SNAW SNAW

2019

MOVING BEYOND PLASTICS AND TOWARDS A CIRCULAR ECONOMY



In moving beyond single-use plastics, our first step was to evaluate all products used in the hotel and identify whether they contained plastic. This led us to our objective to eliminate single-use plastics first from our rooms in 2019 and then from our entire operations in 2020.

These achievements would not have been possible without the great work from our employees, purchasing team and our suppliers.

WE TIRELESSLY WORKED WITH 92 OF OUR SUPPLIERS



THAT ALSO MEANS 12,359 EMPLOYEES TRAINED SO WE COULD COLLECTIVELY ACHIEVE OUR GOAL



Most of these changes included rethinking the packaging while maintaining the experience our clients have come to love with Iberostar.

BEFORE AFTER

PLASTIC REFILLABLE BOTTLES GLASS BOTTLES

PLASTIC MULTI-USE AMENITIES DISPENSERS

PLASTIC PLANT-BASED WASTE BAGS BAGS

PENS PENCILS

PLASTIC COTTON
LAUNDRY BAGS
LAUNDRY BAGS

SNACKS SNACKS IN GLASS WRAPPED WITH PAPER IN PLASTIC PACKAGING

PLASTIC FABRIC BRACELETS



For these efforts, we are proud to announce that

IBEROSTAR IS NOW SINGLE-USE PLASTICS FREE IN THE HOTEL ROOMS ACROSS ITS ENTIRE PORTFOLIO

120 HOTELS



38,100 ROOMS 333333333333333333333

~

X 381

But we're not stopping at just our rooms.

IMAGINE AN ENTIRE HOTEL FREE OF SINGLE-USE PLASTICS. IN 2019, WE WORKED WITH OUR 36 HOTELS IN SPAIN TO MAKE THIS A REALITY

What does that mean?







In total, we've removed

836 ITEMS FROM OUR OPERATIONS AND FOUND 506 NEW PRODUCTS

to solve our single-use plastics needs. We're going to scale this across our entire operations in 2020.

We also know that plastic is not the enemy. Health and safety are our top priority. All of our efforts are within legal restrictions and ensure our clients have the diversity of products and quality they know and love with lberostar.

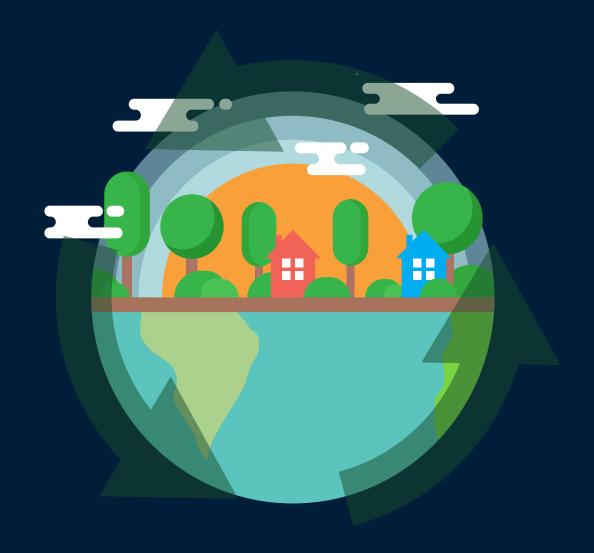
We also believe in moving beyond single-use. That meant bringing clean, crisp, and pure water to places where the tap water was not potable.

WE'VE INSTALLED
402 WATER FOUNTAINS
IN 24 HOTELS IN THE
DOMINICAN REPUBLIC,
MEXICO, JAMAICA
AND SPAIN





THIS HAS ALLOWED
US TO ENJOY 3.6 MILLION
LITERS OF DELICIOUS
WATER AND SAVE 7.2
MILLION BOTTLES IN
THE PROCESS



THESE ACTIONS PUSH US CLOSER TOWARDS A CIRCULAR ECONOMY

While we worked to reduce, reuse or find rigorous alternatives, in some cases compostable was the only option to make sure we could close the loop in our circular economy.

