



Sustainability Report 2018-2019

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Summary

This Sustainability Report includes the activities and main results of the hotels managed by the Med Playa group in the field of Sustainability for the years 2018-2019.

CO2 emissions have been reduced mainly due to the adoption of less polluting fuels in the production systems for domestic hot water and for cooking in the kitchens, placing them at **4.75 kg** per customer per day, and the consumption of drinking water has been reduced through more rational use, reaching a consumption of **187.05 litres** per client per day.

The number of plastic items used has been reduced by **5.8 million items** due to the elimination of containers for hygiene products, glasses, plates, cutlery and single-use utensils.

Management strategies have been established to reduce food waste from hotel buffets through which it is intended to reduce surpluses **by 7,000 kg** of food per year.

1,263 employees, representing **91%** of the average workforce, have been trained in a variety of subjects. **12,570** hours have been invested in training and there have been **83** training activities involving an investment of **€ 107,620**.

12 Travelife Gold Sustainability accreditations have been renewed and the Endesa award has been received for Sustainability and Energy Efficiency at the Hotel Calypso in Salou for the modernization of its boiler room, as well as the CAIXABANK award of for Corporate Social Responsibility for the elimination of single-use plastics and the reduction of food waste.

In the area of Social Action, various activities have been carried out; premises given over for treating illnesses, the promotion of festivals, sport, culture and care for the flora and fauna and, at the national and international level, efforts aimed at helping disasters, poverty and child protection through Caritas, Red Cross and Unicef. Other lines of action have been focused on the training and employment of people with disabilities or at risk of social inclusion, collaborating with social programmes such as INCORPORA from la Caixa, the Red Cross, OSCOBE and vocational training schools.

Welcome

Med Playa is a friendly, family business, with a long tradition and extensive experience, specializing in coastal vacations that offer excellent value for money and good facilities, a team of staff with a vocation for service and a commitment to society and the protection of the environment.

The hotels managed by the Med Playa group are aware that the tourism industry has an impact on the destination areas in a variety of ways, both positive (generation of income, employment and business opportunities, etc.) and negative (over exploitation of natural resources, environmental and landscape degradation and the creation of pollution, etc.) so our responsibility is to promote the protection of our employees and the environment that surrounds us.



Through our policies on sustainability, our guests, employees, providers, shareholders and the company in general, all actively collaborate with us with the aim of minimising any negative impact.

Mission

“Our mission is to promote Sustainability and improve the social conditions in our field of action”



Sustainability Policies

Our environmental policy is focused on defining the actions carried out in our establishments in order to improve how our management functions with regards to the community, as well as the fair treatment of employees and the environment, aimed at guests and clients, employees in the establishments and providers.

1. Make efficient use of our facilities and equipment with the active participation of the staff and the guests in order to reduce the consumption of water and power, as well as CO2 emissions.
2. Achieve a reduction in waste creation at our hotels by following a series of ecological initiatives to reduce waste.
3. Encourage recycling by promoting the selective collection of waste.
4. Develop a purchasing policy specifying environmental and social objectives and obligations.
5. Conserve biodiversity in our environment through participation in different activities.
6. Optimise the use of chemical products.
7. Promote societal benefits for our employees, encouraging well-being and healthy living, improving our employment policies with training programmes, and championing equal opportunities for all.
8. Contribute to the development of our community by contracting local providers and distributors.
9. Make our local culture known, promoting the use of tourist attractions, excursions and other activities in our community, and enhancing our cuisine including typical dishes in our menus.
10. Participate actively in environmental and societal projects taking place in our community in the form of cooperation or donations.

Quality policy

Constant improvement and quality control are part of the company's culture, always aimed at meeting the needs and expectations of our clients and involved in all connected processes and with the active participation of all staff in the organisation.

Purchasing policy

The objective of Med Playa is to achieve the best efficiency throughout the purchasing process, guaranteeing the delivery of quality products and services to its clients, ensuring that its providers comply with current regulations, and promoting values in sustainability.

Health and Safety Policy

Med Playa Management has full responsibility for the definition, development, structuring, reviewing, dissemination and compliance with our prevention policy, and as such, providing the material and human resources necessary for its implementation. In order to exercise its responsibility, the company's management will have the support of middle management, the employee(s) assigned to prevention matters, as well as having prevention, collaboration and consultancy services from leading companies in the sector, while applying the prevention plan to all activities within the company.

