



FUERTE GRÔUP

HOTELS

2019
SUSTAINABILITY
REPORT



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Winning photo of the **FotoConcursoStaff** contest,
in which employees have participated for the
second consecutive year.



Report scope and methodology

The purpose of this report is to provide the stakeholders to which Fuerte Group Hotels is connected, as well as the whole community in general, with the information on its sustainable actions in a simple and clear manner.

Undoubtedly, preparing this report pursuant to **Global Reporting Initiative (GRI) standards** provides coherence and quality; therefore, the fundamental principles, such as the inclusion of stakeholders, the context of sustainability according to the business management methodology, the study of material aspects (materiality) and the thoroughness of the data provided are the aspects that have been analysed very carefully.

Following GRI recommendations for a high-quality report, we considered the principles of accuracy, balance, clarity, comparability, reliability and timeliness upon drafting all the information on the following pages. The information has been provided by those in charge of each department and has been analysed in different board meetings.

This information is also supplemented by the requirements under **section 49, paragraph 6, of**

the Commercial Code, as amended by Law 11/2018 on Non-Financial Information and Diversity, as well as the proper use of the internationally acknowledged standards or frameworks for the contribution of key non-financial indicators of the performance regarding the different matters analysed.

As to the scope, there is specific data on the hotel division of Fuerte Group Hotels, considering the Fuerte Hotels and Amàre Hotels brands.

It is important to point out that this year the **methodology used to calculate the carbon footprint** has been updated by using the official calculator made available by the Ministry of Ecological Transition and Demographic Challenge, updating its parameters periodically. Until 2018 the scientific methodology adapted by the company's sustainability area technicians had been used, which was also properly compared.

The decision to use the ministry's model arose from the intention to use the state criterion and to choose the unifying option of the methodology used for national companies. Thus, effective strategies and comparisons will be enabled, as well as their adaptations.

Finally, there is no doubt that another innovation included in this report is the **update of the corporate materiality matrix**, previously inquiring the interested parties following the preparation of surveys containing a list of material issues submitted to a random selection of the main stakeholders, such as customers, employees, vendors and public authorities.

Preparing this report pursuant to Global Reporting Initiative (GRI) standards provides coherence and quality



Terrace of Fuerte Marbella with sea views.

Letter from the chairwoman

2020, a year
that will surely
be a watershed
event for the
international
tourism industry
and the beginning
of a new and
different way of
life that may be
eventually better

We started drafting this report in early 2020, when we all thought that this would be a good year for tourism. There was uncertainty as to whether its performance would be similar to that of the British market and whether the recovery of destinations in the Mediterranean basin would take many tourists from our country; however, no one could expect what has finally happened.

In the case of Fuerte Group Hotels, a family company that my husband founded in 1957, I am able to confirm that this has been the toughest year in our history. We are yet to see the balance at the end of the season. Personally, we had never gone through a situation like this before. We had to close our establishments and, in particular, Fuerte Marbella, which had never been closed since its opening almost 63 years ago.

On the one hand, we had to file with much sorrow temporary redundancy plans (ERTE, in Spanish) for our employees, who we consider to be part of our family, and on the other hand, we witnessed the increase in the vulnerability of many of the groups that we traditionally support from Fuerte Foundation.

As a result, from the beginning of the crisis, we did all we could to reinforce this help both through the supply of perishable products and all types of cleaning and disinfection materials and through direct investment and assistance to our employees. In this sense, we are proud to have been able to finance different projects with a cost of €32,000, including a research work on COVID-19 by FIMABIS Foundation, reporting to Hospital Costa del Sol.

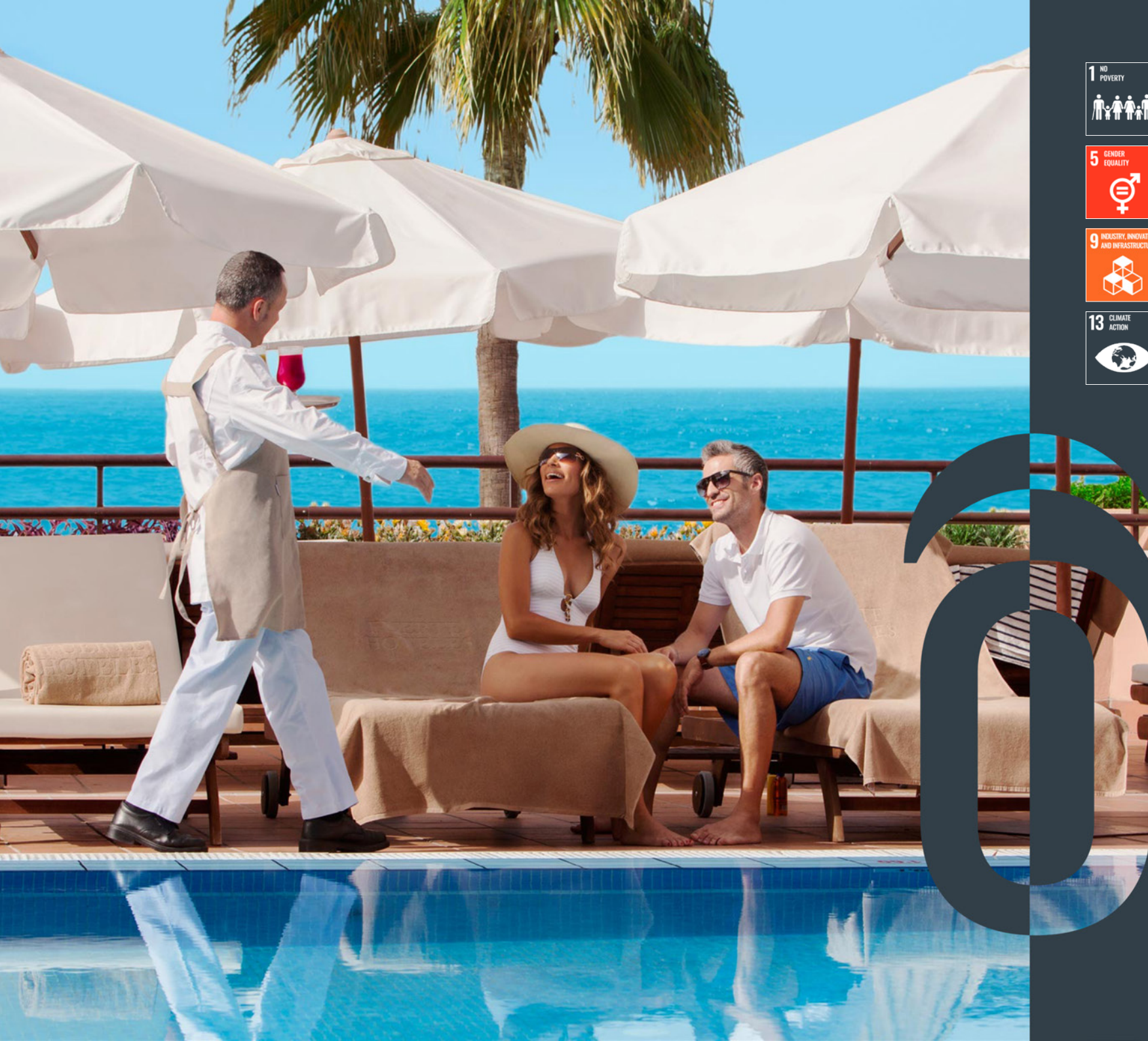
Even though that initial time was demolishing and we know that uncertainty will be present for the rest of the year, we are happy to be able to face the situation, to have adapted our hotels in record time to the new health and sanitation requirements under these circumstances, to open the hotels ensuring the safety of all our employees and guests and to receive these families and couples again, who give life to our establishments with their presence.

We dedicate this report to all of them, and even though it refers to 2019, we believed that it should make special reference to 2020, a year that will surely be a watershed event for the international tourism industry and the beginning of a new and different way of life that may be eventually better.



Dª Isabel García Bardón,
Chair from Grupo El Fuerte.

A handwritten signature in blue ink, appearing to be 'I. García Bardón', with a stylized flourish at the end.



1.
Our
increasingly
strong
commitment

1.1. Company profile

Fuerte Group Hotels is the hotel division of El Fuerte Group, an Andalusian family-run business founded by José Luque Manzano in 1957, which also comprises We Company and Fuerte Foundation. It currently has 7 four-star holiday resorts and 1 apartment complex for rent, all of them in Andalusia (Málaga, Cádiz and Huelva) and 1 in Ibiza. Out of them, Amàre Beach Hotel Marbella and Amàre Beach Hotel Ibiza specialise in the segment of hotels recommended for adults.

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NUMBER OF HOTELS

7 hotels and
1 apartment complex for rent



HOTEL AVERAGE HEADCOUNT

766.4 people
18.1% more than in 2018
84% come from the provinces
in which the hotels are located



CAPACITY

Number of rooms

2,061

Number of beds

4,890

MISSION

"Being a family company focusing on the development and fundamental organisation of profitable hotel and real estate businesses committed to the responsible development of people and their environment. We aim at achieving harmony among our business, executive team, daily professional performance (policies) and institutional configuration (governance)."



VISION

"Being a reference company in responsible accommodation, understood as an attitude of sensitivity towards people (satisfaction of shareholders, customers and employees) and the environment (local community and environment), with presence in Spain."