WE INVESTED IN 3 INDUSTRIAL SCALE COMPOSTING PROJECTS

to receive those products.

This has opened the door for us to compost all of our organic waste at Iberostar. This will be necessary in order for us to take steps to be waste free.

IN TOTAL, WE HAVE AVOIDED OVER 607 TONNES OF SINGLE-USE PLASTICS THUS FAR

That's 1.3 million pounds or 70 million (1.5 liter) plastic bottles.

This is equivalent to the annual consumption of plastics for 12,140 people globally.

12,140 f



70M **•**

WE'RE EXCITED FOR THIS TO GROW AS WE MOVE TO BE SINGLE-USE PLASTICS FREE IN ALL OF OUR OPERATIONS BY THE END OF 2020, WASTE FREE BY 2025 AND CARBON NEUTRAL BY 2030

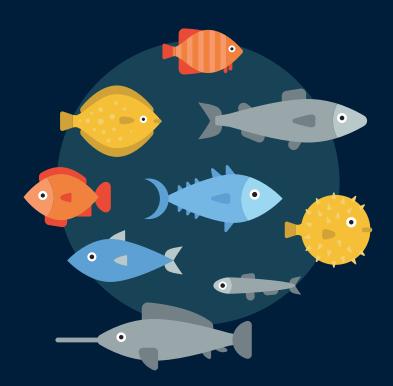
RESPONSIBLE CONSUMPTION OF SEAFOOD



Seafood is one of the last wild harvests. Since over 90% of wild-caught seafood is fully or overexploited, sustainability is a must.

For Iberostar, the responsible consumption of seafood means the intersection of prioritizing environmental sustainability, livelihoods and safe working practices as well as the economic viability of fisheries - improving the environment, people, and economy.

WE MADE MAJOR STRIDES IN
2019, WORKING WITH PARTNERS
AT WWF-US AND FISHWISE,
TO TAKE STEPS TOWARDS
RESPONSIBLE SEAFOOD



THIS MEANT MOVING FROM COMMON NAMES TO SCIENTIFIC NAMES FOR A GLOBAL PICTURE OF OUR 13,000 REFERENCES

Tuna now represented 5 different species, some critically endangered while others were likely sustainably managed.

lberostar brought certified sustainable seafood to new parts of the world in 2019.

WE NOW HAVE 7 RESTAURANTS
CERTIFIED WITH CHAIN OF
CUSTODY FOR PRODUCTS FROM
THE MARINE STEWARDSHIP
COUNCIL OR THE AQUACULTURE
STEWARDSHIP COUNCIL



















SPAIN

MSC-C-56777 ASC-C-01934 MSC-C-56782 ASC-C-01938 MSC-C-56686 ASC-C-01970 MSC-C-57423 ASC-C-02393 DOMINICAN REPUBLIC MSC-C-57215 ASC-C-02212

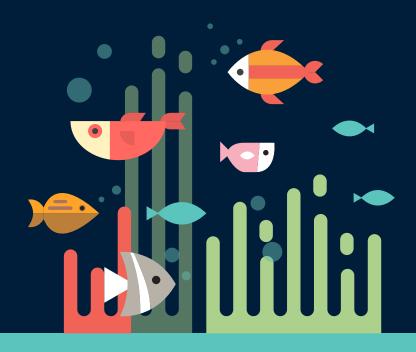
MSC-C-57197 ASC-C-02210

MEXICO

THESE WERE THE FIRST
CERTIFIED RESTAURANTS
IN TOURISM IN SPAIN,
THE DOMINICAN REPUBLIC
AND MEXICO

We're proud that 15% of our suppliers also received Chain of Custody certification. These suppliers provide over 60% of the seafood products we consume.