Child protection policy

We at Med Playa are committed to child protection and doing everything we can to promote it. The staff accepts and acknowledges our responsibilities in developing social awareness of problems that are damaging to minors.

Human Rights Protection Policy

Med Playa has the responsibility to protect, support and promote fundamental human rights within its area of influence and activity, providing the necessary framework to work towards voluntarily improving working conditions.

Community Participation Policy

Med Playa actively participates wherever it carries out its activities and contributes to the improvement and progress of its social surroundings, and in doing so, creates opportunities for the social and economic development of the community.

Certifications and awards

Med Playa has implemented the Environmental Management System and the certification for tourism companies based on global principles and universal criteria of Sustainable Tourism through Travelife, an entity recognized by numerous tour operators and travel associations, a leading initiative in training and management. These principles are aimed at ensuring responsible management in terms of the sustainability of tourist destinations and, through this Environmental Management System, 12 Gold certifications have been achieved in hotels.



12



Pez Espada
Torremolinos

Riviera
Benalmádena

Baji
Benalmádena

Bajmoral
Benalmádena

Flamingo Oasis
Benidorm

Riudor
Benidorm

Regente
Benidorm

Rio Park
Benidorm

San Eloy
Tossa de Mar

Esmeraldas
Tossa de Mar

Santa Mònica
Calella

Calypso
Salou

The Med Playa group achieved the Endesa award for sustainability and energy efficiency for the energy efficiency measures implemented at the Hotel Calypso in Salou, consisting of a modernization of the boiler room, replacing a diesel oil boiler with one using natural gas, achieving a reduction in CO2 emissions of 19%.



Accepting the award, right Ellen LLupens Deputy Director Hotel Calypso

CAIXABANK awarded Med Playa the Corporate Social Responsibility award for the elimination of **5.8 million individual items of single-use plastic and for reducing food waste from our buffets.**



Accepting the award, right, Agustí Codina President-General Director Grupo Med Playa, and left, Jordi Avellí Director of Operations.



*“Congratulations to all the people who work at
Med Playa for their effort, dedication and achievements.”*

Commitments 2018-2019

These are the commitments for Sustainable Development made in 2018 - 2019 and which will also serve as a guide for the future.



 **OBJETIVOS DE DESARROLLO SOSTENIBLE**

The Sustainable Development Goals (SDGs) have been created by the United Nations with the aim of ending poverty, protecting the planet and ensuring that people enjoy peace and prosperity. These challenges and strategies have also been adopted by the Med Playa group where they have most influence on:

Main Sustainable Development Goals where the group has the greatest impact



Managed Hotels

Hotel Esmeraldas - Tossa de Mar



Hotel San Eloy - Tossa de Mar



Hotel Monterrey - Platja de d'Aro



Hotel Santa Mónica - Calella



Hotel Calypso - Salou



Hotel Piramide Salou - Salou



Hotel Rio Park - Benidorm



Hotel Riudor - Benidorm



Hotel Regente - Benidorm



Hotel Flamingo Oasis – Benidorm



Hotel Agir- Benidorm



Hotel Balmoral - Benalmádena



Hotel Bali – Benalmádena



Hotel Riviera - Benalmádena



Hotel Pez Espada - Torremolinos



In the years 2018-2019, as part of its commitment to quality, the Med Playa Group has made various investments and interventions to improve the hotels.

5.3 million euros at the Hotel Calypso in Salou for the renovation of rooms with the aim of improving their energy efficiency, accessibility and security through geometry, lighting and colour, and also improvements to common areas.



1.3 million euros at the Apartotel Sant Eloi in Tossa de Mar allocated to the 38 rooms and the swimming pools, games and leisure areas with priority for children's activities.

8.9 million euros for the renovation of the Rio Park hotel in Benidorm which, together with **3.3 million euros** invested in previous phases, represents an investment of **12.2 million euros** in improving the comfort, quality, safety and accessibility for customers.



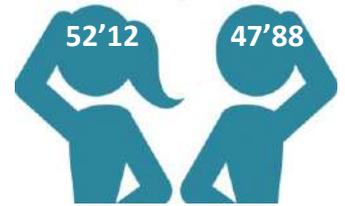
1.8 million euros for the renovation of the Santa Mónica hotel in Calella. All rooms have been updated and decorated in a modern and contemporary style, with comfort and energy efficiency very much to the fore.