FUERTE GRÔP HOTELS

FUERTE
HOTELES

AMÀRE

olée
HOLIDAY RENTALS

1.1. Company profile



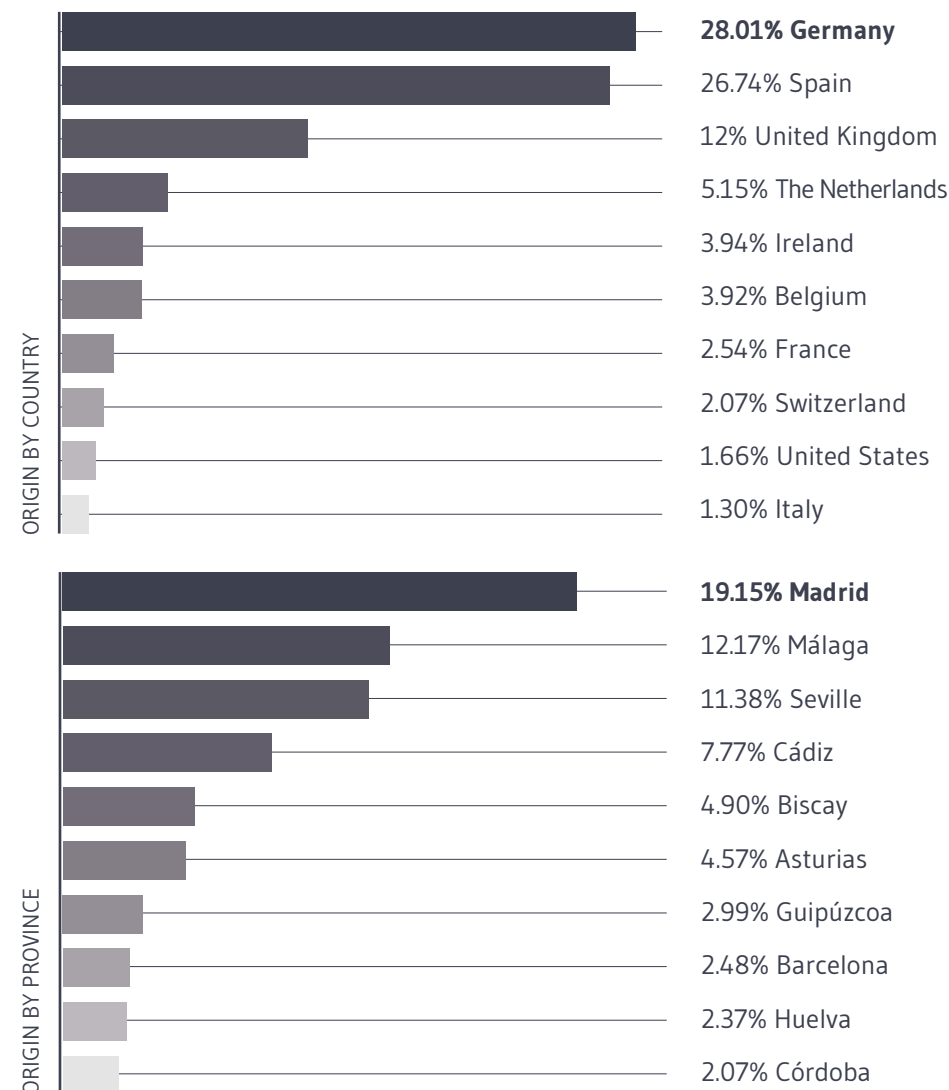
Terrace of Amàre Marbella.

In 2019 we accommodated **898,284** guests with an average occupancy rate of **78.92%**

ORIGIN OF GUESTS IN 2019

At the end of 2019, German guests ranked first again among Fuerte Group Hotels customers totalling 28.01%, followed by Spanish and British guests, reaching 26.74% and 12%, respectively. The customers from the Netherlands accounted for 5.15% and, below this figure, customers came from Ireland (3.94%), Belgium (3.92%), France (2.54%),

Switzerland (2.07%), United States (1.66%) and Italy (1.30%). As to national tourists, most of them came from Madrid, representing 19.15% of the total Spanish market, also including guests from Málaga (12.17%), Seville (11.38%), Cádiz (7.77%), Biscay (4.90%), Asturias (4.57%), Guipúzcoa (2.99%), Barcelona (2.48%), Huelva (2.37%) and Córdoba (2.07%).



1.1. Company profile

1.1.2. COMMITMENT TOWARDS SDGS

In 2016, Fuerte Group Hotels became a member of the **Spanish Network for the United Nations Global Compact**, which promotes the application of a series of ethical principles related to sustainability and the responsible development of tourism practices. Since then the chain has committed to aligning all its actions to the compliance with the Sustainable Development Goals (SDG) fostered by the United Nations in its 2030 Agenda.

Furthermore, after the approval of **Law 11/2018 on Non-Financial Information and Diversity**, the Andalusian group has implemented all the mechanisms required to comply with it. For this purpose, following the recommendations of the Guide for the Prevention of Money Laundering in Payment Management, it implemented a series of processes that speed up the collection of data required on anti-corruption, the environment, social action and miscellaneous financial matters, among others,

which are subsequently audited by the international firm UHY Fay & Co.

Also note the efforts made by Fuerte Group Hotels in 2019 to carry out the different **actions on equality**, which will become part of an Equality Plan in 2020 for the whole chain.



In 2016, Fuerte Group Hotels became a member of the Spanish Network for the United Nations Global Compact



Views from Sierra de Grazalema.

1.2. Organisation chart and Company's bodies

The **Board of Directors** is the ultimate governance body of Fuerte Group S.L., whose hotel division is Fuerte Group Hotels, which markets its establishments through three trademarks: Fuerte Hotels, Amàre and Olée Holiday Rentals. The Board of Directors is formed by the **Luque-García family**, headed by Mrs. Isabel M^a García Bardón and followed by her children.

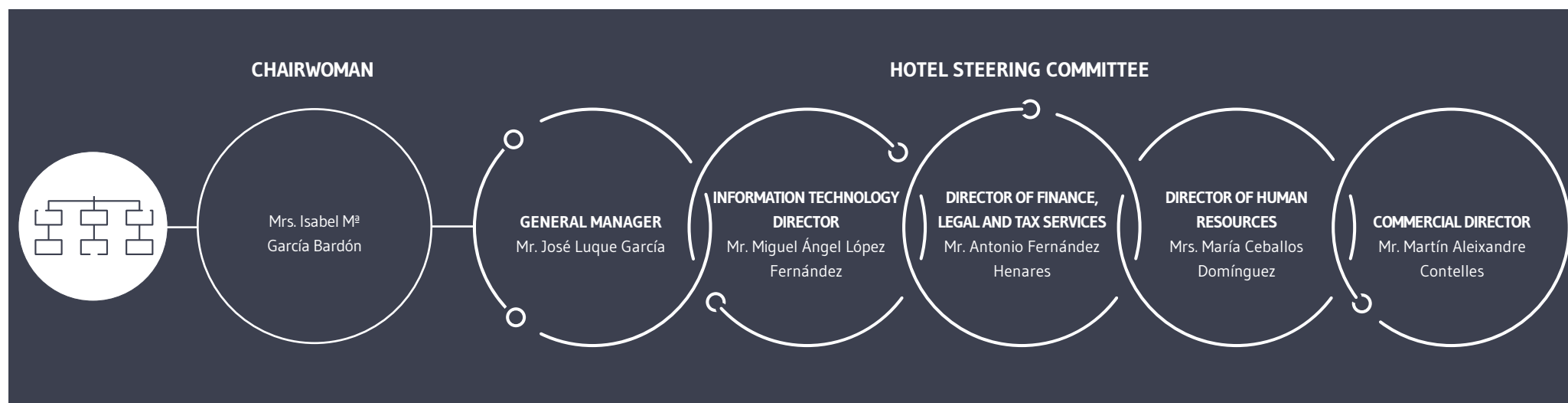
The Delegate Commission, reporting

to the **Board of Directors**, is formed by three of her children, José, Salvador and Francisco Javier Luque García, the latter being the chairperson. They meet on a weekly basis to make the most important decisions regarding Fuerte Group SL.

Finally, the **Hotel Steering Committee** is made up of the director of each area in Fuerte Group Hotels and is in charge of the overall strategic plan.



Luque García family.



1.3. History of Fuerte Group Hotels:



FUERTE MARBELLA 4*

- Downtown Marbella (Málaga).
- 263 rooms.
- In 2019 it accommodated 149,226 people.

THE FIRST HOTEL OF THE CHAIN

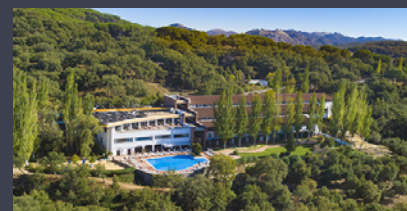
1957



FUERTE CONIL-RESORT 4* (formed by the hotels

- Fuerte Conil, Fuerte Costa Luz [2004] and Costa Conil [2019])
- Conil de la Frontera (Cádiz).
- 532 rooms.
- In 2019 it accommodated 231,984 people.

1999



FUERTE GRAZALEMA 4*

- Grazales (Cádiz).
- 77 rooms.
- In 2019 it accommodated 39,724 people.

2002



FUERTE EL ROMPIDO 4*

- El Rompido (Cartaya), Huelva.
- 298 rooms.
- In 2019 it accommodated 150,307 people.

2005

2018

AMÀRE BEACH HOTEL IBIZA 4*

- Ibiza (Balearic Islands).
- 366 rooms.
- In 2019 it accommodated 69,247 people.



2015

THE FIRST HOTEL RECOMMENDED FOR ADULTS

AMÀRE BEACH HOTEL MARBELLA 4*

- Marbella (Málaga).
- 236 rooms.
- In 2019 it accommodated 102,479 people.



2010

FUERTE ESTEPONA 4*

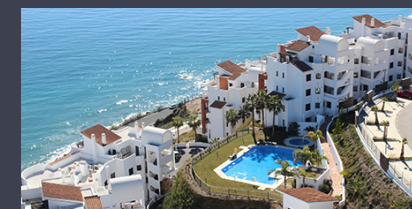
- Estepona (Málaga).
- 210 rooms.
- In 2019 it accommodated 95,851 people.



2008

OLÉE NERJA HOLIDAY RENTALS

- Between Torrox and Nerja (Málaga).
- 79 apartments.
- In 2019 it accommodated 59,466 people.



1.4. Our principles

1. PROFIT FOCUS

With these actions, we intend to reduce costs through more effective operating and overhead expenses, as well as to increase revenues. This includes:

1. Goals related to price management (in all channels) and competitive intelligence.
2. Goals related to the increase in all sales (rooms and extra charges) and, in particular, sales through direct channels.
3. Goals related to improving the efficacy of hotel overhead expenses and operating expenses.



2. CUSTOMER FOCUS

These measures are aimed at gaining an experience in hotels meeting the expectations that the current customer actually values. This includes:

1. Goals related to the level of service, treatment and communication provided to customers through all existing channels.
2. Goals related to customer attraction, loyalty and recommendation.
3. Goals related to becoming aware of the aspects that the current customer actually values.



3. COMMUNICATING AND PROMOTING A DIFFERENT IDENTITY

This section makes reference to the identification of all the differential attributes of Fuerte Hotels and Amàre, so that they may be communicated on an offline and, especially, online basis and the company may receive more traffic and conversion (online/offline) and maintain customer loyalty. This includes:

1. Goals related to the internal and external communication of those aspects to the chain stakeholders.
2. Goals related to online visibility (reputation + positioning).
3. Goals related to brand recognition.



4. TALENT DEVELOPMENT

The purpose of these goals is to attract, develop and retain talent through active measures for the search, promotion and moral and economic valuation of the intellectual and psychological capital of the company's employees and executives. This includes:

1. Goals aimed at discovering talent and increasing personal fulfilment and involvement by expanding the methods of participation and their impact on decision making.
2. Goals enhancing the role of performance assessment as a reference for decisions on personnel management.
3. Goals related to improving leadership, teamwork and ethical and responsible behaviour.
4. Goals aiming at reinforcing and stimulating the role of leaders as the creators of excellence patterns and an ethical behaviour model.

