

Contents

1- Interview with Encarna Piñero	3
2- About this report	5
3- Our organisation	6
3.1 About us	7
3.2 Business units	9
3.3 Where we are	13
3.4 Corporate Governance	14
3.5 Business model	16
3.6 Milestones in 2018	17
4. Main Sustainability Indicators	18
5. Our Corporate Social Responsibility Strategy, CSR	20
5.1 Structure of CSR	22
5.2 Internal commitments	23
5.3 Certifications	24
5.4 Stakeholder Relations	25
5.5 Materiality analysis	27
5.6 Contribution to Sustainable Development	29
5.7 Protection of Human Rights	30
5.8 Compliance model	31
5.9 2018 Performance Analysis and contribution to the SDGs	33
6. Our priority commitments	35
6.1 People	36
- Our Customers	37
- Our Employees	40
- Our Suppliers	45
- Our Local Community	47
6.2 Our products and services	51
6.3 The Environment	56
7. Recognitions	65
8. Annexes	69
8.1 HR Tables	70
8.2 GRI Content Index	77

Interview with Encarna Piñero



How would you sum up 2018?

The last financial year was complex for our whole sector, particularly due to the regression of some outbound markets and the recovery seen in competitor destinations in the Mediterranean arc.

These factors and others that are equally out of our control, such as the presence of gulfweed, or insecurity in some of the destinations in which we operate, added to internal factors such as the temporary closure of the Luxury Bahia Principe Ambar for refurbishment, explain the slight fall in sales to €819 million—a figure which in any case is highly commendable and marks the second time in our history that we have achieved a turnover above €800 million.

What is Grupo Piñero's purpose, and what is the reason for this commitment?

At Grupo Piñero, our raison d'être is our customers, and our purpose is to form a part of and contribute to their happiness.

Achieving this aim entails providing them with an excellent service, but also understanding that their needs and expectations change at the same pace as society.

Today, our customers are more responsible and socially aware, and they seek and choose companies that contribute to environmental conservation, that look after their employees and that make efforts to prevent corruption or any other

abusive business practices.

Furthermore, today's tourists demand connectivity and immediacy, so they can interact with a brand using any channel or device. This means, for example, enabling them to plan, enjoy and share their holidays via the Internet, and this obliges us to integrate technology into everything we do.

And how is Grupo Piñero responding to these social changes?

Society's transformation is also the transformation of businesses. Today, we as organisations need to reformulate our vision, change our leadership models, move towards less hierarchical systems, boost diversity and transform the way we work.

It is also essential that we understand that sustainability is not a trend but rather an obligation that ensures that the organisations and destinations where we operate can be maintained over time and that we contribute to creating a better world. To do this, we need to manage our businesses responsibly, making firm commitments to our customers, our employees, the environment and society as a whole.

Grupo Piñero's desire to be a part of the change and championing this transformation started under the leadership of my father, and today we want to continue being a world leader in the tourist sector and to actively contribute to achieving the Sustainable Development Goals set by the United Nations

in their 2030 Agenda.

Between 2015 and 2018, Grupo Piñero invested more than €7 million in its Sustainable Company programme, aimed at improving the quality of life of our more than 15,000 professionals, and we also contributed more than €380,000 to local communities.

Furthermore, 54% of our executive committee are women.

Can you comment on the ever increasing importance of female leadership. How is Grupo Piñero approaching this and how is the company advancing towards greater equality of opportunities?

In recent decades, social changes have occurred that have favoured a greater presence of women in business, but up until a few years ago they had very limited access to senior management roles.

The change that has taken place in this regard has had a lot to do with an increased awareness within the companies themselves that female leadership brings new traits to an organisation, making them stronger and more successful.

For my part, I celebrate the fact that, since these changes have occurred, the new generations now see female leadership as something natural, although I still think a final push is needed and management could play a role in driving this forward.

In our case, the presence of women in our

management team is much more linked to the family nature of our business, but a quick look at the composition of our executive committee or our middle management teams shows you that we also believe in and support female leadership.

This support is reflected in our corporate values and is incorporated, and will be increasingly so, in our social and work-life balance policies, through which we aim to become an organisation that is diverse, inclusive and that provides its professionals with real career paths that help us to attract and retain talent.

When we talk about culture and values, there are people who think these are incompatible with good economic results.

Do you believe they are necessary, or that it is better to focus on the short term to maximise profits?

In our case, our culture and values form the basis of our business plan, so there is no separation and we don't consider choosing one over the other.

Our current strategy is based on three pillars—the staff, innovation and High quality products and services (always the customer in the center)—which are in our DNA and come from the way we understand the business, but we also believe that they are the levers that enable us to keep growing and remain profitable in the long term.

What's more, for a number of years now we have been incorporating environmental, social

and good-governance criteria into our business strategy so that today our commitment to sustainability is strategic, cross-cutting and long term.

How has Grupo Piñero put this commitment to its surroundings and the environment into practice?

Within the framework of our commitment to Caring for and Preserving the Environment, which we took on in 2015, and as part of the strategic plan for sustainability established in 2018, we have carried out many initiatives. I would like to highlight this year's investment of more than €7 million in environmental projects, such as our investment in geothermal energy at our Hotel Fantasia Tenerife, among other measures, with the aim of minimising our CO₂ emissions into the atmosphere. Specifically, in 2018, at Bahia Principe Hotels & Resorts, average energy consumption per stay was down by 4%, more than 3,600 tonnes of recyclable waste was recovered and 68% of their vehicle fleet was electric.

Last year, we also signed collaboration agreements with entities that are firmly committed to environmental preservation, such as the National Botanical Garden of Santo Domingo and the Centre for the Conservation and Ecodevelopment of Samaná Bay, in the Dominican Republic, and with Fundación Ecobahia, the sea turtle protection programme and the Mayan Forest protection programme in Mexico.

How does the workforce experience this process of transformation and change?

At Grupo Piñero, we see family as something that enables us to connect people with each other around a common goal, which means that this transformation process would not be possible without the involvement and efforts of our entire workforce.

They need to be able to adapt to an ever-changing environment through continuous learning, and we need to provide them with training and personal and professional development opportunities.

This balance not only enables us to transform as an organisation, it also makes us a company that people want to work for—much more than just a workplace; it is a place where people can grow in every sense of the word.

And how do you ensure you have a team that is talented and not afraid of change?

In our case, we are very lucky to have an inspiring example of how talent, vision and an enterprising spirit form the essential ingredients to individual and collective success: my father.

He was my great mentor, the person who taught me everything I know and passed me the baton and the enormous responsibility of heading Grupo Piñero today, and I hope for many years to come.

He was our founder and at the same time a visionary and a born leader, and he made the company what it is today.

With all this valuable baggage, what lies ahead?

We have made many changes in the company and as a result of all the work carried out, Bahia Principe Hotels & Resorts ended 2018 with 23 Sustainability Certifications: 19 from Travelife Gold and 4 from EarthCheck, although without a doubt we still have lots more work to do.

In 2019, we will face many exciting challenges, we will continue to invest in innovation and technology so we can make quicker and better-informed decisions, anticipate the needs of our customers and customise our products and services, incorporating sustainability criteria.

Anything else you wish for?

For you to take a look at and enjoy this 2018 Sustainability Report which summarises everything we achieved last year.

About this Report

GRI 102-48, 102-49, 102-50, 102-51, 102-52, 102-53, 102-54

This report is the reference document for Grupo Piñero which includes an extract from the Non-Financial Information Statement for all stakeholders. The Non-Financial Information Statement was produced in accordance with the legal requirements deriving from Law 11/2018 on Non-Financial Information and for the first time has been subject to an external verification process carried out by the auditing firm Moore

Stephens.

The Sustainability Report details the progress and challenges of the Strategic Plan for Corporate Social Responsibility, highlighting the sustainability performance of the different business units. For the first time, in order to produce this report, the Global Reporting Initiative Standards have been taken as a reference, and once

again we have included the company's compliance with the 10 principles of the United Nations' Global Compact, and our contributions to the Sustainable Development Goals (SDG).

This is an annual report, and corresponds to the period from 1 January to 31 December 2018.

If you have any questions, suggestions or complaints, you may contact us at the following email address:

Corporate Social Responsibility Department
Email: adeltoro@grupo-pinero.com





Grupo Piñero

3. Our organisation

3.1 About us

We are a Spanish tourism group founded by Pablo Piñero in 1977. Our headquarters are in Palma de Mallorca and we have a presence throughout the value chain of the holiday industry through our hotel and residential business units (Living Resorts), tour operation and reception (Travels) and other destination services (Services), which hold leading positions in the holiday sector.



Family is much more

We are a family-run tourism group whose idea of family goes beyond Piñero and reaches all those who make up our world. We view family as an attitude that allows us to connect people with a common objective: to be and make people happy, in a generous, constructive and inclusive manner.

Our structure enables us to control the entire value chain of the trip, creating strong links between our member brands, generating unique human experiences and business opportunities that enable us to grow and spread our philosophy beyond our customers.



3.2 Business Units

GRI 102-10, 102-45

3.2.1 Living Resorts

We develop our activity in the hotel, residential and golf sectors through the Bahia Principe brand, a key business in the machinery of our group whose offer is structured into three subdivisions:



Bahia Principe Hotels & Resorts

The hotel subdivision has 25 'all inclusive' establishments, characterised by their exclusive locations on the beachfront, their spectacular surroundings, the quality of their services and the wide range of complementary services.

They are organised into four brands.



Dominican Republic

Locations 5
No. hotels 14

Riviera Maya

Locations 1
No. hotels 4

Jamaica

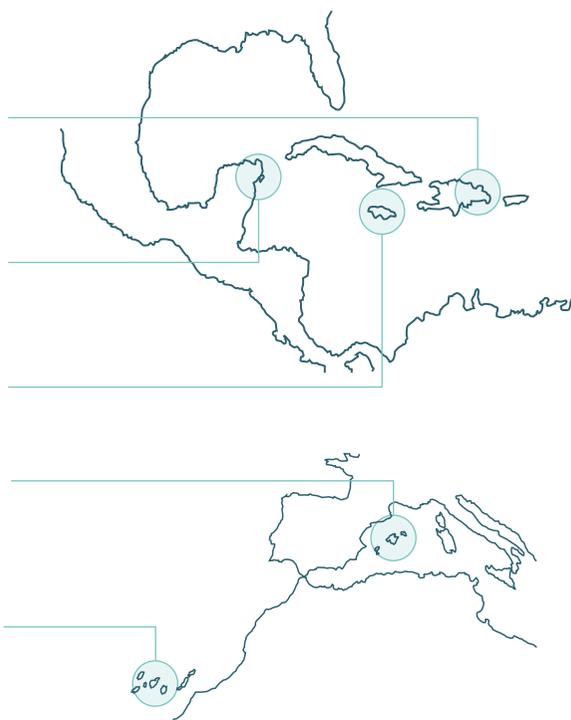
Locations 1
No. hotels 2

Balearic Islands

Locations 2
No. hotels 3

Canary Islands

Locations 3
No. hotels 4



Total Hotels
27



Total Rooms
13,999

Luxury Bahia Principe 8
Fantasia Bahia Principe 2
Grand Bahia Principe 11
Sunlight Bahia Principe 4
Piñero Hotels 2

Dominican Republic 7,108
Mexico 3,236
Jamaica 1,375
Spain 2,280



Grupo Piñero has two hotels in the 3 star segment in Mallorca operating under the Piñero Hoteles brand.



Bahia Principe Residences

The real estate subdivision carries out and manages luxury property developments in the Caribbean. It has two residential resorts: Riviera Maya (Mexico) and Playa Nueva Romana (Dominican Republic) owned by the Group.



Housing units scheduled for development

13,000



Surface area (m2)

12,069,598



Bahia Principe Golf

The subdivision dedicated to the world of golf owns four courses integrated into the Riviera Maya (Mexico) and La Romana (Dominican Republic) resorts.



Golf Courses

4



GOLF ON THE CARIBBEAN COAST

3.2.2 Travels

We undertake our activity in the tour operator and reception service fields through the brands Soltour and Coming2, respectively.



Points of sale
10,000



Travellers
215,000

Soltour provides Spanish and Portuguese travel agencies with a wide range of holiday experiences in the Caribbean, Spain and the rest of Europe.

Its longevity and reputation in the Spanish and Portuguese markets, in which it has over four decades of experience, its extensive knowledge, its proximity and the services it offers to retail networks, its multiple synergies with the rest of the group's business units and its position as the only independent tour operator in Spain make Soltour stand out from the rest of the tour operators on the peninsula.



Reception destinations
5

Coming2 provides a varied range of reception services to guests at the hotels of Bahia Principe Hotels & Resorts and those of other hotel chains. It attends to all the destination-related needs of large and small groups, those from the MICE segment, families, etc.; related to their accommodation, transfers, and leisure and sporting activities.

The wide variety of products and services in the destination and the physical presence and extensive knowledge of the countries in which it operates, guarantee excellence in the Coming2 service.



3.2.3 Services

The Services business unit includes another series of destination services under the following brands:



Land transport in the Dominican Republic.



Marketing electric vehicles for tourist transport in resorts or towns and cities.



Carrying out water activities in the hotel settings



Electric vehicle assembly



Sea transport in the Dominican Republic



Professional photography and video services

3.3 Where we are

GRI 102-4

We are a Spanish tourism group with a presence throughout the value chain of the holiday industry, made up of a team of more than 15,000 professionals. Founded in 1977, we are international leaders and manage 9 million tourist stays per year for customers from more than 30 countries.