Partnerships

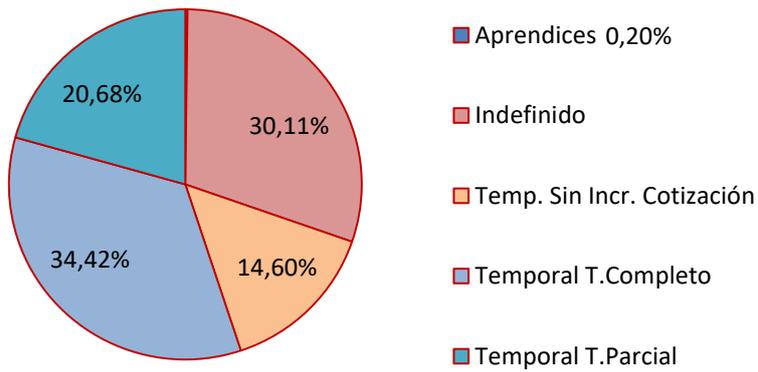
The Azora Group acquired seven hotels from the Med Playa hotel group in 2019; the Hotel Pez Espada in Torremolinos and the Hotel Riviera in Benalmádena, located on the Costa del Sol, and the Flamingo Oasis, Río Park, Riudor, Regente and Agir hotels located in Benidorm. Azora will carry out the refurbishment and repositioning of the hotels, mainly within the 4 * category, at a total cost of **30 million euros**; while the Med Playa Group will continue to manage them.

Employees

The average workforce for 2019 was **1,386** employees in the Med Playa group, 52.12% women and 47.88 men.