1.5. Strengths and acknowledgements

In 2019, three of the most well-known establishments of Fuerte Group Hotels received 12 awards that acknowledged mainly the quality of their premises and the contribution to the environment. Along with Fuerte Estepona, they also obtained the Tripadvisor's Certificate of Excellence.

13 prizes won by 4 hotels of Fuerte Group Hotels



AWARDS OBTAINED BY THE HOTELS OF FUERTE GROUP HOTELS IN 2019



FUERTE MARBELLA (MÁLAGA)

- TUI Campeón Ambiental
- Travelife Gold, Sustainability Tourism Certification
- Tourism Certification Top Quality
- Tripadvisor's Certificate of Excellence



FUERTE CONIL-RESORT (CÁDIZ)

- Travelife Gold, Sustainability Tourism Certification
- Studiosus Quality Award
- Renewal of AENOR's environmental certificate for its environmental management systems
- Tripadvisor's Certificate of Excellence



FUERTE EL ROMPIDO (HUELVA)

- Award from Fundación Secretariado Gitano in the "Transformative Company" category
- Travelife Gold, Sustainability Tourism Certification
- Renewal of AENOR's environmental certificate for its environmental management systems
- Tripadvisor's Certificate of Excellence



FUERTE ESTEPONA (MÁLAGA)

- Tripadvisor's Certificate of Excellence



2.

Assessment and
improvement of
our sustainable
performance

2.1. Materiality analysis and relationship with stakeholders

The European Commission defines corporate social responsibility (CSR) as “the responsibility of enterprises for their impact on society,” which means that –even though the company has an impact as a result of its performance and may intend to improve it in the future– the company itself should decide how to act to attain the proposed goals.

In this sense, the outcome of the analysis on the aspects to be considered to a larger extent, depending on their impact on and importance to business management, would be the “material aspects” for the company and what drives and provides feedback for its CSR strategy and, therefore, its general strategy.

In Fuerte Group Hotels, to obtain an updated perspective of the material aspects that are significant for their

main stakeholders, a survey was created as a tool to have this diagnosis.

As a result, selecting the most significant stakeholders was the first step to work on this project, and the second step, selecting a series of material issues with economic, environmental and social impact.

The survey was offered in Spanish, English and German, as the sample of customers, employees, public authorities and vendors was selected randomly, and it was verified that these three languages covered the variety of selected customers broadly.

Summing up, priorities were determined through the materiality analysis to ensure that the company’s sustainable strategy is aligned to its expectations and whether anything should be adapted.

The purpose: to ensure that the company’s sustainable strategy is aligned to its expectations and whether anything should be adapted



Guests practicing sports in Fuerte Grazalema.



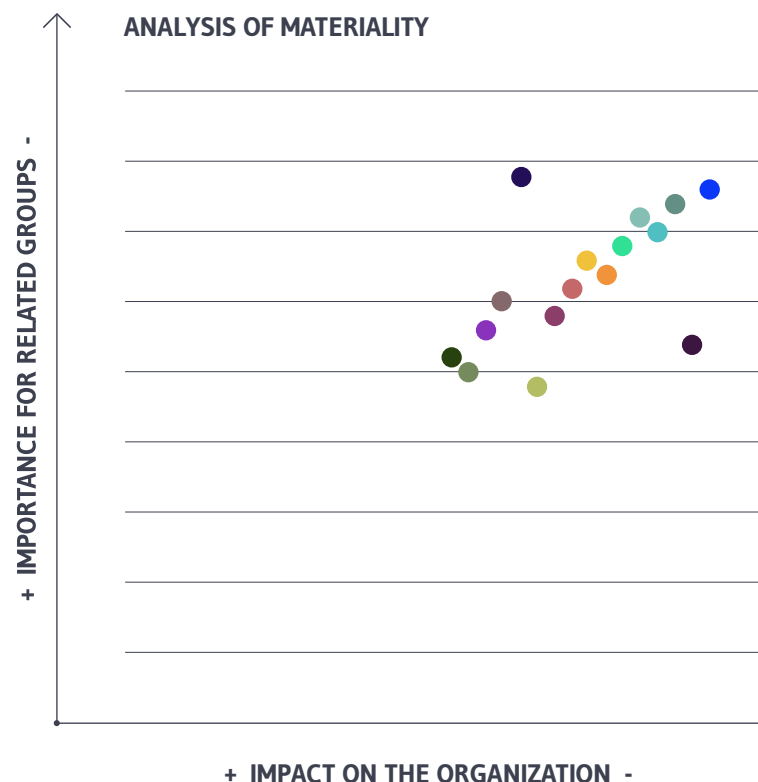
One of the participants of the Fuerte El Rompido gypsy volunteer program.

2.1. Materiality analysis and relationship with stakeholders

General order obtained from the aspects identified as material:

16. Sustainable management of waste, recycling and war on plastic
15. Excellence in service quality levels
14. Respect for human rights
13. Water saving
12. Energy efficiency
11. Good work environment. Existence of employment policies and labour practices
10. Mitigation of the environmental impact on our products and services
09. Innovation, refurbishment and hotel business at the forefront
08. Policies on health and safety at the workplace
07. Equal opportunities for staff. Non-discrimination
06. Good governance and transparency on performance
05. Investment in staff education and training
04. Good financial results
03. Support to the local community. Community cooperation projects
02. Certified environmental management system
01. Positive impact on the local community in which hotels are located

After the results of all respondents were received, the following distribution of material issues was obtained in view of their importance, as shown in the following figure:



PROCESS FOR THE IDENTIFICATION OF MATERIAL ISSUES

Initially **20 significant issues** were identified, out of which **16** were classified as material. These issues were assessed as follows:

1. IMPACT ON THE ORGANISATION: considering the strategy, 2020 strategic goals, corporate risks and business differentiators, among others.

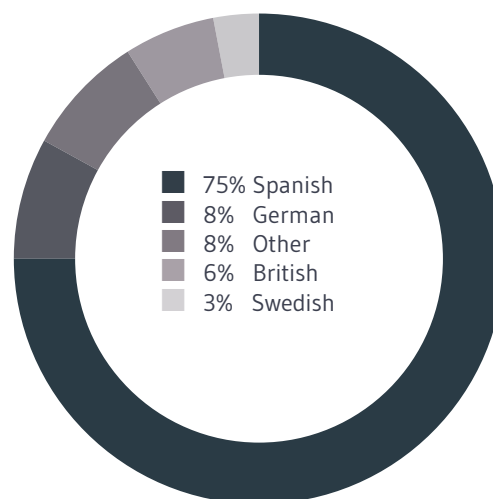
2. IMPORTANCE FOR RELATED GROUPS: through dialogues and scheduled surveys responded by those stakeholders.

2.1. Materiality analysis and relationship with stakeholders

ANALYSIS OF RESULTS

Survey characteristics:

- Survey prepared in **3 languages**: Spanish, English and German.
- Submitted to the **main stakeholders**: customers, employees, vendors and public authorities (the inquiry from public authorities was made personally, as they are a minority with respect to the remaining stakeholders).
- **Twelve selected topics** to ask about.
- **Three main blocks**: environmental performance, society and economy.
- **Prevailing nationalities** among respondents: Spanish, British, Swedish, German.



Views of Amàre Marbella.



130 employees
from the different group companies.
1,201 customers
of 7 different nationalities.
298 vendors*.
4 public authorities.

*taken from a broader list due to domain non-viability reasons with the Google survey.



8.94%
Response rate.

BENEFITS FROM THE STUDY

- becoming aware of the opinions and concerns of our main collaborators, which allows us to focus our strategy and goals on issues with a higher impact;
- renewing the contact and dialogue with our stakeholders;
- increasing transparency and the commitment with stakeholders;
- identifying the most significant issues for each sector and correcting the trends that are not aligned to these results and our corporate social responsibility policy.

2.2. Our involvement with the Global Compact and other commitments assumed

In 2019 we continue to be committed to the 10 principles of the Global Compact, an international initiative that promotes the implementation of ten universally accepted principles aimed at favouring the sustainable development in the areas of human rights and enterprise, labour standards, environment and the fight against corruption in activities and the business strategy of companies, which we included in our progress report.

Apart from these ten principles, the company continues to adapt its actions and projects to the sustainable development goals (SDG) proposed by the United Nations. The following section includes a study of corporate goals in 2019 and the relevant actions, and each action has been connected with its SDG to offer a simple vision of such commitment.

Fuerte Group Hotels is also part of the Tourism and SDG Group of the Spanish Network for the Global Compact, which has initiatives for the promotion and integration of sustainability in the tourism sector.

Specifically, the CSR consulting firm of Fuerte Group Hotels participated in the “Sustainable development goals: action guidelines” conference of the 2019

International Tourism Fair (Fitur). This action forms part of an alliance created over three years ago between the Spanish Network and a group of companies from the tourism industry to promote corporate responsibility in the sector and the commitment of these companies towards ethical and universal principles and to contribute to the compliance with the 2030 Agenda. The project submitted referred specifically to the conservation of a fir forest in the mountain range of Málaga, which was conducted last year in Sierra de las Nieves, very much in relation to SDG No. 15 on the life in terrestrial ecosystems.



Spanish firs at Sierra de las Nieves.

In addition, the support to the Global Code of Ethics for Tourism promoted by the World Tourism Organization



Natalí Ruiz, CSR consultant at Fuerte Group Hotels, at the FITUR conference.




was renewed for another year, which is a fundamental point of reference for responsible and sustainable tourism to guide the main players in tourism development, as it is aimed equally at governments and at tourist companies, communities and tourists.

Finally, as to the compliance with current laws, note that Fuerte Group Hotels observes all national laws in relation to all the spheres

applicable to the company, with special emphasis on the incorporation of new EU directives on the protection and conservation of the environment into Spanish legal regulations.





This compliance is periodically monitored through the environmental management audits under the ISO 14001 standard, to which most of the hotels operating under the Fuerte Hotels brand are subject.

