



## SEASIDE COLLECTION



# Sustainability Report ■ 2022 ■



Reference year 2022

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## ■ 1. REFLECTIONS FROM OUR OWNERS

The inspiration for **SEASIDE HOTELS** portfolio of accommodation in the Canary Islands dates back to 1970, when Theo Gerlach, the company's owner, first visited Gran Canaria and saw the potential to create exceptional holiday experiences that celebrated the islands' cultures and traditions.

Determined that tourism can be a positive force and drive economic prosperity, **SEASIDE** are dedicated to providing the highest standards of accommodation, service and cuisine, which in turn leads to a high percentage of loyal customers consistently returning to the islands to enjoy their holidays.

Although the history of **SEASIDE HOTELS** goes back almost 50 years, the company never stops looking forward. A continuous programme of room and facility refurbishment ensures that the hotels are kept in top condition, investment in the latest technology and equipment continually reduces environmental impact, work-life balance is a priority for staff, and local partnerships drive greater community engagement and contribution to local economies.

In 2019 we were thrilled to launch our new brand identity, which confirms our passion for hosting and the effortless luxury of our portfolio of accommodations. Appealing to discerning people with high ethics, green ideas and social responsibility, our hotels offer space for reflection and relaxation, promoting the opportunity to slow down and find relief from everyday stress. This launch included our beautiful new resort in the Baa Atoll of the Maldives, Finolhu. Finolhu offers elegant villas, a variety of restaurants and a wide range of activities both energetic and relaxing.

In 2022, we launched our first luxury river cruise brand, **RIVERSIDE CRUISES**, with destinations including Austria, Hungary and Germany. Accommodating between 100 and 150 passengers, the river cruises offer exquisite cuisine and personalised service of the highest standard.

Exceptional service backed by great attention to detail, positions **SEASIDE HOTELS** and **RIVERSIDE CRUISES** as the brand of choice for today's guests and attracts a new generation of travellers to the Seaside family for decades to come.

*It is our great hope that the initiatives underway at our hotels and on our river cruises will embody these principles and continue to be our legacy for future generations..*

**Theo Gerlach**

OWNER OF **SEASIDE HOTELS**

### • HOTEL BEDS GRAN CANARIA

SEASIDE HOTEL SANDY BEACH****	256 rooms
SEASIDE HOTEL PALM BEACH*****	328 rooms
SEASIDE GRAN HOTEL RESIDENCIA*****	94 rooms

### • HOTEL BEDS LANZAROTE

SEASIDE LOS JAMEOS****	530 rooms
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Total number of employees: 781



## ■ 2. BUSINESS MODEL - CANARY ISLANDS

**SEASIDE COLLECTION** is a leading hotel company in its sector, with hotels located in the consolidated tourist destination of the Canary Islands. Its main activity is the management and operation of hotel facilities located on the islands of Gran Canaria and Lanzarote. These hotels are:

- **HOTEL SANDY BEACH** (Playa del Inglés, Gran Canaria). Category: Four stars
- **HOTEL PALM BEACH** (Maspalomas, Gran Canaria). Category: Five stars
- **SEASIDE HOTEL GRAND RESIDENCIA** (Maspalomas, Gran Canaria). Category: Five stars
- **HOTEL LOS JAMEOS PLAYA** (Puerto del Carmen, Lanzarote). Category: Four stars

On the other hand, the Company assumes the tasks of corporate headquarters, developing the commercial and marketing functions, revenue management, reservations, administration and financial management, human resources, and other general services for the rest of the hotels that make up the Seaside Collection Group in Spain.

The centralised business model enables **SEASIDE** to provide excellent service to its customers in the various hotels. This flexible operational and financial structure has enabled the Group to overcome the major challenges of recent years, despite the severe crisis generated by the pandemic during 2020 and 2021. The excellent locations and the strong market positioning together with the recognition of the Seaside brand mean that the recovery of the sector will benefit the recovery of our hotels, returning to pre-pandemic levels of activity.

## ■ 3. OUR CORE VALUES AND COMMITMENTS

**SEASIDE COLLECTION** was founded on a set of core values whose principles continue to influence the way we do business today.

- Remain a family business with financial stability
- Share our vision for a more sustainable future with employees, customers and suppliers
- Support the local community and ensure the responsible upkeep and development of the cultural and social environment.
- Act ethically and transparently in all our operations
- Innovate to ensure stable but sustainable growth
- Offer consistent levels of exceptional service, quality and gastronomy to an increasingly discerning clientele.

### ■ SUSTAINABLE AWARENESS

We make our employees, guests and suppliers aware of the importance of small initiatives that achieve big results.

### ■ WASTE MANAGEMENT

Not only do we manage waste, we work every day to reduce it.

### ■ RECYCLING

If we cannot reject, reuse or reduce, we follow a strict recycling policy.

### ■ WATER USE

We apply the latest technologies to reduce the use of our most precious natural resource.

### ■ ENERGY SAVING

We use energy carefully; we don't waste it!

### ■ EMISSIONS REDUCTION

We are committed to reducing CO<sub>2</sub> emissions.

### ■ SUSTAINABILITY CERTIFICATION

We continue to maintain our Travelife Gold and TUI Environmental Champion certificates for sustainability.



#### ■ SOCIAL ACTION

We contribute to the improvement and well-being of the local community through social projects.

#### ■ CUSTOMER SATISFACTION

The company is dedicated to its guests 365 days a year, 24 hours a day.

#### ■ OUR TEAM

We guarantee equality and fair treatment, supporting and encouraging professional development.

#### ■ HEALTH AND SAFETY

We take the utmost precautions to protect our guests and employees.

#### ■ CHILD PROTECTION

We are committed to respecting children's rights and encourage you to support us.

To read our full **SEASIDE HOTELS** Canary Islands Sustainability Policy, [click here](#).

Each year we strive to continuously improve a range of environmental and social indicators. We collect, analyse and review hundreds of data points, from water and energy consumption to customer satisfaction scores, and hold regular meetings with our staff to discuss opportunities and challenges.

Much of this work takes place behind the scenes and often goes unnoticed by guests, but as a management team we constantly recognise the efforts and achievements of all our staff, and the annual sustainability report is an excellent place to bring their work to life.

We would like to share some of the highlights of our sustainability journey this year, as well as reflect on how far we have come.

## ■ 4. ENVIRONMENTAL MANAGEMENT

Hotels can use large amounts of natural resources and, in turn, produce significant amounts of waste as well as greenhouse gas emissions, and we believe it is our responsibility to tread more lightly on the environment.

#### ■ 4A) ENERGY CONSUMPTION

Every quarter, SERENDIPIA, an engineering consultancy, analyses our energy and water consumption and monitors our use of resources per guest night, which allows us to know whether the hotels' performance is in line with expectations and helps us to set targets.

