The Board of Directors of Landmarks Berhad has always been mindful in integrating economic, environment and social ("EES") risks and opportunities into its strategies to ensure the Group's activities benefit its stakeholders, particularly to the economies and communities where it operates.

REPORTING PERIOD AND SCOPE

This statement covers the financial year ended 31 December 2018 encompassing the Group's hospitality activities at The Andaman, our luxury hotel at Langkawi, and Treasure Bay Bintan ("TBB"), our flagship hospitality and wellness destination being developed at Bintan, Indonesia. The activities at TBB comprises The Canopi, a tented luxury glamping resort, and Chill Cove, an activity hub surrounding the Crystal Lagoon. There are no other significant business operations of the Group to be included in this statement.

GOVERNANCE STRUCTURE

The Board of Directors has ultimate responsibility to ensure that EES risks and opportunities are evaluated and that internal control policies and procedures are in place to safeguard compliance and to protect the Group's assets. The Group's sustainability performance and management is under the purview of the Chief Executive Officer, reporting to the Board, and the Chief Operating Officers, who are responsible for implementing the strategies in the respective business units.

STAKEHOLDERS

As a responsible corporate citizen, the Group's goal is to operate its businesses in a responsible manner whilst advancing the interests of its stakeholders. The primary stakeholder groups that have been identified are investors, guests, employees, suppliers and the local communities where the Group operates.

The mechanisms that the Group uses to deliver its sustainability strategy include policies, management systems, audits and codes of conduct, amongst others.

MATERIAL SUSTAINABILITY ISSUES

The material sustainability issues of the Group have been identified as follows:



ECONOMIC

- Guest Engagement
- Guest Safety & Security
- Procurement
- Community Investment



ENVIRONMENTAL

- Water & Energy Consumption
- Managing Waste & Effluents
- Biodiversity & Conservation



SOCIAL

- Occupational Safety & Health
- Diversity & Equal Opportunities
- Training & Development
- Employee Wellbeing

ECONOMIC

Our guests' experience is our utmost priority in the hospitality business. We aim to provide our guests with excellent service in a safe and secure environment for them to experience our resorts and the activities that we offer. Additionally, our procurement practices and community investment are areas which give the Group opportunities to bring about economic development and benefit the local communities in the locations where we operate.

GUEST ENGAGEMENT

The Andaman was recognised as having delivered outstanding guest experiences by achieving the most improved resort amongst The Luxury Collection resorts as well as all luxury brands managed by Marriott International ("Marriott") worldwide. Guest

Voice, a measure of guests' intention to recommend the resort, improved by 16.0 points from 60.3 in 2017 to 76.3 in 2018 for The Andaman. Staff service quality was a major contributor to the improvement of Guest Voice in 2018. In terms of amenities, V Integrated Wellness at The Andaman was recognised globally as the Best Spa amongst all the Marriott resorts. The beach at the resort was also rated as the 5th best globally.

the Gold Circle Award by Agoda, a leading online travel booking platform. The award recognises outstanding customer excellence based on peer-to-peer customer online reviews as well as the hotel's competitive pricing and availability. The award gives guests a clear indication of high service quality to be expected when they book with The Canopi, which was one of the 133 winners in Indonesia. It is indeed a significant achievement for The Canopi 3 years after its opening. We strive to continue to provide excellent service to our guests at The Canopi with its rebranding as a Tribute Portfolio resort managed by Marriott from February

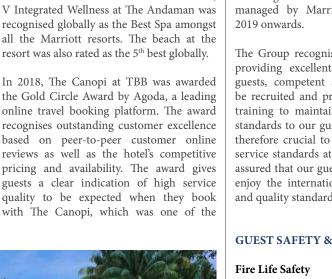
The Group recognises that to continue providing excellent service quality to guests, competent service staff has to be recruited and provided with regular training to maintain consistent quality standards to our guests. Staff training is therefore crucial to uplift and maintain service standards at our resorts. We are assured that our guests would be able to enjoy the international Marriott brand and quality standards at our resorts.

GUEST SAFETY & SECURITY

Both The Andaman and TBB undergo an annual fire life safety audit and inspection by the respective local Fire Department. The Emergency Response Team ("ERT") at both resorts are provided with regular fire life safety training. TBB also has a contract with Bintan Resorts, the master developer at Bintan, for assistance in fire life safety training and issues. In addition to the ERT, certified first aiders and first aid training are provided to employees at The Andaman. Apart from this, mock fire drills and table-top exercises are held regularly to ensure readiness in case of emergencies.



