



# A Roadmap to a Circular Economy at Iberostar Hotels & Resorts



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## Executive Summary

Iberostar strives to lead responsible tourism through examples of new business models that push the boundaries of sustainable development, demonstrating that tourism can be a force for good. In this report and roadmap, we outline our progress on objectives related to single-use plastics, waste and decarbonization. We bring these concepts together with other initiatives and new commitments, aligning them with Iberostar's vision of a circular economy as a pathway towards resilient tourism. This work is intended to complement our strategic roadmaps on seafood, coastal health and decarbonization and any progress will be reported in our annual Wave of Change year in review documents.

We also aim for this work to serve as a reference for reflection within the travel and tourism sector, as well as a centralizing point for many industries interested in sustainable development in coastal communities. Like every component of our sustainability journey, this roadmap is intended to act as a guide and mechanism for transparency and accountability and will evolve as we learn.

The document is divided into two sections. The first section describes an evolution of our efforts within the scope of a circular economy at Iberostar, describing progress and key takeaways of our advances in single-use plastics, waste management and decarbonization. The second section integrates our existing strategy and initiatives while also introducing additional elements to describe the evolution of Iberostar's interpretation of a circular economy within the hospitality sector.

# Progress and Lessons Learned

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## Single-use Plastics Free Since 2020

Operative action can happen incredibly quickly around largely visible levers; it becomes a question of motivation, empowerment and enlightened leadership.

Most single-use plastic items do not play a fundamental role in luxury hospitality settings.

Empowered, value-driven and effective procurement teams can transform supply chains by bringing existing providers along with them.

A narrow focus on plastics started to risk other sustainability levers such as carbon footprint and waste production, particularly in food waste.

## Sending No Waste to Landfill by 2025

Effective segregation resolved around one-third of Iberostar's waste sent to landfill.

Building pride around waste management and quantitative measurement was crucial. However, waste management professions both within and outside of hotels remain challenging careers with high manual labor and entry-level salaries.

After effective segregation and ambitious reduction in waste fractions, collaboration with infrastructure at the destination is critical (which sometimes needs to occur in networks). Iberostar predicts 60% of waste currently sent to landfill could be revalued if proper infrastructure exists (primarily organic waste).

No matter how much effective segregation, reduction or revaluation of waste occurs, waste is generated in the supply chain, upstream of the business. Approximately a quarter of the waste Iberostar predicts it will send to landfill will require innovation and redesign upstream in the value chain.

## Reaching Carbon Neutrality by 2030

Don't wait to act until having complete energy or compliance data. Be agile, start with the basics, iterate and increase available data as the implementation progresses.

For most service-oriented businesses, most of our environmental impact is in our goods and services. However, that should not prevent highly ambitious action in our Scope 1 & 2 emissions.

The only way to succeed is through building value in our supply chain through partnership.

Focusing solely on carbon footprint in value chain was narrow, and a more regenerative approach was necessary.

# Circular Economy at Iberostar Hotels & Resorts

## Evolving Operations Towards Circularity



People



Carbon Footprint



Water



Goods and Services

## Regenerative Destinations



Circular Built Environments



Safeguard Ecosystem Services



Align With & Evolve Destination Infrastructure

## Towards Partnership in the Value Chain



Towards Partnership in the Value Chain



Standardization and Interoperability in Measurement to Drive Accountability



Innovation and Collaboration to Drive Solutions



# Introduction

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Iberostar Group launched its ambitious Wave of Change movement in 2018 in response to the recognition of the oceans' importance to its beachfront resorts. With over 100 all-inclusive resorts in beachfront locations across 16 countries, primarily in the Mediterranean and Caribbean, Iberostar Hotels & Resorts is committed to

this movement. Shaped by its own Agenda 2030 in line with the UN SDGs, Iberostar set detailed, ambitious quantitative objectives designed to push the boundaries of sustainability in a hospitality setting and demonstrate leadership in responsible tourism.

**Iberostar's operations are single-use plastic free by 2020**

**Iberostar's operations are waste free (to landfill) by 2025**

**Iberostar's operations are carbon neutral by 2030**

**Iberostar's seafood consumption is 100% responsible by 2025**

**All ecosystems that surround Iberostar properties are in improving ecological health alongside profitable tourism by 2030**

This report and roadmap synthesize progress on these strategic objectives and lays out the evolution of embodying a circular economy at Iberostar Hotels & Resorts. We aim for this to serve as a model for accommodation for operators and brands, coastal real estate developers and hospitality services to embrace a circular economy in their businesses.



## Reporting on Progress and Sharing Lessons Learned

Single-use Plastics Free since 2020 and four key takeaways

No Waste to Landfill by 2025 and four key takeaways

Reaching Carbon Neutrality by 2030 and four key takeaways

## A new definition of Circular Economy for Iberostar Hotels and Resorts

Evolving Operations Towards Circularity

Regenerative Destinations

Towards Partnership in the Value Chain

This document complements the roadmaps detailing Iberostar's commitment to 100% sustainable seafood sourcing by 2025 ([Seafood Roadmap](#)), [having all ecosystems in improving ecological health by 2030 \(Coastal Health Roadmap\)](#) and commitment to reaching carbon neutrality by decarbonizing Scope 1 & 2 by 85% and Scope 3 by 50% by 2030 ([Decarbonization Roadmap](#)). Progress on Iberostar's work in Circular Economy as well as its work in Responsible Consumption of Seafood or Blue Foods, Climate Action, Nature-based Solutions and Destination Stewardship can be found in the annual Wave of Change Year in Review ([2019](#), [2020](#), [2021](#), [2022](#)) as well as the Iberostar Group non-financial ESG Report ([2018](#), 2019, [2020](#), [2021](#), 2022).