BAHIA PRINCIPE
HOTELS & RESORTS

Dominican Republic
Jamaica
Mexico
Spain



BAHIA PRINCIPE
RESIDENCES

Dominican Republic
Jamaica
Mexico



BAHIA PRINCIPE
GOLF

Dominican Republic
Jamaica
Mexico



Soltour

Spain



Coming2

Dominican Republic
Jamaica
Mexico
Spain



3.4 Corporate Governance

GRI 102-1, 102-5, 102-18, 102-19, 102-22, 102-24, 102-25, 102-26, 102-27, 102-28

Levantur, S.A. is the parent company of Grupo Piñero. It was constituted on 6 June 1977 for an indefinite period of time. Its registered office is located in Murcia, Santa Catalina, 3. The administrative, operational and commercial services of the Group are distributed among the different centres operating in each country in which it carries out business, with a shared corporate services centre in Plaza del Mediterráneo 5, Palma de Mallorca.

Levantur, S.A. has majority shares in a number of companies. For this reason, in accordance with current regulations, it produces

consolidated annual accounts in order to show the Group's asset and financial situation.

We have developed a corporate governance model in order to ensure efficient direction and management of the Group, taking into account the objectives of our shareholders and all our stakeholders.

Our Governance Model is based on the principles of:

**Transparency,
Ethics
Diligence**

The family dimension of the Group's ownership reinforces the Governance Model and transparency in the Group's management, ensuring its continuity in the long term.

The structure of the Governance Model is as follows:

- **Administrative Body**
- **Service Unit Committee Corporate**
- **Committee of General Managers of the Business Units**

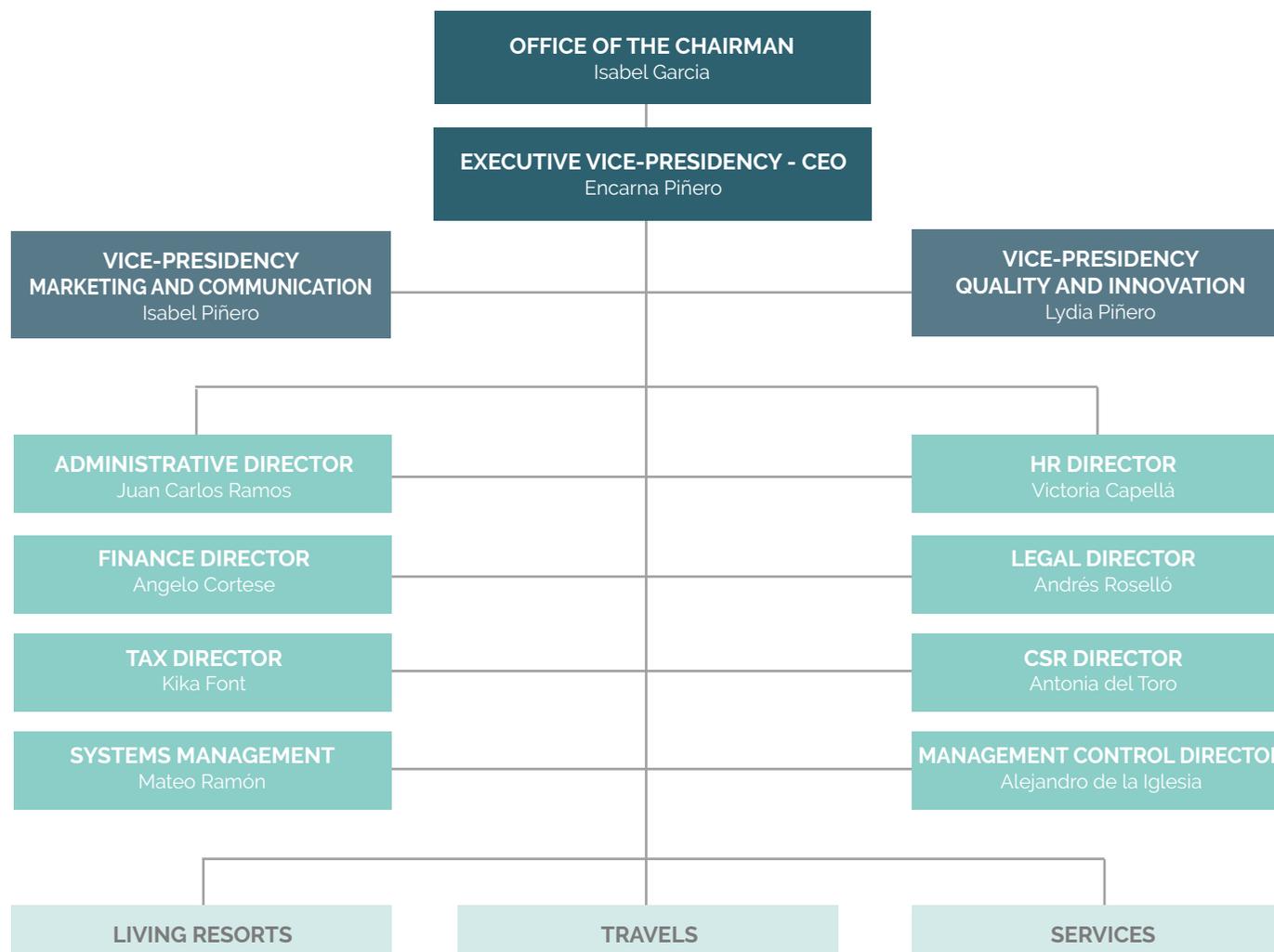
The Administrative Body of Levantur, S.A. is formed of two joint and several administrators, representing the interests of all the shareholders.

The Joint and Several Administrators of Levantur, S.A. are responsible for monitoring the Group's activity.

In view of the family origins of Grupo Piñero, the Administrative Body is responsible for transmitting the vision and family values, present since its inception, to all the stakeholders.



Corporate Organisational Chart



3.5 Business model

GRI 102-11

Grupo Piñero's business model is based on profitability and generating value for all our stakeholders.

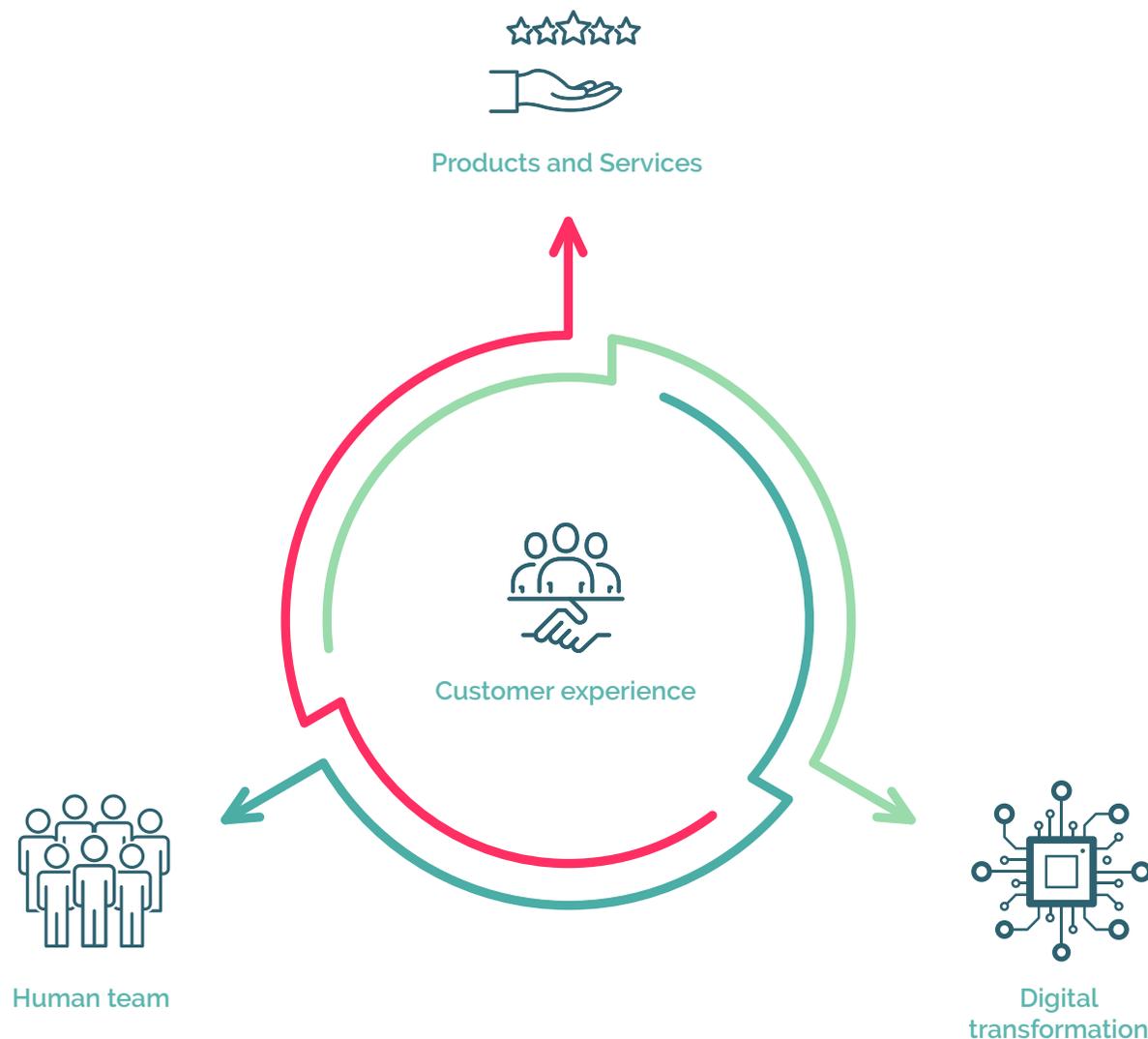
The current business model is the result of the Group's evolution since its inception in the 1970s. In its almost 50 years of experience, the Group has been managed with the deep ethical values of ownership and management, a strategic vision and a commitment to its stakeholders.

Our capacity to create value is determined by our business model, based on the generation of own resources, applying sustainability policies with a level of indebtedness in keeping with our investment and activity levels.

Our business model is focused on ensuring our customers have a satisfactory experience in all our business lines, based on three pillars:

- **High quality products and services**
- **Unique, friendly service**
- **Digital transformation**

In September 2018, our company began carrying out a transformation process motivated by the appointment of Encarna Piñero as CEO.



3.6 Key milestones of 2018

1 ENE

- Awards for Pablo Piñero
- Tourism Personality 2017 from Hosteltur
- Badge of honour from Dominican Republic
- Grupo Piñero Corporate Social Responsibility Award from Onda Cero
- Presentation of the New Brand architecture of Grupo Piñero
- Opening of the Ocean's 4 golf course

FEB 2

- Revalidation of 4 EarthCheck Sustainability Certifications
- World Day for CO2 emissions

MAR 3

- World Water Day
- Earth Hour

- Launch of the "Amaras Samaná" campaign
- Completion of the Terrazas project in Residencial Mexico
- World Health Day

ABR 4

MAY 5

- Holding of the Commercial congresses:
- Soltour
- Bahia Principe Hotels & Resorts
- World Recycling Day

- World Environment Day "Commitment to eliminating single-use plastic"

JUN 6

- Launch of DownTown in Residencial Mexico

JUL 7

AGO 8

- Presentation of the new residential concept in Tulum "Downtown"

- International Clean Beaches Day

SEP 9

OCT 10

- Signing of Agreements with:
- Botanical Garden of Santo Domingo
- Cesbe
- Participation of Encarna Piñero in the Tourism Cluster in Samaná

- Opening of Hotel Fantasia Bahia Principe Tenerife
- Reopening of the Hotel Luxury Bahia Principe Ámbar
- Presentation of Experiences Bahia Principe Hotels & Resorts

NOV 11

- 19 Travelife Sustainability Certifications obtained
- International Human Solidarity Day

DIC 12



Grupo Piñero

4. Main Sustainability Indicators

Main Sustainability Indicators

GRI 102-7, 102-31, 201-1, 302-1, 302-3, 302-5, 303-1, 304-1, 304-2, 304-3, 305-1, 305-4, 305-5, 306-2, 404-1, 403-11,

 Economical		2017	2018	 Suppliers		2017	2018
	Consolidated Ebitd	206M€	168 M€		% Local suppliers	95%	95%
	Consolidated Turnove	844M€	819 M€		Local purchase volume		181.977.000€
 Environmental		2017	2018	 Customers		2017	2018
	Energy ratio	31.27 kWh/stay	30.06 kWh/est		Global Review Index	86.7	90.7
	Total Recyclable Waste recovered	2.262.801 kg	3.616.413 kg		Net Promoter Score Hotels	24	28.3
	Waste recovered	0,26 kWh/stay	0,42 kWh/stay		Net Promoter Score Travels	4.3	6
	Water consumption	1,06 m3/est	1,06 m3/stay		Ratio of complaints at Bahia Principe Hotels & Resorts per no. of customers	0,42%	0,32%
	Sustainable Mobility	247 electric vehicles	461 electric vehicles		Level of Satisfaction Soltour/Coming2	72.7	76.3
	CO2 emissions into the atmosphere	9,02 kWh/stay	8,68 kWh/stay		Ratio of complaints Soltour/Coming2 per no. of bookings	3,85%	3,54%
	Food hygiene audits				Quality audits	4.114	5.141
 Employees		2017	2018	 Recognitions		2017	2018
	No. of employees	14.740	15.054		No. sustainability certifications (Travelife/EarthCheck)	15	27
	Healthy Company Investment	2.297.000€	1.334.000€		Distintivo S sustainability distinction	4	4
	Hours of training	177.045	144.111		Recognitions beaches	7	7
	Women in the Corporate Services Unit committee	54%	54%				
 Local Community		2017	2018				
	Contribution	133.000€	248.000€				



Grupo Piñero

5. Our corporate social responsibility strategy (CSR)

On 20 December 2014, we made a commitment to incorporate sustainability into our business management in order to be a responsible company committed to its employees, the communities in which we operate, our suppliers and to the environment.