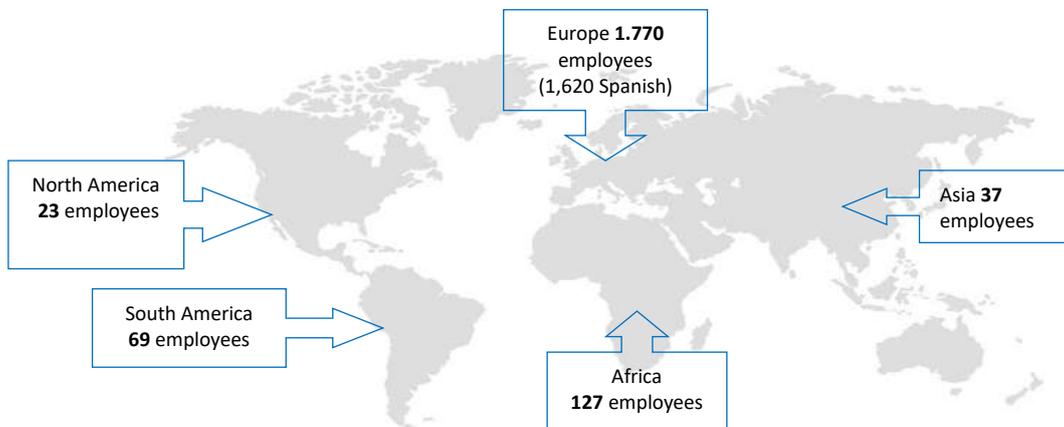
Typology of contracts



42.5 years is the average age

3.5 years is the average length of service

52 different nationalities



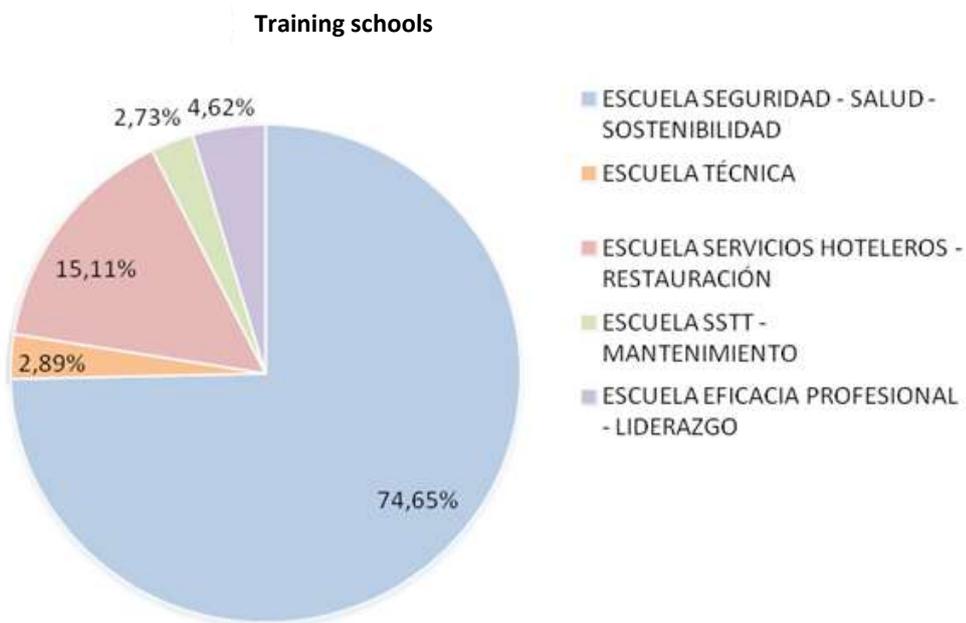
Training Activities

1,263 employees of the Med Playa group have attended the activities carried out.

This figure represents 91.13% of the average staff numbers.

12,570.75 hours have been invested in training.

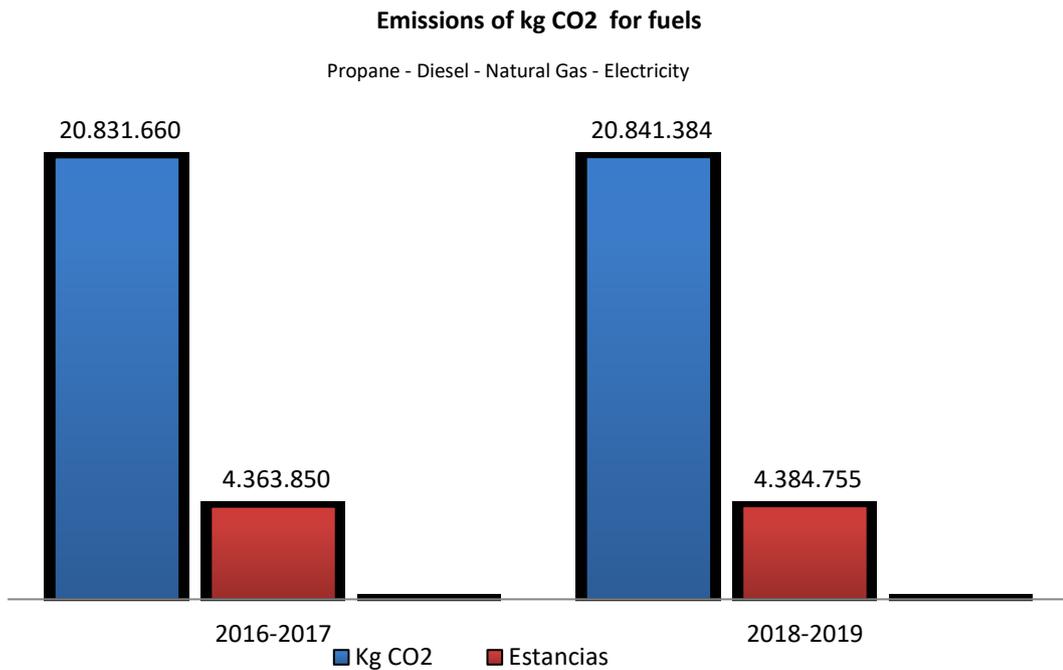
83 training activities have been carried out in **160** groups at the different centres in the chain.



€ 107,620 investment in training activities at the chain level.

Environmental Aspects

Emissions per client of kg of CO₂ from the main energy sources have been reduced and the production of renewable energies has been maintained.