# Progress and Lessons Learned



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# Single-use Plastics Free since 2020

Iberostar Hotels & Resorts embarked on an ambitious journey to go beyond plastics, committing to eliminate all single-use plastics by 2020. To operationalize this objective throughout the organization, Iberostar defined single-use plastic items “as a product made totally or partially with plastic and that has been conceived, designed or introduced on the market to be used once or for a short period of time before disposal.” A noteworthy accomplishment was Iberostar’s ability to achieve multi-national rapid operative and supply chain changes **to bring a single-use free experience** to employees and customers **in only eighteen months**.

Iberostar now purchases **692 fewer tons of plastic per year** than it did in 2018, representing **over 1,000 items that were evaluated**, removed, altered and reimaged. The room amenities moved from single-use options to higher-quality bulk cosmetics, from plastic-wrapped toothbrushes to bamboo toothbrushes available on demand, from plastic laundry bags to reusable fabric options, and more. Iberostar mini bars moved from

plastic bottles to aluminum or glass, the snacks moved from plastic packaging to glass containers sealed with paper labels to address plastics in packaging.

Iberostar also reimaged how our clients receive water during their stay. In lieu of replacing all plastic bottles with glass, **1,368 water fountains were installed<sup>1</sup>** to replace single-use bottles altogether.

Iberostar was an early signatory of the [Global Tourism Plastics Initiative](#) through the Ellen McArthur Foundation and the UNEP/UNWTO One Planet Sustainable Tourism Network. As a result of this work, over 100 leading tourism companies, suppliers, business associations, NGOs, consultancies and certification schemes have committed to eliminating unnecessary single-use plastics, transitioning to reuse models and the use of reusable, recyclable, or compostable plastic packaging and items. Through this work, Iberostar continues to monitor and assess compostable and non-compostable plastic items in its operations.

## Lessons learned

1

Operative action can happen incredibly quickly around largely visible levers; it becomes a question of motivation, empowerment and enlightened leadership.

2

Most single-use plastic items do not play a fundamental role in luxury hospitality settings.

3

Empowered, value-driven and effective procurement teams can transform supply chains by bringing existing providers along with them.

4

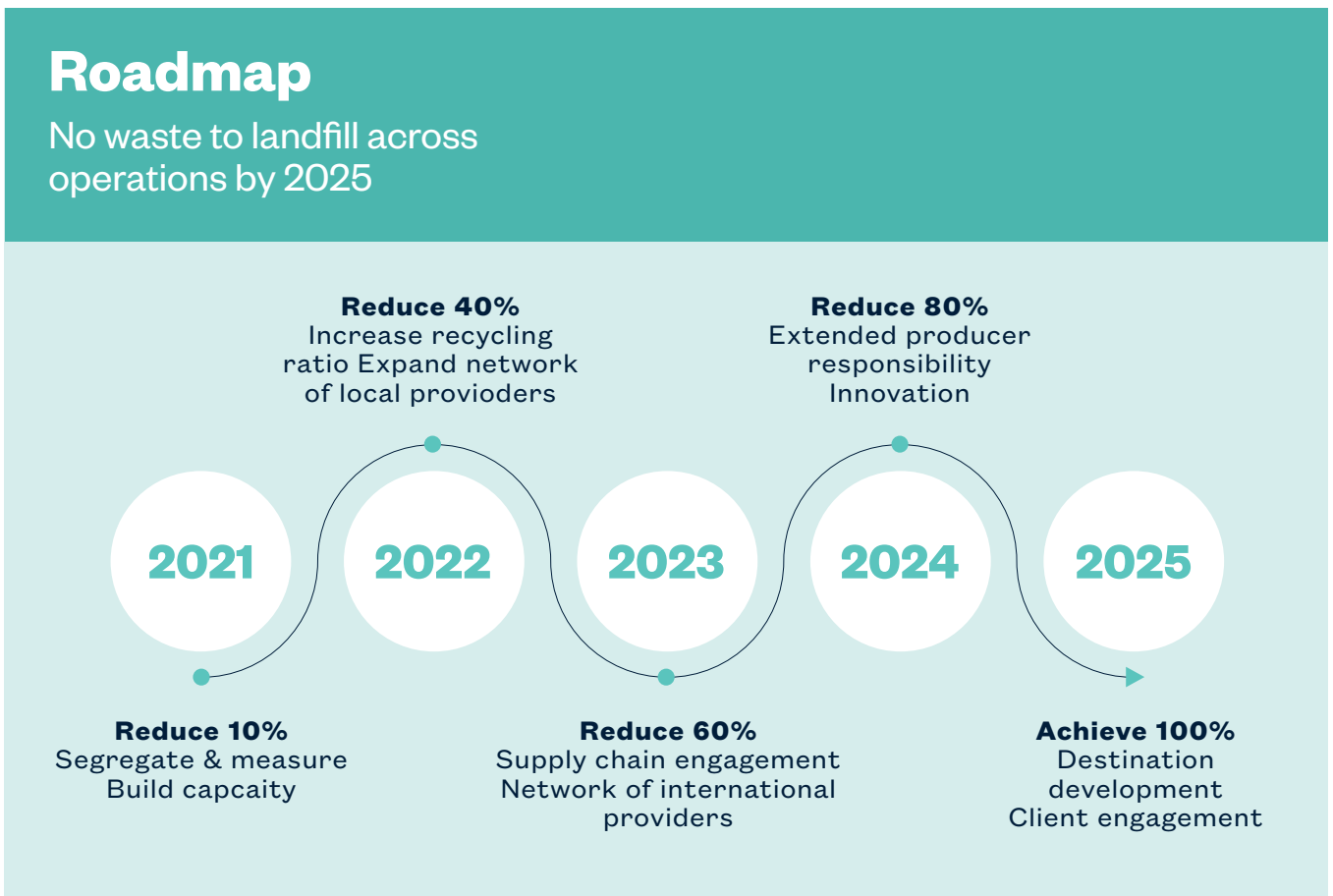
A narrow focus on plastics started to risk other sustainability levers such as carbon footprint and waste production, particularly in food waste.

