



SEASIDE COLLECTION



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GRAND HOTEL RESIDENCIA

Sustainability Report

INTRODUCTION

The inspiration for Seaside Hotels accommodation portfolio in the Canary Islands dates all the way back to 1970 when Theo Gerlach, the owner of the company first visited Gran Canaria and saw the potential to create exceptional holiday experiences that would celebrate the cultures and traditions of the islands. Accommodating guests where luxury is celebrated in an unobtrusive and casual way, a place where he himself would love to spend to time.

Determined that tourism can be a force for good and drive economic prosperity, Seaside Hotels is dedicated to providing the highest standards of accommodation, service and cuisine, in turn driving a high percentage of loyal guests to consistently return to the islands to enjoy their holidays.

Whilst Seaside Hotels history goes back almost 50 years, the company never fails to look forward. A continued programme of refurbishment of rooms and facilities ensure that hotels are maintained to optimal standards, investment in the latest technologies and equipment enables a continued reduction in environmental impacts, work/life balance is a priority for staff, and local partnerships are driving increased community engagement and contribution to local economies.

In 2019 we were extremely excited to launch our new brand identity confirming our passion as hosts and the effortless luxury of our accommodation portfolio. Appealing to discerning individuals with high ethics, ecological ideas and social responsibility, our hotels offer space for reflection and relaxation, promoting the opportunity to slow down and find relief from every day stresses. Exceptional service is underpinned by an exacting attention to detail, positioning Seaside Hotels as the brand of choice with current guests and attracting a new generation of travellers to the Seaside Family for decades to come.

'It is our great desire that the ongoing initiatives in each individual hotel on the islands of Gran Canaria and Lanzarote encompass our founding principles and values, therefore remaining our legacy to future generations'

Theo Gerlach
Owner, Seaside Hotels.





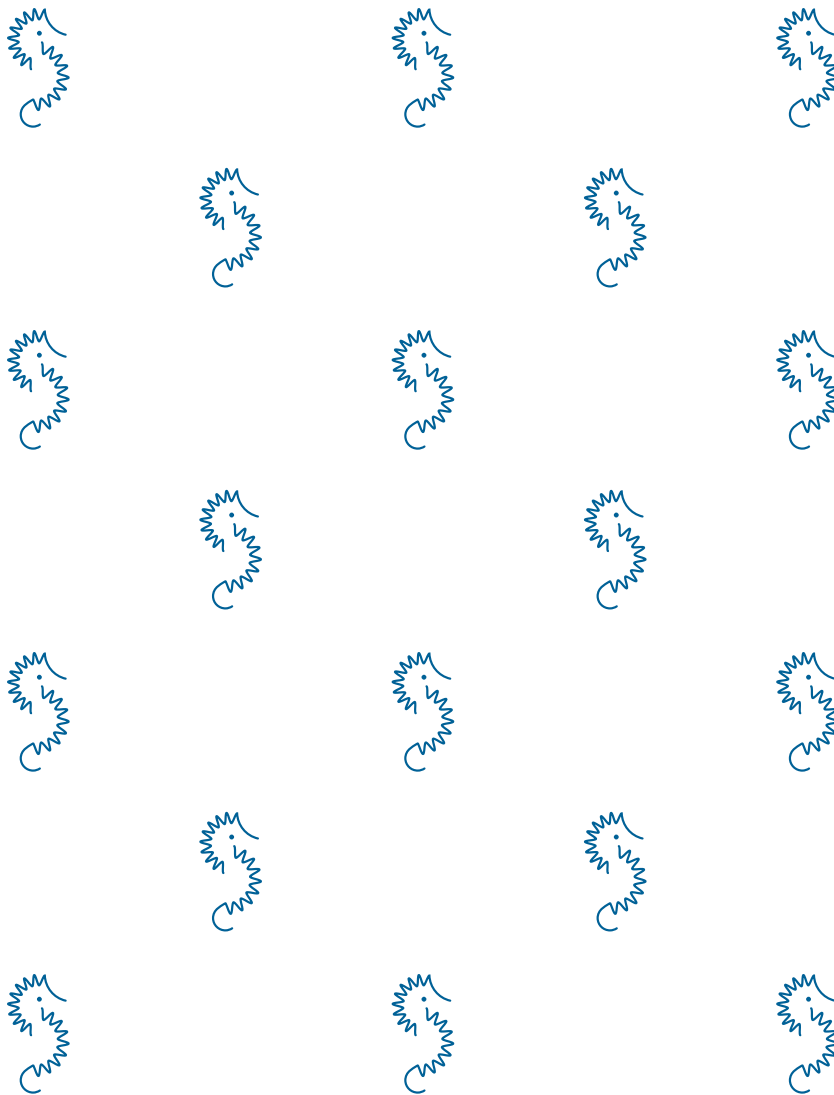
HOTEL BEDS GRAN CANARIA

Seaside Hotel Sandy Beach****	256 rooms
Seaside Hotel Palm Beach*****	328 rooms
Seaside Grand Hotel Residencia*****	94 rooms