Our values

- The human aspect is vital
- United in growth
- Serious in what we do

CSR structure

- CSR Council
 - Head of corporate CSR
 - Head of CSR business units
 - Sustainability committees
- Page 22

Stakeholders

- NGOs and other not-for-profit entities
 - Employees and their families
 - Customers
 - Shareholders
 - Environment
 - Suppliers
 - Business associations
- Pages 25–26



Sustainability Policy

- Corporate Social Responsibility Policy
- Environmental Policy
- Social and Cultural Protection Policy
- Goods and Services Policy
- Health and Safety Policy
- Quality Policy
- Human Rights Policy
- Policy to combat infant maltreatment

Recognitions

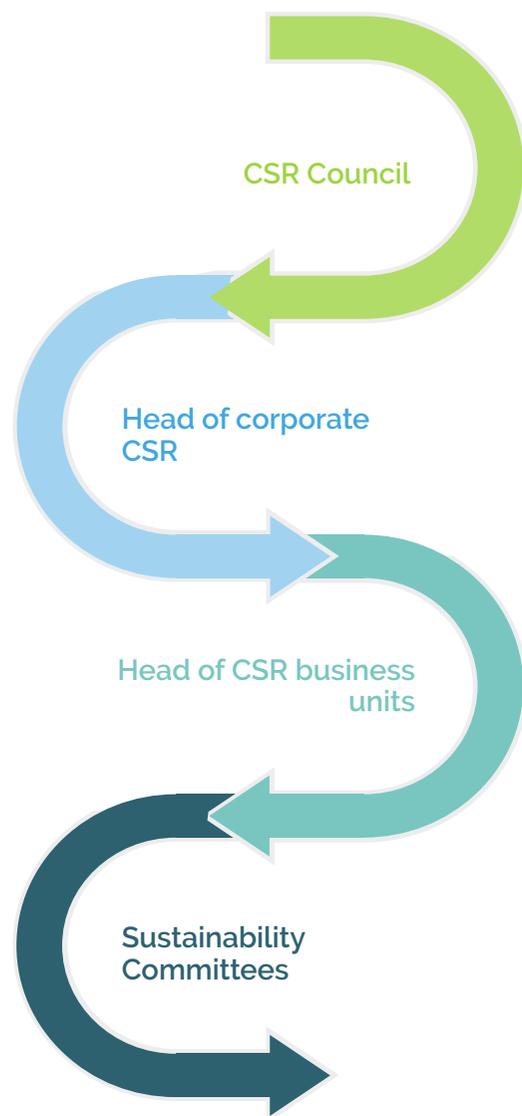
- Sustainability Certifications
 - Awards
- Pages 24, 67–68

Our commitments

- Ethics, transparency and good governance
 - Our employees
 - Our customers
 - Our products and services
 - Our suppliers
 - Collaborating with local communities
 - Caring for and preserving the environment
- Pages 31–32, 35–64

5.1 CSR Structure

GRI 102-20, 102-26, 102-32, 103-2



CSR Council

- Identify and guide the group's sustainability and corporate social responsibility policies, objectives, best practices, programmes and/or projects.
- Assess, monitor and review action plans based on the commitments and sustainability policies created by the group's executives.
- Periodically review internal control and management systems and the degree of fulfilment of objectives and implementation of sustainability policies
- Approve the Sustainability Report drafted on CSR issues.
- Communicate sustainability and social responsibility commitments, policies, objectives and projects to the Group's Corporate Services Unit (CSU)
- Assess and approve the budget for the execution and implementation of actions, programmes and/or projects.

Head of corporate CSR

- Propose CSR-related policies, procedures and projects to the CSR Council.
- Coordinate analysis of risks and opportunities.
- Establish the roadmap and propose actions to be undertaken to the Council.
- Coordinate the CSR-related master plans, evaluate the execution of programmes and actions.
- Advise the company on matters related to this area.
- Design and undertake programmes and actions approved by the CSR Council in all company divisions.

Head of CSR business units

- Coordinate and implement the programmes approved by the CSR Council.
- Follow-up and control of the action plans.
- Coordination with the Head of Corporate CSR.

Sustainability Committees

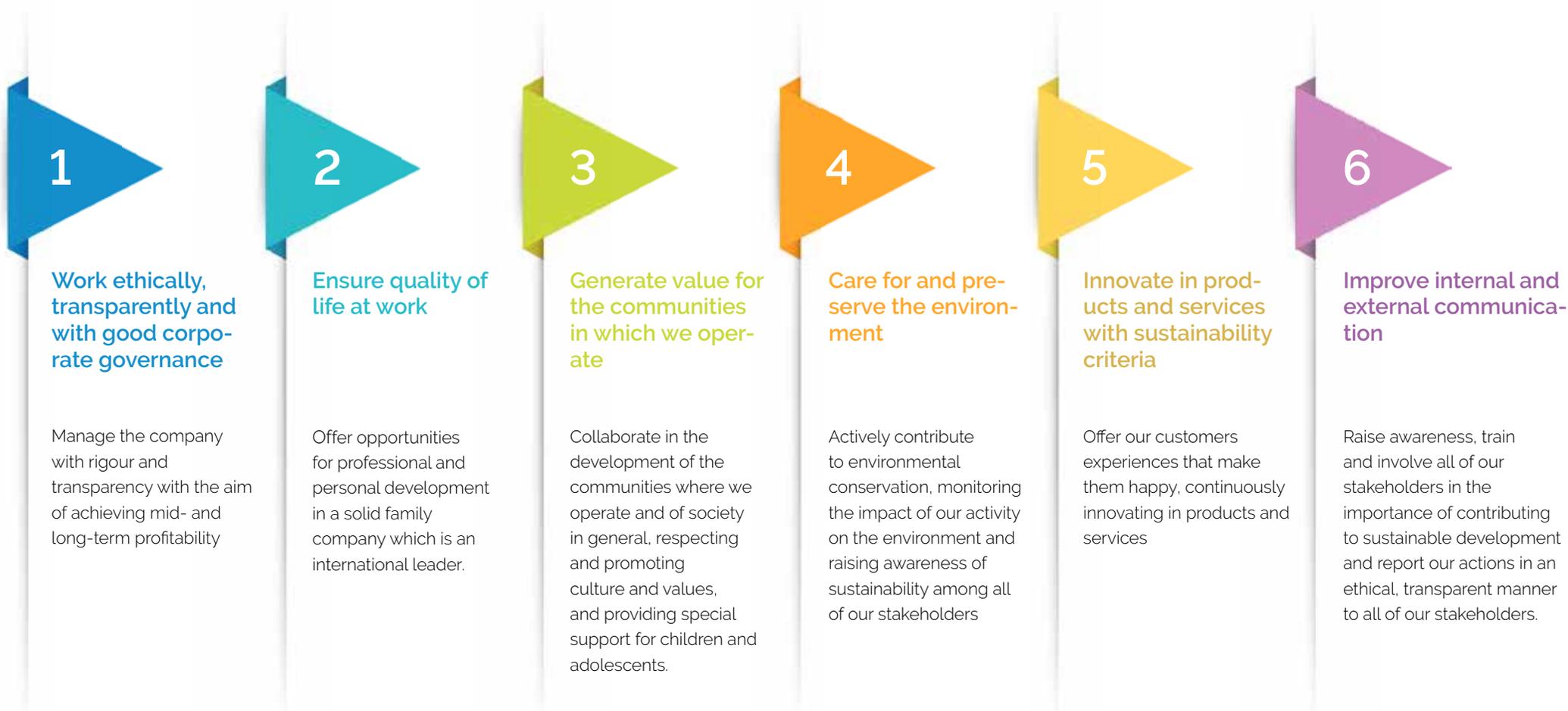
- Execute the action plans devised by the Corporate Social Responsibility department.
- Design and/or propose actions or projects to Grupo Piñero's CSR Council.

5.2 Internal commitments

GRI 102-16, 102-29, 102-43, 413-1

We defined a Strategic Plan up to 2018, which we called internal commitments. During recent years we have been carrying out actions based on our internal sustainability commitments in order to meet the objectives defined for each of these commitments.

Over the years we have been evolving and we now believe that our commitment to sustainability is strategic, cross-cutting and long term, and we have incorporated the Sustainable Development Goals and the protection of Human Rights into our Business Strategy and Corporate Governance system.



5.3 Sustainability Certifications

GRI 102-16

Our business model is based on ensuring the company's economic viability and on continuously advancing in integrating environmental and social criteria into our business. Our objective is to work on integrating sustainable criteria, but we also want our manner of operating to be certified by external entities that are experts in the tourism sector.

We work with international certification entities backed by the Global Sustainable Tourism Council such as EarthCheck and Travelife. We have a total of 27 Sustainability Certifications in Bahia Principe Hotels&Resorts, with the company's 27 hotels.

- Travelife Gold certification: 20 hotels in the Caribbean and 3 in the Canary Islands
- EarthCheck certification: the 4 hotels of the Mexico Complex

We are currently in the process of implementing the sustainability criteria that apply to the GEO certification at the Riviera Maya and La Romana golf courses.



23

CERTIFICATIONS
in BAHIA PRINCIPE
Hotels & Resorts



4

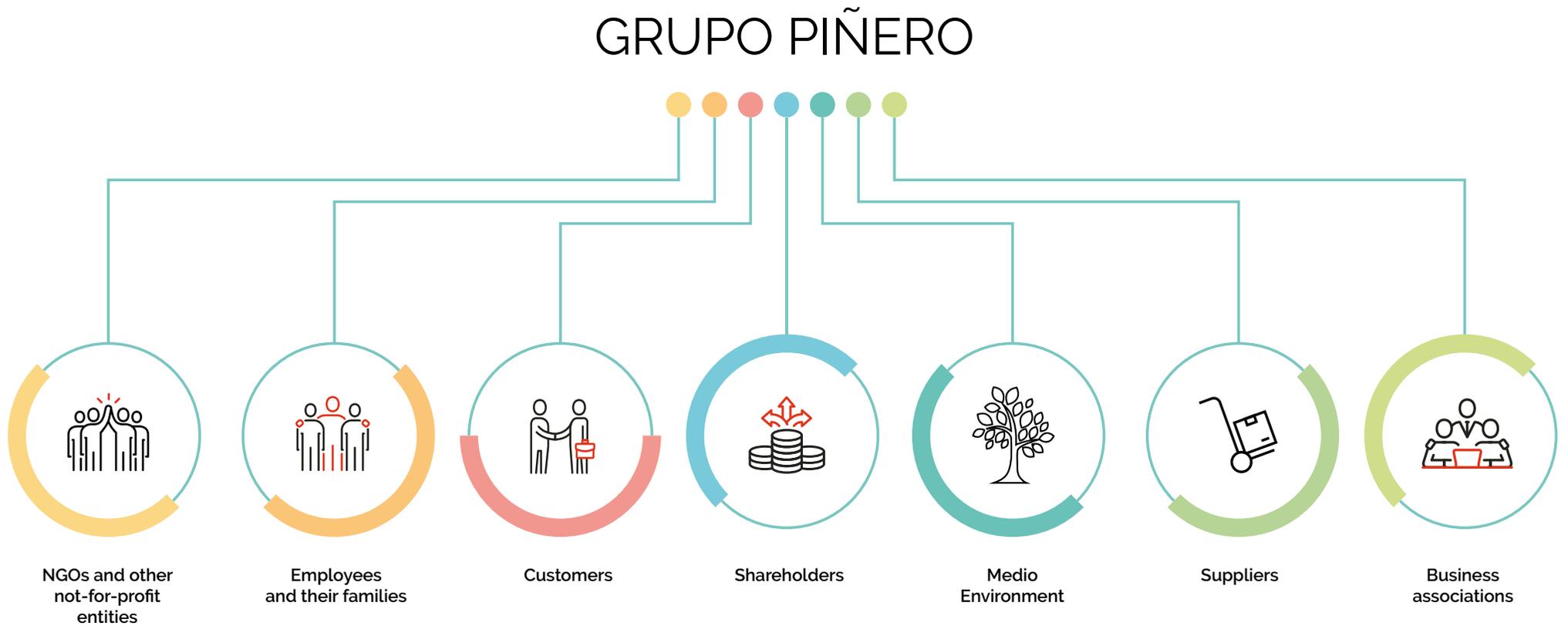
CERTIFICATIONS
in BAHIA PRINCIPE
Hotels & Resorts



5.4 Stakeholder Relations

GRI 102-21, 102-40, 102-42, 102-43, 102-44, 102-44,

Knowing and collaborating with our stakeholders, understanding their needs and expectations in order to meet them and ensure their satisfaction and a sense of belonging, are key elements in our organisation's strategy. Dialogue and transparency enable us to meet the objective of creating value in a sustainable way for the company and society as a whole. This also enables us to move forward with the promotion of Human Rights and in achieving the Sustainable Development Goals (SDG).