<sup>1</sup> This metric correspond to the period up to November 2023 and covers 66 hotels across EMEA and AME. See Appendix figure I for more details.

# Zero Waste to Landfill by 2025

As Iberostar demonstrated success in reducing single-use plastics, it also started to recognize some of the tradeoffs. For instance, removing trash liners to reduce the number of compostable waste liners led to increased labor needs for waste bin cleaning. Additionally, in cases where usability was not an option, replacing single-use plastics with compostable items proved challenging due

to the lack of industrial-scale composting facilities in the destination. Furthermore, Iberostar's carbon footprint increased as plastic bottles were replaced with glass. These tradeoffs demonstrated the importance of a more holistic focus on waste management. This is why Iberostar launched the objective to send no waste to landfills across its operations by 2025.



Doing so required Iberostar to re-think traditional waste management within service operations and elevate existing functions through increased empowerment and more precise measurement. From these needs, Iberostar generated the 3Rs department, the hospitality sector's first department fully dedicated to eliminating the concept of waste from a hotel environment. These departments, reporting directly to general managers and corporate operations, allowed for the effective

segregation of waste. Once waste was segregated, they implemented tools that allowed us to critically assess the waste generated in a typical hotel operation.

By September of 2023, Iberostar has **61 hotels with 3Rs teams that consist of 230 employees fully dedicated to 3Rs functions.** These teams **manage, on average, 23,100 tons of waste** annually across Iberostar properties.

With centralized waste segregation functions, more accurate measurement and leadership from the 3Rs team, Iberostar began identifying waste being sent to landfills despite having clear value for reuse and waste that was of high operative importance but difficult to replace. Iberostar estimates that as of the fall of September 2023, approximately 60% of its waste currently sent to landfill could be revalued (primarily organic waste).

With this detailed information, Iberostar was able to focus deeply on behavior changes and technologies to further reduce waste. Specifically, AI-assisted technologies like those implemented by Winnow, such as Winnow Vision, enabled Iberostar to automatically identify food waste, leading to significant reductions. With 207 Winnow systems installed by September 2023, Iberostar has demonstrated a strong business case of cost savings, reduction of waste footprint, and reduction of carbon footprint.

In the first eight months of 2023, Iberostar **saved over 1.1 million meals** through the implementation of Winnow systems across its operations, resulting in nearly **\$1.8 million saved** during that same time period. Additionally, these efforts contributed to the **prevention of over**

**473 tons of food waste** and a substantial **reduction of over 2,000 tons of CO2 emissions<sup>2</sup>**.

While the 3Rs teams worked to effectively segregate waste in hotels, not all destinations had sufficient infrastructure to receive fractions of segregated waste. Thus, Iberostar also worked on solutions internally as well as through local providers and local governments.

For example, Iberostar started its own programs for converting organic waste into compost. **In 2022, Iberostar converted 213 tons of organic waste into compost**, which increased to **349 tons in 2023<sup>3</sup>**.

In some locations, Iberostar worked with external providers to create new infrastructure that could manage organic waste at the scale of the destination. For example, in Brazil in 2023, Iberostar worked with its partners to **divert 258 tons of organic waste from landfill<sup>4</sup>** by converting it to compost.

Through these actions started in 2021, Iberostar has been able to **divert 12,200 tons**, representing **56% of waste from landfill** over the course of just under 3 years<sup>5</sup>.

## Lessons learned

1	Effective segregation resolved around one-third of Iberostar’s waste sent to landfill.
2	Building pride around waste management and quantitative measurement was crucial. However, waste management professions within and outside hotels remain challenging careers with high manual labor and entry-level salaries.
3	After effective segregation and ambitious reduction in waste fractions, collaboration with infrastructure at the destination is critical (which sometimes needs to occur in networks). Currently, Iberostar predicts that 60% of waste currently sent to landfill could be revalued if proper infrastructure exists (primarily organic waste).
4	No matter how much effective segregation, reduction or revaluation of waste occurs, waste is generated in the supply chain, upstream of the business. Approximately a quarter of the waste Iberostar predicts it will send to landfill will require innovation and redesign upstream in the value chain.

<sup>2</sup> These metrics correspond to the period from January 1, 2023 to August 31, 2023 and covers 51 hotels. See Appendix figure II for more details.

<sup>3</sup> These metrics correspond to the period from 2022 through August 31, 2023 and covers 12 hotels. See Appendix figure III for more details.

<sup>4</sup> This metric corresponds to the period from 2022 through August 31, 2023 and covers 2 hotels.

<sup>5</sup> These metrics correspond to the period from 2022 through August 31, 2023 and covers 55 Iberostar hotels in EMEA and AME. See Appendix figure IV for more details.

# Carbon Neutral by 2030

Iberostar believes that embodying a circular economy in its operations requires an ambitious strategy in climate action. The regenerative and renewable sourcing, use and end use of the water, products and energy in its built environment led to Iberostar generating the hospitality sector's most ambitious decarbonization strategy to date. In 2022, Iberostar presented its SBTi-validated climate action plan as part of its commitment to the Glasgow Declaration. In this roadmap, Iberostar Hotels & Resorts committed to reduce absolute Scope 1 & 2 GHG emissions by 85% by 2030 from a 2019 base year. Iberostar Hotels & Resorts also commits to reduce absolute Scope 3 GHG emissions from purchased goods and services, capital goods, fuel and energy-related activities, waste generated in operations, business travel and employee commuting by 50% within the same timeframe.