The Andaman, Langkawi



Food Safety

Both our resorts place strong emphasis in ensuring the highest level of food safety to mitigate the risk of guests' exposure to food poisoning. Maintaining standards in storage, handling and preparation of food items are essential elements to manage food safety risks. A Hygiene Manager at The Andaman is responsible to conduct a monthly food safety walk around in compliance with Marriott's food safety management system, a system based on HACCP standards. The Andaman is also subjected to audit from the Ministry of Health for hygiene standards compliance and this is conducted once in 2 years or as required by the local law. The Executive Sous Chef at The Canopi is a HACCP certified trainer who conducts regular training for the kitchen staff and food handlers. Health inspections are also undertaken by the local authorities. Employees who handle food are required to undergo compulsory training in food safety, hygiene and sanitation as well as be vaccinated against typhoid.

Guest Security

The security teams guard our resorts 24 hours a day with regular patrolling to safeguard our guests as well as provide assistance during emergencies. Surveillance systems such as CCTVs are regularly checked to ensure its effectiveness. The security teams are provided with regular training to ensure they are kept current to manage various emergencies.

As both our resorts have access to beaches and water-based activities, we have ensured that employees trained and certified in water life-saving skills are deployed to manage the said activities.

Data Privacy

The Group is committed to respecting the privacy and safeguarding of personal information of our guests. Private information of our guests is only accessible to employees who require such information in the course of their



Food being prepared at The Canopi, Treasure Bay Bintan

work. Data protection systems, including strong firewalls, and processes have been put in place to manage data security risks. Our Company is not aware of any data security breach of our guests' private information in 2018.

PROCUREMENT

The Group's two business units, The Andaman and TBB, are located in Langkawi, Malaysia and Bintan, Indonesia, respectively. Both resorts are located on islands and it makes economic sense to source for goods and services from local suppliers as far as possible, for cost efficiency and timeliness of deliveries.

During the year, The Andaman procured about 45% of its operational goods and services from local suppliers in Langkawi. This was a reduction of 5% compared with 2017, due principally to cost savings from purchases of food and beverages. The main items purchased from local suppliers comprise food and beverages, engineering and maintenance services, event management services, kitchen supplies, and other operating supplies and equipment. As Langkawi is principally a tourism destination, the opportunities to improve local procurement is limited to supplies of operational goods and services.

Local sourcing of goods and services for TBB amounted to about 65% in 2018, mainly for operational requirements such as fresh food and beverages, hotel amenities, office equipment and stationery, local transport services, staff uniforms, diesel and gas, medical supplies and general store items. Local entrepreneurs have been invited to operate food stalls, convenience stores, souvenir shops and other retail activities in Chill Cove, TBB. This initiative serves to raise the socio-economic status of the people in Bintan and share the benefits with them by creating jobs, developing skills and encouraging enterprise. TBB is however, a new destination being developed by the Group located in a tourism area with limited supply of capital goods, technical services and related commercial activities. Hence, much of the procurement, especially for capital goods and services for resort development and recreational activities, is still being sourced from Singapore, China and other parts of Indonesia for cost efficiencies and the availability of a wider range of supply.

COMMUNITY INVESTMENT

The Group recognises that mutual growth of the communities where we operate is key to its success. As part of the community outreach programme, The Andaman and TBB have organised various community programmes at their respective locales.

As a good corporate citizen, The Andaman has put in place a programme to engage with the local community in Langkawi. Employees at The Andaman have volunteered to fix wash basins at the Rumah Nur Kasih, an orphanage in Langkawi that The Andaman works with. New uniforms costing RM2,500 were also provided to 30 students and teachers at the orphanage. On 24 August 2018, some areas in Langkawi were affected by a typhoon which required 200 persons from 43 families to be evacuated to a school. The resort supplied dry food valued at RM1,300 to the victims as well as sponsored the meals for the victims on 2 September 2018 costing RM3,000. Fifteen employees also volunteered to clean up the homes of the victims after the typhoon. A blood donation drive was held on 18 September 2018, collecting 50 bags of blood from employees for the Blood Bank of Langkawi Hospital. In conjunction with the 103rd anniversary celebration of the Langkawi Hospital, The Andaman prepared and donated 50 brunch boxes for students who had a field trip to the hospital. Marriott has, since 1995, worked on annual projects in partnership with UNICEF in the Check Out for Children programme. Guests at The Andaman may donate USD1.00 on check out to this initiative. In 2018, a total of approximately RM23,865 was collected and forwarded to UNICEF for its projects under the programme. This was however, a reduction from RM35,000 collected in 2017.