HOTEL BEDS LANZAROTE

Seaside Los Jameos Playa****	530 rooms
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TOTAL NUMBER OF EMPLOYEES	900
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COMPANY REBRANDING

As of June 2019, Seaside Hotels began operating as Seaside Collection. The new “Seaside Collection” brand image and seahorse emblem act as a qualitative symbol to unite the individuality of the hotels within the collection.

There are no name changes to the group’s four-star hotels, the Seaside Sandy Beach on Gran Canaria and Seaside Los Jameos on Lanzarote, continue to integrate the brand name “Seaside”.

The five-star hotels Palm Beach***** and Grand Hotel Residencia ***** GL on Gran Canaria, will continue to keep their own individual corporate identity.

SUSTAINABILITY HIGHLIGHTS

Every year we work hard to make continuous improvements across a range of environmental and social indicators. We collect, analyse and review hundreds of pieces of data from water and energy use through to customer satisfaction scores, and we hold regular meetings with our staff to discuss opportunities and challenges.

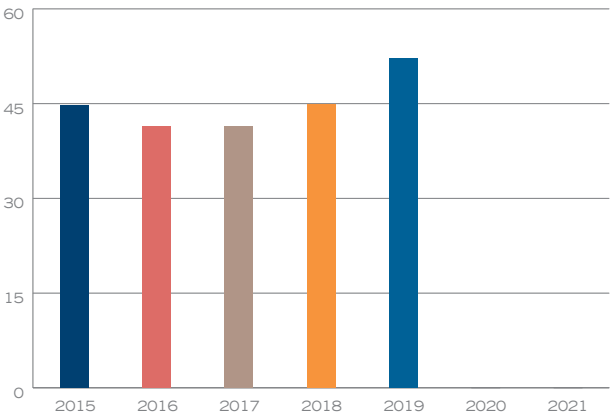
So much of this work takes place behind the scenes and often goes unnoticed by guests, however as a management team we consistently recognise the efforts and achievements of all our staff and the annual sustainability report is a great place to bring their work to life.

We'd like to share some of the highlights of our sustainability journey this year as well as reflecting on how far we've come since 2015.

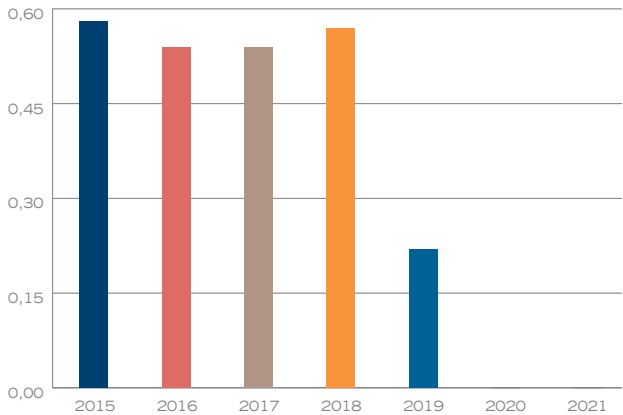
OUR ENVIRONMENT

Hotels can use significant amounts of natural resources and in turn produce significant amounts of waste. It is our responsibility to help our guests to tread more lightly upon the environment. We implement a range of technical initiatives, encourage staff to identify new opportunities and innovations, and we let our guests know how they can help.