Since establishing a baseline in 2019, Iberostar has effectively **decreased its Scope 1 & 2 emissions by 12.4% by the end of 2022**. This amounts to a reduction from **223,000 tons of CO<sub>2</sub>eq in 2019** to **196,000 tons of CO<sub>2</sub>eq by the end of 2022**<sup>6</sup>.

Regarding energy efficiency, personnel in departments with high energy consumption (e.g. technical areas, kitchens, restaurants, spa/wellness, housekeeping, etc.) have received training in best practices for energy efficiency to integrate into their daily routines. This was supported by the development of energy-related protocols in kitchens and restaurants, coupled with investments in renewing obsolete and/or suboptimal equipment and machinery. In addition to energy efficiency, Iberostar has also focused on F-gas leakages

from cold-generating equipment. As one of its primary sources of direct emissions, Iberostar's protocols for F-gases focus on capacity-building, developing new protocols of maintenance and scaling up investment and reformations of refrigerant systems.

Iberostar's efforts in energy efficiency have shown clear and impactful outcomes. Globally, our accumulated **energy savings reached 5.7% by the end of 2022**. Regionally, the **Americas achieved 6.1% energy savings**, while in **EMEA, the figure stands at 5.2%**<sup>7</sup>.

Regarding renewable energy inputs, since 2022, all electricity consumed at the Praia do Forte resort in Brazil is renewable and generated from wind farms in the State of Paraíba. This achievement makes Brazil our second destination with 100% renewable electricity, following Spain. Additionally, on-site photovoltaic production has been included in planned hotel refurbishments and new constructions, as is the case in the Rose Hall Resort in Jamaica, in Aruba and the Albuferas Resort in Mallorca, Spain.

Electrification is another cornerstone of Iberostar's carbon neutral strategy since it contributes to both operational decarbonization and energy efficiency due to the superior efficiency of heat pumps compared to boilers. As of 2023, **all our hotels in Montenegro and one hotel in Spain are fully electric**. In 2024, one hotel in AME and another in EMEA will also be 100% electrified. Additionally, in 2023, as an intermediate step toward full electrification, we have partially electrified (i.e. for heat production and hot water) eight more hotels within our global portfolio.

<sup>6</sup> The 2019 metric corresponds to 82 Iberostar hotels across EMEA and AME, while the 2022 metric covers 90 Iberostar hotels across EMEA and AME. See Appendix figure V for more details.

<sup>7</sup> These metrics correspond to 77 Iberostar hotels across EMEA and AME, excluding Cuba up through 2022. See Appendix figure VI for more details.

## Lessons learned

1

Don't wait to act until having complete energy or compliance data. Be agile, start with the basics, iterate and increase available data as the implementation progresses.

2

For most service-oriented businesses, most of our environmental impact is in our goods and services. However, that should not prevent highly ambitious action in our Scope 1 & 2 emissions.

3

The only way to succeed is through building value in our supply chain through partnership.

4

Focusing solely on carbon footprint in value chain was narrow, and a more regenerative approach was necessary.





# A Circular Economy as a Pathway to Regenerative Tourism at Iberostar

A circular economy can be summarized as a paradigm shift in how humanity uses resources and seeks to address inherent inefficiencies in the prevalent linear “take-make-dispose” economic model. By fostering the continuous circulation of materials, products and resources within closed loops, the circular economy aims to decouple economic growth from resource depletion and environmental degradation. Strategies such as designing products for durability, reuse, remanufacturing and recycling, play a pivotal role in reducing waste generation and extending the lifespan of materials, thereby lessening the need for virgin resource extraction.

A circular economy, when efficiently transitioned, also benefits businesses. At its core, embracing circularity fosters greater efficiency, reduces material costs and minimizes waste and pollution impacts. As circularity also requires re-thinking business models, it stimulates innovation, catalyzes novel business models and fosters novel collaborations across industries. For tourism, this concept is particularly relevant as it addresses key concerns such as over-tourism and negative impacts on biodiversity and local communities and bolsters resilience in the face of global challenges like climate change and biodiversity loss. A circular economy is intrinsically linked to tourism’s mission towards net positive, nature positive, net zero and many other movements that have catalyzed transformations in the tourism model.

Embracing the circular economy on a global scale yields multifaceted benefits critical to addressing pressing challenges. Concerning climate change, circularity substantially diminishes carbon emissions by minimizing

resource extraction, reducing energy-intensive production and curbing waste generation. By preserving biodiversity, circular practices mitigate habitat destruction, pollution and overexploitation, safeguarding ecosystems and promoting long-term ecological equilibrium. Furthermore, the equitable distribution of resources and opportunities intrinsic to circular systems helps bridge socio-economic disparities, fostering inclusive growth and social resilience.

For businesses, a number of references exist that provide support to transitioning business models. Iberostar has closely aligned itself with key leaders in the circular economy space such as the Ellen McArthur Foundation and Forética. Additionally, Iberostar’s strategy is deeply connected to efforts within the hospitality sector such as the Nature Positive strategy by SHA, WTTC and UNWTO. Furthermore, this work builds on the One Planet Sustainable Tourism Network on decarbonization with the Glasgow Declaration, the Global Tourism Plastics Initiative and work on reducing food waste in tourism. Moreover, circularity is intertwined with the sustainable development of destinations, work led by the Future of Tourism Coalition and their representative NGOs driving destination stewardship in the sector. We also believe a successful circular economy model for tourism, particularly for beachfront resorts, involves the safeguarding of ecosystem services through nature-based solutions, a view supported by multiple NGOs, including IUCN, the Ocean Foundation and dozens of national partners with whom we work closely to realize this work in our destinations. We believe these narratives are pieces of a continuous spectrum that represents an ever-growing journey in sustainable development.



