

Sustainability report

**IBEROSTAR
GROUP
2020**



**IBEROSTAR
GROUP**



IBEROSTAR
GROUP



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Preamble



This Sustainability Report reflects the current state of Consolidated Non-financial Affairs of Sayglo Holding, S.L. and Affiliated Companies (hereinafter Iberostar Group), and forms part of the Consolidated Management Report for the 2020 financial year. Compliance is hereby also achieved with the requirements established in Law 11/2018 of 28 December 2018, which modifies the Commercial Code and the consolidated text of the Capital Companies Act, approved through Royal Legislative Decree 1/2010 of 2 July and Law 22/2015 of 20 July, on Account Auditing, regarding non-financial affairs and diversity. This report has been approved by Vice-Chair and CEO, Ms Sabina Fluxá and the Vice-Chair and CSO, Ms Gloria Fluxà.

It takes into account the Guidelines on non-financial reporting from the European Commission (2017/C 215/01), derived from Directive 2014/95/EU and the provisions of the *Global Reporting Initiative Standards* (GRI Standards).

In this context, through the Sustainability Report, Iberostar Group fulfils its goal of reporting on environmental and social issues, along with topics related to employees, human rights, the fight against corruption and bribery, and general societal issues, all of which are inherent in the company's business activities.

In drafting this Report and selecting its contents, Iberostar Group took into account the results of the materiality analysis that it carried out in 2018 (see the "Materiality Analysis" section). In this way, this report on the current state of non-financial affairs touches on each of the points stipulated in Law 11/2018, including the relevance of each point for the company, the associated policies, the related risks and the reference indicators used for monitoring and evaluation.

Finally, as stated in Law 11/2018 on non-financial information and diversity, this report on the current state of non-financial affairs is subject to the verification of an independent information verification service provider.

Letter from the Chairman



Taking stock of 2020, from any perspective, means looking back on the most complicated year there has ever been for tourism on a global scale. According to the data from the United Nations World Tourism Organization (UNWTO), in 2020, destinations all over the world received one billion fewer foreign visitors than the year before. With regard to export earnings, the losses of the sector have reached 1.3 trillion dollars; a number that is more than eleven times higher than the losses recorded during the 2009 economic crisis. In addition, the pandemic has put between 100 and 120 million direct jobs within the tourism industry at risk, with many of them being in small and medium-sized businesses all over the world, and all businesses within the tourism industry have been put on the same level from the perspective of loss of earnings.

However, the situation caused by COVID-19 has also shown, more than ever, the need for businesses to protect communities and the environment in which we operate. Iberostar Group, is leading the way towards responsible recovery in the tourism sector and our efforts have been recognised by the WTTC, the World Economic Forum, the World Bank, the UNWTO and the UNEP, among others. We have highlighted the importance of not taking any steps back on the journey towards creating more responsible tourism. Likewise, we've shown the authentic, the scientific rigour and the creative solutions that our company is contributing as a company in the tourism industry.

For that reason, it is a great pride and honour for me to present you with the 2020 Sustainability Report from Iberostar Group. This document summarises the three spheres of action through which the company has

tackled its challenges: environmental, social and financial, in the most difficult year of our history. This document demonstrates our commitment to the 10 Principles of the United Nations Global Compact, which we adhered to in November 2016. It also reflects what we consider to be the multidimensional core of the company, as it determines the way we work and encompasses all of our global activities, pushing them towards responsible growth.

Here at Iberostar Group, we firmly believe we need to keep progressing towards a more responsible and safe type of tourism, which cares for people and the environment. We have implemented more than 300 health, safety and hygiene measures with the help of our Medical Advisory Board in order to withstand the healthcare crisis caused by Covid-19 and via our How We Care programme. We have made this tremendous effort without forgetting about our circular policies: 2020, was, specifically, the year in which we achieved our aim to not use any single-use plastic in all our operations at a global level. Achieving this key goal has spurred us on to reach an even greater transformation. We realised that we needed to expand on our goal, and now work towards a circular economy with an ambitious 2030 agenda: we aim to have no waste in 2025 and be carbon-emission neutral in 2030. Fish consumption at Iberostar will come from 100% responsible sources by 2025. Iberostar will invest in the health of all the ecosystems around its hotels: we have committed to improving it by 2030, in turn, increasing the quality of the tourism in our destinations. We are making progress on these commitments via

our Wave of Change movement to protect the oceans and promote responsible tourism as well as circular policies. We want to involve all our members in this effort, as well as our guests and, of course, everybody who forms part of the Iberostar family and who has put their best foot forward to face the challenges of 2020.

We'll face the future with an expectant outlook. We can and must also work hard in order to bring back tourism. What we're facing now is the responsibility to decide how we want our efforts to rebuild a more responsible sector to be remembered in the future. I would therefore like to welcome you to Iberostar Group and invite you to learn more about our current situation and challenges. We encourage you to join our efforts in working for, and on behalf of, our future generations.

D. Miguel Fluxá Rosselló
Chairman of Iberostar Group



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Introduction

About Iberostar Group

1.1

We are a 100% family-run, Spanish multinational company that boasts over 60 years' experience in the tourism industry and whose origins date back to 1877. Our main line of business is Iberostar Hotels & Resorts, whose portfolio includes more than 100 four and five star hotels in 16 countries. We have become an international benchmark by promoting a more responsible tourism business model focused on caring for people and the environment. The Wave of Change movement reflects the company's specific commitment to the environment and oceans, and its efforts to promote it among society at large.

With sustainability as the driving force behind the business, at Iberostar Group we are placing having a circular economy at the centre of our strategy and are working on our own 2030 Agenda so that we are not generating any waste by 2025, are carbon-emissions neutral by 2030, are 100%

responsible in our seafood supply chain by 2025 and are improving the health of the ecosystems around our hotels, among other goals.

The Group is formed by a global team of more than 26,000 people of 88 nationalities. Thanks to this talent, we are leaders in quality and promote a unique guest experience through the constant innovation of our products and commitment to digitalisation.

There are three further business units, in addition to hotels: The Club holiday club and the travel business unit, as well as inbound and real estate business. Through these business areas, we offer a vast variety of holiday experiences, year after year, to more than 9 million guests, even if it is true that this figure considerably reduced due to the COVID-19 pandemic. We are committed to innovation and developing unique alliances with our guests and the environment.

Vision

Our vision is to work towards leading a model of responsible tourism which cares for both people and the environment.

Mission

Our mission is to create holiday experiences that are recognised for their quality, in the best tourist destinations, and with professionals who are committed to a model of responsible tourism in order to promote human rest as an essential moment that enables us to reconnect with ourselves, those around us and our environment

Values

We are a family company with values that have been refined over generations. These values have shaped our corporate culture and serve as a model in all areas of business. Our values are grouped together into three main areas:

These values express who we are:

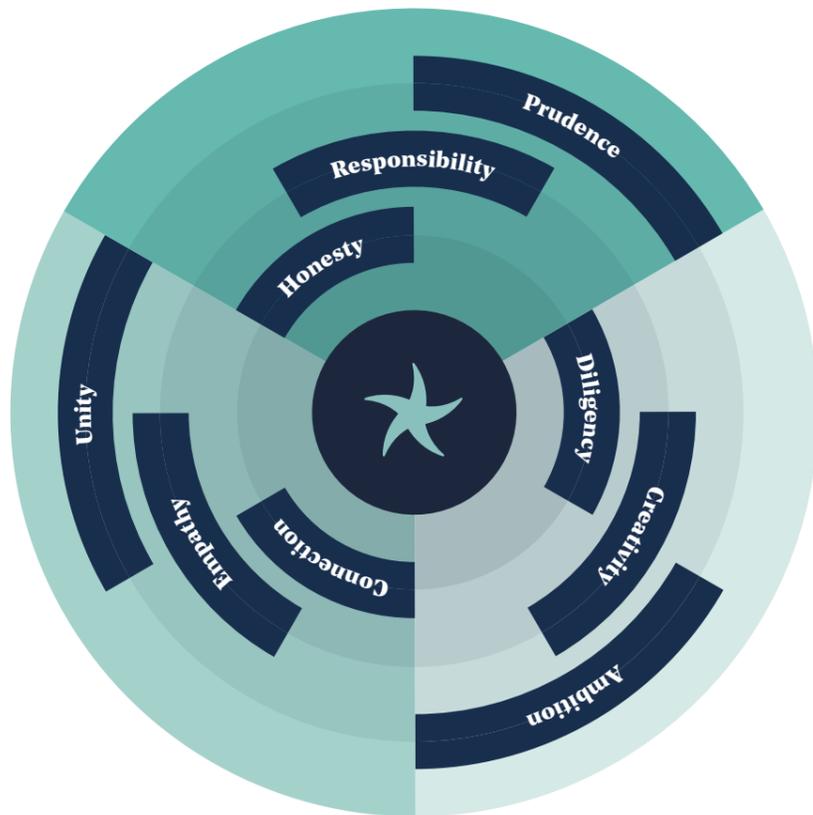
- Honesty:** the foundation for the solid reputation we have today.
- Responsabilidad:** to act with integrity, a sense of commitment and in an ethical way.
- Prudence:** as a synonym for wisdom, good judgement and reflection in decision-making processes.

Values that express how we interact:

- Integrity:** wherever we go, we are committed to sustainability.
- Empathy:** encourages an atmosphere of trust, respect and collaboration, supported by a strong and ever-growing culture of teamwork
- Unity:** giving our identity coherence and soundness.

Values that express how we work:

- Hard work:** with high-quality service as our goal.
- Creativity:** expressed by the capacity to be innovative and search for original solutions in an ever-changing digital world.
- Ambition:** demonstrated by our global presence and desire for further expansion.



Description of the Group's business model (business environment and organisation)

1.2

“The experience of the Covid-19 crisis is showing us that guests respect the dedication of companies that care, embrace sustainability and raise it as a banner, and that maintain quality in difficult situations.”

Mr Miguel Fluxá, Chairman

We are a world-renowned prestigious brand within the tourist services industry, with an image that is backed up by our extensive international presence and we are present in the

following countries: Aruba, Brazil, Cape Verde, Cuba, Spain, the United States, Greece, Hungary, Jamaica, Morocco, Mexico, Montenegro, Peru, Portugal, Dominican Republic, Tunisia, Turkey.

Iberostar Group: more than 60 years of leadership in international tourism:

100 %
family-run

+100
hotels

Team of
26,098
people (88 nationalities)

Presence in
17
countries

34,647
rooms

The lead and parent company of Iberostar Group is a company incorporated under the legal structure of limited liability company, under Spanish law. This parent company is the majority shareholder, direct or indirect, over the other Spanish and foreign companies in the Group that are identified as being within the consolidated corporate group.

All of the business areas are managed under the same umbrella of responsibility and commitment to good governance, with business ethics being among its main identifying characteristics. Sustainability and Corporate Social Responsibility (CSR) are two important elements the company promotes within the different activities and initiatives it develops. Iberostar Group also involves its guests, employees,

suppliers, local communities, administrations, public entities, travel agencies, tour operators, business partners, ad agencies, the academic and scientific community and other social agents in the company's policies and actions, which continuously promote dialogue. We consider all of them essential for the changes that a responsible mindset can promote on a local and global scale.

In addition, we at Iberostar Group have a Code of Ethics that establishes our values, principles that uphold our employees' professional behaviour, the commitments of our stakeholders, our compliance channel, its promotional and monitoring arms and the culture of values that supports it.



Organisational objectives and strategies

1.2.1

Organisational objectives and strategies include:

- 1 Being leaders in quality.
- 2 Being a point of reference for responsible tourism.
- 3 Being focused on profitability.
- 4 Focus on digital development and innovation, with a culture based on ethics, communication and transparency.

This vision defines our objectives and action plans. Collaboration and transparency, as the axes of our work model, are closely associated with meeting

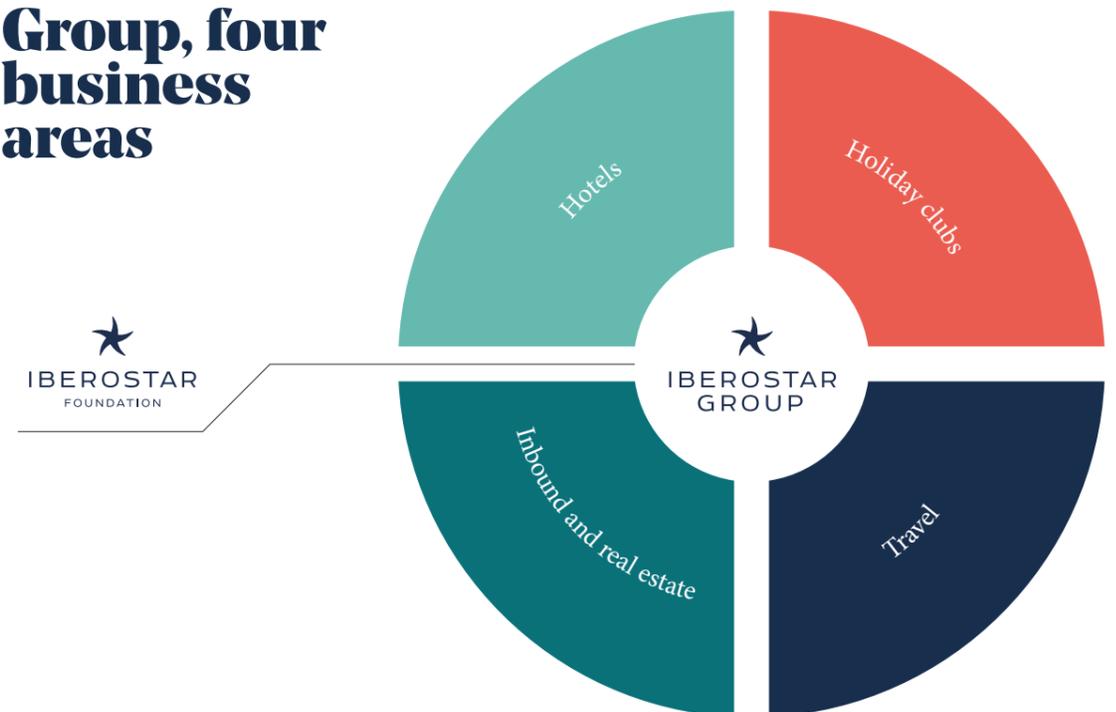
our business objectives. They drive our contribution to transforming society and the communities where we operate.

Business areas of Iberostar Group

1.2.2

The company's four business areas are hotels, holiday clubs, travel, and inbound and real estate.

Iberostar Group, four business areas



Hotels and Resorts

The hospitality business is the Group's core activity. We have beachfront hotels, city hotels and heritage hotels. In total, the Group has more than

100 four- and five-star hotels and resorts around the world's main cities and beaches in 16 countries and on three continents.

IBEROSTAR GROUP'S HOTEL CATEGORIES

Under our single Iberostar brand, we have divided our portfolio of hotels into three distinct groups

Beachfront hotels, which include our seafront holiday resorts.

City hotels, located in the heart of some of the most appealing and most visited cities in the world.

Heritage hotels, dubbed Iberostar Heritage, these hotels invite you to immerse yourself in the tradition of unique places and allow you to enjoy its culture, art and history, all at your own pace.

The beachfront hotels and city hotels, which make up the largest portion of our portfolio, are divided into three categories: Grand, the hotels with the Group's highest value experience; Selection, which brings added value to five star quality; and Iberostar, which encompasses four and five-star hotels. Hotels in the Iberostar Heritage category are classified as Grand and Iberostar.

Multiple experiences under one prestigious brand

City hotels

Grand
Selection
Iberostar




Beachfront hotels

Grand
Selection
Iberostar




Heritage hotels

Grand
Iberostar




The pillars of Iberostar Group hotels

We seek to create a sustainable tourism model based on excellent service. In unique places, decorated to enhance their true essence. With outstanding gastronomy.

Iberostar The Club

The high percentage of repeat guests is the best reward for our work. At Iberostar Hotels & Resorts, we wanted to respond to this faith in us by creating Iberostar The Club, an exclusive meeting point where members can enjoy the privileges they deserve.

Iberostar The Club has more than 13,208 members in Club Destinations, with maximum benefits in Mexico, Dominican Republic, Jamaica and Brazil. Membership offers privileges such as exclusive amenities, private Star Prestige areas, as well as preferential rates at Iberostar Hotels & Resorts around the world.



Travel and inbound

To offer our guests the best travel experience, we have a tour operator, bed bank and inbound services provided by the company World2Meet (W2M).



W2M World2meet

World2Meet (W2M) is one of the largest inbound agencies in Spain. It has three business areas: W2M PRO is a tour operator and booking platform for travel agencies; W2M DMC is an inbound agency with offices around the world; and W2M API is a B2B bed bank that provides direct hiring with third-party products. Some KPI for W2M include:



THREE BUSINESS AREAS OF WORLD2MEET



15
offices
in 8 countries

205
destinations and
102 sales countries

+300K
hotels in its
global portfolio

+25K
of their own hotels
and 40+ suppliers
who complete
the portfolio.

REAL ESTATE

Iberostate

Represents the real estate division of Iberostar Group, specialised in building and developing high category residences alongside golf courses, which are built with the greatest respect for the surrounding environment. This innovative option allows residents to enjoy spacious villas and welcoming apartments at several privileged Iberostar resorts in the Dominican Republic and Brazil, as well as benefit from its 5-star services.



Awards and recognitions received by Iberostar Group

1.2.3

Our Iberostar hotels and resorts have received numerous awards and distinctions, which highlight our passion and effort to ensure maximum satisfaction for our guests. These

awards are also an acknowledgement of the quality service offered by the Group and helps reinforce our positioning, based on a job well done. Our guests consistently acknowledge our quality:



90.5%
Location satisfaction

90.7%
Service satisfaction:



5
awards for
hotels in Jamaica
and Mexico



+80%
of our hotels
received awards
in 2020 (81.7%).



~69%
of our hotels have
a recommendation
rate of between
90% and 100%.

THE FOLLOWING ARE THE MOST RELEVANT AWARDS IBEROSTAR GROUP RECEIVED IN 2020



89 hotels received the TripAdvisor Certificate of Excellence



20 hotels received the TripAdvisor Travelers' Choice Best of the Best



19 hotels received the 2020 HolidayCheck Award

Evolution of Iberostar Group

1.3

History of Iberostar Group: from footwear to tourism, an entrepreneurial endeavour

1.3.1

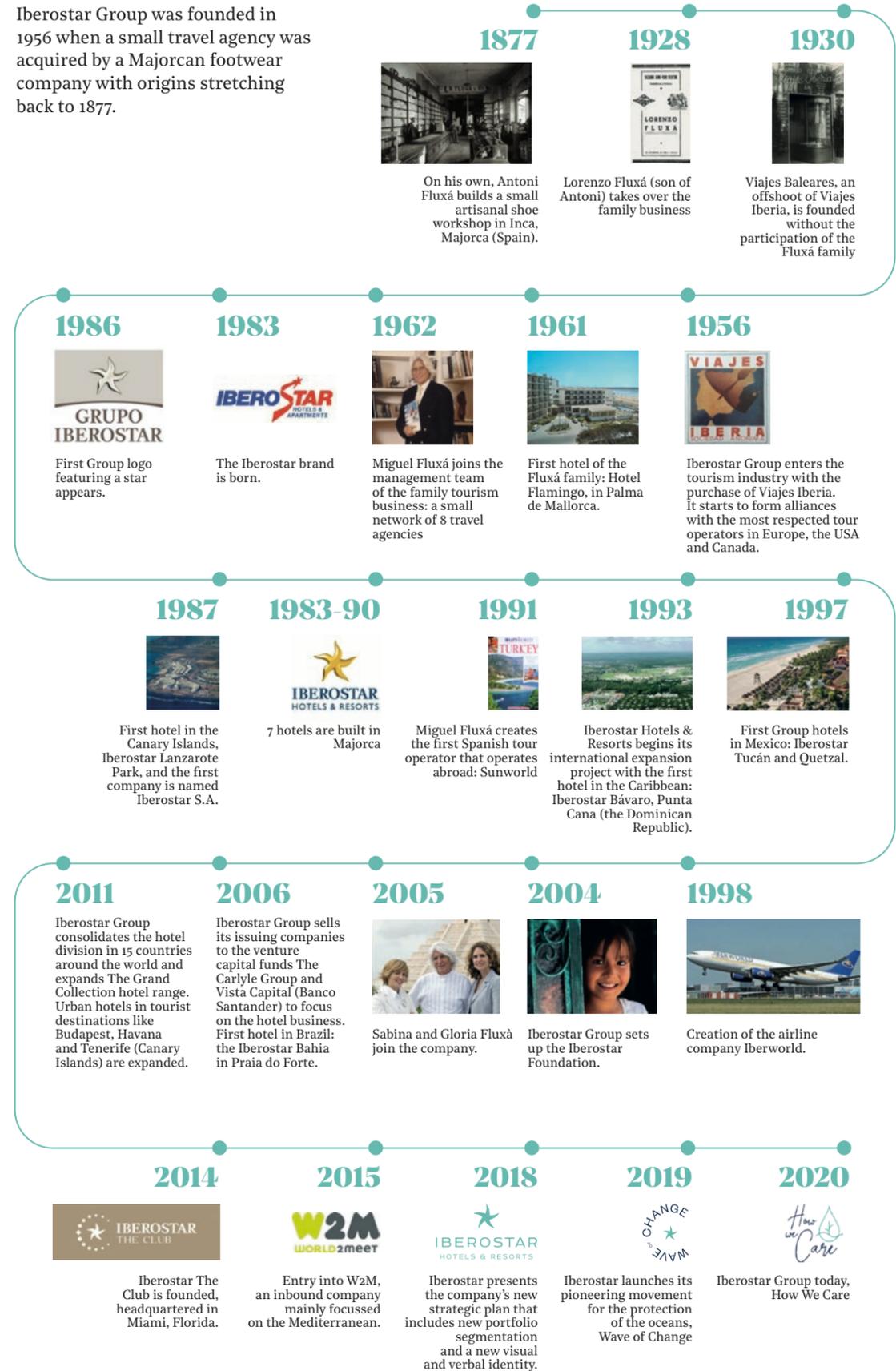
Iberostar Group is a 100% family-owned Spanish company. It was founded in 1956 when a small travel agency was acquired by a Majorcan footwear company with origins stretching back to 1877.

Currently, the company is continuing to grow and evolve. Its efforts are focused on sustainability, the innovation of its products and services and technological development.



EVOLUTION OF IBEROSTAR GROUP (1877-2020)

Iberostar Group was founded in 1956 when a small travel agency was acquired by a Majorcan footwear company with origins stretching back to 1877.



HOW WE CARE: HEALTH PROTECTION BACKED BY SCIENCE AND CIRCULAR ECONOMY POLICIES

Iberostar Group has resumed activity hand-in-hand with science to ensure the protection of both people and ecosystems. We've boosted our health and prevention strategy in the long-term by positioning it as a key pillar in business development and in the experience of our employees and guests. With the help of our Medical Advisory Board, which includes biologists and doctors specialising in public health in tourist settings, we have developed the How We Care programme, which includes more than 300 health protection measures in line with Iberostar Group's circular economy policies which drive the Wave of Change movement.

How We Care is a multidimensional philosophy which aims to care for guests, employees, the

community and the environment. This new method of collective care is present in each one of the activities, spaces and protocols of our hotels. This enables us to offer an even more personalised experience and to consolidate the chain's leadership in responsible tourism. The measures implemented are grouped into the four pillars which include innovative and responsible proposals to achieve experiences of the highest quality: safe environment, hygiene standards, social space and innovative experience. Through all the new protocols and measures here at Iberostar Group, we have reinforced our vision for the business in order to continue consolidating leadership in responsible tourism.

Innovation: digital development in Iberostar Group

1.3.2

Technology is key in the transformation of the tourism sector. This year, as a result of the pandemic, we have worked extensively in order to provide digital solutions.

Contactless experience:

We have created an innovative Contactless experience via the following actions:

Digital pre-check-in and online check-out:

is a safer and advisable system. It also makes the process smoother and easier.

Paperless philosophy: we have reinforced this philosophy the Group has by decreasing the use of paper in restaurants and rooms with information available through the App, Totems and QR Codes. Likewise, we have also implemented a Hub for the centralised management of all our digital assets in the hotels (screens and Totems). Through these screens and Totems, guests can consult information regarding hotel services or relevant information about the area. We have also installed a PoC (Proof of Concept) for Chrome casting in the rooms as a new television service, through which guests can play content on the televisions in their rooms using their mobile devices. This will be extended to the rest of the hotels in 2021.

Touch-less experience: Guest can access all our services via the app in just a single click. For example, they can book a table, check a menu, search for leisure activities, find out about room openings or even chat with a concierge.



iRate platform

Over the course of 2020, we rolled out the iRate platform in the EMEA and are aiming to launch it globally in 2021. iRate is a key project in business management transformation since it enables us to

simplify and centralise all Iberostar business models in a single location and enables us to redefine our business management processes. iRate has the following functions:

Analytics and reporting: with iRate we built global analytics in real time, centralising all business information into a single location and with a much higher level of granularity. We laid the foundations for building predictive models and sales profitability models, gaining in agility and efficiency in the face of an ever-changing environment.

Recruitment and distribution: with iRate we progressed towards a global "tariff structure" and greater simplification by unifying the various platforms that were used for the different geographical business realities into one platform.

Revenue management: iRate enables greater automation of decisions, it enables times to be reduced for the market entry of "pricing" actions and provides greater sales traceability and analysis.

Bookings: iRate provides greater efficiency in the processes and creates cloud-based environments which enables centralised management and the level of specialisation in the teams to be increased.



MyRoom Online Platform

We have launched this platform which enables guests to carry out a visual selection of the rooms during the booking process.

MyRoomOnline

Cyber Security

In 2020, we brought everything concerning cyber security to the focus of our attention due to the new situation of remote working and the greater exposure to the internet.

In 2020 at Iberostar Group, we designed the 2021 Digital Hotel programme. Through this, our goal is to implement a dynamic of open digital innovation in which 23 first-class companies are set to participate, such as IBM, Google, Microsoft, Deloitte, KPMG, Accenture, Telefónica and Vodafone, among others.

With regard to the Data Analytics and Transformation Office (DATO), we centralised all the human resources we have in the various areas of the company, with an analytical profile.

2020 has been a very intense year as 126 projects have been kicked off with an average duration of 5 months.

Sustainability in Iberostar Group

1.4

Sustainability and Corporate Social Responsibility (CSR) is multidimensional within Iberostar Group and encompasses all its branches and activities. This involves a path of continuous learning through which we add value and promote the social and economic progress of local communities in the places in which

we are present. This transversality has allowed the Group to develop a common vocabulary that enunciates our ethics and values, and extends throughout our hotels, offices, employees and guests, and is projected to our different stakeholders in the different countries in which we operate.

Committed to the Sustainable Development Goals

1.4.1

Here at Iberostar Group, we have clear long-term and continuous employment that sets down roots in the places we operate, which has been a cornerstone of the company's culture throughout its history. We look towards the future with this perspective, with integrity and considering the value of the social and environmental characteristics that make each territory a unique place. That is, we are convinced that the tourism industry can be a driving force for building a profitable and responsible tourism model that protects the oceans and reduces climate change. That is why we are committed to integrating the protection of the environment, social well-being, economic well-being and cultural heritage of our areas of influence into our business strategy. All of this is based on science, ethics and good corporate governance. This decade, it is time to act to tackle climate change, the loss of biodiversity and equitable value chains.

This way of viewing our business activities also means taking on the large global challenges of sustainable development and climate change. In this sense, our commitment to sustainable development was reinforced in November 2016, when we adhered to the United Nations Global Compact and its 10 principles regarding human rights, labour, the environment and the fight against corruption.

What's more, in 2019, we strengthened our sustainability policy, which was implemented in every destination we operate in and which was reviewed in November 2020. This policy is in line with the United Nations Sustainable Development Goals, it meets current national, regional and local legislation in each one of the places we operate in and is based on our five commitments for 2030.

To make these commitments happen, we are carrying out the following actions:

- ▶ **Creating a waste management department** in order to implement reduction and elimination strategies with a focus on circular economy.
- ▶ **Developing an energy efficiency plan** with annual objectives that contribute to reducing greenhouse gases.
- ▶ **Involving our guests**, employees, suppliers, the local community and other areas of interest in the rational use of resources and informing them about the guidelines of our policy.
- ▶ **Promoting actions** for resilience and sustainable development in the communities.
- ▶ **Minimising the environmental impact** of the company and creating a model for responsible local supply and consumption.
- ▶ **Working within the commitment** to preserving the environment in all the destinations in which we operate.
- ▶ **Using sustainable materials** in new constructions.
- ▶ **Creating employment development plans** to promote opportunities within the local communities.
- ▶ **Respecting and complying** with the legislation and regulations in each place.
- ▶ **Creating a plan** to eliminate substances that are harmful to the environment.
- ▶ **Promoting actions** to cut carbon emissions.
- ▶ **Carrying out our initiatives** that promote the participation of local associations and employees, in order for them to share knowledge and for us to support communities.
- ▶ **Providing an optimal work environment** that supports professional development, equal opportunities, plurality of roles and diversity in the workplace.
- ▶ **Protecting human rights** and making a stand against abuse, neglect or mistreatment of any type, including sexual exploitation (ECPAT).

Our goals are in line with the Sustainable Development Goals drawn up by the United Nations for 2030 (SDGs 2030) to eradicate poverty, protect the planet and ensure prosperity for all. To do this, the United Nations is calling for the participation of figures from the public and private spheres, and civil society. In this way, Iberostar Group intends to

contribute to the achieving the SDGs via our commitment to both people and the environment. Likewise, we are committed to managing our activities in an ethical and responsible manner. Our main goal is to encourage a change in stakeholders and in society as a whole to create an increasingly responsible tourism sector.

SUSTAINABLE DEVELOPMENT GOALS



We know that to be leaders in responsible tourism we must work and contribute to each and every one of the 17 SDGs, maximising our efforts to achieve this as much as possible and exploring different lines of action.

In 2020, we reinforced our partnerships with different international and local associations in order to achieve our goals by 2030; therefore, the SDG number 17 has become a transversal axis to reach our target of becoming leaders in responsible tourism. We also worked with our supply chain to encourage increasingly responsible

consumption within our organisation (SDG 12).

Our commitment to becoming a carbon-emission neutral company by 2030 can be found among our initiatives to fight climate change (SDG 13). To do so, we are working on increasing the use of renewable energies (SDG 7) and on offsetting using solutions based on blue carbon.

However, we are paying special attention to SDG goals 8 and 14 since we centre most of our efforts on two lines of action: people and the protection of the oceans.



SDG 8 seeks to promote sustained, inclusive and sustainable economic growth, full and productive employment and decent work for all.

Job creation: at Iberostar Group, we look after people by creating jobs (more than 26,000 jobs directly created in 2020), promoting social inclusion and driving the economic development of the communities where we operate.

Communities: at Iberostar Group, we support the local communities where we operate and promote local culture. We focus our social actions towards guests, employees and other stakeholders, including projects related with childhood. We also carry out internal training to promote the Group's values.



Iberostar Foundation: the Foundation carries out social and educational actions focused mainly on childhood. In addition, it works with various organisations and provides grants to young researchers for fields related to research, conservation and the management of the marine environment. For more information about the Foundation, see section 6.1.1 of this Report.

In addition, at Iberostar Group, we work actively for human rights and the fight against sexual exploitation in the tourism sector. In this respect, in 2011, we adhered to the Global Code of Ethics for Tourism from the United Nations World Tourism Organization (UNWTO) and the ECPAT Code of Conduct for the protection of children from sexual exploitation in travel and tourism.



SDG 14 promotes the conservation and preservation of underwater life by promoting the sustainable use of the oceans, seas and marine resources.

At Iberostar Group, we promote our contribution to SDG 14 through the Wave of Change movement, for the conservation and preservation of the oceans and coastal health.



Wave of Change: Iberostar Group is committed to the oceans

1.5



We know that our seas and oceans are essential to the planet. As well as being the source of most of the oxygen we breathe, they provide us with materials and food and are the source of numerous economic activities.

At Iberostar Group, which has more than 80% of our hotels on the seafloor, we have always had a policy of responsible and sustainable management in the environments in which we operate, because we understand the valuable and priceless exchange of resources provided by the seas and oceans. Since 2017, we have implemented a series of initiatives that promote the improvement of ocean health, which, in 2019 came to fruition with the launch of the movement we've named Wave of Change, which represents an essential pillar in the Group's management.

Wave of Change is mainly intended to contribute to the achievement of Goal 14 of the United Nations Sustainable Development Goals ("Life Below Water: conserve and sustainably use the oceans, seas and marine resources for sustainable development"). It was born out of a desire to unite employees, guests, service providers and society as a whole in the common effort to create tourism that is ever more responsible. With the pandemic, we have realised that it was much more than that. We must use the potential of the tourism industry to build a profitable and responsible model of tourism that protects the oceans and reduces climate change.

Wave of Change has three lines of action. Each one complements the other, but is clearly different:



Progressing towards a circular economy



Promoting responsible fish and seafood consumption



Improving coastal health

Main actions carried out in 2020 for each line of action of Wave of Change

These three lines of action, based on rigorous science and ambitious objectives, are rolled out through tangible actions that are the very backbone of this pioneering initiative. Below you'll find the most important milestones of 2020:

Circular economy



We are working to create a more resilient long-term tourism model based on the circular economy

We have eliminated single-use plastics from all our operations.

We have implemented the "Hotel Circularity" project by creating a platform that helps hotels measure their progress in adopting the circular economy.

We have integrated educational resources about the circular economy when working with our employees, guests, suppliers and non-governmental organisations.

Responsible fish and seafood consumption



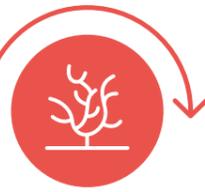
We promote responsible seafood fishing by improving the traceability of our supply chain

We have publicly announced our roadmap towards 100% responsible consumption of seafood products by 2025.

We have doubled the number of restaurants with a Chain of Custody certification for MSC and ASC certified products.

More than 40% of the seafood supplied to our hotels is responsibly sourced. Data gathering has been key for identifying the origin of these products.

Coastal health



We promote the protection and restoration of coral reefs

To do this, we publicly announced our reef recovery and carbon offset strategies based on blue carbon.

We created grants for studying coral in order to bolster reef recovery.

We launched the "Riding the Wave" series, in which experts from various fields explain the importance of our oceans and how we can all participate in protecting them.

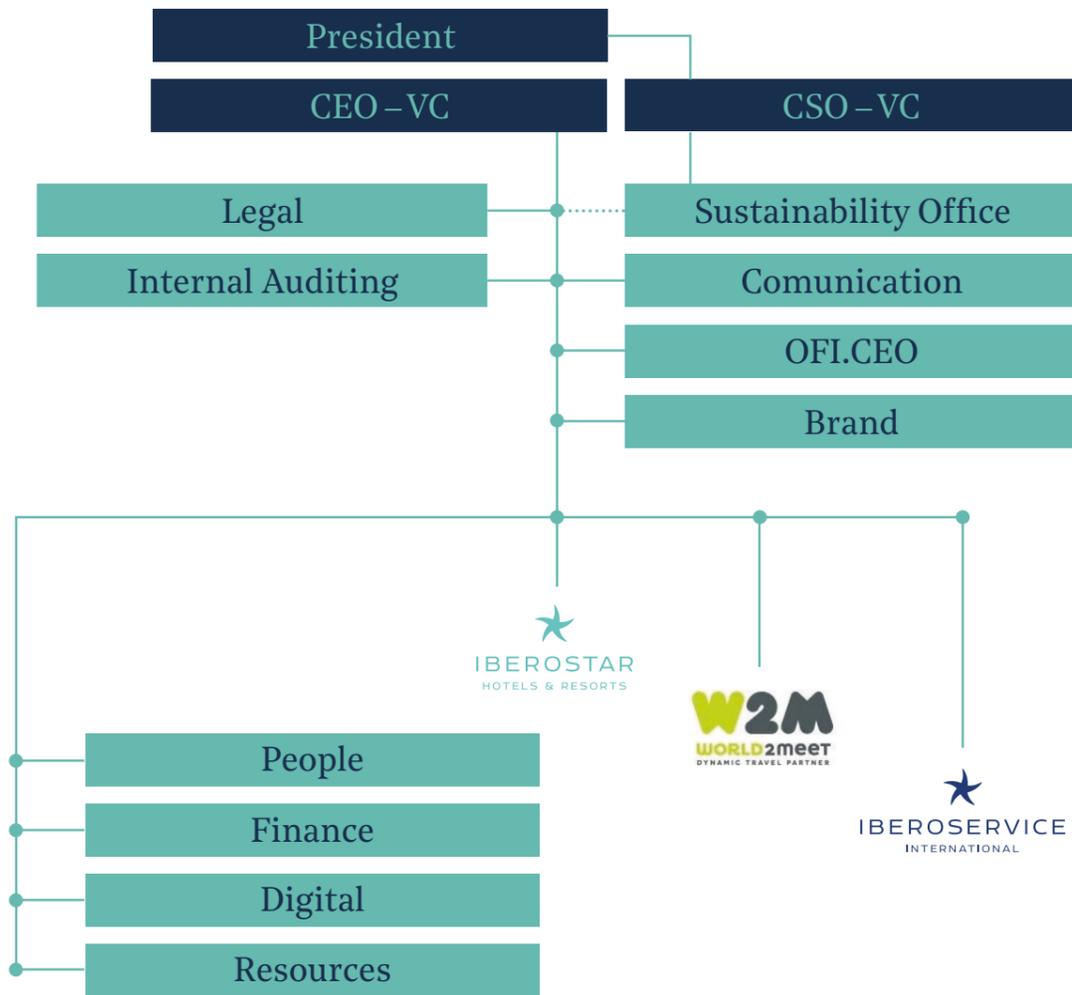
For more information on these initiatives, see section 3.2 of this Sustainability Report.