To promote the mutual growth of the community in Telok Sebong District, Bintan where TBB is located, various events and activities have been organised in 2018. On 20 August 2018, in conjunction with Eid Adha Qurban, 8 goats were donated to the villages in Telok Sebong District with contribution of RM5,000 from TBB and RM2,000 from staff. On 31 October 2018, TBB collaborated with Bintan Resorts in their Corporate Social Responsibility programme Kasih Sayang, where 58 students from the district were invited to visit Bintan Resorts for a day's journey to the resorts in Lagoi comprising team building activities and career insight. The purpose of the Kasih Sayang programme is to familiarise students in junior high school for careers in the hospitality industry with visits to Front Office, Housekeeping, F&B Service, Kitchen and Engineering. The cost of this programme was approximately RM2,000.











The Group is conscious of its responsibility to manage the impact that its business activities have on the environment and is committed to continuously improve its environmental performance. The restoration and conservation of the particular natural attributes at the places it operates remained high on the business agenda.

The Group's business activities in the hospitality industry consumes substantial amounts of water and energy. Added to that, non-hazardous and organic wastes are also constantly being generated from its operations. Recognising the effects these have on the environment, various practices have been implemented to reduce water and energy consumption as well as waste management.

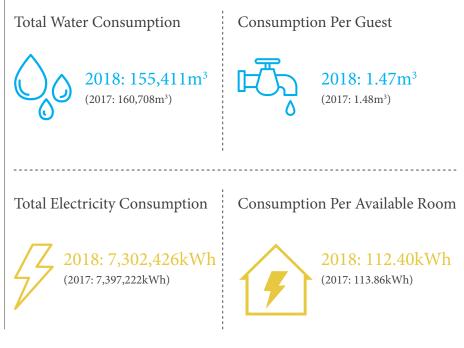
WATER & ENERGY CONSUMPTION

At The Andaman, various initiatives have been implemented to reduce water usage. Large earthen jars are used to collect rain and stream water for guests to wash sand from their feet upon returning from the beach before entering the resort premises. Rain water is also harvested for watering garden plants around the resort and washing of floors.

To enhance energy efficiency, The Andaman has replaced all lighting in the lobby, main building, guest rooms, bathrooms, corridors and public toilets from halogen bulbs with energy-saving LED bulbs. All outdoor lighting at the resort has been replaced with LED bulbs. The next phase is to replace the conventional fluorescent tubes in the back office areas with LED bulbs. Lighting schedules at The Andaman have been pre-programmed to reduce electrical loads during the day to further reduce the use of energy. Air-conditioning in meeting rooms are set on programmable timer whilst temperatures are centrally controlled in accordance with the meeting schedules. The temperatures at guest rooms are also set to a minimum of 22°C for optimum energy usage. Battery-powered green buggies are used to transport guests from the hotel lobby to the spa which reduces the use of fuel. To reduce water and energy usage, a linen and towel reuse programme card is left in all guest rooms to encourage participation by the resort guests. Eco-friendly bags of bamboo charcoal are also used as a natural dehumidifier and deodoriser in guest rooms. The Andaman has also participated in the Earth Hour every year since 2010 to be in solidarity with the global business community to reduce energy consumption and support strategies that will help reduce the effects of global warming.

The Andaman has also invested in an energy efficient heat machine system for the supply of hot water to guest rooms. Laundry operations in the hotel of washing, drying and ironing is a major consumer of energy. Both the electric dryer and flat iron systems at The Andaman have been converted to gas systems, which reduces the usage of electricity. Feasibility tests are ongoing to replace dry liquified gas to liquid gas to further reduce energy costs. An old and underperforming chiller has also been replaced to further reduce energy and water usage.

With the efforts put in by The Andaman to reduce the use of water and energy resources, the consumption has decreased in 2018, albeit not significantly, as follows:





Crystal Lagoon at Treasure Bay Bintan

The major energy action plans were completed in the second half of 2018 and the full effects of these plans on energy consumption will only be seen in 2019.