# Defining Circular Economy at Iberostar

In addition to its work on single-use plastics, sending no waste to landfill and decarbonization, Iberostar defines its approach to a circular economy as the regenerative and restorative sourcing, use and end use of the water, energy (or carbon footprint) and products in its built

environment. This definition broadens our philosophy to include the concept of regeneration in ecosystem services and the destinations at the core of our tourism product. This is achieved through three strategic areas:

## Evolving operations toward circularity

## Contributing to regenerative destinations

## Towards Partnership in the Value Chain

How a circular economy is applied to a business may change the relative weight of these focus areas and may incorporate additional elements not captured in this document. In particular, this framework and strategy applies to the Iberostar Hotels & Resorts of Iberostar Group.

While this document represents a current overview of our interpretation of a circular economy and how it is brought to life in Iberostar, we recognize it is not comprehensive or exclusive. We believe this is a healthy way to represent continuous growth in our journey leading responsible tourism. We do, however, aspire for this to serve as a representation of our current strategy and as a source of inspiration for our sector, as well as other industries, to integrate a circular economy into their business.



	Topics addressed	Industries involved or impacted
<b>Evolving operations toward circularity</b>	<ul style="list-style-type: none"> <li>- Consumption of goods &amp; services</li> <li>- Efficiency in operations</li> <li>- Management of hotels</li> </ul>	<ul style="list-style-type: none"> <li>- Hotel brands</li> <li>- Accommodations</li> <li>- Other hospitality providers</li> </ul>
<b>Contributing to regenerative destinations</b>	<ul style="list-style-type: none"> <li>- Built environment</li> <li>- Ecosystem services</li> <li>- Nature-based solutions</li> <li>- Destination stewardship</li> <li>- Public-private partnership</li> </ul>	<ul style="list-style-type: none"> <li>- Real estate &amp; development</li> <li>- Infrastructure &amp; Government</li> <li>- DMOs</li> <li>- NGOs driving NbS</li> </ul>
<b>Towards Partnership in the Value Chain</b>	<ul style="list-style-type: none"> <li>- Product development and design</li> <li>- Innovation</li> <li>- Pre-competitive collaboration</li> <li>- Purchasing and supply chain management</li> <li>- Cross-industry measurement &amp; standardization</li> </ul>	<ul style="list-style-type: none"> <li>- Distributors</li> <li>- Producers of goods &amp; services</li> <li>- Innovation hubs &amp; think tanks</li> <li>- NGOs driving pre-competitive collaboration</li> <li>- Organizations fostering standardized cross-industry measurement &amp; supply chain interoperability</li> </ul>



# **Circular Economy at Iberostar Hotels & Resorts**



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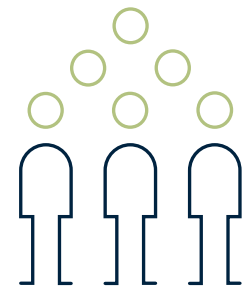
# Evolving Operations Towards Circularity

Iberostar has demonstrated that empowered and value-aligned procurement and operations teams can leverage global change in products, services and processes to achieve a circular economy. Building off this work, Iberostar further evolves its own strategic objectives to emphasize targets specific to its water, goods and services footprint. Additionally, we more clearly

detail the strategic objectives critical to creating the appropriate enabling environment to achieve this work. We prioritize integrating our previously announced time-bound objectives and transitioning towards a constantly improving philosophy whose progress will be reported in our annual Year in Review.

## People

**Employees have the sufficient capacity, constant engagement and clear empowerment to achieve value-driven corporate objectives win the circular economy.**



All Iberostar destinations will have, at minimum, a regional sustainability director who will interact directly with the hotel GMs and will interact regularly with corporate sustainability resources.

All new hotels will have 3Rs departments in place that focus on bringing concepts of reducing, reuse and recycling or revaluation to the products in our service.

Each hotel will personalize its strategic sustainability objectives and management plans relative to cultural norms and infrastructure according to materiality assessments outlined by corporate destination stewardship support.

All hotels will establish the appropriate capacity, training and corporate communication structures to report on baselines and demonstrate progress on targets.

Hotels will continuously provide engagement for employees to deepen their understanding of sustainability topics.

# Carbon footprint



**Operations drive efficiency, renewable energy and regenerative sourcing to decarbonize its direct and indirect emissions well before the industry must reach Net Zero (Summary of Decarbonization Roadmap)**

## Iberostar will decarbonize its Scope 1 & 2 85% by 2030.

Reduce fugitive emissions of F-gases by 92%. ([Decarbonization Roadmap p.18](#))

Reduce Scope 2 emissions by 88% through the combination of various instruments such as renewable PPAs, onsite renewable energy generation and renewable energy certificates. ([Decarbonization Roadmap p.21](#))

Reduce Scope 1 fossil fuel-based emissions by 78% through the electrification of current applications of fossil fuels or by switching to others with lower emission factors. ([Decarbonization Roadmap p.23](#))

Reduce energy consumption by 35%. ([Decarbonization Roadmap p. 25](#))

## Iberostar will decarbonize its Scope 3 by 50% by 2030.

Achieve a 50.1% reduction in purchase of goods and services by evolving toward a model with low-carbon products and services while maintaining quality and high customer satisfaction. ([Decarbonization Roadmap p.30](#))