Corporate governance

1.6

IBEROSTAR GROUP'S ORGANISATIONAL STRUCTURE



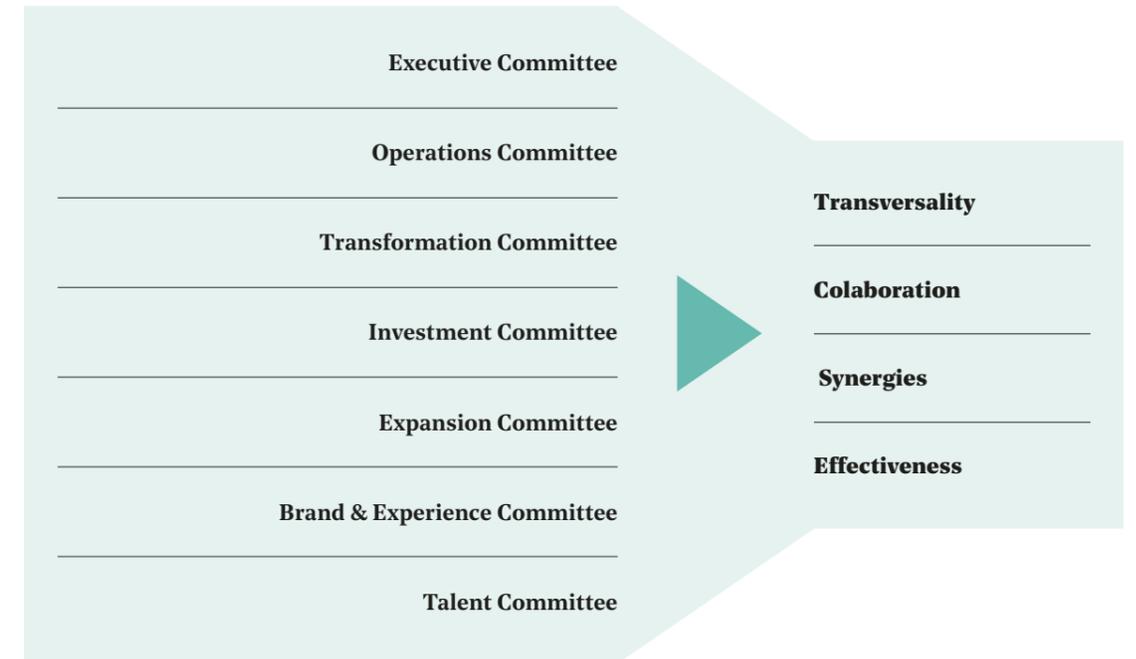
The senior governing body is the Executive Committee (EC). Its function is to define, set and implement the company's strategies, policies and initiatives. It acts responsibly based on the Code of Ethics and the Compliance Programme that it itself approved. The Committee is made up of the Chairman, the two Vice-Chairs and the Group's other senior management staff. It meets weekly and issues directives and guidelines on financial, environmental and social impact issues.

The Chairman of this senior governing body is Mr Miguel Fluxá. The EC is led by the Vice-Chair & Chief Executive Officer (Ms Sabina Fluxá) and the Vice-Chair & Chief Sustainability Officer (Ms Gloria

Fluxá). The other members of the EC are: *Chief Strategy and Finance Officer, Chief Commercial and Digital Officer, Chief Operations Officer, Chief Resources Officer, Chief Legal Officer and General Counsel, Chief People Officer and Chief Financial Officer.*

Governance is spread among different Committees made up of the managers of each of the areas involved. The committees are organised under the overall authority of the Executive Committee. This structure allows us to be more effective and transversal and to establish collaboration and synergy within the different areas of Iberostar Group.

GOVERNING BODIES



Role of highest governance body in setting purpose, values, and strategy

1.6.1

The CEO leads the strategic plans of the group's different lines of businesses and drives their profitability. He assures compliance with Iberostar Group values and monitors the development of the organisational capabilities necessary to meet its business goals.

The EC develops strategic plans and later evaluates their deployment and results. Iberostar Group's values are not the responsibility and

jurisdiction of just one department, but of every functional area of the company. That's why the CEO's role as a cohesive force is fundamental. The Executive Committee establishes the values, while the different areas of business—under the leadership of the CEO—provide strategic capabilities (brand architecture) and operational methods to put them into practice that go above and beyond our guests' expectations.

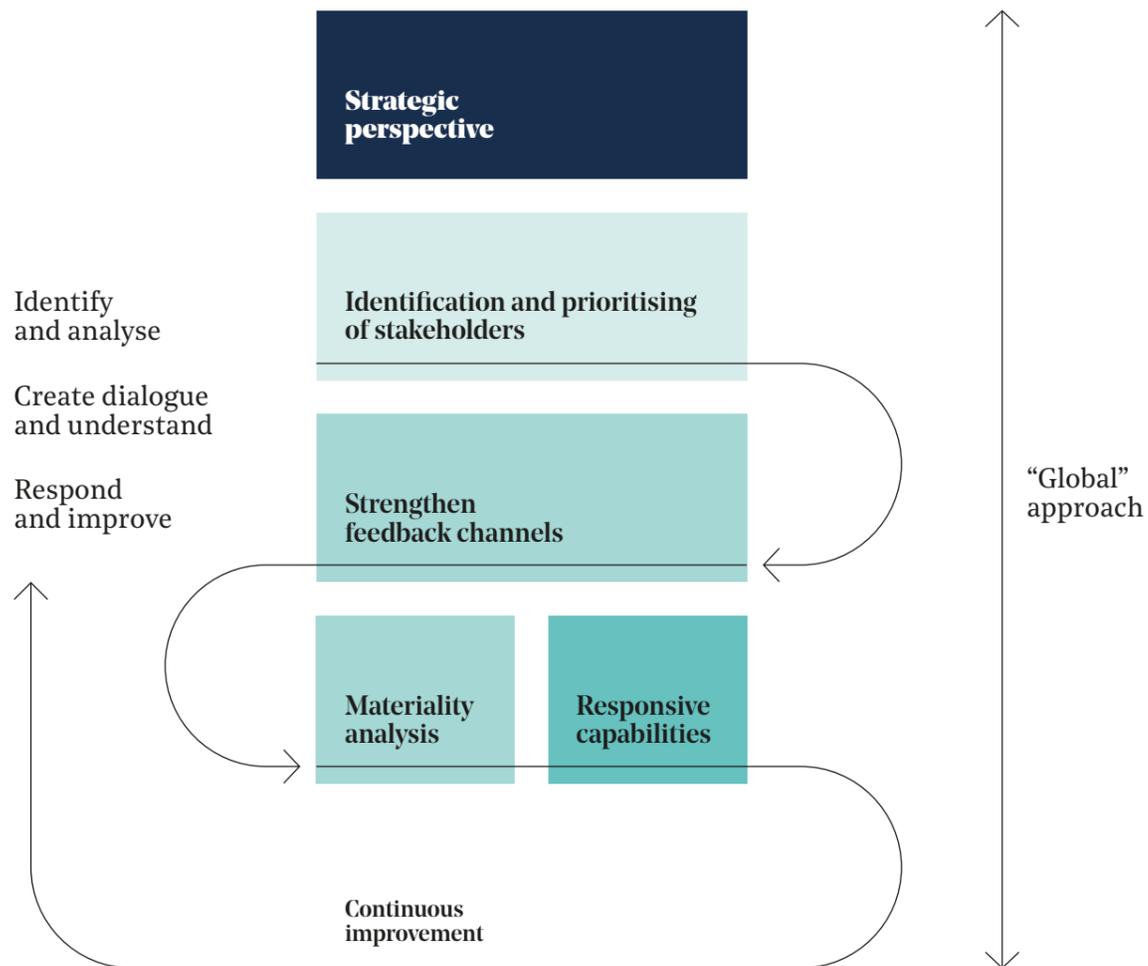
Stakeholders

1.7

At Iberostar Group, we consider dialogue with our stakeholders to be an essential action. Creating consistent dialogue with a wide variety of stakeholders allows us to identify priority areas of sustainability and tackle them efficiently, while meeting their needs and expectations. Open dialogues with our stakeholders drive the development of win-win relationships and builds an underlying “network” of transformative

effects in the area of sustainability and CSR. These are fundamental for launching movements like Wave of Change and How We Care. This approach reveals additional insights into our relationships with stakeholders in each phase of the value chain. This integrated approach drives both daily contact and formal dialogue, helping us understand the needs and expectations of our different stakeholders in a detailed way.

KEY FACTORS IN IBEROSTAR GROUP'S DIALOGUE MODEL WITH STAKEHOLDERS



At Iberostar Group, we have implemented a dialogue model with our stakeholders that consists of:

- 1** A **strategic and comprehensive** perspective on dialogue, sustainability and CSR.
- 2** **Identifying and prioritising** our stakeholders.
- 3** **Strengthening feedback channels** and channels specifically related to sustainability and CSR issues, which continuously drives dialogue.
- 4** Periodically updating Iberostar Group's **materiality analysis**, for which the feedback from our stakeholders plays a decisive role.
- 5** A **“Global” approach** that takes the social and cultural contexts of Iberostar Group's different countries and destinations into account. This also includes a dialogue model launched from the corporate area.
- 6** **Continuously improving** and reviewing the different factors within the dialogue model.

Our main stakeholders are:

Guests	Local communities
Employees	Public administrations
Travel agents	Academic community
Tour operators	Scientific community
Ad agencies	Organisations in the third sector
Business partners	Sector-specific associations
Product and service providers	Financial community

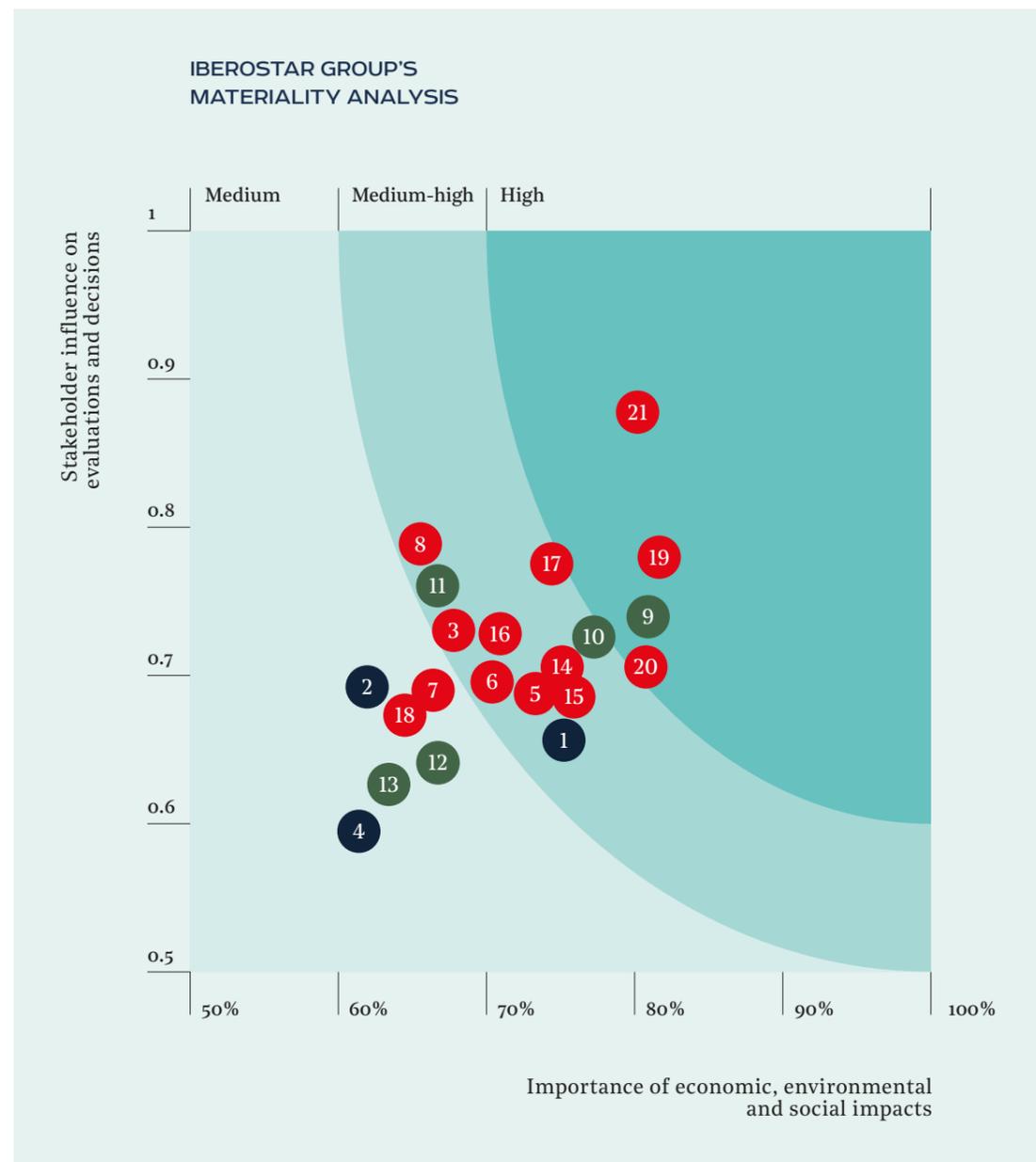
Materiality analysis

1.8

In 2018, we at Iberostar Group carried out a materiality analysis to steer communication and efforts on issues related to sustainability and CSR. This assessment established priorities for advancing in the creation of monetary, social and environmental value, along with ensuring that the needs of its stakeholders are met, all while

developing the business and generating value. For the materiality analysis carried out in 2018, we organised interviews and focus groups with representatives of each one of our stakeholders and extended the scope and the topics, compared to those considered in the previous materiality analysis carried out in 2015.

The results of the materiality analysis can be seen in the following chart:



The following is a complete list of topics, ordered by relevance:

ID	Topic
21	Respect for human rights
19	Quality and customer management
9	Use of materials and waste creation
20	Responsible sourcing practices
17	Diversity, inclusion, integration and equal opportunities
10	Impact on the water environment
16	Occupational health and safety
14	Responsible recruitment practices
8	Protection of and commitment to local development
15	Professional development and talent management
1	Business strategy and model
11	Biodiversity and safeguarding the natural environment
5	Ethics and integrity
3	Participation of Stakeholders
6	Creating shared value
7	Management of social and economic impacts on local communities
18	Responsible communication and transparency
12	Energy, emissions and climate change
2	Analysis of business risks and opportunities
13	Other environmental impacts
4	Corporate governance

For more information on the material topics, see Annex I.

Iberostar Group risk management

1.9

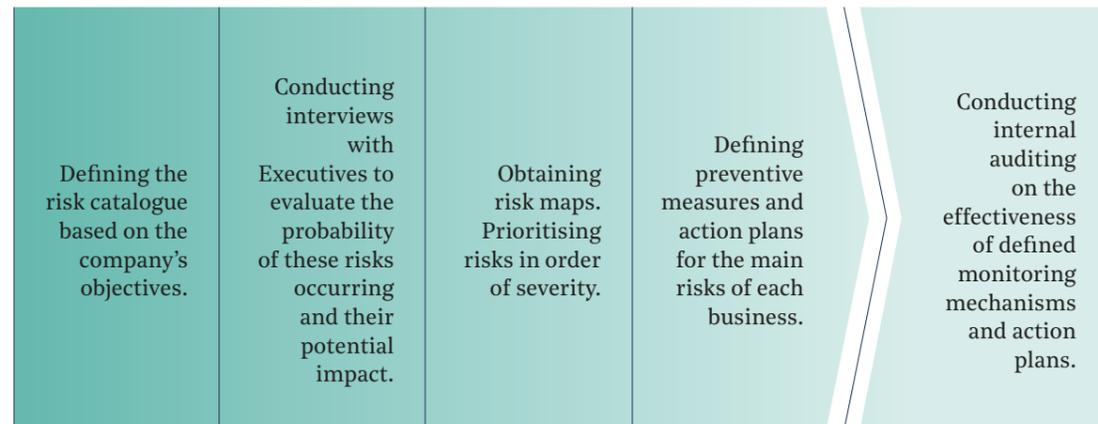
Identifying the risks that the company is exposed to is essential for properly evaluating and prioritising them. A risk management system allows us to effectively implement its corporate strategy, drives coordination and communication between the areas of business and helps the decision-making process in a context that is always changing and ever more complex.

At Iberostar Group, we consider risk management and internal monitoring to be key factors in the organisation's success. They also help identify ways to reach strategic business goals. In this context, we implemented a global risk management model in 2018. Based on this, we launched our systematic risk management procedure, in line with the benchmark global standards on those issues (COSO II ERM, Committee of Sponsoring Organizations of the Treadway Commission, Enterprise Risk Management) and led by the Management

Team. Through this risk management model, which includes coordination between different teams, we continuously work to prevent and mitigate identified risks.

In addition, at Iberostar Group, we have implemented a risk management governance model that includes a Risk Committee, which reviews the risk monitoring and management policies, the risk catalogue, risk maps and action plans and forwards them to the Executive Committee for final approval. We also have a Global Risk Manager, who heads the implementation of the risk management system, advises the Group's departments on responding to risks and monitors action plans. We also have Risk Managers, who execute the processes and action plans, and an Internal Auditing department that reviews the management of key risks, the efficiency of the internal monitoring mechanisms and the action plans, along with the annual internal monitoring plan.

We at the Iberostar Group developed our risk map through the following methodology:



At the beginning of 2020, we updated the risk map for our hotel business in Cuba which was initially obtained in 2018. This map was consolidated with the results from the previous years of the other businesses in order to obtain an updated risk map for the Group for 2020.

Below you'll find the main risks and action plans and/or mitigating measures that have been introduced:

- Without any variation in risk perception
- Risk perception decreases
- Risk perception increase

Category	Description of the Risk	Evolution 20 vs. 19	Actions
Strategies	Exposure to climat change/natural disasters or extreme weather	➤	Wave of Change strategy: – Elimination of single-use plastics – Circular economy policies. – Protection of the oceans/responsible consumption of fish.
	Exposure to macroeconomic factors	➤	Diversification of businesses/markets.
	Staff management, retention and attraction of talent	➤	– Management development/career plans project. – Development of a global database of employees to improve data analysis. – Work environment surveys. – Development of internal promotion (Iberostar Talent).
Digital	Identification and introduction of new technologies/data reliability	➤	– DATO office to improve the reliability of the information. – Digital innovation office for active research into systems improvements.
	IT Security	➤	- Oficina de ciberseguridad - Póliza de seguros ciber - Oficina de cumplimiento Payment Card Industry Data Security Standard (PCI-DSS).
Operations	Criminality, Epidemics and terrorist attacks	➤	– COVID-19 measures (discussed further down) – Crisis protocols – Global communication plan – Safety protocols in hotel complexes
	Management of rates, bookings and quotas	➤	– iRate project: internal software development for the management of rates, contracts and quotas. – Centralisation of booking management per region.
	Management of accounts receivable and prevention of insolvencies	➤	– Greater restrictions in our policy for granting credit to guests. – Analysis of improvements in credit insurance coverage.

2021 risk management objectives

Give **continuity** to the risk management model that is implemented.

Update the risk maps for those lines of business that weren't updated in 2020.

Review the risk catalogue, including new risks and eliminating/combining other risks.

Develop action plans, preventive measures and indicators for the main risks of each business.

Provide **support** to other risk management functions in the Group.

Covid-19

Although the goal for 2020 was to update the other business maps, with the arrival of the healthcare crisis, we made the decision to delay its implementation until 2021.

We included the risk of epidemics as a global risk along with terrorist attacks and criminality. Although the last two events have occurred more often than epidemics, taking this also into consideration helped us to reinforce the health and hygiene protocols in our hotels in recent years.

With the arrival of COVID-19, a specific committee was set up to manage this risk. The measures adopted are explained below.

Based on all these initiatives, we have developed 300 health measures, integrated into the How We Care philosophy and implemented in the hotels to protect the health and safety of both employees and guests (for more information, see section 2.3 of this Report).



Key factors and trends that could affect future business growth

1.10

The playing field is international. In a global VUCA environment (Volatility, Uncertainty, Complexity & Ambiguity) like this one, where environmental uncertainty and volatility require decisions and

adaptation to occur at great speeds, organisations must be constantly aware in order to adapt when the rules of the game change.

We are aware of the reality around us and have identified six dimensions of analysis:

Geopolitical: characterised by international instability and leadership changes.

Health: pandemics have a huge impact on global mobility and consequently, affect tourism. We must use the experience and lessons learned from COVID-19 as an opportunity to rebuild a more responsible, sustainable tourism sector.

Economic: marked by the recent crisis caused by the global pandemic, has a clear impact on the hotel sector.

Technological: Technology is key in the transformation of the tourism sector. The health crisis caused by the pandemic has served to accelerate tendencies that were already present before and reinforce the security of our digital environments to facilitate the mobility of our employment positions. Digital innovation in hotels entails a change in paradigm to help us to be more efficient.

Social: segmentation by generation, according to their respective relationships with technology. We must keep this in mind regarding new types of guests and new work positions, modes of work, skills and performances.

Environmental: the adoption of a responsible strategy to reduce the ecological impact of our business activity is a long-term strategy. Incorporating the voice of science into the business is a key driving force for sustainability in the world of tourism.

Alliances and partnerships

1.11

At Iberostar Group, we have established alliances and agreements with various organisations, both at a national and corporate level. We have established relationships with organisations including the United Nations World Tourism Organization (UNWTO), the Spanish Tourism Institute, the Instituto Tecnológico Hotelero [Institute of Hospitality Technology] (ITH), the Confederación Española de Hoteles y Alojamientos Turísticos [Spanish Confederation of Hotels and Tourist Accommodation] (CEHAT), and Turistec (cluster dedicated to tourism technology).





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Ethical management

The values that inspire the Iberostar Group's identity

2.1



All of the Group's employees, to the extent that they represent Iberostar Group through their daily functions, undertake to carry out their professional activities with integrity and in compliance with the principles and values of Iberostar Group.

We singularly promote the following values: responsibility, transparency, humility, passion and creativity.

Iberostar Group Code of Ethics

2.2

The Iberostar Group Code of Ethics, whose drafting was approved by senior management in April 2015, establishes the ethical standards, principles and values of Iberostar Group that must be the benchmark for both internal management and for relationships with our different stakeholders. This was updated in 2019 and has been implemented in all the countries of Iberostar Group except in Cuba.

The Code of Ethics is part of the internal regulatory system of the Group, which is the set of internal policies, procedures, programmes, regulations, codes and standards approved by the

Group's relevant bodies, and compulsory for all our employees. The regulatory system includes, among others: (i) the Code of Ethics; (ii) the internal regulations on Data Protection; (iii) the Crime Prevention Programme; and (iv) the internal regulations on Quality and Occupational Risk Prevention.

At Iberostar Group, we promote the widespread dissemination of the Code of Ethics through the proper tools and by organising training courses. In addition, we are also committed to disseminating the principles and values established in the Code to third parties with whom we maintain relationships.

Dissemination: it is the responsibility of the Group's Executive Committee, or the equivalent management body from any other company in the Group, to disseminate the Code of Ethics to our employees. In addition, the Code of Ethics is publicly available both on Iberostar Group website and Iberostar Group Employee Portal (Star Team), so all our employees and stakeholders can have access to it.

Monitoring: to monitor the compliance rate with the Code of Ethics, the Internal Auditing Department creates a draft annual report of incidents and on the compliance rate. It sends this to the Risk Committee for approval. Later, it is forwarded to the Executive Committee and the Group's administrative body for evaluation

Compliance: Code of Ethics violations are corrected and punished, if necessary, subject to applicable labour regulations.

Iberostar Group's Risk Committee periodically reviews and updates the Code of Ethics, taking into account the annual reports and suggestions from the Compliance & Risk areas and from employees. It proposes the changes that the administrative body should carry out, if appropriate, and the changes and adaptations it considers necessary. The Group's administrative body is responsible for approving the proposed changes to the Code of Ethics.

At Iberostar Group, we are committed to establishing the mechanisms necessary to ensure that all of

our employees follow it in its entirety. To do that, the administrative body instructs the Human Resources Department to dictate procedures that ensure that all of our employees know and accept the Code of Ethics.

To guarantee the appropriate, objective, secure and confidential management of consultations, complaints or incidents, Iberostar Group has a channel for ethics complaints that is accessible through the following email address: ppd@grupoiberostar.com.

Policies against all types of discrimination and diversity management

2.3

At Iberostar Group, we guarantee the respect of human rights and have a zero-tolerance policy with our employees for discrimination based on gender, nationality, origin, age, marital status, sexual orientation, ideology, political opinions, religion or any other condition. In addition, any affirmative action policies that Iberostar Group could implement would be aimed at protecting society's most disenfranchised groups.

At Iberostar Group, we are committed, alongside our employees, to promoting and developing policies that safeguard the principles of equity and equal opportunity and which allow

for adequate advancement in a quality and safe working environment. The Group's Code of Ethics recognises that our employees must be selected objectively and in accordance with their capabilities and skills. Promotions and career progressions must be based on qualifications and performance, without any types of discrimination.

In the 2020 financial year, just as in the 2019 financial year, no cases of discrimination were reported through Iberostar Group Complaint Channel. There were also no human rights violations reported or confirmed through Iberostar Group Complaint Channel.



2.4 Protocol against sexual and/or gender-based harassment

2.4

At Iberostar Group, we have a Protocol for cases of sexual and gender-based harassment, which protects all employees from sexual harassment and reaffirms our commitment to launching a procedure of action in cases of sexual and/or gender-based harassment complaints.

At Iberostar Group, we take responsibility for guaranteeing a work environment where sexual and any other harassment is both unacceptable and undesirable. Through the Protocol against sexual and/or gender-based harassment, we undertake to resolve these problems within

work relationships by establishing a method of preventing and quickly solving complaints related to these types of harassment. This must include the due guarantees and take constitutional and labour-specific regulations into consideration, along with declarations related to fundamental workplace principles and rights.

This protocol is implemented within the Group in the following countries: Spain, Portugal, Morocco, Tunisia, Montenegro, Cape Verde, Greece, Mexico, Brazil, the United States, Jamaica and for The Club employees in the Dominican Republic.



Internal regulation system of Iberostar Group: measures taken to prevent corruption and bribery

2.5

At Iberostar Group, we are firmly committed to strictly complying with the law and acting ethically while providing our services, along with providing transparency in the widest sense of the word. Iberostar Group rejects any form of corruption and defends the need to protect free and fair competition

within the market, as well as to ensure that public services operate with the highest level of objectivity and impartiality. We keep an eye out for multiple situations related with corruption and bribery and establish measures to prevent or address them, which apply to all of our employees:

Code of Ethics

Conflicts of interest the Code of Ethics stipulates that if a conflict of interest occurs, the affected personnel must: (i) inform the Legal Department of this; (ii) abstain from becoming involved in decision-making that could affect the conflict; and (iii) act with loyalty to Iberostar Group at all times.

Gifts and other privileges: According to the Code of Ethics, our employees may not directly or indirectly receive, request or accept gifts, benefits or advantages of any kind from the executives, employees or personnel of another company, foundation or association in the context of their work. This is unless they have a symbolic value or are given as a gesture of courtesy, and as long as they do not condition the professionalism or independence of those who accept them. From the opposite perspective, it is also prohibited to directly or indirectly promise, offer or give remunerations, gifts, benefits, any types of advantages or other privileges to third parties.

Appropriate use of resources: All our employees must properly and responsibly use the facilities and tools provided to them by the Group. They must not delete, harm, alter, remove or make inaccessible the Group's data, software or documents in any way.

Business opportunities: Our employees and people linked to them must not use business opportunities that by their nature correspond to the Group, nor use the name of Iberostar Group or their position for the benefit of themselves or people linked to them.

Crime Prevention Programme:

The Crime Prevention Programme, implemented in Spain, establishes a regulatory framework to prevent corruption-related crime. It includes, among other documents, the Protocol on measures against corruption, bribery and influence trafficking, the Purchasing Protocol to prevent crimes of corruption between individuals and the Protocol against money laundering.

Protocol on measures against corruption, bribery and influence trafficking

The goal of this Protocol is to establish specific measures aimed at preventing and, in such a case, detecting and reacting to any form of public or private corruption.

Purchasing Protocol to prevent crimes of corruption between individuals

The goal of this Protocol is to consolidate the extensive existing internal regulations on this topic and prevent behaviours that could entail an infringement of some precepts of the Penal Code. This is complemented with the Policy on Measures against Corruption, Bribery and Influence Trafficking

Internal Data Protection Regulations and Protocols

Iberostar Group General Rules. This consists of a series of regulations regarding personal data processing that our employees must follow when accessing personal data or Iberostar Group systems.

Rules for Iberostar Group department managers. This consists of a series of rules regarding personal data processing that the Group's department managers must follow, along with people designated as Data Protection Coordinators and personnel authorised to hire services.

Protocol on Social Media use. This protocol allows us to avoid infractions regarding trademark, privacy and data protection issues, and protects Iberostar Group brands, its principles and its values.

Protocol against money laundering

Even though the Group is not included in the list of entities legally obliged by Law 10/2010 to prevent money laundering and terrorism financing, we have developed an Anti-Money Laundering Protocol. Its goal is to identify the main operations or activities that could be the object of this crime and which our professionals should take into account. This Protocol establishes guidelines on the professional, administrative and financial relationships that the Group's representatives should maintain with individuals and legal entities. It also includes guidelines on topics including invoicing, payments and authorised payment methods, along with guidelines on the separation of functions between the people who authorise, pay and carry out accounting.

Prevention of unfair competition

Regarding the prevention of unfair competition and monopolistic practices that counteract free market competition, both the Code of Ethics and Iberostar Group Compliance Programme stipulate strategies or practices that could be qualified as unfair competition and/or threaten free market competition. Notwithstanding the foregoing and following the publication, on behalf of the Comisión Nacional de los Mercados y la Competencia [National Commission of Markets and Competition], on the Guide to Compliance Programmes Concerning the Defence of Competition a protocol is being developed for compliance with the Defence of Competition, the publication of which is planned during 2021.

In the 2020 financial year, just as in 2019, no cases of corruption were reported through Iberostar Group Ethics Complaints Channel.

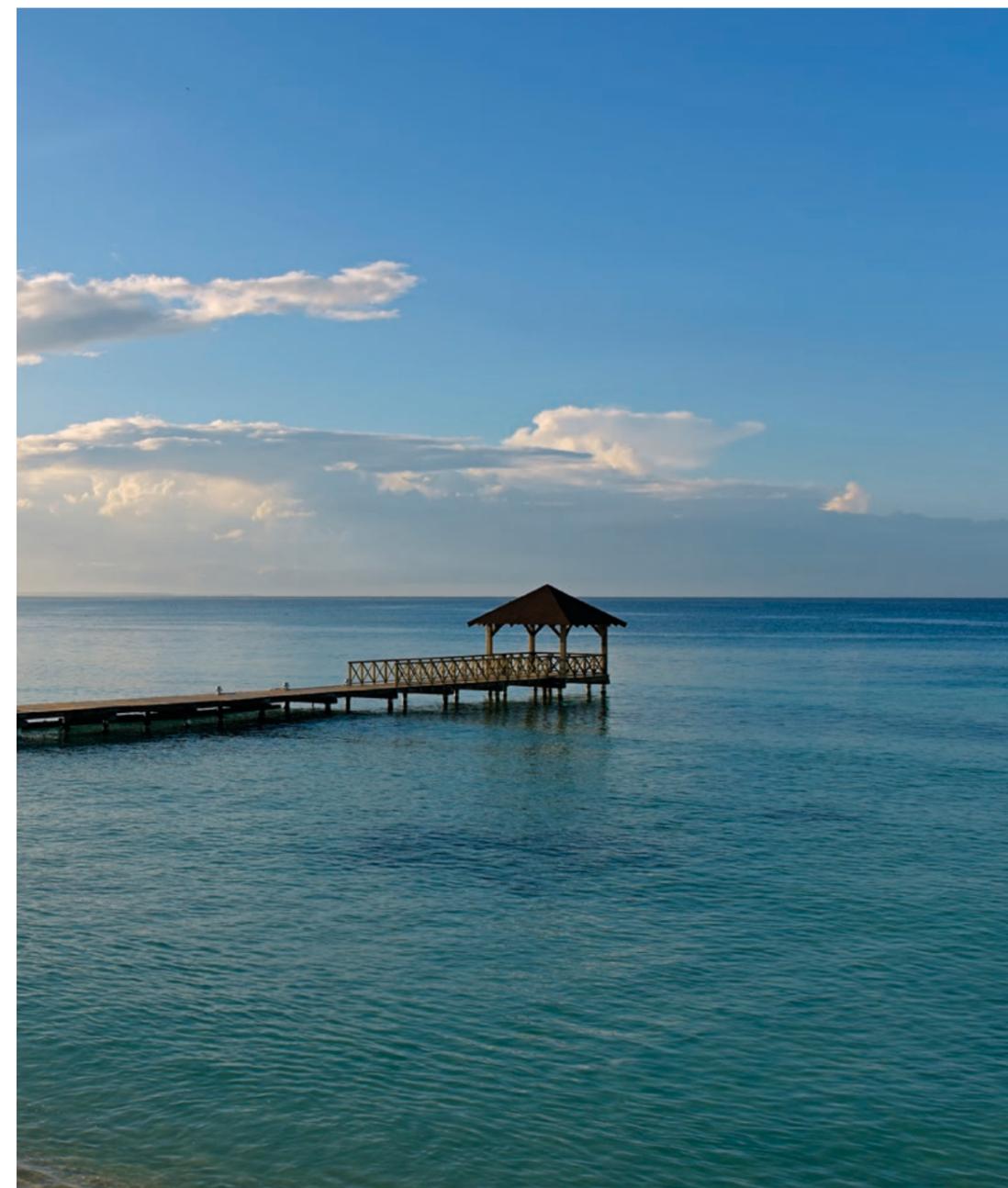
Legal Update

2.6

In light of an increasingly changing framework, in 2020 the Legal department made a new space available for all the collaborators on our internal website Star Team, which included legal news that affects the operations of Iberostar Group.

Consolidating our commitment to all those involved in the value chain (guests, employees, business partners and the environment), updates to regulations are shared in order to manage the new challenges that are emerging with greater guaran-

tees. To do this, we have directed our efforts into creating a Legal Newsletter to shed some light on the complex situation we currently find ourselves in by summarising the most recent regulations in the destinations in which Iberostar Group is present. In 2020, 6 Newsletters were published on our Star Team portal and were sent by email to the management team, all the staff at headquarters and to the EMEA hotel directors.





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Environment

We are firmly committed to the protection of the environment through responsible tourism and developing initiatives that promote the sustainability, both at a local and global level. Our commitment implies the protection of the environment and the oceans as a determining factor in our policies and decision-making, which takes place in a multidimensional manner in the various destinations and activities of the company.

In 2019, we consolidated two policies: the Environmental Policy and the Sustainability Policy. Both were spearheaded by the Group's Management and apply to all our locations of operation. The first relies on a management model based on the principles of the circular economy and optimal environmental management. It is centred around three main axes: conserving the oceans, fighting against climate change and preserving biodiversity. At the same time, the Sustainability Policy is the framework for the integration of the sustainability perspective in our business decisions, the correct management of waste, and the promotion of partnerships and projects for the consumption of locally sourced products and services, and responsible business.

Action to protect the environment are centred mainly on our hotels, given that they have the largest environmental impact. To create this Report, we compiled environmental data from 2020 and, in some cases, updated data from 2019 after receiving more accurate information from our various destinations.

CENTRAL ISSUES IN IBEROSTAR GROUP'S ENVIRONMENTAL POLICIES

Defending the oceans:

the oceans make up more than 70% of the planet's surface, help regulate the climate and produce the largest amount of oxygen in our atmosphere. They are also a source of wealth and development and an important global economic tool. We drive their conservation through the Wave of Change movement, which minimises the use of plastics to stop them from reaching the seas, promotes responsible fish and seafood consumption, creates partnerships with the scientific community and implements other actions to improve coastal health.

Fight against climate change:

at Iberostar Group we believe that climate change is a decisive phenomenon that must be made an utmost priority and forcefully counteracted. Climate change poses risks to the health and well-being of everyone, causes the acidification of seas and causes sea levels to rise. It also causes droughts and extreme weather phenomena, among other effects. To fight this, we are putting procedures and policies into place to ensure the efficient use of energy, water and other natural resources. We also work to buy locally, promote the use of renewable energy and raise awareness and educate on the environment and our natural heritage. We are creating spaces for dialogue.

Conservation of biodiversity:

the destruction of ecosystems, the excessive use of natural resources, global warming and pollution are the main threats to biodiversity. To contribute to its preservation, we implement measures to protect and promote habitats around the locations we operate in which are or may eventually be in danger. We work to prevent contamination at source and promote the preservation of natural resources, the minimisation of waste generation, reuse and recycling. We also work to protect the local flora and fauna and raise awareness among our guests and employees over the importance of preserving them.

We believe that implementing environmental protection measures is essential, not only for the habitats, but it also strengthens the relationships with our guests and benefits the economic sustainability of the Group, along with our suppliers and the local communities where we operate. This is because a fundamental part of the value of our hotels comes from the natural environments where they are located.

We adopt the precautionary principles and responsibility in our business activities and integrate it into our Environmental and Sustainability Policies. We also apply it to our environmental management actions and the Wave of Change movement.

With these approaches, we are casting a hopeful view towards a future with a more resilient, fair and sustainable planet.



Environmental Management

3.1

We aim to base our environmental management on the principles of the circular economy and three main foundations: the conservation of the oceans, the fight against climate change and the preservation of biodiversity. In this way, we are also committed to continuous improvement, to integrating environmental criteria to grow our operations and to comply with the environmental legislation applicable in each and every one of the countries where we operate. The scope of our environmental management applies to

Hospitality, Restaurant and Spa services.

We carry out an annual **review of our environmental performance** and compare it with the best practices in the sector. If necessary, we issue recommendations based on improvement opportunities to continuously strengthen our environmental management practices. Subsequently, we work on **planning** the key environmental and social aspects of the activities and services. These aspects comprise different areas:

- 01 Greenhouse gas (GHG) emissions.
- 02 Energy efficiency, conservation and management
- 03 Resource and drinkable water management.
- 04 Ecosystem conservation and management.
- 05 Social and cultural aspect management.
- 06 Planning for the use and management of land.
- 07 Protection of air quality
- 08 Management of wastewater and opportunities for reusing it following purification. .
- 09 Waste management.
- 10 Harmful substances for the environment.

Later, we carry out an **environmental risk evaluation** to maintain our long-term focus on management and meet our policy objectives for the Environment and Sustainability. If necessary, we implement specific action plans for each operation centre, in order to minimise risks.

Finally, during the **verification of the actions**, we monitor and measure the objectives and goals in order to evaluate the completion rate of the actions performed. In addition, we periodically review the evaluation of legal compliance, while being attentive to the new environmental and sustainability legislation applicable in each location of operation.

Other complementary procedures also exist to detect anomalies and correct them.

This entire process is strengthened by an Environmental Management System that is based on ISO 14001 standards, an Energy Management System, a complaint management procedure, and a waste minimisation plan.

In addition, we have set actions to follow in the event of environmental emergencies and aspects such as training our employees and communication to other stakeholders, mainly our guests, suppliers, subcontractors and business partners have been taken into account.

Stages of Iberostar Group's environmental management



Wave of Change Movement

3.2

As stated in section 1.5 of this Report, the Wave of Change movement is a fundamental pillar in our strategy to become leaders in responsible tourism. The movement is expanding throughout all areas of the company and becoming a true business philosophy: a way of steering and making decisions.

Iberostar's commitment to responsible tourism and the protection of our oceans is the backbone of our Wave of Change movement.

Wave of Change was born out of the philosophy of our family-run business: we believe in people and natural resources, without ever forgetting to provide the best quality of service. Our presence is not limited to just one location and one environment. Coastal health is very important to us everywhere, given that 80% of our hotels are located on the seafront. We have extended our commitment to all of our stakeholders to accompany us on this journey. For example, we work actively with our suppliers to involve them in this task. We

believe that the key is not in changing suppliers, but rather in re-imagining dynamics. We want to make the most of these strong points to spread this model of responsible tourism, which helps mitigate the negative impacts of climate change, overfishing and the pollution of our oceans.

Via the Wave of Change movement, we are looking to create connections with the scientific and academic communities in order to serve as catalysts for solutions in the communities where we operate. To do this, we have three lines of action, which are implemented through tangible actions and ambitious long-term goals. These consist of (1) Progressing towards a circular economy, (2) Promoting responsible consumption of fish and seafood, (3) Improving coastal health.