In all our hotels we can see exactly where energy is used, and the reports help us to understand the reasons for increases and decreases in our consumption patterns. For example, the consumption per guest night at the Grand Hotel Residencia is higher than at the other hotels because the number of rooms is much smaller in proportion to the overall size and facilities offered by the hotel.

#### **Summary of year-on-year changes 2021-2022 by hotel.**

In all hotels, the largest energy consumer continues to be the combination of lighting, rooms and lifts, which are not metered separately. In addition, 2022 was an unusually hot year, resulting in increased demand for air conditioning in all Seaside Collection hotels.

Table 1 shows the year-on-year percentage change in occupancy and energy consumption for 2021 and 2022, showing that all hotels have improved their annual performance. The use of solar panels, aerothermal systems and heat recovery systems has also played an important role in reducing energy consumption.

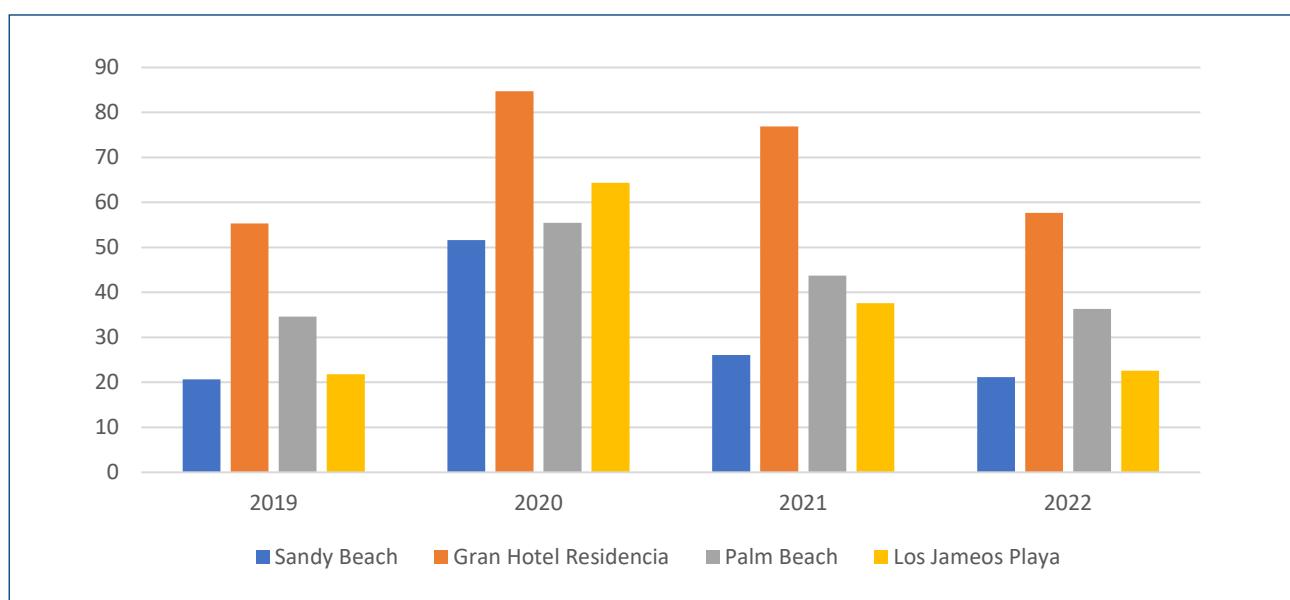
At **Los Jameos Playa**, domestic hot water production was much more efficient, with solar energy increasing from **15% to 21%** and aerothermal from **18% to 28%**. At **Palm Beach**, solar energy contributed **5,7%** to domestic hot water production. At Sandy Beach, heat recovery increased from **9% to 15%** and at the Grand Hotel Residencia, heat recovery systems contributed **50%** of the energy required for domestic hot water production.



TABLE 1: YEAR-ON-YEAR COMPARISON 2021/2022

HOTEL	YEAR-ON-YEAR COMPARISON 2021/2022	YEAR-ON-YEAR ENERGY CONSUMPTION 2021/2022	YEAR-ON-YEAR ENERGY CONSUMPTION 2021/2022
SANDY BEACH	+ 67.6%	+ 37%	17%
GRAN HOTEL RESIDENCIA	+ 48.1%	+ 11.1%	12.7%
PALM BEACH	+ 39.2%	+ 15.4%	37%
LOS JAMEOS PLAYA	+ 125.8%	+ 35.6%	10%

FIGURE 1: GLOBAL ENERGY CONSUMPTION PER GUEST NIGHT 2019-2022 (kW/hour)

**The main energy saving measures in our hotels include:**

- Air conditioning is switched off or reduced in the winter months.
- Almost all rooms are equipped with sensors to ensure that the air conditioning does not operate when doors and windows are open; those without sensors have information to prompt guests to close doors and windows when the air conditioning is on.
- The lights operate with motion sensors in many of the rear areas and other low-traffic areas, such as public toilets.
- Decorative lighting is switched off at night
- Approximately 70% of the lighting in our portfolio of hotels in the Canary Islands is done with LED lights, which significantly reduces consumption.
- The heat generated by the air-conditioning units is recovered to heat the water in our swimming pools.



#### ■ 4B) WATER CONSUMPTION

In all hotels, the impact of water consumption per guest night during 2020 is clearly visible due to the significantly lower number of guests, but with facilities such as the swimming pool still operating at full capacity. Water consumption per guest night in all four hotels peaks in summer, as these are the months of highest occupancy. Consumption per guest night at the Grand Hotel Residencia is higher than at the other hotels due to the much smaller number of rooms in proportion to the overall size of the gardens and pool area.

Table 2 shows the year-on-year percentage change in occupancy and water consumption for 2021 and 2022, showing that all hotels have improved their annual performance.

TABLE 2: YEAR-ON-YEAR COMPARISON OF WATER CONSUMPTION 2021/2022

HOTEL	OCCUPANCY YOY 2021/2022	INTER-ANNUAL WATER CONSUMPTION 2021/2022	% OF DOMESTIC HOT WATER
SANDY BEACH	+ 67.6%	+ 43%	17%
GRAN HOTEL RESIDENCIA	+ 48.1%	+ 21.2%	12.7%
PALM BEACH	+ 39.2%	+ 16%	14%
LOS JAMEOS PLAYA	+ 125.8%	+ 32.5%	10%

FIGURE 2: OVERALL WATER CONSUMPTION PER GUEST NIGHT 2019-2022 (Litres)



#### **Key measures to save water in our hotels include:**

- The decorative fountains are switched off at night to save energy and water. At Los Jameos Playa they also operate on a timer.
- The gardens are irrigated late in the evening or early in the morning and use drip irrigation systems to minimise waste through evaporation.
- The plants are endemic to the area and are therefore well adapted to the drier climate.
- Laundry equipment is specifically programmed to use optimal amounts of water, energy and detergents to minimise waste.