IN TOTAL, WE'VE SERVED 152,800 KG WORTH OF CERTIFIED SEAFOOD



For Iberostar, certification was only the beginning.

Next, we immediately

SPECIES FROM OUR GLOBAL PORTFOLIO

To Iberostar, this meant species that were endangered or critically endangered by IUCN, listed in appendix I or II on CITES, or identified as at risk by WWF.

Centrophorus spp (squaliform shark)

Galeorhinus galeus (school shark)

Sphyrna tudes (smalleye hammerhead)

Raja brachyura (blonde ray)

Thunnus thynnus (bluefin tuna)

Rumina decollata (sea snail)

Pristis pectinata (smalltooth sawfish)

Prionace glauca (blue shark)

Lobatus gigas (queen conch)

Galeorhinus galeus (school shark)

Galeocerdo cuvier (tiger shark)

Epinephelus marginatus (dusky grouper)

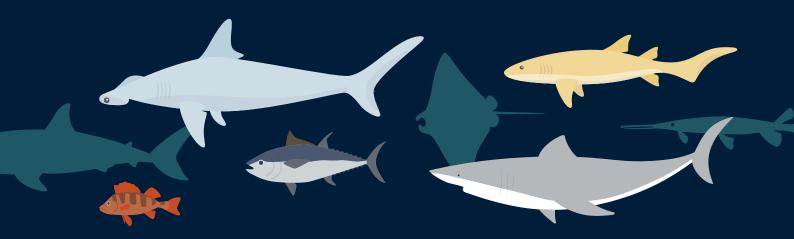
Dasyatis centroura (roughtail stingray)

Austropotamobius pallipes (european freshwater crayfish)

Anguilla anguilla (European eel)

Acipenser sturio (European sea sturgeon)

Epinephelus striatus (Nassau Grouper or Caribbean grouper)



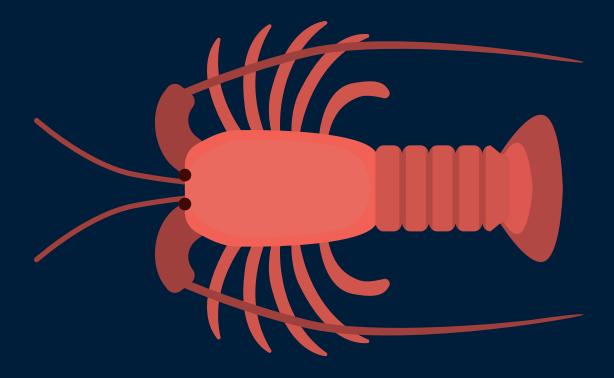
We're glad this only represented 2.5% of our total volume of seafood, but was a critical first step to ensure the responsibility of our seafood supply chains.

LIFTING UP LOCAL FISHERIES

is an important part of our strategy since our certified sustainable seafood is primarily imported.

Sometimes what's best for local fisheries is not consuming local so the fisheries can recover.

IN THE DOMINICAN REPUBLIC, WE WERE THE FIRST HOTEL CHAIN TO OBSERVE THE ANNUAL SEASONAL LOBSTER CLOSURE



In 2018, we consumed 7,700 kg during this period. In 2019, we left the lobster in the wild to help recover populations in the Dominican Republic.

Panulyrus argus, Panulirus guttatus, Parribacus antarcticus, Scyllarides sp. and 27 other species decreed by the government agency CODOPESCA (Ley Decreto No. 316-86) for the period of April 1 through June 31.

THESE STEPS WERE CRITICAL TOWARDS OUR GOAL OF BECOMING 100% RESPONSIBLE FOR OUR CONSUMPTION OF SEAFOOD BY 2025



COASTAL HEALTH



lberostar Hotels and Resorts has 80% of its global portfolio front-line on the beach. Ensuring a healthy coastal ecosystem is at the core of our Wave of Change movement. To lberostar, improving coastal health means the discovery, protection, and restoration of the coral reefs, mangroves, and seagrasses that surround our properties.