Achieve a 50% reduction in capital goods by advancing toward net zero buildings and reformations. ([Decarbonization Roadmap p.33](#))

Reduce up to 51% of the emissions from our downstream leased assets by reducing Scope 1 & 2 and promoting goods and services from communities in our destinations. ([Decarbonization Roadmap p.36](#))



Achieve a 50% reduction in emissions from Scope 3 fuel- and energy-related activities by reducing Scope 1 & 2 and encouraging modernization in energy grids in our destinations. ([Decarbonization Roadmap p.39](#))

Foster a 50% reduction of emissions from employee commuting by including low emissions mobility as a part of the business culture. ([Decarbonization Roadmap p.42](#))

Cut emissions by 40% from business travel by incentivizing employees, engaging our supply chain and fostering decarbonization in the tourism sector. ([Decarbonization Roadmap p.45](#))

Reduce 40% of emissions from waste disposal by achieving zero waste to landfill by 2025, encouraging continued reduction of waste and improving waste management capacity in destinations. ([Decarbonization Roadmap p.48](#))

## Water

**Operations minimize the need for water resources through efficiency, innovation and reutilization.**



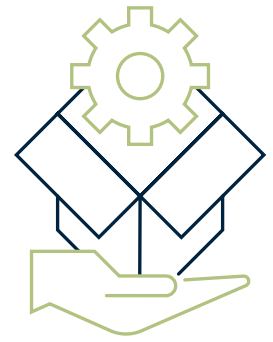
Water consumption for gardening is measured appropriately and has been reduced in all properties ([Coastal Health Roadmap p.22](#)).

Hotels will reduce the extraction of fresh water by 5% per year over five years from baseline for hotels in arid areas and 3% per year over eight years for all other hotels.

Hotels will ensure their wastewater effluent can be appropriately managed by local treatment facilities or participate in destination stewardship programs aimed at bolstering local infrastructure. In instances where Iberostar has invested, or plans to invest, in its own wastewater treatment facility, it will be executed at the utmost standard and with the highest level of importance.

Hotels will have greywater systems for all hotels in arid areas and will work to incorporate water reutilization systems in all other hotels. All new hotels will incorporate greywater systems for their gardens and irrigation.

# Goods and Services



**Operations keep products in use by fostering efficiency and regenerative sourcing in its goods and services.**

Hotels will send no waste to landfill by 2025; for any hotels that join the portfolio from 2024 onward, the hotels will have five years to achieve sending no waste to landfill.

All hotels will remain free of single-use plastics and work on reducing problematic plastic items and packaging in line with the Global Tourism Plastics Initiative.

Hotels will reduce their total residuals generated by 30% over five years from the establishment of a baseline from the 3Rs department.

Hotels will reduce waste from food by 60% over five years for all-inclusive models.

Hotels will improve their plant-based offer by weight at least 15% over five years from their baselines, where all hotels will have a minimum of 65% plant-based offer by 2030.

Hotels ensure services are aligned with Iberostar standards for regenerative and sustainable services.

Hotels will work closely with procurement teams to achieve regenerative product targets.

# Regenerative Destinations

Iberostar has set corporate objectives at an ambition level that requires collective action and successful partnerships with governments, NGOs and communities in its destinations. Focusing on regenerative destinations allows Iberostar to develop in a way that adds value to its destinations by minimizing impact and risk, safeguarding

ecosystem services and evolving with the destination. Building off of its coastal health strategy and New Constructions Manual, Iberostar further details strategic objectives we see as critical to ensure our infrastructure and operations add value to our destinations.

## Circular Built Environments

**New developments and reformations reach the highest standards for efficient use and minimal waste while fostering resilience in the face of climate change, pollution and biodiversity loss.**



All new properties will follow the LEED-aligned Iberostar New Constructions Manual and consider biodiversity and adaptation risk in site selection and development.

Improve product traceability in construction (through engagement with the supply chain).

Increase the % of recycled materials/products used in construction.

The amount of construction sent to landfill will be reduced in refurbishment projects.

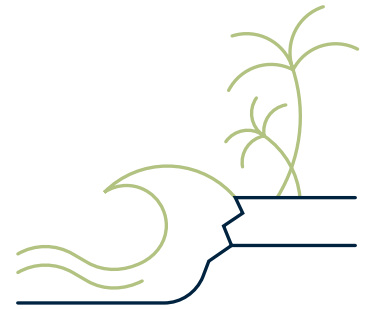
The amount of waste-derived fill will increase in refurbishment projects.

The amount of recycled/valorized waste will increase in refurbishment projects.

Integrate procedures to enhance or restore ecosystem services that reduce risk to exposure to climate change into investments and operations. ([Coastal Health Roadmap p.12](#))



# Safeguard Ecosystem Services



**Hotels/assets/infrastructure are resilient to stressors/climate change through the safeguarding of regenerative ecosystem services.**

Offset 75% of Iberostar's emissions through high-quality carbon sequestration in our destinations that protects and restores ecosystems and provides economic benefit to local communities and stakeholders. ([Coastal Health Roadmap p.15](#))

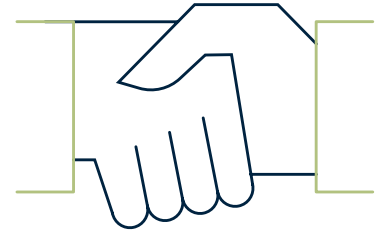
Enhance the attractiveness of tourism product in front of and surrounding the property, contributing to destination environmental competitiveness. ([Coastal Health Roadmap p.18](#))

All properties implement invasive species control and gardens will have at least 50% of native species. ([Coastal Health Roadmap p.22](#))

