

Sustainability REPORT 2022-2023





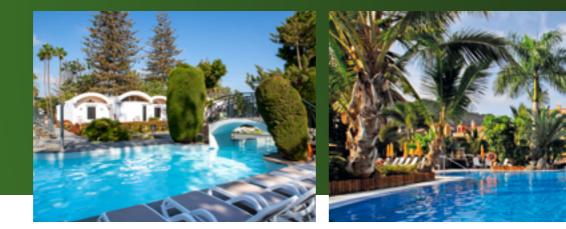
Introduction

One of the essential elements that inspires the action policy of **Cordial Hotels & Resorts** is our commitment to sustainable development and protection of the environment in all our actions. For this reason, we are publishing this document to make known the principles that govern our actions in this area, which guide and inspire the activities of the entire team that makes up our company and serve to demonstrate our commitment to sustainable development, as a way of disseminating this commitment and our policies to all our guests and related companies.

One of the basic pillars of **Cordial Hotels & Resorts** strategic plan is respect for the environment. In this regard, we must emphasise our scrupulous compliance with the provisions of Spanish and European legislation, especially the ones which regulate the tourism sector.

Appropriate management of environmental aspects, rational use of natural resources and open communication with our shareholders are considered essential elements of our performance.

At **Cordial Hotels & Resorts** we make a continuous effort to reduce our environmental impact without compromising guest comfort. This is what makes us environmentally sustainable, and this is what we concentrate all our efforts on.



History of Cordial Hotels & Resorts

The **Cordial Group** was founded on 1 January 2004, based on the experience and knowledge of a team of professionals who have been in the accommodation business for more than 30 years, managing well-known and appreciated tourist resorts on the island of Gran Canaria (Canary Islands, Spain).

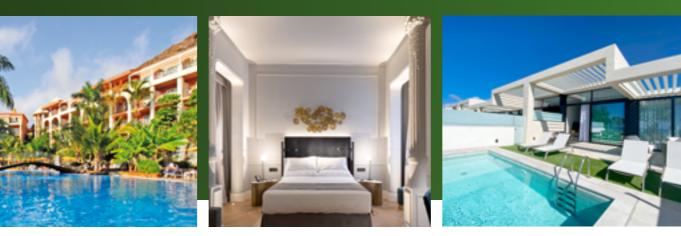
As a result of this business drive, the management of three establishments was brought together, with a total of 470 accommodation units, **Cordial Green Golf, Cordial Sandy Golf** and **Cordial Bia-rritz Bungalows.**

In the winter season of 2004 / 2005, **Cordial** incorporated the imposing **Hotel Cordial Mogán Playa**, located in Puerto de Mogán, an establishment that, since its opening, has earned the admiration of both guests and professionals in the sector, being rewarded year after year with multiple awards granted by tourist opinion portals, travel agents and tour operators, consolidating its position in the market and allowing excellent operational and marketing results.

In the same area, **Cordial** opened **Apartments Cordial Mogán Valle** in the summer of 2008, which since its opening has enjoyed an excellent response from the market and high occupancy and sa-tisfaction rates.

With this development, 790 homes were added in the touristic town of Puerto de Mogán, in Gran Canaria, a privileged enclave of the island that **Cordial Group** has managed to position as a first-class touristic destination in the main Northern European markets.

Both establishments were developed from the outset by the **Cordial Group**, which gave both a unique personality to differentiate them from the rest on offer.



This has enabled it to occupy a prominent place in the world tourism market.

More establishments have joined **Cordial**'s management experience, and in Mogán we currently have **Cordial Mogán Solaz Holiday Homes**, **Cordial Mogán Paraiso Apartments**, **Cordial Muelle Viejo Holiday Homes** and **Cordial Magec Taurito Apartments**. Also, in Playa del Inglés with **Cordial Judoca Beach Apartments** and **Cordial Macaro Beach Bungalows**.

In December 2020 **Cordial Hotels & Resorts** undertook an adventure once again pioneering a new destination, this time in the bay of Santa Águeda, El Pajar, where the extraordinary **Resort Cordial Santa Águeda** is located. In this same location, in January 2022, Cordial took on the challenge of tackling a complementary leisure activity, with the opening of the magnificent and impressive Perchel Beach Club.

2022 marked a new milestone in Cordial's expansion in the Canary Islands, specifically in Playa Blanca, Lanzarote, with the opening of **Hotel Cordial Marina Blanca**.

At **Cordial Hotels & Resorts** we do not refuse any challenge, and, in recent years, we have diversified our activity to city hotels, managing in Las Palmas de Gran Canaria four boutique hotels, categorised as emblematic: **Cordial Malteses**, **Cordial La Peregrina**, **Cordial La Niña de Vegueta** and **Cordial Plaza Mayor de Santa Ana**.