4.77 kg CO₂ per customer per day emitted in 2016-17

4.75 kg CO₂ per customer per day emitted in 2018-19

Renewable Energy



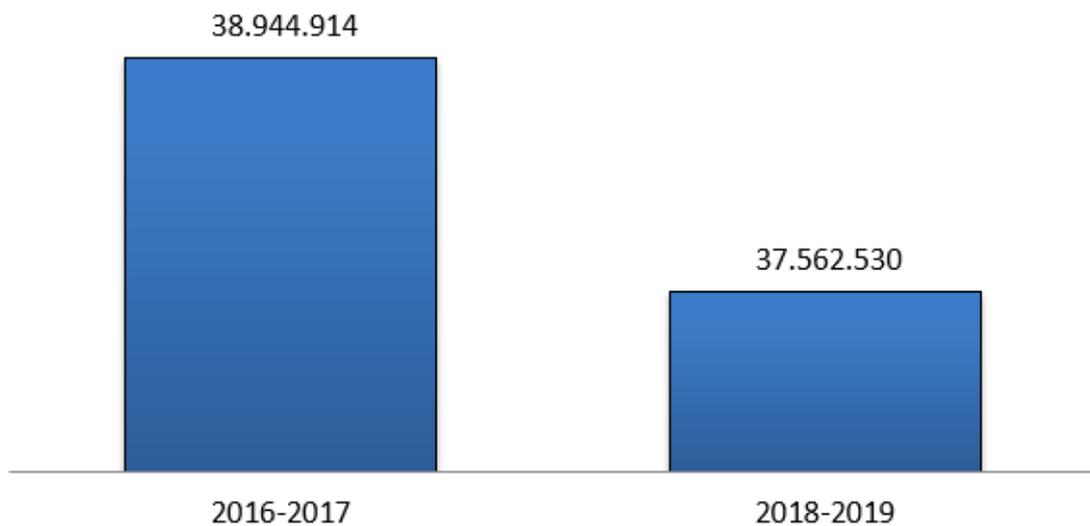
735,000 kWh produced 2018-2019

Energy Consumption

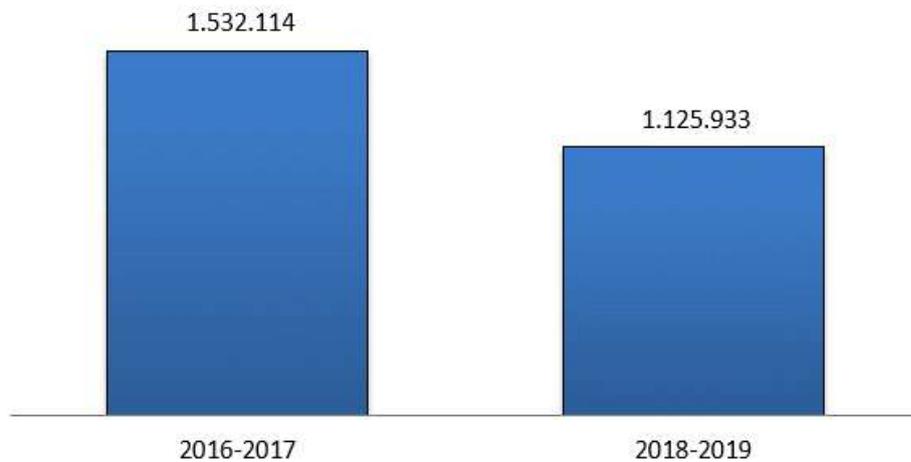
Electricity consumption decreased mainly due to energy efficiency measures, use of time slots, monitoring and digitization of consumption.

The consumption of propane and diesel has been reduced mainly due to the change to natural gas at the Hotel Flamingo Oasis.