The Andaman has been recognised for its substantive efforts in environmental management and energy conservation. Based on the inspection conducted in 2017, The Andaman has been awarded the ASEAN Green Hotel Standard for 2017 – 2018 by the ASEAN Secretariat.

The Crystal Lagoon at Chill Cove, TBB, a 6.3-hectare lagoon, is South East Asia's largest sea water lagoon. Sea water is pumped from the bay and is specially filtered into crystal clear water, creating a safe environment for an extensive range of sea water recreational and sporting activities. The innovative eco-friendly technology from Crystal Lagoons® requires 100 times less chemical products than conventional swimming pools, and is sustainable and safe for the environment, allowing limited resources such as energy and water to be used efficiently. The lagoon is energy efficient and only consumes 2% of the energy needed compared with conventional filtration pools. The lagoon operates in a

closed circuit that only needs to compensate for water loss caused by evaporation.

Electric bikes and buggies, and segways are provided as a recreational activity as well as an environmentally friendly form of transport within Chill Cove and The Canopi at TBB. Up to 80% of all lighting at TBB utilises LED bulbs. To further enhance the use of green initiatives and reduce usage of energy at TBB, street lighting has been designed using solar power and wind turbines as energy sources.

As TBB is still in a developmental stage with construction activities taking place, the usage of energy and water is presently not reflective as it would be in a stabilised operational stage. The Board and management are mindful to embed practices that reduce energy and water usage in the development planning of the destination.

MANAGING WASTE & EFFLUENTS

Waste management is a major concern for the communities and local authorities in the locations where we operate. Whilst we aim to reduce waste, we have also implemented measures to recycle and manage wastes generated from our operations.

At The Andaman, toxic and chemical wastes such as paint cans, and chemicals and its containers are stored outdoor to be collected by suppliers for proper disposal. The Andaman consciously sources for ecofriendly cleaning products for laundry, housekeeping and stewarding. The spa at the resort also uses natural and certified organic food grade products. Organic composting of kitchen, food and garden wastes are undertaken in a recycled pool sand filter at the resort, with the compost used for landscaping purposes. As part of waste management, the 3R Programme - Reduce, Reuse, Recycle - has been implemented at The Andaman. The various initiatives in this programme include recycling of cooking oil into bio-diesel through a third-party vendor, recycling of used soap from guest rooms to wash rags and cleaning cloths for housekeeping purposes, providing reusable bags for delivery of newspapers and laundry to guest rooms, providing recycling bins at all venues and offices in the resort for collection of recyclable items. Wood from fallen trees at the resort are recycled as menu cards, candle stands, side serving stations, place mats and display food trays at the various F&B outlets. To reduce waste from plastic bottles, filtered drinking service using glasses are provided at the poolside and the beach. Drinking



Biodegradable and eco-friendly wheat straws locally sourced from Langkawi being used at The Andaman



Coral Nursery at The Andaman

water is also provided in pitchers and writing paper at the stationery centre for meetings hosted at the hotel to reduce waste. In its efforts to reduce waste from single-use plastic straws, the resort has found biodegradable and eco-friendly wheat straws locally-sourced from Langkawi. The Andaman is the first resort in Langkawi to use these plantbased straws that are indigenous and unique since September 2018. In 2018, The Andaman collected about 12,500 kg of plastic and paper/cardboard generated from its operations which were sent for recycling to a third-party vendor.

The Andaman has invested in a waste water treatment plant which cleans sewage and water by removing solids and pollutants, breaks down organic matter and restores the oxygen content before returning it to the environment. After 4 stages of treatment, the water is almost free of harmful substances and chemicals which is then filtered through a bed of sand before being released into the mangrove swamp at the resort. The solid wastes are collected by the vendor of the treatment plant for proper disposal at the designated landfill at Langkawi.

BIODIVERSITY & CONSERVATION

Coral Rehabilitation and Conservation

The Andaman is located within an ancient tropical rainforest on the pristine sandy shores of Datai Bay, Langkawi which is home to a diverse variety of marine life and precious fringing reef said to be 6,000 to 8,000 years old. The Andaman continues to restore the coral reef damaged by the tsunami in 2004. Monthly coral cleaning activities and reef walks to educate guests and employees on the coral reef ecosystems have and continues to be a major activity at the resort. A Coral Nursery was launched in 2012 to grow corals for transplantation at Datai Bay to restore and rehabilitate the corals. Corals are grown at the nursery which are later transplanted at the bay.