**Electricity Consumption
per Guest Night in k/w Hours**



**Propane Gas Consumption
per Guest Night in k/w Hours**



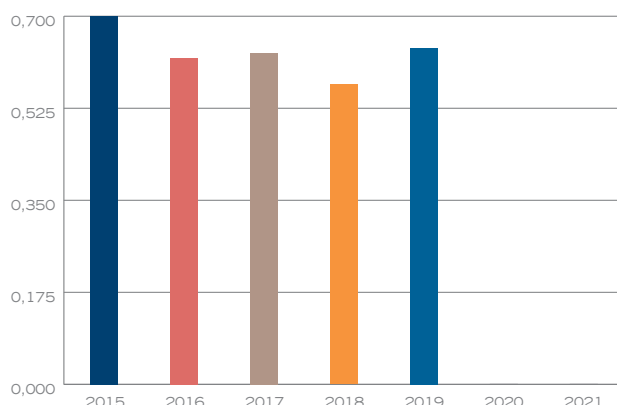
Taking all energy sources into consideration and analysing the actual consumption statistics, the overall energy consumption at the Grand Hotel Residencia in 2019 to date is 5% lower than the preceding 12 months in 2018.

Due to the lower occupancy however, the 'per guest night statistics' have increased. Whilst the installation of a new heating system in February 2019 increased electricity consumption, the graph above demonstrates that it significantly reduced propane gas consumption leading to the overall reduction in energy use of 5% as previously described.

Key Energy Saving Steps Include:

- Air conditioning is either switched off or reduced in winter months.
- All guest room are installed with sensors to ensure air conditioning is not functional when doors and windows are open.
- Back of house lighting is operated by motion sensors.
- Decorative lighting is switched off overnight.
- Where practical, all lighting is provided by LED Lights to significantly reduce consumption.
- Heat generated from air conditioning units is recovered to heat water for our swimming pools.
- Decalcifying the heating elements in all guest room kettles reduces the energy required to heat water.

Water Consumption per Guest Night in Cubic Metres



Key Water Saving Steps Include:

- Water Massage jets are all operated by a manual control button alongside the pool.

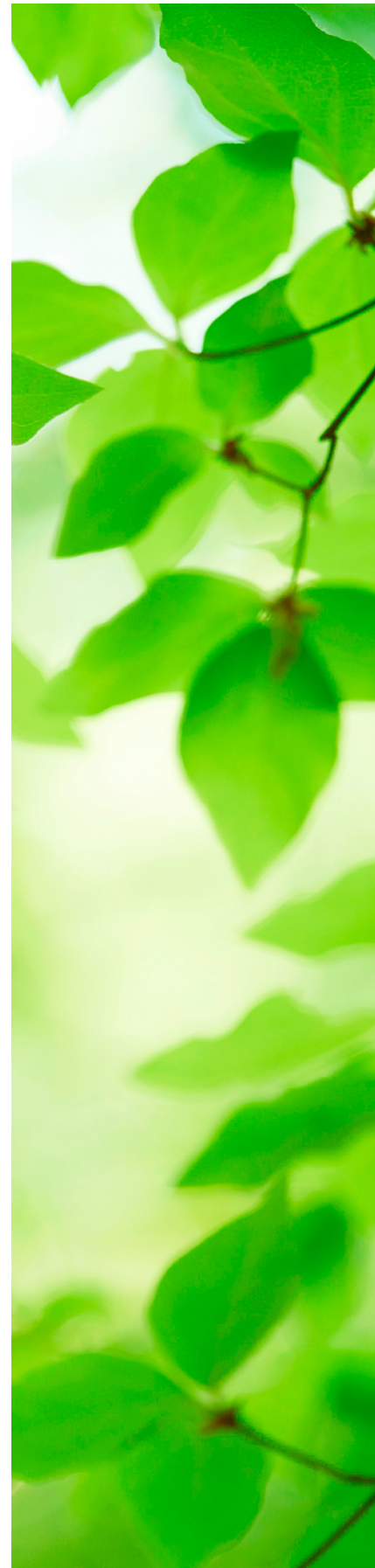
- Decorative fountains are switched off at night to save energy and water.
- Gardens are watered late at night or first thing in the morning and use drip feed irrigation systems to minimise waste through evaporation.
- Laundry is done on site, our machines are specifically programmed to use optimal amounts of water, energy and detergents to minimise waste.
- All swimming pool filters at the Grand Hotel Residencia have been changed from sand to active glass, prolonging the life of the equipment and reducing the amount of water required for backwashing.

Key Waste Reduction Steps include:

- An a la carte dinner service operates 5 days per week significantly reducing food waste in comparison to a buffet service.
- Requirements for the buffet are ordered weekly, strictly in line with guest numbers to avoid unnecessary food waste.
- Switching 8 litre bottles of water in staff areas for a water filter machine reducing plastic bottle consumption by an average of 280 8-litre bottles per month.
- A single-use plastic audit for 2020 that will help us to identify additional areas for reduction.
- Trialling new cleaning technologies to reduce associated plastic packaging.