Likewise, in 2020, we announced five commitments that will help us lead the transition towards a more resilient mode of tourism and one that is committed to sustainability.

THE FIVE COMMITMENTS OF THE WAVE OF CHANGE MOVEMENT



- 01** All Iberostar hotels free of single-use plastic in all areas by 2020, waste free by 2025 and carbon neutral by 2030
- 02** 100% responsible fish and seafood consumption by 2025
- 03** Commitment to improving the health of ecosystems by 2030
- 04** For 90% of Iberostar guests to know about the Wave of Change movement by 2023
- 05** Responsible tourism certification in twice as many hotels from Iberostar's portfolio by 2030

Wave of Change: Progressing towards a circular economy

3.2.1



Since 2017, we have prioritised the integration of measures to reduce and reuse single-use plastic with the aim of moving towards an increasingly more circular model. It is with good reason that we believe it is essential we adopt a repairing and regenerative economy in all our operations to safeguard ocean health worldwide and improve the resilience of our company.

Likewise, despite challenges such as COVID-19, in 2020, we can announce that we have remained loyal to our commitment and have managed to eliminate single-use plastics in all of our operations. We have continued to work on the installation of water fountains to pro-

mote re-use in that sense and have also continued with the pilot projects for composting.

All of these measures that we have carried out over the years have made us realise the need for, and importance of maintaining material goods in the cycle for as long as possible. That's why, in 2020, we have worked to create a department within our operations that is dedicated to separating and measuring the waste we generate, that will be expanded into our hotels in the next year. In addition, we are focusing on the biggest challenge of all: ensuring that all products have a value at the end of their shelf life, in order to achieve our goal of being waste-free by 2025.

Elimination of single-use plastics in our operations

We are a pioneering company in the elimination of single-use plastics. Iberostar defines single-use plastic as being a product that has been totally or partially manufactured with plastic and which has been developed, designed or introduced on the market to be used once, or for a short time, before being thrown away.

At present, in our rooms and operations, we have stopped using single-use plastics for all those products that the legislation permitted, without affecting our guests' experience. To do this, we analysed a large number of items and looked for possible alternatives for each of them. Examples of this include the placement of dispensers made from recycled plastic for amenities or the elimination of single-use water bottles via the introductions of reverse osmosis fountains, among others. We even tackled the problem of packaging for butter and marmalade for individual use by looking for alternatives made from

compostable paper, glass or providing it in bulk.

When the hygiene measures in response to the pandemic were declared, we continued to work towards finding alternatives that were in line with our goals. Therefore, we acquired reusable face masks made from recycled materials, we bought hand sanitiser in bulk and refilled all sanitising stations in all of our hotels.

Likewise, Iberostar Group applies rigorous selection criteria for new products. We require internationally accepted certifications for the products we implement and request the technical information sheets in order to correctly analyse them. However, unfortunately, we still have products around us that have been manufactured with problematic plastics, but which are necessary in order to ensure that we meet our food safety standards. Therefore, we are working to correctly manage these materials so that they re-enter the production cycle and do not become waste destined for landfill.

Water fountain project

We know that we need to go further than just eliminating single-use plastics. That's why we are concentrating our efforts on a clear model that is ever more circular. Among other ini-

tiatives, we have installed 450 water fountains in all our resorts in America, in the hope that all water consumption by guests and employees occurs without the use of plastic bottles.



Composting

As the Group works towards a more circular economy, we continue to contemplate the main levers to pull. Specifically, those that could have the greatest impact and that could allow us to move forward with our goal of being leaders in responsible tourism in an effective and efficient

way. Proof of this are our pilot projects for composting that were already started in 2019, which enable us to continue progressing in our aim to not generate waste. In the next few years, we will work in the hotel destinations themselves in order to find solutions to add value to organic waste.

1 Hotel pilot Iberostar Bávaro in the Dominican Republic: The composting plant was built in the hotel's storage area. It processes organic waste from the employee kitchen, the hotel complex's bakery, the mud from the wastewater plants and the trimmings from gardening. The pilot project was a complete success and in two months, we obtained the first compost, whose quality levels were higher than expected. A total of approximately 7 tonnes of organic waste has gone to the composting plant.

2 "Circular Hotels" Pilot (Iberostar Cristina in Majorca): This project consists in a public/private collaboration with the waste treatment company in Majorca. Different hotel chains are participating in this project, along with companies in the farming sector, technological companies and local administrations in charge of selective collection. The first part consists in using new technologies at the hotels to separate the organic part from the rest (sensors in the final containers, which calculate the hotel's organic waste). This waste is collected by the municipal company and transported to a composting plant. The resulting compost is used on one of our fruit and vegetable suppliers' land. With this project, we make a commitment to the supplier to purchase the produce grown on the land fertilised with the compost that was produced. In 2020, 69.8 tonnes of organic waste were produced in Hotel Cristina, which were converted into 21 tonnes of compost. We have been able to use this generated compost to fertilise 10,500 m² of crops (2 applications/year over approx. 10 t/ha).

3 Garden Composting Plant. This is an automatic composter where the gardening team leaves its clippings, along with compostable coffee capsules collected from the Palma beachfront hotels. The compost is used to fertilise the hotel gardens and the organic vegetable garden.

Achieving a circular economy is a journey that cannot be made alone. Although we first work to implement changes in our own operations, we also want to involve our suppliers, other players in the tourism industry and the international community

so that we can all progressively move towards a circular economy. In 2020, Iberostar was present in the Advisory Board for the Global Tourism Plastics Initiative and alongside Impulsa, helped develop the platform for metrics for circularity in hotels.

Impulsa

We believe that adopting circular practices must be carried out systemically and in collaboration with other players from the tourism sector. That is why during 2020, along with the IMPULSA Balears Foundation and the UNWTO, we have developed the "Hotel Circularity" project, which focuses on implementing a manual and platform (iCircHot) which enables hotels to keep track of their progress towards circularity. The tool was presented in November 2020 and was developed by taking companies from the Balearic Islands as a reference, but is designed to be

applied globally and respond to the calling to inspire the development of more circular destinations.

Iberostar Group participated in defining and developing indicators. Multidisciplinary working groups were created so that they could contribute their view from the different perspectives based on the knowledge they have on each one of the areas. In the different working sessions, they discussed which circular economy indicators could be applied to each one of the blocks (investment, innovation and governance).

Our commitments and adhesions

To approach this issue, in 2020 we adhered to the Global Tourism Plastics Initiative, along with other companies, governments

and players in the tourism sector. By adhering to the initiative, we have agreed to the following commitments by 2025:

Eliminating problematic and unnecessary packaging and plastic items.

Adopting measures to switch from single-use models to reuse models or reusable alternatives.

Involve the value chain in order to progress and ensure that 100% of plastic containers are reusable, recyclable or compostable.

Adopt measures to increase the quantity of recycled content in all containers and plastic items used.

Collaborate and invest in increasing the rates of recycling and composting plastics.

Inform publicly and yearly about the progress that has been made with regard to these goals.

Likewise, with the aim of holistically integrating a circular economy into our operations and business culture, we have joined the Ellen MacArthur Foundation CE100 platform. CE100 aims to systemically develop and promote circular economy via the collaboration of various stakeholders, such as businesses from different sectors, the academic world, and governmental and non-governmental institutions from around the world.

Joining this pre-competitive innovation programme has huge transformative potential for Iberostar Group and the locations in which it operates, since it promotes the development of a network in which to co-create innovative initiatives to contribute to sustainably resto-

ring natural systems in the tourism sector.

In addition, we are committed to our operations being carbon neutral by 2030. As part of this goal, Iberostar will improve the energy efficiency of its operations, will use renewable energies to the maximum extent possible and will progress towards operations that are carried out using electric energy rather than fossil fuels. In 2020, work was carried out to analyse the calculation of scope 1 and scope 2 and as a signatory for the "Business Ambition for 1.5°C" agreement, Iberostar will draft a roadmap to reduce its GHGs thanks to the efficiency and source of its resources and will publish the relevant reports. Likewise, in 2020 a large part of the electric energy bought in Spain came from renewable sources.

Wave of Change: Promoting responsible fish and seafood consumption

3.2.2



Consuming fish and seafood from a responsible source contributes to preserving the environment, promotes the subsistence of local communities and ensures the viability of the fisheries. This is why, ensuring the sustainability of our products has

become one of our lines of action.

For 2020, we are proud to announce three key milestones in developing a more responsible and conscious supply chain:

We have doubled the number of restaurants with a Chain of Custody certification for MSC and ASC certified products. This fact shows the company's steadfast commitment to promoting and developing ever more responsible fish and seafood consumption.

41% of the fish and seafood that we serve in our hotels comes from a responsible source. In order to achieve this goal, gathering data has been essential as it has enabled us to understand the source of our products and ensure this is in line with our commitment. Our system identifies various indicators for each product (Key Data Elements), including among others, the supplier reference, the species in Latin, the source (aquaculture or wild fishing), the method used, the country of capture, FAO area and the IUCN classification.

We have publicly announced our roadmap towards 100% responsible consumption of seafood products by 2025

Despite the fact that most of our hotels and restaurants were closed in 2020, we kept working in order to be able to offer fish that has been certified under the Marine Stewardship Council (MSC) and Aqua-

culture Stewardship Council (ASC) standard in our restaurants. In 2020, we doubled the number of certified restaurants and were the first hotel in Portugal to receive this certification.

RESTAURANTS WITH CHAIN OF CUSTODY CERTIFICATION FOR MSC AND ASC CERTIFIED PRODUCTS



Mexico	Spain	Portugal	Dominican Republic
 L'atelier MSC-C-57197 ASC-C-02210	 Marea MSC-C-56777 ASC-C-01934	 Luz MSC-C-58091 ASC-C-02858	 LE TOURBILLON MSC-C-57215 ASC-C-02212
 VENECIA MSC-C-57197 ASC-C-02210	 ASTIR RESTAURANTE MSC-C-56782 ASC-C-01938		 Casa de la Playa MSC-C-57215 ASC-C-02212
Market gastronomy Lemon & Spice MSC-C-57197 ASC-C-02210	CA'S MENESTRAL MSC-C-56782 ASC-C-01938		OceanElFaro ***** MSC-C-57215 ASC-C-02212
UNDER THE SEA MSC-C-57197 ASC-C-02210	 GRAN CLAVEL DE VINOS MSC-C-56686 ASC-C-01970		Il Forno MSC-C-57215 ASC-C-02212
	PAPA negra MSC-C-57423 ASC-C-02393		

“Responsible” fish and seafood

The certifications offer the maximum guarantee that the product obtained is responsibly sourced, has been caught legally and has complete traceability. This is why here at Iberostar Group, we prioritise obtaining certified products and have signed a partnership agreement with:

Global Sustainable Seafood Initiative (GSSI) through which we show our support to the eco-certifications obtained via the rigorous and transparent benchmarking process using their Global Benchmark Tool.

Marine Stewardship Council (MSC) y Aquaculture Stewardship Council (ASC). We are the first hotel chain in Southern Europe, the Dominican Republic and Mexico to receive chain of custody certification from the Marine Stewardship Council (MSC) and Aquaculture Stewardship Council (ASC).

In addition, there are other non-certified products from responsible sources, such as products from fisheries and aquaculture which are applying an improvement programme (FIPs and AIPs), those with a Yellow or Green rating from the Monterey Bay Aquarium Seafood Watch programme or those which are applying responsible policies, but which do not yet have an evaluation or certification.

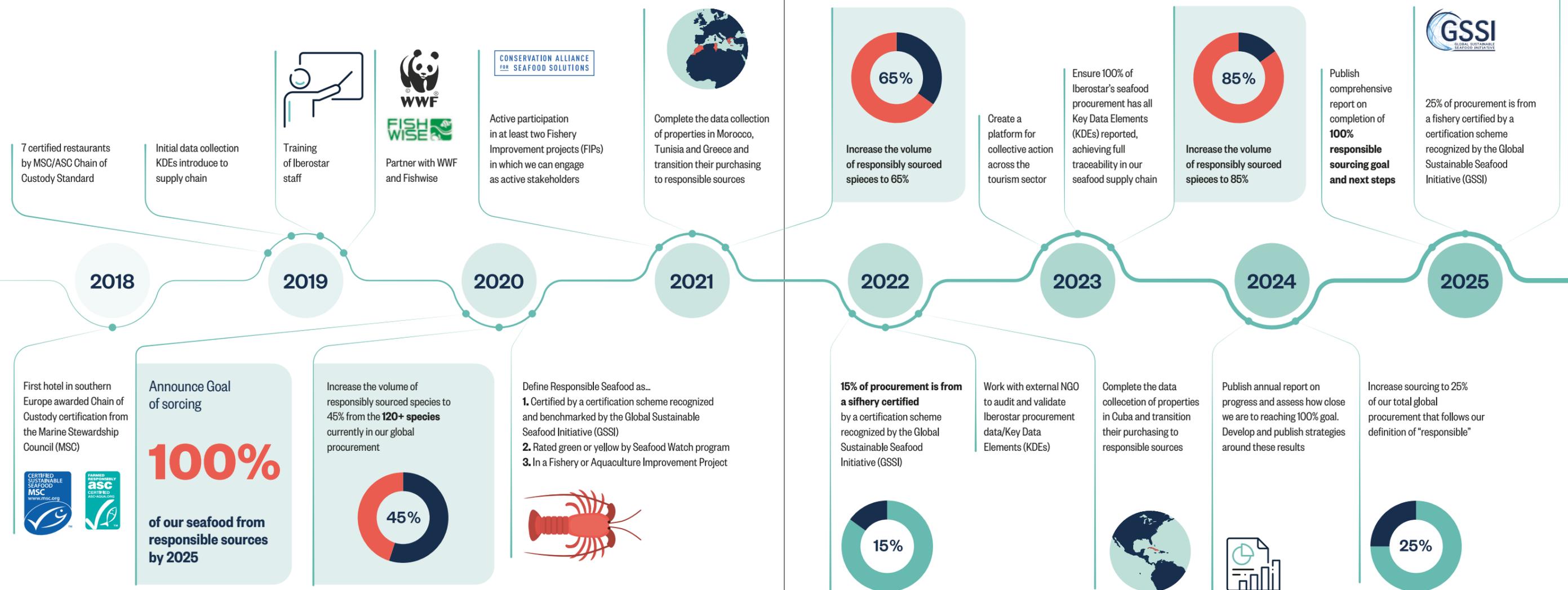
Along with the aforementioned certifications and ratings, we have redesigned our restaurant menus to promote a culinary offering of fish that ensures that the most sensitive species are captured in a responsible way. We put increased emphasis on local and seasonal fish, thus promoting the local economy.

All this work has been made possible thanks to the collaboration with the purchasing department and the direct relationship with suppliers. Gathering data is what has enabled us to better understand the complexity of our supply chain, the number of players involved at each step (from the producer to the distributor), the country of origin of the product and the capture method, among others. With this information, we are able to prioritise those products that fall within our definition of ‘responsible’ and which help us achieve our goals. In 2020, 41% of the fish and seafood that we serve in our hotels came from a responsible source.



Iberostar roadmap to 2025

Our commitment is to set some quantitative, transparent and progressive goals. This means that we need to report back on our yearly milestones. Below we explain our roadmap for offering responsibly sourced fish and seafood in our hotels by 2025.



Wave of Change: Improving coastal health

3.2.3



Iberostar Group is committed to improving the health of the ecosystems in which our hotels are located by 2030. To do this, in 2020 we publicly announced our carbon offset strategy based on blue carbon and our reef recovery strategy.

Blue carbon is the carbon that is captured and stored in mangrove forests. These ecosystems are

found in tropical and subtropical coastal areas and can capture more carbon than forests on land; therefore, promoting their protection is an important adaptation method for climate change.

Our offset strategy based on blue carbon is founded around four goals:

Offset at least 75% of the CO₂ produced by our operations by 2030.

Use blue carbon as an additional source for processing the excess of nutrients following treatment in the properties in which Iberostar Group has its own wastewater treatment facilities.

Add at least 25% more vegetation in the areas around selected Iberostar Group hotels.

Promote the exposure of these ecosystems so that guests, employees and other stakeholders can connect with our commitment.

Improving coastal health also implies protecting and restoring the coral reefs and the seagrass surrounding our properties. With this goal in mind, we created the first coral lab in the Dominican Republic and in 2020, during the reopening of the Paraiso Complex in the Riviera Maya, we inaugurated our second coral lab. In addition, we granted 4 Rebuilding Coral Reef research grants with the aim of inspiring the protection of corals and boosting the search for solutions to rebuild the reefs.

In addition, in 2020, we continued working on the “Iberostar Marine Professorship”, a collaboration agreement with the University of the Balearic Islands, whose goal is to promote professional training on research, conservation and marine environment management. In this edition, we granted 11 grants to young students for research ranging from studying the impact of microplastic on species to the evaluation of the incidence of plastics on the Balearic Coast.

For more information on the actions of Wave of Change in promoting coastal health, see section 3.9 of this Report.

Wave of Change partnerships

As a movement committed to the planet’s sustainability, Wave of Change has transformative potential. It stands out for its strength and values, thanks to its ability to unite through different parties’ active and multidimensional involvement. Wave of Change is precisely that: an example of a collaborative project, which creates a network of strong and complimentary partnerships.

At Iberostar Group, we work as responsible tourism advisors in the United Nations World Tourism Organisation’s (UNWTO) Global Tourism Plastics Initiative and for the High Level Panel for

a Sustainable Ocean Economy. The company has established partnerships with international bodies like the Ellen MacArthur Foundation, the Marine Stewardship Council, the United Nations Global Compact, the Business Ambition for 1.5°C and EarthCheck, along with local entities like Tirme and the Impulsa Foundation (Majorca), Seascape Caribbean (Jamaica), CINVESTAV-MERIDA (Mexico) and Fundemar (Dominican Republic), among others. In addition, partnerships have been established with academic organisations like the University of the Balearic Islands.

WAVE OF CHANGE PARTNERSHIPS



APOYAMOS AL PACTO MUNDIAL

Esta es nuestra **Comunicación sobre el Progreso** en la aplicación de los principios del Pacto Mundial de las Naciones Unidas.

Agradecemos cualquier comentario sobre su contenido.



EARTHCHECK



Actions driven by Wave of Change

The transformative potential of Wave of Change shines through with awareness-raising and educational actions that promote a responsible tourism model, which helps mitigate impacts on our oceans. Some of these actions are:



Actions to guarantee biodiversity



Sea turtle conservation programmes: the Caribbean hotels from Iberostar Group carry out programmes for the protection and conservation of sea turtles by installing sea turtle sanctuaries that allow them to nest, give birth and reach the sea, as well as provide a place where they can be monitored. They also carry out awareness-raising and educational activities with our guests about sea turtles.

School visits: We visit schools close to our facilities. These schools are attended by the children of many of our employees. We had the chance to explain the importance of coastal health and its ecosystems to kids up to ten years old. Our goal is for them to understand, through dynamic and fun activities, the role these ecosystems play and what we should do to protect them. At the end of each visit, the children were asked to draw pictures conveying what they had learned, with the best ones chosen to appear on a calendar.



Awareness-raising and guest education actions



Star Camp Programme: “Star Camp” is an activity programme for children offered at our family hotels. It is based on the idea of learning through leisure and fun. Its starting block is the theory of multiple intelligences, which defends the development of intelligence through interactions and cooperation. The programme also promotes awareness-raising and educational activities related to marine habitats.

Likewise, we are currently developing an awareness and environmental education project for the educational centres in the areas where Iberostar is located with the aim of transmitting the respect for the marine world and the responsibility for the use and disposal of plastics. At the end of this financial year, we started developing the contents of the programme and hope that we can unveil it and launch it at the end of 2021 or at the beginning of 2022.

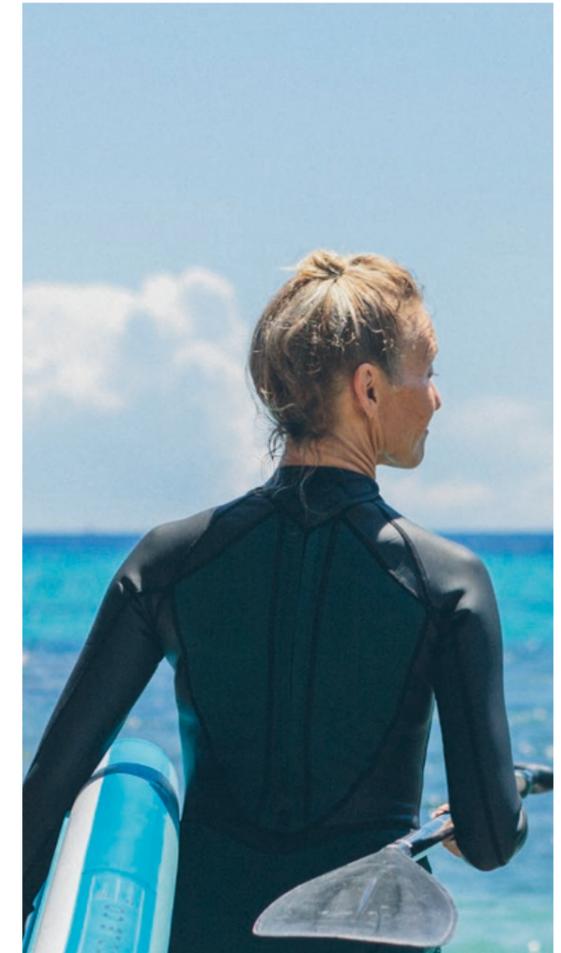
“World Oceans Day: On World Ocean Day, we publicly announced our strategy to achieve the target of 100% of our fish and seafood being from responsible sources by 2025.



General information-spreading actions



Riding the Wave: We launched the “Riding the Wave” series, in which experts from various fields explain the importance of our oceans and how we can all participate in protecting them. These conferences can be seen on our social networks (Instagram, Facebook y Twitter).



Presence at conferences

As part of the activities for the Wave of Change campaign, we have been at various forums and have presented the initiatives that we have carried out over the last few years. The following are some of the most relevant:

FORUMS IN WHICH IBEROSTAR GROUP HAS PUBLICISED THE WAVE OF CHANGE MOVEMENT



Awards given to Wave of Change

“These awards are yet another incentive on our journey to define a more responsible tourism model. We are very proud of how our Wave of Change movement has progressed. No business effort can be made nowadays without marking a purpose and generating value. It is important for companies to find a way to do this within their business and to share it with their customers and stakeholders.”

Sabina Fluxá, Vice-Chair and CEO of Iberostar Group

In the area of FITUR, Iberostar Group has won the third edition of the Award for Responsible and Sustainable Tourism in the Hotel Sector category. On the 22 January, the InterMundial Foundation issued the award that it organises in collaboration with Fitur and the United Nations World Tourism Organization, which recognises our commitment and leadership in responsible tourism.

In addition, in 2020, the Blue Flag International panel of judges issued us with the first prize in best practices (Blue Flag Best Practice Competition 2020) to the beaches of our resorts in the Dominican Republic due to the Wave of Change initiative.

Futurismo gives out the Mencey Futurista de Honor [Mencey Futurist of Honour] awards, which are given to professionals, businesses or institutions with the most respect within the tourism sector: either for their contributions and achievements, experience, critiques or values. On October 22, 2020, Iberostar Group received the Sustainability Award for the Most Sustainable International Hotel Chain.

In February 2020, the Onda Cero Awards in Majorca, once again recognised the work of all those individuals or entities that are contributing to the development of Majorcan society, as well as those who stand out for their work both on the island and off it. This time, the panel of judges recognised the ‘Circular Hotels’ project by Tirme – which Iberostar Group is collaborating on along with other hotel chains – with the 2020 Onda Cero Majorca Award for Corporate Responsibility.



Environmental impact assessment and certification procedures

3.3

The majority of our hotels have environmental certifications. Those certifications our hotels have are a testament to our commitment to proper environmental management. In 2018, we began a partnership with EarthCheck, in order to standardise and be able to scale all of our actions up in every destination where we are present. EarthCheck is the world leader in consulting, scientific benchmarking and certifications for the tourism and travel industry. Our objective is to coordinate the sustainability initiatives that we are implementing in more than 100 hotels within the hotel chain.

The EarthCheck certification available in all

of the countries where we operate allows us to improve our environmental performance, to better interact with the community and to save money by more efficiently using our resources.

Iberostar has been working hard in 2020 to adapt to these new standards. In 2020, 33 of our EMEA¹ and AME² hotels have a SILVER certification and 5 hotels in Cuba have a BRONZE certification. We are working for the rest of our hotels to be EarthCheck certified within the next few years. This will keep us on the path towards ever more responsible tourism management. Iberostar Group's most relevant certifications are the following:

IBEROSTAR GROUP ENVIRONMENTAL CERTIFICATIONS (2019-2020)

Certification		Number of certified hotels 2020	Number of certified hotels 2019
ISO 14001:2015		36	31
EarthCheck		33	6
Travelife		1	1
EMAS		0	3
Green Globe		0	10
Ecocheck		0	3
Green Key		2	6
Blue Flag ³		7	7

¹ The EMEA region includes Europe, the Middle East and Africa.

² The AMES region includes the entire American continent.

³ This certification is for the AMES region beaches.

On the other hand, at the Group we have a Civil Liability master insurance policy that covers our liability in the case of sudden and accidental pollution, with a sub-limit of €20 million per accident, per year.

Iberostar Group's Code of Ethics also carries the strong commitment to preserving the environment and respecting the local flora and fauna in

all the destinations where we operate. Iberostar Group's care for the environment extends to the relationships that we maintain with employees, who must be aware of the environment's importance for the performance of their mission and the fulfilment of our business vision.

While obeying the established values and principles, they should:

Be responsible and lead with their actions on a daily basis. This means respecting the environment, responsibly consuming resources, energy and water, avoiding the unnecessary creation of waste and promoting recycling.

Understand, respect and drive others to respect all the environmental protection policies and commitments applicable to Iberostar Group in general, and particularly to hotels.

Understand the environmental impact and respect environmental regulations applicable to their daily activities. To do this, it has established the necessary training and action plans.

Consider environmental impacts and risks as a factor when making decisions, including when selecting suppliers. In addition, it will select alternative options if they adequately respond to environmental efficiency criteria.



Sustainable use of resources

3.4

We understand the impact our activity has. The inefficient consumption of natural resources, energy, water and raw materials, as well as products whose manufacturing process requires a high consumption of energy, water and raw materials, may generate scenes of shortages in the future, which may put our economic activity at risk as well as the well-being of the communities in the locations in which we operate. That's why we believe it is essential to carry out rigorous controls on the use of resources in all our hotels. Monitoring this use allows us to optimise and reduce resource use and implement measures for environmental efficiency.

On the other hand, we at Iberostar Group have been working for years on sustainable design and construction initiatives, both for new construction works and in refurbishments of EMEA and AMES hotels, while adhering to country-specific regulations. These initiatives, in which we analyse every phase of the building life cycle, are crucial for properly applying sustainability criteria and for making sure that the construction systems and materials used are appropriate for these project concepts. Subsequently, and during their useful life, they allow us to better reach better environmental efficiency rates in terms of resource use. We also carry out environmental impact studies, which are essential for the execution of these projects. These include identifying flora and fauna and protected areas, measures to minimise

earth movements, among other measures.

On the other hand, during construction, we prioritise, as much as possible, the use of recycled materials, as well as materials that are sourced from and native to each area. We also prioritise sustainable purchasing based on standards such as FSC, fair trade, EU Ecolabel certification, Energy Star USA and LEED, the use of wood from controlled forestry operations, and the use of recycled materials, among others.

Throughout 2020, we made progress on the Comprehensive Work Plan with the aim of establishing the implementation of the "Iberostar Responsible Construction Standards" into new projects and hotel refurbishments. These are based on environmental legislation and regulations in each country, on standards of reference for sustainable construction, such as Leed, Lean Construction and Cradle to Cradle (the latter is specifically for applying circular economy criteria), as well as on the manuals and guides for Construction Works and Projects which already exist within Iberostar Group in order to minimise environmental impact.

During 2020, and despite the eventualities caused by COVID-19, the Investments, Works and Projects Department, along with the participation of other departments (Purchasing, Operations, Sustainability Office, among others), carried out the following measures planned in 2019:

Training days for the Certification Systems teams (Leed and Lean Construction) to promote raising greater awareness and communication with internal teams and external collaborators.

Drafting of documents, such as Iberostar Group Sustainable Project Guide, the Manual on Efficient Water Use, the Manual on materials, construction products, construction systems and waste management, the indoor quality and comfort Manual and the Manual on energy and the atmosphere.

Creation of analyses and reports on existing buildings, new projects and construction projects carried out in order to compare our buildings and construction projects with respect to the Leed construction standards (feasibility analysis of the Leed certification on the operation and maintenance of two hotels in America and two hotels in the EMEA region, as well as a feasibility analysis for the Leed certification on design and construction for one hotel in America).

Study and selection of buildings from the Iberostar Hotels portfolio for the creation of energetic models. This enables the simulation of energy use in the building in different scenarios and gives an estimation of the potential reductions in energy use, as well as the carbon footprint that can be made before carrying out refurbishments.

An example of the implementation of these good practices in 2020 is the construction work performed on the Hotel Royal Andalus. This project involved the refurbishment and extension of some floors where the rooms are located (including the refurbishment of bathrooms, floors, facilities and interior furniture), the construction of new floors for rooms, as well as the refurbishment of the buffet and grill areas, fitness centre, shops,

reception and administrative offices. To carry this out, we took measures to reduce the generation of greenhouse gases (GHGs) into account, during the different phases of the construction project. Using specialised software, the reductions in GHGs were estimated for different construction alternatives, so that the emissions associated with each alternative became an extra criterion when it came to choosing which alternative should be used.

The results achieved are presented below:

Measures for the reduction of greenhouse gas emissions (GHGs)	% of reduction in GHG emissions
Choice of materials	
1. Use of recycled aggregates compared to directly extracted aggregates	75 %
2. Use of ecological and environmentally friendly paints	99 %
Proper waste management	
1. Reuse of gravel from roofs for backfills	100 %
2. Reuse of soil from excavations for external improvements at the end of the construction project	100 %
3. Reuse of organic soil for external improvements at the end of the construction project	100 %
4. Separation of waste at source to be sent for recycling (concrete, metal, wood, plastic, other)	80 %
Measures of energy efficiency	
1. Use of electronic devices with a European eco-label	75 %
2. Optimisation of the ratio (power available/power necessary) in the machinery used during the construction project	Depending on the optimisation possible
Protection of the surroundings	
1. Staff travelling to the construction site in vehicles with a minimum 80 % occupancy rather than a 20 % occupancy.	75 %
2. Trees planted to compensate the carbon footprint made	Depending on the type of tree (each year, a 20-year-old tree can capture the CO ₂ for a vehicle that travels between 10,000 and 20,000 km)

Another example of the implementation of good practices in 2020, is the refurbishment of the sun terrace at the pool in Hotel Cala Barca with a new children's pool, bathrooms and the reconstruction of the paddle tennis court. In addition, more than 800 m² of garden were recuperated, in which a more efficient watering network was installed which improves the monitoring of water use. The leftover materials from the demolition and excavation works were reused for backfilling or, when

possible, were used again during the construction project (paddle tennis courts, fencing around the pool). If materials were not reused, the GHG emissions during the refurbishment would have been double what they were, as it would have been necessary to transport these materials to landfill and to transport new material from a quarry. In any case, we ensured that the waste generated (artificial lawn, fencing, metal cladding and cables) were sent to be recycled with authorised agents.

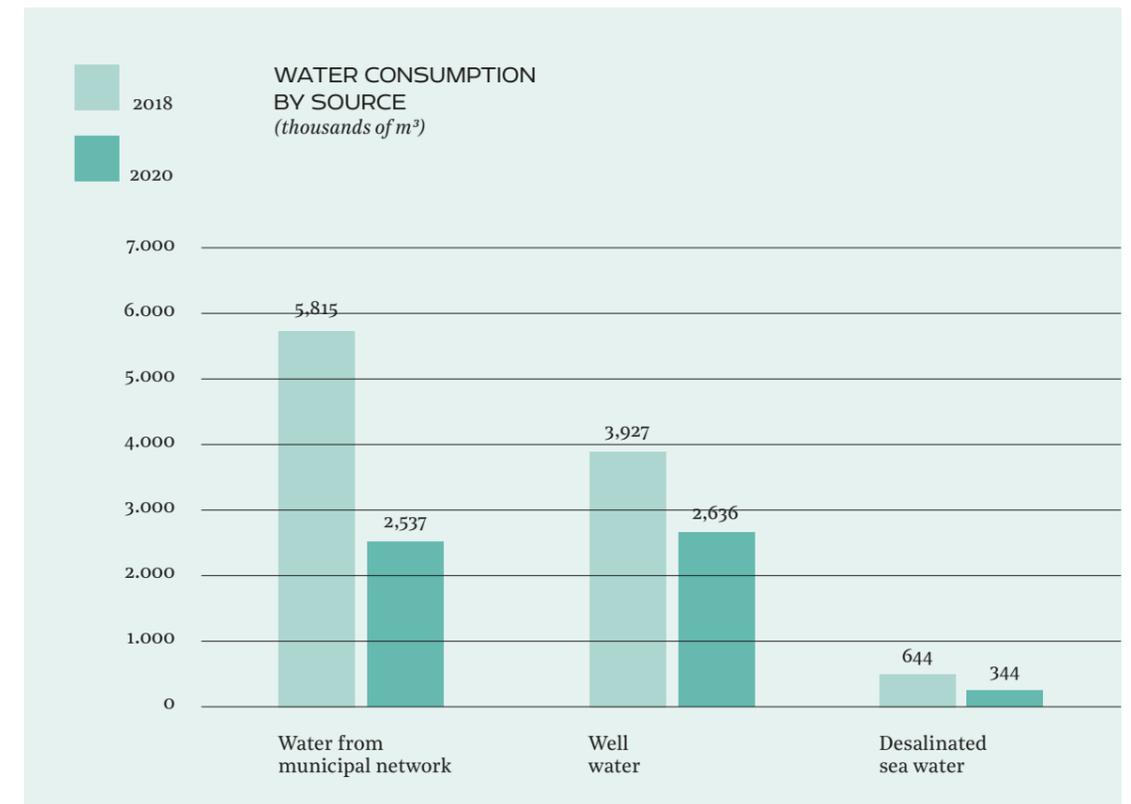
Water consumption

3.4.1

We at Iberostar Group know the value and importance of water resources. These resources are increasingly limited due to overuse through human activities. For this reason, we carry out exhaustive monitoring of consumption in all of our hotels, and can thus manage it more precisely and efficiently. Among the measures applied to improve the

efficiency of water consumption in our hotels is the use of taps with integrated water saving systems, dual flush toilets, toilet tanks with less water storage capacity and centralised steam generation. A general example is the planting of our gardens with native plants, which adapt better to each destination's climate and help optimise water use when watering the gardens.

The water use for 2020 and 2019, depending on the type of source, can be found in the graph below:



In 2020, water use in our hotels was 5.52 million m³ (46.9% lower than the water use in 2019). Out of the total water used in 2020, 46.0% of the water came from a municipal water network, 47.8% was well water, and the rest was desalinated seawater. In 2019, water consumption in our hotels came in at 10.39 million cubic metres, with 56.0% coming from muni-

cipal water networks, 37.8% coming from well water and the rest coming from desalinated seawater.

It is also important to analyse the intensity of water use, i.e. the use of water compared to the number of stays in our hotels. This enables us to understand the variations in the data in one year compared to the previous one by taking another perspective.

The use of water per stay in 2020 and 2019, depending on the type of source, can be found in the graph below.



In 2020, the average water consumption in our hotels was 1,210 litres per stay, while in 2019 it was 643 litres per stay. As expected, the increase in water use per stay is mainly due to the exceptional operation conditions in 2020 due to COVID-19. In normal operating conditions, in the Dominican Republic, Mexico, Jamaica, Brazil and Greece, we water our gardens with water that has been previously treated in wastewater purification centres. Also, in the Dominican Republic and Brazil, a large majority of the water we use to maintain our golf courses comes from wastewater purification centres. Nevertheless, due to the lower number of guests at our hotels in 2020, the generation

of wastewater was significantly reduced and the maintenance of the facilities had to be carried out mainly using network water or well water, depending on the water source available at each hotel. This generated a significant increase in water use per stay. On the other hand, the pools were running normally in the periods in 2020 in which our hotels were open; however, since the occupancy level was lower (and therefore, a lower number of stays) compared to in previous years, the use of water per stay also increased. In addition, since they were closed for several months, we had to perform maintenance and cleaning tasks on the pools, which meant an increase in water use.

Energy consumption and energy efficiency

3.4.2

We are raising energy efficiency in our hotels in order to improve environmental sustainability and offer our guests a stay that is more comfortable and adapted to their needs.

For this reason, in recent years, we have been improving the monitoring of our consumption and efficiency for the majority of our processes. These improvements are centred around replacing old light fixtures with LED lighting and installing smart systems that enable improved and more efficient heating and cooling regulation in rooms and common areas. We also replaced outdoor joinery with double layers and dual-pane safety windows to improve energy savings, added more efficient and

smarter heating and air conditioning systems, pipe insulations and hot water systems heated by thermal solar panels.

In addition, our hotel refurbishments are aimed at raising standards of comfort. In many cases, this means raising the hotel category from 4 to 5 stars, while also pursuing a rise in occupational capacity and offered services.

In addition, in our hotels we carry out different projects and actions to strengthen the use of renewable energy, which also contributes to reducing greenhouse gas emissions. We have specifically implemented energy decentralisation programmes with renewable and reusable energies, working with:

Biomass: pellet biomass boilers in five hotels in Spain (Iberostar Playa de Palma, Andalucía Playa, Marbella Coral Beach, Fuerteventura Palace and Lanzarote Park). In some of these hotels, thermal energy generation is used to heat the pools. In 2020, the use of biomass represented a figure equivalent to 20.9% of the use of fossil fuels in Spain, while in 2019 this represented 14.7%.

Solar panels to capture solar thermal energy: at Iberostar Alcudia Park in Majorca and at the Iberostar Hotel Complex in Brazil.