On 8 June 2015, a Marine Life Laboratory ("MLL") was opened as a research laboratory for marine science and biology students to help increase their understanding of coral reef ecosystems and effective artificial reef management in addition to encouraging guests to explore, experience and interact with the students. The MLL serves as the main research laboratory for the Artificial

Reef Module System ("ARMS") which was launched in collaboration with a cement manufacturer and a Malaysian public university. On 8 June 2017, this coral conservation project was expanded by launching a Coral Garden in the ocean. The mini-ARMS were deployed at the Coral Garden for the growth of corals which will be a habitat for marine life. The number of mini-ARMS deployed in the Coral Garden has increased from 150 in 2017 to 288 in 2018. The number of corals planted at the garden has almost doubled from 1,040 in 2017 to 2,038 in 2018, which was aided by the enlarged variety of hard and soft coral species after successful growth at the nursery.

Since October 2018, The Andaman has successfully initiated a sea cucumber breeding project in the Coral Nursery. Two species of the sea cucumber have been bred at the Coral Nursery for transfer to the ocean. Sea cucumbers are vital in the marine ecosystem as a vacuum cleaner of the sea floor. The objective of this project is to increase its population at Datai Bay which is gradually being depleted due to harvesting for food and medicine by the local population.



Organic Farm at Treasure Bay Bintan

The Andaman also initiated cleaning of the Anak Datai, an extension of the beach at The Andaman, which is used for planting of corals and breeding coral fishes. The cleaning of the beach on 3 February 2018 collected more than 20 bags of rubbish.

The Andaman also offers unique teambuilding activities and events to guests developed around the coral conservation theme. This allows MICE groups and teenagers to participate in an activity that not only promotes teamwork, but also to gain knowledge in marine conservation and at the same time, be involved in environmental conservation activities.

The Andaman provides non-motorised water sports activities for its guests at Datai Bay to protect the corals as fuel-based motors will cause water pollution and damage the corals.

To preserve the matured trees within the resort, there are regular inspections of the trees by a tree expert and pruning is undertaken when necessary.

Organic Farming

One of the missions of TBB is to integrate wellness with sustainable operations which incorporates the experience of clean air, water and food. Organic farming is one of the drivers to achieve this mission. Visitors will learn and participate in organic farming and the community at TBB will be able to enjoy "farm to table" dining options, providing a healthier eating option. The pilot organic farm started in 2016 and has seen more than 90 species of vegetables, fruits and herbs being planted. Its organic produce to-date are supplied to The Canopi, with excess distributed to staff. The farm was certified to be organic under the International Federation of Organic Agriculture Movements ("IFOAM") (European Union and Australia) on 13 July 2018. The IFOAM is the worldwide umbrella organisation for the organic agriculture movement which maintains an organic farming standard, and an organic accreditation and certification service.

Various sustainable practices were incorporated into the planning for this organic farm. The site was chosen to generate the best results with minimal efforts. The farm is located away from any form of industry and near to the Crystal Lagoon, and is naturally concealed yet easily accessible. The terrain has a natural gradient for drainage while effectively recycling nutrients and creating a scenic vista of the entire farm. The farm is orientated for an optimal distribution of sunlight for healthy growth, and seasonal and prevailing wind directions have been considered to provide good circulation for clean air and adequate ventilation under the tropical sun. Tapping on a natural underground stream, a natural pond has been created for stable and clean water supply all year round. In search of minimal efforts to have a suitable planting ground, soil tests were done to select the most suitable inherent soil condition. The existing secondary forests around the site provides a good natural barrier for a conducive enclave for farming to thrive and be protected. During construction, local timber and top soil were recycled in situ for immediate use for setting up.

In the design of the farm, adequate spaces, comfortable shelters, a visually pleasant work space and necessary amenities were incorporated to create a good environment for staff to learn,

work and rest. The operational pattern and logistics were carefully planned to ensure an efficient workflow and safety for the staff. The design harvests in situ natural materials for structures and furniture. Structures were cleverly designed to optimise the strength of the materials, which minimises material use and wastage.