For local fisheries - Work closely with local producers to support SDG14 to consider legal frameworks, stock health, management plans, local certifications, impact and data of local fisheries. ([Seafood Report 2020, p.15](#))



# Align With & Evolve Destination Development & Infrastructure



**Business Operations/Presence reflects the values of destinations, assists in the evolution of sustainable infrastructure, and fosters public-private partnerships.**

In destinations where it is feasible, have 100% electricity sourcing from a renewable PPA to achieve a 43% reduction of Scope 2 emissions. ([Decarbonization roadmap p.22](#))

25% of revenue generated by experiences and handicrafts should be community-based. ([Coastal Health Roadmap p.25](#))

At least 25% of clients of the hotel visit communities or purchase community products. ([Coastal Health Roadmap p.25](#))

In its nature-based compensation programs, 30% of investment directly benefits communities. ([Coastal Health Roadmap p.16](#))

All new destinations will undergo materiality assessments capturing the values and major topics in sustainable development that may alter and improve global strategy.

According to destination materiality assessments, hotels will transparently announce the portion of products in seafood and agricultural goods from national programs that foster sustainable development. In select cases, they will implement their own programs to support sustainable development.

In destinations where poor water quality risks the quality of the tourism product, Iberostar will seek solutions to improving wastewater management at the scale of the destination.

# Towards Partnership in the Value Chain

Iberostar has always valued strong relationships with its value chain, providing goods and services to its operations. Transformations in the value chain have allowed Iberostar to remove single-use plastics from its operations, source sustainable seafood, revalue waste at the end of its use, and so much more. Yet the transformation required

for service providers such as hospitality to truly create impact requires a deeper transformation in its value chain. Focusing on driving partnerships, standardizing measurement that drives accountability and action, and fostering innovation and pre-competitive collaboration to drive solutions is a critical step in Iberostar's evolution.

## Driving Value through Partnership

**Goods and services in the value chain move from procurement toward partnership.**



Iberostar will source 100% of its seafood from responsible sources by 2025 ([Seafood Report 2020, p.15](#)). For any new property entering the portfolio by 2024, Iberostar will ensure 100% of imported seafood products are responsible within five years.

Building on its work on sustainable seafood, Iberostar will expand its sustainable procurement to categories in ruminant meats, tea, coffee, cocoa and sugar.

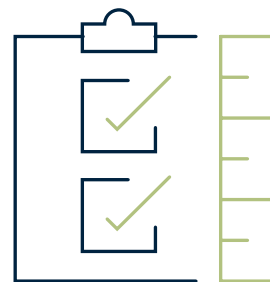
Hotels will implement a successful case of reverse logistics in packaging or products in their supply chain in each destination.

Hotels will work with their suppliers to generate policies that foster the disclosure of and transition towards non-virgin materials in products.

Hotels will work with their suppliers to generate policies that foster the assessment of biodiversity impacts in their producers and distributors.

Iberostar will provide resources (such as webinars, training tools and other resources) that promote action in the supply chain.

## Standardization and Interoperability in Measurement to Drive Accountability



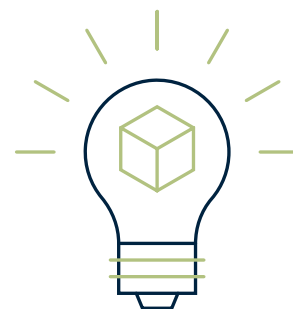
**Measurement of sustainability in the value chain drives accountability and action.**

Iberostar will work towards constantly improving traceability in its seafood supply chain, remaining GDST compliant, and pushing towards interoperability across distributors.

Iberostar will ensure any KPIs requested of suppliers are in alignment with sector-specific guidance, regulation, or other sustainability reporting schemes.

Iberostar commits to consistent improvement in the measurement of sustainability metrics (i.e. embodied carbon footprint, the portion of virgin materials, biodiversity impacts, labor and human-rights considerations) in its value chain.

## Innovation and Collaboration to Drive Solutions



**Waste is avoided before it enters into the value chain through pre-competitive collaboration and innovation.**

Iberostar will actively participate in and, in certain cases, lead or endorse supplier roundtables. These platforms will facilitate increased transparency and heightened demand for products and services that actively contribute to a circular economy.

Iberostar will transparently share its progress towards these objectives in annual reports and engage with government, NGOs and academia to synthesize best practices and tipping points that can accelerate transformation in the value chain.

Iberostar will partner with designers, think tanks and businesses to drive innovation in its supply chain to foster regenerative products and services and avoid waste before it enters into the supply chain.



# Appendix

**Figure 1:** Number of water fountains in Iberostar hotels through November 2023:

	Region	Hotel	Number of Water Fountains
Americas	Dominican Republic	CBV	31
		GHB	10
		BAV	30
		BSP	7
		DPC	45
		HAC	25
		DOR	31
		<b>Total Dominican Republic</b>	<b>179</b>
	Mexico	PAR	62
		COZ	20
		GHP	13
		CUN	26
		PLM	78
		PMB	86
		TQU	98
		MIT	31
		<b>Total Mexico</b>	<b>414</b>
	Jamaica	ROH	31
		ROA	28
		GHR	7
		<b>Total Jamaica</b>	<b>66</b>
	Brazil	CPR	30
		BAH	60
		PRA	79
		AMA	7
		<b>Total Brazil</b>	<b>176</b>
		<b>Total water fountains</b>	<b>835</b>