2.3. Analysis of goals for 2019

RELATED SDG	2019 GOAL	DEGREE OF COMPLIANCE
	Continuing to work on the awareness of our stakeholders, so that they may identify themselves with the goals proposed by the United Nations in its SDG, as well as the 10 principles under the Global Compact.	✓ <u>SEE marketing campaigns.</u>
	Climate change: 1% corporate carbon footprint reduction as compared to the previous year.	● The reduction was measured with <u>respect to energy consumption</u> due to the change in the system used to <u>calculate the carbon footprint</u> .
	Promoting quality employment and improving indicators to use employment as an integrating element.	✓ <u>HR Policies.</u>
	Contributing to SDG 5 on gender equality, so as to have objective indicators to analyse its compliance and work on improvements in the event of any need.	● Currently implementing new policies.
	Creating alliances with public/private entities, such as NGOs, universities, the public sector and other companies to help protect the environment, reduce inequality or reduce poverty.	✓
	Publishing the Progress Report of the 2019 Global Compact (as part of the annual sustainability report).	✓

✓ Goal attained ● Under execution

2.3. Analysis of goals for 2019

RELATED SDG	2019 GOAL	DEGREE OF COMPLIANCE
	Continuing with the program called “Un Euro Responsable” for the support of Pivesport in 2019 or any other similar integration program for the local community. (SDG 4)	✓
	Improving the purchase ratio and local and seasonal products as compared to the previous year.	✓
	Continuing to disseminate the employees’ training on the CSR measures implemented in hotels, as well as the commitment to fulfil sustainable development goals.	✓ <u>SEE Projects.</u>
 	Continuing with the efforts to fight inequality in the community: development of projects by Fuerte Foundation in this regard, in line with SDG 5 (gender equality) and SDG 10 (reducing inequality).	✓ <u>Fuerte Foundation.</u>
	Participating in Earth Hour, organised by WWF.	✓

✓ Goal attained ● Under execution

2.4. Goals 2020

RELATED SDG	2020 GOAL	ACTIONS TO BE IMPLEMENTED TO ATTAIN THE GOAL
	Continuing to work on the awareness of our stakeholders, so that they may identify themselves with the goals proposed by the United Nations in its SDG, as well as the 10 principles under the Global Compact.	Developing a campaign to protect the seas and oceans, consistently with SDG 14.
	Replacing plastic with biodegradable items.	Replacing products and packaging items in hotels, bars and restaurants.
	Climate change: 1% corporate carbon footprint reduction as compared to the previous year.	New energy efficiency and saving measures.
	Promoting quality employment and improving indicators to use employment as an integrating element.	Continuing with initiatives, such as Voluntariado gitano (Gypsy volunteers), catering school practices in our hotels, training, etc.
	Contributing to SDG 5 on gender equality, so as to have objective indicators to analyse its compliance and work on improvements in the event of any need.	Continuing with the equal opportunities corporate policy, which seeks to ensure gender non-discrimination. Analysing indicators every year for this purpose.
	Creating alliances with public/private entities, such as NGOs, universities, the public sector and other companies to help protect the environment, reduce inequality or reduce poverty.	Continuing with the alliances set, seeking new alliances to broaden synergies and keeping efficiency in activities performed by Fuerte Foundation with the local community.

2.4. Goals 2020

RELATED SDG	2020 GOAL	ACTIONS TO BE IMPLEMENTED TO ATTAIN THE GOAL
	Publishing the Progress Report of the 2020 Global Compact (as part of the annual sustainability report).	This is an annual demand; therefore, it will be carried out on a timely basis.
	Continuing with the program called “Un Euro Responsable” for the support of Pivesport in 2020 or any other similar integration program for the local community.	Program follow-up and support by Fuerte Foundation.
	Improving the purchase ratio and local and seasonal products as compared to the previous year.	Analysing local stores to create synergies and use the local factor as a criterion to select vendors.
	Continuing to disseminate the employees’ training on the CSR measures implemented in hotels, as well as the commitment to fulfil sustainable development goals.	Scheduling new training courses for 2020 and recycling training for staff.
 	Continuing with the efforts to fight inequality in the community: development of projects by Fuerte Foundation in this regard, in line with SDG 5 (gender equality) and SDG 10 (reducing inequality).	Non-stop work by Fuerte Foundation.
	Participating in Earth Hour, organised by WWF.	Year 2020 will be the eighth consecutive year supporting this initiative.

2.5. Related communication campaigns

In 2019 Fuerte Group Hotels continued to use social networks to promote its commitment to the 17 SDGs driven by the Global Compact. The two following actions stand out within this framework:

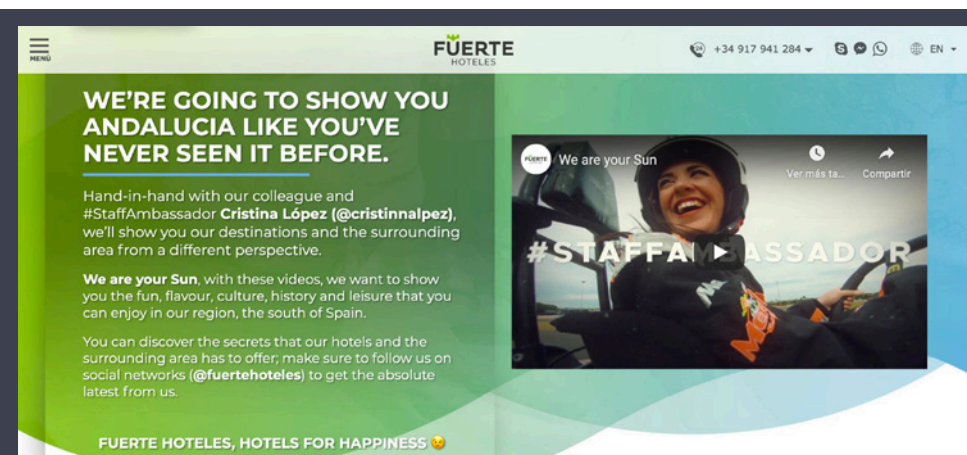


The online and offline follow-up by the chain in relation to the conference organized by the Spanish Network for the United Nations Global Compact during FITUR 2019 to communicate the actions performed by its members in favour of the 17 SDGs, including the project conducted by Fuerte Group Hotels for the conservation of the fir forest in Sierra de las Nieves Natural Park (Málaga), in cooperation with the association Glaucal de la Nava.



Reaching: over
120,000 people

During 2019 Fuerte Group Hotels dedicated some of its computer graphics and posts in the Spanish Network for the Global Compact, as well as 11 of its publications in social networks, to CSR-related matters. Some of them were published to celebrate the World Health Day, the Sustainable Gastronomy Day, the Recycling Day or the Human Rights Day, among others; their dissemination allowed reaching over 120,000 people.



*We are
your Sun*

983,000 printings • 435,000 views

The development of the campaign “Somos tu Sur” to promote Andalusia and Andalusian destinations in which Fuerte hotels are located, by recording and publishing 13 videos in social networks in which the group’s staff ambassador explained the sensations when staying in an Andalusian hotel. This action, which had a landing page of its own in the web from 1 July through 23 October, was the finalist in the Agripina Advertising Awards and obtained excellent impact and follow-up data: 983,000 printings and 435,000 views. One of its most outstanding contributions consisted in promoting the chain’s YouTube channel. Thanks to this action, there were 235 new subscribers, which implied a 35% increase as compared to last year.



3.

Fuerte Group Hotels and the society

3.1. Relationships with stakeholders

Throughout 2019, Fuerte Group Hotels remained closely related to its different stakeholders. This implies honest, transparent, sustainable and demanding collaboration, as shown below:

RELATIONSHIPS IN THE SOCIAL SPHERE

1. Business associations

- **HORECA:** the chain has formed part of the employers in the catering sector of the province of Cádiz since 1977.
- **AEHCOS:** Fuerte Group Hotels is a member of the Association of Hotel Businesspersons of Costa del Sol, created in 1977.
- **CIT Marbella:** the group has belonged to this centre of tourist initiatives of Marbella since its foundation in 1989.
- Member of the Family Business Department (San Telmo Institute) since 2000.
- Member of the Catering Association of Huelva since 2005.

2. Specialised forums, universities and technological centres:

Throughout 2019, Fuerte Group Hotels participated in different specialised forums on quality management, environment, marketing, energy efficiency and tourism, among others. It also cooperated by lecturing in different universities, such as the University of Málaga, and Peñarroya Department for Tourism in Costa del Sol and the Women Department, both in the San Telmo Institute.

3. Local community

- **Citizens:** Fuerte Group Hotels seeks the development of the inhabitants of its hotel locations, trying to promote their cultural values.
- **Workers:** the chain's employment policy gives priority to contracting people from its hotel locations. In 2019, 84% of headcount involved local people.

RELATIONSHIPS IN THE ECONOMIC SPHERE

- **Public authorities:** Fuerte Group Hotels relies on a good relationship with public and private institutions, keeping in contact with city councils, provincial authorities, the Board of Andalusia and the Central Government.
- **Cooperating companies:** from the beginning, Fuerte Group Hotels has cooperated very actively with different industry players, such as national and international tour operators and travel agents, as well as other providers of services and products required for the development of tourism.
- **Shareholders.**
- **Vendors:** to promote the development of the areas in which its hotels are located, Fuerte Group Hotels gives priority to its business relationships with local vendors.

RELATIONSHIPS IN THE ENVIRONMENTAL SPHERE

- **Non-profit associations:** Fuerte Group Hotels cooperates with environmental NGOs, such as WWF Spain, with which it participated in various awareness campaigns, including 'Earth Hour', and other entities, such as Fundación +Árboles and the Spanish Network for the Global Compact.
- **Citizens and customers:** Fuerte Group Hotels is a prescribing agent before its customers and the communities of its environment upon promoting green activities.
- **Workers:** all the company's employees are involved in its sustainability policies.
- **Vendors:** to be able to work with Fuerte Group Hotels, the company requires all its vendors to sign a declaration for the observance of good environmental practices. A small action has a multiplier effect on local economies and their environmental policies.

3.2. Quality: the priority goal

For Fuerte Group Hotels, keeping quality in its supply is one of its priority goals. Thus every year it performs an overall follow-up of customer satisfaction indexes using the following tools:

- Online surveys e-mailed to the customer after check-out;
- Online analysis of hotel reputation through the indexes obtained from traveller communities, specialised webs and social networks, among other channels;
- 'Mystery Guest' audits.

Based on all the data analysed in 2019, the chain's online reputation index had a slight increase, standing at 91%, and the net promoter score increased by about 36%, reaching 97.30%.