Communication and relations with stakeholders

Our main channels for communication and dialogue with stakeholders are the following:

Stakeholders	Media
 Shareholders	<ul style="list-style-type: none"> • Board of Directors' meetings, meetings with the departments, periodic publication of corporate information
 Employees	<ul style="list-style-type: none"> • Employee portal • Internal magazines • Work climate survey • Communications
 Customers Travel agencies/tour operators	<ul style="list-style-type: none"> • Personalised visits to travel agencies. • Specialised websites for travel agencies • Call Centre to provide service to travel agencies • Specific meetings with travel agencies and tour operators • Attendance at specialised trade shows • Publications and communications
 End customers	<ul style="list-style-type: none"> • Satisfaction surveys • Customer Services • Property owner service • Communication via social networks. • Publications and communications in different media outlets • Loyalty programme
 Suppliers	<ul style="list-style-type: none"> • Communications • Meetings
 Local Community	<ul style="list-style-type: none"> • Social Activities • Media • Social Networks
 Business associations	<ul style="list-style-type: none"> • Participation in forums and meetings

5.5 Materiality analysis

GRI 102-21, 102-42, 102-43, 102-44, 102-46, 102-47, 103-1

Identifying the most important issues for our stakeholders is fundamental to our Corporate Social Responsibility strategy. One of the most important tools that enables us to find out what issues most concern or interest our stakeholders, and which are also relevant for us, is materiality analysis. This analysis enables us to set

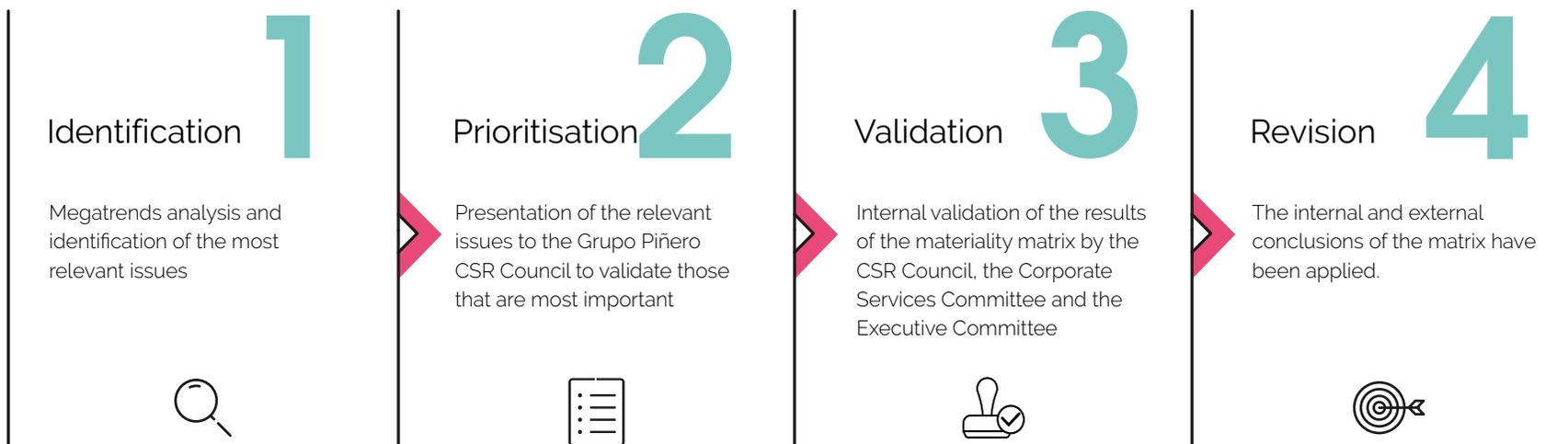
the priorities on which to take action and ensures that these are aligned with our stakeholders' expectations.

2018 was the first time we conducted this process, with the participation of stakeholder representatives who identified and assessed the relevance of various matters. The CSR Council actively participated in this process,

the result of which is a materiality matrix featuring 20 different subject areas. In turn, these subject areas are grouped into seven main areas, which we call our priority commitments; that is, the major issues on which our sustainable strategy is based and which enable us to move forward in creating economic, social and environmental value

and ensuring that the current and future needs of our stakeholders are met.

Process for producing the materiality matrix.



Our main channels for communication and dialogue with stakeholders are the following:

- *The criteria required to obtain Travelife and EarthCheck Sustainability Certification*
- *Contribution to the 17 SDGs of the United Nations Global Compact*
- *Our customers' satisfaction is "our raison d'etre"*

Our priorities

Ethics, Transparency and Good Governance

- 5 Ethics in business management
- 6 Corruption and bribery
- 20 Financial position

Our employees

- 4 Healthy company
- 7 Training and development
- 9 Talent management
- 8 Inclusion and diversity
- 17 Social dialogue
- 13 Human rights

Our customers

- 1 Quality, health and safety services
- 2 Personalised attention and services

Our products and services

- 3 Sustainable products and services

Our suppliers

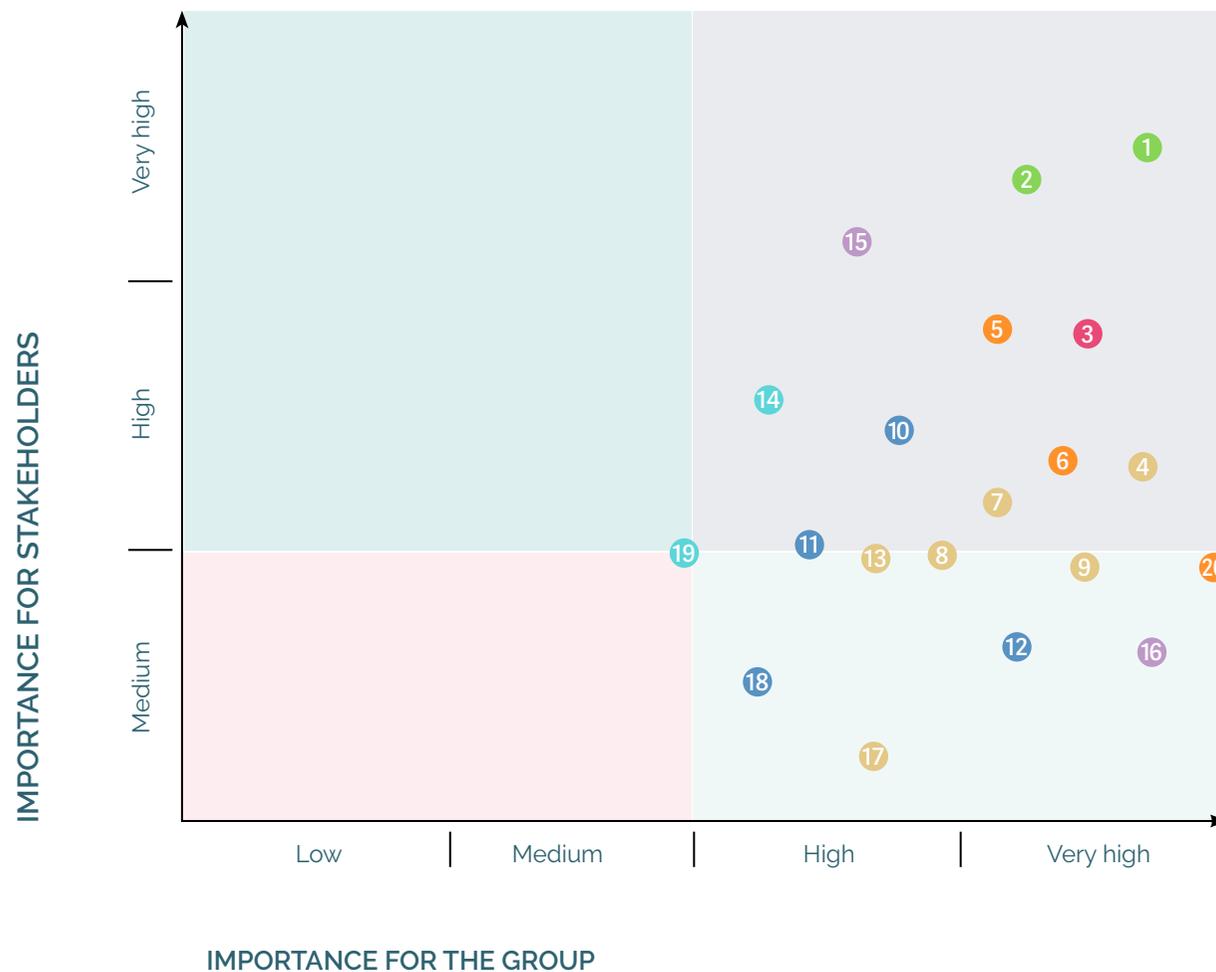
- 14 Responsible procurement
- 19 Health and safety of suppliers

Collaboration with Local Communities

- 15 Contribution to society
- 16 Dialogue with stakeholders

Caring for and preserving the environment

- 11 Energy and climate change
- 12 Water management
- 10 Circular economy (waste management)
- 18 Protecting Biodiversity



Each one of the 7 priority areas are addressed in a specific chapter in the Report, where we provide details of the Group's strategy and performance. To carry out the process of identifying the priority issues and their scope, the recommendations laid out in the Global Reporting Initiative (GRI) Standards have been followed.

5.6 Contribution to Sustainable Development

GRI 102-12, 102-13

In 2017, with the signing of the United Nations Global Compact, we aligned our strategy with the United Nations 2030 Agenda for Sustainable Development, adopting the commitment to actively contribute to the Sustainable Development Goals and respect Human Rights. We absolutely believe that the SDGs should form the roadmap for all those involved in Sustainable Development, companies, governments, citizens, etc. We are aware that we must all contribute to Sustainable Development, and particularly the tourist industry. At Grupo Piñero, we believe that Responsible and Sustainable Tourism should be a global commitment.

Our strategy incorporates the 17 SDGs in the 2030 Agenda because we believe in achieving all of these goals, bringing an end to poverty, reducing inequality and fighting against climate change. These 17 SDGs are interlinked to address the three dimensions of Sustainable Development: economic growth, social inclusion and protection of the environment.

We have defined 8 of the 17 sustainable development goals as key goals based on our commitments and our prioritised action plan. However, although an action may be linked to one particular SDG, it may also contribute indirectly or additionally to another of the SDGs.

In the section, analysis of 2018 performance, we establish the main milestones reached in 2018 and our contribution to the SDGs, and these are explained in more detail in the section Our Priority Commitments.



5.7 Protecting Human Rights

Within our organisation, the defence and protection of human rights is a priority. As a company that carries out its activity in the Caribbean, we are committed to ensuring compliance with local, national and international legislation, protecting the community from any type of abuse or harassment and guaranteeing human rights are respected. This commitment is reflected in our Human Rights policy, approved in 2017.



5.8 Compliance model

GRI 102-15, 102-16, 102-17, 103-3, 205-1, 205-2, 406-1

At the end of 2018, work began on a compliance model for Grupo Piñero, based on:

1 - Objectives and scope

- **Objectives:** to prevent, detect and take disciplinary action against any conduct which violates the legal obligations applicable to the Group or any internal obligations established in Grupo Piñero's policies.
- **Scope:** all the companies that form part of the Group and all their employees and executives.

2 - Structure and organisation

- Corporate Compliance Body attached to the Joint and Several Administrators.

3 - Dependence, relations and communication

- Annual control plan for the Model.
- Monitoring its efficacy
- Report from the Compliance Body to the Administrators.

4 - Processes and tools

Compliance policies, procedures and tools:

- Compliance Policy
- Compliance Body Statute
- Control plan for the Model
- Disciplinary System
- Complaints Channel Regulation
- Zero Tolerance



Compliance Policy

The principles that must guide the Group's actions in terms of regulatory compliance are as follows:

- ✓ Act at all times in accordance with applicable legislation and the commitments assumed under the framework established by the Code of Ethics and Conduct and corporate values of Grupo Piñero.
- ✓ Promote a preventive culture in regulatory compliance based on the principle of zero tolerance towards illegal actions according to the corporate values included

in the Code of Ethics and Conduct of Grupo Piñero.

- ✓ Promote self-control processes in the actions and decisions taken by Entity employees, in such a way that any action by a Grupo Piñero professional is based on four basic premises:

- (i) that the action is in accordance with the Code of Ethics and Conduct,
- (ii) that it is legally valid,
- (iii) that it is in keeping with the strategic objectives of the Entity,

(iv) that it falls within the scope of its competencies and that the Group therefore assumes responsibility for it.

- ✓ Ensure adequate knowledge and management of key risks under the Regulatory Compliance Map.
- ✓ Ensure that the Entity's relationships with its Stakeholders are governed by the principles of integrity, responsibility and transparency, and provide the necessary cooperation required by legal and administrative bodies, or any national or international control body, to audit or verify compliance with the legal obligations of

Grupo Piñero.

- ✓ Promote the implementation, application and supervision of the control mechanisms defined in the Regulatory Compliance Model.
- ✓ Ensure the regular revision and assessment of the Entity's regulatory compliance system.