- All pool filters have been changed from sand to activated glass, which prolongs the life of the equipment and reduces the amount of water required for backwashing.
- All hotels minimise heat loss from heated pools in winter by using Heatsavr, a non-toxic substance that helps prevent water evaporation.
- Smartvatten leak detection systems are installed in all hotels and monitor consumption levels live, creating a consumption algorithm. Any consumption outside of this algorithm alerts the technical services team to the problem so that leaks can be detected and repaired immediately.
- Guests are informed how they can help, for example by showering less and following the towel reuse programme.

## ■ 4C) WASTE REDUCTION AND MANAGEMENT

Waste reduction in all operational departments is a key activity at **SEASIDE HOTELS**. We are exploring possibilities to replace plastic water bottles for guests and staff at **Los Jameos Playa** and to replace small toiletries with stylish refillable alternatives at the **Hotel Gran Residencia**.

**Sandy Beach** and **Palm Beach** hotels have eliminated almost all single-use plastic items for guests, with the exception of those items for which substitutes are particularly difficult to find in the Canary Islands, such as single-serve milk in rooms with tea and coffee facilities.

At **Los Jameos Playa** we are working proactively to reduce food waste from our buffet. This includes switching to smaller plates in the cold buffet, something our guests have recognised and complimented us on.

Preventing food waste is an area we intend to focus on more closely over the next 12 months. In 2020 we had hoped to participate in a project in which organic waste collected from our hotels would be transformed into biogas, which would be returned to us for use in our kitchens. Due to the pandemic, this project was put on hold, but we continue to investigate other options to help us avoid sending organic waste to landfill.

Where waste is unavoidable, we ensure that it is separated for recycling and conduct regular reminder courses with our employees. We pay special attention to hazardous waste, such as light bulbs, batteries, paint, chemical containers and used cooking oil. All these wastes are collected by specialised suppliers who provide us with a collection certificate.

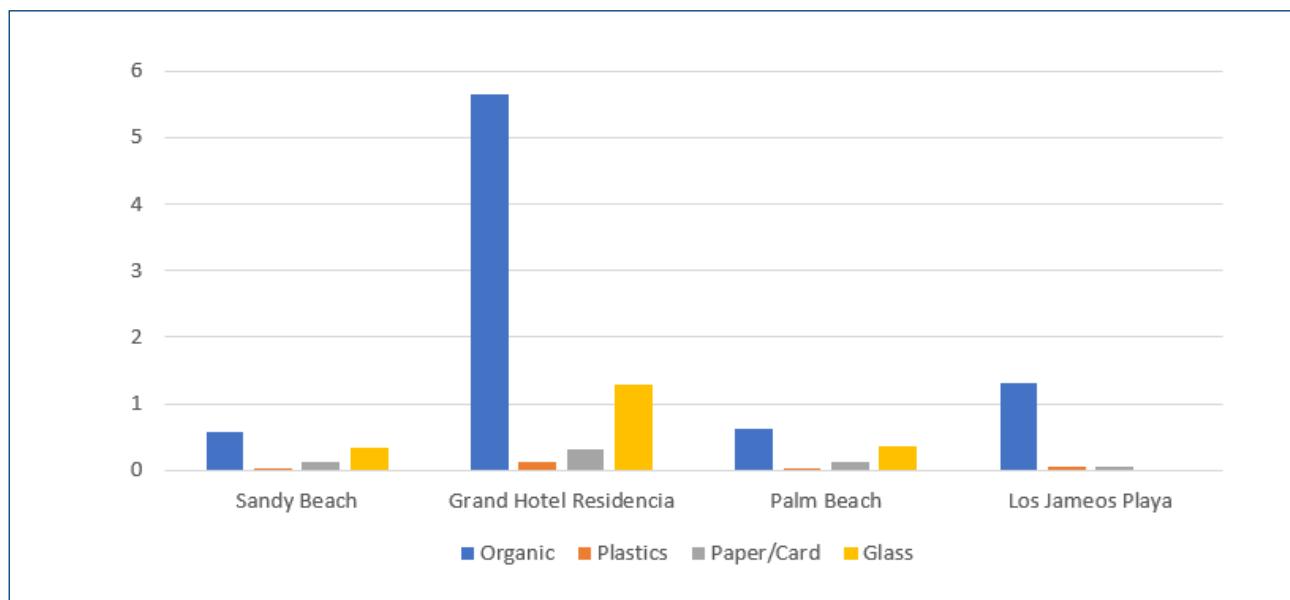
As well as taking steps to reduce waste throughout the hotel's operations, we are also working more closely with the companies that collect our non-hazardous waste so that we can identify where it goes and how it is processed once it has left our premises. This is an important consideration when measuring the carbon footprint of our waste, which is one of our targets for the coming year.

The following graph shows the volume of waste produced in our hotels in kilograms during the year 2022. At the **Hotel Grand Residencia**, organic waste was included in the "non-recyclable" waste statistics, which explains the high volume. By 2023, organic waste will be recorded separately. At **Los Jameos Playa**, there is not a separate igloo for glass bottles and they have to be deposited in the municipal containers shared with other hotels and residents, which means we have no statistics.



FIGURE 3: NON-HAZARDOUS WASTE BY VOLUME AND BY HOTEL

(KG of Non-Hazardous Waste Per Guest Night 2022)

**The main waste reduction measures include the following:**

- An à la carte dining service operates 5 times a week at the **Gran Hotel Residencia**, which significantly reduces food waste compared to a buffet service.
- Our hotel buffet requirements are ordered on a weekly basis, strictly in line with the number of guests, to avoid unnecessary food waste in all our hotels.
- Single-use items are being phased out in favour of reusable and refillable alternatives.
- Where possible, items are purchased in bulk to minimise packaging waste.
- Cleaning chemicals are purchased in concentrated formulations that minimise plastic packaging.

**■ 4D) USE OF CHEMICALS**

Every effort is made to minimise the use of harmful chemicals. Chemicals used for cleaning equipment, laundry, kitchen and pool hygiene are sourced from reputable suppliers and dosed automatically according to the manufacturer's instructions. Every precaution is taken to avoid accidental spills; chemicals are stored in sturdy plastic containers and kept away from drains. Employees handling chemicals are properly trained and provided with personal protective equipment.

We regularly ask chemical suppliers to review the options available to ensure we have the least harmful chemicals possible. In fact, at the **Grand Hotel Residencia** we use an alternative to acidic cleaners which is instead natural bacteria grown on site that thrive by digesting grease, oil and organic waste from water pipes, significantly reducing the use of toxic chemicals.



#### ■ 4E) CIRCULAR ECONOMY STRATEGY

It is an extreme challenge for island territories to be self-sufficient. The Canary Islands are dependent on imports of fossil fuels and raw materials, although we are witnessing an increase in the percentage contribution of available renewable energies and an increase in the number of suppliers who take circularity seriously.