Cleaning and service stand out among specific hotel aspects, as they exceed 90%



NUMBER OF OPINIONS ON THE CHAIN (Data source: Review Pro):

10,075	7,475	18,485	10,882
2016	2017	2018	2019

ONLINE REPUTATION INDEX (Data source: Review Pro):

90%	90%	90.30%	91%
2016	2017	2018	2019

NET PROMOTER SCORE:

95.30%	92.40%	60.66%	97.30%
2016	2017	2018	2019

For another year, in 2019, one of the channels mostly used by Fuerte Group Hotels to connect with its customers was social networks, with increasing interaction. Thus Facebook content interaction increased by 39.99% with respect to 2018, while the Instagram interaction increased by 84.26%. In addition, visits to websites from social networks increased by 34.33% with respect to 2018, while conversions

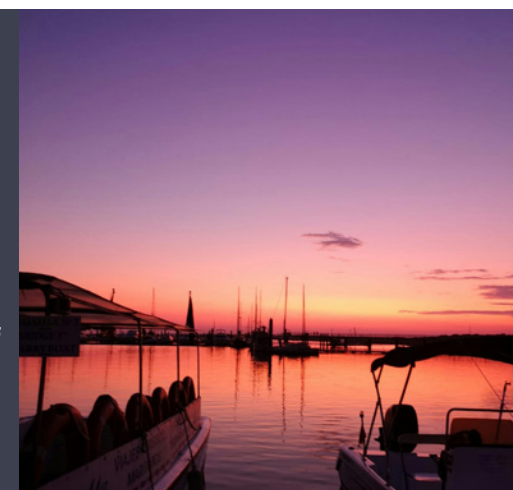
(assisted+last click) from social networks increased by 11%.

Networks were also used as a channel for communication with employees, including initiatives such as **#FotoConcursoStaff**, in which the employees participated for the second consecutive year by sending quality images, with very good acceptance by network followers.

ACCUMULATED DATA	2018	2019
Facebook	44,372	54,563
Twitter	7,676	7,712
Youtube	581	1,186
Instagram	7,351	12,238

#FotoConcursoStaff

In this edition, the winning employee who obtained more votes was Eli Villafaina, from Fuerte El Rompido.









3.3. Ethics and corporate performance

Fuerte Group Hotels has a mandatory code of ethics applicable to all of the company's employees. In addition, it is a subject that is dealt with on a recurring

basis, both in employee newsletters, where it is chosen which of the 12 principles established by the ethical code are more in line with the contents of

the newsletter; as in the payroll of the employees, in which each month one of the aforementioned fundamentals appears printed.

	01. We exist to provide satisfaction to our customers.
	02. People are the fundamental value of our company.
	03. By respecting the environment, we show our respect towards other people.
	04. Good bosses result in good employees.
	05. We are all capable of improving as persons and as professionals, which is good for our work.
	06. Involvement and fair treatment favour the commitment towards the company.
	07. Being responsible means complying with standards, procedures and goals.
	08. Diversity is one of the main sources of wealth; the respect for diversity provides health and mature relationships.
	09. Good behaviour should be acknowledged publicly, to show an example, using all available means.
	10. Discretion favours trust, improves the relationships and strengthens our image.
	11. The strength of an organisation depends to a large extent on staff loyalty.
	12. Separating the personal and professional spheres inside the company will favour the development of our work.



Fuerte Marbella staff.



Entrance of Fuerte Marbella.

3.3. Ethics and corporate performance

3.3.1. OUR TEAM

In 2019, after the incorporation of a new hotel (Amàre Beach Hotel Ibiza), the headcount of Fuerte Group Hotels reached 766.4 people, showing a 5.5% increase with respect to the previous year, with a peak in July totalling 974.91 employees. A total of 84% of the whole headcount belong to the geographical environment where they work.

STABILITY AND OTHER HEADCOUNT ASPECTS

A total of 70.2% of the headcount of Fuerte Group Hotels was permanent, a slightly lower percentage as compared to the previous year.

As to employees' permanence, this year Fuerte Marbella shares the leadership with Fuerte Conil-Resort with 12.06 and

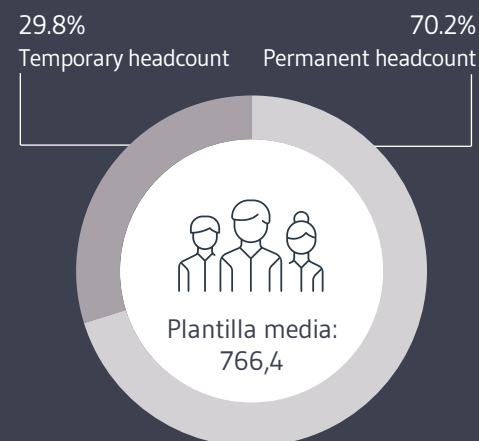
14.20 years, respectively. This second increase is due to the incorporation of staff from the hotel Costa Conil into the Cádiz complex in 2018. In the case of Amàre Beach Hotel Ibiza, even though part of its staff come from the previous management company, it was accounted for as new staff for calculation purposes.

Finally, it is worth noting the efforts made by Fuerte Group Hotels to balance its headcount by increasing by 3% in 2019 the number of women in executive and intermediate positions as compared to 2018, until 45% of headcount is reached

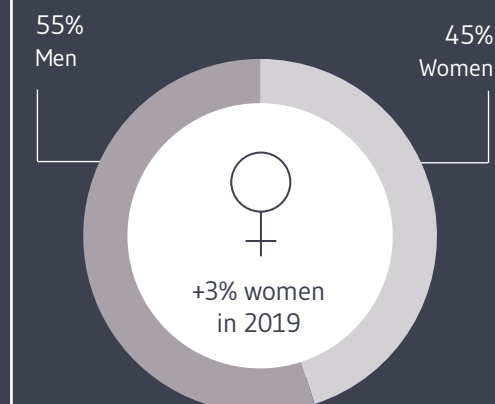
The chain has a non-discrimination policy in terms of gender, religion and nationality, among other aspects, both in job offers and during the whole recruitment process. It also observes the General Disability Act in all its centres, hiring services through a special employment centre.

The chain has a non-discrimination policy in terms of gender, religion and nationality, among other aspects, both in job offers and during the whole recruitment process

PERMANENT HEADCOUNT



PERCENTAGE OF MEN AND WOMEN IN EXECUTIVE AND INTERMEDIATE POSITIONS



HEADCOUNT STABILITY AVERAGE PERMANENCE (YEARS)

	2018	2019
Fuerte Marbella	11.76	12.06
Fuerte Conil-Resort	11.41	14.20
Amàre Marbella	7.64	8.73
Fuerte Grazalema	7.72	7.99
Fuerte El Rompido	7.85	8.66
Fuerte Estepona	4.78	3.92
Oficinas Centrales	8.02	8.23

3.3. Ethics and corporate performance



Entrance of Fuerte Marbella.

A total **80%** of headcount hired by Fuerte Group Hotels participate in the performance assessment

3.3.2. PERFORMANCE ASSESSMENT

Performance assessment is a periodic process for the qualitative evaluation of performance by the different persons working at the different Fuerte Group Hotels companies in relation to the tasks assigned to them in view of the organisation's strategic lines.

The chain has a "competence dictionary" containing a series of consistent criteria related to people performance, as well as the organisation's strategies. These criteria are defined as the competences related to the group's values and structure positions. The dictionary is completed with the leadership competence applied to

positions with people under their charge.

Performance assessment and management is a process used to observe and analyse a person's performance during a specific period of time (in the case of Fuerte Group Hotels, one year), in view of the position profile. Competences are evaluated in view of the performance, so as to guide professional development.

This information is used by the Human Resources Management to improve other human resources management systems, such as training, compensation, mobility, professional career and recruitment, among others.

A total 80% of headcount hired by Fuerte Group Hotels participate in the performance assessment.

3.3.3. PREVENTION OF RISKS AT WORK

As company management is aware that the activity performed may cause damages to the safety and health of its workers and third parties staying in its premises, it has defined a Policy for Occupational Risks Prevention. These are some of the measures carried out in 2019:

■ **21 January:** implementation of a protocol against workplace harassment in Fuerte Grazalema.

■ **18 March:** implementation of a procedure for the assignment of work equipment.

■ **18 March:** reminder of the procedure against workplace harassment in Fuerte Marbella.

■ **2 April:** reminder of the procedure in confined spaces.

■ **6 May:** distribution to all centres of the annual review of the risk assessment, plans and resulting periodic controls.

■ **21 June:** reminder to use individual protection equipment in centres.

■ **13 September:** specific training on the procedure to investigate occupational accidents in Fuerte Conil.

■ **13 September:** creation of a Conflict Investigation Committee in Fuerte Conil, a collegial and peer body in charge of investigating workplace harassment cases.

3.3. Ethics and corporate performance

■ **20 September:** meeting of the Safety and Health Committee in Amàre Beach Hotel Marbella.

■ Reminders of the procedure to notify occupational accidents and the importance of an appropriate investigation, preparing the relevant report, to prevent future occupational risks.

■ Periodic meetings between the occupational risks prevention coordinator and centre management to analyse the loss ratios of each company.

■ In 2016 a performance protocol was defined and implemented in response to workplace harassment situations in Amàre Beach Hotel Marbella. During 2017 and 2018, the same text was drafted and implemented for the rest of group work

centres. The purpose of this protocol is to prevent situations that, on the one hand, are not allowed under the company's occupational risks prevention policy and, on the other hand, damage the working environment, thus generating unwanted health effects and impairing the dignity of the persons rendering services in Fuerte Group Hotels.

This protocol sets forth the creation of a Conflict Investigation Committee, a collegial and peer body in charge of becoming aware of, studying and investigating the reports filed by the persons affected by workplace harassment acts or by the third parties who may become aware of those acts. Such committee is formed by the members of the Safety and Health Committee of each centre.

In 2019, a total of 778 Fuerte Group Hotels employees participated in the 1,758.5 hours of training for the prevention of occupational risks provided by the company



Amàre Marbella buffet.

■ Reminders of the health assistance procedure in the event of an occupational accident, so as to improve the response time and be advised about the assistance centres to be reached depending on each case.

■ Update on the delivery of individual and collective protection equipment in all work centres at the beginning of the season. To protect the safety and health of workers, they are provided with these proper individual protection equipment units for the performance of their functions, encouraging their actual use.

■ Meetings with safety and health committees (equal number of prevention

delegates from the employee side and area heads from the employer side) to analyse the loss ratios and the preventive actions to be carried out to reduce them.

■ Training on basic performance by all executives and intermediate officers. All persons assuming new positions in the group receive specific training, as their roles include supervising and organising other workers.

■ Specific training of each worker based on the risks assessed in each position. All persons joining the group must be aware of the specific risks of their positions and learn to prevent those risks.