Key Chemical Reduction Steps Include:

- Trialling the use of stabilised aqueous ozone systems for cleaning and disinfection, potentially reducing chemical usage by up to 80%.
- Laundry machines being specifically programmed to avoid unnecessary overuse of detergents.
- Switching toxic chemicals to clean drainage pipes for natural bacteria that are grown on-site and effectively clean grease and organic material without causing any environmental damage.



“The technical team at the Grand Hotel Residencia never stops innovating. In 2015, salt water pool systems were installed reducing the use of chemicals. In 2019 active glass filters replaced sand filters enabling a much quicker and more efficient backwash reducing water usage, and the team are now investigating the use of CO₂ instead of hydrochloric acid to maintain pH levels in the swimming pools. Not only will it completely eliminate the risk of chemical accidents, pools will no longer smell of chlorine, it will be much gentler on the eyes and on the pool equipment which is better for guests and better for the business.

Food waste from the hotel will be manufactured into Biomethane and rather than going to waste, the resulting CO₂ generated from this process will be used to maintain the pH levels of the pool. When wastewater from the pools is discharged, it will not harm living organisms in the natural environment which is a huge environmental advantage. We are essentially mimicking the natural processes of saltwater rivers and oceans whose pH is maintained naturally by the presence of CO₂ in the atmosphere without the requirement for additional chemicals.”

Gerardo Garcia

Head of Technical Services, Grand Hotel Residencia.



Image: Technical Services Team, Grand Hotel Residencia

PROTECTING LOCAL ENVIRONMENTS

The Grand Hotel Residencia is situated alongside the protected Maspalomas Natural Dune reserve comprising of three eco systems: The palm grove “La Palmeral”, the lagoon known as “La Charca” and sand dunes in Maspalomas all form part of the BIOSPHERE RESERVE of Gran Canaria as designated by UNESCO in 2005.

This desert landscape is home to many indigenous flora and fauna and is the resting place for migrating and nesting birds. The Seaside Grand Hotel Residencia is located within walking distance of this protected area along the 7km golden sand beach commencing in Playa del Inglés and a guided tour can be pre-booked free of charge through our reception staff.

Alternatively, guests can follow one of the four marked routes to enjoy the scenery at their leisure. Should they choose to do this we advise guests to:

- Always walk along the sign-posted paths.
- Refrain from building refuges with stones or plants as this alters the dynamics of the dunes.
- Respect the vegetation as this is crucial to the formation and development of the dunes eco-system.
- Avoid making unnecessary noise which can disturb the wildlife.
- Refrain from feeding the animals in the Nature Reserve as this can damage the natural cycle.
- Bring back all rubbish and dispose of it accordingly.

We highly recommend a visit to the “Centro de Interpretación” to learn as much as possible about the reserve and encourage guests to help us protect this area by reporting any irregularities they might find to the authorized surveillance personnel in the area.



OUR COMMUNITY

THE SEASIDE FAMILY

The Grand Residencia Hotel is home to 135 members of the Seaside Family. Providing a safe, healthy, friendly and rewarding environment for all of our staff is a top priority.

Our Human Resources Department plays a key role in ensuring that we continue to meet increasingly discerning legislation around well-being and human rights in the workplace. Naturally, contracts, working hours, pay structures, disciplinary and grievance procedures are all in line with national legislation and all employees are free to join the local Trade Union which offers assistance with disciplinary action and grievances should it be required. Our Senior Management team maintains an open door policy and is accessible to resolve employment issues.

A high percentage of Seaside employees are recruited from the island, not only is this important in terms of local employment, but our guests benefit too - our staff are a great source of local knowledge for guests interested in learning more about Canarian culture and the islands.

We think of our staff as family and this is reflected in our low turnover rates. We maintain steady levels of employment to ensure optimal working conditions for our staff and outstanding, prompt and courteous service for our guests.

In 2017 Seaside Hotels Senior Management developed and signed a collective agreement to ensure their commitment to equal opportunities which includes amongst other considerations, gender equality and age. Across the Seaside Hotels and Head Office in the Canary Islands, women represent 48% of the total workforce. At 'Heads of Department' level the ratio is slightly different with 34% of the management team being women. Over half of our workforce is represented by staff over the age of 45.