Electricidad Kwh

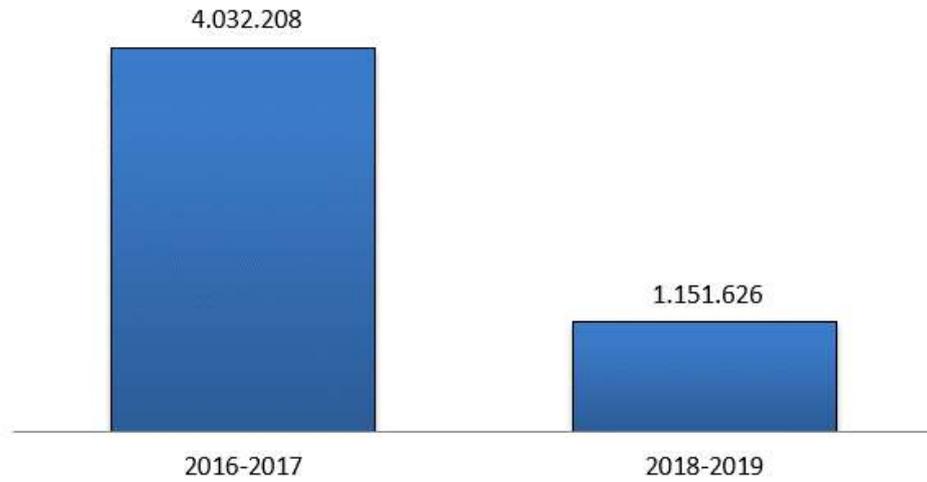


Propano Kwh



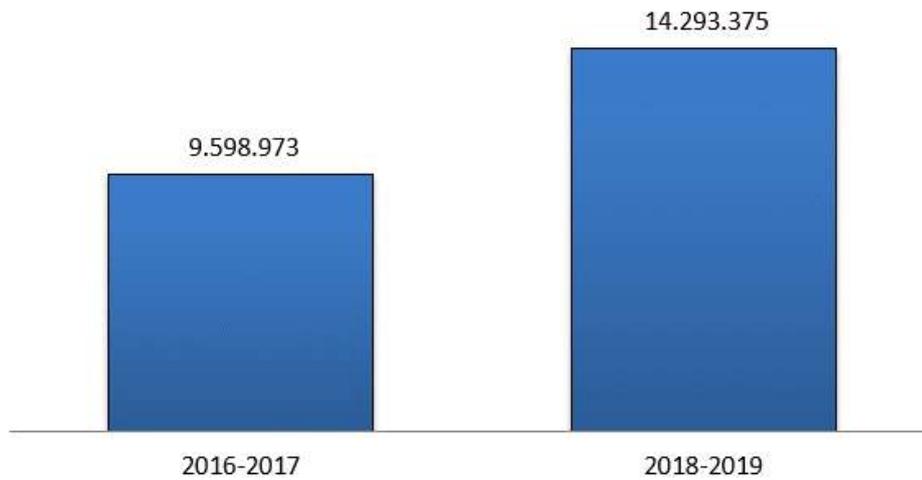
1kg propano = 13,385 Kwh

Gasoil Kwh



1lt gasoil = 10,6 Kwh

Gas Natural Kwh



1Nm3 gas natural = 10,7 Kwh

12.40 kWh per customer per day consumed in 2016-17

12.35 kWh per customer per day consumed in 2018-19

Water

Water consumption decreased mainly due to the incorporation of more efficient equipment and taps, improved maintenance of facilities and optimization of systems and the responsible consumption by customers and employees.



