diligently tracking the impact our operations have on the environment, we are fully committed to mitigating any adverse effects that arise. Mindful of the fact that the long-term viability of our business depends on the sustainability of the environment, we continuously review and proactively manage the use of resources.

Following are few of the initiatives implemented to effectively manage our operational impact:

- Monitoring consumption of electricity, diesel, water etc. daily and comparing readings against occupancy levels to identify and address any irregularities and reduce specific consumption
- Training associates routinely, to help them understand the importance of carrying out sustainability initiatives and to garner their co-operation and support
- Implementing and continually improving international standard-compliant environmental management systems
- Raising guest awareness regarding the hotel's commitment to sustainability and enlisting their support through environmental messaging across the hotel(s)

Energy & Carbon Footprint:

In order to reduce the greenhouse gas emissions and carbon footprint associated with our operations, the hotels have actively reduced its national grid electricity consumption by both reducing its energy demand via energy conservation and efficiency improvements and promoting non-fossil fuel based (renewable) energy generation.

Key initiatives to improve energy efficiency undertaken across the hotels include, transitioning to energy efficient LED lighting, fitting key card controls and dual-set-point thermostats in guest rooms for energy saving when unoccupied, and introducing Variable Frequency Drives for pumps and motors where the installed electrical load is high.

Renewable energy implementations at many of the hotels include:

- Solar PV systems which supplement grid electricity demand

- Hot water requirement generated via solar hot water panels during daytime and a biomass boiler fuelled by cinnamon wood, during night-time
- Vapour Absorption Chillers, run sustainably via steam generated from a biomass boiler, catering (04) hotels' air conditioning requirement
- Cooking in the staff cafeteria fuelled through sustainable means - use of cooking stoves fuelled by biogas (generated onsite) and industrial biomass stoves

While the decrease in business revenue experienced in year under review has meant that our capacity to expand on or introduce new initiatives has been limited, our commitment to reducing operational impact remains unchanged and all efforts have been taken to effectively continue and maintain already implemented solutions. To further reduce energy usage and carbon emissions in times of reduced occupancy, the hotels have been encouraged to adopt additional operational best practices. The effectiveness of such energy optimization strategies is continuously monitored against revised energy targets set for lower output levels.

Water use and wastewater management:

Recognizing the importance of water conservation, initiatives are taken to minimise water consumption, reduce wastages and reuse wherever possible. Across the hotels, where possible separate water meters have been installed in different departments, allowing for daily monitoring of use, and highlighting any abnormal use. While fixtures in use, such as taps, shower heads and toilet cisterns are specifically chosen during design/retrofitting for optimum usage, introduction of flow restrictors/water savers with faucets have also improved the efficiency in water usage in older fixtures.

To further reduce water usage in times of reduced occupancy, the hotels have been encouraged to adopt additional operational best practices and comply with revised targets for water usage.

Wastewater generated at the hotels is treated via effluent treatment plants and reused onsite, or responsibly discharged to the hotel grounds following pre-treatment (anaerobically) in septic tanks. Treated wastewater is reused for cooling towers, cisterns, or garden irrigation, reducing the requirement of freshwater; and the quality of the discharged treated water is routinely checked by an accredited external company to ensure it meets the required standards of the Central Environmental Authority.

Solid waste management:

By the very nature of business, hotels generate considerable quantities of waste from their diverse areas of operation. Through our comprehensive waste management system, generation of solid waste has been minimised through the introduction of biodegradable or reusable alternatives (i.e. glass water bottles and amenity bottles, fabric laundry bags) and conscious procurement practices such as need-based purchase of fresh produce, and purchase of dry goods in bulk or without secondary packing to reduce packaging waste.

Solid waste generated is separated at their sources of origin, stored safely and hygienically, and disposed in the most environmentally sound manner available. Dry solid waste collected (such as cardboard, plastic, glass bottles and metal) is inventoried and sold to external parties for recycling or reuse. Organic waste (primarily food waste) collected from hotel operations is treated and reused onsite via composters, fed into biogas units for renewable energy generation or sent to a local piggery to be used as animal feed. Minimal quantities of mixed waste items which can neither be recycled nor biodegraded, are collected by local authorities for disposal.