5.9 2018 Performance Analysis and contribution to the SDGs

GRI 102-16, 102-17, 102-29, 102-31, 102-43, 103-3, 205-1, 301-2, 301-3, 302-1, 302-3, 302-5, 303-1, 304-1, 304-2, 304-3, 305-1, 305-4, 305-5, 306-2, 404-1, 405-1, 413-1

SDG	GP OBJECTIVE	ACTIONS	COMPLIANCE
Ethics, Transparency and Good Governance			
	Disseminate the SDGs to employees Integrate sustainability criteria	<ul style="list-style-type: none"> Carry out awareness raising sessions and disseminate the SDG to management teams 	<ul style="list-style-type: none"> Done
	Publish the progress report on the 10 principles of the Global Compact	<ul style="list-style-type: none"> Produce the progress report 	<ul style="list-style-type: none"> Sustainability Report
	Disseminate the SDGs to stakeholders	<ul style="list-style-type: none"> Write sustainability articles on our contribution to the SDGs Lead 1 SDG at the Global Compact's Tourism Committee Train employees 	<ul style="list-style-type: none"> Ok 2018 Results (articles, videos) Ok participation
	Implement ethical principles	<ul style="list-style-type: none"> Approve the code of ethics 	<ul style="list-style-type: none"> Draft Code of Ethics
 	Obtain 18 Sustainability Certifications	<ul style="list-style-type: none"> Implement the required sustainability criteria 	<ul style="list-style-type: none"> 23 Travelife Sustainability Certifications and 4 from EarthCheck
	Comply with applicable regulations	<ul style="list-style-type: none"> Develop a compliance model 	<ul style="list-style-type: none"> Design the Compliance Model
Improve Quality of Life at Work			
	Improve employment stability and quality of employment	<ul style="list-style-type: none"> Design and implement a training plan 	<ul style="list-style-type: none"> 144,111 hours of training, of which 64,793 hours covered Sustainability
	Implement diversity and inclusion principles, incorporating people with disabilities	<ul style="list-style-type: none"> Incorporate people with disabilities, women and young people at risk of exclusion 	<ul style="list-style-type: none"> In process. Not fulfilled in 2018. Objective defined for 2019
	Consolidate the Healthy Company Programme	<ul style="list-style-type: none"> Improvement plan in corporate offices and destination employee areas 	<ul style="list-style-type: none"> Investment of €1,300,000 made
	Talent Management	<ul style="list-style-type: none"> Make progress in the executive development programme at BP hotels 	

SDG	GP OBJECTIVE	ACTIONS	COMPLIANCE
Collaboration with Local Communities			
	Reinforce social contribution through alliances with public and private entities	<ul style="list-style-type: none"> • Begin one social development project in Samaná in collaboration with the Tourism Cluster and public authorities • Continue with the 5th generation of the Chance Project in Verón with other hotel chains (Dominican Republic). • Carry out social actions in collaboration with the El Soco Community in La Romana (Dominican Republic) 	<ul style="list-style-type: none"> ➤ Contribution to the local community of €247,998. Collaboration agreements signed with CESBE National Botanical Garden of Santo Domingo
Care for the Environment			
 	Reduce the rate of energy consumption by 4% in the hotel division.	<ul style="list-style-type: none"> • Implement good environmental practices • Training sessions on energy topics • Continue the gradual migration to LED technology 	<ul style="list-style-type: none"> ➤ 4% reduction in energy consumption in the hotel division
 	Reduce water consumption by 5% in the hotel division	<ul style="list-style-type: none"> • Implement good environmental practices in all departments • Training sessions on water topics 	<ul style="list-style-type: none"> ➤ The reduction target set has not been met.
	Improve the recovery of recyclable waste in hotels by 20%	<ul style="list-style-type: none"> • Create collection centres • Provide training on waste management to all areas • Separation and accounting of waste 	<ul style="list-style-type: none"> ➤ Recovery of 3,600 t of recyclable waste, 60% more than in 2017
 	Decrease single-use plastics by 12%	<ul style="list-style-type: none"> • Commitment to eliminate single-use plastics by 2020 #Mejorsinplasticos • Eliminate plastic straws and disposable cups at all hotels 	<ul style="list-style-type: none"> ➤ Elimination of plastic straws and disposable cups in all hotels
	Improve biodiversity management at Bahia Principe Hotels and Residential&Golf	<ul style="list-style-type: none"> • Promote native species • Improve information on and awareness of biodiversity 	<ul style="list-style-type: none"> ➤ Incorporation of native species in the garden of Ambar and La Romana Golf Courses
	Decrease carbon footprint by 2%	<ul style="list-style-type: none"> • Monitoring and analysis of energy and water consumption and emissions 	<ul style="list-style-type: none"> ➤ 4% reduction
Innovate in Products and Services			
  	Incorporate environmental, social and health criteria into products and services in the hotel and residential divisions	<ul style="list-style-type: none"> • Celebration of 14 world environmental and social days • Create a healthy food corner at DR hotels • Analyse the integration of renewable energy 	<ul style="list-style-type: none"> ➤ Incorporation of Geothermal energy in Hotel Fantasia Tenerife and salt water chlorination pool ➤ Healthy food corner created
	Generate trust among customers on CSR matters	<ul style="list-style-type: none"> • Actions to raise awareness 	<ul style="list-style-type: none"> ➤ Celebration of 14 Environmental and Social days for customers

At Grupo Piñero we believe that Responsible and Sustainable Tourism should be **a global commitment**



Grupo Piñero

6. Our Priority Commitments

6.1 People



United by a common objective: to be and make people happy.

6.1.1 Our customers

GRI 102-44, 103-2, 416-1, 416-2

RELATED SUSTAINABLE DEVELOPMENT GOALS

GRUPO PIÑERO'S CONTRIBUTION

<p>3 SALUD Y BIENESTAR</p> 	<p>Goal 3: Ensure healthy lives and promote well-being for all at all ages</p>	<p>We have made a commitment to the health, safety and well-being of all our stakeholders. We have included a healthy food corner in our buffet and we have refurbished and improved our gym, as well as offering sports activities and beauty treatments. We apply practices in our hotels to guarantee cover of all kinds of risks during their stay.</p>
<p>12 PRODUCCIÓN Y CONSUMO RESPONSABLE</p> 	<p>Goal 12: Ensure sustainable consumption and production patterns.</p>	<p>We promote responsible consumption of resources among our customers in our hotels. We raise customer awareness by celebrating International Environmental and Social Days.</p>

From the start we have been known for our clear customer orientation. We work with an internal service quality management model in order to generate added value and satisfy our customers and create loyalty.

Our company has different kinds of clients and customers, according to the different divisions that comprise the company: travel agencies, tour operators, end customers, property owners in the Residential Division.

Innovate to improve experience

The more than 15,000 employees that make up Grupo Piñero work not only to know and understand the demands and needs of our customers, but also to attend to them. For this reason, having analysed the complaints, needs and suggestions of our customers, in the 2018 financial year we have:

- Designed and created the hotel Bahia Principe Fantasia Tenerife
- Refurbished the Hotel Luxury Bahia Principe Ámbar
- Devised the concept for the hotel Grand Bahia Principe Aquamarine
- Launched an Experiences programme in Bahia Principe Hotels & Resorts

Digitisation

We are working to offer our customers technological solutions that make every stage of their trip easier and quicker to manage.

In 2018, we launched the following projects:

- Digital check-in
- Bots to attend to guests

- Dynamic marketing in hotels
- 360 Customer Records
- NFC bracelets
- Digitisation of our Coming2 guide services

Customer service quality

Our company's Quality and Innovation Department works to maintain service quality, in order to achieve full customer satisfaction. The Corporate Quality Policy sets forth our principles and commitments in this area. Said commitments are further detailed in the Group's sustainability strategies, which establish continuous improvement objectives.

Tools for measuring service

At Grupo Piñero, we have the following tools for measuring service:

- Survey system
- Loyalty programme (Bahia Principe Hotels & Resorts)
- Suggestions, complaints and claims system for all Business Units
- Other internal management instruments (control audits)

Hotels & Resorts survey system

We have implemented a survey system to study our customers' degree of satisfaction.

The 2018 results were:

- Internal surveys: 191,962
- Net Promoter Score: 28,3

Online Reputation

Our online reputation positioning index gives



us **90.7% in the GRI (Global Review Index).**

In January 2018, an in-house customer satisfaction survey project was launched aiming to find out the

Through the WebApp, a page is activated on the guest's own device where they can evaluate their experience, and if necessary, report any problems so that these can be resolved by us as soon as possible.

Travels Soltour

In our Travels business unit, we have begun a project that will provide a daily analysis of the post-stay satisfaction survey in order to contact customers who reported issues. The objective is not only to learn their degree of satisfaction, but to also detect critical points, analyse problems and introduce continuous improvement as a differential feature of our company.



Complaints and claims system

At Grupo Piñero, we act with due diligence in all our business units when customer complaints and claims are received. We have a complaints and claims department that covers all the company's business units through procedures approved at corporate level. To that end, different channels have been provided that:

- Record and measure the number of suggestions, complaints and claims we receive
- Assign a person responsible for resolving and responding to all suggestions, complaints and claims. These people vary based on the different businesses that comprise the company
- Evaluate the causes and obtain a resolution to claims
- Provide feedback to the customers with regard to the solution and treatment given the type of claim
- Analyse results and propose plans for improvement

Other internal management instruments

We perform internal audits of our facilities and services, and we analyse complaints and suggestions from all customers in order to detect critical aspects and design action plans that enable us to advance in the provision of our services.

► Audits in Bahia Principe Hotels & Resorts

Ongoing audits are carried out through the

Quality Department in all hotels which cover aspects of all services.

The average grade obtained this year was an 81.75, which represents an increase of 1.83% compared to last year.

Country	2016	2017	2018
Mexico	540	1,654	1721
Dominican Republic	776	1,727	2892
Jamaica	228	195	334
Spain	512	538	194
Total	2,056	4,114	5,141

► Audits in the Travel Division and Other Businesses

In addition to conducting quality audits on an annual basis in all business units, this year all customer service procedures were reviewed.

One notable achievement in the Quality and Innovation area is that in the Travel Division (outbound and inbound), Soltour and Coming2 have begun to work together in order to design more efficient and effective action plans based on the results obtained in the customer service department.

Customer safety

► Safety and Hygiene in Bahia Principe Hotels & Resorts

In the Hotel Division, we apply the necessary techniques to control and eliminate factors that pose a risk to the health of our customers and employees.

Hygiene and analyses are critical in pools, the water and ice consumed by our customers and well and reservoir controls, applying corrective and/or preventative measures to any critical points detected.

► Hazard Analysis and Critical Control Points

We perform an exhaustive control over the entire food chain to offer the best product. We have an extensive system of analyses and critical points that have been implemented at the hotels, which allows us to guarantee to our customers that our food service is safe and of the highest quality.

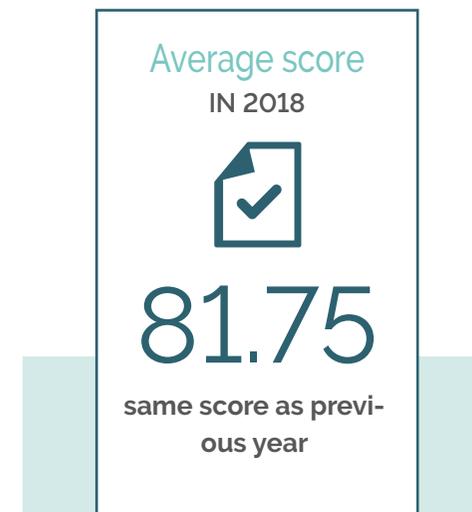
Raising awareness of Sustainability

As a tourism company, we have the opportunity to raise the awareness of thousands of tourists about environmental practices and responsibility and those that have a social impact, and we invite them to help us achieve the Sustainable Development Goals. Over the course of 2018 we have:

- Celebrated 14 world environmental and social days
- Invited our customers to separate their waste using the recycling bins located in the

communal areas.

- Put environmental messages on televisions in guest rooms and lobbies
- Disseminated our results and contribution to the SDGs in 2017 through televisions