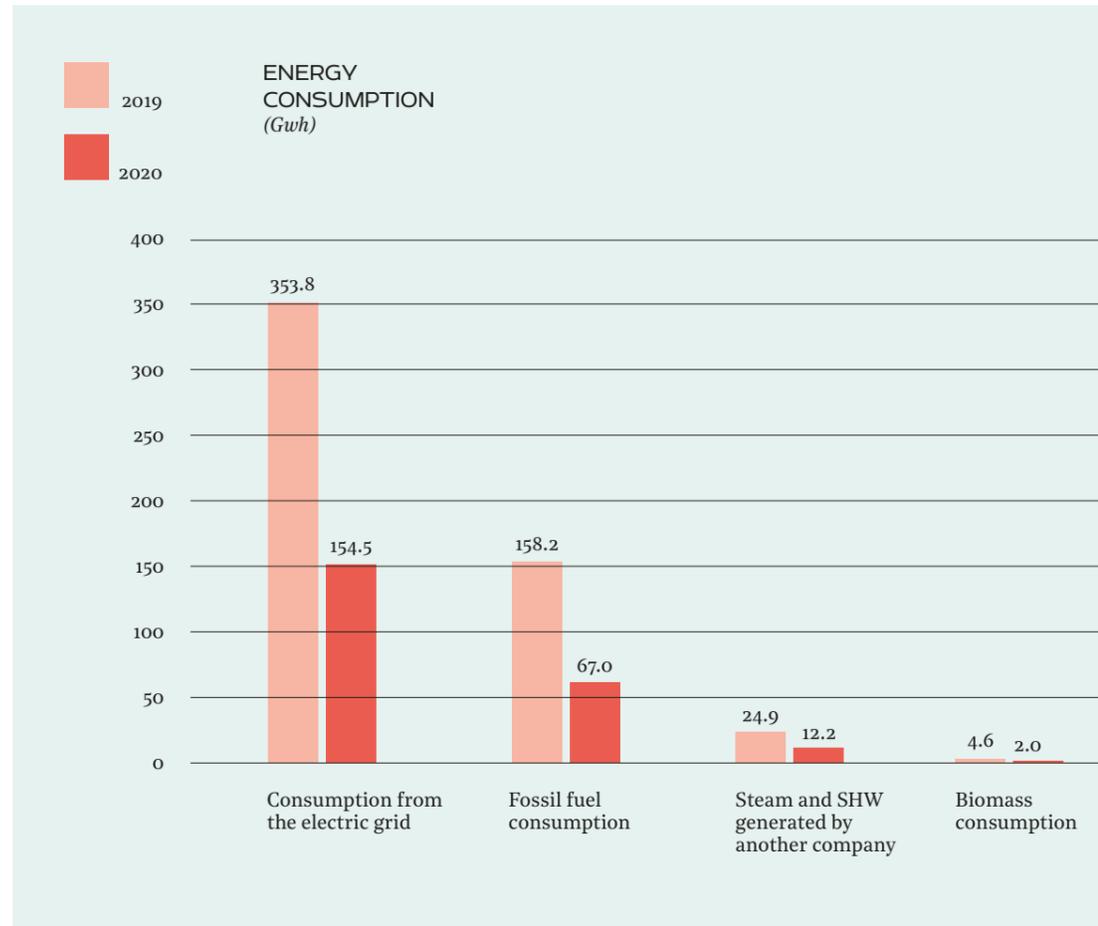
Hybrid solar panels: at Iberostar Bouganville in Tenerife, we replaced the solar thermal energy system with hybrid solar panels, which use the same unit area to produce both thermal energy and electric energy. It also maintains the electricity-producing part at a lower temperature, thus improving its performance and durability.

Reuse at Iberostar Alcudia Park in Majorca and Paseo de Gracia in Barcelona, through systems that increase efficiency, applying leftover primary-use energy to secondary uses.

In addition, as of 2018, there are electric vehicle charging stations at multiple hotels in the Balearic Islands, Andalusia and the Canary Islands.

On the other hand, in 2020, Iberostar Group purchased electricity guaranteed to have been sourced with renewable energy (Garantía de Origen, GdO), which represented 87.6% of the electricity consumption of our hotels in Spain.

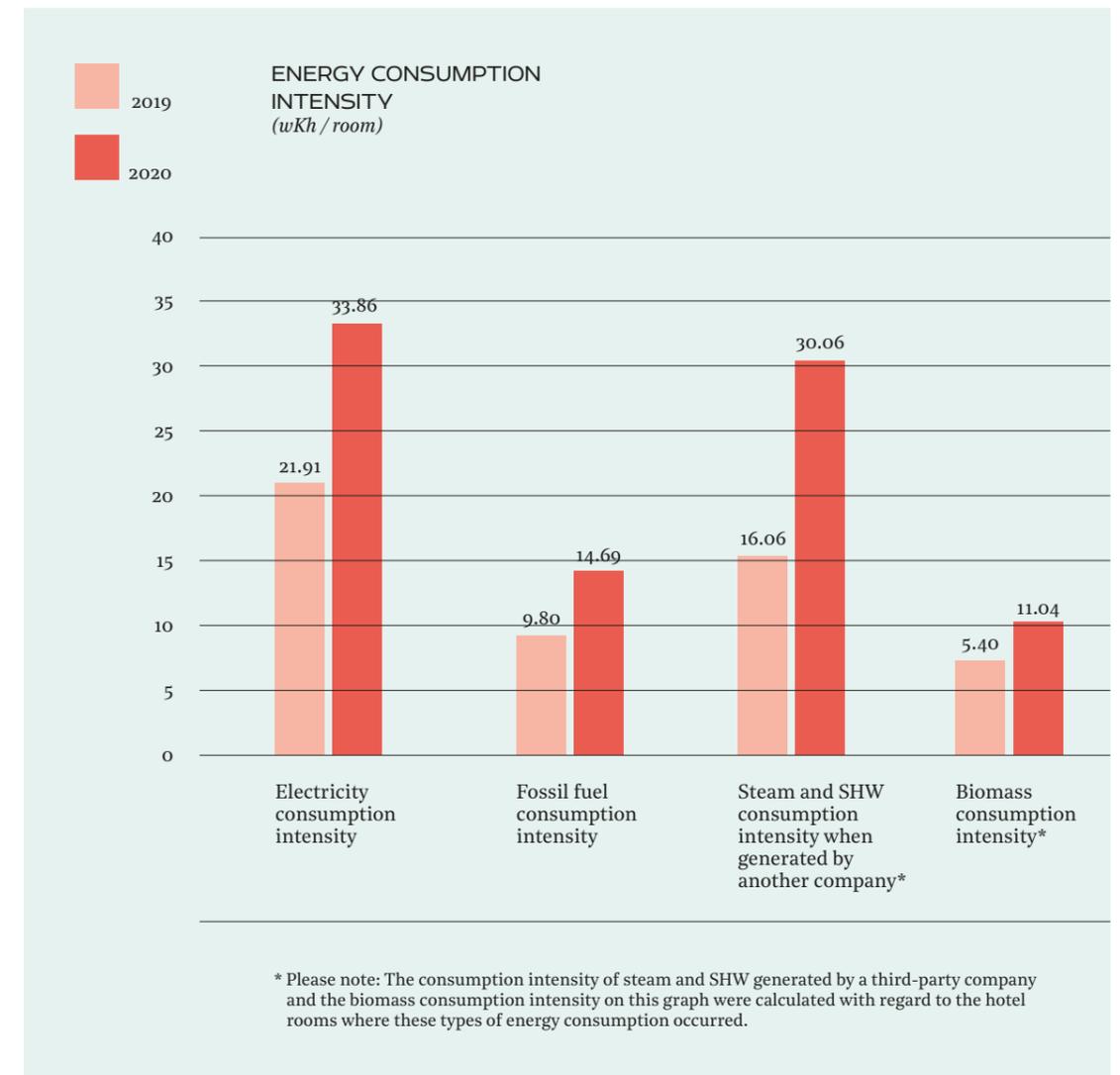
The use of energy in 2020 and 2019, depending on the source, can be found in the table below:



In 2020, energy consumption in our hotels amounted to 235.7 GWh, (56.5% lower than in 2019), of which 65.55% was electricity consumption; 28.43% was fossil fuel consumption for boilers, kitchens and generators; 5.15% was steam and sanitary hot water (SHW) purchased from a third-party company (in four hotels in the Dominican Repu-

blic and two in Mexico); and 0.87% was biomass consumption in boilers (in five hotels in Spain). In 2019, energy consumption in our hotels amounted to 541.5 GWh, of which 65.34% was electricity consumption; 29.21% fossil fuel consumption; 4.61% steam and sanitary hot water; and 0.84% was biomass consumption.

Upon analysing the intensity of energy use per stay, we can see an increase in 2020 compared to 2019 in all energy sources used:



The increase in energy use per stay in 2020 is due to the abnormal circumstances caused by Covid-19. Despite having to be closed for several months in 2020, our hotels had to continue using energy due to the essential maintenance of their facilities. When it

was possible to reopen our hotels, the maintenance of the common areas meant that we used a similar amount of energy to normal operations but were providing a service to a reduced number of guests; therefore, implying a higher use of energy per stay.

Resources dedicated to improving energy efficiency and other environmental improvements

3.4.3

As explained at the beginning of the previous section (section 3.4.2), we at Iberostar Group have invested in energy efficiency, using the best technology available on the market. During 2020, given the context of the pandemic, many of the planned projects were pushed back to be carried out in 2021. Nevertheless, in 2020 in Spain, we replaced the temperature control devices in our hotels at a cost of more than 0.5 million euros.



Emission of greenhouse gases

3.5

We understand that we cannot manage what we cannot measure. That's why, as a key action to move forward in fighting climate change, we worked to measure our greenhouse gas (GHG) emissions based on the *Corporate Accounting and Reporting Standard* and the *GHG Protocol Scope 2 Guidance* standards from *Greenhouse Gas Protocol* (GHG Protocol). GHG Protocol is an organisation formed by the World Resources Institute (WRI) and the World Business Council for Sustainable Development (WBCSD), with more than 20 years of experience working to develop frameworks for the measurement and management of GHG emissions.

In line with these GHG Protocol standards, we calculated our Scope 1 and Scope 2 greenhouse gas emissions from our inventories (the concept of "Scope" allows us to differentiate between direct and indirect greenhouse gas emissions and avoid counting the emissions twice).

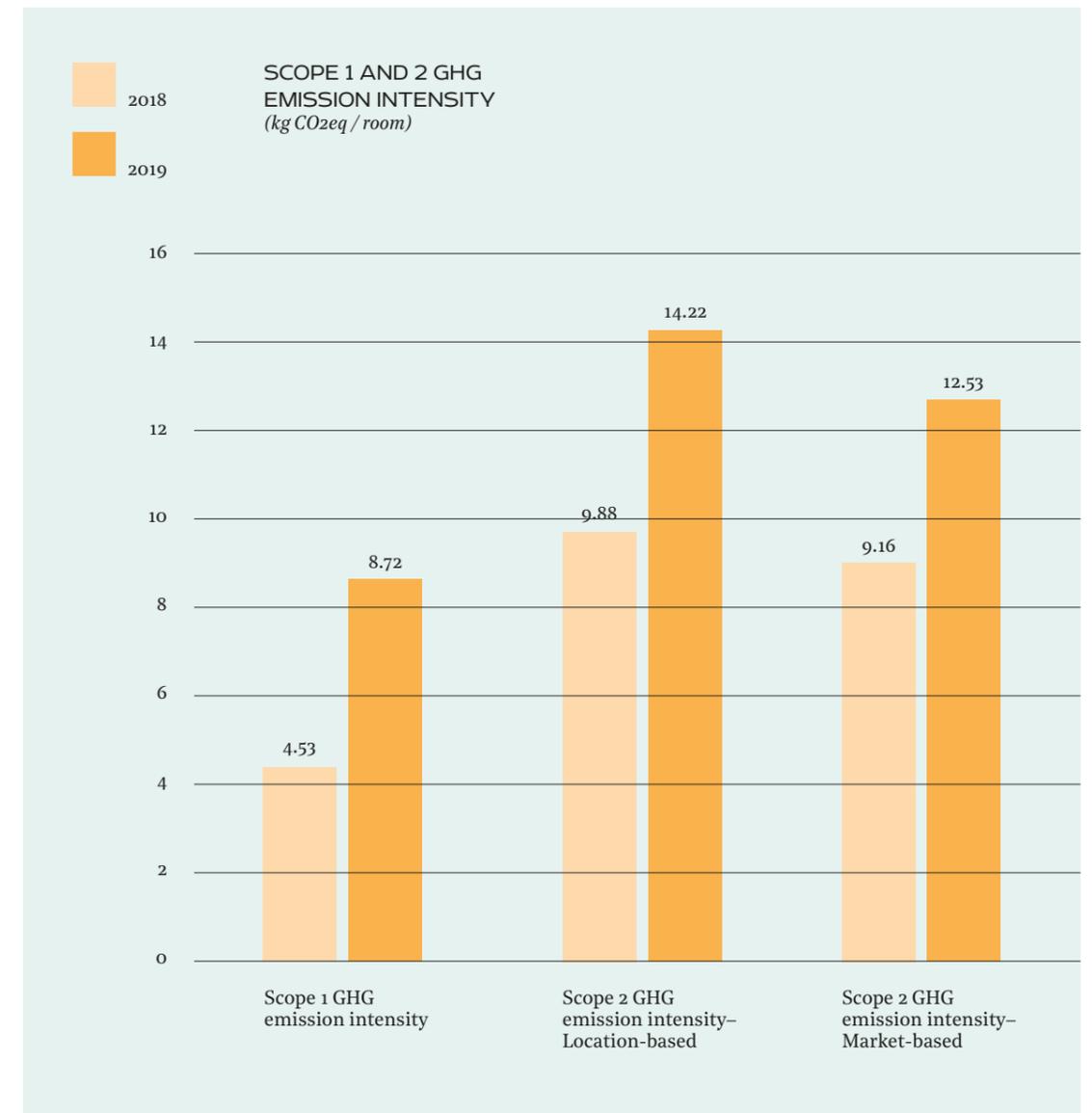
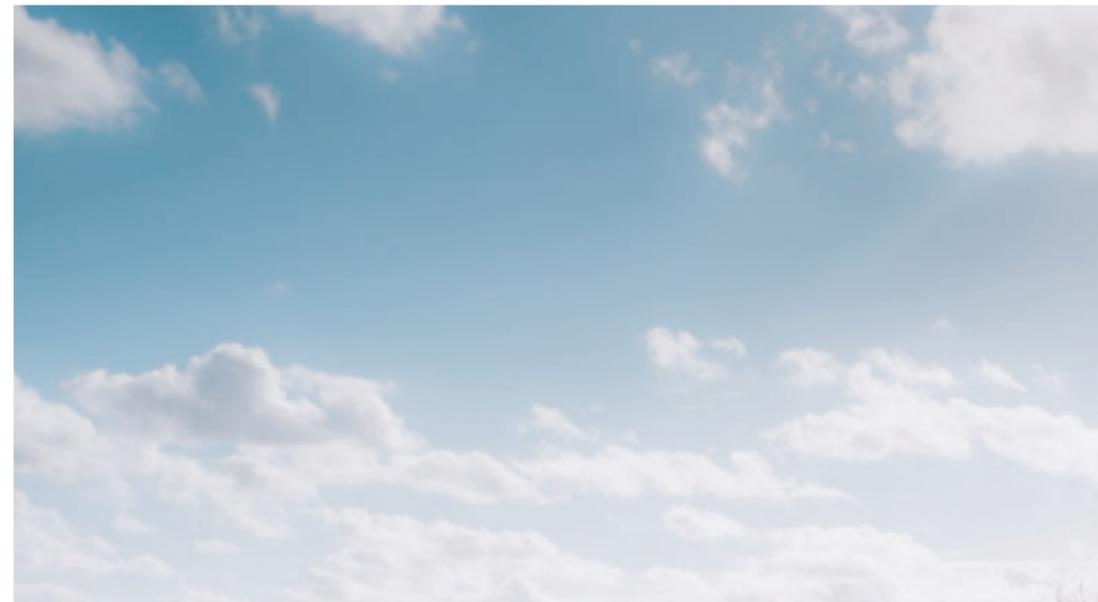
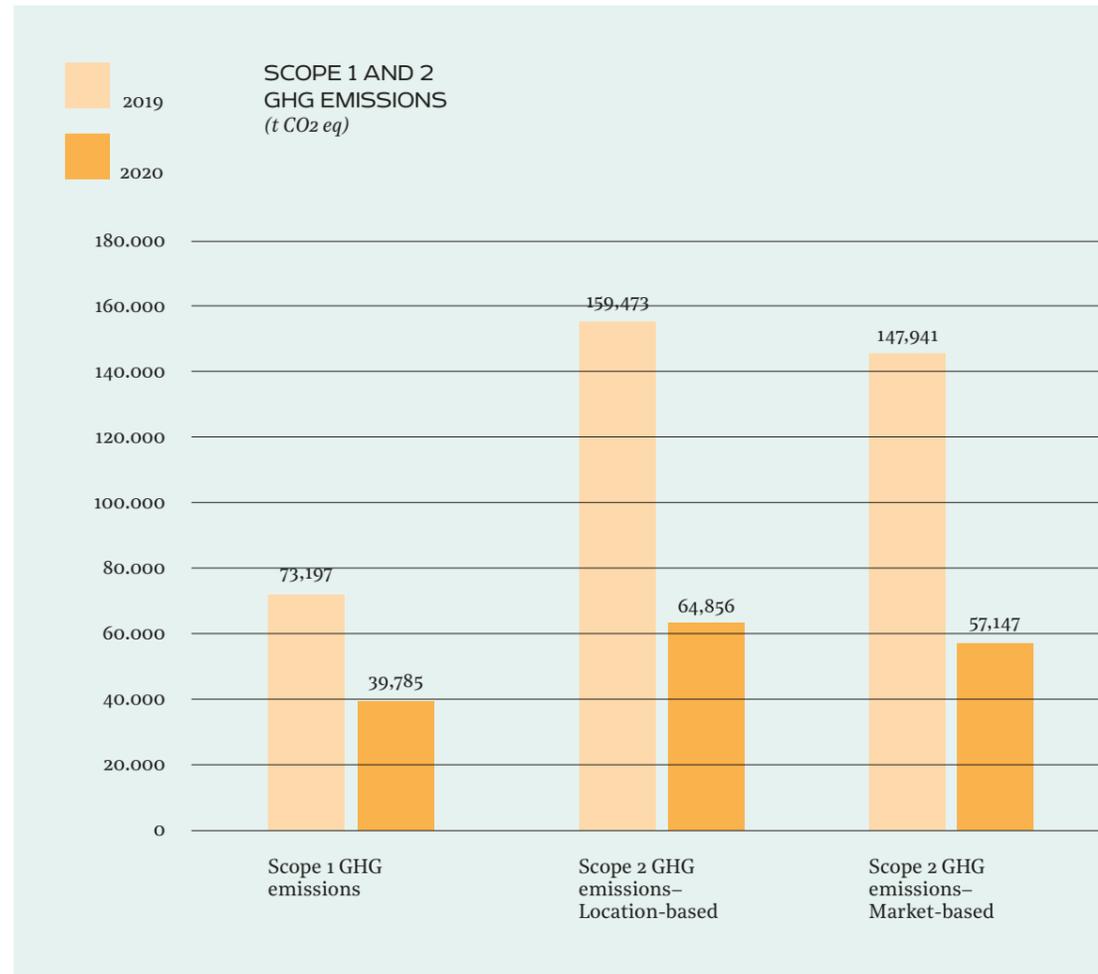
Scope 1 GHG emissions are those generated in our hotels themselves through the consumption of fossil fuels and through the diffusion of refrigerants in cooling equipment. For the latter, we took into account the refrigerant replacements in the cooling equipment.

Meanwhile, Scope 2 GHG emissions correspond to indirect GHG emissions generated through electricity consumption from the electrical grid and, in a small portion, through purchases of steam and sanitary hot water (SHW) from another company. In two hotels in Mexico and four in the Dominican Republic, steam and SHW are purchased from another company.

Scope 2 GHG emissions can be calculated using two methods: location-based and market-based methods. The location-based method takes into account the GHG emission factor of the energy mix of each country (i.e., the emission factor associated with the energy source mix that the electricity system of each country uses to produce electricity, in accordance with validated international sources). Meanwhile, the market-based method takes into account renewable energy and cleaner energies used to generate electricity purchased in a certified way (through renewable origin guarantees, GdO, and Power Purchase Agreements, PPA). These types of energy enable the promotion of an increased demand for energy generated in a more sustainable way.



The following graphs present our hotels' Scope 1 and 2 GHG emission generation in 2020 and 2019 and the intensity of this GHG emission generation:



In 2020, Scope 1 and 2 GHG emissions were greatly reduced because our hotels were forced to close for a large part of the year because of the pandemic situation. However, this also caused an increase in GHG emissions per stay, mainly because energy use could not be reduced to the same extent as the reduction in stays by our guests. This is because during the period when they were closed, the hotels required a minimum energy use and when they were able to open again, the energy use in the common areas was similar to what it would be if our hotels were at a high occupancy level.

In 2020, Scope 1 GHG emissions generated at our hotels amounted to 39,785 tonnes of CO₂ equivalent (t CO₂-eq), around 8.72 kg CO₂-eq per stay. In 2019, these amounted to 73,197 tonnes of CO₂-eq, around 4.53 kg of CO₂-eq per stay. That is to say, the Scope 1 GHG emissions were reduced by 45.6% in absolute terms, and in terms of the intensity of GHG emissions per stay, they increased by 92.4%.

According to the location-based method, Scope 2 GHG emissions in 2020 amounted to 64,856 tonnes of CO₂-eq, approximately 14.22 kg of CO₂-eq per stay. In 2019, these amounted to 159,473 tonnes of CO₂-eq, around 9.88 kg of CO₂-eq per stay. That is to say, the Scope 2 GHG emissions were reduced by 59.3% in absolute terms, but increased by 43.9% if compared to the number of stays.

In 2020, Iberostar Group purchased 29,879,540 kWh of electricity with GdO in Spain. This means that, according to the market-based model, the Scope 2 GHG emissions by the Group in 2020 were 57,147 t CO₂-eq, approximately 12.53 kg CO₂-eq per stay. In 2019, the Scope 2 GHG emissions were 147,941 t CO₂-eq, approximately 9.16 kg CO₂-eq per stay. In other words, the Scope 2 GHG market-based emissions reduced by 61.4% in 2020 compared to 2019; however, in terms of intensity, they increased by 36.7% per stay.

Measures to prevent, reduce and repair carbon emissions

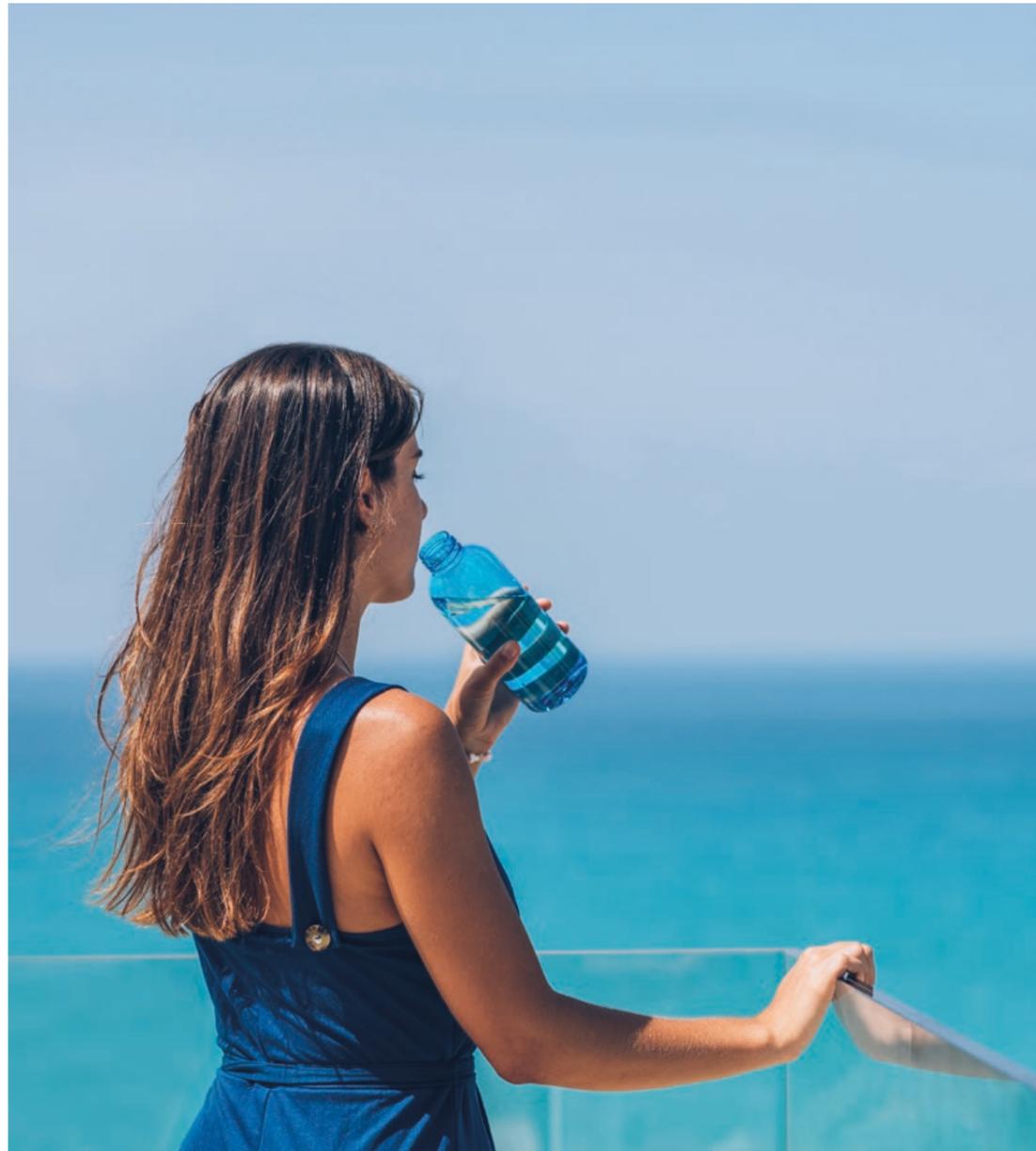
3.6

Through the Wave of Change movement, we are contributing to the preservation of the environment and to the sustainability of the planet. The effects of Wave of Change are wide-ranging and visible both through measurable data and other awareness-raising actions within every area of the Group. It is taken into consideration in each and every one of our decisions and projects.

In addition, our Investments, Works and Projects Department is in charge of launching

multiple energy efficiency initiatives, presented in section 3.4.2 of this Report. These measures contribute to reducing our direct and indirect greenhouse gas emissions.

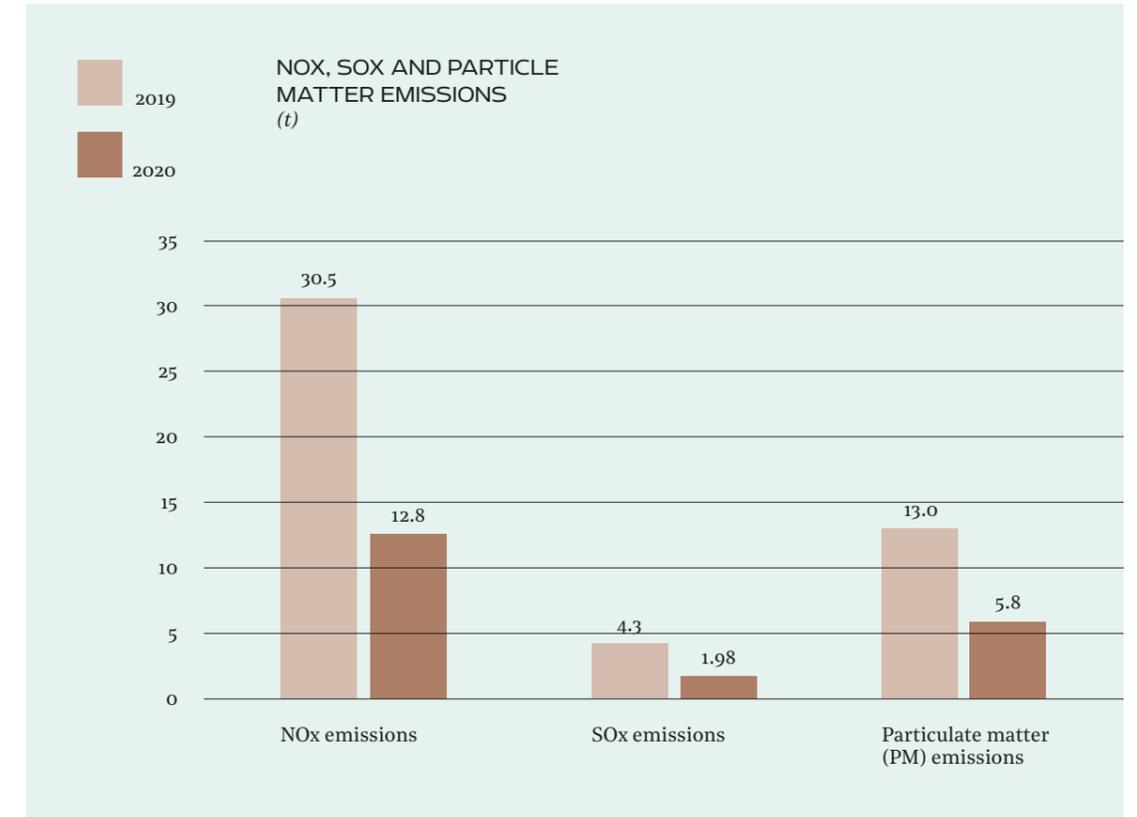
On the other hand, we are committed to efficiently designing our refurbishments and new hotels by taking into account all of the phases of its useful life and searching for solutions that are not only aesthetically pleasing, but also respectful to the environment.

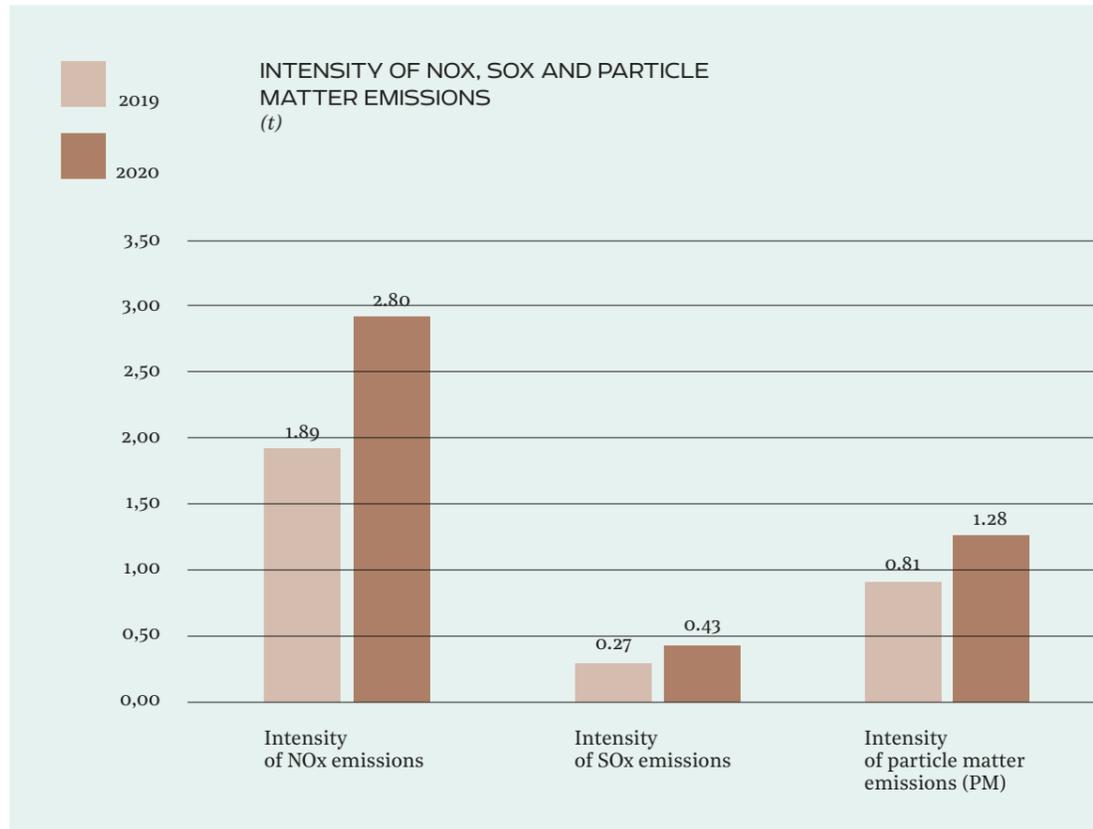


Other atmospheric emissions

3.7

We also monitor other atmospheric emissions, including all NOx, SOx and particulate matter (PM) emissions associated with fuel consumption in our hotels. These emissions and their intensity in 2020 and 2019 are presented in the following graphs:



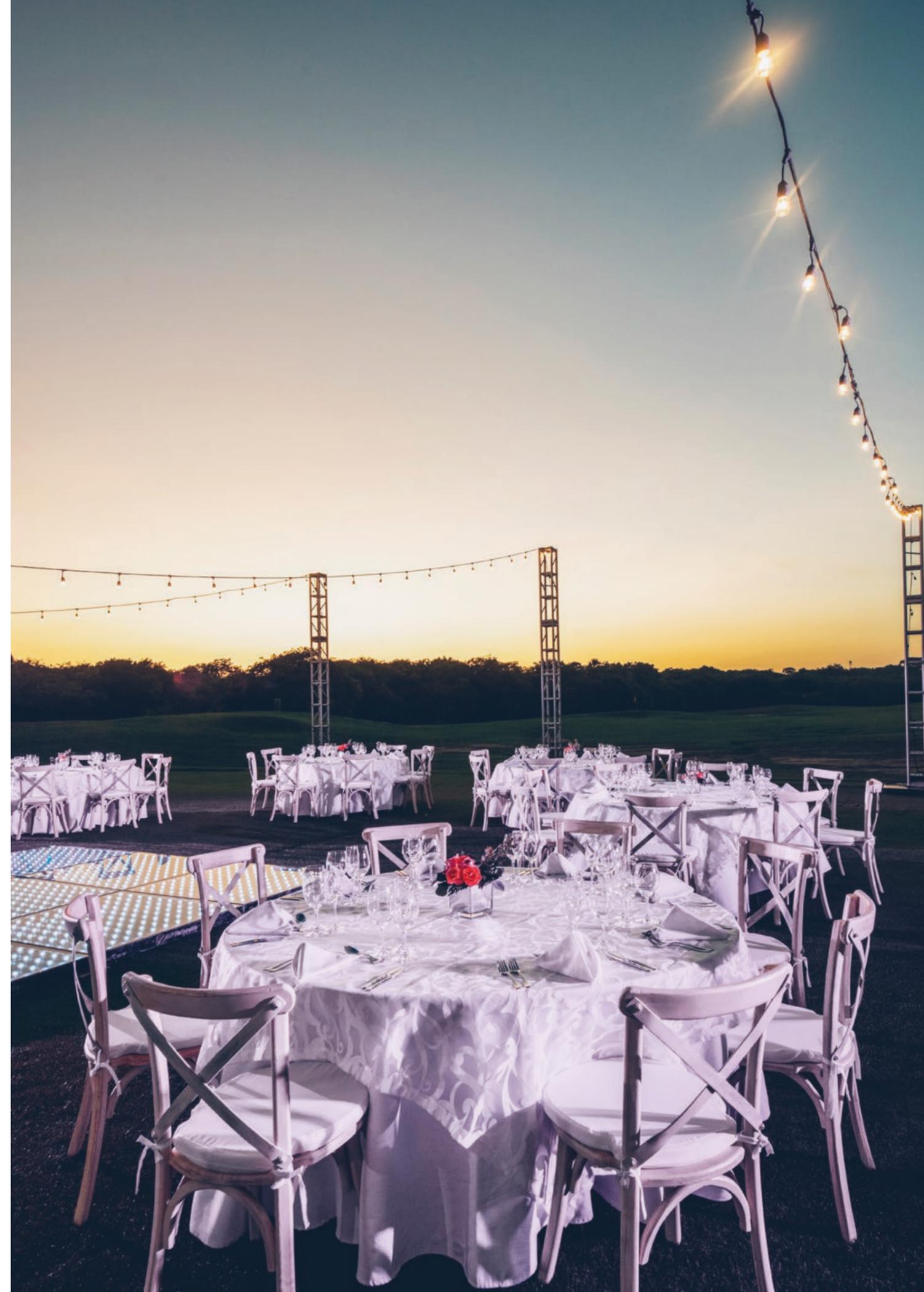


As occurred with energy use and the generation of GHGs, the emissions of NOx, SOx and particles, depleted in 2020 due to the closure of our hotels for a large part of the year. Meanwhile, these emissions per stay increased, due to the fact that the energy use could not be reduced in the same way that stays by our guests have been reduced.

On the other hand, as much as possible, we are making efforts in some centres to replace the hotels'

outdoor lighting with lights pointing only downward. In other words, they don't disperse light around the entire surrounding area and thus reduce light pollution.

In relation to sound pollution, we are replacing our conventional garden machinery with electric machinery, which is much less noisy. In addition, some centres have limiters, which limit the noise levels of all our entertainment activities.



Waste management

3.8

The rational and responsible use of natural resources is an essential premise for Iberostar Group. Given the size of the company, we believe it is essential to establish measures in order to reduce the consumption of materials. Noteworthy examples include initiatives to reduce single-use plastic consumption or developing projects based on the circular economy, including the composting projects, among others, which ensure we minimise the amount of waste we generate. In addition, we carry out the proper management of all types of waste through authorised managers and online through the legislation applicable to every country, which promotes reuse and recycling. For this purpose, we provide our employees and suppliers with information and training on minimising and sorting waste and ask our guests to collaborate in ensuring proper waste management.

In 2020, our hotels' activities generated 14,500 tonnes of waste, 98.7% of which was non-hazardous (mainly cardboard and paper, containers,

glass, inert waste and organic waste), with the rest being special and hazardous waste. In 2019, 41,900 tonnes of waste were generated, 98.9% of which was non-hazardous waste. This reduction in the total waste generated in 2020 compared to 2019 is mainly due to the reduction in the number of guests that we received in our hotels. The most notable type of special waste in our hotels is the oil used in the kitchens. Other special and hazardous wastes, generated in small quantities, are empty paint and chemical product containers, leftover paint and varnish, absorbent materials, batteries, some fluorescent lights, toners and leftover electric and electronic devices.

In addition, we managed the debris and other waste generated in works and refurbishments in accordance with the current legislation of each country by removing it to an authorised landfill. However, as much as possible, we prioritised the sorting of waste and the re-use of materials.

Actions to combat food waste

3.8.1

Reducing food loss and food waste is essential for achieving the Sustainable Development Goals (SDGs), especially SDG12 (Ensure sustainable consumption and production patterns). Our hotels work to reduce food waste in their restaurants and dining areas by planning meals based on forecasted occupancy and taking historical consumption data into account.

In addition, we are working more and more towards innovative decision-making regarding resource management. Some hotels are carrying out initiatives developed and led by the executive chefs of each of the regions. One example is the "Winnow" pilot project, developed at Iberostar Cristina in Majorca. This consists in monitoring foods that are not consumed by categorising and weighing them. According to the resulting reports, they make decisions according to current needs. The implementation of the "Winnow" system enabled us to save 4,060 meals in the first

three months of 2020, the equivalent of preventing the generation of 1,624 kilograms of waste. In our hotels in America, we continued the initiatives carried out in 2019 that were aimed at reducing food waste, such as encouraging the preparation of meals in the moment and therefore reducing ready-made dishes, the preparation of daily salads in real time, and the various pilot trials to adjust production to the guests every day.

In addition, we have collaborated with different soup kitchens and food banks, contributing to SDG2 (zero hunger). In March 2018, we signed an agreement with the Mexican Food Bank (Banco de Alimentos de México, BAMX). This agreement gave rise to the "Iberostar to the Rescue" programme, which consists in "rescuing" any foods that were not used and are still in optimal hygienic and temperature conditions and delivering them to different vulnerable sectors of society where Iberostar Group is present.