We trust that the Canary Islands Circular Economy Strategy 2021-2030, led by the Regional Ministry of Ecological Transition, Fight against Climate Change and Territorial Planning, in collaboration with the Regional Ministry of Economy, Knowledge and Employment, will bring about the transition of the Canary Islands towards a production model in which the value of resources is maintained for as long as possible, and in which the generation of waste is reduced thanks to a more intelligent and sustainable use of resources.

However, we also need to take proactive measures within our own sphere of influence, which include:

- Prioritise suppliers who take back their own packaging for reuse and encourage other suppliers to follow suit.
- Implementation of water dispensing systems to provide drinking water in reusable glass bottles that are washed and refilled on site, reducing waste and reducing our carbon footprint.
- Osmosis wastewater collection for use in gardens
- Investigate opportunities to transform organic waste into compost and/or biogas at our own facilities.
- Purchasing items with a high percentage of recycled content.

### ■ 5. CLIMATE CHANGE

#### ■ 5A) GREENHOUSE GAS EMISSIONS

The consultancy company Serendipia provides us with a quarterly analysis of our greenhouse gas (GHG) emissions per guest. The GHGs that are assessed in hotels are:

##### **Direct emissions (Scope 1):**

- The consumption of diesel for domestic hot water production.
- Consumption of propane gas for domestic hot water production

##### **Indirect emissions (Scope 2):**

- Total electricity consumption.
- Total water consumption.

The emission factors used in the calculations are as follows:

**Diesel:** Constant and equal to 0,311 kgCO<sub>2</sub>e/kWh.

**Propane Gas:** Constante e igual a 0,254 kgCO<sub>2</sub>e/kWh.

**Water:** A step factor of 4,90 kWh/m<sup>3</sup> is applied for the production and distribution of desalinated water, a factor of 0,67 kWh/m<sup>3</sup> for its treatment and purification after use, and a factor of 0,180 kgCO<sub>2</sub>e/m<sup>3</sup> for the biochemical processes in the treatment plant.

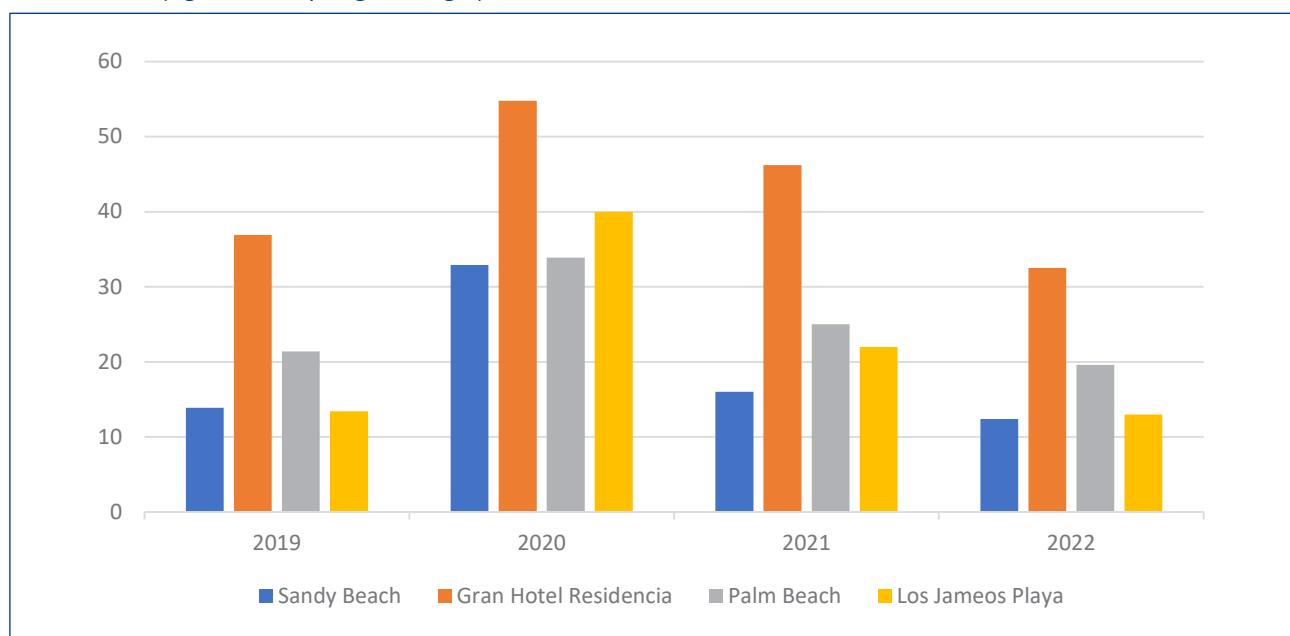
**Electricity:** Variable depending on the degree of penetration of renewable energies in the electricity grid system.



TABLE 3: GHG FACTORS IN GRAN CANARIA AND LANZAROTE

GHG EMISSION FACTORS FOR THE ENERGY NETWORK OF GRAN CANARIA		GHG EMISSION FACTORS FOR THE ENERGY NETWORK OF GRAN CANARIA	
2019	0,636 kg CO <sub>2</sub> e/kWh	2019	0,665 kg CO <sub>2</sub> e/kWh
2020	0,608 kg CO <sub>2</sub> e/kWh	2020	0,681 kg CO <sub>2</sub> e/kWh
2021	0,579 kg CO <sub>2</sub> e/kWh	2021	0,647 kg CO <sub>2</sub> e/kWh
2022	0,550 kg CO <sub>2</sub> e/kWh	2022	0,627 kg CO <sub>2</sub> e/kWh

FIGURE 4: CARBON EQUIVALENT EMISSIONS PER GUEST NIGHT IN KG 2019-2022

(Kg de CO<sub>2</sub>e per guest night)

#### ■ 5B) CURRENT AND PLANNED MEASURES TO REDUCE GREENHOUSE GAS EMISSIONS

Improving energy efficiency is a constant goal at **SEASIDE HOTELS**, and our excellent technical services team helps us identify opportunities to improve performance.

A key activity that helps us to be more efficient is capturing the waste heat generated by air conditioning systems, which is then used to partially heat domestic hot water. Since 2010 we have invested in solar energy to the point where we have no additional rooftop capacity to install more panels.

In 2014, a biomass boiler was installed at **Los Jameos Playa** to reduce reliance on propane gas for domestic hot water production. In 2022, the reduction in GHG emissions was 43 tonnes compared to if it had not been installed.

In 2020, the **Los Jameos Playa** hotel underwent a complete replacement of windows and patio doors to improve insulation in the guest rooms.

Looking ahead, our main objective is to meet or exceed the EU's 2030 target of reducing greenhouse gases by 55% compared to 2010 emissions.