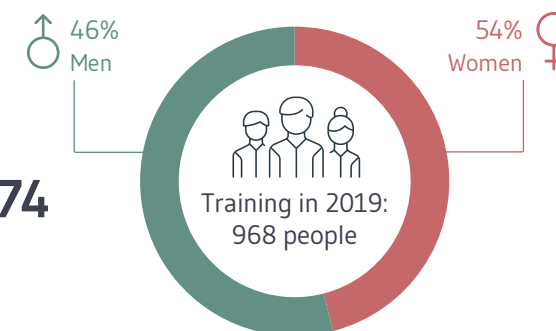
3.3. Ethics and corporate performance

3.3.4. TRAINING PLAN

The annual training plan of Fuerte Group Hotels is prepared in view of the strategic goals defined and workers' needs according to the profiles of their positions. The annual performance assessment allows the company to detect training needs for improvement purposes. All

human resources policies are aimed at attracting, analysing, improving and retaining company talent.

In 2019, the company invested **€100,855.74** to train **968 people**. In terms of time, the training totalled **13,203 class hours**



HOURS OF TRAINING PER CENTER

COMPANY	2019	SENIOR AND MIDDLE OFFICERS
Olée Nerja Holiday Rentals	2	-
Fuerte Conil-Resort	2,450	324
Fuerte El Rompido	858	397
Fuerte Estepona	781	243
Fuerte Grazalema	185	80
Oficinas Centrales	843	495
Fuerte Marbella	1,939	343
Amàre Marbella	3,242	425
Amàre Ibiza	2,904	348
TOTAL TRAINING HOURS	13,203	2,654

2019 TRAINING ITEM HOURS

TRAINING ITEM	ATTENDANTS	HOURS
Basic performance training	8	240
Emergency and evacuation drill	281	398
Coordination of business activities	405	788
Basic vital support and defibrillator management	55	262
Workplace harassment protocol	17	51
Coordination of business activities	1	3
Procedure for the investigation of occupational accidents	11	16.5
GRAND TOTAL	778	1,758.5

3.3. Ethics and corporate performance

Considering the different types, the training actions carried out by Fuerte Group Hotels in 2019 fell into four categories:

1. TRAINING PROGRAMS:

The purpose of this program is to promote employees' professionalism and qualification, improving their training in their jobs, gaining or updating knowledge, skills and competences.

COURSES

- Moodle administration
- Customer service
- Wine list
- Production kitchen
- Hayaca cuisine
- Professional cook: techniques and preparations
- Cocktail preparation
- Community Management (2nd part)
- Social network contents: Amàre Hotels
- Course on equity
- Maître advanced course: professional waiter
- Maître advanced course: organisation of small events and protocol
- In-plant work development
- Basic, intermediate and advanced Excel
- Training on Tpv use and features
- Kitchen management
- Claim and complaint management
- Hotel governance
- Convection oven: use and programming
- 3D computer graphics for architecture and interior design (1st part)
- Lean purchasing: managing the relationship with vendors as an asset in the company strategy
- Our values
- Gastronomic offer
- Chiromassage (First quarter; relaxing)
- Social corporate responsibility in GEF
- Lightroom development and edition
- Revenue management
- Aesthetic treatments and massage

2. DEVELOPMENT PROGRAMS:

Development programs comprise a series of initiatives aimed at executive and basic staff to favour personal/professional growth and talent at the company, contributing to the development of competences and the organisation and direction skills required for team management.

COURSES:

- Leadership tools
- Leadership and people management
- Leadership: individual and team self-knowledge
- Leadership: cohesion and actual interdependence
- Leadership: high-performance team
- Leadership: team action plan
- Master's degree in hotel management
- Continuity program of San Telmo Institute
- Individual development programs
- Prevention and management of alcohol and drug use at the workplace



Training provided by Proyecto Hombre as part of the collaboration agreement shared for years between Proyecto Hombre and Fuerte Foundation. Workshops have been organised this year to prevent and manage alcohol and drug use at the workplace.

3.3. Ethics and corporate performance

3. REGULATORY TRAINING:

Regulatory training is aimed at obtaining proper authorisations and certifications concerning the products and services offered by El Fuerte Group, guaranteeing that working processes are performed pursuant to current legislation on occupational safety, food hygiene and technical certifications, among others.

COURSES:

Occupational risk prevention:

- Training on the performance of basic functions (occupational risk prevention)
- Coordination of business activities
- Emergency and evacuation drill
- Preventive actions concerning occupational accidents
- Procedure for the investigation of occupational accidents
- Workplace harassment protocol
- Job-specific risks (occupational risk prevention)

Food Hygiene:

- Allergen management in menu preparation
- Food hygiene
- Food handlers
- Food safety and hygiene and allergen management
- Food self-control systems

First Aids:

- Basic vital support and defibrillator management
- Maintenance of facilities with Legionella risk. First update

4. STAGING AND CRITICAL PROCESS PROJECT:

This is an education project aimed at training and advising all hotel centre staff on service standards through online courses available in the human resources platform and on-site reinforcement training to help department heads train their staff through role-playing techniques and the improvement of communication skills.

COURSES:

- Generic and specific critical processes
- Role-playing technique
- Communication skills and strategies

3.3.5. AGREEMENTS WITH EDUCATION CENTRES

Fuerte Group Hotels performs important tasks to promote the practical training of hotel business students in companies and to allow university graduates to approach the professional environment and obtain their first job, through different collaboration agreements and programs with national and international universities, schools and institutions.



TALENT RECRUITMENT

283 students practising in centres

8% students hired

41 schools, universities, institutes and associations that have cooperated

3.3. Ethics and corporate performance

3.3.6. EMPLOYMENT OF PEOPLE AT RISK OF SOCIAL EXCLUSION

To support the social and cultural projects of Fuerte Group Hotels, mainly through Fuerte Foundation, the chain cooperates with associations and foundations by enabling the employment of people at risk of social exclusion. These programs are aimed at vulnerable groups, for whom a training program is developed and a practice period is defined. These students are received and trained during this period. In 2019 a total of 11 students participated in this project.



Tomeu Roig, director of Fuerte El Rompido, receiving the Fundación Secretariado Gitano award 2019.

PROJECT	ENTITY	HOTEL	STUDENTS
"Aprender trabajando" (Learn working), an employment plan for the integration of vulnerable groups or people at risk of social exclusion	Secretariado Gitano	Fuerte El Rompido	13
Bancosol Marbella on women exclusion	Bancosol Marbella	Fuerte Marbella	3
Bancosol Marbella on women exclusion	Bancosol Marbella	Amàre Marbella	2
Cruz Roja Huelva: "Social business challenge: alliances for labour insertion"	Cruz Roja Huelva	Fuerte El Rompido	4
Don Bosco Foundation	Huelva	Fuerte El Rompido	2



Moment of the presentation ceremony of the 2019 Fundación Secretariado Gitano Award.

During the summer season, a student from the "Learning by working" program joined the Fuerte El Rompido hotel team. In total, **4% of students** from groups at risk of exclusion have been hired

3.3. Ethics and corporate performance

3.3.7. SOCIAL IMPROVEMENT PLAN

The social improvement plan is aimed at the headcount of El Fuerte Group companies. Apart from the aid provided in relation to childcare, schoolbooks, marriage and prepayments and loans, another advantage for all group workers –notwithstanding the type of contract– is being able to enjoy the services offered by the hotels with a significant discount.

3.3.8. OTHER MOTIVATION AND COMMUNICATION ACTIONS

Fuerte Group Hotels also carried out a series of actions to promote internal communication inside the organisation to favour the motivation and participation of all employees. Some of the most outstanding actions include:

1. Improvement contest:

In 2019 an improvement contest was organised to allow all people working at the company to give ideas to help improve efficacy and efficiency in Fuerte Group Hotels. The committee in charge of

evaluating these ideas, formed by members of the Steering Committee, analysed all the initiatives and awarded those deemed to be more interesting. The winners received a monetary award and a voucher for a 2-night stay at the group hotels.

2. Best employee election:

twice a year, every work centre chooses an outstanding person in terms of:

- ethical values in line with corporate values;
- performance, setting an example to his/her peers in relation to responsibility, daily work, dedication and commitment towards the company. The winner is

In 2019, Fuerte Group Hotels used
€99,935.86 for its social improvement plan

Childcare
17,111.87 €

Schoolbooks
7,779.61 €

Marriage
2,283.00 €

Prepayments and loans
72,761.38 €

awarded a weekend in one of the group hotels. The photograph is displayed in each centre to be viewed by staff and customers.

3. Newsletter:

The internal newsletter “Noticias Fuertes” advises employees on all group events. It also includes the actions taken by Fuerte Foundation and the CSR measures adopted by the company, among other information.

4. CSR computer graphics:

In 2019 all the computer graphics published were collected to raise awareness on the



CSR measures applied by Fuerte Group Hotels, and a course was organised in the training campus, advising about what each person could do at work and personally to respect the environment.

3.4. Work environment

In 2019 three surveys were performed on work environment and trust. The purpose was to reach and maintain **employee satisfaction at 80%**, a goal that was attained in all establishments, except for two hotels, one of them being the recently opened Amàre Beach Hotel Ibiza, which was measured this year for the first time.

Fuerte Marbella	81.99%
Fuerte Conil-Resort	80.49%
Fuerte Grazalema	89.94%
Fuerte El Rompido	81.97%
Fuerte Estepona	90.97%
Amàre Marbella	78.63%
Amàre Ibiza	71.64%
Oficinas Centrales	86.62%



Staff of Fuerte Marbella, with the Chair of the company.

3.5. Local development support

3.5.1. PROJECTS DEVELOPED BY FUERTE GROUP HOTELS AND ITS HOTELS

To strengthen the relations with the local communities in which group hotels are located and cooperate in other cultural, educational and social projects consistently with the chain's principles and values, Fuerte Group Hotels and its establishments participated in the following events throughout 2019.

CULTURAL SPHERE

1. Lla-Arte cultural association. Tickets acquired for concerts organised to promote local artists.
Donation: €240.

2. Andalusia Under-21 and Under-19 Volleyball Championship. Donation: **15 sunshades with the Fuerte Hotels logotype.**

SOCIAL SPHERE

3. Huelva's "Patitas por el mundo" animal protection association. Donation: 2-night stay in one of Fuerte hotels to be offered as a draw prize.

4. Fundación Secretariado Gitano. Participation in the presentation of the campaign "Aprender trabajando", with which Fuerte El Rompido cooperates.

ENVIRONMENTAL SPHERE

5. Beach cleaning in Playa de las Fontanillas, organised by Fuerte Conil Resort for its employees and customers.



3.5. Local development support

3.5.2. Projects channelled through Fuerte Foundation

Apart from the projects previously mentioned, which were carried out directly by the hotels, in 2019 Fuerte Foundation, a non-for-profit entity focused on helping people

CULTURAL SPHERE

1. Fundación Museo del Grabado Español Contemporáneo: free accommodation for personalities and artists invited by the museum.
Donation: €2,500.