EMEA	Region	Hotel	Number of Water Fountains
	Balearics	BLA	20
		ALC	30
		MUR	
		PMV	
		ABA	26
		PIN	9
		CAM	
		CDM	28
		BAR	35
		CRI	11
		BHP	2
		PDP	0
		LLT	3
		JAR	14
		NOU	
	SEU	6	
	<b>Total Balearics</b>	<b>184</b>	
	Andalucia	XAN	
		ANP	22
ICH			
MAB		7	
MAP			
GSP		1	
<b>Total Andalucia</b>		<b>30</b>	
Canary Islands	LA	38	
	GAV	5	
	XFU	36	
	FUA	19	
	ANT	42	
	SAB	25	
	BOU	11	
	DAL	24	
	OTT		
	MIR	14	
<b>Total Canary Islands</b>	<b>214</b>		
Urban hotels	LET	4	
	BCN	5	
	MCY	0	
	LIS		
	<b>Total urban hotels</b>	<b>9</b>	
Morocco	FOB	22	
	SAI	23	
	PMK	33	
	<b>Total Morocco</b>	<b>78</b>	
Montenegro	HEN	18	
<b>Total Spain</b>	<b>533</b>		

**Figure 2:** Data on food waste savings from 2021 through August 2023 covering 55 Iberostar hotels in 2023, 20 Iberostar hotels in 2022 and 3 Iberostar hotels in 2021.

Country	Savings (USD)	Saved waste (Tons)	Saved CO2 (Tons)	Saved Meals
2021	\$73,978.00	39.7	170.50	99,144.00
2022	\$628,335.00	230	988.90	574,948.00
Jan 1 – Aug 31 2023	\$1,795,057.00	473	2,034.00	1,182,501.00
Period	Savings (USD)	Saved waste (Tons)	Saved CO2 (Tons)	Saved Meals

**Figure 3:** Data on organic waste measurements from 2022 through August 2023 covering 14 (12 in Organic Waste Internal, 2 in Organic Waste Provider Destination) Iberostar hotels.

Organic Waste Internal			
Country	Hotel	2022 (kg)	2023 (kg)
Mexico	Paraiso Complex	190,604	123,061
	Playa Mita	11,220	145,953
	Cozumel	482	3,929
Dominican Republic	Bavaro Complex	10,749	76,688
<b>Total</b>	<b>AME</b>	<b>213,055</b>	<b>349,630</b>
Organic Waste Internal			
Country	Hotel	2022 (kg)	2023 (kg)
Brazil	Praia Complex	0	257,778



**Figure 4:** Data on waste saved from going to landfill from 2022 through August 2023 covering 55 Iberostar hotels.

Base Iberostar	Rate Iberostar 2022	Rate Iberostar 2023		Objetive 2023	Difference
<b>1.64</b>	<b>1.13</b>	<b>0.72</b>		<b>0.71</b>	<b>-0.01</b>
Stays AME 2022	5,557,473		Stays AME 2022	3,766,698	
Stays EMEA 2022	5,155,650	<b>2022 savings</b>	Stays AME 2022	3,562,084	<b>2023 savings</b>
<b>Total stays % reduction 2022</b>	<b>10,713,123</b>	<b>5,463,692.73</b>	<b>Total stays % reduction 2023</b>	<b>7,328,782</b>	<b>6,742,479.44</b>
		<b>31.10 %</b>			<b>56.10 %</b>
		<b>12,206,172.17</b>	<b>Total waste savings 2022 and 2023</b>		<b>56.10 %</b>

**Figure 5:** Data on Iberostar's Scope 1 & 2 emissions from 2019 baseline, which covers 82 Iberostar hotels, and 2022, which covers 90 Iberostar hotels.

	Country	2019 (tons CO2 eq)		2022 (tons CO2 eq)		Total reduction %
		Scope 1	Scope 2	Scope 1	Scope 2	
<b>AME</b>	<b>Brazil</b>	5,844	2,652	10,166	2,191	
	<b>Cuba</b>	13,000	35,978	7,436	37,763	
	<b>Dominican Republic</b>	11,113	25,731	5,434	30,199	
	<b>Jamaica</b>	4,858	12,578	5,298	11,040	
	<b>Mexico</b>	18,700	41,455	16,211	30,621	
	<b>Peru</b>			127	280	
	<b>United States</b>		583		988	
	<b>Cabo Verde</b>	457	1,604	160	732	
	<b>Greece</b>	137	2,709	104	2,513	
<b>EMEA</b>	<b>Montenegro</b>	347	3,353	162	3,153	
	<b>Morocco</b>	2,752	4,846	2,421	4,536	
	<b>Portugal</b>	486	1,018	644	719	
	<b>Spain</b>	9,964	10,784	9,487	346	
	<b>Tunisia</b>	5,678	6,753	5,616	7,253	
		<b>73,335</b>	<b>150,044</b>	<b>63,265</b>	<b>132,334</b>	
	<b>Total</b>		<b>223,380</b>		<b>195,599</b>	<b>12.4%</b>

**Figure 6:** Data on Iberostar's accumulated energy savings through 2022, covering 77 Iberostar hotels, excluding Cuba.

<b>AME</b>	<b>Country</b>	<b>Accumulated energy savings through December 2022 (%)</b>
	Mexico	5.42 %
	Brazil	2.88 %
	Dominican Republic	7.65 %
	Jamaica	8.97 %
	<b>Total AME</b>	<b>6.10 %</b>
<b>EMEA</b>	<b>Region</b>	<b>Accumulated energy savings through December 2022 (%)</b>
	Balearic Islands	5.43 %
	Canary Islands & Cabo Verde	6.41 %
	Morocco & Tunisia	4.98 %
	Montenegro & Greece	6.67 %
	Peninsula	0.65 %
	<b>Total EMEA</b>	<b>5.23 %</b>
	<b>Global energy savings (excluding Cuba)</b>	<b>5.70 %</b>



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