In addition to the fully managed establishments, the Group has a business line exclusively dedicated to the management of the marketing of tourist establishments on behalf of third parties.

Commitment with sustainability

It has sometimes been pointed out that tourism can have positive benefits by allowing diverse cultures to interact and generating economic flows. However, the socio-cultural impacts can be negative for the host society. One of the most distained aspects is the tendency to accelerate cultural changes that strip indigenous elements of their significance and leave them only in the epiphenomenal, the "visible", and treated as a commodity. Moreover, the development of tourism can influence the structure of host societies, generating or increasing social differentiation. It can happen that the benefits that remain in the destination area are not distributed fairly but end up being monopolised by a minority sector of the population.

It is an absolute priority for **Cordial Hotels & Resorts** to have a positive influence on the local community, contributing to the socio-economic development of the region where it operates, which is geographically fragmented, peripheral and remote. This honest and serious commitment to the destination and its people makes us socially sustainable.



Continuous investment in our establishments

PROFIT

Innovation and continuous improvement

Business ethics

Unique hotels with friendly service

Productivity and competitiveness Loyal

Guests

Financial health

VALUES WITH THE COMMITMENT

Energy efficiency

Community support

PLANET

Waste management

Support for environmental protection

Commitment to our regional culture and values

Excellent working environment

PEOPLE

Continuous training of our teams

Corporate philanthropy

Friendly policy with all our shareholders

Commitment to equality and diversity





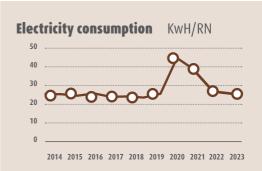


Awareness-raising and continuous training of our teams to consolidate our culture of sustainability. To make progress in our Continuous investment project to implement in our establishments a digitalised document and facilities in the most management system advanced technology and reduce the use to enable us to be as of paper documents. efficient as possible.

How **Cordial Hotels & Resorts** cooperate in improving the environment?

REDUCING ENERGY CONSUMPTION

- Renovation of Biarritz Bungalows and Mogán Valle Apartments considering the sustainability which allows us to improve energy consumption, improve lighting, use of natural light, etc. with an expenditure of more than 3 million euros.
- Our laundry and air-conditioning systems have also been renovated, using the most advanced and efficient technology at a cost of more than 1.5 million euros.
- Updating of our integral control systems for all heating and cooling machinery.
- The lighting in the gardens of Cordial Biarritz and Hotel Cordial Mogán Playa has been renewed with LED technology, by which we have enhanced the beauty of our gardens while reducing energy consumption. Automatic disconnecting switches in all rooms.
- Use of renewable energies such as solar panels and solar blankets.
- Refrigeration system with new generation gases, less polluting and more efficient refrigeration equipment.
- Heating of sanitary water and swimming pool water through biomass and heat recovery.
- Daily energy monitoring by means of telematic energy and electricity meters.
- Technological and automatic switch-off and switch-on controls, e.g. motion sensors, timers, photocells, etc.
- Ongoing energy studies and audits.
- Replacement of all gas boilers with more efficient and less polluting heat pumps.
- Efficient software-controlled lighting systems.



Gas consumption KwH/RN



2014 2015 2016 2017 2018 2019 2020 2021 2022 2023

PELLET consumption KwH/RN





REDUCING WATER CONSUMPTION

- Renewal and continuous improvement of our irrigation network.
- We are in the process of replacing all the sprinkler systems.
- The use of water from natural wells for watering the plants. Water from natural wells is used to irrigate the plants.
- Daily controls of the water consumption of the establishments, including the installation of water meters by zones.
- Immediate repair of pipes, taps and toilet cisterns.
- Establishing controls to decrease the frequency of washing for linen in the rooms.
- Installation of economizers or perlators on all washbasins and shower taps in bathrooms.
- Installing dual flush systems in cisterns/Toilets in our establishments.







IN OUR GARDENS

- Night irrigation schedule to reduce evapotranspiration losses.
- Localised irrigation system with drippers.
- Irrigation programmer with rain sensor that stops all irrigation in case of rain.
- The plant species have been planted and positioned according to their water requirements. Consideration has been given to the amount of shade, the amount of sun, the location of the buildings and an optimal combination of species.
- Use of integrated pest and disease control in our gardens, consisting of the integration of biological control methods (beneficial auxiliary insects), cultural practices (weed control, elimination of pruning waste with pest remains, washing plants with pressurised water) and chemical control methods with products compatible with biological control.
- Periodic soil analyses to determine the fertilizer requirements and to optimize the supply of fertilizers according to the needs.
- We have our own orchards with fruit and aromatic herbs, which are offered to our customers in some of our establishments.