2020 Food Donations in Mexico



Iberostar Tucán & Quetzal



We donated **1.503 kg** of food to the FORAVA y MASH BRAILLE food banks, whose associations help children who have been abandoned or have disabilities

Iberostar Selection Cancún



We donated **497 kg** of food to the Niño Maya food bank, whose associations help children who have been abandoned.

Iberostar Playa Paraíso



We donated **2.438 kg** of food to the San Juan Diego community food bank to support the homeless and people with difficulty accessing food



In Spain, we signed a collaboration agreement in October 2017 with the Tardor Association, in which we commit to donating food to help people in severe poverty who go to the association's day centre and soup kitchen. This donation is usually made on

a daily basis, and between the period of January to March 2020, we donated 2,623.66 kilograms of food (in 2019, we donated 16,753.8 kilograms of food). This decrease is due to the closure of the hotel due to the situation caused by Covid-19.

Protection of biodiversity

3.9

Many of the locations of our hotels stand out for the remarkable natural environment and biodiversity that surround them. Local flora and fauna are very valuable assets and conservation activities are essential in their preservation. At Iberostar Group, we consider it particularly important to care for the beaches, coasts and oceans, given that many of our

hotels are located near seas, such as the Caribbean and the Mediterranean.

Our efforts to preserve the biodiversity of these areas include a wide range of initiatives, like the protection of coral driven by the Wave of Change movement, actions to ensure the conservation of sea turtles and the restoration of mangroves

Coral reef protection

Coral reefs are being seriously impacted by climate change and overfishing; therefore it is essential that we play an active role in restoring them. To do this, we are collaborating with experts in the field and developing ambitious programmes to streng-

then their preservation.

One of the most prominent initiatives of Wave of Change is our coral protection programme based on four essential goals:

- 01 Improve coastal protection
- 02 Increase fish biomass
- 03 Optimise local biodiversity
- 04 Maximise resilience to any expected threats due to climate change

In order to achieve these goals, it is essential to promote scientific research. That is why our own team of researchers are carrying out studies on the state of the coasts in collaboration with academic organisations and NGOs in the countries in which we operate.

In addition to the coral labs that we already had in the Dominican Republic, in 2020, we expanded our restoration of coral reefs to Mexico,

where we have identified both the species of coral and the most ideal locations to develop our restoration strategies in the area of interest of our hotels. In Iberostar Group, we support the recuperation of coral and fish communities in a multidisciplinary effort with solid scientific foundations in collaboration with the Iberostar-Cinvestav partnership and the logistical support of Dressel Divers.

Our two multispecies coral labs in Mexico have:

16 Species of corals

3 Types of structures

44 Structures in total

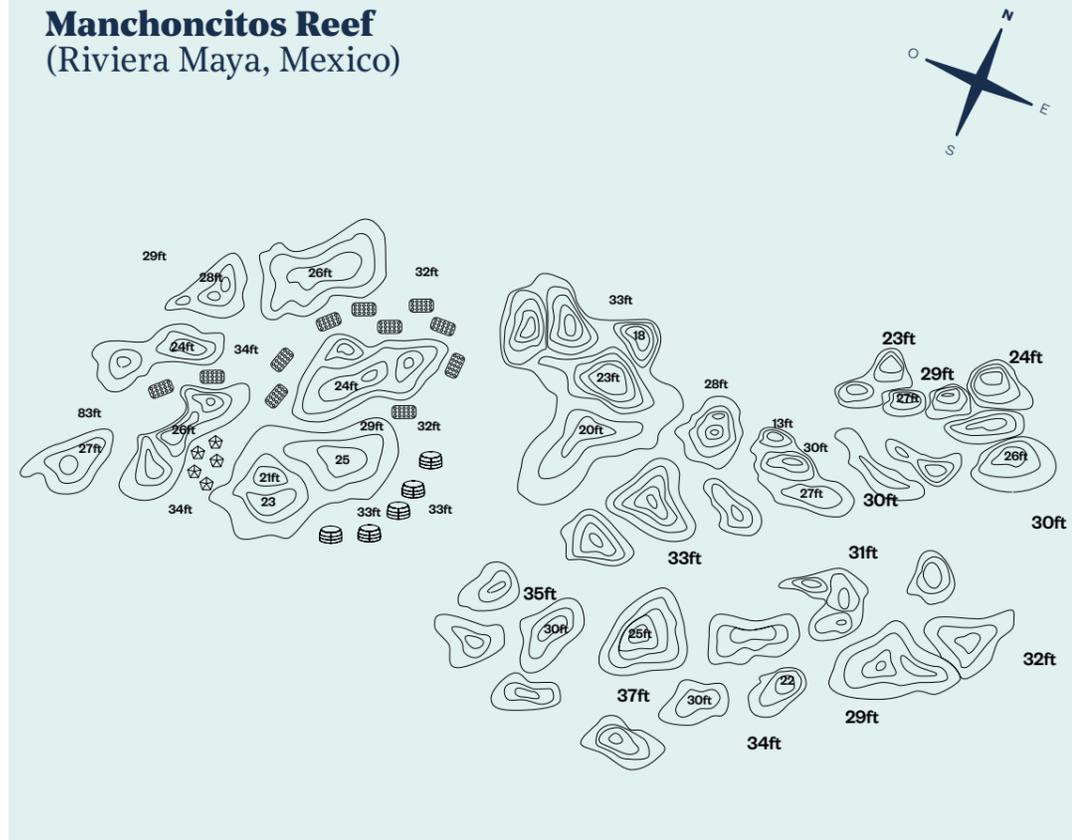
The lab in the Dominican Republic has five species and 46 structures. It is planned to expand the labs to Aruba and Jamaica in the next few years. The labs are essential for the research which will enable us to maintain a high diversity of corals in the face of the Stony Coral Tissue Loss Disease (SCTLD) that has been detected in the last few years, since it enables us to preserve a copy of

each genotype of coral as part of a gene bank on land. Likewise, restoration in the area enables us to cope with damage caused by hurricanes, as they reduce the strength and height of the waves by a high percentage.

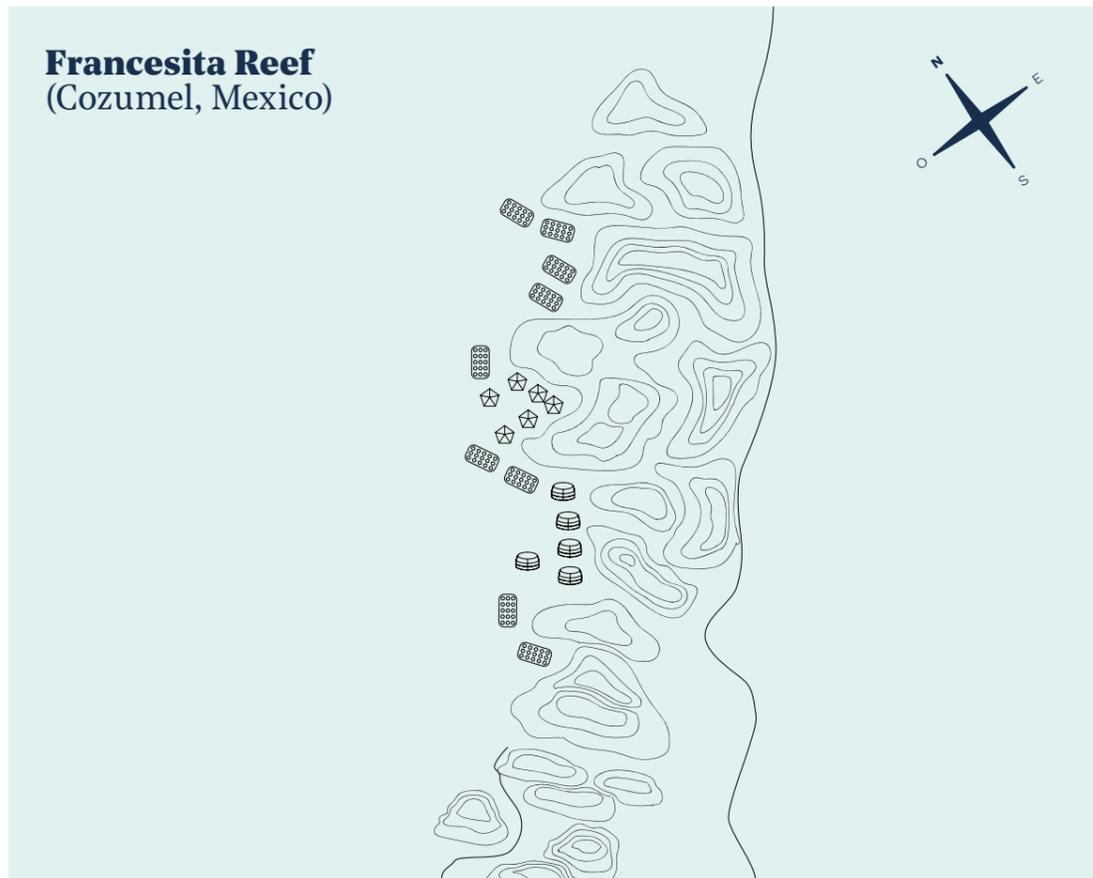
Below you can find the topographic map of the labs that we have in the Dominican Republic and Mexico, to see how we organise our recuperation work.



Manchoncitos Reef (Riviera Maya, Mexico)



Francesita Reef (Cozumel, Mexico)



Likewise, the Iberostar Selection Bávaro Hotel is home to the first on-land coral laboratory in the Dominican Republic. It was established as a cutting-edge research centre where we can raise awareness and educate not only our guests but also our employees, their families and the Dominican community about these marine species.



We also believe it is fundamental to maintain complete transparency regarding our achievements by publishing peer-reviewed scientific articles about genetic diversity within the coral reef restoration programme. That is why the science team collaborates with entities, other scientists, universities, organisations, etc., to create quality publications that can be read in the most prestigious scientific journals on their specific topics.

We are proud to announce that in 2020 we have contributed to two scientific publications in journals that have a high-impact worldwide: one article in the open-access scientific journal PLOS ONE (*Coral reef restoration efforts in Latin American countries and territories*) and one article in the open-access scientific journal PeerJ (*Assessing and genotyping threatened staghorn coral *Acropora cervicornis* nurseries during res-*

toration in southeast Dominican Republic). Likewise, we have offered our facilities to the scientific community for them to move their own studies forward. Likewise, in 2020, we carried out the series of conferences "Riding the Wave", in which experts from the National Oceanic and Atmospheric Administration, Fragments of Hope, the University of Southern California (USC), CINVESTAV, the University of Puerto Rico, the California Academy of Sciences, Reef Renewal and the University of Salento, among others, talked about the importance of coral reefs and the role we can all play to protect them.

All of these advances have allowed us to expand the science team, which not only works to advance their research, but also enables the company to make correct decisions that are backed-up by real-life and scientifically proven situations.

Protection and conservation of sea turtles

Our hotels and our other holiday destinations have been committed to protecting and conserving sea turtles for years. This commitment can be seen through the turtle sanctuaries that allow for the nesting, birth and release of sea turtles in

different hotels in the Group, along with sea turtle conservation and monitoring programmes.

We have programmes implemented in the following hotels:

Mexico

Iberostar Selection Cancún

Iberostar Playa Mita

Iberostar Playa Paraíso

Brazil

Iberostar Selection Praia do Forte

Dominican Republic

SANCTUARIES FOR TURTLE NESTING AND BIRTH IN IBEROSTAR GROUP HOTELS



As part of our sea turtle conservation work, we carry out training for our employees and workers that is intended to raise awareness on the importance of protecting these species.

In Cancún and Paraíso, we worked in collaboration with the district of each property in order to monitor the beaches of the hotels to search for nests and then place them in the areas designed for this activity. The hatchlings are born after 55 days and the turtles are then released.

In the hotels in the Dominican Republic, we work alongside the National Aquarium, the Environmental Law Institute of the Dominican Republic and the Blue Flag programme to rescue turtles. The National Aquarium rescues turtles and when they are of adequate size and are heal-

thy, they are freed on the beaches of our hotels. In 2020, three turtles were released on our beaches. In addition, we carry out educational activities with guests when the season for releasing turtles comes around.

Likewise, in the Praia do Forte hotel complex in Brazil, we work in collaboration with the Tamar Project, which is focused on the protection and conservation of sea turtles. To consolidate this work, we have constructed a Sea Turtle Monitoring Centre (NMTM) with the aim of carrying out monitoring and environmental education activities. This partnership has been carried out since the beginning of the hotel project and approximately 56,000 turtle hatchlings are protected on a yearly basis.

Number of nests and released babies at Iberostar hotels in Brazil

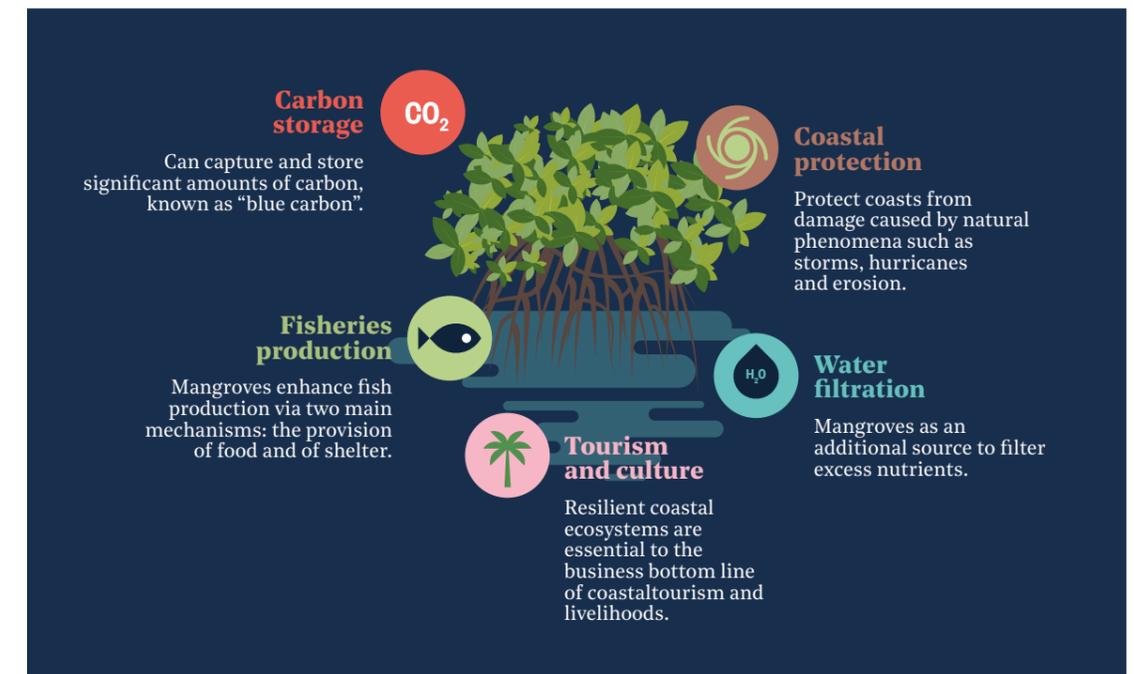
	2006-2018	2019	2020
<i>Nests</i>	5,463	1,006	961
<i>Babies released</i>	329,229	56,007	53,115

Mangrove restoration pilot project

In 2020, we announced our natural blue carbon offset programme, which includes mangrove restoration projects. Mangroves have very valuable qualities, seeing as they act as natural barriers against strong winds and storms. They sustain biodiversity, given that they are in areas where species nest, reproduce and seek refuge. They protect coastal populations from flooding and waves caused by hurricanes and tsunamis, and capture greenhouse gases. For these reasons, the protection of the mangroves has been identified

as a key solution to tackle climate change. In other words, every km2 of mangrove forest has the ability to absorb the equivalent of the carbon emissions generated by 66,500 passenger cars driven in the course of one year, the equivalent to using 7,131 barrels of oil or 346,574 gallons of petrol, which means it is a fantastic opportunity to offset CO2 emissions. With these protection and restoration projects for ecosystems, we aim to offset at least 75% of the CO2 emitted by Iberostar operations by 2030.

WHY ARE MANGROVES IMPORTANT?



There is a large wetland area inside our Bávaro Hotel Complex in the Dominican Republic and we wanted to know its history. That's why we launched a research project with local sources to find out what type of vegetation was there before these wetlands deteriorated. We determined that it had been a mangrove area. Thus, we began the recovery project to return the wetlands to their original state.

To do this, we had the full collaboration of our Gardening department and of the Environmental Ministry of the Dominican Republic, who provided us with

red and button mangrove seeds. At the same time, we collaborated with Los Haitises National Park to collect more red mangrove seeds. In 2020, we planted 60 units of red mangroves which were added to the 1,555 red and grey mangroves —*Rhizophora mangle* and *Conocarpus erectus*, respectively—, planted in 2019 and which restored a total of 10,830 m².

Additionally, in Mexico, 70 units of button mangroves have been acquired in order to restore the front area of the beach at the Mar & Beach and Lindo & Maya hotels.

Iberostar Apiary Project

Bees are an essential species to ensure biodiversity in the ecosystems since they promote pollination. To preserve them in one of our complexes in the Dominican Republic, beehives are being rescued

and taken to the apiary set up for this purpose. In 2020, we had 72 beehives. The honey extracted from them is used in the staff dining areas and in the service areas.





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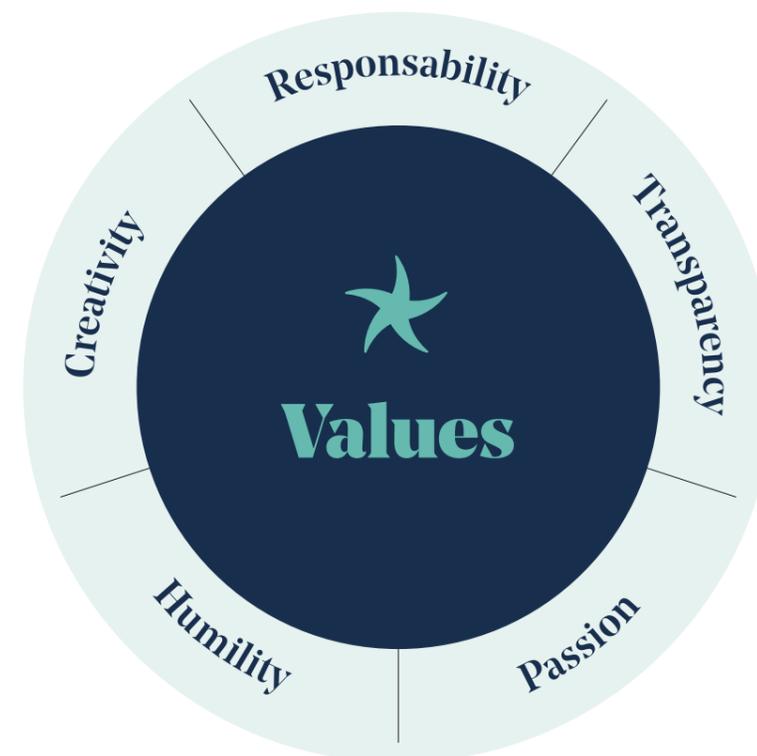
The people behind Iberostar Group: a star team



Iberostar Group DNA

We strive to receive the maximum involvement possible from all of our employees, in order to satisfy our guests and strengthen a positive work environment that encourages professional growth. We carry out improvement actions necessary to achieve the quality levels established by Management and driven by the managers of every department in all areas of work.

With the COVID-19 crisis, we prioritised caring for our employees and focused all of our efforts on mitigating the negative effects of the pandemic. Our How We Care initiative has been the backbone of these contingency measures that were focused on preserving the health of individuals at the same time as ensuring respect for the environment.



In their daily tasks, our employees transmit the Group's benchmark values by doing their work with professionalism and commitment, belonging to groups which stand out for their collaboration and positive, proactive attitudes. We promote learning and placing value on people, which helps each employee do their best and offers guests the best service and attention with empathy. In managing talent, we engage in responsible hiring and ethical personnel management. We understand that the people who work for the company are diverse, but together form a star team. We look for qualified candidates with an entrepreneurial spirit and a drive to learn and grow professionally. We understand that our employees are the ones who offer one-of-a-kind experiences

to our guests and provide them with added value, along with providing value to our other stakeholders. The cohesion and coordination developed by this star team is what will build solid and long-lasting relationships. We know that we must keep the needs and expectations of our employees in mind, as they are the foundation of the know-how and spirit of this family company. Thus, each and every member of this star team is essential. In turn, the Group offers a stable environment to our employees within the framework of a company that strives to be a leader and to generate opportunities in different countries. Our employee selection process is vigorous and objective, and we guarantee confidentiality and equal opportunities among candidates.

Employment

4.1

Iberostar Group's workforce data presented in this section represents average values for employees in 2020. This data belongs to the Group and does not include hotel management staff. This information pertains to Spain (including the hotels and Iberostar Group headquarters), hotels from the Group around the world (excluding Spain) and

W2M. The variation in the data compared to 2019 is due to less activity because of Covid-19, as contract suspensions occurred, as well as reduced hiring, which meant a significant reduction in the number of active employees compared to the previous financial year.

Workforce in hotels in Spain and Iberostar Group central headquarters

The following average workforce data tables for 2020 and 2019 include both Iberostar Group's hotels in Spain as well as the company headquarters in Palma de Mallorca. The information is

presented by gender, age, professional category and employment contract type (permanent, temporary and part-time contracts).

2020			Permanent employment contracts		Temporary contracts		Part-time employment contracts	
	Men	Women	Men	Women	Men	Women	Men	Women
Senior Management	33.76	10.07	33.76	10.07	0	0	0	0
<25 years old	0	0	0	0	0	0	0	0
25-34 years old	0	0	0	0	0	0	0	0
35-44 years old	11.32	6.49	11.32	6.49	0	0	0	0
45-54 years old	19.04	3.58	19.04	3.58	0	0	0	0
>55 years old	3.40	0	3.40	0	0	0	0	0
Management	72.11	58.83	71.18	55.06	0.93	3.77	0.40	1.51
<25 years old	0	1.38	0	0.24	0	1.14	0	0
25-34 years old	15.24	19.46	15.09	17.59	0.15	1.87	0	0
35-44 years old	30.44	26.96	30.06	26.20	0.38	0.76	0	0.76
45-54 years old	17.57	11.03	17.17	11.03	0.40	0	0.40	0.75
>55 years old	8.86	0	8.86	0	0	0	0	0
General service staff	945.80	949.50	744.12	724.69	201.68	224.81	8.60	19.40
<25 years old	43.87	42.35	19.58	12.31	24.29	30.04	1.45	3.17
25-34 years old	256.29	246.65	172.67	161.37	83.62	85.28	2.49	4.06
35-44 years old	269.90	290.03	218.66	231.16	51.24	58.87	1.35	6.35
45-54 years old	255.67	253.76	224.14	212.73	31.53	41.03	0.23	4.32
>55 years old	120.07	117.21	109.07	107.12	11.00	10.09	3.08	1.50
Total	1,051.67	1,018.40	849.06	789.2	202.61	228.58	9.00	20.91



2019			Permanent employment contracts		Temporary contracts		Part-time employment contracts	
	Men	Women	Men	Women	Men	Women	Men	Women
Senior Management	38.58	16.52	38.58	16.52	0	0	0	0.31
<25 years old	0	0	0	0	0	0	0	0
25-34 years old	0	1	0	1	0	0	0	0
35-44 years old	13.41	10.07	13.41	10.07	0	0	0	0.31
45-54 years old	22.31	5.45	22.31	5.45	0	0	0	0
>55 years old	2.86	0	2.86	0	0	0	0	0
Management	120.08	95.13	113.83	87.6	6.25	7.53	0.25	2.53
<25 years old	0.75	0.93	0.39	0.12	0.36	0.81	0	0
25-34 years old	27.24	33.63	25.42	28.04	1.82	5.59	0	0
35-44 years old	49.58	42.82	45.98	41.69	3.6	1.13	0.16	1.97
45-54 years old	28.32	16.75	27.89	16.75	0.43	0	0.05	0.56
>55 years old	14.19	1	14.15	1	0.04	0	0.04	0
General service staff	2,141.09	2,217.89	1,445.97	1,432.92	695.12	784.97	30.36	123.13
<25 years old	164.35	169.95	44.52	39.84	119.83	130.11	7.5	7.93
25-34 years old	604.47	618.52	326.43	324.91	278.04	293.61	8.56	23.5
35-44 years old	600.24	654.85	431.21	454.95	169.03	199.9	6.74	56.88
45-54 years old	523.83	534.83	423.44	402.02	100.39	132.81	5.36	27.84
>55 years old	248.2	239.74	220.37	211.2	27.83	28.54	2.2	6.98
Total	2,299.76	2,329.55	1,598.38	1,537.04	701.37	792.5	30.61	125.97

Workforce in Iberostar Group hotels outside of Spain

The following tables on average workforce data for 2020 and 2019 include Iberostar Group's hotels that are located outside of Spain: Brazil, the United States, Jamaica, Mexico, Dominican Republic, Cuba, Greece, Hungary, Morocco, Montenegro, Portugal

and Tunisia. The information is presented by gender, age, professional category and employment contract type (permanent, temporary and part-time contracts).

2020	Men	Women	Permanent employment contracts		Temporary contracts		Part-time employment contracts	
			Men	Women	Men	Women	Men	Women
Senior Management	7.88	1.50	6.79	1.50	1.09	0.00	0.00	0.00
<25 years old	0.00	0.00	0.00	0.00	0.00	0	0	0
25-34 years old	0.00	0.53	0.00	0.53	0.00	0	0	0
35-44 years old	0.79	0.00	0.68	0.00	0.11	0	0	0
45-54 years old	7.09	0.97	6.11	0.97	0.98	0	0	0
>55 years old	0.00	0.00	0.00	0.00	0.00	0	0	0
Management	74.61	51.36	68.41	47.42	6.20	3.94	0.00	0.00
<25 years old	0.00	0.00	0.00	0.00	0.00	0.00	0	0
25-34 years old	12.46	16.30	9.78	13.20	2.68	3.10	0	0
35-44 years old	33.57	17.13	30.77	16.61	2.80	0.52	0	0
45-54 years old	20.18	15.99	19.46	15.67	0.72	0.32	0	0
>55 years old	8.40	1.94	8.40	1.94	0.00	0.00	0	0
General service staff	4,880.08	3,001.54	3,242.69	1,886.27	1,637.39	1,115.27	0.90	3.11
<25 years old	721.28	414.86	291.02	155.61	430.26	259.25	0.00	0.00
25-34 years old	1,913.08	1,189.00	1,112.46	647.39	800.62	541.61	0.53	0.00
35-44 years old	1,281.67	861.11	994.44	636.51	287.23	224.6	0.37	2.42
45-54 years old	709.48	443.10	611.1	370.67	98.38	72.43	0.00	0.00
>55 years old	254.57	93.47	233.67	76.09	20.9	17.38	0.00	0.69
Total	4,962.57	3,054.40	3,317.89	1,935.19	1,644.68	1,119.21	0.90	3.11



2019	Men	Women	Permanent employment contracts		Temporary contracts		Part-time employment contracts	
			Men	Women	Men	Women	Men	Women
Senior Management	19.51	4.84	18.53	4.84	0.98	0	0	0
<25 years old	0	0	0	0	0	0	0	0
25-34 years old	1	1	1	1	0	0	0	0
35-44 years old	5.72	0.92	5.00	0.92	0.72	0	0	0
45-54 years old	10.78	2	10.53	2	0.25	0	0	0
>55 years old	2	0.92	2	0.92	0	0	0	0
Management	134.16	88.83	127.01	78.27	7.16	10.56	0	0
<25 years old	1.05	0	0.5	0	0.55	0	0	0
25-34 years old	27.66	26.97	24.66	19.74	3.01	7.22	0	0
35-44 years old	58.17	33.87	54.74	31.79	3.43	2.08	0	0
45-54 years old	36.6	22.99	36.43	21.73	0.17	1.25	0	0
>55 years old	10.68	5	10.68	5	0	0	0	0
General service staff	9,331.15	5,666.72	5,582.47	3,176.54	3,748.68	2,490.18	1.00	6.31
<25 years old	1,904.51	1,067.43	736.36	397.34	1,168.15	670.09	0	0
25-34 years old	3,791.90	2,342.97	2,036.39	1,168.13	1,755.51	1,174.84	1	0.34
35-44 years old	2,171.86	1,441.12	1,594.90	991.55	576.96	449.57	0	4.97
45-54 years old	1,093.23	670.94	894.41	512.94	198.82	158	0	0
>55 years old	369.65	144.26	320.41	106.59	49.24	37.67	0	1
Total	9,484.82	5,760.39	5,728.01	3,259.66	3,756.81	2,500.73	1	6.31

W2M Workforce

The following tables on the average workforce correspond to the W2M employees in 2020 and 2019. The information is presented by gender, age,

professional category and employment contract type (permanent, temporary and part-time contracts).

2020	Men	Women	Permanent employment contracts (men)	Permanent employment contracts (women)	Temporary employment contracts (men)	Temporary employment contracts (women)	Part-time employment contracts (men)	Part-time employment contracts (women)
Management	17.07	9.39	17.07	9.39	0.00	0.00	0.58	0.08
<25 years old	0	0	0	0	0	0	0	0
25-34 years old	0.66	0.34	0.66	0.34	0	0	0	0
35-44 years old	4.05	1.92	4.05	1.92	0	0	0	0.08
45-54 years old	6.31	4.93	6.31	4.93	0	0	0	0
>55 years old	6.05	2.20	6.05	2.20	0	0	0.58	0
General service staff	119.12	208.73	111.77	196.87	7.35	11.86	6.03	4.82
<25 years old	3.24	9.23	2.77	7.66	0.47	1.57	0	0
25-34 years old	39.50	68.03	38.33	63.11	1.17	4.92	1.11	0.46
35-44 years old	39.88	73.60	35.57	68.73	4.31	4.87	2.81	2.61
45-54 years old	28.54	44.97	27.39	44.47	1.15	0.50	1.65	1.17
>55 years old	7.96	12.90	7.71	12.90	0.25	0.00	0.46	0.58
Total	136.19	218.12	128.84	206.26	7.35	11.86	6.61	4.90

2020	Men	Women	Permanent employment contracts (men)	Permanent employment contracts (women)	Temporary employment contracts (men)	Temporary employment contracts (women)	Part-time employment contracts (men)	Part-time employment contracts (women)
Management	59.40	42.71	59.40	42.71	0.00	0.00	0.00	2.00
<25 years old	0.00	0.00	0	0	0	0	0	0
25-34 years old	8.33	4.00	8.33	4	0	0	0	0
35-44 years old	23.08	17.50	23.08	17.5	0	0	0	1
45-54 years old	21.66	17.21	21.66	17.21	0	0	0	1
>55 years old	6.33	4.00	6.33	4	0	0	0	0
General service staff	323.88	533.50	287.98	460.64	35.90	72.86	13.75	30.15
<25 years old	19.82	37.50	10.32	24.05	9.5	13.45	1	0
25-34 years old	123.60	178.25	108.74	146.73	14.86	31.52	8	9.15
35-44 years old	118.30	193.50	112.38	178.55	5.92	14.95	4.75	16.1
45-54 years old	49.91	90.64	47.04	81.08	2.87	9.56	0	3.9
>55 years old	12.25	33.61	9.5	30.23	2.75	3.38	0	1
Total	383.28	576.21	347.38	503.35	35.90	72.86	13.75	32.15

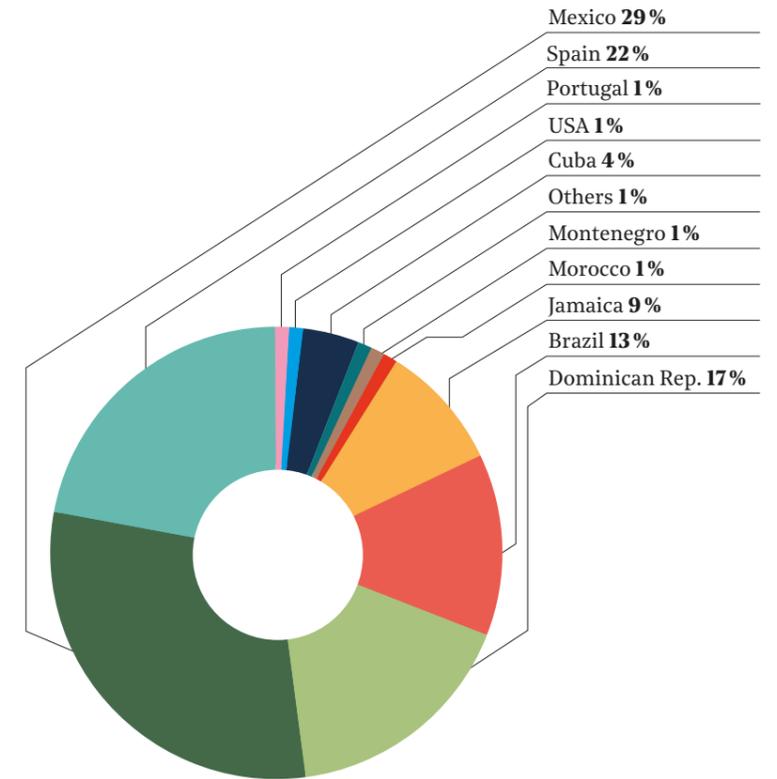


Iberostar Group workforce by country of operation

The following graphs show the distribution of Iberostar Group employees in accordance with their country of operation in 2020 and 2019. The difference between countries in 2020 compared to 2019 is mainly due to the fact that Cape Verde is no longer considered. The main countries of operation (according to the number of employees) are presented.

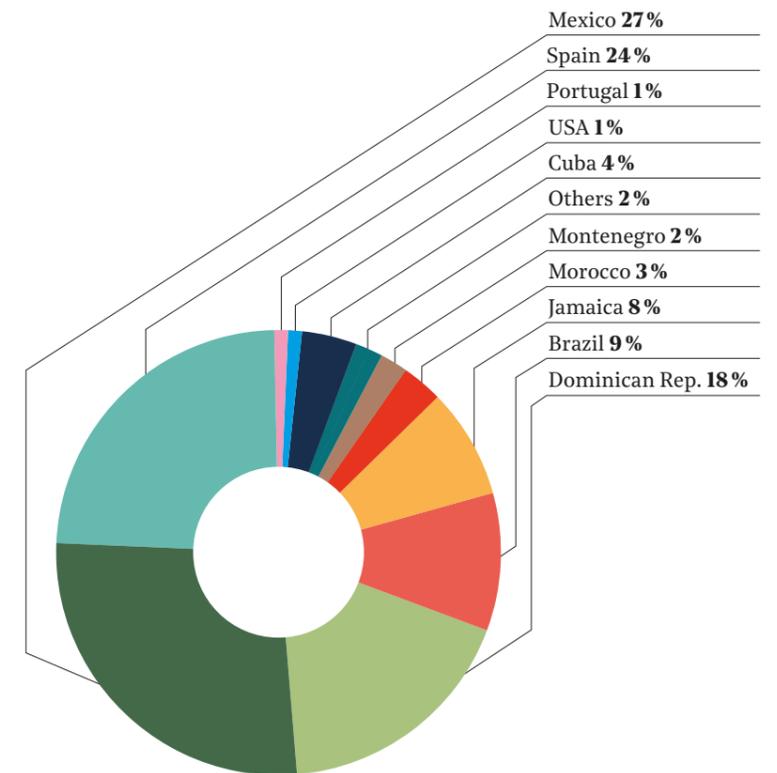
DISTRIBUTION OF IBEROSTAR GROUP'S EMPLOYEES BY COUNTRY OF OPERATION IN 2020

In 2020, the category "Others" (0.8% of employees) includes the following countries: Greece, Hungary, Tunisia and Turkey.



DISTRIBUTION OF IBEROSTAR GROUP'S EMPLOYEES BY COUNTRY OF OPERATION IN 2019

In 2019, the category "Others" (2.2% of employees) includes the following countries: Cape Verde, Greece, Hungary, Tunisia and Turkey.



Average salaries

Below, we present the average salaries of the employees working in Iberostar Group in 2020 and 2019 (in thousands of euros). This includes

employees from the company's hotels worldwide, Iberostar Group headquarters and W2M

Iberostar Group salary by professional category and sex (€)

● Women
● Men

In 2020, the average salary of female Iberostar Group employees was €68,363 for the Senior Management category, €41,110 for the Management category, and €9,811 for General Services Staff. In 2020, the average salary of male Iberostar Group employees was €127,957 for the Senior Management category, €49,873 for the Management category, and €10,453 for General Services Staff. For the entire Iberostar Group, in 2020, the average salary was €10,824 for women and €12,229 for men.

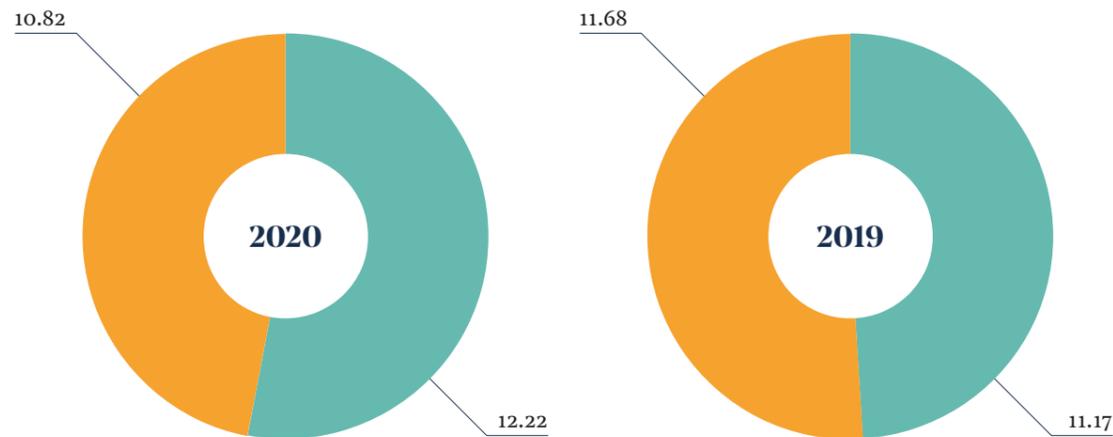
In 2019, the average salary of female Iberostar Group employees was €140,344 for the Senior Management category, €38,528 for the Manage-

ment category, and €10,626 for General Services Staff. In 2019, the average salary of male Iberostar Group employees was €158,589 for the Senior Management category, €53,051 for the Management category, and €9,329 for General Services Staff. For the entire Iberostar Group, in 2020, the average salary was €11,675 for women and €11,168 for men.

It is worth noting that the average salary for Senior Management, corresponding to the company's Board Members and Executives, includes variable compensation, expenses, indemnities, long-term payment to savings plans and all other payments.