194.60 litres of water per client per day in 2016-17

187.05 litres of water per client per day in 2018-19

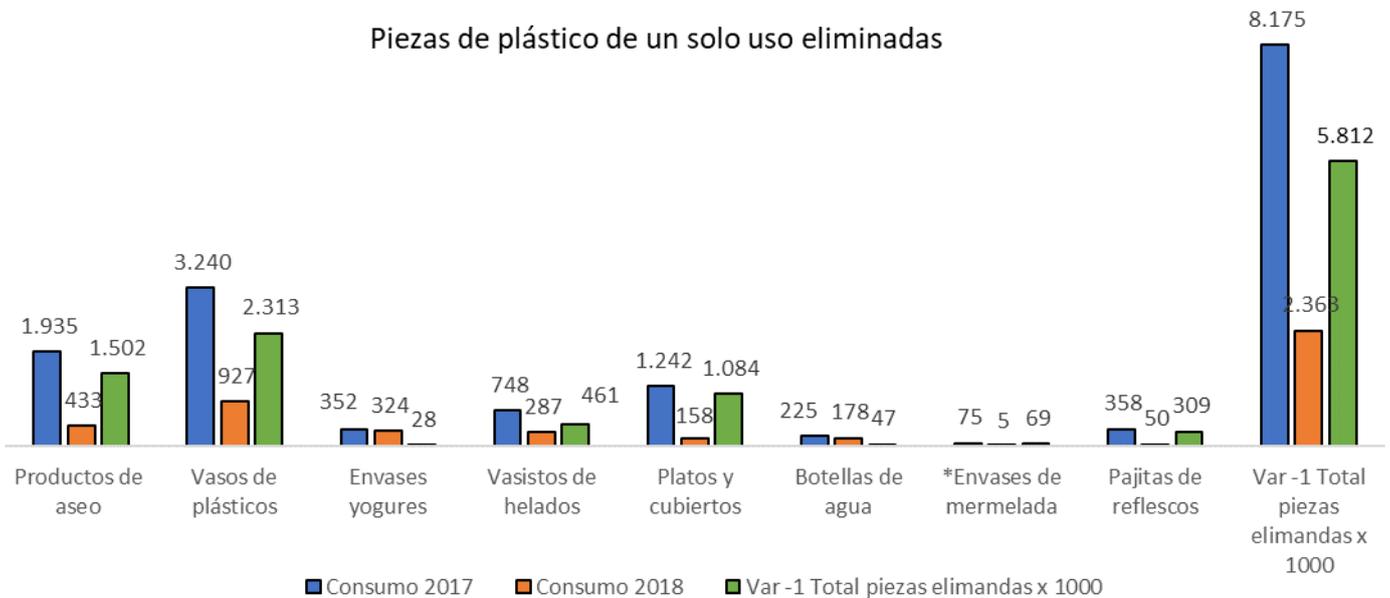
Waste

Med Playa has been carrying out actions for the elimination of single-use plastic since 2018 and has eliminated 5.8 million individual items. The goal is to have 7 million individual items of single-use plastic removed from its hotels by 2020-2021.

1. Elimination of cleaning products for individuals by using gel, shampoo and soap wall dispensers. The use of these dispensers has meant the elimination of 1,502,000 plastic items.
2. Elimination of plastic cups, substituting them for reusable polycarbonate cups amounting to 2,313,000 units. Involving customers through the returnable glass system in exchange for a green card.

3. Elimination of yogurt containers using dispensers. 28,000 units.
4. Elimination of ice cream cups for ice cream in bulk. 461,000 units.
5. Elimination of plastic plates and cutlery by using biodegradable material. 1,084,000 units.
6. Elimination of plastic water bottles using glass containers and by direct production water taps installed in bars and other self-service fountains installed in common areas. 47,000 units.
7. Elimination in 2019 of jam and sauce jars by using dispensers. 69,000 units.
8. Elimination of drinking straws. 309,000 units.

Piezas de plástico de un solo uso eliminadas



Food waste reduction

Within the circular economic system, strategies to reduce food waste and avoid generating surpluses from its buffets are being implemented. A goal of a 25% reduction in food waste has been set for the year 2020-2021 by:

1. Planning of menus, technical sheets and recipes.
2. Control of replenishment of the display trays in the buffets, preparing small portions, offering celiac and vegan menus and assisted carvery buffet services.
3. In 2018, an agreement was reached with Tour Operators for the elimination of 6,300 Picnics that were delivered to clients for excursions.
4. Daily supply of merchandise from the Purchasing Centre, setting a minimum stock of products in the Hotels that maintains an HACCP system for temperature control, storage, First-in first-out, traceability and good food practices.

These measures are expected to reduce food waste in the hotels of the Med Playa chain by 27,000 kg per year.