MANAGING WASTE AND POLLUTION



- Buying minimally packaged products that generate less waste.
- Using bulk products in our buffets, such as jams, cereals, yoghurts, honey, etc.
- Generating less waste in the bathrooms: Dispensers are used in the bathrooms.
- Installing water dispensers in the staff area to reduce the purchase of bottled water.
- We are committed to improving the quality of wastewater and have invested in ozone systems and grease separators.
- Generating less plastic waste by replacing cups, straws, containers and pallets with bio-degradable materials and wood.

Step two: separate and recycle

- Separating waste: recyclable materials are separated into different containers, whether cardboard, paper, plastic or glass, and are subsequently collected by recycling companies.
- Managing toxic or special waste such as fats, used cooking oils, batteries, solvents, paints, spray cans, lighting, laundry products, chemicals, etc. with specialised companies.
- Recycling toner and printer cartridges from all establishments.
- Periodically inspecting waste to ensure compliance with established policies.
- Separating grease and sludge from the sewage network and managing this waste.





PROTECTING HISTORY OF THE CANARY ISLANDS AND THEIR CUSTOMS

We have an archaeological site **Hotel Cordial Mogán Playa** called **"Las Crucecitas**" where pre- Hispanic Aboriginal burials are located. Las Crucecitas is open to our guests and to organised visits by schools and other institutions free of charge.





Our environment, our world

- We work with suppliers based on quality criteria and environmental commitment.
- We belong to the Federation of Hotel and Tourism Entrepreneurs of Las Palmas (FEHT), the Gran Canaria Spa Wellness Association, the Gran Canaria Nautical Resort and the Gran Canaria Tri, Bike & Run Association.
- We collaborate with different associations such as **Caritas, Reto**... by donating mattresses, towels and blankets.
- We inform our guests which cultural and/or religious activities or events can be held in the vicinity of our establishments.
- We belong to the *Hoteles Amigos* de UNICEF programme, in which Cordial Hotels & Resorts and its employees collaborate financially with a contribution from their pay checks to different UNICEF projects or with Asdownsur (Association of people with Down's Syndrome).

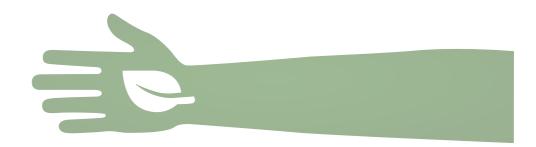


- We collaborate by offering sponsorship or several types of support to the fight against cancer, to people affected by multiple sclerosis, to different NGOs, etc.
- Periodic organization, in collaboration with the **Canary Institute of Hemodonation y Hemotherapy (ICHH)**, of several days in which our employees have had the opportunity to donate blood in a mobile unit located in our establishments.
- Support and sponsorship of sports teams on the island of Gran Canaria: Unión Deportiva Las Palmas, Club Voleibol Guaguas, CD Arguineguín or the Windsurfing World Cup 2022 Circuit.
- We have **syringe disposal containers** in our establishments, available for our guests with diabetes and others.
- We participated in the conference "A renewable future for the Canary Islands" promoted by the Association for the Progress of Management.

- We are part of the Organizing Committee of the VII International Tourism Forum Maspalomas Costa Canaria.
- We collaborate with and support students in their training, conducting visits and talks in our establishments.
- We collaborated with the Rotary Club of Las Palmas de Gran Canaria in their project "Casa Magia" to support families with children with cancer through the XIX Golf Tournament at the Real Club de Golf de Bandama.
- We collaborated with UNICEF Canary Islands Committee in their XI Golf Trophy at the Cortijo Club de Campo to raise funds for their Early Childhood Education programmes.
- We collaborate with the Spanish Association Against Cancer in their XXII Bandama Golf Tournament.
- We participated in the donation to the **Foresta Foundation** for the planting of **2,000 trees on the Osorio estate** organised by the **Alonso Rohner** family.
- We are committed to the **continuous improvement of the training of our employees** in terms of the environment with training courses on chemical products in our establishments given by **ECOLAB**.
- We join the community effort by collaborating with the **Food Bank** to help combat food insecurity and support those who need it most in our community.
- We have the qualification of "Solidarity Company" as we contribute through our Corporate Income Tax, 0.7% of the total tax liability to improve society and strengthen it to make it fairer, more inclusive and egalitarian, contributing this amount specifically to the achievement of the Sustainable Development Goals of the 2030 Agenda.
- We have received **recognition from the ULPGC** for our invaluable collaboration in the practical training of the students at this University.