Salary by sex

IBEROSTAR GROUP AVERAGE SALARY (THOUSANDS OF €)



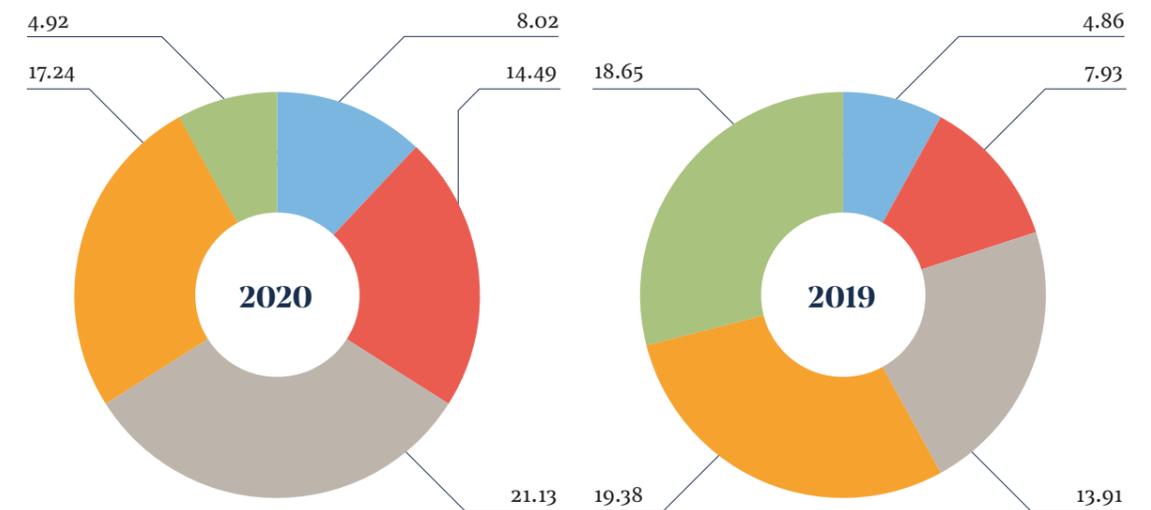
The pay gap between Iberostar Group employees in 2020 was 11%, which is calculated by subtracting the average salary of female employees from that of male employees and dividing the result by the average salary of male employees. That is to say, in 2020, throughout the entire Group,

the average salary of female employees was 11% lower than the average salary of male employees. The pay gap in 2019 was -4.5%. That is to say, in 2019, throughout the entire Group, the average salary of female employees was 4.5% higher than the average salary of male employees.

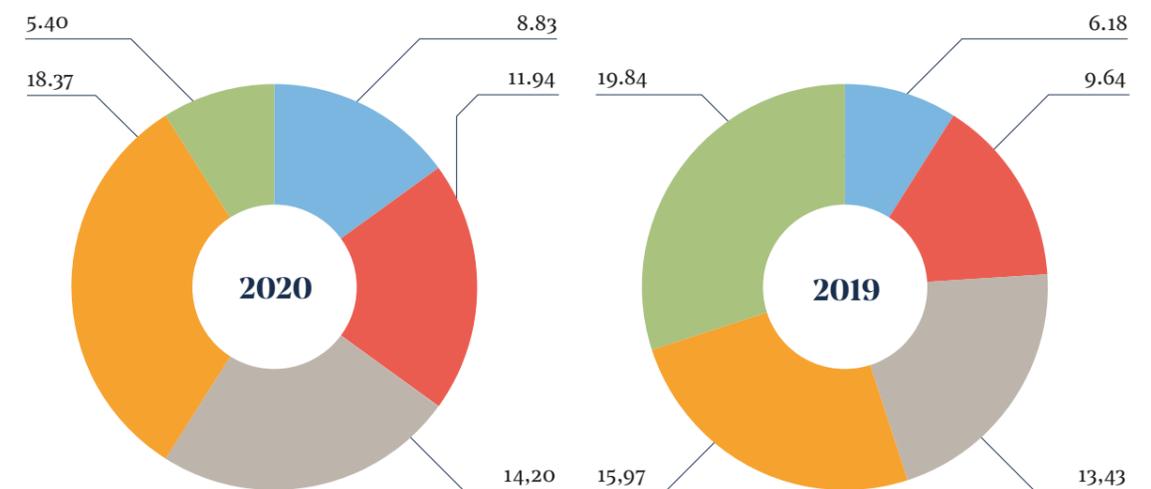
Iberostar Group salary by age group and sex (€)

● < 25 years old
● 25-34 years old
● 35-44 years old
● 45-54 years old
● > 55 years old

AVERAGE SALARY OF MALE EMPLOYEES BY AGE (THOUSANDS OF €)



AVERAGE SALARY OF FEMALE EMPLOYEES BY AGE (THOUSANDS OF €)



Dismissals in 2020

The number of dismissals by sex, age and professional category in 2020 is outlined below:

	< 25 years old	25-34 years old	35-44 years old	45-54 years old	> 55 years old	Total
Total	53	149	129	100	45	476
Senior Management	0	0	4	0	0	4
Women	0	0	0	0	0	0
Men	0	0	4	0	0	4
Management	0	7	8	11	4	30
Women	0	4	3	3	0	10
Men	0	3	5	8	4	20
General service staff	53	142	117	89	41	442
Women	30	44	51	22	9	156
Men	23	98	66	67	32	286

The number of dismissals by sex, age and professional category in 2019 is outlined below:

	< 25 years old	25-34 years old	35-44 years old	45-54 years old	> 55 years old	Total
Total	103	215	181	90	32	621
Senior Management	0	0	1	3	1	5
Women	0	0	1	0	0	1
Men	0	0	0	3	1	4
Management	0	3	11	13	6	33
Women	0	1	3	5	0	9
Men	0	2	8	8	6	24
General service staff	103	212	169	74	25	583
Women	53	104	63	27	9	256
Men	50	108	106	47	16	327

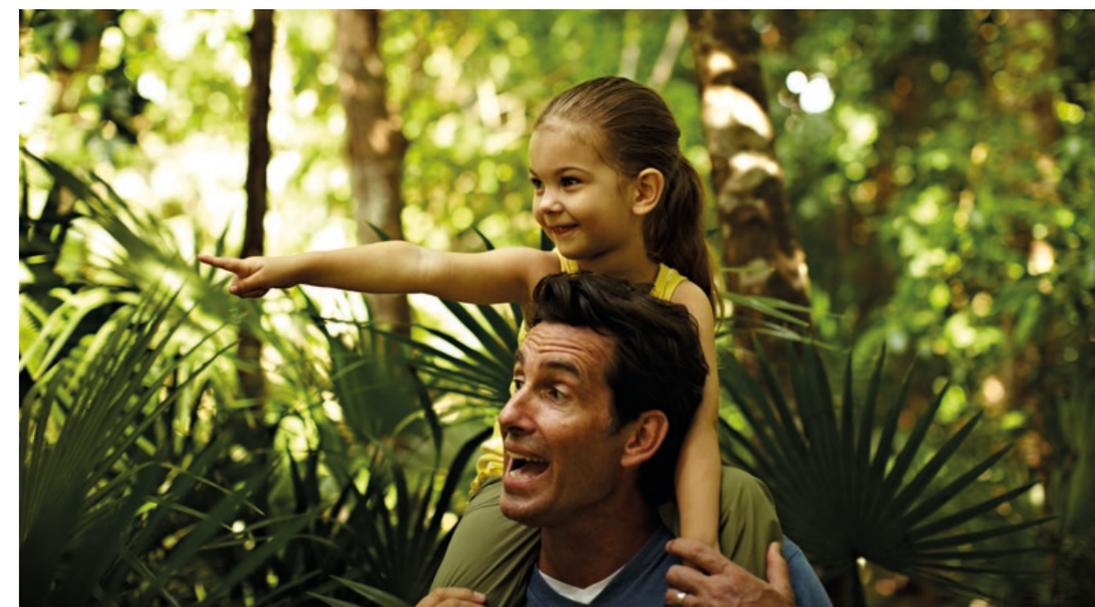
Work organisation and measures to aid work-life balance

4.2

With regard to work-life balance and the organisation of working time, we apply the provisions set forth in the collective agreements that are applicable in each location of operation, in addition to the legislation established in the countries where the Group operates. Furthermore, we implement specific measures to enable balance between work and the personal and family life of our employees. For example, measures such as monthly hours to accompany minor children to specialist medical visits have been implemented in some of our hotels in Spain. What's more, requests for voluntary international job mobility for the care of dependent individuals are handled and processed. In addition, reductions to working hours due to legal guardianship are accepted and all days of paid leave, regulated under applicable collective agreements, are granted.

In Morocco, employees with children who wish to take their days off during half term holidays are given preference. In the Club Palmeraie Marrakech

hotel, employees are given a hamper during the month of Ramadan and they are rewarded with a bonus during the Eid festivities. In Tunisia, all employees with children receive an assistance payment in the month of September. In case of need or special conditions, we allow them to have flexible working hours. A bonus is also given for the Eid festivities. In Montenegro, measures are in place for female employees with minor children and for employees requiring special schedules for health reasons. In Cuba, pregnant employees are allowed to attend medical visits without their pay being cut. Additionally, paid prenatal maternity leave is granted from the 34th week of pregnancy up to the birth, while paid postnatal parental leave (both for mothers and fathers) is granted up to the child's first birthday. In 2020, we also facilitated the implementation of remote work in those entities and positions in which it was possible. In Jamaica, different measures exist to allow for schedule flexibility and to ensure employees' holiday period.



Right to disconnect policies

As a general rule, the Group has not implemented a right to disconnect policy. Taking into account the nature of the activity carried out by the large majority of our employees, many do not possess company

devices, such as a company telephone or computer, by which they could be contacted outside of working hours. For this reason, the Group considers that the employees' right to disconnect is widely guaranteed.

Health and safety

4.3

The health and safety of our employees is a priority and we constantly work towards developments in this area. Respect for dignity, non-discrimination, safety, protection and the promotion of our employees' health is implicit in the Group's corporate ethics.

Under this premise, efforts are focused both on

occupational risk prevention (ORP) and workplace health promotion. In this field, Iberostar Group Healthy Company project and the Occupational Risk Prevention Plan constitute the two most important processes.

Workplace Health Promotion Project: Iberostar Group Healthy Company



We have belonged to the European Network of Healthy Companies since 2017 and promote workplace health by means of Iberostar Group Healthy Company project, as well as through signing the Luxembourg Declaration of 1997. This document outlines the basic strategies and framework for ensuring the good management of employees' health.

Iberostar Group's Healthy Company project encompasses the creation of a Workplace Health Promotion Group (WHPG), formed by members of Iberostar Group Occupational Risk Prevention (ORP) Service, as responsible parties, and by employees belonging to various company depart-

ments, as collaborating parties. In addition, the Group works with other internal and external collaborators who intervene in specific ORP measures and help to organise and give training sessions. All the individuals involved in the various phases of the process, from the design to evaluation phases, promote collaborative decision-making to ensure that the project is consolidated as part of the company's DNA. Furthermore, as part of this plan, Occupational Health and Safety assessments are conducted at the company, with the purpose of detecting risks and opportunities for improvement.

Likewise, we have drawn up a road map to include the United Nations Sustainable Development Goals (SDGs), the Spanish Occupational Risk Prevention Law and the National Institute of

Safety and Health at Work (Instituto Nacional de Seguridad y Salud en el Trabajo, INSST) online promotion portal, for which we have put special emphasis on four main points of focus:

CSR/Sustainability

Promoting responsible business practices and constantly implementing new management practices for responsible work.

Health

Promoting the practice of healthy habits in the areas of diet, physical activities, mental health, the prevention of tobacco, alcohol and other drugs, as well as the prevention and control of diseases.

Personal development

Achieve the maximum state of health and well-being of our employees in their positions, based on a balance of work and family life, pregnancy management and breastfeeding, return to work, employee aging and the organisation of each work position.

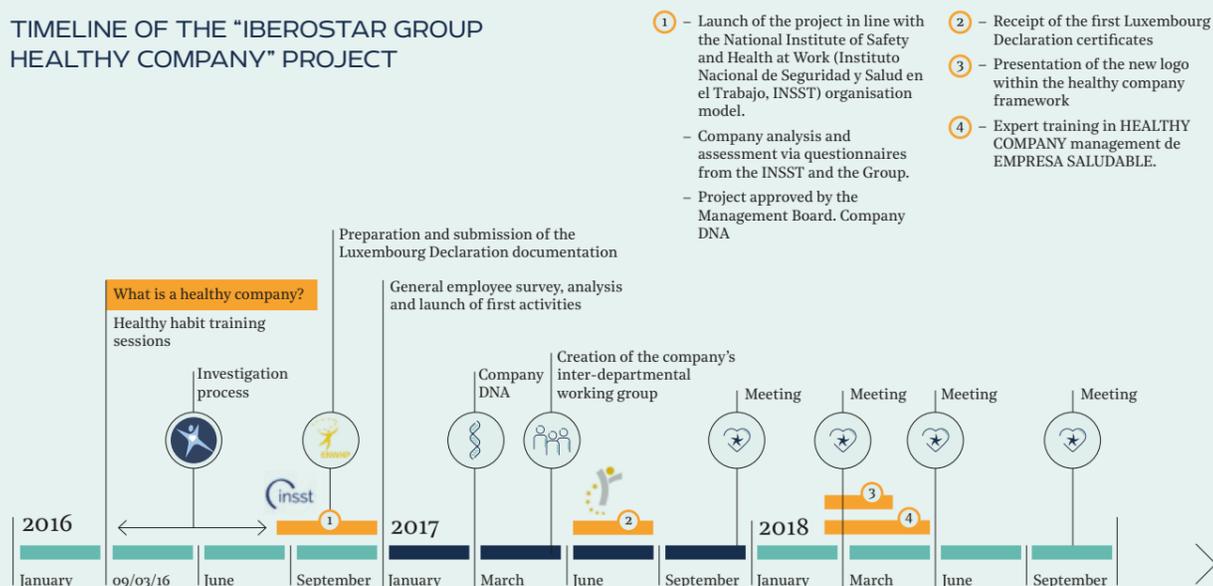
Occupational risk prevention

Protecting our employees who suffer from damages due to working conditions, by means of compliance with prevention regulations.

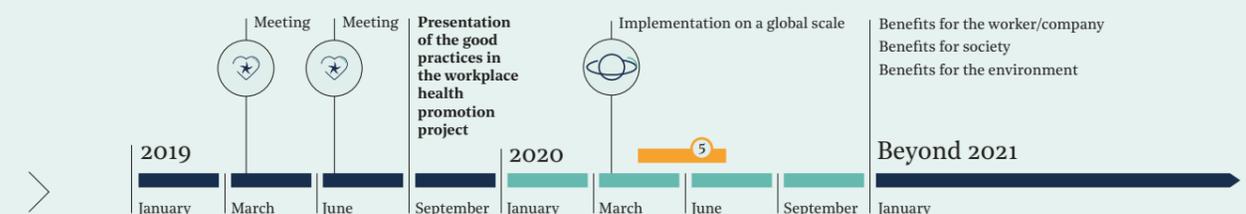
Due to the impact caused by the pandemic, the resources from the occupational risk prevention department were focused on implementing health measures in the face of Covid-19. Additionally, some initiatives undertaken prior to the State of

Alarm, in line with the Healthy Company project, have been maintained, such as "fruit day," on which, baskets of fruit were made available to all of our employees for free twice per month, as well as healthy alternatives in the dining areas.

TIMELINE OF THE "IBEROSTAR GROUP HEALTHY COMPANY" PROJECT



- Integration of the How We Care philosophy
- Creation of the Medical Advisory Board (MAB)
- Protective measures against Covid-19



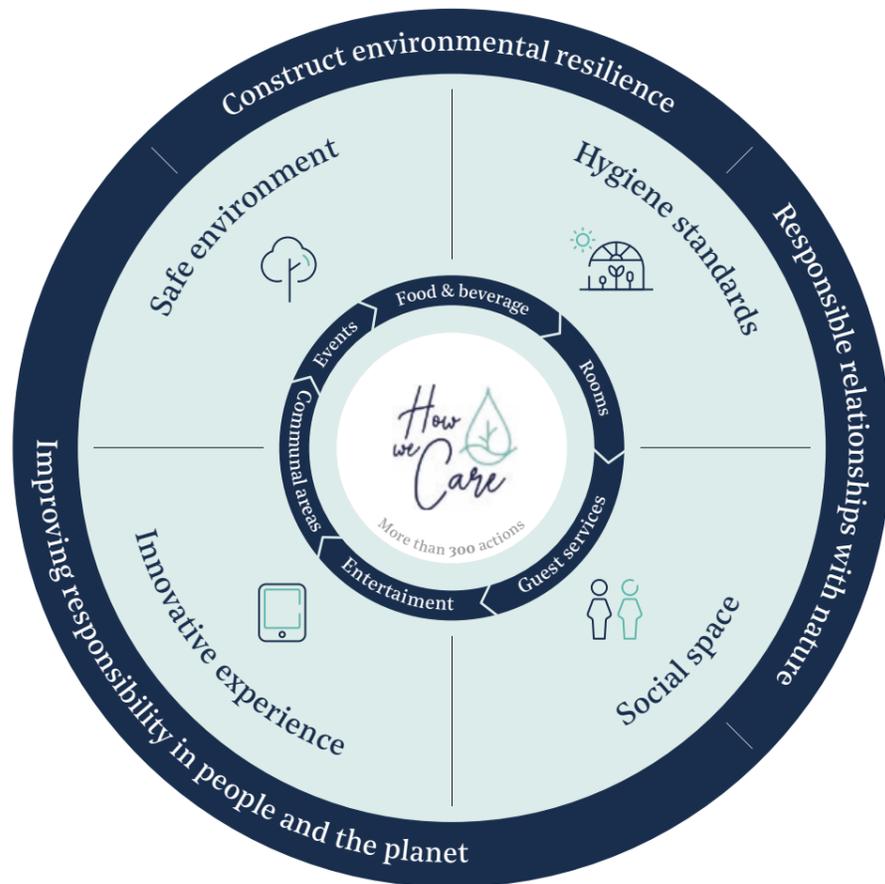
How We Care Philosophy

In the management of the Covid-19 crisis, the health and well-being of employees and guests has been a priority for Iberostar Group. That is why, in line with our leadership in responsible tourism, we have reinforced the company's healthcare strategy and have placed it as a key pillar in the

development of the business.

That's how How We Care was born, a cross-dimensional philosophy focused on caring for our guests, employees, the community and the environment via 300 measures founded on four principles:

- 1** Safe environment: we prioritise our commitment to the health and safety of our environment by using certifications such as Earth Check or Cristal International Standards, as well as the verification of our protocol by the SGS.
- 2** Hygiene standards: we are reinforcing our cleaning measures and are maintaining our commitment to the circular economy policies that are driven by Wave of Change via the use of products with a low environmental impact.
- 3** Social space: we are boosting open spaces and the creation of new open-air experiences with the aim of making our guests feel safer.
- 4** Innovative experience: we are providing contactless proximity via the digitalisation of our services and the integration of new applications



For the implementation of the How We Care philosophy we have had the input of a Medical Advisory Board (MAB), formed by experts in public healthcare and health protection, virology and epidemiology. This committee, in coordination

with the Sustainability Office, has given support to the work of the internal teams and has facilitated the integration of health protection measures that have been adapted to the regulatory requirements of each region, and which are focused on:

Social distancing and capacity limitation in accordance with the health restrictions.

Reinforcement of disinfection and cleaning, as well as ventilation in interior spaces.

The use of personal protective equipment (PPE) and temperature control.

Raising awareness by adding the health authorities' recommendations to Star Team (Iberostar Group Employee Portal), as well as using specific posters

Likewise, Iberostar Group has developed a Protocol on Preventive Measures in the hotels and has created approximately twenty internal work groups, among America and the EMEA region, which monitor compliance within our hotels. The incorporation of this protocol means a considera-

ble change in operations, both in the service that we offer and in the management of capacities or hygiene and cleaning measures; however, it helps us to be more resilient and without losing out on the quality that characterises the Iberostar experience.

SOME OF THE COVID-19 MEASURES THAT HAVE BEEN IMPLEMENTED IN OUR HOTELS



Meetings with the health and safety committees

We have held 25 meetings with Health and Safety committees in Spain to explain our Covid-19 prevention protocols



Restoration of spaces

In Portugal, we have kept common leisure spaces closed and implemented changes in the buffet concept by moving from a self-service buffet to an assisted buffet



Covid-19 training

We have provided online Covid-19 prevention training to 3,830 of our workers in Spain



Partnerships with medical labs

In Morocco, we have reached agreements with medical laboratories to facilitate access to health testing



Health testing

In Spain, we have administered 3,126 PCR, serology and antibody tests to safeguard health and safety in our work centres

Iberostar Group Occupational Risk Prevention Plan

Adequate prevention in the workplace allows for risk control, effective preventive measures and the detection of shortcomings that could lead to additional risks. To minimise the occupational health and safety risks that our employees are exposed to, we have in place an Occupational Risk Prevention Plan (ORP plan) that additionally encompasses Iberostar Group Prevention Plan, which was established in line with ORP regulations. The Occupational Risk Prevention policy is applicable to all our employees and facilities and undertakes to ensure compliance with fundamental standards. These include having in place a policy with integrated and participative strategies, which prioritises the health and safety of individuals. This policy is published on Star Team.

In the same regard, since 2001, Iberostar Group companies in Spain have formed part of the Group's "Joint Prevention Service". This management body was created with the purpose of preventing and managing the occupational health and safety risks to workers. Among its main goals, the Prevention Service endeavours for all Group companies to



implement management strategies that promote an ongoing commitment to high health and safety standards in the workplace. In this way, the health and well-being of all individuals who work at the company is guaranteed.

We earmark an annual budget for the necessary activities in the field of ORP. Furthermore, we have established an organisation and management model to ensure prevention is intrinsic to all company activities and across all levels of hierarchy. The following are some of the elements included in this structure:

Prevention Service: this service assumes all functions and responsibilities under the Prevention Law and Prevention Service Regulations.

Human Resources and Administration Department: this department assumes the task of implementing ORP in company management strategies.

Workplace management teams and regional ORP coordinators: these positions ensure ORP policy is applied at ground level.

Our employees can exercise their right to participate in occupational risk prevention-related matters through the Prevention Representatives and the

Health and Safety Committee. The Health and Safety Committee provides constant advice and information on the ORP actions taken by the company.

In line with the provisions set forth in article 2.2 of Royal Decree 39/1997 in force in Spain, the main objectives of the prevention management system are as follows:

- a/** Prevent or minimise risks in order to reduce the workplace accident rate.
- b/** Guarantee satisfactory health and safety standards in the workplace for workers.
- c/** Cultivate and promote a culture of prevention in the workplace.
- d/** Incorporate prevention at all company levels.
- e/** Training and information on occupational health and safety.
- f/** Cultivate a sense of responsibility towards prevention across all organisational levels.
- g/** Establish safety and occupational health instructions, rules and procedures.
- h/** Collaborate with ORP bodies and institutions.
- i/** Strive for greater efficacy in the coordination of the Prevention Service and in the workplace.
- j/** Work continuously to reduce the occupational accident rate.

What's more, compulsory ORP and Quality training sessions are organised at the hotels and central headquarters in Spain, as required by law. In 2020, 8,145.50 hours of training were completed on this subject through 257 training initiatives (15,783 training hours via 440 training initiatives in 2019).

With regard to Work-Related Illnesses (WRI), during 2020, six WRI were diagnosed in Spain. One case concerned a male employee and five concerned female employees. Three of these WRI

involved leave and two did not (in 2019, there were eight WRIs, one in a male and seven in females, six of these involved leave and two did not).

In 2020, there were a total of 330 occupational accidents with leave at the Group's hotels⁴, with 77% of cases located in Spain. The number of accidents went down with respect to 2019, when a total of 1,036 accidents occurred. This data includes accidents during travel to and from work.

Number of accidents (including travel to and from work)			
	Total	Women	Men
2020	330	164	166
2019	1,036	491	545

⁴ Data is available for hotel accident frequency in Spain, Portugal, Montenegro, Morocco, Tunisia, Greece, Hungary, the Dominican Republic, Mexico, Jamaica and Brazil

Below the frequency and severity rates in Spain and in the remainder of countries are shown⁵.

Accident frequency rate in Spain (including travel to and from work)			
	Total	Women	Men
2020	75.75	85.20	66.60
2019	66.5	73.4	59.5

Accident frequency rate in the rest of the countries (including travel to and from work)			
	Total	Women	Men
2020	16.91	37.18	22.96

Accident severity rate in Spain (including travel to and from work) ⁶			
	Total	Women	Men
2020	2.16	2.18	2.14

Rate of accident severity in the rest of countries (including travelling to and from work)			
	Total	Women	Men
2020	0.62	0.76	0.54

In 2020, the global frequency rate, i.e. considering both Spain and the other countries, was 35.24 and the global severity rate was 0.85.

⁵ It is not possible to provide this breakdown per country for the 2019 data given that there were no data that were comparable to the criteria for occupational risk prevention management in Spain.

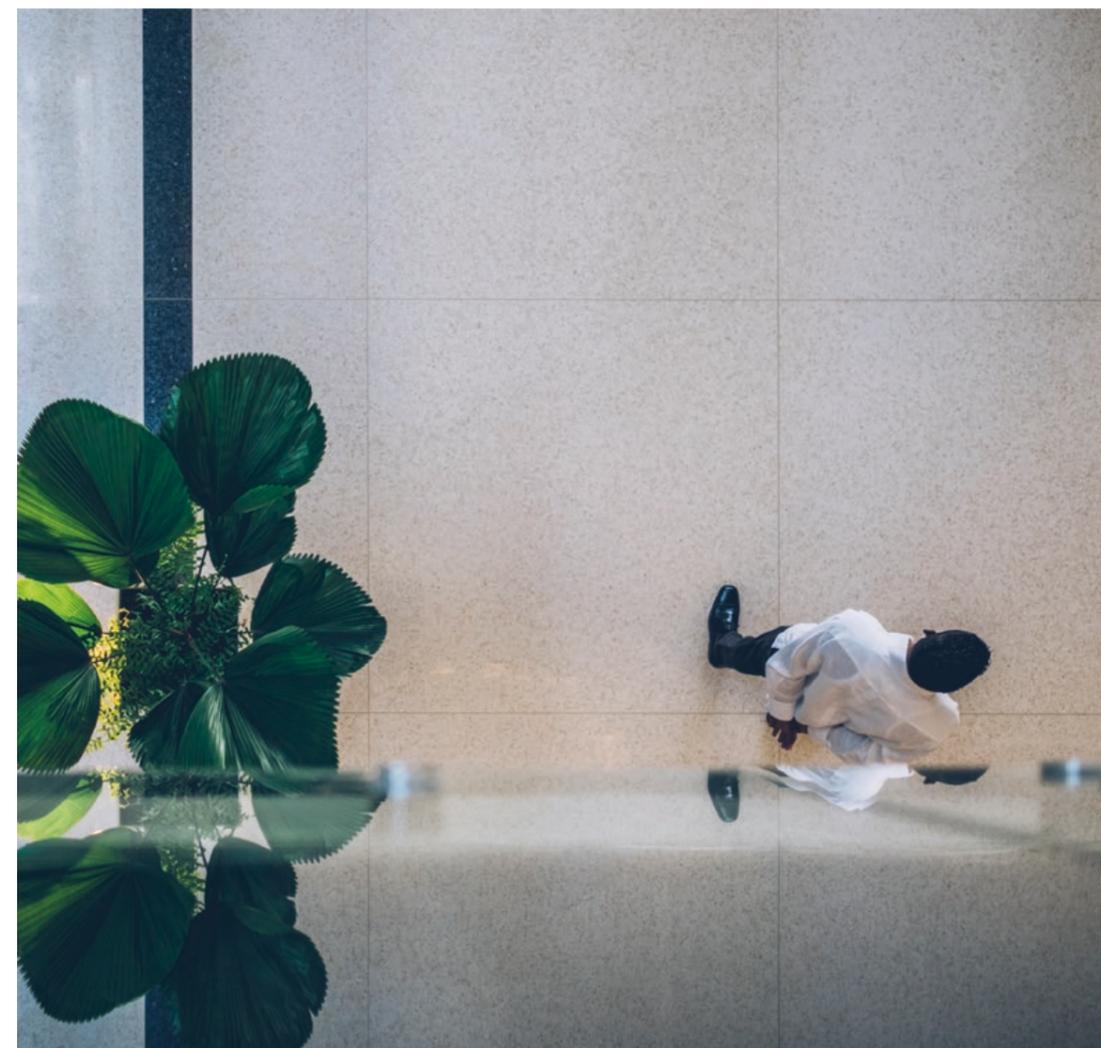
⁶ It is not possible to provide this breakdown by sex for the 2019 data given that there was no registry of days lost broken down by sex.

The following formulas are used to calculate accident severity and frequency rates:

$$\text{Frequency rate} = \frac{\text{Accidents with sick leave}}{\text{Number of hours worked}} \times 10^6$$

$$\text{Severity rate} = \frac{\text{Number of working days lost due to accident}}{\text{Number of hours worked}} \times 10^3$$

A total of 4,612,088 total hours were lost due to absenteeism in 2020⁷ (in 2019 that number was 1,929,794).



⁷ These include the hours lost due to illness, unjustified absences, suspension of salary and wages, and strikes.



Social affairs

4.4

At Iberostar Group, we act under the protection of various collective agreements and comply with the provisions set forth in the legislation of the countries in which we operate. In Spain, Portugal, Morocco, Tunisia, Montenegro, Cuba and Brazil, all employees are covered by collective agreements. In Brazil specifically, there are two collective agreements: one for the hotel staff and another for the Sales Department. In the Dominican Republic, the Collective Agreement for Workers and Hoteliers covers the entire hotel workforce. In Mexico, all employees are covered by the country's labour agreement (social security plan). In Spain, the regional collective agreement and the Acuerdo Laboral Estatal para el Sector de la Hostelería (ALEH [State Labour Agreement for the Hospitality Sector]) is applicable. The following are some of the regional collective agreements that are applicable in Spain:

Collective Agreement for the Hospitality Sector in the Balearic Islands, applicable in all Balearic Island hotels and the Head Office.

Collective Labour Agreement on a state level for the travel agency sector, applicable to the Head Office.

Collective Agreement for the Hospitality Sector in the province of Santa Cruz, Tenerife.

Collective Agreement for the Hospitality Sector in Las Palmas.

Collective Agreement for Accommodation in the Community of Madrid.

Collective Agreement for the Hospitality Industry Sector of Huelva.

Collective Agreement for the Hospitality Sector of Cádiz.

Collective Agreement for the Hospitality Sector of Málaga.

Interprovincial Collective Agreement for the Hospitality Industry and Tourism Sector of Catalonia.

Below, we present a table with the percentage of employees covered by a Collective Agreement by country:

Country	% of employees covered by a collective agreement	
	2020	2019
Spain	100%	100%
Portugal	100%	100%
Montenegro	100%	100%
Greece	90%	90%
Tunisia	100%	100%
Dominican Republic	100%	100%
Cuba	100%	100%
Mexico	100%	100%
Brazil	100%	100%
Morocco	100%	100%

There is no collective agreement in force in Hungary, the United States, Jamaica or Turkey but we follow the provisions of labour laws there.

In complement to the above, all of our hotels in Spain have a Workers' Committee except the following hotels: Iberostar Paseo de Gracia, Iberostar Grand Portal Nous, Hotel Cartago, Hotel San Miguel, Hotel Ole Galeón and Iberostar Las Letras. Even so, we hold meetings with this group of hotels upon their request. Article 64 of the Workers' Statute sets forth the rights of Workers' Committees (for example, the right to information and consultation on employment situations, plus company and workplace structures). Other countries in which employees have representation include Tunisia, Morocco, Montenegro, Greece, Mexico, Jamaica and Cuba.

Training

4.5

Training is considered a key factor to be able to offer a service that is renowned for its quality and excellence. It is for this reason that we are developing various measures in the field of training with a view to further the professional development of our employees and better performance in the workplace.

The training sessions that we organise focus on two main aspects. On the one hand, we offer training to employees in the values and general activities of the Group. On the other, we offer training focused on the various company branches and departments in order to develop specific skills and abilities that our employees can use in their everyday work. These sessions are carried out in three ways: in-person, online and mixed. In Spain specifically, training is performed online using various training platforms offered by external providers or Iberostar itself, such as the Learning Wave of Change platform, provided through our Employee Portal, Star Team.

Covid-19 has forced us to redesign and adapt the training plans that we had designed for 2020. On the one hand, the in-person training sessions that we initially had planned as part of the Training Plan for different business units decreased, with only the initiatives planned during the first and last quarter of the year being carried out.

On the other hand, we had to put off the Corporate Development Plan for structural staff and the Management Development Programme for Senior Management until 2021.

To fill the gaps derived from the reduction of in-person training sessions, we have implemented an online training package for our employees at a global level. An example of this, is the online Covid-19 training session that took place from June until the end of the year.

In 2020, our employees received a total of 310,225.58 hours of training (365,202.5 hours in 2019). The distribution of training hours by professional category is as follows:

Numbers of hours of training		
	2020	2019
Senior Management	7,767.13	1,015
Management	62,722.85	14,712.7
General Service Staff	239,735.60	349,474.8
Total	310,225.58	365,202.5

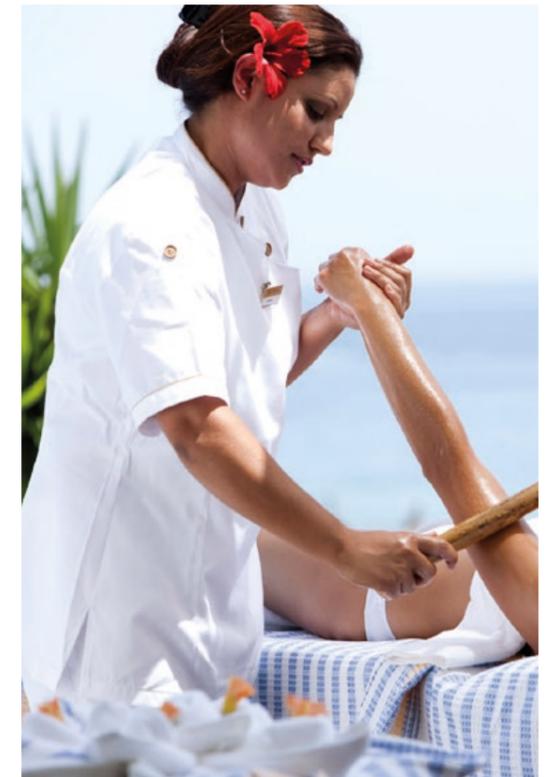
Equality and access to employment

4.6

We strive to ensure equal opportunities, pluralism and diversity in the workplace, in addition to enabling access to employment for underrepresented groups. Likewise, we promote gender equality and forbid all types of attitudes or behaviours that threaten or offend the dignity and personal rights of our employees in the workplace. The Group's Code of Ethics guarantees respect for human rights in the workplace and does not tolerate discrimination on the grounds of sex, national origin, social origin, age, civil status, sexual orientation, ideology, political opinions, religion or any other condition. Furthermore, we are working on updates to the Equality Plan in Spain, in accordance with the latest amendments to current applicable legislation. The W2M equality plan was presented to the competent labour authority in June 2020.

On the other hand, Iberostar Group enables access to employment positions in Iberostar Group workplaces for people with disabilities, and promotes their integration in the performance of daily tasks. Likewise, we enable access to employment via job offers that the Group publishes. At present, our workforce, both in hotels and other company centres, includes disabled persons.

In 2020, there were a total of 250 Iberostar Group employees with some type of recognised disability (267 employees in 2019). A strict protocol is followed during the hiring process for people with disabilities to ensure that they can fully integrate into their position in the workplace. Before starting the hiring process, a meeting with the parties involved (corresponding management department, candidate with a disability and the inclusion worker) is held. In this meeting, the responsibilities of the job vacancy are explained and the parties plan for any



needs the candidate may have in order to perform their tasks. Once the employment relationship has been established, the person with a disability is guided and accompanied by the Inclusion Worker, who is external to Iberostar and normally belongs to an NGO or a not-for-profit organisation. The Inclusion Worker is responsible for ensuring that the new employee's needs are met and that they can carry out their tasks in their position. What's more, we have assigned a Mentor to each department, who helps the employee with a disability to ease into the tasks they must carry out. In this way, the employee's colleagues are made aware of their situation so they can pay special attention to their needs. Likewise, the Management of the workplace follows up with the Mentor in question to ensure the success of the employment relationship over time.

Likewise, our Occupational Risk Prevention Department completes a risk assessment report of the workplace for vulnerable personnel with disabilities and takes measures to adapt the workplace where necessary. Finally, it is worthy of mention that all our hotels in Spain comply with the Technical Building Code in terms of accessibility. All hotels that have been recently refurbished do not have any physical barriers.



**Iberostar Group's
commitment to
human rights**



We are firmly committed to respecting and promoting human rights in all of the countries in which we operate, in addition to complying strictly with the law in these countries. The topic of human rights is of great importance to Upper Management, our employees, business partners, guests, governments and local communities.

We strive to promote human rights, both inside and outside our hotels. To do this, we have provided ourselves with both internal and external regulations and bodies that form a consistent framework to ensure that all Group activities are undertaken ethically. The main elements are:

Iberostar Group Code of Ethics: promoting and guaranteeing the protection of human rights is one of our principles and as such is reflected in our Code of Ethics. We undertake to respect, defend and promote the protection of fundamental human rights and public freedoms as recognised in the Universal Declaration of Human Rights and, in particular, the rights of children and adolescents. We also undertake to dispute, deter and condemn exploitation of human beings in all its forms.

Iberostar Group Protocol for the Prevention of Prostitution Exploitation: this protocol was created within the framework of the Crime Prevention Programme (see section 2.5 of this Report), with a view to prevent criminal conduct as set forth in articles 187 and 188 of the Penal Code, related to the exploitation of prostitution. In particular, the aim of this protocol is to prevent the prostitution and corruption of minors and to put into place prevention measures.

The ECPAT Code of Conduct for the Protection of Children from Sexual Exploitation in Travel and Tourism: the mission of ECPAT (which stands for End Child Prostitution, Child Pornography and Trafficking of Children for Sexual Purposes) is to put a stop to the sexual exploitation of children in tourism. It focuses on gaining better insight into the problem through research and prioritising the needs of children who are victims of sexual exploitation. The ECPAT Code of Conduct is an initiative that encompasses a range of sectors and aims to raise awareness and provide tools and support to the tourism industry in the fight against the sexual exploitation of children and adolescents. For more information visit: <http://www.thecode.org>.

Iberostar Group joined ECPAT in 2011. In line with this, in 2016, we took part in the creation of a [video](#) about the risks of the sexual exploitation of minors in hotels in collaboration with other Majorcan hotel chains, the support of ECPAT and the Federación de Asociaciones para la Prevención del Maltrato Infantil [Federation of Associations for the Prevention of Child Abuse] (FAPMI). Newly onboarded employees at our hotels receive training related to ECPAT on orientation day, especially at our hotels in the Dominican Republic, Jamaica and Mexico, which are countries considered especially relevant in this aspect.



The UNWTO's Global Code of Ethics for Tourism: as an adhering party to the Global Code of Ethics for Tourism since 2011, we are committed to following the Code's ten principles, which cover economic, social, cultural and environmental components relevant to the travel and tourism sector.

The United Nations Global Compact: As a member of the United Nations Global Compact in 2016, we strive to adopt, support and enact a series of fundamental values in the fields of human rights, labour regulations, the environment and the prevention of corruption.