In 2022, the company acquired two 1.8Mw projects to be developed in the coming months of photovoltaic panels in the municipality of Telde (Gran Canaria) and we are also studying the implementation of solar photovoltaic installations on available land in the vicinity of our hotels, with



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the aim of offsetting our electricity consumption with the contribution of renewable electricity to the island's grid.

Other considerations are: :

- Participating, alone or with other hoteliers, in the installation of wind turbines, with the same objective of offsetting part of our electricity consumption.
- Replacing air conditioning chiller plants with high efficiency units, maintaining or improving waste heat energy recovery and increasing the rated capacity to adapt to extreme situations. The new units would operate with zero or near-zero greenhouse refrigerants.
- Substituting of fossil fuels in kitchens, laundries and boilers by biogas produced from organic waste.
- Substituting of refrigerant gases in our industrial refrigeration installations for others with zero or almost zero greenhouse effect. Integration of the systems with the rest of the thermal installations, to recover the waste heat from them.
- Adapting our menus to reduce the volume of high-emission foods.
- Reducing the total volume of waste, divert waste from landfill and increase the percentage of waste recycled.

## ■ 6. PROTECTION OF BIODIVERSITY

### ■ 6A) PROTECTION AND PROMOTION OF BIODIVERSITY

The entire island of Lanzarote was declared a Biosphere Reserve in October 1993, with the aim of preserving and generating natural and cultural values through scientifically appropriate, socially respectful, culturally creative, and operationally sustainable management. Lanzarote's Biosphere Reserve status owes much to the figure of César Manrique, whose legacy is visible in the architecture and landscape of the whole island.

We actively encourage our guests to discover the island by bicycle or by following hiking trails that take them through unique volcanic landscapes. We firmly believe that the island of Lanzarote inspires a relationship with nature, which in turn encourages people to conserve it.

In Gran Canaria, our hotels are located near the nature reserve of sand dunes, the Palmeral and the lagoon, all of which are part of the Gran Canaria biosphere reserve, designated in 2005 and a haven for many endemic species of flora and fauna, as well as a resting place for nesting and migratory birds.

We make sure our guests are informed about how to be a responsible visitor to the dune reserve with the following tips in our guest information book available via QR code or in the public areas of the hotels:

- Always walk on marked trails.
- Do not build shelters with stones or plants, as this alters the dynamics of the dunes.
- Respect the vegetation, as it is crucial for the formation and development of the dune ecosystem.
- Avoid making unnecessary noise that may disturb wildlife.
- Refrain from feeding the animals in the Nature Reserve, as this may damage the natural cycle.
- Bring the rubbish you have generated and deposit it in the appropriate bin.

We strongly recommend a visit to the "Centro de Interpretación" to learn as much as possible about the dune reserve and encourage guests to help us protect this area by reporting any irregularities they may encounter to the authorised surveillance personnel in the area.



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## ■ 6B) CONSERVATION AND PROMOTION OF CULTURAL HERITAGE

Visiting monuments and places of cultural interest that charge a small entrance fee is a good way to contribute to the protection of cultural heritage. In our guest information sheets, we inform guests about the first settlers of the Canary Islands, known as the “Guanches”, a cave-dwelling society with a relatively sophisticated social structure. We promote tourist attractions such as the Aboriginal World, which brings Guanche history to life, and we also inform our guests in Gran Canaria about an ancient settlement that is located near the hotel, in the middle of the Meloneras promenade.

In addition, in Gran Canaria we recommend our guests to visit places such as Christopher Columbus House, The Museum of the Painted Cave and the Atlantic Centre of Modern Art. A day trip to the cobbled streets of Vegueta in Las Palmas is highly recommended for guests wishing to immerse themselves in the gastronomic culture of the islands. Our reception teams are also happy to suggest other cultural experiences.

Lanzarote was the birthplace of sculptor, artist and activist César Manrique. His commitment to prioritise high quality tourism focused on visitors appreciating the natural and cultural heritage of the island is still felt today, and we recommend our guests to visit the César Manrique Foundation.

In addition, the village of Teguise is known for being an area where much of the Canarian culture originated and hosts numerous traditional dance and folklore events. The volcanic caves of Jameos del Agua and Cueva de los Verdes are also places we recommend to our guests, especially to enjoy music festivals at specific times of the year.

## ■ 7. OUR COMMUNITY

### ■ 7A) SEASIDE FAMILY

The Seaside family in the Canary Islands consisted of around 781 people in 2022, including those working at our head office. Providing a safe, healthy, enjoyable and rewarding environment for all our staff is a top priority.

#### 7Ai) DIVERSITY, EQUALITY AND INCLUSION

Our Code of Ethics, as well as the policies developed within its framework, guarantee and promote equality between men and women. In 2022, the distribution of employees was almost equal, with 394 men and 387 women.

The Code of Ethics encourages open communication in the event of any possible conduct contrary to equality and regulates a formal and direct whistle-blowing channel for reporting possible breaches in this area to the Chairman of the Audit Committee.

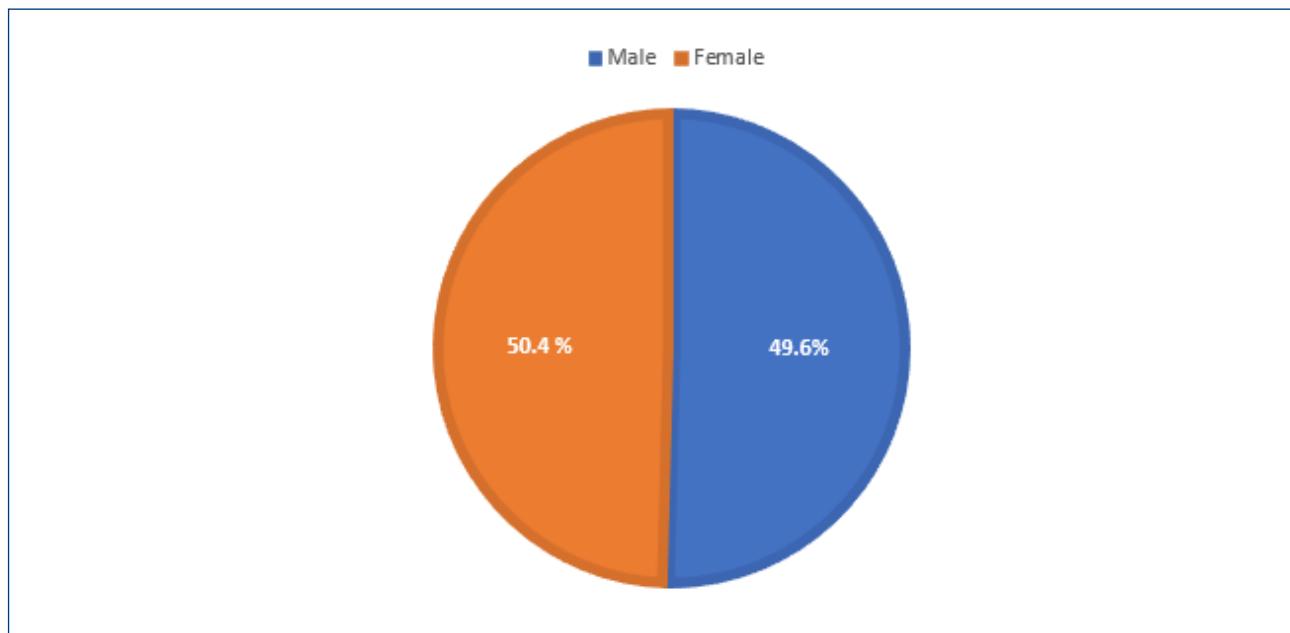
Our Misconduct Protocol also clearly defines Seaside's position in favour of diversity and non-discrimination on the basis of gender, race, religion, age, marital status, disability, sexual orientation or nationality, nor do we condone any form of harassment, whether sexual, physical, mental or otherwise.