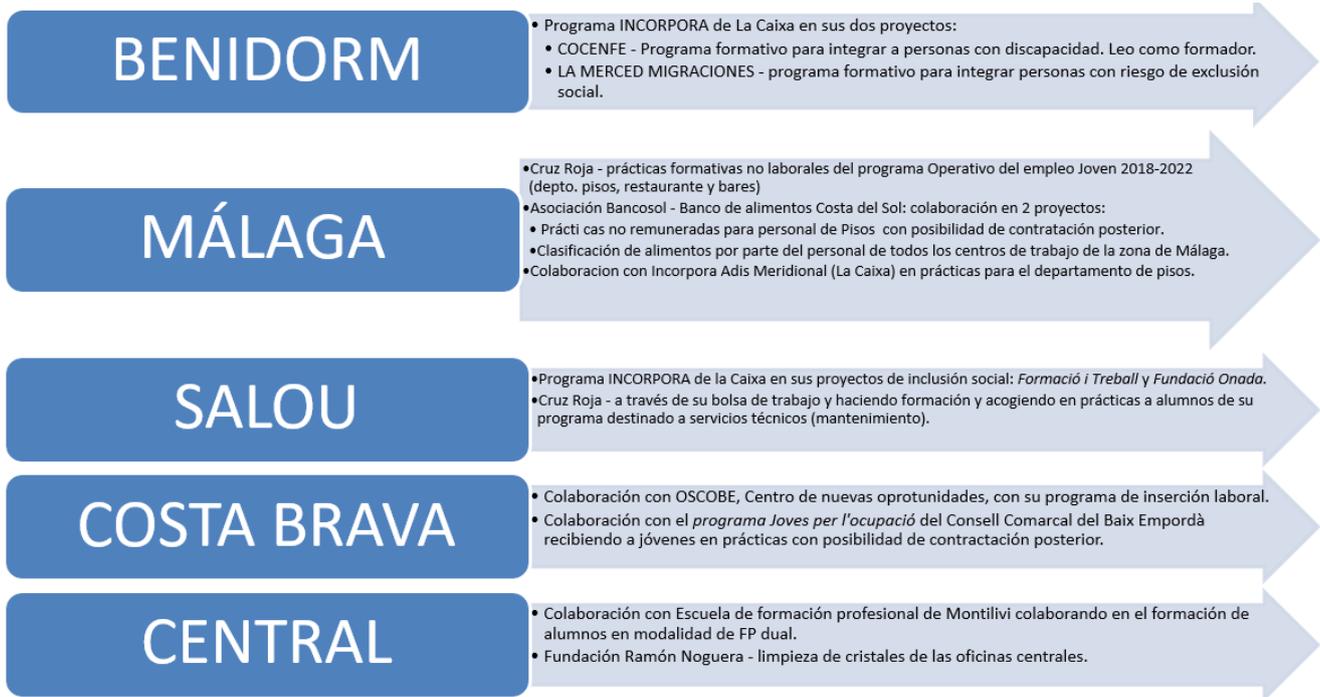
Social action

In the hotels of Med Playa, social activities for a variety of purposes are carried out, in different action areas and mainly aimed at foundations, associations, organizations and vulnerable groups. Household goods are delivered, food collections made, charity fundraising and raffles are carried out, national and international entities are collaborated with, activities oriented toward sport, culture, fauna and nature are promoted and encouraged.

At the local level, activities are especially focused on the treatment of diseases, the care of flora and fauna, promotion of festivals and culture, charity dinners are held and there is collaboration with teaching centres. At the national or international level, they are focused on the training and employment of people with disabilities or at risk of social

inclusion and also aimed at helping disasters, poverty or childhood through charities such as Caritas, Red Cross and Unicef.

These are the programmes in each area for the training and employment of people with disabilities or at risk of social inclusion.



Med Playa is linked to the Friends of UNICEF Hotels project aimed at helping the most vulnerable children affected by climate change, making donations for the construction of drought-resistant sanitation systems, the supply of drinking water, water treatment tablets and education in prevention and hygiene, such as hand washing.



Interest groups

The disclosure and communication of the progress of environmental management to the different categories of interest groups, clients, employees, suppliers, societies, owners, shareholders and organizations is done through the medplaya.com website, through corporate training, social networks, news and press releases, executive meetings, mail or press releases.

Shareholders

All the members of the Med Playa board of directors and those with management responsibilities maintain a relationship with its shareholders based on reciprocal, sustainable benefit, governed by the principles of trust, transparency and ethics.

Customers

Maintaining an excellent price/quality ratio, as well as the friendly and professional service provided by the people who work in the group has resulted in:

300,000 clients per year

100,864 followers

78,545 loyal customers

82% reputation index online



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GUEST INTELLIGENCE

Employees

One of the main objectives of the Med Playa Group is the creation of family-friendly employment, social and gender equality and balance, promoting a safe work environment and facilitating the professional and human development of the entire team.

The diversity of abilities, experiences and the integration of different people and cultures is one of the foundations of the success of Med Playa.

Internal Innovation Contests are held and various benefits and discounts are provided for employees through “alliances” with local businesses or companies.

Suppliers

Currently commercial relations are maintained with a base of more than *200 suppliers, 50% local*. Over these two years, *17% of suppliers* have stated that they follow an environmental management system or have a Sustainability certification.

To do

1. Maintain business activity in accordance with the principles of sustainable development and progressively implement policies of good environmental practices in all the hotels managed by the group.
2. Ensure compliance with human rights and the protection of minors.
3. Promote the societal benefits for our employees, encouraging well-being and healthy living, improving our employment policies with training programmes, and defending equal opportunities for all.
4. Collaborate on focused social projects for the treatment of diseases, care of flora and fauna, promotion of festivals, local culture, poverty prevention and childhood education and the employment of people with disabilities or at risk of social inclusion.
5. The Sustainable Development Goals
6. Adaptation to the energy transition.
7. Renew the Environmental Management System Certification.
8. Strengthen and maintain dialogue with stakeholders.



The mention of the COVID-19 pandemic health crisis, one that will mark an era, is inevitable at the time of drafting this report. We hope that all of our claims are fulfilled and that we maintain our commitments to Sustainability.