Plastic bottled water use remains a concern because of both the cost and emission of transporting from source to end user as well as the waste disposal problem that it creates at end-of-life. To replace the use of the plastic bottled water with reusable glass water bottles produced in-house, potable-water bottling plants have been commissioned at strategic hotel locations.

Biodiversity:

Although Jetwing Hotels does not operate any sites in formerly protected areas, located in scenic natural locations, such areas may hold high biodiversity value. Thus, we have a distinct responsibility in ensuring that activities carried out do not have an appreciable adverse effect on the local flora and fauna. We continue to review our impact and work towards reducing energy, water and material usage and generation of emissions, effluents, and solid waste; while also enhancing habitats through increasing the green cover with native flora, control of invasive alien species etc. - which have an ongoing positive effect on biodiversity in the areas in which we operate.

Compliance:

Compliance with regulatory and voluntary standards demonstrates our commitment to always operating in an environmentally responsible manner. The management systems introduced adhere to all relevant local laws and comply with a range of Jetwing's own internally developed policies including the Jetwing Sustainability Policy, Environmental Policy, Energy Management Policy, and Health & Safety Policy. In addition, 'Jetwing' hotels have introduced or is in the process of introducing environmental and energy management systems in line with the requirements of ISO 14001 and ISO 50001 standards, respectively.

The company is aware that disputes and concerns could arise over the environmental impacts of the organization's activities and its relationships with others. Should such grievances/complaints be brought forward, the hotels are ready to manage them efficiently at source, through dialogue and mediation. We are geared to investigate and address such issues via a clear and transparent process. We maintain a positive outlook viewing any issues that crop up as opportunities to improve and better manage our environmental performance.

Measurement of Outcomes

The hotels systematically track their resource usage and the savings it achieves through various conservation efforts. Variations in the specific use (of energy, water etc.) recorded during the past year(s) is primarily as a result of reduced occupancy levels and disruptions to operations and thus, are recognized as neither representative nor continual. We will continue to reevaluate our status, as normal operating conditions return, and continue to implement programs that improve resource efficiency to reduce utility costs, emissions, and waste.

During the preceding year, at Jetwing 'owned' hotels:

- Over 39% of the energy demand was met via renewable energy sources
- Over 148,600m³ of wastewater was treated and reused onsite (enough to fill 59 Olympic size swimming pools!)
- Over 346,450 glass water bottles were produced (eliminating approximately 3.4 tonnes of plastic waste)

Savings acquired from resource management measures are not only beneficial for the environment but incur direct benefits to the hotels in the long run as these savings go hand in hand with cost savings.

It is our belief that protecting the environment is not just a legal or social obligation but is integral to our strategy to run our business in a way that is ethical and aims to create long-term value for all our stakeholders.

Anti-Corruption Principles

Assessment, Policy and Goals

Jetwing Hotels considers the risk of corruption across its business low, however we are committed to ensuring that company is not involved in any corruption, extortion, or bribery in our business dealings. “Taking of or giving bribes or gratification in cash or any other kind” has being formally recognised as an act of associate misconduct and we expect our associates to achieve a high standard of personal, ethical, and professional conduct.

Implementation

Jetwing’s outlook on business practices are guided by our ‘family’ values: Passion, Honesty, Integrity, and Tenacity. These values combine to form and provide the foundation for corporate governance; thus, we strive to pursue all business transactions in an honest and ethical manner.

We maintain transparency and open communication with stakeholders regarding our progress, impacts and services offered. Internally, we maintain an excellent check and balance system with information on transactions being corroborated and monitored by the senior management.

Measurement of Outcomes

Hotels’ accounts are subject to internal audits as well as statutory external audits which can be used to identify any suspicious transactions. Audit results are reviewed by the senior management periodically to ensure consistency with commitment to ethical business dealings.

There have been no incidents related to corruption and bribery within this period.

End of Report ●