6.1.2 Our employees

GRI 102-8, 102-44, 203-2, 404-1, 404-2, 404-3, 405-1

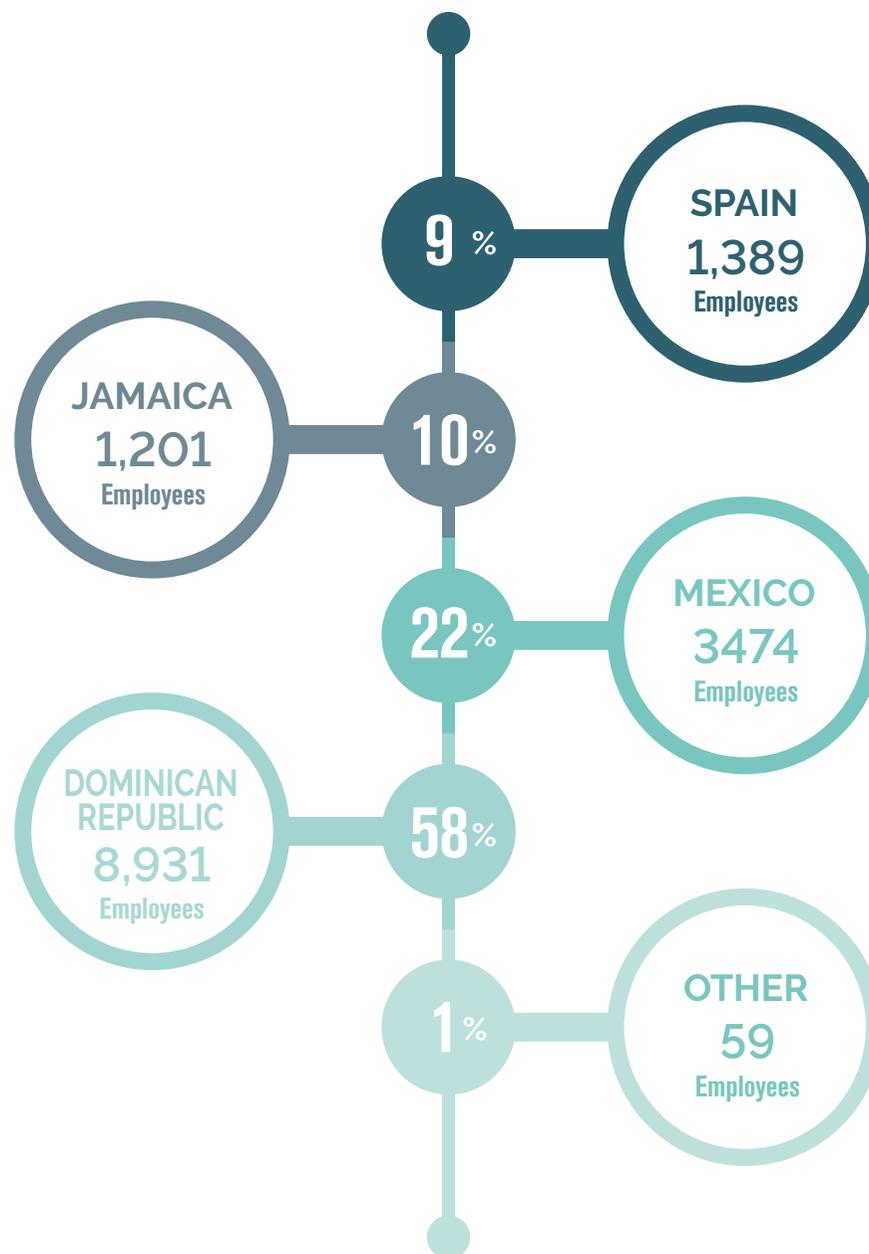
RELATED SUSTAINABLE DEVELOPMENT GOALS

GRUPO PIÑERO'S CONTRIBUTION

<p>3 SALUD Y BIENESTAR</p> 	<p>Goal 3: Ensure healthy lives and promote well-being for all at all ages</p>	<p>We are committed to the health, safety and well-being of all our employees through the "Healthy Company" Programme. Investment in 2018 of €1.3 million</p>
<p>4 EDUCACIÓN DE CALIDAD</p> 	<p>Goal 4: Ensure inclusive, equitable and quality education</p>	<p>Training our employees is key to their professional and personal development and to the development of our business. In 2018, a total of 87,173 participants benefited from this training, of whom 44% were women.</p>
<p>5 IGUALDAD DE GÉNERO</p> 	<p>Goal 5: Achieve gender equality and empower all women and girls</p>	<p>At Grupo Piñero we develop measures that foster gender equality. We do not tolerate discrimination of any kind. 54% of the members of the Corporate Services Board are women.</p>
<p>8 TRABAJO DECENTE Y CRECIMIENTO ECONOMICO</p> 	<p>Goal 8: Promote sustained, inclusive and sustainable economic growth, full and productive employment and decent work for all.</p>	<p>We are working to implement policies that guarantee personal and professional growth for our more than 15,000 employees, and we are continually improving employment quality.</p>

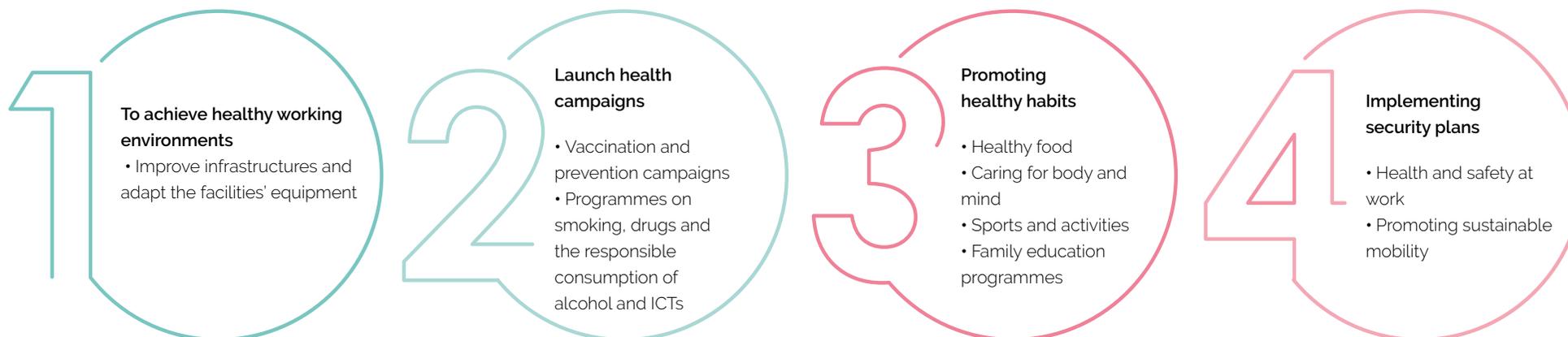
We are aware that our solid, sustainable growth is based on the more than 15,000 people who work at the company. Therefore, we are firmly committed to managing people in a socially responsible manner, applying policies that guarantee professional and personal growth, safe and healthy workplaces, fair and equitable treatment and that promote integration into the business project.

	Number of people	Percentage composition
Men	9,972	66.24%
Women	5,082	33.76%
Total	15,054	100.00%



“Healthy Company” Programme

As part of our commitment to improving the health and safety of our employees, we have been working on a “Healthy Company” programme, which began in 2016. The aim of this programme is to improve the physical, mental and social well-being of our employees and their families. **Our lines of work:**



This year, we have continued working on:

- The adaptation of safe and healthy workplaces, for which we have invested over **€1,200,000** in the Caribbean and central offices
- Nutrition training at our Mexico hotels, over 100 attendees
- Designing healthier menus for our employees at our hotels in Mexico.
- Holding football championships at our Mexico and Bávaro resorts.
- Carrying out yoga workshops at our central offices and at the Mexico resort

- Tray of fruit each day in offices in the Dominican Republic
- Bringing 100% organic fruit and vegetables to our workplaces, KM0 at the corporate offices through the Yocomoeco programme, which launched in 2016 in the corporate offices.
- Workshops to support parents. Five workshops were held in corporate offices with 10 hours participation in conferences in this area

In 2018, investment in this programme stood at €1,334,000, dedicating more than 1,100 hours to actions and activities which were attended by more than 17,000 people.



Investment

OVER 1,100 HOURS OF ACTIONS AND ACTIVITIES

MORE THAN 17,000 PARTICIPANTS



1,334,000
€

Training

Development opportunities for our employees are aligned with our growth as a company.

We offer our employees training plans so that they can actively participate to drive their qualification and internal mobility.

In 2018, we have worked on:

- **Meetings to raise awareness of sustainability.** As a way of raising awareness, we have invested 64,792 hours in training in the area, up 22% compared to the previous year.
- Environmental and social awareness activities aimed at all of our employees, such as Water Day, Children's Day, Day of Happiness, etc.



Training in health, safety and sustainability



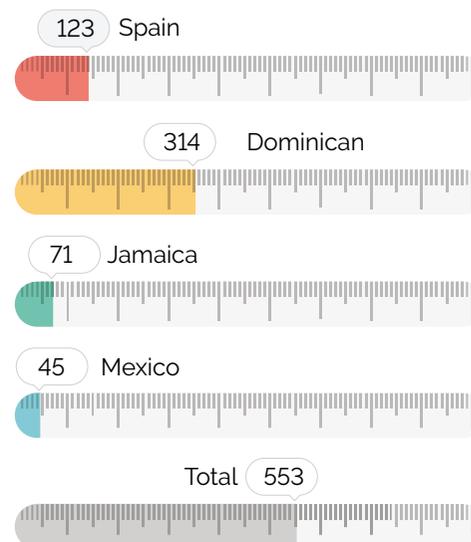
64,792
HOURS

22%
more than 2017

- **Hours of specific training, + 144,000 hours of training**
- Raising awareness among thousands of employees by celebrating six international environmental days and seven international social days, both in hotels and head offices.
- Providing our employees with training in respect of the rights and freedoms of our customers. We have a "Zero Tolerance" company policy, with regard to harassment in all its forms and guises.



Hours of training by country:



Conferences

The conferences held in 2018 were as follows:

- Soltour: a commercial congress was held in May in which a total of 80 employees participated for a total of 20 hours.
- Bahia Principe Hotels & Resorts also held a commercial congress in May attended by 70 employees for a total of 24 hours.
- Coming2 held a conference in September attended by 45 participants over a total of 32 hours

Talent Management

In 2018, there were **857 internal promotions**, which means that 5.4% of our employees have grown professionally within our company. In this case, only 30% of the promotions were for women.

Attracting Talent

Qualifying and developing our teams is just as important as giving opportunities to young people who wish to join a company that is constantly growing and has a global reach.

We have an Executive Development Programme designed for young people who want to start to work and grow in the hospitality industry, and in 2018, 19 people took part in the programme.

Another way of offering opportunities to

young university students is our internship programme and agreements with different universities and secondary schools around the world, in order to facilitate their employment in the tourism sector.

Integration and diversity

We see ourselves as a multicultural company; we're an international company, and therefore have employees from different countries, cultures, religions, age groups and genders. We believe that cultural diversity offers a great opportunity for the success of our company because when used correctly, it strengthens the business culture. It allows us to understand other points of view, other approaches, other cultures, with all of the advantages that come with that.

- **Approximately 90% of our employees are locals** (Dominican

Republic, Mexico, Jamaica and Spain)

- **In Spain, the number of women in the workforce is the same as the number of men.**
- **Women make up 54% of the Corporate Services Management Committee (CSU).**

Social-labour integration

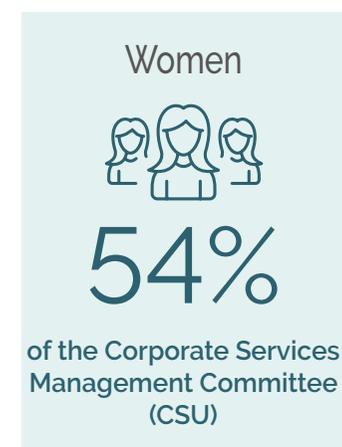
Once again this year, we have worked with the ADECCO Foundation to implement the Family Plan, where four employees' families benefit from this initiative. Family members with disabilities receive professional support from a young age to promote their social and work integration.

Additionally, we work with other foundations like Sifu and Coordinadora to contribute to the development and labour integration of people with different abilities.

We are also committed to supporting the training and incorporation of young people in the world of work and we aim to attract young talent for internships in the various departments of our company before incorporating them into the workforce. For this reason we signed an agreement with the alliance for dual training and we joined the state network of businesses, education centres and institutions.

Moreover, we are attentive to work opportunities for groups at risk of exclusion. Since 2015, through the Chance project, in partnership with other hospitality companies, we have worked to activate a project focused on promoting the employability and social-labour integration of young people

at risk of exclusion by improving their skills and abilities beyond theoretical/practical training. A total of 22 people have joined the workforce since the start of this project. In 2018, three people were hired.



6.1.3 Our suppliers

GRI 102-9, 102-44, 204-1, 308-1, 308-2, 414-1, 414-2

RELATED SUSTAINABLE DEVELOPMENT GOALS

GRUPO PIÑERO'S CONTRIBUTION

 <p>3 SALUD Y BIENESTAR</p>	<p>Goal 3: Ensure healthy lives and promote well-being for all at all ages</p>	<p>We are committed to the health, safety and well-being of all our stakeholders. For this reason, we have collaborated with suppliers to carry out the Soap for Hope project and to build a sports court at the El Soco primary school in the Dominican Republic.</p>
 <p>12 PRODUCCIÓN Y CONSUMO RESPONSABLE</p>	<p>Goal 12: Ensure sustainable consumption and production patterns.</p>	<p>We promote doing things better with fewer resources. This year, we have eliminated plastic straws in Bahia Principe Hotels & Resorts, we buy packaging in bulk and we have continued to purchase energy saving devices, biodegradable products, high-energy-efficiency equipment, etc.</p>
 <p>8 TRABAJO DECENTE Y CRECIMIENTO ECONOMICO</p>	<p>Goal 8: Promote inclusive and sustainable economic growth, employment and decent work for all</p>	<p>Supporting local suppliers ensures economic development within the destinations. 95% of suppliers are based in the destinations in which we operate.</p>

One of our objectives is to create long-term relationships with our suppliers. In recent years, we have maintained relationships of trust, affection and respect with them, where all parties benefit; relationships based on ethics, respect and joint growth.

Bahia Principe Hotels & Resorts

Responsible procurement criteria

In 2016, we approved our Goods and Services Procurement Policy, which has helped us incorporate responsible, sustainable criteria into the procurement process. This has encouraged the selection of suppliers with sustainability, quality and environmental certifications and the procurement of services and materials that are as environmentally friendly as possible, and that are manufactured under fair conditions.



In 2018, we have continued with the following:

- Purchase of high energy-efficiency appliances such as televisions, mini bars, air conditioners, lights, etc.
- Choose bulk products
- 95% of products purchased in Jamaica are fair trade and new fair trade products have been added in Mexico
- Prohibit the purchase of species in closed season
- Purchase biodegradable products (cutlery, plastic straws, bags, etc.) at our Mexico resort
- Progressively replace lights with LEDs in our hotels and offices
- Purchase from suppliers based in the destinations in which we operate and that have environmental quality certifications, or that are committed to Corporate Social Responsibility.

95% of suppliers are based in the destinations in which we operate.

Our purchasing volume from local suppliers was €181,977,000.

Raising awareness among suppliers

Including sustainable criteria in our operations leads us to convey and share with our suppliers our commitments in terms of sustainability, especially our commitment to the environment, our concern for the development of local communities and our

commitment to defending human rights.