**SEASIDE HOTELS** is committed to the accessibility of its facilities for both staff and guests. We comply with the established legal standards in our new buildings and facilities. In addition, we carry out the necessary renovations to ensure accessibility for people with reduced mobility wherever necessary.

In terms of employment, 17 of the staff employed in 2022 had a degree of disability of more than 33%.



FIGURE 5: DISTRIBUTION OF MALE AND FEMALE STAFF



Our Human Resources Department plays a key role in ensuring that we continue to comply with increasingly stringent legislation on welfare and human rights in the workplace. Naturally, contracts, working hours, pay structures, disciplinary and grievance procedures all comply with national legislation, and all employees are free to join the local union, which offers assistance with disciplinary action and grievances where necessary. Our management team is open and accessible to resolve labour issues.

TABLE 4: WAGE DIFFERENTIAL, CALCULATED FOR COMPARABLE JOBS AT THE WAGE LEVEL SET OUT IN THE APPLICABLE COLLECTIVE AGREEMENT

WAGE LEVEL ACCORDING TO COLLECTIVE AGREEMENT	GENDER PAY GAP
Total GROUP I	-9%
Total GROUP II	9%
Total GROUP III	3%
Total GROUP IV	3%
Total GROUP IV BIS	0%
Total GROUP I	1%

#### 7Aii) EMPLOYEE WELFARE

We consider our staff as family and want to be seen as an employer of choice. Going beyond legislation in terms of staff welfare is key to our success.

Our employees enjoy unrestricted maternity and paternity leave and their return to the company is guaranteed. In 2022, 6 children were born to employees. All parents took paternity and maternity leave. All of these employees have returned to their jobs in accordance with their own wishes.



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We also understand that life does not always go according to plan and we offer our employees flexible working hours wherever possible to allow compatibility with other personal responsibilities. We have arranged special rates on private medical insurance and take steps to ensure that the emotional wellbeing of staff is monitored, as well as providing comfortable and suitable working areas.

We also guarantee freedom of association and the right to collective bargaining for all our staff, as provided for in the conventions of the International Labour Organisation.

Collective bargaining, as provided for in the conventions of the International Labour Organisation.

## 7Aiii) TRAINING AND PERSONAL DEVELOPMENT

We really want our employees to succeed and often provide financial support for them to undertake relevant courses to enable them to advance in specific areas of their choice. Investing in development opportunities for our employees is not only a great opportunity for them, but also supports our own business. Our approach to collective and individual training is structured around three pillars:

**1. Strategy** - Competences to successfully execute our strategy and meet the challenges of the future. The main action in 2022 has been the definition of the programme, which aims to improve knowledge of the following competences.

**2. Leadership** - Reinforcing Seaside's culture and values - behaviours that all employees must have in order to achieve the company's goals and maximise the experience of employees and our customers.

**3. Functional** - Development of functional competencies: knowledge and competencies needed by specific areas of the organisation to execute the challenges of the strategic plan.

These three pillars are the responsibility of the corporate HR area, from where different programmes have been designed and implemented with the intention of helping people in different positions in the organisation to inspire, support and develop themselves and their team members.

TABLE 5: YEAR-ON-YEAR COMPARISON OF TRAINING HOURS

2021 (617 EMPLOYEES)			2022 (617 EMPLOYEES)		
NUMBER OF PEOPLE TRAINED	% OF STAFF RECEIVING TRAINING	TOTAL HOURS OF TRAINING	NUMBER OF PEOPLE TRAINED	% OF STAFF RECEIVING TRAINING	TOTAL HOURS OF TRAINING
43	4.81%	406	266	29.75%	2.253



#### ■ 7B) COMMITMENT TO LOCAL PROCUREMENT

**SEASIDE HOTELS** are committed to being part of a vibrant Canarian economy. Buying local produce is a top priority and on average 90% of fresh produce is sourced directly from the Canary Islands. The most common local products are meat, fish, fruit, and vegetables. We are very proud to serve local wines and strive to recommend them on our wine list, especially in Lanzarote, a destination famous among wine connoisseurs for its unique growing conditions. The Canary Islands are also home to excellent quality artisan products, such as cheeses, honey, jams, marmalades and other preserves, all of which are served in our hotel buffets and restaurants.

At the **Palm Beach Hotel**, La Bodega specialises in Canarian-style tapas to offer our guests a taste of the islands' traditional dishes. Nearly 2,500 of our guests choose to enjoy La Bodega's locally inspired dishes each year.

Wolfgang Grobauer, Chef of the Michelin-starred **Seaside Grand Hotel Residencia**, continues in his role as ambassador for the Tenefé Salt Pans in Pozo Izquierdo, Gran Canaria. The excellent quality salt is a key component of many of our unique dishes and allows us to play our part in keeping this local island tradition alive.

In addition, the **Hotel Grand Residencia** prides itself on buying most of its fruit and vegetables from local producers, such as Finca Davinia, less than 10 km away, and strawberries from Valsequillo, in the centre of the island, just 50 km away.





# Sustainability Report

**SEASIDE HOTELS** is passionate about the success of the Canary Islands as a sustainable destination. It is important to our business and vital to the islands' continued economic prosperity that the tourism industry continues to adapt to new and discerning guests seeking a more immersive experience.

**Los Jameos Playa** continues to participate in a project in Lanzarote that focuses on supporting organic and traditional viticulture to preserve the natural resources and cultural heritage of La Geria. At the same time, local wine producers are being linked with the hotel industry so that new distribution channels are created, and guests can taste the unique character of La Geria.

Around half of our staff come from the islands, which is not only important in terms of local employment, but also benefits our guests: our staff are a great source of local knowledge for guests interested in learning more about Canarian culture and the islands.