Our longest serving staff at the Grand Hotel Residencia were here even before the hotel opened, cleaning, putting furniture into place and preparing the hotel for its new guests before taking on their roles, with some of them climbing the career ladder to lead their departments.



1st image: The Head of Housekeeping, Rafaela Ruiz Tejera who, after having worked at Seaside Hotels for 44 years retired in March 2020 having enjoyed a very happy career with the company.

2nd image: Photographed, members of the Grand Hotel Residencia team who have worked at the hotel since its opening and continue to be valued members of the Seaside Family. Pedro Castro (Concierge), Mónica Bautista (Food and Beverage), Manuel Rodríguez (Kitchen Supervisor), Jose Carlos Castellano (Kitchen Operative) and Juana Sánchez Mederos (Housekeeping).

The Seaside Jobs Website was developed to provide equal opportunities for men and women in the workplace and enables employees to apply for a specific position corresponding to their skill set and experience. Our extremely low level of turnover limits the number of promotion opportunities available however, in preparation for the opening of our newest hotel in Pasito Blanco, Gran Canaria we will internally promote a number of staff to supervisory and management posts in 2020.

Seaside Hotels are keen to be considered an employer of choice. Going beyond legislation in terms of well-being for staff is key to our success.

We understand that life does not always go according to plan and we offer our employees flexible working hours whenever possible to enable compatibility with other personal responsibilities. We have contracted special rates on private medical insurance, enjoyed by around 70 of our employees and we take steps to ensure that the emotional well-being of staff is monitored in addition to providing comfortable and suitable work areas.

We truly want our employees to succeed and often provide financial support for them to undertake relevant courses to enable their advancement in specific areas of their choice. In 2017 we introduced a Competency Assessment, enabling heads of departments to build on strengths and support staff in areas of weakness. This assessment helps us to identify if specific training would benefit employees such as language courses or correct lifting. In some cases where the focus has been on safety and well-being in the workplace this has reduced accidents and illness at work by 61% and reduced work days lost to accidents or illness by 48% taking us way under the average in the sector.

Internally, we have delivered 47 training courses during 2019, attended by 283 employees. Topics range from well-being, food handling and accident prevention to cyber security and social media, both of which are of increasing importance to our business.

In addition to course opportunities, we recognise that many of Seaside employees in the Canary Islands have been with us since leaving school and in some cases do not hold academic qualifications which in turn, could prevent their opportunities for promotion. To counter this, we offer our employees the chance to undertake the Certificado de Profesionalidad – a system created by local authorities for hospitality staff to demonstrate their professional skills, undertake ‘work activities’ in the business that currently employs them and obtain references qualifying them for

the Professional Certificate that is accepted should they wish to apply for new roles or for promotion.

SUPPORTING LOCAL ECONOMIES

Seaside Hotels are committed to being part of a vibrant Canarian economy. Buying local is an absolute priority and on average 90% of fresh produce used throughout all of our hotels is sourced directly from the Canary Islands. The most common locally sourced products are fruits and vegetables, thanks to our temperate climate. We are very proud to serve local wines and make efforts to recommend these on our wine list. The Canary Islands are also home to superb quality artisan products such as cheese, honey, jams, marmalades and other preserves, all of which are served at our hotel buffets and restaurants.

“At Seaside Hotels we give priority to purchasing local products wherever possible. We always look for traditionally made products that help us to contribute to the local economy, therefore supporting local artisans and acquiring excellent quality products that our guests love. What better way is there to reflect the marvellous and unique products of our islands.”

Eugenio Rivero
Director of Purchasing.

“At the Grand Hotel Residencia, we have committed to supporting local producers of fresh fruits, vegetables and herbs. As the Executive Chef I feel that it is my responsibility to showcase the variety of local products available and bring them to life through exciting recipes that we change seasonally. We are lucky to work with a Finca in Montaña La Data, less than 10km from the hotel where we buy a range of fruits as well as peppers, courgette flowers, aubergines, beans, salad items, herbs and much more. The quality and flavour of these products is exceptional and highly appreciated by our guests.”

Mr. Wolfgang Grobauer
Executive Chef, Grand Hotel Residencia.

Mr Grobauer, who is recognised as a Michelin starred chef continues in his role as the ambassador of the Salt Mines Tenefé in Pozo Izquierdo. The superb quality salt is a key component to many of our unique dishes and enables us to play our part in keeping this local island tradition alive.