Operational staff were chosen from the local population in Bintan and provided with training and education to introduce new skills and confidence. A lesson plan has been established and will be part of the standards to train new staff. This has created awareness and jobs locally within the community. There is potential to seed and engage the local community for organic agricultural plots or animal farming outside TBB on Bintan island, which is an attractive proposition for local entrepreneurship or career alongside TBB's development blueprint. These startups can be a supplier of organic food to TBB.

Sustainable practices have been designed into the operations of the farm. There is no grid electricity on site and a generator is only turned on when necessary for watering of plants. A wind and solar powered lamp post acts as a security night light. With no piped water mains, the natural pond provides all the requirements for watering and preparations. To conserve energy, water is housed at a high level and relies on gravity for

a pressure feed. The natural pond also serves as the collection point whereby "organically fertilised" watering runoffs are collected and reused. Organic composting is practised to produce different organic fertiliser types from different unwanted harvested materials. Plant waste are also recycled by shredding to be used as mulch for protective soil cover and dressing. To maximise the yield, deter pests and maintain a healthy planting bed, crop rotation is practised. This practice strategically plans crop selection, schedule and location to ensure sustainable agriculture. Beneficial living organisms are also introduced to enhance as well as protect the plants. Earthworms are used to loosen the soil and provide natural castings to enhance plant growth. To mitigate pests, protective nettings are used and natural beneficial predators are encouraged on site, e.g., aquatic plants encourage dragonflies to prey on flies and ants to reduce aphids. Reports and records are maintained regularly to inform and maintain the performance and accreditation of the farm. These documented items include records of harvest yield, planting schedule, compost/fertiliser usage, soil/water test results, amongst others.

Mangrove Forests

Mangrove forests provide protective greenbelts along coastlines and are proven effective barriers against tropical storms

and strong wave action. Mangrove ecosystems also provide livelihoods for coastal communities that depend on fishing as a source of income.

There is located within TBB a 60 hectares mangrove forest which the Company intends to protect and manage to maintain their protective function and biodiversity value, whilst meeting the socio-economic development potential of the forest. With the objective of responding to climate change and to mitigate its effects through the protection, rehabilitation and wise use of the mangrove ecosystem, the planning for the mangrove nature park at TBB will take into consideration the following:

- administrative capacity for the management of the mangroves;
- promote sustainable management of mangrove forests;
- establish a legal framework for mangrove ecosystem management which encourages communitybased participation;
- support research and development of mangrove forests;
- develop effective protection and/ or rehabilitation of mangrove ecosystems; and
- increase public awareness and education on the benefits of the mangrove forests.

TBB has on 28 September 2018, undertaken a mangrove planting programme at our site at Lagoi, Telok Sebong, supported by the Department of Environment of Bintan. The programme was undertaken together with 250 participants including students from several schools from Teluk Sebong, Bintan. A total of 2,000 mangrove saplings were planted as a programme to educate students on mangrove conservation as well as an initiative to increase the acreage of mangrove forests in Bintan.



Mangrove forest at Treasure Bay Bintan

SOCIAL

The Board recognises that one of the Group's most important assets is its human capital. As a responsible employer, we are committed to running a safe, efficient and profitable business where honesty, integrity and respect for people govern the way we work and interact with each other within the organisation and externally with our guests and business partners. The standards of behaviour expected of all employees are set out in the Code of Ethics and Conduct ("Code") which is published on the Company's website at www.landmarks.com.my. Staff are given an avenue to report any violations of the Code or discriminatory acts as set out in the Whistleblowing Policy without fear. The policy is publicly available on our website.

OCCUPATIONAL SAFETY & HEALTH

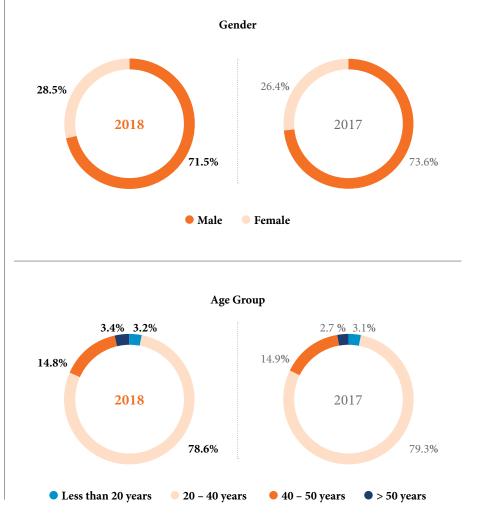
The Group places paramount importance on the health and safety of its employees and guests. We are committed to delivering high standards in health and safety across all aspects of our operations to ensure a safe and secure environment for both guests and employees. All employees at the Group's resorts receive comprehensive and regular training in health and safety awareness, food safety, hygiene and sanitation, and fire safety to ensure that they are able to provide the highest standards of service to our guests.