Sustainability Policies communicated to 95% of our suppliers

Decreased waste

In 2017, we started a process of dialogue with suppliers in order to meet our objectives in terms of future waste reduction and of eliminating single-used plastics progressively by 2020.

Milestones reached:

- Plastic straws eliminated from our hotels
- Disposable cups replaced with reusable cups in all our hotels
- Purchase of products in bulk
- We are working on eliminating lightweight containers (plastic bottles and cans) and replacing them with larger containers

Dialogue with suppliers with a social impact

Together with our suppliers, we are promoting social action in our Caribbean destinations. Soap for Hope is a project promoted by Diversey which we have launched in our Mexico resort to reuse the solid soap waste from bars of soap, so it can be used by Mayan communities. The programme has three objectives:

- To save lives by boosting hygiene levels and providing soap to communities that do not have access to soap

Communicated SUT- STAINABILITY POLICIES



95%
of our
Suppliers

- To provide opportunities and a living to the local community by recycling and reprocessing waste soap.
- To help reduce waste

With the participation of Terrestra, which has been one of our suppliers for many years, we have helped to construct a sports court at the El Soco primary school in the Dominican Republic, which benefits more than 200 children from the bately.

6.1.4 Our local community

GRI 102-44, 203-2, 413-1

RELATED SUSTAINABLE DEVELOPMENT GOALS

GRUPO PIÑERO'S CONTRIBUTION

 <p>1 FIN DE LA POBREZA</p>	<p>Goal 1: End poverty in all its forms everywhere</p>	<p>We contribute to social actions whose main aim is directly related to the goal of ending poverty. Contribution of €247,978</p>
 <p>2 HAMBRE ZERO</p>	<p>Goal 2: End hunger, achieve food security and improved nutrition and promote sustainable agriculture</p>	<p>We collaborate in actions that contribute to the goal of zero hunger as part of our strategy to contribute to community well-being. In our hotels and resorts in the Caribbean, we make daily food donations to different organisations such as old people's homes, Marina, Cestur, etc.</p>
 <p>8 TRABAJO DECENTE Y CRECIMIENTO ECONOMICO</p>	<p>Goal 8: Promote sustained, inclusive and sustainable economic growth, full and productive employment and decent work for all.</p>	<p>Sustainable development in the local communities in which we operate includes getting people into work in the communities where the companies are located. We are committed to generating local employment. 90% of our employees are locals.</p>
 <p>3 SALUD Y BIENESTAR</p>	<p>Goal 3: Ensure healthy lives and promote well-being for all at all ages</p>	<p>In our endeavour to improve emotional health, we have invested in sports courts and improvements to school facilities.</p>

One of the objectives of our Corporate Social Responsibility strategy is to maintain active relationships with the communities in which we operate and to contribute to the local development of said communities. Through responsible partnerships with foundations, associations, NGOs and the collaboration of employee volunteers, the company is working to maximise its positive impact and generate shared value with initiatives that meet our commitments set out in our Social and Cultural Policy, which was approved in 2016.

Human and Children's Rights

Within the framework of our commitment to ensure compliance with legislation at local, national and international level, protecting the community from any type of abuse or harassment and guaranteeing human rights are respected. We are continuing to work on implementing our Human Rights Policy.

At Bahia Principe hotels, we have developed mechanisms to **detect and report child**

commercial sexual exploitation. In 2013 we signed on to the ECPAT Code, which is a Code of Conduct to protect children within the tourism and travel industry.

This year, we have continued raising awareness and carrying out communication activities, which began in 2016, aimed at:

- Training thousands of Bahia Principe Hotels employees at all levels, both managerial and operational.
- Disseminating our commitment to thousands of guests through our sustainability letter, which is on display at the reception desks at all hotels.

Local staff

As a way of directly contributing to the development of the local community, we are committed to prioritising the hiring of local staff

Our workforce is made up of 90% local employees

Dialogue and contribution

We are aware that we must be an active actor, positively contributing to **the development of the local communities** where we operate, carrying out social actions to improve quality of life, clearly respecting the local culture, and providing direct incentives for communities, all by maintaining continuous dialogue with them. All the actions carried out are a result of dialogue with the local communities to find out the real needs of each of the destinations in which we operate.

Health and Sport

Collaboration to create sports courts in schools in the Dominican Republic, in the El Soco primary school and the Luisa Trinidad de los Cacaos primary school.

Corporate Volunteering

- ▶ Bridge cleaning in Samana carried out by the Bahia Principe Hotels & Resorts sales team

- ▶ Participation of a group of employees from the corporate offices in the following Charity Fun Runs:

- 30 April: Última Hora to raise funds for Abaimar and Sonrisa Médica
 - 25 September: fun run in support of the ASPACE foundation
 - 29 October: AECC fun run against cancer
- ▶ Participation in food delivery campaigns at Christmas time, through different organisations in Spain, Mexico, Dominican Republic and Jamaica.

In addition to our contribution through donations, we have collaborated in the economic development of the local community through:



Some of the most relevant projects in 2018:

Dominican Republic

► Chance Project

In partnership with Barceló Hotels & Resorts, Majestic Resorts, Iberostar Hotels & Resorts and RIU Hotels & Resorts, in 2018 the fifth round of the Project took place. This project offers a training programme for young people at risk of exclusion from the communities of Verón and Bávaro.

► El Soco Community

Collaboration with the El Soco Batey, close to our La Romana resort. The actions carried out include:

- Providing lighting at the access to the batey
- Cleaning up the waste dump and helping to collect waste
- Creating a sports court at the primary school in collaboration with Terrestra

- Delivery of unused materials to the old people's home and daily food deliveries.

► Samana

• Celebrating International Environment Day by collecting plastic in the town of Samana, with the participation of our employees, local schools and Cluster Turístico de Samana. One tonne of plastic was collected by Resicla, the authorised manager of recyclable waste.

► Punta Cana

- Celebrating Three Kings Day by delivering gifts to children in the Centro Educativo Nazareth and Escuela Monte Verde de Higüey schools, in collaboration with the Mi Milagro Foundation.
- Celebrating World Water Day in the Mundo Infantil pre-school.

Mexico

► Mi último deseo

For the third year, in a partnership between all of the Grupo Piñero companies and the NGO "Mi último deseo", the children spent a few days as guests at our hotel; they were received by our executives and clowns. During their stay, they carried out a series of activities coordinated with the EcoBahía Foundation. –

► Fundación Eco Bahía

In collaboration with the EcoBahía Foundation, we have continued to carry out environmental activities in the local communities, schools and with customers, commemorating international days, cleaning up beaches, reforestation activities, cleaning up parks in Chemuyil and ecological tours.

Jamaica

► Spain-Jamaica Foundation

As members of the Spain-Jamaica Foundation, Grupo Piñero-Bahía Principe hotels again participated in the projects the Foundation carried out this year

► St. Ann's Bay Hospital

Managers and staff at Bahía Principe Jamaica have continued to volunteer at the hospital's Paediatrics unit in 2018. Their volunteering work began in 2011.



Volunteering



International Environment Day Samaná



Mi último deseo - Mexico



Jamaica

Spain

► Sonrisa Médica

For the sixth year running, Grupo Piñero signed a collaboration agreement with Sonrisa Médica. This organisation's objective is to transform the healthcare environment through humour.

► Collaboration with Mallorca Sense Fam

For the seventh year running, Grupo Piñero continued its collaboration with Mallorca Sense Fam. This association attends to the needs of families by collecting, distributing and delivering food.

► Collaboration with the Mula Town Council

For the seventh year running, Grupo Piñero

has made a financial contribution aimed at people in situations of social emergency in the town of Mula.

► Collaboration for the second year running with Poción de Héroes in the Hospital de la Arrixaca in Murcia

Collaboration with Fundación ADECCO on Women's Day

Donations

- Stays at our hotels for charity associations
- Unused materials from our hotels donated to different associations, NGOs and foundations, such as the Escuela de los Cacaos, Cestur, Medio Ambiente
- Daily food deliveries and special events for associations, NGOs and organisations

Other partnerships for cultural promotion

- Supporting the Tamborada de Mula for the Drum Exaltation
- Collaboration with Nuestro Padre Jesús (Easter week procession in Murcia)
- Collaboration with the Palma 365 Foundation to promote Majorca

Other actions with an impact on the local community

At Grupo Piñero, we continue to collaborate with organisations and business associations. Highlights from 2018 include:

- Collaboration with the Association for Management Progress (APD) on International Environment Day, under the slogan #sincon-

taminacionporplasticos, and sponsorship of the 6th Afterwork Mallorca 1jun18 Son Termes

- Participation of Encarna Piñero, CEO Grupo Piñero in:

2nd Tourism Cluster meeting in Samana



Sonrisa Médica



Donations

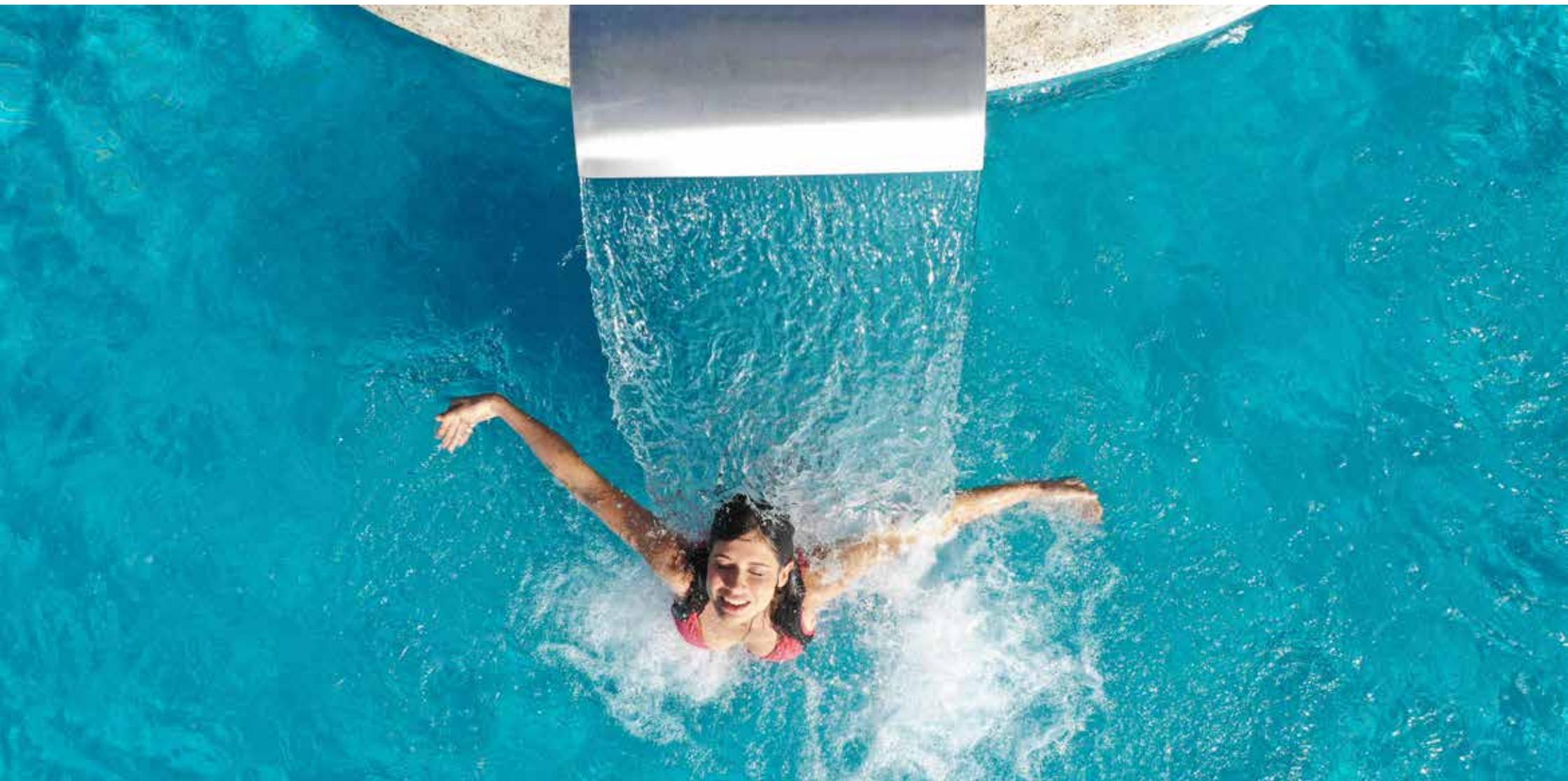


Drum Exaltation - Mula



Charity Fun Run

6.2 Our products and services



6.2 Our products and services

GRI 102-10, 203-2

RELATED SUSTAINABLE DEVELOPMENT GOALS

GRUPO PIÑERO'S CONTRIBUTION



Goal 9: Industry, innovation and infrastructure

We constantly undertake actions to innovate in products and services

As a tool to obtain competitive advantages, we integrate innovation into all of the business units, focusing on introducing sustainability criteria as a way of creating added value for our products and services.

2018 Milestones reached

• Experiences programme

In 2018, we designed an experiences programme because our passion is to bring about these moments, which clearly will be different for each individual, depending on their lifestyle, their companions, their expectations and what they like. To ensure that each person chooses the hotel that is right for them, we have classified them by type of experience. A series of sports activities, entertainment, and a culinary range, which can be enjoyed with all the senses and which make the holiday a real luxury. Because true luxury is feeling happy.

The types of experience are:



Treasure Experience.

If you're looking for treasure, look around you.



Escape Experience

Because we adults also know how to have fun.