In this same vein, we are working to establish a human rights policy in line with the International Bill of Human Rights (consisting of the Universal Declaration of Human Rights, the International Covenant on Civil and Political Rights and the International Covenant on Economic, Social and Cultural Rights) and the International Labour Organisation (ILO) Declaration on the Funda-

mental Principles and Rights at Work. Through this human rights policy, we aim to focus on three main fields of action: labour rights, the rights of children and development in local communities.

On the other hand, no areas of activity or operations with risks to the freedom of association and collective bargaining were detected at a company level or with regard to suppliers and distributors.





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Company information

Iberostar Group commitment to local communities

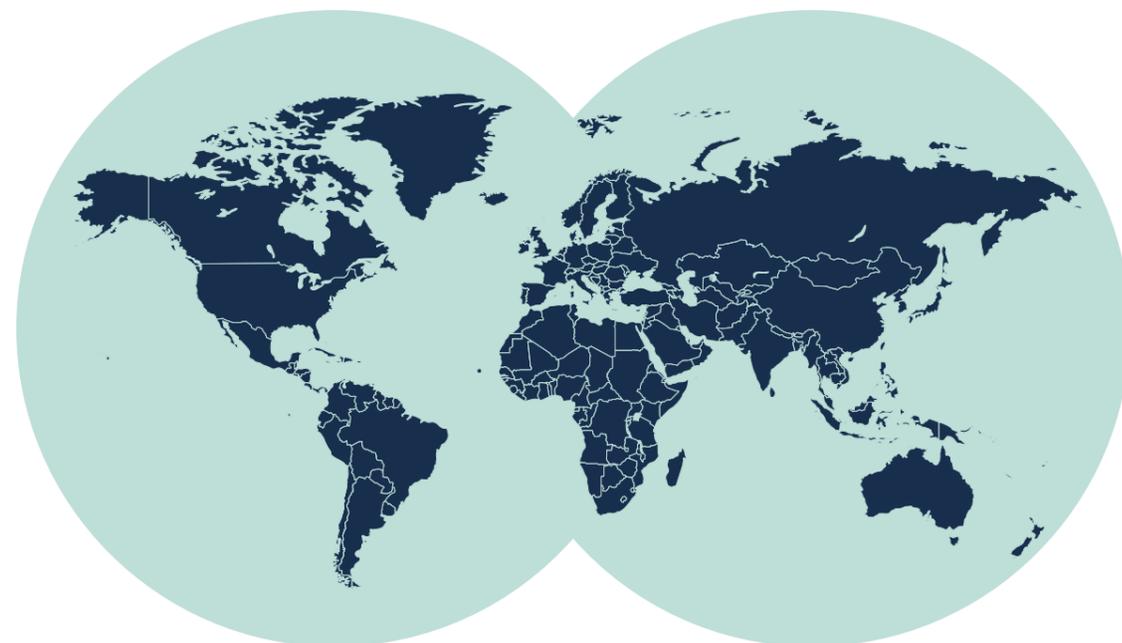
6.1

Just like everywhere in the world, the destinations where we operate are brimming with culture and tradition. We at Iberostar Group are aware of this and undertake to preserve the social and cultural identity of the communities that welcome our presence. In order to do so, we support these populations by including them in both the various activities we undertake and in the Iberostar Foundation contributions and actions. What's more,

we work with a carefully selected group of providers and promote the Wave of Change movement. As a whole, the presence of the Group contributes to the creation of shared values and to the social development of its destinations. From this perspective, we adopt, with pride and responsibility, a catalytic role in socio-economic development, enriching the business network where we operate and linking business success to social progress.

Iberostar Group and its commitment to local communities

 **88**
Nationalities employed



 **90%**
Local suppliers



Iberostar Foundation

6.1.1

The Iberostar Foundation is a not-for-profit organisation, founded in 2004, whose main goals are dedicated to social action, education and coastal protection. Since its beginnings, the Foundation has engaged in a variety of actions and projects that are akin with the Group's values. To date, the Foundation has launched more than 240 projects that have helped over 368,953 people, representing a total investment of approximately 5 million euros. The Iberostar Foundation initiatives endeavour to improve the social, healthcare and education situation of the most vulnerable populations. It pays special heed to children and promoting the cultural development of communities. This year, the spotlight has been placed on a new line for coastal health, which aims to protect the oceans and coasts in the locations where Iberostar operates. In this way, the work the Foundation does is divided into four lines of action: Education, People, Social innovation and Coastal health.



240
Projects



+ 368.000
People helped



± 5M€
Investment in projects


IBEROSTAR
FOUNDATION

DETAILS OF THE IBEROSTAR FOUNDATION (2004-2020)

Iberostar Foundation: (2004-2020)			
240 projects developed		More than 368,953 people have benefitted from our service	
People line of action	Education line of action	Social innovation line of action	Coastal health line of action
90% of projects 315,834 people have benefitted from our service	5% of projects 53,103 have benefitted from our service	3% of projects	2% of projects

DETAILS OF THE IBEROSTAR FOUNDATION (2020)

Iberostar Foundation (2020)	
Investment in projects: €260,844	
12 projects developed	9,908 people have benefitted from our service

People line of action

This line of action promotes actions and projects aiming to improve the lives of the most vulnerable populations. During 2020, we have carried out various projects in this line of action.

The **Employee Aid Fund** project aims to get our employees at the headquarters involved in the Iberostar Foundation by including them in management and decisions regarding the allocation of resources for the Aid Fund. In

this financial year, as a consequence of the crisis that occurred due to the COVID-19 pandemic, we could not proceed as we have done in previous years. Therefore, we decided to allocate the funds and resources to help the following entities which have been and are working with the most vulnerable groups of people due to the increase in demand for food:



Tardor Association: is an organisation that helps people at risk of social exclusion by paying close attention to their reintegration into society. Their efforts are focused on helping the more than 850 users who use their dining area on a daily basis. We now work regularly with them by providing them with the surplus from the different food services at Iberostar Cristina.

MALLORCA SENSE FAM

Mallorca Sense Fam: is a not-for-profit organisation that works to find solutions to poverty in Majorca with the aim and desire to educate the Majorcan population about this serious issue. This year, due to the pandemic, Majorca has been seriously affected by the decrease in tourist activity, and as result, Mallorca Sense Fam has experienced an exponential growth in the number of families who need support.

The **Destinations Project** within the People Line of Actions is also key. It consists of searching for social projects through proposals from operations managers, as they know the priorities and necessities of the local communities where we operate. The goal of this initiative is to meet the basic and educational needs of underserved communities, especially in relation to childhood assistance.

In 2019, we kicked off the Refurbishment and expansion project for the school canteen at the Segunda Milla educational centre in the Dominican Republic. In February 2020,

the school canteen was finally inaugurated for this centre located in the area of the Bávaro Hotel Complex and hosts 414 children, the majority of which come from Haitian families who live in extreme poverty.

Before, there was a small canteen that provided lunch to 40 children, given that it did not have the proper facilities nor the resources to purchase the food needed to provide more. The project's aim was to finance the construction of a kitchen/canteen with proper conditions and basic utensils in order to provide lunch to the children who attend the centre.



Construction of a school canteen
(Dominican Republic)



Other noteworthy initiatives are the **funding collaborations with different social associations and entities** working in the fields of social, educational and cultural inclusion and assistance, as well as environmental protection. In the 2020 financial year, we collaborated with the following entities:



HERMANITAS de los POBRES

Hermanitas de los pobres:

donation to the congregation who manage a residential house for the elderly in Palma de Mallorca.



Cámara
de Comercio de España

Spanish Chamber of Commerce, Industry

and Shipping in Morocco: donation for the solidarity fund created by the Spanish Chamber of Commerce in Casablanca in response to the Covid-19 pandemic.

In 2020, we continued the **rehabilitation project of the Polytechnic Sabino Pupo Institute and the Rolando Valdivia Pre-University Centre in the province of Camagüey in Cuba**, in collaboration with UNICEF. Both of these centres were severely damaged by hurricane Irma in 2017.

As a result of the Iberostar Foundation's contribution, 942 teenagers were supported in returning to safe learning spaces, given that two educational centres were refurbished in the city

of Florida and the Camagüey province. UNICEF focused on purchasing the carpentry materials, its importation, delivery to the authorities and monitoring of the activities on-site.

In 2020, UNICEF started to implement its new Cooperation Programme with the country, with the aim of ensuring that children and teenagers are prepared to act correctly before, during and after disaster situations and to increase resilience at a community level.

Education line of action

This line of action aims to use education to promote knowledge, attitudes and values that create a culture of solidarity, committed to the protection of the oceans and the environment, and the fight against poverty and exclusion.

Within the Wave of Change movement is its coastal health pillar and in line with SDG number 14 on submarine life, we aim to develop an **awareness and environmental education project** for educational centres in

the locations in which Iberostar is present. The goal is to transmit respect for the marine world and responsibility for the use of and disposal of plastics. At the end of the 2020 financial year, we started to develop content for the programme that aims to connect the educational community with the ocean. It is expected that it can be rolled out and implemented at the end of 2021 or the beginning of 2022.

Likewise, the **Research Scholarships programme: “Rebuilding Coral Reefs 2020”** also stands out, which is for students, researchers and professionals with the aim of inspiring the protection of corals and boosting the search for solutions to rebuild the reefs.

In addition, in 2020, we continued with the **“Iberostar Marine Professorship”**, a collaboration agreement with the Universitat de les Illes Balears [University of the Balearic Islands] which aims to:

Promote specialised training in the research, management and conservation of the marine environment.

Promote research in the field of marine ecology and in related areas of expertise

Encourage knowledge transfer via the elaboration of studies centred on environmental issues of the marine environment that tourism companies face, as well as the organisation of courses, conferences, seminars and round tables to promote the sustainable use of marine resources and raise the awareness of society on the importance of sea conservation.

In this edition, we have given 11 grants to young students for research projects ranging from studying the impact of microplastics on marine species to the evaluation of the impact of treatment plants and water discharges on seagrass. These grants are given for final year dissertations in bachelor's or master's

degrees, doctoral theses or research projects.

Finally, we collaborated in the **“Calibal 2.0 Project”** which aims to report on the management of the invasive species *Callinectes sapidus*, commonly known as the Atlantic blue crab.



Social innovation line of action

This line of action promotes initiatives to encourage clinical research and innovation in the health field.



The active project with the **Francisco Luzón Foundation** is a medical research programme centred around supporting and promoting clinical investigation and innovation through projects aligned with the priorities of the European Commission, as described in the Horizon 2020 programme. It also focuses on

social health challenges for the sustainable development of society. This is a collaboration to create an online platform that will be used as a self-help forum, offering help and guidance to patients with ALS, their carers and family members. This project intends to create a trusted space for people affected by ALS and their community in which they can share and find responses in an organised way to the different questions and needs they have regarding the disease. This space is accessible at any time of day or night and from anywhere in the country, it also complements the services provided by regional and local associations.



In the field of entrepreneurship, via **ENDEAVOR SPAIN** and its project **“support high-impact entrepreneurs”** the Iberostar Foundation

promotes and supports entrepreneurial projects that aim to have a social and economic impact on society. The ENDEAVOR Foundation is a not-for-profit organisation that supports high-impact entrepreneurs around the world with a “mentor capitalist” model, helping entrepreneurs to overcome economic and cultural obstacles through mentorships with globally prestigious business leaders.

Coastal health line of action

The coastal health line of action aims to protect coastal regions and promote sustainable development via conservation and restoration initiatives that are subject to strict scientific and ethical principles.

In 2020, in the Dominican Republic, we supported the **“Proyecto Restauración de Arrecifes Coralinos del Sureste del País [Project to Restore the Coral Reefs in the Southeastern Region of the Dominican Republic]”** in collaboration with the Dominican Foundation of Marine Studies, INC (Fundemar), a not-for-profit organisation dedicated to the protection of marine ecosystems. With this agreement we support the work carried

out by Fundemar to identify the diversity of existing species in the coral labs of Bayahibe, as well as to restore corals that are more resistant to the effects of climate change.

In addition, in Jamaica, we are developing a pilot coral cultivation project **“Restorative Coral and related Faunal Cultures for Ecosystem Renewal”**, with the aim of establishing labs with multiple species that are genetically diverse and which will eventually be transplanted to improve the protection of the coastal areas of Jamaica as well as increase biomass and biodiversity in the region. The project is being carried out in Liliput, Rose Hall, St James, Jamaica.



Covid-19 charitable initiatives

6.1.2

Since the start of this health crisis, we have been driving charitable initiatives to alleviate the most serious needs arising from the pandemic caused by Covid-19. These initiatives have varied but have followed the same core idea. Teams have prepared and distributed items from their stores which could help the situation in their local communities at all the temporarily closed hotels around the world.

“Nothing takes precedence over the health of human beings and our first thoughts are with those who are suffering from this disease. The most important thing is the well-being and safety of each person; it’s time to take care of ourselves, look after our families and loved ones, and act responsibly, individually and as a company”

Sabina Fluxá (CEO)

We have been in constant contact with health authorities, social institutions and organisations, and the hotel chain has donated food and protective equipment. More specifically, hotels in Europe and North Africa have donated food and textiles, such as sheets and towels, as well as more than 88,000 pairs of gloves, 20,000 masks, 20,000 caps and 800 litres of hydroalcoholic gel, among other protective equipment and cleaning products. The items were delivered, following the instructions given by the authorities, to hospitals in Tunisia (Midou Hospital and Sadok Mokaddem Hospital), Majorca (San Llätzer Hospital), Marbella (Costa del Sol Hospital) and Lisbon (Curry Cabral Hospital). The local government of Fuerteventura, Madrid City Council and other public bodies, food banks and social organisations have also

received donations. In addition, the Iberostar Club Palmeraie Marrakech, in Morocco, has given over rooms to house about fifteen health workers.

In the case of hotels located in Latin America, donations have centred on the delivery of food to vulnerable groups, like the 400 children in the Dominican Republic helped at the Segunda Milla school in Bávaro. Donations have also been made through the Specialist Body for Tourist Safety (CESTUR in Spanish) in the Dominican Republic, Bayahibe City Council, the Food Bank of Mexico, the Jamaican Ministry of Public Health and the Abrigo Moacyr Alves Social Aid organisation in Brazil. Finally, the employee dining areas and accommodation areas remained open to provide all our company services to the employees that reside in them.

Acciones de asociación o patrocinio

6.1.3

For us, sport is one of our means of communication. Effort, passion, dedication and commitment are values that sport captures and transmits, and values that it shares with the Group and its identity. In this line of action, in 2020, we held a strong presence in the world of sport by means of various collaboration and sponsorship agreements:

Iberostar Tenerife C.B Canarias

Since the end of 2013, we have been the official sponsor of the C.B. Canarias basketball team. This black and gold club, which competes in the highest category in Spain, competes under the name Iberostar Tenerife C.B Canarias.



Iberostar Princess Sofía Trophy

During 2020, we continued to be the main sponsor of the Iberostar Princesa Sofía Trophy, an Olympic sailing regatta that is held in Palma de Mallorca, and which could not be held this year due to the pandemic. This regatta with Olympic classes sailing is highly regarded all over the world and is one of Spain's biggest sailing events.



Laura Quetglas

Not losing sight of our commitment to the world's seas and oceans, since 2017, we have sponsored the Majorcan paddle surfer Laura Quetglas, thus combining that commitment with the dedication and desire to excel—values that are inherent to sport. Laura competes at a national and international level and, in 2018, she was proclaimed champion of Europe in the long-distance category.

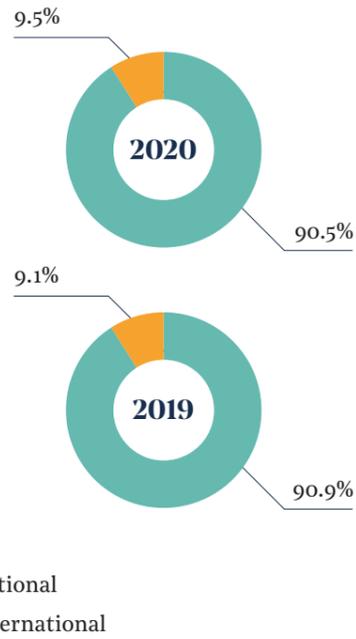


Subcontracting and suppliers

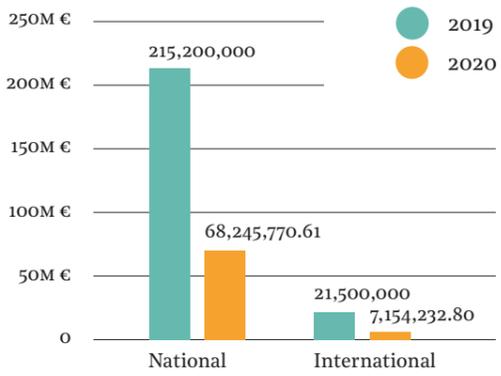
6.2

In 2020, we made purchases from 2,419 suppliers for an approximate value of €75.4 million. 90.5% of our purchasing volume corresponded to local suppliers, while 9.5% was from international suppliers. The term local suppliers encompasses all providers within the same country as the requesting site.

TYPE OF SUPPLIER BY LOCATION

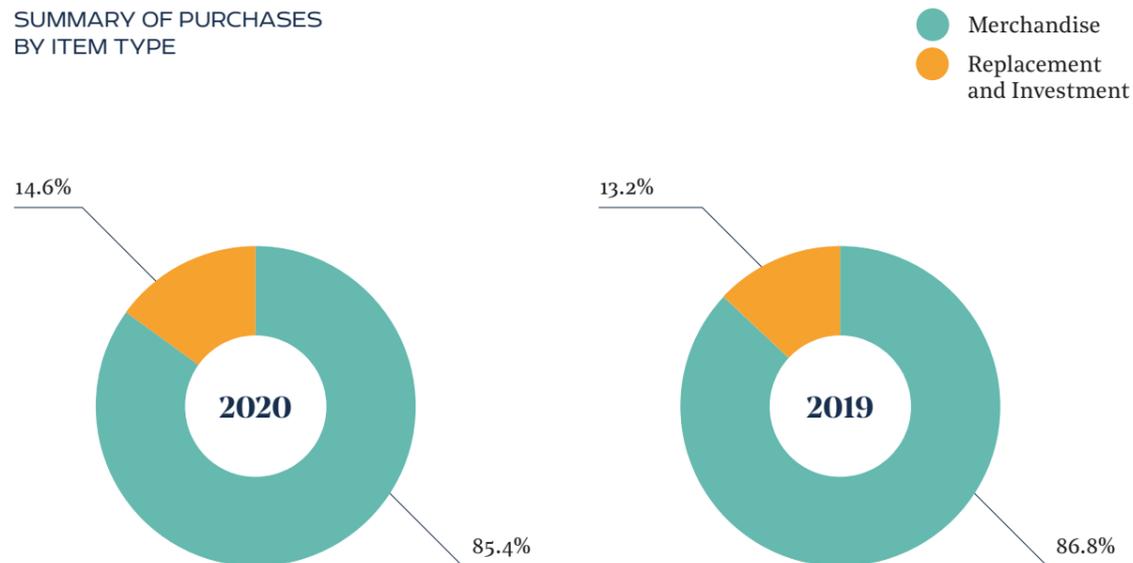


PURCHASES MADE - NATIONAL VS INTERNATIONAL SUPPLIERS



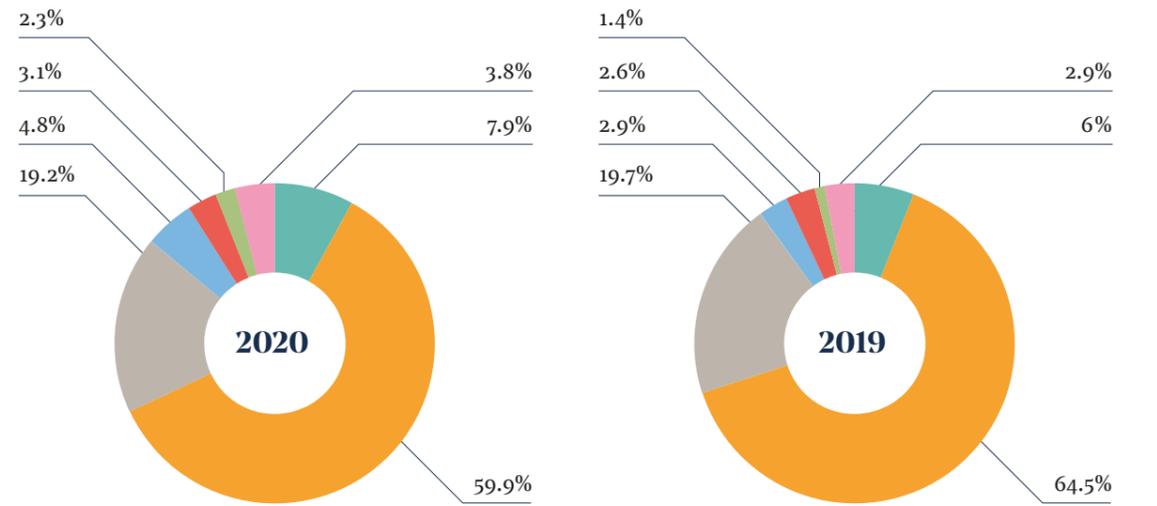
Approximately 85.4% of the purchases budget for hotels was used to buy merchandise (food, drink, toiletries, etc.), and the remaining budget was used for restocking and investment items, such as crockery, furniture, textile products, small machinery and electronic equipment. More than 96% of merchandise expenses were used for food, beverages, toiletries, maintenance, fuel and amenities.

SUMMARY OF PURCHASES BY ITEM TYPE



PERCENTAGE WEIGHT OF PURCHASES BY MERCHANDISE ITEM GROUP

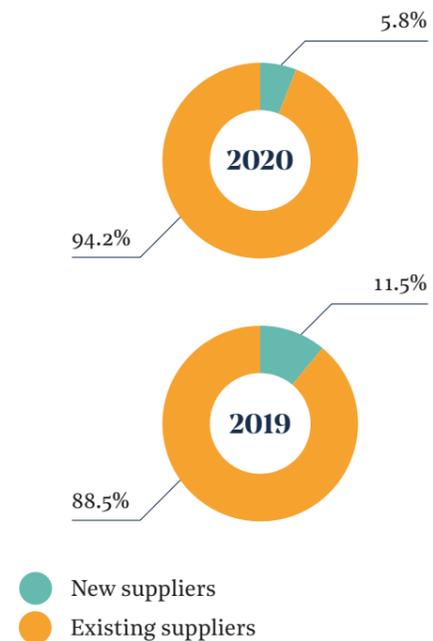
- Drugstore
- Food
- Maintenance
- Fuel
- Drink
- Others
- Amenities
- Rest



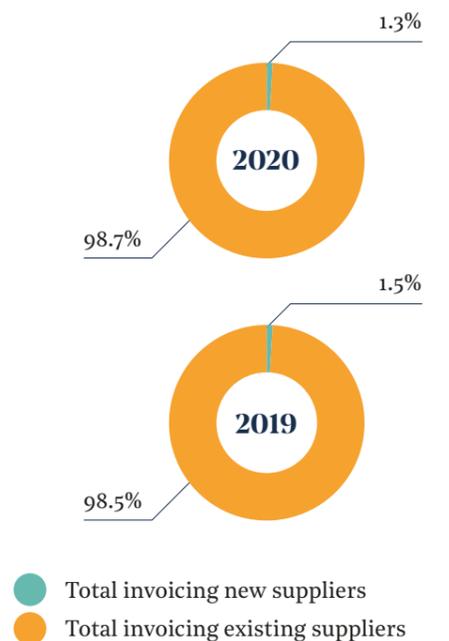
Significant changes in the supply chain

At the Iberostar Group, we work for the constant expansion of the business and to be able to increase our supply chain by working with the highest quality suppliers. In 2020, our supplier pool increased by 140 suppliers (by approximately 5.8% compared to those who were registered in 2019), which represented approximately 1.32% of annual invoicing on a chain level.

SUPPLIER ANALYSES - NUMBER OF NEW PROVIDERS VS EXISTING SUPPLIERS



SUPPLIER ANALYSES - INVOICES FROM NEW PROVIDERS VS EXISTING SUPPLIERS



Promoting sustainability in the supply chain

In general, we strive to guarantee transparency, equal treatment and the application of objective, justified assessment criteria when screening, selecting and hiring suppliers. The goal here is to select those suppliers whose products and services offer the best conditions.

In accordance with company policy, all of our suppliers must register on Iberostar Group online portal for suppliers. To do so, they must fill out an environmental questionnaire about the poli-

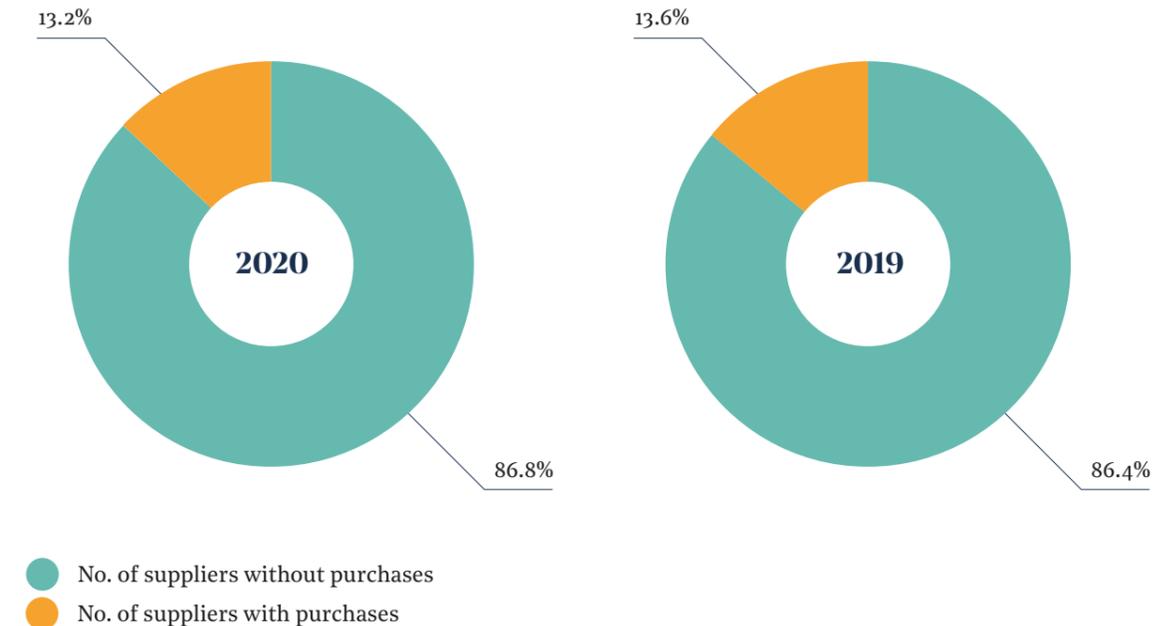
cies and practices they have in place in terms of the environment. What's more, all new suppliers must accept the Group's terms and conditions to complete the registration process. These include, among others, the social and environmental policies and criteria outlined in the Iberostar Sustainable Progress Agreement. Upon agreeing to these criteria and policies, the suppliers also undertake to comply with the following obligations:

- 1 Full respect and adherence to international and national laws and regulations** applicable to its business activities, especially regarding human rights.
- 2 Observe and comply with applicable labour regulations** in terms of syndicates, salaries and social security, in addition to ensuring a healthy and safe working environment for employees.
- 3 Not to use child labour**, any form of slavery or forced work.
- 4 Zero tolerance of sexual exploitation**, especially of children and adolescents, in any way whatsoever, and the active promotion of the eradication of this form of social evil.
- 5 Minimise the environmental impact** of the supplier's activity and implement techniques, materials and procedures to guarantee the preservation of the environment and its natural resources. The supplier will operate with respect for the environment and in line with environment protection regulations in the country in which it operates and in other countries where it holds a presence or influence.
- 6 Promote and share information about these values** to their own employees and suppliers, who will actively apply them.



In 2020, we registered a total of 1,059 new suppliers, 140 of which were selected (approximately 13.2% of the total number of suppliers who were registered), with invoicing reaching 1.32% of the purchases made throughout the year. All of the registered suppliers have accepted the Iberostar Sustainable Progress Agreement.

SUPPLIER ONBOARDING



We at Iberostar Group carry out additional monitoring of our suppliers to evaluate aspects like supplies and invoicing. In 2020, we did not audit any suppliers due to the health crisis.

Operations and suppliers with a significant risk of child labour and/or forced labour

Child labour and forced labour are strictly prohibited in all the countries in which we operate. Nevertheless, it is a risk that must be taken into account, above all in developing countries. To mitigate the risks of child labour, we request that all of our suppliers confirm that they do not have any child labour risk factors. In 2020, we did not identify any suppliers with this type of risk via

the available channels of information. With regard to forced labour, the most significant risk in the supply chain is possible non-compliance with labour regulations (e.g. working hours or pay). In the event that we identify a significant risk or severe non-compliance, we have the right to cease all collaboration with the supplier in question.

Freedom of association and collective bargaining and social impact in the supply chain

We have not identified any areas of activity or operations that put freedom of association and collective bargaining at risk on a company level, nor within our suppliers. Neither have we identified any negative social impact within our supply chain. At Iberostar Group we comply and promote the provisions of the fundamental principles of the International Labour Organization (ITO) regarding respect for freedom of association and right to collective bargaining.

Wave of Change in the supply chain

In 2020, we launched various projects to reduce the supply chain's possible negative impact on the environment. We particularly highlight the following actions and projects defined within the Wave of Change movement:



Responsible fishing initiative: we aim to protect the health of our seas and oceans by promoting the purchase of fish harvested through sustainable methods in authorised areas. With the aim of meeting the proposed standards, and alongside the identified suppliers, we have continued to work with providers who are certified with MSC/ASC (Marine Stewardship Council and Aquaculture Stewardship Council, respectively) and have continued to respect the fishing restrictions established by the competent bodies. During 2020, 23% of our seafood suppliers maintained the MSC and ASC Chain of Custody Certification, in addition to other responsible fishing certificates. In addition, new products have been added to our menu selection with Global GAP, BAP (Best Aquaculture Practices) certificates or which participate in fishing improvement projects (FIP/AIP).

Due to the pandemic situation in 2020, it is not possible to compare the reduction in use of plastics compared to previous years. This data is extracted by comparing the purchases made between the target year and the baseline year (2017). The comparison between 2020 and the baseline year would extract unreal data due to the large difference between the amount worked during these periods. In any event, we have continued to work on the goal to reduce the tons of plastic used by looking for materials which have a lower impact, such as reusable and recycled face masks, trialling milk that is powdered/in a machine to eliminate packaging, trialling cleaning floors/rooms with ozone generators to reduce chemical products and packaging, etc.

Local suppliers: With the aim of reducing the carbon footprint of transport and distribution of products consumed at Group sites, we encourage purchases from local suppliers (suppliers located in the proximity of our Group's hotels and centres, subject to different considerations, based on the country and product characteristics). The Group currently works with approximately 1,197 local suppliers.

Cleaning products: in collaboration with companies that supply cleaning products, we promote the responsible use of such products and offer training to staff on how they should be used. What's more, the responsible consumption of these products is controlled with our suppliers.



Our guests

6.3

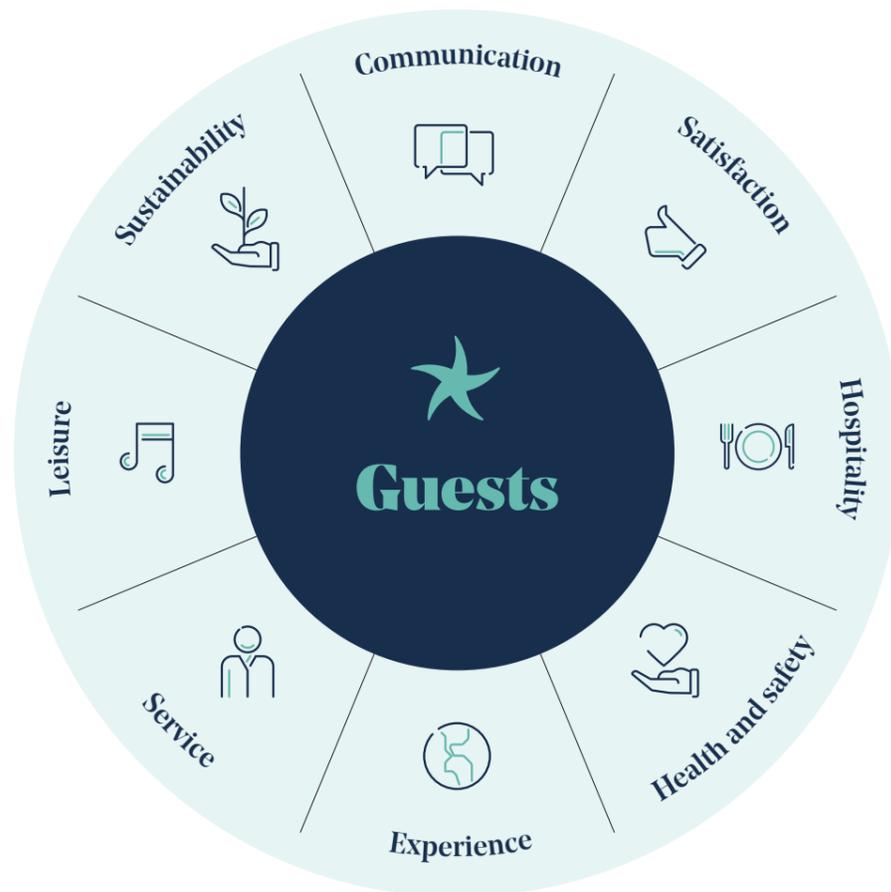
Iberostar Group is a recognised and prestigious brand. We aspire to maintain and continue improving the quality of our services. Our priority is for the over 9 million guests who on average place their trust in the Group every year to have an exceptional experience. Efforts are ongoing to ensure optimum satisfaction so that guests continue to choose our hotels time after time for their holidays.

The loyalty of guests whose expectations are increasingly higher, and who live in a world that is becoming ever more globalised, is a challenge that we face with ambition, looking towards the family values of the company. These values advocate a guest-focused culture based on ethics and responsibility. Our responsibility to the needs and wishes of our guests is reflected in the company management and the emphasis on health and safety.

With this objective in mind, we engage in programmes that transform the experience of our guests all around the world. **Star Camp**, the children's activity programme, employs pedagogical methods based on the Theory of Multiple Intelligences and combines universal values such as

encouraging healthy habits, respect for the environment, technological awareness, and the values of diversity, cooperation and fun as a life philosophy. Another programme is **Aliveness**, whose goal is for our guests to connect with themselves and with nature. The **Honest Food** programme is a gastronomic philosophy based on the use of fresh and natural products in homemade dishes. We respect what we eat and the environment while discovering new cultures and places through cuisine.

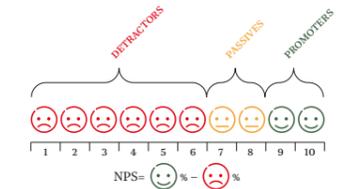
Finally, **How we Care**, a cross-dimensional philosophy that aims to care for each and every one of us (guests, employees, the community and the environment). Starting from a safe environment, it aims to provide the highest hygiene standards, social space and an innovative experience. This philosophy is present in all hotel activities, spaces and protocols which enables an even more personalised experience and strengthens our leadership in responsible tourism. We have also incorporated science into our business by gaining advice from a Medical Advisory Board made up of experts in public healthcare and health protection in tourist environments.



Guest satisfaction

Being able to measure and quantify our guests' satisfaction is essential in order to introduce improvements and provide a better service. These processes identify those areas where greater effort

is required and those areas that receive the best ratings. In addition, we have several tools to assess our guests' opinions, including the following:



GRI Global Review Index

Standard hotel industry index to measure online reputation. Based on data collected from 175 online travel agents (OTAs) and review websites in more than 45 languages.

NPS Net Promoter Score

This score measures the loyalty of customers to a company, based on their recommendations. Comparisons can be made between companies and various sectors.

The Global Review Index (GRI) is the standard hotel industry index to measure online reputation. This is based on opinions and scores of search engines such as Holiday Check, TripAdvisor, Expedia, Booking.com and Google. The languages included in this index are: Spanish, English, German, French and Russian. The results are displayed as

a percentage and in three different categories: positive, neutral and negative. Based on data collected from 175 online travel agencies (OTA) and ratings websites in more than 45 languages, reputation can be calculated for a specific period of time, whether that be in days, weeks, months or years.



Communication with our guests

Our goal is to highlight our leadership in sustainability and responsible tourism and we make sure to inform our guests about the fundamental pillars of the Wave of Change movement upon their arrival. Due to the pandemic, in 2020 we prioritised the communication of How We Care, the action plan that includes more than 300 healthcare, health protection and hygiene measures (for further informa-

tion please see sections 2.3 and 6.3 of this Report). To do this, we adapted the communication formats to the new healthcare protocols, for example, we eliminated hard copies and had a greater reliance on digital communication (QR codes, Welcome Letter, Screens, etc.) therefore encouraging the paperless policy. Like this, we are ensuring the best health and protection measures for our guests.

Below we explain how we informed about the Wave of Change goals in 2020:

In the hotels: via digital platforms, communication of projects and the placement of hard copies in the rooms, such as for example the substitution of amenities.

In the restaurants and spaces with MSC and ASC certification: we communicated regarding the sustainable fish available in them both using digital letters published via QR codes and on the digital platforms.

Finally, we display digital illustrative documents related to Coastal Health in the form of digital slides projected on screens and totems.

To boost our leadership goal in Responsible Tourism, we used platforms such as TripAdvisor, Holiday-Check, StarAgents and Iberostar Pro to give greater visibility to the Wave of Change movement.

Finally, in measuring the implementation of the How We Care movement, 66% of our guests report that the healthcare protocols applied in the hotel due to Covid-19 did not affect the perception of Iberostar being a company that is committed to sustainability.

Engaging with our guests on social media

The focus on relationships with our guests has various perspectives in order to establish fluid communication with a range of guests. We consider all the contributions of our guests to be valuable and at the same time, we believe it is important to inform them about our commitment to responsible tourism. Social networks comprise a particularly useful medium to encourage ongoing and two-way communication with our guests. These mediums are increasingly relevant in today's globalised world. Information can reach a large number of people, giving messages an immediate boost and establishing links between different parts of the planet. We at Iberostar Group believe in sharing content that is authentic and transparent, with Engagement Rate being our main objective. In this way, it is possible to measure how the online community reacts to the content and whether the content is



of interest to them. We aim for our guests' experience to go beyond their stay at our hotels and to create an enriching community for all. We share content that depicts real situations in a natural and intimate way, without forgoing the brand's quality image. The content is based on a series of themes related to the Group, all developed in line with an established strategy that reflects our leadership in responsible tourism. **At the end of 2020, we had a community of followers, made up of more than 1,599,212 users across the brand's 50 social media profiles.** The profiles are varied and include corporate profiles that share the Iberostar global vision, in addition to more exclusive profiles for representative hotels and profiles created specifically to promote the company's restaurants and beach clubs. We boast a range of social media profiles on Instagram, Twitter, Facebook, Pinterest and LinkedIn.

Iberostar Group's communication channels



Brand profiles

Profiles for global communication related to the brand.