Seaside Hotels is passionate about the success of the Canary Islands as a sustainable destination. It is important to our business and vital for the prolonged economic prosperity of the islands that the tourism industry continues to adapt to new, discerning guests looking for a more immersive experience.

We offer ongoing collaboration with the Tourist Boards of Gran Canaria and Lanzarote supporting external promotions that target a wider customer demographic, providing accommodation, dinners and hotel visits for press trips and by building upon new and existing collaborations with Tour Operators.

The Seaside Hotel group has a large commercial department dedicated to the promotion of its hotels and the destinations via our great relationships with Tour Operators and our attendance at International Events. In destinations, we encourage our guests to explore the islands, taste local foods and enjoy local festivals, all of which are communicated through our information books, guest sheets and by our reception and animation teams who are fountains of local knowledge. The local business community and economies of Gran Canaria and Lanzarote benefit from the impacts that these actions generate.

TOURISM OF TOMORROW

The future of sustainable tourism depends as much on our actions today as the actions of future generations. We want to inspire young people to see the tourism industry as a great career choice that widens horizons, embraces diversity, celebrates destination cultures and protects environments, so that everything we have enjoyed throughout Seaside's history can continue to be enjoyed by others.

We work with other educational centres including the IES Faro Maspalomas where students gain experience in Business Administration, CIF Villa Agüimes which focuses on culinary studies and the Grupo MBC for students of the hospitality industry around 10-15 students per year. Students spend between one to three months with us depending on the type of course they are doing. As previously referenced, our very low turnover of staff limits the number of new opportunities available, however on average, 30% of the students remain with us in temporary roles or to provide cover for illness, holidays or maternity.

COMMUNITY OUTREACH

In any global community there will always be members of society who are less fortunate than others and this is no different in the Canary Islands. We are very proud to support extremely hardworking organisations that strive to create greater opportunities for others. Since 2013 we have worked with the Randstad Foundation whose objective is to ensure equal opportunities in the employment sector for persons at risk of social exclusion: people with disabilities, women at risk of social exclusion, victims of domestic violence, long term unemployment and those over 45.

Financial donations from Seaside Hotels to the Randstad Foundation have reached a total of €86,458.43 since we began our support for the organisation.

In line with Seaside Hotels employment opportunities, work experience days are organized at our sister hotel, the Seaside Palm Beach. Coordinated by the Randstad Foundation, young trainees of the “Asociación Down Las Palmas” are welcomed by the hotel and given an introductory training into the theory and practice of the different departments from the hotel: Housekeeping, Maintenance, Restaurant, Bar and Kitchen.

We are very excited that Seaside’s newest hotel in Pasito Blanco will feature a range of support services on site, including a large laundry. The laundry will be designed to accommodate a range of disabilities in order that we can provide employment opportunities for a wider society. Our new offices will also be suitable for people with disabilities and will include a number of training rooms that we will be very happy to offer to our friends at the Randstad Foundation.

Aside from the group approach to community outreach, each individual hotel is committed to supporting the local charity of its choice and participating in charities in underdeveloped countries. The Seaside Grand Hotel Residencia collaborates with two local charities Caipsho and Elomar.



Caipsho works with homeless people in San Fernando by offering them a safe place to eat and take shelter. The Grand Hotel Residencia contributes in a number of ways by providing linens, pillows, housecoats and mattresses that are no longer being used by the hotel and by providing food for 30 people for two specific weeks of the year as requested by the charity.

Elomar is also situated in San Fernando at the central market, it works like a food bank, distributing basic food requirements to families who need them. The Grand Hotel Residencia donates food packages each year at Christmas to support Elomar at a crucial time of the year.

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



OUR GUESTS

The guest experience is of utmost importance to our business and we have well-established quality assurance procedures to ensure that we continue to go above and beyond guest expectations before, during and after their stay. We encourage our guests to let us know immediately if something falls short of their expectations, giving us the opportunity to rectify any issues promptly so that they can continue to enjoy their holiday.

Client Questionnaires inviting guests to provide feedback are distributed during their stay and reviewed by our Commercial Team. Where applicable, areas for improvement are discussed with heads of departments and changes to practices are implemented if necessary. An example of this is the increasing concern our customers demonstrate around the use of single use plastic bottles in guest rooms. In response to this, we are currently researching the best available options to minimise waste whilst still providing excellent quality drinking water for our guests.