## ■ 7C) SUPPORT TO LOCAL COMMUNITIES

In any global community there will always be members of society who are less fortunate than others, and this is no different in the Canary Islands. We are very proud to support hard-working organisations that strive to create greater opportunities for others. Since 2013 we have collaborated with the Randstad Foundation, whose aim is to ensure equal opportunities in the employment sector for people at risk of social exclusion: people with disabilities, women at risk of social exclusion, victims of gender-based violence, the long-term unemployed and the over 45s.

Financial donations to the Randstad Foundation have totalled EUR 108,058.43 to date and the funds are used to continue the work of the Randstad Foundation, which focuses on creating diverse and inclusive workplaces for all members of society.

In line with **SEASIDE HOTELS'** employment opportunities, internship days are organised at our sister hotel, the **Seaside Palm Beach**. Coordinated by the Randstad Foundation, young trainees from the "Downs Association of Las Palmas" are welcomed by the hotel and receive an introductory training to the theory and practice of the different departments of the hotel.

Each hotel pledges to support the local charity of its choice and to participate in charitable activities in underdeveloped countries.

The **Grand Hotel Residencia** and the **Palm Beach** collaborate with two local charities, Caipsho and Elomar.

Caipsho works with homeless people in San Fernando by providing them with a safe place to eat and shelter. The hotels contribute in various ways, such as providing sheets, pillows, dressing gowns and mattresses that are no longer in use in the hotel and providing food for 30 people for two specific weeks of the year at the request of the charity.

Elomar is also located in San Fernando, in the central market, and functions as a food bank, distributing basic foodstuffs to families in need. The hotels donate food parcels every year at Christmas.

**Sandy Beach** works directly with a school in Nepal by holding an annual Christmas lottery, the funds from which are donated to the school and used to pay for school supplies for the children.

All hotels in Gran Canaria contribute with food donations to the Food Bank of Las Palmas, which helps around 33,000 people every month.

The four hotels in the Canary Islands regularly donate prizes to local organisations that organise charity events, for example by offering a voucher for a weekend at the hotel on a half-board basis, for a meal in the restaurant or a treatment in the spa centre.

Guests receive information about our charitable work in our information books at reception and are of course welcome to support us. Guests wishing to make a donation can contact a member of the hotel management team.



TABLE 6: CONTRIBUTIONS IN KG TO THE FOOD BANK OF LAS PALMAS BY HOTEL

HOTEL	KG 2021	KG 2022	TOTALS
Grand Hotel Residencia	336	1.268	1.604
Hotel Palm Beach	108	332	440
Hotel Palm Beach	212	965	1.177

TABLE 7: FINANCIAL GRANTS AND VALUE OF NON-FINANCIAL GRANTS IN 2022

DONATION	HEAD OFFICE	SANDY BEACH	GRAN HOTEL RESIDENCIA	PALM BEACH	LOS JAMEOS PLAYA
Financial	5.000 €	250 €	250 €	250 €	250 €
Non-Financial	-	5.700 €	7.032 €	5.163 €	-

#### ■ 7D) ANIMAL WELFARE

With the exception of Los Jameos Playa, which houses coy carp, none of our hotels have captive animals on their premises. It is very common in the Canary Islands for cat colonies to take up residence in hotels, in these cases, the “cat cafes” are located at strategic points in the hotel so that the cats have access to food and water without causing any problems for our guests.

In Gran Canaria and Lanzarote there are several places with captive animals and excursions to see animals in the wild. In our guest information leaflet, we encourage our guests to book only with reputable suppliers who have clear animal welfare policies.

## ■ 8. OUR GUESTS

The guest experience is of paramount importance to our business, and we have well-established quality assurance procedures in place to ensure that we continue to exceed guest expectations before, during and after their stay.

#### ■ 8A) GUEST SATISFACTION

We encourage our guests to inform us immediately if anything does not meet their expectations, giving us the opportunity to rectify any problems promptly so that they can continue to enjoy their holiday.

During the stay, questionnaires are distributed to customers inviting their feedback and reviewed by our commercial team. Where appropriate, areas for improvement are discussed with department heads and, if necessary, changes to practices are made. An example of this is the growing concern of our customers about the use of single-use plastic bottles in rooms. In response, we are investigating the best available options to minimise waste while still providing excellent quality drinking water to our guests.

Internal procedures are regularly reviewed, and our quality objectives are communicated to all our employees through team meetings and additional training if necessary. All staff members are in possession of the “good practice guidelines” documentation relevant to their department.

We also respond to guest feedback and communications through digital channels and social media. The social media department manages the online reputation of the hotels, responding to all customer reviews on 9 platforms such as Tripadvisor, Holidaycheck, Booking.com and Zoover for example.



TABLE 8: VALUATIONS OF 2022

HOTEL	AVERAGE RATING (% 2021)	AVERAGE RATING (% 2022)	AVERAGE RATING (2021)	AVERAGE RATING (2022)
Grand Residencia	97.4%	96.7%	4.92	4.95
Sandy Beach	92.7%	91%	4.54	4.48
Palm Beach	90.7%	90.7%	4.48	4.42
Los Jameos Playa	92.8%	90.8%	4.55	4.52

#### ■ 8B) HEALTH AND SAFETY OF GUESTS

The safety and well-being of our guests and staff is of paramount importance to us. Seaside Hotels fully complies with all relevant health and safety legislation in all our operational areas. This includes pool safety, fire prevention, hygiene standards and general safety in public areas.

We are regularly inspected by local authorities and representatives of the tour operators we work with, and key staff are trained to assess and mitigate risks should they arise. We are ahead of the legislation in some respects by complying with the standards set by European tour operators.

#### ■ 8C) CHILD PROTECTION

Being a responsible company also means taking great care to avoid child labour. Seaside Hotels does not use child labour and respects the legal minimum working age in all its hotels and has the same expectations of its suppliers.

We are aware that travel and tourism facilities can be misused for the purpose of violating children's rights and we do not condone any such action. Our staff are trained to identify inappropriate or suspicious behaviour or neglect and to report it immediately to management. Our guests are advised to do the same by means of the information on our guest sheet available in all rooms.

In our hotel children's clubs, we work with (Animateur Agentour and Vital Ocio), whose staff undergo a thorough background check before being offered employment and receive appropriate training on the proper management of children's facilities and the steps to take in the event that suspicious behaviour is detected. We are grateful that we have not had to file any such complaints.

### ■ 9. CORRUPTION AND BRIBERY

#### ■ 9A) PREVENTION OF CORRUPTION AND BRIBERY

SEASIDE has a zero-tolerance policy towards corruption. As a measure adopted for the prevention of corruption and bribery, as well as for the prevention of any other criminal offences, the company has created a specific reporting channel, [canaldenuncias@seaside-collection.es](mailto:canaldenuncias@seaside-collection.es), for cases of corruption and bribery, as well as for the reporting of any criminal offences for which the legal entity may be responsible. The e-mail address is available 24 hours a day, is completely anonymous and such e-mails are managed solely by the person responsible for this area.