A Compliance and Safety Manager has been hired at TBB in 2018 to lead legal compliance as well as organise and implement procedures and efforts in identifying workplace hazards, reducing accidents and exposure to harmful situations and substances. The Safety and Health Committee has been formed to lead training of personnel in accident prevention, accident response, emergency preparedness and use of protective tools and equipment.

The Safety and Health Committee at The Andaman is responsible to manage occupational safety and health training for employees at the resort.

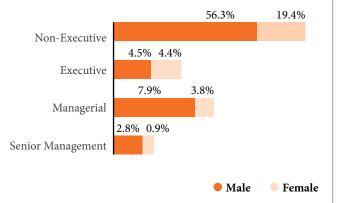
DIVERSITY & EQUAL OPPORTUNITIES

The Group employed a total of 773 permanent employees across Malaysia, Singapore and Indonesia as at 31 December 2018. The breakdown by gender, age and professional group of the employees is:



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Employment by Professional Group 2018

The employment of female personnel in the Group has improved to 28.5% in 2018, which is aligned with the Board's target to increase female employees to at least 30% within the next 1 year. However, there is room for improvement in terms of female participation at the senior management level.

In our efforts to become a preferred employer, we are committed to the practice of equal opportunity policies for our workforce and respect for our employees' human rights in the communities we operate in. Our policies include zero tolerance of discrimination on grounds of colour, religion, ethnicity, age, national origin, gender or any other personal characteristics as well as zero tolerance towards physical or verbal discriminatory harassment in the workplace. We believe these policies are crucial in retaining and attracting talent. The selection and recruitment of employees is made on an open competitive basis.

TRAINING AND DEVELOPMENT

The Group provides an environment that emphasises continuous development of all employees to achieve their potential as well as building on their capabilities for career progression and advancement. Employees are provided service and functional skills training to raise their competency and service levels. Training and development activities may be internal courses conducted by a dedicated training officer or employees may participate in a range of external training and development programmes to learn or upgrade specific skills. TBB has achieved training of an average of 64 training hours per employee in 2018. This has exceeded the target of 45 training hours per employee as well as 50 training hours per employee achieved in 2017. The Andaman has achieved an average of 53 training hours per employee per annum, an improvement from 50 training hours in 2017.

TBB has formalised an internship programme in collaboration with various tourism and hospitality schools in Indonesia. Students pursuing courses in the local tourism school are offered internships of 6 months. In 2018, 72 internships were offered to students in 2 batches in Housekeeping, Front Office, F&B, Engineering, Guest Relations and Human Resources. Four of the interns were subsequently offered employment in Front Office, F&B and Guest Relations. The Andaman has a similar internship programme for students from local and international universities and colleges. Students from Malaysia, Indonesia, Nepal, Russia, Spain and Italy have undergone training at The Andaman and some have been offered employment in F&B, Front Office, Kitchen, and other support services after completion of their courses.

EMPLOYEE WELLBEING

Medical benefits which include medical care for staff and their families, hospitalisation and surgical insurance benefits, maternity and paternity leave and flexible working arrangements are provided for employees.

To promote the physical wellbeing of our employees, regular sporting and exercise activities are scheduled. At The Andaman, the general manager leads an early morning running event twice a week and all employees as well as guests are encouraged to participate. Various team sporting activities such as football, volleyball, futsal, netball, to name a few, are held on a monthly basis where participation by employees is encouraged. At TBB, a weekly jogging/running session followed by zumba is held in the evening after working hours to encourage employees to maintain a healthy and active lifestyle. Table tennis equipment are also provided for employees to use at their convenience. Employees at TBB have also formed a band with equipment supplied by the Company as an additional recreational activity. These activities are avenues to promote interaction and team work amongst colleagues.

This Statement was approved by the Board of Directors on 28 February 2019.