2. Asociación Amigos Órgano del Sol Mayor: organisation of 3 concerts per year: in Christmas, the Holy Week and in summer at Ntra. Sra. de la Encarnación parish, and maintenance of the G major organ of the parish.
Donation: €8,000.

3. Fundación Diocesana de Enseñanza Santa María de la Victoria: vocal education and singing workshop.
Donation: €4,638.48.

4. Es Arte Gallery: "Be a woman and smile" conference on women empowerment in the developed and

underdeveloped world: €2,590.50.

5. Marbella Activa: VI Marbella Activa story contest.
Donation: €2,007.45.

6. Display of artists winning the National Realistic Painting Contest in **Fuerte Marbella.**
Donation: €19.60.

7. Marbella Activa: promoting local creative talent by creating a comic situated in Marbella.
Donation: €6,400.

8. Hermandad de Ntro. P. Jesús Cautivo, Ntra. Sra. de la Encarnación Sta. Marta San Lázaro y M^a de Marbella: project to convey the cultural meaning of the Holy Week in Marbella.
Donation: €2,000.

at risk of social exclusion, organising cultural events and environmental awareness campaigns, was once again in charge of coordinating most social and cultural projects in Fuerte Group Hotels, for which it invested €129,319.84. The initiatives chosen included, among others:

EDUCATIONAL SPHERE

1. Anne Sister School in Kingston (Jamaica): purchase of musical instruments for school-age children to learn to read and write musical scores.
Donation: €2,500.

2. San Telmo Foundation: Women Department. Company and society.
Donation: €2,500.

3. "Construye Mundo" NGO: support provided to 57 young women living at the María Goretti de Dakar home in Senegal, so as to train and help them find a job and a future with opportunities.
Donation: €2,212.



3.5. Local development support

SOCIAL SPHERE



XIV PROAM golf Miguel Angel Jiménez.

1. Hombre Torrox project: program for drug use prevention offered to students from primary education centres in the municipality of Torrox.

Donation: €3,000.

2. CES Jerez Foundation - "Hombre Cádiz" project: program for the prevention of addiction and the problematic use or abuse of technologies in the school, family, community and labour spheres.

Donation: €5,197.80.

3. "Hombre Málaga" project: sponsor of the PRO-AM Miguel Ángel Jiménez supportive golf tournament organised in the Guadalhorce Golf Club of Málaga.

Donation: €3,000.

4. Asociación Horizonte: Social and educational integration centre "Horizonte" of Marbella.

Donation: €10,000.

5. Asociación Horizonte: contributing



Conference at Forte Marbella on the empowerment of women in the first and third world.

to the hosting of the anniversary dinner offered by the association every year to collect funds to continue operating.

Donation: €6,414.04.

6. Asociación Horizonte: contributing to the construction of charitable bazaars by the association in Marbella in 2019.

Donation: €3,600.

7. Asociación Horizonte: paying the mortgage of the floor in which the

association receives drug addicts under the initial therapy and reinsertion therapeutical program who have no economic means or family support.

Donation: €3,972.60.

8. Asociación Horizonte: free offer of halls in Forte Marbella hotel for the association's executives to hold meetings during the year to follow-up the different ongoing projects.

Donation: €300.50.

3.5. Local development support

SOCIAL SPHERE



Grazalema Basketball Sports Club.

9. Ronda nursing home “Hermanitas de los Pobres”: helping with the payment of invoices for the purchase of bread during the year.
Donation: €500.

10. Good Shepherd Foundation: contributing to financing Hope Health Clinic in Montego Bay (Jamaica).
Donation: €4,000.

11. Asociación Horizonte: cooperating with the integration program on ethical and social values in sports “PIVESPORT”, carried out in sports schools and clubs to instil positive values and healthy habits in children, teenagers and young people. Fuerte Group Hotels finances its participation through the “Un Euro Responsable” campaign, which consists in the voluntary collection of €1 per stay at the chain’s hotels.
Donation: €17,011.40.

12. Luis Amigo home: helping from 100 to 125 children who live in very difficult circumstances in District V of the city of Manila (Philippines), so as to offer a better future to them.
Donation: €5,000.

13. Asociación Horizonte: CIS and VAT association programs.
Donation: €5,100.

14. Fundación Lo Que De Verdad Importa: aid for the III Youth Congress.
Donation: €12,000.

15. Club Deportivo Baloncesto Grazalema: project for the promotion of women’s basketball.
Donation: €2,000.

16. San Telmo International Institute: contribution for the new assembly hall for former students.
Donation: €500.

17. Asociación Horizonte: annual painting tasks at the social and educational integration centres El Ángel and La Patera.
Donation: €1,011.29.

18. Asociación Horizonte: Tari, the 3 Rs sustainable circle (reduce-reuse-recycle).
Donation: €7,766.84.

19. Andrés Olivares Foundation assistance unit: overall support for children with cancer or other chronic serious diseases, their sparents and relatives.
Donation: €1,200.



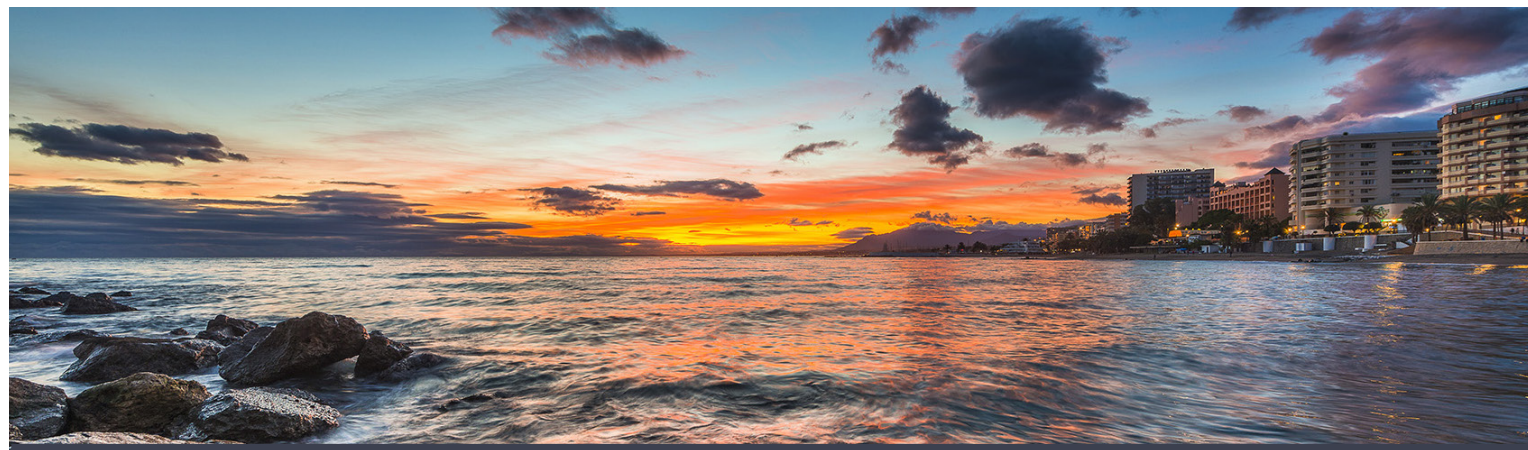
4. Environment protection

The commitment towards protecting nature has been consolidating at the core of Fuerte Group Hotels for decades, and sustainability has become a transverse axis of the company's management policies.

In this sense, it is fundamental to foresee the effects of the economic and business activities on the environment; therefore, risk assessment is a procedure that is already built into the philosophy of this group.

Specifically, this procedure was updated in 2019, and the document called POG 64 "Defining the context of the organisation and risk and opportunity planning" became part of the corporate management system. The environmental issues, including the risk analysis in response to climate change, are analysed and studied in detail here. It is reviewed every year, considering the importance of updating it in the event of situations occurring in the short and long term.

In addition, the company's sustainable strategy includes the pillars based on the "WHAT GETS MEASURED GETS MANAGED" principles:



Marbella views.



RETURN TO THE ORIGINS

Keeping the essence of the locations of our establishments and cooperating with the development of their communities.



REDUCING POLLUTION

Incorporating our ISO 14001 Environmental Management System into all levels of our daily operations.



ETHICAL AND TRANSPARENT MANAGEMENT

Based on our corporate code of ethics, in inquiry and active listening processes concerning both customers and employees and in projects promoting an integrating community.

What gets measured gets managed

4.1. Environmental assessment procedures

Even though three chain hotels have the official certification of the Environmental Management System (Fuerte Conil – Resort, Fuerte El Rompido and Fuerte Grazalema), the truth is that this system has been fully implemented in the rest of the establishments of Fuerte Group Hotels.

Certainly, certified hotels have much more detailed levels, as they have to follow ISO 14001 international standards, and they are subsequently audited and certified by the prestigious certifying agency AENOR.

The certification procedure follows strictly the guidelines under these standards and involves an internal and external audit.

Furthermore, a fourth hotel, Fuerte Marbella, joins the hotels previously mentioned to obtain the Travelife Gold Sustainability System certification, which is based on sustainable tourism principles and includes, apart from environmental aspects, social, economic and cultural aspects.



17.601€

for the prevention of environmental risks, certifications and awareness



4 hotels

have the Travelife Gold Sustainability System certification, based on the principles of Sustainable Tourism

PROTECTION OF BIODIVERSITY

As to the protection of biodiversity, also note the commencement of a campaign to reduce the use of plastic, which is polluting our seas and oceans, so as to protect their natural ecosystems.

The project is related to one of the sustainable development goals of the United Nations (Goal 14): "Conserve and sustainably use the oceans, seas and marine resources for sustainable development.". The official launch is expected for the beginning of the 2020 season.



4.2. Energy efficiency and pollution reduction

As to greenhouse gas emissions, every year chain establishments continue to apply a policy based on energy efficiency and the use of renewable energy sources, replacing the use of non-renewable energy sources as much as possible.

The energy controller continues to be a key figure in attaining these goals, as it allows detecting energy expenditure deviations virtually upon their occurrence, thus allowing to act quickly and redress them quickly in most cases.

The **energy saving goals** established for the hotel group as to the main consumption (electric power, propane and water) are:



-1%
Electric power



-0.5%
Gasoil



-0.5%
Propane



-0.5%
Water

USE OF FOSSIL FUELS AND ELECTRIC POWER (AFFECTING THE CARBON FOOTPRINT) AT CHAIN LEVEL:

CHAIN TOTAL	2019	2018	SAVING % (PER CUSTOMER)	GOAL
GASOIL (litres)	307,901	339,873	-18.70%	✓
PROPANE (kg)	194,780	168,830	6.64%	✗
ELECTRIC POWER (kwh)	9,930,648	8,964,188	2.77%	✗
WATER (m³)	205,971	174,909	8.53%	✗

As to the saving analysis in view of the goals mentioned, this year it was only possible to attain the goal of reducing the gasoil consumption per customer, thus reducing 18.7% as compared to the previous year. The other goals, even though close to the target value, could not be exceeded this year.