In 2019, it was the year of the coral reef for Iberostar. We started with reef restoration since the health of reefs in the Caribbean will require scaled restoration in order to continue providing its critical ecosystem services. We started in the Dominican Republic, working with our partners FUNDEMAR and Dressel Divers to expand the coral nursery we started in 2017.



COLLECTIVELY, WE ARE GROWING THOUSANDS OF CORALS ACROSS 95 STRUCTURES

and are starting to expand to work with multiple species (Acropora cervicornis, Diploria labyrinthiformis, Montastrea cavernosa, Orbicella annularis, Orbicella faveolata, Porites porites, Agaricia agaricites)



Our goal is to test methods of transplantation in the surrounding reef to see what methods allow for scaled operations.



WE ARE AIMING TO RESTORE ECOSYSTEM SERVICES LIKE COASTAL PROTECTION FROM STORM SURGES WITH OUR RESTORATION EFFORTS



In order to do so, science must play a fundamental role. As part of the Wave of Change team, we have coral reef experts with PhDs in marine biology, ecology and genetics. In 2019, Morikawa & Palumbi showed that it was possible to restore reefs that were more resilient to climate change (Morikawa & Palumbi 2019, PNAS). Calle Triviño 2019 demonstrated that reef restoration could bring back critical grazers like the parrotfish in the Caribbean that are needed to keep the system in balance (Calle-Triviño 2019, Dissertation).

We needed to expand this research within our own operations at Iberostar.

IN 2019, WE COMPLETED THE CONSTRUCTION OF IBEROSTAR'S FIRST ON-LAND CORAL LAB IN THE DOMINICAN REPUBLIC





This serves as





Once we built the lab, we provided a center for the scientific community to do their own research. In 2019,

WE HOSTED 3 RESEARCHERS AT OUR CORAL LAB

Dr. Palumbi (Stanford), Dr. Berewald (author), and PhD candidate Wyatt Million (University of Southern California). We're excited for the new researchers we will host in the upcoming years.



Our clients can be part of this story by visiting our coral lab in the <u>Dominican Republic</u>, diving at our coral nursery or purchasing reef-safe sunscreen from our hotels.

The Dominican Republic was just the start. We are working to grow our in-water coral reef restoration to other locations around the Americas. Be on the lookout for

NEW PROJECTS IN COZUMEL, MEXICO AND EAGLE BEACH, ARUBA IN THE UPCOMING YEARS

PILOT PROJECT IN MANGROVE RESTORATION IN OUR COMPLEX IN THE DOMINICAN REPUBLIC

Last year we planted 1,555 red and button mangroves (Rhizophora mangle and Conocarpus erectus)



We'll be expanding this to a program launched in 2020 to showcase the mangroves ability to help lberostar reach its long-term goals by sequestering carbon and filtering nutrients.

In Mallorca, we're supporting research on seagrasses through the establishment of the

UNIVERSITY OF THE BALEARIC ISLANDS IBEROSTAR CÁTEDRA DEL MAR. WE AWARDED 10 SCHOLARSHIPS

for students studying topics from the microorganisms that help seagrasses filter nutrition to the distribution of micro plastics in the Balearics.





The community around our hotels is a fundamental part of our story.





WE EXPANDED OUR
EDUCATIONAL PROGRAM
ON COASTAL HEALTH
TO 5 SCHOOLS AND OVER
200 STUDENTS IN JAMAICA,
MEXICO, THE DOMINICAN
REPUBLIC AND BRAZIL



This work sets the stage in 2019 for us to achieve our long-term vision for coastal health:

ALL ECOSYSTEMS THAT SURROUND IBEROSTAR PROPERTIES ARE IMPROVING IN ECOLOGICAL HEALTH ALONGSIDE PROFITABLE TOURISM BY 2030