We apply a zero-tolerance approach to bribery and corruption in relation to bribes (payment, offer or promise to pay or provide something of value), gifts and hospitality.

#### ■ 9B) COMBATING MONEY LAUNDERING

In accordance with Law 10/2010 of 28 April 2010 on the prevention of money laundering and the financing of terrorism, Seaside has formalised a public deed of beneficial ownership of the companies, indicating who the direct or indirect beneficial owners are.



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With regard to cash payments, the managers of each of the centres are aware of the legal limits on cash payments and collections and have informed all employees who may come into contact with cash for both customer and supplier transactions of this fact.

## ■ 9C) FINANCIAL DONATIONS

We do not make political donations; our financial support goes to local charitable causes.

## ■ 9D) HUMAN RIGHTS AND MODERN SLAVERY

**SEASIDE HOTELS** commitment to the defence of human rights, respect for individual and collective freedoms, the rejection of any form of child labour and respect for people is set out in our Misconduct Protocol.

This Misconduct Protocol also clearly defines Seaside's position in favour of diversity and non-discrimination on the basis of gender, race, religion, age, marital status, disability, sexual orientation or nationality, nor do we condone any form of harassment, whether sexual, physical, mental or any other form.

All **SEASIDE** employees have received detailed information and training on the content of the Misconduct Protocol and this is part of the induction process for all new employees.

**SEASIDE HOTELS** is committed to preventing acts of human trafficking and modern slavery from occurring within its business and throughout its supply chain. We expect our suppliers, contractors and other business partners to maintain the same high standards and include references to these expectations in our supplier contracts.

## ■ 10. COMMUNICATING SUSTAINABILITY

Our customer-facing content is designed to inspire current and potential guests to holiday at one of our hotels in the Canary Islands. In addition to presenting our hotel services, we can also use these communication touch points to bring destinations to life with stories and images that convey the beauty of the landscapes, traditions, gastronomy and climate, motivating people to travel for the reasons that are important to them and highlighting our sustainability actions.

Each hotel's website includes a link to our sustainability policy and the latest sustainability report.

In 2020 we introduced a new landing page [www.seasidemenu.com](http://www.seasidemenu.com) linked to a QR code that guests can scan at various points in our hotels. In this menu you can also find our latest policy and report, as well as a useful guest fact sheet that includes tips on how to minimise water and energy consumption during your stay at the hotel, how to contribute to the conservation of natural and cultural heritage and how to get around by public transport.



## ■ 10A) SOCIAL MEDIA STRATEGY

SEASIDE HOTELS has been present on social media since 2012. The variety of channels allows us to maintain a more personalised and informal service with our guests, while reinforcing our brand and values.

We maintain professional relationships on social media through our LinkedIn page, a useful means of attracting talent and keeping abreast of industry trends.

Despite the physical distance between our hotels and our customers, social media keeps us closely connected and we build relationships by actively responding to feedback in a personalised way that we know our customers and followers appreciate, it is a means of making them feel part of the Seaside family and indeed many regular customers follow us avidly on social media.

These platforms are also ideal places to communicate our sustainability commitments and achievements to a global audience. All of our hotels regularly receive the highest levels of environmental certification, and we are proud to share these stories with the online community. Growth in all areas of social media is an integral part of our strategic planning.

## ■ 10B) CERTIFICATIONS AND AWARDS

Our four hotels in the Canary Islands undergo regular environmental and quality certification processes.

**ISO 9001** is an internationally recognised certification that recognises the “Quality Management System” of hotels and companies. We have been ISO 9001 certified at the **Grand Hotel Residencia** since 2007

**Travelife for Hotels** is a sustainability certification recognised by the Global Sustainable Tourism Council (GSTC). Criteria include resource and waste management, social impact, local, sourcing, child protection, health and safety, staff wellbeing, and our compliance is audited every two years. The **Grand Hotel Residencia** has been a **Travelife GOLD** award winner since 2015.

Undertaking the certification process is extremely rewarding and useful. Not only do these certifications provide written assurance from an independent third party of our hotels’ compliance with these standards, but the process itself is an opportunity for continuous learning and development and the awards are a visual representation to our guests.

In addition to the certification, we are proud to have received many other awards in 2022:

TABLE 9: AWARDS 2022

PRIZE	HOTELS THAT MADE IT
TRAVELIFE GOLD CERTIFIED FOR ACCOMMODATION SUSTAINABILITY	ALL HOTELS (2021-2023)
TUI GLOBAL HOTEL AWARDS	ALL HOTELS 2022
BEST TUI HOTEL IN THE WESTERN MEDITERRANEAN	GRAND HOTEL RESIDENCIA
HOLIDAY CHECK SPECIAL AWARD	LOS JAMEOS PLAYA • PALM BEACH SANDY BEACH



## CUADRO 9: PREMIOS 2022 (continuación)

PREMIO	HOTELES QUE LO CONSIGUIERON
TRIP ADVISOR TRAVELLERS CHOICE BEST OF THE BEST	GRAND HOTEL RESIDENCIA
TRIP ADVISOR TRAVELLERS CHOICE AWARD	LOS JAMEOS PLAYA • PALM BEACH SANDY BEACH
TRIP ADVISOR 5TH OF 25 OF THE BEST HOTELS IN SPAIN	GRAND HOTEL RESIDENCIA
BRITISH AIRWAYS CUSTOMERS EXCELLENCE AWARD	GRAND HOTEL RESIDENCIA (4.9/5) PALM BEACH (4.6/5)
1 SUN REPSOL GUIDE	GRAND HOTEL RESIDENCIA
RED STAR AWARD	PALM BEACH • SANDY BEACH
CAIXABANK HOTELS & TOURISM 2022 AWARDS: THEO GERLACH RECEIVES SPECIAL RECOGNITION FOR "BEST BUSINESS CAREER"	ALL HOTELS

Achieving these levels of recognition is a testament to the dedication of our staff and management teams who work hard every day to deliver the best possible experiences and to constantly improve our impact on the local environments and communities in which we are based. We are proud to publicly display our awards in our reception areas and provide more detailed information about them in our guest information books.

## ■ 11. LOOKING TO THE FUTURE

As we mentioned at the beginning of the sustainability report, Seaside Hotels is a forward-looking company. We are committed to building on a solid foundation of quality and sustainability and have set ourselves ambitious targets for the coming years.

### ■ 11A) OBJECTIVES

Our objectives for the year 2023 are:

- Measure the carbon footprint associated with the energy consumption of our four hotels in the Canary Islands.
- Keep energy consumption per overnight stay the same or better compared to 2019.
- Maintain water consumption per overnight stay the same or better compared to 2019.
- Measure food waste in all our establishments with a view to creating a baseline and setting a reduction target.
- Contribute to at least 3 community and environmental activities outside the hotels per year.
- Promote the creation of spaces in each hotel dedicated to the protection and promotion of local biodiversity.





SEASIDE COLLECTION