- Cordial workers participate in the **cleaning of beaches and ravines**.
- We supported diversity and inclusion by hosting the Neurodiversity Conference in collaboration with the municipality of Mogán, where professionals and families came together to address the issue of addressing neurodiversity in different settings, including education and family.
- We demonstrate our commitment to local culture and traditions by supporting the Veneguera's Festivities by providing free rooms to participating artists each year.
- We partnered with the **Solidarity Association "Felices con Narices"** to bring joy and hope to children from socially excluded families, orphans, children under the care of the Canary Islands Government and even children's cancer patients.
- We participated in the Charity Bingo organised by the Gull Lasègue Association for the Study and Treatment of Anorexia and Bulimia.
- We collaborated with the **Deaf People's Association** of the Province of Las Palmas in the celebration of the 66th Anniversary of their organization.
- We participated in the seminar **"Tourism industry and Agenda 2030"** of the University Week for the Eradication of Poverty.
- We support the recruitment of local talent by participating in job fairs.
- Perchel Beach Club renews its status as Official Sponsor of the **Gran Canaria** Swim Week by Moda Cálida 2023.
- Sponsorship of the Children's Queen of the Las Palmas de Gran Canaria Carnival.
- In our line of collaboration and social integration with our neighbours in the community we collaborate with the Festivities Commission organizing the Santa **Agueda Festivities** in El Pajar, Arguineguín.



Our team, our competitive advantage

- We trained all our staff in the implementation of a service recovery project called **"Todo Bien?"**, which means involving all our collaborators in detecting dissatisfied customers and harnessing collective intelligence to improve our guests' experience.
- We scrupulously comply with all labour legislation.
- We try to **motivate and train our employees**. In the 2022/2023 period, we have invested 38,000 euros and 2,834 hours in training, training more than 710 employees.
- Our "beCordial" philosophy, as a company value, is used in our relations with our employees.
- During the welcome process for our new employees, they are given a Welcome and Information Manual on the principles, values, code of ethics and good environmental practices of the Cordial Hotels & Resorts chain.
- We conduct quarterly work climate surveys among our staff to improve this key area.
- As part of its commitment to the employment integration of people with disabilities, the company has an agreement with the special employment centre SERIN-GLOBAL CANARIAS. The annual turnover with these centres in 2023 was 438,180.25€.
- We have created, and are keeping active, our Facebook page, called **Cordial Hotels Human Factor.**
- Ongoing training and awareness-raising for our teams on waste management in hotel and non-hotel establishments, provided by **Fundation Ataretaco.**
- Safety and Health Prevention: we have a department responsible for the safety of
 occupational hazards in our establishments.
- Equality plan: We guarantee **equal** treatment and opportunities for men and women in access, selection, recruitment, promotion and training.
- We promote the use of **sustainable means of transport** by creating charging points for electric vehicles and bicycle stations.





Prizes and awards

We have obtained high levels of satisfaction from our customers and have been recognised with the following awards:

Holiday Check 2011 | 2012 | 2013 | 2014 | 2015 | 2016 | 2017 | 2018 | 2019 Tui Holly 2009 | 2010 | 2011 | 2012 | 2013 | 2014 | 2015 | 2016 | 2017 | 2018 Trip Advisor Traveller's Choice winner 2011 | 2012 | 2013 | 2014 | 2015 | 2020 | 2021 | 2023 **ITS Red Star Awards** 2009 | 2010 | 2011 | 2012 | 2013 | 2014 | 2015 | 2016 | 2017 | 2022 | 2023 Silver Award in the category "Hotel General Impression" of TUI NORDIC 2020 Gold Award TULUK 2014 Primo Award de Neckermann 2011 2012 2013 Zoover Highly Recommended Certificate Excellence Sunway Proven Quality Thomas Cook 2015 Traveller Review Awards Booking.com 2021 | 2022 | 2023 Top Hotel Partner Certificate Schauinsland Reisen 2017 | 2022 Hotel Corporate Social Responsibility Award CEHAT CaixaBank Corporate Social Responsibility Award 2020 Best Service & Silver Customers Choice Awards Apollo 2019 | 2020 GoldCustomers Choice Awards Apollo 2023 Loved by Guest Hotels.com 2018 | 2021 TUI Family Champion & Top Quality 2019 InnoBankia Sustainability Award 2018 Travelife Silver Award for Sustainability 2010 Travelife Gold Award for Sustainability 2012 | 2013 | 2014 | 2015 | 2016 | 2017 | 2018 | 2022 | 2023 **TUI Environmental Champion** 2011 | 2012 | 2013 | 2014 | 2015 | 2016 | 2017 | 2018 | 2019 | 2020 TUI Global Hotel Award 2022 | 2023 BIOSPHERE Sustainable Lifestyle 2023 Jet2Holidays Quality Award 2017 | 2023



