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

We also respond to guest feedback and communications through digital channels and via social media. The Social Media department manages the hotels’ on-line reputation, responding to all client comments on platforms such as Tripadvisor, Holidaycheck, Booking.com and Zoover.

Our average score at the Grand Hotel Residencia across these three platforms since 2015 continues to be high:

Holiday check	5.91 out of 6.0
Trip Advisor	4.84 out of 5.0
Booking.com	9.47 out of 10



“It is extremely satisfying to see that our clients are also aware of the importance of caring for the environment and are taking more of an interest in what the hotels are doing. They question the use of plastic bottles, amenities in small sizes and plastic straws, all of which supports our efforts to accelerate our already well-established sustainability programme.”

Lisa Tuckman
Commercial Department

AN EXCEPTIONAL STAY

The Grand Hotel Residencia is featured amongst the portfolio of the ‘Leading Hotels of the World’, exceptional service, standards and attention to detail are at the very core of our product.

Whether a guest joins us for the first time or is a valued returning customer, our staff are dedicated to providing the highest quality experience every time.



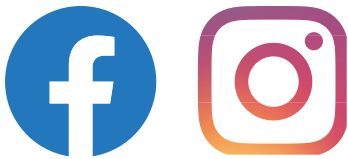
SOCIAL MEDIA STRATEGY

Seaside Hotels have been active on social media channels since 2012. The range of channels enables us to maintain a more personalised yet informal service with our guests whilst at the same time strengthening our brand and our values.

We maintain professional relationships on social media via our LinkedIn Page, this is a useful means to keep our tour operators partners and suppliers informed of business developments and important for the dissemination of our sustainability messages. It also enables us to keep up to date with the latest global trends in the travel industry.

Our customer facing social media content is designed to inspire current and potential new guests to take their holidays at one of our hotels in the Canary Islands. In addition to featuring our hotel services, we can bring the destinations to life with stories and images that convey the beauty of the landscapes, traditions, gastronomy and climate, motivating people to travel for reasons that are important to them.

Grand Hotel Residencia



Seaside Collection



CERTIFICATION AND AWARDS

All four of our Canary Island Hotels regularly go through environmental and quality certification processes.

ISO 9001 is an internationally recognized certification which recognizes the “Quality Management System” of hotels and businesses. We have held the ISO 9001 certification at the Grand Hotel Residencia since 2007.

Travelife for Hotels is a sustainability certification recognised by the Global Sustainable Tourism Council (GSTC). Criteria include resource and waste management, social impacts, local sourcing, child protection, health and safety, wellbeing of staff and our compliance is audited every two years. The Grand Hotel Residencia has been a Travelife GOLD awarded property since 2011.

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

In addition to certification, we are the proud recipients of many Tour Operator awards including:

- The TUI Umwelt Champion – The TUI Group’s own sustainability awards.
- The TUI Holly – Awarded to businesses with consistently exceptional service scores.
- TripAdvisor Certificate of Excellence – awarded to businesses that consistently receive great reviews.

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



LOOKING AHEAD

As referenced at the beginning of the sustainability report, Seaside Hotels is a forward-thinking company. We are committed to building on a solid foundation of quality and sustainability and set ourselves stretching targets for the years ahead.

At the Grand Hotel Residencia, our objectives for 2020 are to:

- Maintain our excellent quality and service levels
- Install new low energy televisions and reduced flow shower heads and taps that will reduce water without compromising the guest experience
- To destine all food waste for biomethane generation to create residual CO2 to maintain swimming pool pH without chemicals.
- To grow our following on social media channels

INTELLIGENT AND ECO-FRIENDLY OFFICE IN THE CANARY ISLANDS

One of the most exciting projects at the moment is the design and build of the new Seaside Head Offices in Gran Canaria. We will see an intelligent building that is designed with sustainability and accessibility in mind. It is anticipated to open during 2020.

SEASIDE HOTELS IN THE MALDIVES

Having spent a number of years at the Seaside Group, Carolina Del Toro is now the regional sales and marketing manager for Finolhu in the Maldives, the recent incorporation into the Seaside Hotels portfolio.

On a recent visit, she was particularly impressed to find that the hotel works with a local organisation Parley at Male to support the collection of plastic items which are in turn upcycled into Adidas sports shoes.

For information on our Modern Slavery, Corruption and Bribery, Child Protection and Health and Safety policies, please see our Seaside Collection Sustainability Policy available on each hotel's website.





SEASIDE COLLECTION