In addition, waste management, as detailed below, and the control of discharge and other pollutants are strictly controlled by technical services in each hotel, thus ensuring full compliance with current legislation in this regard.

4.3. Reducing our footprint

Based on the document “Guide to calculate the carbon footprint” issued by the Ministry of Ecological Transition, used to help companies apply the spreadsheet made available by such ministry to calculate the emissions of greenhouse gases (GHG), this year we calculated the emissions of chain hotels using the tool proposed in our web.

The tool allows calculating the scope 1 and 2 carbon footprint, becoming more aware of energy costs and enabling the identification of opportunities to reduce energy costs and, of course, GHG emissions, contributing directly to the fight against climate change.

During the preparation of this sustainability report, we decided to use

this tool to calculate the emissions of all hotels, as it is currently the most completed and updated tool available

This means that the calculation methodology used so far was replaced definitely; therefore, as from this year, the chain will publish emission data following the methodology proposed by the abovementioned ministry. As a result of the change of methodology, no carbon footprint comparison was provided with respect to the previous year, as the criteria between both methodologies differ and the comparison would not be 100% real. Comparisons will be resumed next year, as the ministry’s methodology is intended to be used in the future.

UNDERSTANDING THE SCOPES:

Scope 1: direct GHG emissions. This includes emissions from combustion in boilers, furnaces, vehicles, etc. owned or controlled by the company. Specifically in the case of Fuerte Group Hotels: propane and gasoil..

Scope 2: indirect GHG emissions related to the generation of electric power acquired and consumed by the organisation

Scopes are measured in **tons of CO₂ eq.** Details below:

Hotel	Scope 1	Scope 2	2019 total footprint
Fuerte Conil-Resort	380.16	660.4	1,040.57
Fuerte Grazalema	113.0	145.94	258.94
Fuerte El Rompido	277.02	651.19	928.21
Fuerte Marbella	356.51	573.62	930.14
Amàre Marbella	216.199	504.83	721.03

Finally, the use of renewable energy in the hotels should be noted. The existence of solar panels in each establishment allows saving around **10-15%** of fossil fuels, which has a direct impact on the saving of CO₂ emissions to the atmosphere.

Also note that electric power suppliers have around **40%** renewable energy sources as part of the energy combination they supply.

The carbon footprint identifies the number of GHG emissions released to the atmosphere as a result of the performance of any activity; it allows identifying all GHG emission sources and establishing, based on such information, effective reduction measures

Source: Ministry of Ecological Transition

4.4. Local purchases and environmental evaluation of vendors

Following the policy that promotes purchases from local stores and vendors as a priority measure upon selecting vendors, data improved during this year: locales como medida prioritaria en la elección de proveedores, los datos han conseguido mejorarse este año:



2018

The 2018 purchases from local vendors (Andalusia) amounted to **€2,893,101.93**.

A **total 80% of the volume of purchases** is concentrated in 15 vendors (different groups of products; fruits and vegetables; precooked, fresh and frozen fish, bakery, winery, printed stationery, cheese and charcuterie, etc.)

We incorporated new vendors that, even though not having a high purchase volume, provide interesting local products. A spot with Huelva products was created in Fuerte El Rompido; actions were carried out, such as tuna cutting in Fuerte Marbella (Soleo), Fuerte Conil-Resort (El Buche) and Fuerte El Rompido (Dos Faros), the tapa journey in Fuerte Conil-Resort or gastronomic days in Soleo. In all these events, products from local vendors were purchased.

2019

The purchases from local vendors in 2019 in Andalusia amounted to **€3,639,580.81**. On the other hand, upon the commencement of work in Amàre Ibiza, the purchases from local vendors in the island amounted in 2019 to **€366,690.62**.

The trend in **Andalusia** is the same as in 2018: purchase volume concentration in **15-20 vendors**, but adding other vendors with less purchase volume for specific and promotional actions.






In **Ibiza**, most local purchases concentrated **7 vendors**: groups of fruits and vegetables, fish, bakery and beverages.

4.5. Circular economy and waste prevention and management

In December 2015 the European Commission presented its action plan for a circular economy in Europe. The purpose of such plan is to point out different measures (up to 54) as to which the European Commission understands that it is required to act in the next 5 years to advance towards a circular economy. With respect to these measures, the company's work in relation to corporate waste management is contained in the specific operating procedure "SOP 43_ Waste management", applied to all chain hotels. Recycling tasks are also being carried out at the offices in relation to the waste generated in them, mainly paper and cardboard and certain packages, such as plastic and similar bottles.

In addition, the hotels under the Fuerte Hotels brand have compost areas, where waste from pruning in gardens is placed in the composter, degraded and then used as natural fertiliser.

INFORMATION ON MATERIAL RECYCLED IN 2019 IN RELATION TO THE CHAIN HOTELS WITH ENVIRONMENTAL CERTIFICATIONS, SUCH AS ISO 14001 OR TRAVELIFE SUSTAINABILITY SYSTEM:

 ESTABLISHMENT	 VEGETABLE OIL (LITRES)	 PAPER AND CARDBOARD (KG.)	 PLASTIC (KG.)	 GLASS (KG.)
Fuerte Conil-Resort	1,576	5,200	1,430	5,112
Fuerte Grazalema	426	4,700	1,800	38,500
Fuerte El Rompido	1,750	44,623	2,644	2,500
Fuerte Marbella	3,563	20,800	39,000	39,000
TOTAL	7,315	75,323	21,475	85,112



FIGHT AGAINST FOOD WASTE

In this specific matter, the company implements measures to prevent wasting food from the moment raw material is purchased, i.e. the amounts required to prepare the menu dishes to be served are studied by the cooking team, making weekly adjustments to supply purchases based on the number of customers expected for the following week.

4.6. Risk management in relation to the problem of climate change

One of the main risks identified in corporate procedure number 64 mentioned at the beginning of this chapter in relation to risk management is the drought, mainly due to the location of chain establishments in the southern area of the Iberian Peninsula.

Thus, xeriscaping techniques continue to be applied in all hotel gardens to adapt to times of drought during the summer season. Thanks to the use of plant species that tolerate the lack of water, it is not necessary to have large amounts of water to keep them alive with no risks, which allows hotels to achieve significant water saving.

With respect to greenhouse gas emissions, there is also a considerable

saving thanks to the solar panels that use solar energy to heat up the water running to the rooms, instead of using fossil fuels that would generate pollutant emissions.

Another important issue for this management consisted in forbidding the refrigerants that belong to the group of substances that can cause the greenhouse effect. For this purpose, the devices that used these types of pollutant gases started to be replaced with others using alternative non-hazardous substances. At 2020 we may say that there are no gases containing fluorocarbon compounds or other greenhouse gases in any of our premises or equipment units.

At 2020 we may say that there are no gases containing fluorocarbon compounds or other greenhouse gases in any of our premises or equipment units



Ecological garden Fuerte El Rompido.



Aerial view and solar panels at Fuerte Conil-Resort.

Letter from the General Manager

As the general director of Fuerte Group Hotels, for years I have put emphasis on the importance of the tourism industry in our country, both to generate and distribute wealth and in relation to the capacity to create employment. This report proves this premise when it refers to matters concerning the continuous growth of our headcount and our close cooperation with local vendors that, either directly or indirectly, carry on the business thanks to the presence of tourists.

Even though we should limit ourselves to 2019 events, I cannot conclude this important document without referring to the COVID-19 crisis, which has shown the categorical influence of our industry in the Spanish economy as a whole. In Spain we were able to overcome the

**It will be
fundamental
to support the
promotion of Spain
as a really safe
destination**

crisis that arose from the bursting of the real-estate bubble and the bankrupt of banks using tourism as a driver. However, to face this new recession, more efforts will be required, since the sector that is always relied on –but was not given much importance by institutions until now– has been extremely impaired.

According to popular belief, and as considered by different organisations, the tourism industry is a sector without much added value and hardly any research and development. However, the quick reaction that some industry agents had to face this situation –reinforcing safety in our establishments through strict protocols and internal manuals and using technology, promoting the training of our employees, so that customers may overcome their fears and feel hotels as their own safe homes, and taking advantage of our significant experience in gastronomic innovation to continue generating culinary and other experiences for which we are known around the world– shows that ours is a solid industry that, with the necessary help to overcome the most critical times, such as the current one, is capable of continuing to champion Spanish economy.

For this purpose, we will need the support that has not arrived to date. It will be fundamental to support the promotion of Spain as a really safe destination; it will be decisive to support flexibility, so that companies may remain afloat and families may be able to survive closures in the event of fresh outbreaks; it will be essential that investments in health and research allow creating a more positive perspective until the end of the pandemic; summing up, it will be key to eventually make our long-standing wish true, that is, causing private companies to act in coordination with public authorities for our own good and for the benefit of the community and the recovery of the whole Spanish economy.

If we want to win the game against COVID-19, and re-emerge as a country and as a world tourist power, we have an exercise in self-criticism ahead of us to take advantage of the opportunity and professionalize the sector even more, seeking to capture larger quality market niches. Our commitment to the Global Compact and its principles is undoubtedly, for yet another year, an important support in order to be able to adapt to the new situation in the most sustainable way.



José Luque García,
General Manager of Fuerte Group Hotels.

A handwritten signature in dark ink, which appears to read 'José Luque', written in a cursive style.

GRI Standards indicator table

To be filled in after the report layout, so as to indicate the page on which each indicator is included.

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201 ECONOMIC PERFORMANCE

All the information on the organisation's economic performance was treated separately from this report in two specialised technical documents: the statement of non-financial reporting (containing all the information on the compliance with the contents under Law 11/2018 on Non-Financial Information and Diversity) and the consolidated directors' report of El Fuerte Group. That is why all indicators refer to these reports, so as to avoid repetition.

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FUERTE GRÔUP

HOTELS

www.fuertehoteles.com
www.amarehotels.com
www.oleeholidayrentals.com

NOTE ON EVENTS SUBSEQUENT TO THE YEAR OF THIS REPORT:

During the preparation of this report, the COVID-19 global pandemic was declared, which implied the paralysation of all group activities and hotels. To resume activities, we are currently working (at June 2020) in the certification of new cleaning and hygiene protocols and contingency protocols, among others, through the certifying agency CRISTAL.