Hotel profiles

Individual and exclusive hotel profiles



Complementary business profiles

Profiles specifically for our restaurants and associated beach clubs



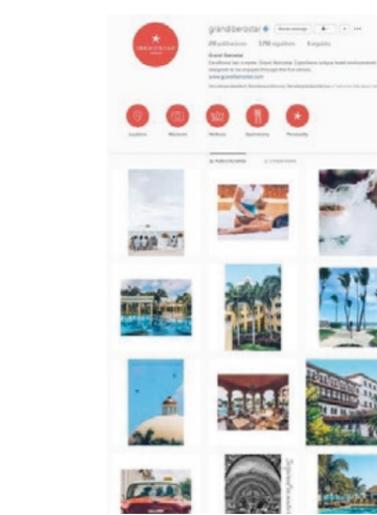
Location pages

Alternative profiles for geolocation purposes

IBEROSTAR GROUP ON INSTAGRAM

We use two Instagram profiles for global communication. One focuses on the brand (Iberostar), while the other is centred on the most exclusive category (Grand Iberostar). Both of these profiles post content in English and Spanish. The Group also uses hotel-specific profiles and profiles for businesses of the brand (beach clubs, restaurants, etc.).

Various creative resources are used on this channel to create a brand personality, from textures, concepts related to other content and storylines in a range of colours and tones. More specifically, we seek to share content that reflects the experience we offer at our hotels.



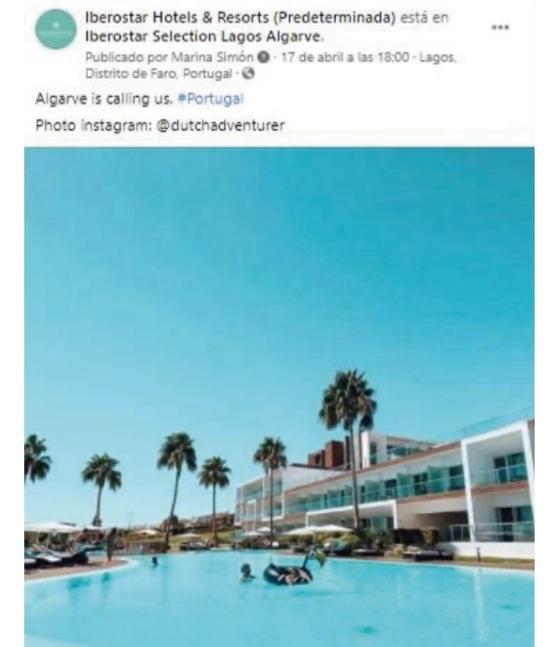
IBEROSTAR GROUP ON FACEBOOK

We hold a global Facebook profile that is available in six languages (Spanish, English, German, French, Portuguese and Russian). What's more, we have a second profile for the brand's most exclusive category, Grand Iberostar, and other hotels and businesses of the brand. The Group has over a million followers all around the world on this channel.



IBEROSTAR GROUP ON TWITTER

Our global Twitter profile shares and centralises messages in English and Spanish. The objective is to create an interactive community and a form of immediate communication with guests.



IBEROSTAR GROUP ON PINTEREST

On Pinterest, we aim to capture and share the brand essence through various boards that represent the personality of the different hotel segments and categories, in addition to the company's most distinguishing services. The profile is characterised by inspirational images that share details of hotels as well as experiences.



Iberostar Hotels & Resorts
2.9 mil vistas mensuales
Iberostar.com - A hotel chain leading responsible tourism with more than 120 hotels in 19 countries.

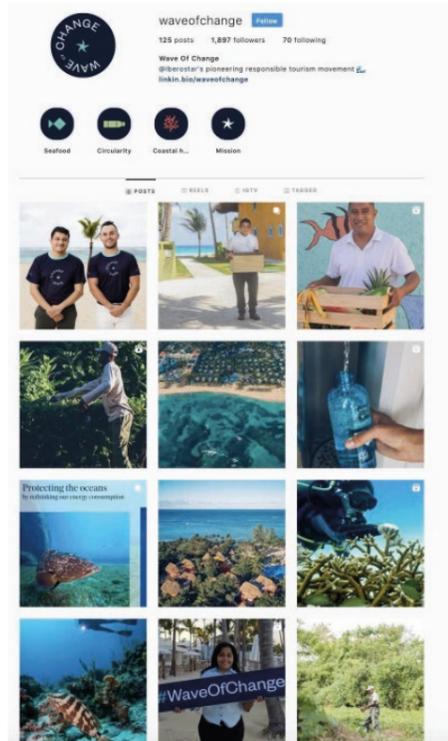
IBEROSTAR GROUP ON LINKEDIN

On LinkedIn, we have a corporate profile for which the main language is English. In contrast with the other channels, the content posted on LinkedIn focuses on brand communication.



WAVE OF CHANGE ON SOCIAL NETWORKS

In January 2020, we launched the Wave of Change profiles on Facebook, Instagram and Twitter, with the aim of telling the story of this movement in detail. On the Wave of Change profiles, we publish information about the initiatives that are being carried out, milestones achieved, the team on the front line of this work, and why we are committed to this movement of responsible tourism. On Facebook and Instagram, we target a public with a great interest in science, the environment and sustainability.



The Wave of Change profile on Twitter, which has been active since January 2020, aims to target the scientific community. The content focuses on milestones reached, publications by the Wave of Change scientific team and participation in specialised forums.

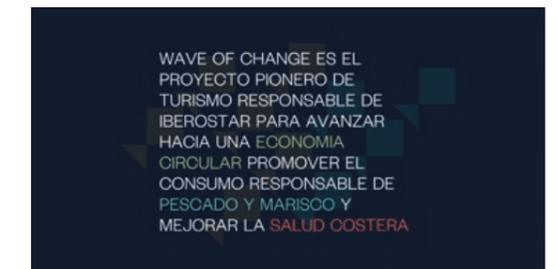
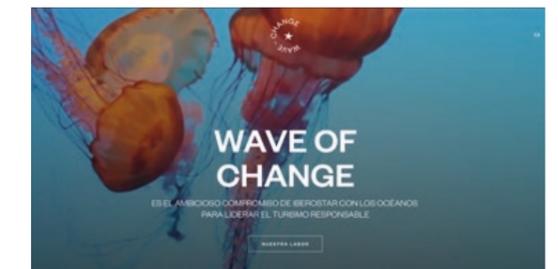


In 2020, the Wave of Change profiles reached a total of 3,600 followers and were published in Spanish and English.

WAVE OF CHANGE WEBSITE

In 2020, we set ourselves the goal of developing a website with the aim of increasing the storytelling found behind the Wave of Change movement. The website was being developed from May to December 2020, when it was officially launched.

The goal of our website was to give our audience the opportunity to better understand the story behind our movement. Users can navigate and get to know when and why the movement was started, what our targets are for the future, who the people are behind Wave of Change, and which projects are currently being carried out.



Health and safety of our guests

Ensuring the health and safety of our guests, as well as caring for our surroundings, is one of our priorities. It is for that reason that we have operated with the highest health and safety standards for more than 60 years. As a result of the pandemic, we have strengthened our procedures and protocols with scientific rigour and have a cross-dimensional and holistic vision.

To do this, we have incorporated a Medical Advisory Board, which includes experts specialised in public health in tourist settings. Following their recommendations and those from the public authorities and health institutions, we have developed more than 300 measures to safeguard our employees and guarantee our guest experience, implementing new procedures in restaurants and during check-in, wearing masks

made from recycled and recyclable materials, and adopting measures that encourage frequent hand washing to minimise the use of gloves. All our measures comply rigorously with Iberostar Group's circularity policies, through which we promote a more resilient ecosystem that is free of single-use plastics and use products that minimise our environmental impact. The new disinfection and hygiene protocols in place due to Covid-19 have been verified by SGS, the global leader in inspection, verification, testing and certification.

The goal is to make our customers feel safer than ever, to help them leave their worries behind and make them feel as comfortable as possible.

For more information on Covid-19 measures, see section 2.3 of this Sustainability Report.

Food safety

With regard to food hygiene and safety, there is a Hazard Analysis and Critical Control Points System (HACCP System) in place to control critical points detected in facilities after hazard analysis. The procedures of this system are documented and adapted to each of our establishments. We take monthly samples from food, surfaces and food handlers to ascertain the effectiveness of this system. This sampling process is adapted to the characteristics of each of our establishments. Additionally, we perform audits through an external company to corroborate and verify adherence to health regulations and internal protocols, as well as to identify areas of improvement. Furthermore, we have an internal department to supervise and control compliance with health regulations and to establish guidelines for food and health safety. All of these actions are complemented by continuous training given to the personnel in charge of handling food.

This year, in order to ensure the health of our guests in the face of COVID-19, we have adapted certain spaces in order to avoid infections. For example, the "assisted and protected buffet" was created, meaning the food service was carried out by the kitchen staff and exposure to the buffet was protected in order to avoid guests contaminating the exposed food.

- > The exposed areas were provided and equipped with partitions or methacrylate screens.
- > Certain foods and products were presented in an individualised manner such as sauces, desserts, jams, yoghurts, fruit juices, bread, etc. always ensuring the use of washable and reusable materials.
- > Some products were provided by the staff, such as oils and vinegars or the toasting of bread during breakfast.
- > Antiseptic gel dispensers were placed next to the milk, coffee and juice machines and dispensers in the breakfast service.

Recreational waters

A fundamental aspect of the Group's health and safety system is the control of recreational waters. The prevention and maintenance team who manage recreational waters hold the necessary qualifications and training to undertake these tasks. The tasks and maintenance this team undertakes are documented and recorded in the Internal Control Plan belonging to each establishment. What's more, information about how to prevent falls and injuries, plus warnings about prolonged exposure to sun, are made available to all our guests, in addition to information about the physical, chemical and biological properties of the water. There are safety teams present at all facilities to avoid accidents due to physical, chemical or biological causes. Likewise, at certain facilities, a stop button can be found to stop machinery in case of incidents. All of these actions are complemented by the monthly analyses we carry out through an external laboratory of the chemical and biological parameters necessary to guarantee that they meet what is stipulated by regulations. In order to ensure safety in the face of COVID-19, in the case of recreational waters, we increased the levels of disinfectant to the maximum permitted concentration levels for each legislation.

Biological control

Each establishment has a Legionella Prevention Plan adapted to its facilities. This plan outlines the action and control checks taken by qualified staff who have been trained in this area. These tasks aim to reduce the risk of Legionella in the hotel facilities and fulfil applicable regulations. Additionally, the various tasks and measurements are reviewed and recorded on a weekly checklist at each establishment. This checklist is then submitted to the corresponding Quality Department to verify regulations are followed. We carry out analyses through an external laboratory at the frequency stipulated by regulations and in the applicable facilities in order to ensure the absence of Legionella.

Fire protection systems

When it comes to fire protection, we follow all guidelines specified by law. Every week, we check the system against a checklist to verify the fire protection controller is working correctly, along with the state of emergency stairways and doors. In addition, regulations applicable to our hotels in Spain require fire drills to be performed. At our hotels in Spain, we perform two fire drills a year. In addition, all of our centres in Spain have a Self-Protection Plan.

Guest privacy and advertising

Guaranteeing our guests' privacy and the safe processing of their data is essential. Compliance with data protection legislation is of the utmost importance to us. The Group's handling of personal data in the course of its activity is characterised by lawfulness, loyalty and transparency.

The Group's IT Department is responsible for safeguarding information, namely the Chief Information Officer (CIO) in coordination with the Data Protection Officer (DPO) of Iberostar Group. We follow several General Data Protection Regulation (GDPR) procedures and policies, in addition to national Data Protection regulations. Among these, the safety risk management and evaluation procedure is essential to detect, evaluate and manage risks to privacy. This procedure encompasses, among other measures, the organisational support necessary to apply and control compliance with policies, regulations and procedures to safeguard privacy. Likewise, we adhere to various specific policies with a range of purposes, such as the privacy policy for our guests. The majority of these policies are available on Star Team and on the Iberostar website, in line with the GDPR principle of transparency.

In 2020, as in 2019, no significant complaints were made with regard to violation of our guests' privacy or loss of data at the level of the Spanish Data Protection Agency.

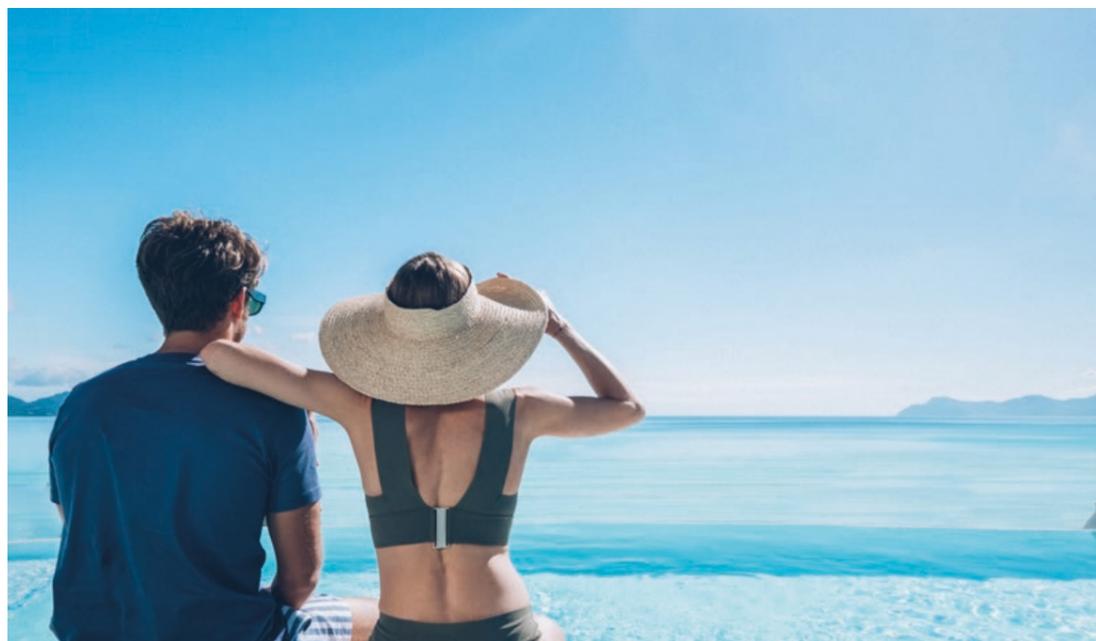
We at Iberostar Group strive to use advertising that is ethical and responsible. In Spain, we follow a protocol designed to prevent misleading advertising under the Crime

Prevention Programme. This Protocol gives examples of conduct and behaviour that goes against legislation, such as omitting specific product information. It also outlines the legal regulations, such as the duty to publish transparent, complete information that does not mislead or confuse guests. The regulations outlined in this Protocol apply to all Iberostar campaigns and offers, including: catalogues, websites, radio slots, flyers, etc., aimed at promoting or introducing the public to Group products and services.

Likewise, the Group's Code of Ethics states

as follows: "Iberostar Group will ensure that offers, adverts for products and services, and other information provided to guests by Iberostar Group professionals is true and aims to establish relationships based on mutual trust".

The work of the Group's Risk Committee ensures compliance with the Protocol and encourages incidences to be reported via the avenues of communication outlined in the Code of Ethics. In 2020, no complaints about breaches in marketing communication or product and service information were reported via the Complaint Reporting System.



Customer complaint management

We see complaints as opportunities for improvement. In all cases, we make efforts to foresee and prevent complaints from being made to ensure the best quality and promote our guests' loyalty. We have a complaint management system that is monitored and controlled by the Operations Department, whereby complaints are recorded, classified and resolved. Furthermore, in the necessary cases, the complaint is monitored over time and/or compensation is offered. Each hotel has the autonomy to manage complaints.

The hotel management handles complaints that are managed and registered at the hotel reception. Likewise, the complaint classification system differentiates between minor,

moderate and serious complaints. Depending on the complaint category, the way in which it is managed and compensated can vary.

Complaints are also recorded on the intranet. In this way, complaints can be traced in a history log. When a guest makes a return visit to one of our hotels, all the information is accessible and it is possible to foresee any complaints or needs specific to them. What's more, the database serves to improve guest management on a global basis.

In 2020, we received and properly managed 1,512 complaints and offered a total of 328 compensations, while in 2019 these figures were 6,580 and 647 respectively.

Tax information

6.4

Benefits obtained in 2020 and 2019 in the geographical areas were as follows:

Income before tax (thousands of euros)		
Country	2020	2019
Spain	-152,710	43,821
Dominican Republic	-20,292	16,110
Mexico	-41,205	14,078
Jamaica	-3,839	10,865
Netherlands	-23,774	7,099 / 54,518*
Morocco	-3,912	2,899
Cuba	-2,501	2,710
Tunisia	-	1,228
Brazil	-17,520	657
Egypt	-	394
Montenegro	-1,485	284
Hungary	-	234
Thailand	-	161
Portugal	-6,070	18
United States	-17,014	-
Aruba	-1,875	-
Turkey	-1,434	-
Others	-1,092**	-14,095***
General total	-294,723	140,981

* Capital gain on disposal of financial instruments: tax-exempt capital gain.

** Grouping of countries with low-relevant results.

*** Grouping of countries that presented losses during the fiscal year 2019.

Income tax corresponds to the corporate tax paid during the year. The data for fiscal years 2020 and 2019 are presented below:

Income tax (thousands of euros)		
Country	2020	2019
Spain	48	9,384
Dominican Republic	1,237	4,221
Mexico	4,070	5,870
Jamaica	463	9
Netherlands	436	1,470
Morocco	21	26
Cuba	84	1,139
Brazil	262	1,487
Bulgaria	–	21
Portugal	11	–
United States	1,200	–
Others	5*	215**
General total	7,837	23,842

The public subsidies we received in fiscal years 2020 and 2019 were the following:

Amount in thousands of euro		
Geographic area	2020	2019
Spain	0	4,064

In 2020, no public subsidies were received; however, the Group's Spanish companies have availed themselves of aid to address the economic and social impact of Covid-19. Additionally, exemptions from Social Security payments have amounted to 12,171 euros.

* Grouping of countries with few relevant results.

** Group of countries that presented losses during 2019.





Annexes

Annex I: List of material topics / p. 177

Annex II: Table of contents in accordance with Law 11/2018 on Non-financial Information and Diversity / p. 181

Annex I: List of material topics

Applicable CSR topic	Relevant aspects of the CSR topic
<i>Business strategy and model</i>	Have in place a business plan and strategy adapted to the surrounding market
	Ensure strategic management and integration of CSR. Establish CSR policies and strategies adapted to the business model
<i>Analysis of business risks and opportunities</i>	Conduct a business risk and opportunities analysis for economic, environmental and social aspects
	Manage business development risks in relation to climate change
<i>Participation of Stakeholders</i>	Have processes in place that define Stakeholders groups and the commitments each group assumes
	Make available channels for active dialogue with stakeholders (guests, employees, suppliers, local communities, public administration bodies, investor communities, etc.), in addition to internal and external communication policies and an approach to respond to their queries
<i>Corporate governance</i>	Have in place an organisational structure and governance bodies Establish and regularly update the responsibilities and functions of upper management in the field of CSR and the delegation of such tasks
	Have prevention and management methods for conflicts of interest
<i>Ethics and integrity</i>	Have a code of ethics and systems for the prevention of corruption and bribery
	Have in place mechanisms for compliance with the code of ethics (e.g. ethics committee, code of ethics training, anonymous reporting, staggered communication to senior management, reporting channel, etc.)
	Ensure compliance with legislation and regulations
	Extend the code of ethics to suppliers and other business partners

	Implement formal complaint systems for environmental, labour and social issues, and complaint management
<i>Creating shared value</i>	Ensure economic performance and the creation of value that goes beyond the company's financial situation
<i>Management of social and economic impacts on local communities</i>	Analyse and measure positive and negative impacts on communities (e.g. creation of jobs locally, training, outreach, etc.)
	Analyse and measure positive and negative social impacts on communities (e.g. social impact due to the operations of tourist establishments, participation in social development programmes in local communities depending on their needs, etc.)
<i>Protection of and commitment to local development</i>	Contribute to the protection of the local natural and cultural heritage
	Establish local development initiatives
	Promote social action, volunteering by employees and partnerships
	Promote use of local suppliers
<i>Use of materials and waste creation</i>	Encourage the responsible use and consumption of natural materials and resources (e.g. certified raw materials, recycled materials, wood and paper-based products from certified forests, elimination of plastics, etc.)
	Responsible consumption of chemical products (e.g. cleaning products, pools, gardens, etc.) and procedures to control their use.
	Ensure appropriate waste management (plastics, organic waste, hazardous waste, etc.)
<i>Impact on the water environment</i>	Guarantee the responsible use of water (responsible consumption, reuse, etc.)
	Ensure appropriate management of wastewater
<i>Biodiversity and safeguarding the natural environment</i>	Contribute to preserving biodiversity and safeguarding the natural environment of hotel locations
<i>Energy, emissions and climate change</i>	Ensure efficient energy consumption (responsible consumption, use of renewable energy sources, etc.)

	Monitor and reduce air emissions
	Have strategies in place for climate change adaptation
	Promote sustainable and responsible use of transport (by employees, guests, etc.).
<i>Other environmental topics</i>	Have in place environmental management and hold environmental certifications
	Avoid noise pollution
	Encourage guests to gain awareness in sustainable forms of tourism for the environment
<i>Responsible recruitment practices</i>	Develop employee recruitment practices
	Guarantee impartial employment relationships and promote collective bargaining
	Ensure appropriate compensation (salaries and social benefits) and work-life balance
<i>Professional development and talent management</i>	Promote talent attraction and retention.
	Evaluate employee performance
	Promote training, professional development and employability
<i>Health and safety in the workplace</i>	Manage workplace health and safety (workplace risk assessment, health and safety training, monitoring of accident rates, etc.)
<i>Diversity, inclusion, integration and equal opportunities</i>	Promote diversity, inclusion, integration and guarantee equal opportunities
<i>Responsible communication and transparency</i>	Guarantee transparency in information provided by the company
	Promote responsible and ethical advertising and promotion of services
<i>Quality and customer management</i>	Provide clear, truthful and transparent information about services.

	Ensure maximum guest satisfaction and management of their needs
<i>Responsible sourcing practices</i>	Develop responsible supplying practices (criteria, policies, agreements, etc.)
	Conduct a risk/impact analysis on the supply chain for risks to the environment, and labour, social and human rights
	Add clauses on the environment and labour, social and human rights to the supply contracts for products and services
	Implement measures to ensure suppliers comply with requirements regarding the environment, and labour, social and human rights (e.g. assessments, audits, certification systems, etc.)
<i>Respect for human rights</i>	Support the prevention of human trafficking and the sexual exploitation of minors
	Support the prevention of the violation of the rights of local communities and indigenous populations

Annex II: Table of contents in accordance with Law 11/2018 on Non-financial Information and Diversity

The following table lists the sections of this Sustainability Report that comply with the content required under Law 11/2018 on Non-financial Information and Diversity.

Content in accordance with Law 11/2018	Section of the Sustainability Report	Reporting criteria
Business model		
<i>Description of the business model</i>	Preamble Letter from the Chairman 1.1. About the Iberostar Group 1.2 Description of the Group's business model (business framework and organisation) 1.2.2 Business areas of the Iberostar Group	GRI 102-1: Name of the organisation GRI 102-2: Activities, brands, products, and services GRI 102-5: Ownership and legal form GRI 102-7: Scale of the organisation GRI 102-14: Statement from senior decision-maker GRI 102-45: Entities included in the consolidated financial statements
<i>Organisation and structure</i>	1.6 Corporate governance 1.6.1 Role of highest governance body in setting purpose, values, and strategy	GRI 102-18: Governance structure GRI 102-20: Executive-level responsibility for economic, environmental, and social topics GRI 102-22: Composition of the highest governance body and its committees GRI 102-23: Chairman of the highest governance body GRI 102-26: Role of highest governance body in setting purpose, values, and strategy
<i>Geographical reach</i>	1.1. About the Iberostar Group 1.2 Description of the Group's business model (business framework and organisation) 1.2.2 Business areas of the Iberostar Group	GRI 102-3: Location of headquarters GRI 102-4: Location of operations GRI 102-6: Markets served

<i>Objectives and strategies</i>	Letter from the Chairman 1.2 Description of the Group's business model (business framework and organisation) 1.2.1 Organisational objectives and strategies 1.3 Evolution of the Iberostar Group 1.4 Sustainability in the Iberostar Group	GRI 102-14: Statement from senior decision-maker GRI 102-15: Key impacts, risks, and opportunities
<i>Key factors and trends affecting future business growth</i>	1.8 Materiality analysis 1.9 Iberostar Group risk management 1.10 Key factors and trends affecting future business growth	GRI 102-15: Key impacts, risks, and opportunities
Management approach		
<i>Description of company policies</i>	1.4 Sustainability in the Iberostar Group 1.4.1 Committed to sustainable development 2. Ethical management 3. Environment 4. The people behind the Iberostar Group: a star team 5. The Iberostar Group's commitment to human rights 6. Company information 6.2 Subcontracting and suppliers 6.3 Our guests	GRI 103-2: The management approach and its components
<i>Results of company policies</i>	1.4 Sustainability in the Iberostar Group 1.9 Iberostar Group risk management 2. Ethical management 3. Environment 4. The people behind the Iberostar Group: a star team 5. The Iberostar Group's commitment to human rights 6. Company information 6.2 Subcontracting and suppliers 6.3 Our guests	GRI 103-3: Evaluation of the management approach

<i>Key risks associated with business activity</i>	1.9 Iberostar Group risk management	GRI 102-15: Key impacts, risks, and opportunities
<i>Materiality analysis</i>	1.8 Materiality analysis	GRI 102-47: List of material topics GRI 103-1: Explanation of the material topic and its Boundary
Reporting framework used		
<i>Reporting framework used</i>	Preamble	GRI standards
Environmental topics		
Environmental management		
<i>Current and foreseeable effects of the company's activities on the environment and, where applicable, health and safety</i>	1.4 Sustainability in the Iberostar Group 1.5 Wave of Change: The Iberostar Group is committed to the oceans 3. Environment 3.1 Environmental Management 3.2 The Wave of Change Movement	GRI 103-3: Evaluation of the management approach
<i>Environmental impact assessment and certification procedures</i>	3.1 Environmental Management 3.3 Environmental impact assessment and certification procedures	ISO 14001:2015 Travelife Green Key EarthCheck Blue Flag
<i>Resources for environmental risk prevention</i>	3.1 Environmental Management 3.4.3 Resources dedicated to improving energy efficiency and other environmental improvements	Environmental expenses and investments based on completed projects
<i>Application of the precautionary principle</i>	3. Environment	GRI 102-11: Precautionary Principle or approach
<i>Quantity of provisions and guarantees for environmental risks</i>	3.3 Environmental impact assessment and certification procedures	The Iberostar Group civil liability policy

Pollution		
<i>Measures to prevent, reduce or offset carbon emissions that have a severe effect on the environment</i>	3.5 Greenhouse gas emissions	GRI 103-2: The management approach and its components GRI 305-1: Direct (Scope 1) GHG emissions GRI 305-2: Energy indirect (Scope 2) GHG emissions
<i>Any other form of atmospheric pollution specific to an activity, including light and noise pollution</i>	3.7 Other atmospheric emissions	GRI 305-7: Nitrogen oxides (NOx), sulphur oxides (SOx), and other significant air emissionsy otras emisiones significativas al aire
Circular economy and the prevention and management of waste		
<i>Prevention measures, recycling, re-use, other forms of recovery and waste elimination</i>	3.2 The Wave of Change Movement 3.8 Waste management	GRI 301-2: Recycled input materials used GRI 306-2: Waste by type and disposal method (2016)
<i>Actions to combat food waste</i>	3.3.1 Actions to combat food waste	GRI 306-2 (2016): Waste by type and disposal method
Sustainable use of resources		
<i>Consumption of water and the supply of water following local restrictions</i>	3.4.1 Water consumption	GRI 303-3 (2018): Water extraction
<i>Consumption of raw materials</i>	3.2 The Wave of Change Movement 3.4 Sustainable use of resources 3.8 Waste management	GRI 301-1: Materials used by weight or volume GRI 301-2: Recycled input materials used
<i>Direct and indirect consumption of energy</i>	3.4.2 Energy consumption and energy efficiency	GRI 302-1: Energy consumption within the organisation
<i>Measures to improve energy efficiency</i>	3.4.2 Energy consumption and energy efficiency 3.4.3 Resources to improve energy efficiency	GRI 302-4: Reduction of energy consumption

<i>Use of renewable energies</i>	3.4.2 Energy consumption and energy efficiency	GRI 302-1: Energy consumption within the organisation
Climate change		
<i>Emission of greenhouse gases</i>	3.5 Greenhouse gas emissions	GRI 305-1: Direct (Scope 1) GHG emissions GRI 305-2: Energy indirect (Scope 2) GHG emissions
<i>Strategies for climate change adaptation</i>	1.9 Iberostar Group risk management 1.10 Key factors and trends affecting future business growth 3.2.3 Wave of Change: Improving coastal health	GRI 201-2: Financial implications and other risks and opportunities due to climate change
<i>Greenhouse gas reduction targets</i>	3.2 The Wave of Change Movement 3.5 Greenhouse gas emissions	GRI 305-5: Reduction of GHG emissions
Protection of biodiversity		
<i>Measures to preserve and restore biodiversity. Impact of business activity</i>	3.2 The Wave of Change Movement 3.4.1 Water consumption 3.9 Protection of biodiversity	GRI 304-2: Significant impacts of activities, products, and services on biodiversity GRI 304-3: Habitats protected or restored GRI 306-5: Water bodies affected by water discharges and/or runoff
Aspects concerning personnel and social issues		
Employment		
<i>Number and distribution of employees by country, sex, age, professional category and employment type</i>	4.1 Employment	GRI 102-8: Information on employees and other workers GRI 405-1: Diversity of governance bodies and employees
<i>Annual average contract by type of contract, broken down by sex, age and professional category</i>	4.1 Employment	GRI 102-8: Information on employees and other workers

<i>Number of dismissals by sex, age and professional category</i>	4.1 Employment	GRI 401-1: New employee hires and employee turnover
<i>Average salary by sex, age and professional category</i>	4.1 Employment	GRI 405-2: Ratio of basic salary and remuneration of women to men
<i>Salary gap: salary by equivalent positions or company average</i>	4.1 Employment	[Average salary of male employees – average salary of female employees]/ average salary of male employees
<i>Average salary of directors and executives</i>	4.1 Employment	GRI 405-2: Ratio of basic salary and remuneration of women to men
<i>Application of right to disconnect policies</i>	4.2 Work organisation and measures to aid work-life balance	GRI 401-2: Benefits provided to full-time employees that are not provided to temporary or part-time employees
<i>Employees with disabilities</i>	4.6 Equality and access to employment	GRI 405-1: Diversity of governance bodies and employees
Work organisation		
<i>Organisation of working time</i>	4.2 Work organisation and measures to aid work-life balance	GRI 401-2: Benefits provided to full-time employees that are not provided to temporary or part-time employees
<i>Number of hours of work absence</i>	4.3 Health and safety	GRI 103-2: The management approach and its components
<i>Measures to aid work-life balance</i>	4.2 Work organisation and measures to aid work-life balance	GRI 401-2: Benefits provided to full-time employees that are not provided to temporary or part-time employees GRI 401-3: Parental leave

Health and Safety		
<i>Health and safety conditions in the workplace</i>	4.3 Health and safety	GRI 103-2: The management approach and its components GRI 403-1 (2018): Occupational health and safety management system
<i>Workplace accidents, frequency rate, severity and occupational diseases by sex</i>	4.3 Health and safety	GRI 403-9 (2018): Injuries due to occupational accidents GRI 403-10 (2018): Occupational sickness and illnesses
Social affairs		
<i>Organisation of social dialogue</i>	4.4 Social affairs	GRI 103-2: The management approach and its components GRI 102-41: Collective bargaining agreements
<i>Percentage of employees covered by collective agreements by country</i>	4.4 Social affairs	GRI 102-41: Collective bargaining agreements
<i>Health and safety agreements</i>	4.3 Health and safety	GRI 403-1: Workers' representation in formal joint management-worker health and safety committees
Training		
<i>Policies implemented in the field of training</i>	4.5 Training	GRI 404-2: Programs for upgrading employee skills and transition assistance programmes
<i>Total number of hours of training by professional category</i>	4.5 Training	GRI 404-1: Average hours of training per year per employee

Equality		
<i>Universal access for people with disabilities</i>	4.6 Equality and access to employment	GRI 405-1: Diversity of governance bodies and employees
<i>Measures adopted to promote equal opportunities and equal treatment of men and women</i>	2.3 Policies against all types of discrimination and diversity management 4.6 Equality and access to employment	GRI 405-1: Diversity of governance bodies and employees
<i>Equality plans (Chapter III of Organic Law 3/2007 of 22 March, on effective equality of men and women) and measures adopted to promote employment, and protocols against sexual and gender-based harassment</i>	2.4 Protocol against sexual and/or gender-based harassment 4.6 Equality and access to employment	GRI 102-16: Values, principles, standards, and norms of behaviour GRI 405-1: Diversity of governance bodies and employees
<i>Integration and universal accessibility of people with disabilities</i>	4.6 Equality and access to employment	GRI 405-1: Diversity of governance bodies and employees
<i>Policies against all types of discrimination and, where applicable, diversity management</i>	2.3 Policies against all types of discrimination and diversity management 4.6 Equality and access to employment	GRI 406-1: Incidents of discrimination and corrective actions taken

Information on respect for human rights

<i>Application of due diligence procedures in the area of human rights</i>	2. Ethical management 5. The Iberostar Group's commitment to human rights	GRI 102-12: External initiatives GRI 102-16: Values, principles, standards, and norms of behaviour GRI 102-17: Mechanisms for advice and concerns about ethics
<i>Prevention of risks for human rights violations and, where appropriate, measures to mitigate, manage and compensate possible abuse</i>	2. Ethical management 2.2 The Iberostar Group Code of Ethics 5. The Iberostar Group's commitment to human rights 6.2 Subcontracting and suppliers	GRI 102-17: Mechanisms for advice and concerns about ethics GRI 414-1: New suppliers that were screened using social criteria GRI 414-2: Negative social impacts in the supply chain and actions taken

<i>Reports of cases of human rights violations</i>	2.3 Policies against all types of discrimination and diversity management 5. The Iberostar Group's commitment to human rights	GRI 102-17: Mechanisms for advice and concerns about ethics GRI 406-1: Incidents of discrimination and corrective actions taken
<i>Promotion of and compliance with the provisions of the fundamental principles of the ITO regarding respect for freedom of association and collective bargaining</i>	5. The Iberostar Group's commitment to human rights	GRI 102-16: Values, principles, standards, and norms of behaviour GRI 407-1: Operations and suppliers whose freedom of association and collective bargaining may be at risk
<i>Elimination of employment and occupational discrimination</i>	2.3 Policies against all types of discrimination and diversity management	GRI 406-1: Incidents of discrimination and corrective actions taken
<i>Elimination of forced or compulsory labour</i>	5. The Iberostar Group's commitment to human rights 6.2 Subcontracting and suppliers	GRI 409-1: Operations and suppliers at significant risk for incidents of forced or compulsory labour
<i>Effective abolition of child labour</i>	5. The Iberostar Group's commitment to human rights 6.2 Subcontracting and suppliers	GRI 408-1: Operations and suppliers at significant risk for incidents of child labour

Information regarding the fight against corruption and bribery

<i>Measures to prevent corruption and bribery</i>	2.2 The Iberostar Group Code of Ethics 2.5 Internal regulation system of the Iberostar Group: measures taken to prevent corruption and bribery	GRI 102-16: Values, principles, standards, and norms of behaviour GRI 102-17: Mechanisms for advice and concerns about ethics GRI 102-25: Conflicts of interest GRI 205-1: Operations assessed for risks related to corruption GRI 205-3: Confirmed incidents of corruption and actions taken
<i>Measures to fight against money laundering</i>	2.5 Internal regulation system of the Iberostar Group: measures taken to prevent corruption and bribery	GRI 102-16: Values, principles, standards, and norms of behaviour

<i>Contributions to not-for-profit foundations and bodies</i>	6.1 The Iberostar Group commitment to local communities 6.1.1 Iberostar Foundation 6.1.2 Covid-19 charitable initiatives	GRI 201-1: Direct economic value generated and distributed
Company information		
Company commitment to sustainable development		
<i>Impact of business activity on local employment and development</i>	1.4 Sustainability in the Iberostar Group 6.1 The Iberostar Group commitment to local communities 6.1.1 Iberostar Foundation 6.2 Subcontracting and suppliers	GRI 204-1 Proportion of spending on local suppliers GRI 413-1: Operations with local community engagement, impact assessments, and development programs
<i>Impact of business activity on local populations and on the region</i>	6.1 The Iberostar Group commitment to local communities 6.1.1 Iberostar Foundation	GRI 413-1: Operations with local community engagement, impact assessments, and development programs GRI 413-2: Operations with significant actual and potential negative impacts on local communities
<i>Relationships with individuals in local communities and types of dialogues</i>	1.7 Stakeholders 6.1 The Iberostar Group commitment to local communities 6.1.1 Iberostar Foundation	GRI 102-12: External initiatives GRI 102-43: Approach to stakeholder engagement GRI 413-1: Operations with local community engagement, impact assessments, and development programs
<i>Partnerships and sponsorships</i>	6.1.2 Partnerships and sponsorships	GRI 102-13: Membership of associations
Subcontracting and suppliers		
<i>Inclusion in the purchasing policy of aspects regarding social and environmental issues and gender equality</i>	6.2 Subcontracting and suppliers	GRI 204-1: Proportion of spending on local suppliers GRI 308-1: New suppliers that were screened using environmental criteria

		GRI 414-1: New suppliers that were screened using social criteria
<i>Consider the environmental and social responsibility of suppliers and subcontractors</i>	3.2 The Wave of Change Movement 6.2 Subcontracting and suppliers	GRI 102-9: Supply chain GRI 204-1: Proportion of spending on local suppliers GRI 308-1: New suppliers that were screened using environmental criteria GRI 414-1: New suppliers that were screened using social criteria
<i>Systems for supervision, audits and results</i>	6.2 Subcontracting and suppliers	GRI 308-1: New suppliers that were screened using environmental criteria GRI 414-1: New suppliers that were screened using social criteria
Consumers (our guests)		
<i>Health and safety measures for consumers</i>	6.3 Our guests (subsection "Guest health and safety")	GRI 416-1: Assessment of the health and safety impacts of product and service categories
<i>Complaint systems</i>	6.3 Our guests (subsection "Customer complaint management")	GRI 416-2: Incidents of non-compliance concerning the health and safety impacts of products and services
<i>Complaints received and resolutions</i>	6.3 Our guests (subsection "Guest health and safety") (subsection "Guest privacy and advertising") (subsection "Customer complaint management")	GRI 416-2: Incidents of non-compliance concerning the health and safety impacts of products and services GRI 418-1: Substantiated complaints concerning breaches of customer privacy and losses of customer data
Tax information		
<i>Profit obtained country by country</i>	6.4 Tax information	GRI 207-4: Presentation of reports country by country

<i>Income tax paid</i>	6.4 Tax information	GRI 207-4: Presentation of reports country by country
<i>Public subsidies received</i>	6.4 Tax information	GRI 201-4: Financial assistance received from government