Family and Friends Experience

The greatest happiness is to share.



- Complete refurbishment of Luxury Bahia Principe Ambar

A new design so you can enjoy the best holiday right by the beach.

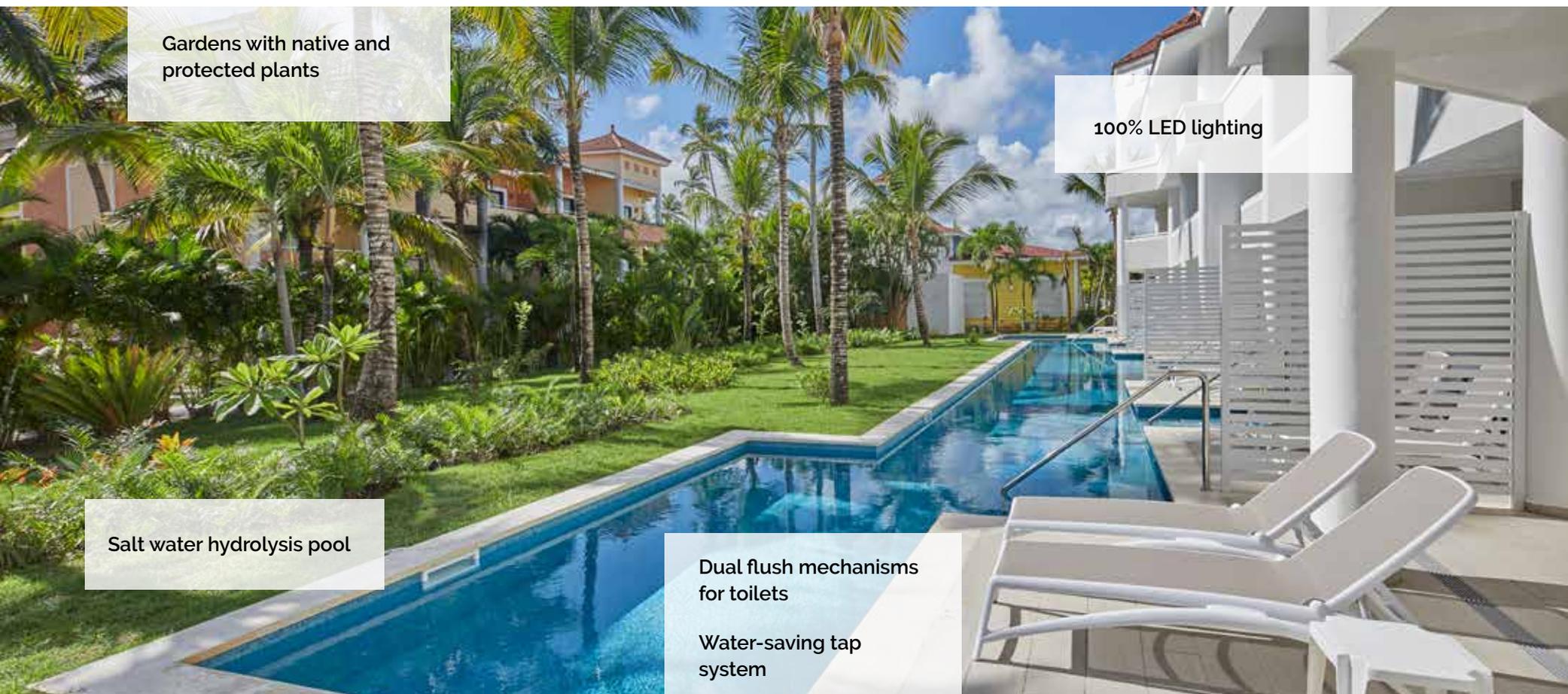
A place where relaxation and fun go hand in hand

Our new restaurants, sports bar, coffee shop, spacious and modern guest rooms and luxurious swim ups are some of the new features we have prepared so you can relax to the max. Come and discover our escape experience, designed for adults only, and be amazed by our gastronomy, our mixology and our super modern cocktails, as well as our entertainment and totally new, bespoke sports offer

Luxury Bahia Principe *****

Ambar

Bávaro · Dominican Republic



Gardens with native and protected plants

100% LED lighting

Salt water hydrolysis pool

Dual flush mechanisms for toilets

Water-saving tap system

- Opening of Fantasia Bahia Principe Tenerife

Our themed hotel, a new family holiday concept in Spain.

A hotel full of magic on the island of eternal spring.

We have introduced a new holiday concept to Spain, designed especially for families, where you will discover the history of "Papimber and the Garden of the Hesperides" through a variety of daytime activities for all ages, unique facilities and first-class evening shows.

Fantasia Bahia Principe *****
Tenerife
Golf del Sur · Tenerife



Renewable geothermal and
aerothermal energy sources

100% LED lighting

Salt water hydrolysis pool

Dual flush mechanisms
for toilets

Water-saving tap
system

6.3 The Environment



Our home, our surroundings, what we need to take care of

6.3 The Environment

GRI 201-2, 203-2, 301-1, 301-2, 301-3, 302-1, 302-3, 302-5, 303-1, 304-1, 304-2, 304-3, 305-1, 305-4, 305-5, 306-2

RELATED SUSTAINABLE DEVELOPMENT GOALS

GRUPO PIÑERO'S CONTRIBUTION

<p>6 AGUA LIMPIA Y SANEAMIENTO</p> 	<p>Goal 6: Ensure availability and sustainable management of water and sanitation for all</p>	<p>We understand that a scarcity of water, together with water quality and the effective treatment of waste water are important aspects that need to be taken into account when managing the water resources we use. In 2018, we devised a water-saving plan for 2018–2022, and although we have not achieved the goal of reducing consumption in 2018, we are continuing to work on and make significant progress in raising awareness among our employees, managing and implementing measures that make us more efficient in our use of water.</p>
<p>12 PRODUCCIÓN Y CONSUMO RESPONSABLE</p> 	<p>Goal 12: Ensure sustainable consumption and production patterns.</p>	<p>We are participating in a public-private partnership that is working to ensure more sustainable management in the tourism sector in the Dominican Republic. The project is called "Transforming the value chain" and is backed by the UN and the Dominican Ministry of the Environment. Furthermore, we have taken a number of measures in our hotels such as eliminating single-use cups and straws, promoting bulk purchasing and more efficient equipment and energy-saving devices, improving our system for communicating slow movement in storerooms. We have implemented a waste management system that promotes recycling, as a result of which we have recovered 3,600 tonnes of recyclable waste, 60% more than in 2017.</p>
<p>13 ACCIÓN POR EL CLIMA</p> 	<p>Goal 13: Take urgent measures to combat climate change and its impacts.</p>	<p>The main aim of our strategic plan for Energy Efficiency 2018–2022 is to reduce greenhouse gas emissions. Over the course of 2018 we made some improvements to the facilities at our hotels to reduce consumption and, consequently, emissions. This year, we reduced our CO2 emissions by 4% compared to the previous year. We are also committed to sustainable mobility, which is already a reality on all our golf courses, where we use 100% electric golf buggies and almost 90% of the hotel transport vehicles are also electric.</p>
<p>14 VIDA SUBMARINA</p> 	<p>Goal 14: Conserve and sustainably use the oceans, seas and marine resources for sustainable development</p>	<p>Our Bahia Principe ecological foundation works each day to conserve marine resources, including the protection of sea turtles. We are also working with the Centre for the Conservation and Ecodevelopment of Samaná Bay (CEBSE) in order to promote knowledge of the humpbacked whale.</p>
<p>15 VIDA DE ECOSISTEMAS TERRESTRES</p> 	<p>Goal 15: Sustainably manage forests, combat desertification, and halt and reverse land degradation and halt biodiversity loss.</p>	<p>Through our ecological foundation we undertake a number of forest conservation projects and awareness campaigns for our customers, employees and the local population.</p>

Our commitment to the environment and the responsible use of resources: since our Corporate Social Responsibility programme was launched in 2015, we have viewed the environment as a fundamental element of our corporate strategy. We are aware of the importance of lessening the impact of our activity on the environment, constantly pursuing responsible and sustainable resource use. We have been working on improving our energy consumption and reducing greenhouse gas emissions through our investment in renewable energy, responsible water management, implementation of our waste management plan and valuing biodiversity. Since 2016, we have been carrying out a plan to monitor water, energy and waste consumption, enabling us to see the progress we are making in this area.



Waste management

2018 has been a period of consolidating our selective waste management system. The results were very satisfactory as there was a notable increase in the amount of waste recovered. At the start of the year, we set a target of a 20% improvement compared to the previous year. And we can now say that we recovered 60% more than in 2017, a total of 3,600 tonnes of recyclable waste.

In June, the Group committed to eliminating single-use plastic by 2020. In the second half of 2018, we started with the elimination of plastic straws and disposable cups in all the company's hotels, except in Piñero Hotels.

We also wanted to involve and raise the awareness of the thousands of customers that visit our hotels by placing recycling bins in communal areas.

The kilograms of waste recovered in Bahia Principe Hotels&Resorts are as follows:

	2018	2017
Kg of waste	3,616,413	2,262,801
Kg of waste per stay	0.42	0.26

60% +
compared to 2017
**RECOVERED
WASTE**

3,600
Tonnes for
**RECYCLABLE
WASTE**



Water

Adequate management of water is extremely important to the development of the tourism industry and is one of the company's strategic resources. In this period, we have promoted measures to save water and improve the treatment of post-consumption water. The actions are summarised as follows:

- Optimisation of the operation of all wastewater plants at Bahia Principe Hotels&Resorts
- Installation of equipment to save water
- Implementation of best practices in water usage
- Constant monitoring of consumption

The information on water consumption per hotel stay in Bahia Principe Hotels&Resorts in 2018 and 2017 is as follows:

	2018	2017
Water consumption m3	9,237,702	9,209,752
Water consumption m3 per stay	1.06	1.06



Biodiversity

Our strategic lines include working respectfully with species and their environments, promoting actions to conserve and improve habitats.

In 2018, we focused on:

- Collaboration agreement with the Santo Domingo Botanical garden to undertake a number of projects
- Collaboration agreement with the centre for the conservation and ecodevelopment of Samaná Bay (CEBSE) to improve the Whale Museum
- Use of native and protected plants in the garden of the Hotel Luxury Bahia Principe Ambar
- Actions to improve biodiversity in Residencial & Golf Playa Nueva Romana
- Ecotourism itinerary project in the Hotel Luxury Bahia Principe Cayo Levantado
- Participation in the Biodiversity project and businesses of the German cooperation agency GIZ
- Programme to sterilise and improve the sanitary condition of domestic cats in Bahia Principe Bávaro Resort

Raising Awareness

The basis of our corporate social responsibility strategy is improved internal and external communication of our commitments, as well as increasing awareness of the main environmental problems in the sector and the influence of each individual on those impacts, proposing best practices in an individual manner so as to reduce said impacts and promote the sustainable management of resources.

This year, we have worked on:

- ▶ Training thousands of employees in all Divisions of the Group, mainly at Bahia Principe

Hotels & Resorts, in implementing good environmental practices through specific training, operational practices and activities aimed at celebrating the international environmental days established by the company:

- World Day for CO2 emissions
- Water Day
- Earth Hour
- International Coastal Clean-up Day
- International Environment Day
- International Recycling Day



► Collaboration with the Dominican Republic Ministry of the Environment in the project **“Transforming the value chain”**

► Communicating to millions of customers that Bahia Principe Hotels & Resorts uses sustainability as a tool for change at its destinations and that they are a part of it. In this respect, we:

- Celebrated seven world environmental days
- Installed ecological messages on televisions in guest rooms and reception screens

The environmental audits that are carried out periodically in the Group's hotel resorts enable us to systematically and objectively evaluate the efficiency of the organisation and the effectiveness of the environmental protection management system.

In 2018, environmental investments in Bahia Principe Hotels & Resorts, mainly in the hotels Fantasia Bahia Principe Tenerife and Hotel Luxury Bahia Principe Ambar, related to energy, water and improving biodiversity, stood at €7,054,720. The breakdown of investment by geographical region is as follows:

Environmental investment	Euros
Caribbean region	4,917,756
Spain	2,136,964
Total	7,054,720

Fundación EcoBahia

Grupo Piñero is supported by the Fundación Ecológica Eco Bahia, which was founded to address the Bahia Principe Riviera Maya resort's responsibility, awareness and concern with protecting and conserving the ecosystems that surround it, including lowland forest, mangroves and dunes, as well as maintaining the well-being of nearby towns and villages like Tulum, Chemuyil and Akumal.

The programmes undertaken by the Fundación Ecológica Eco Bahia are as follows:

- Sea turtle protection programme.
- Coral reef protection programme.
- Mayan forest protection programme
- Support for the local community
- Programme to provide training in solid waste separation techniques
- Environmental education programme aimed at schools

The achievements of the Fundación EcoBahia in 2018 were as follows:

Sea turtle protection

- 849 nests of loggerhead turtles and Central American river turtles
- 57,614 hatchlings released
- 91 females marked

Our Riviera Maya beach is recognised nationally as the most important place for Loggerhead Turtles

Coral Reef Conservation

- Reduction in swimming in the reef area
- Monitoring in collaboration with the CICY
- Reduction in fishing in the areas

Mayan forest protection

- Continuing to maintain the parent plant
- 27,122 native plants produced

Conservation of 57 hectares of forest and species where the Nature Interpretation Centre has been established with more than 3,000 visits.

Environmental Education

- With the participation of almost 4,000 people
 - More than 1,500 employees have benefited
- More than 800 students
 - Ecological Walk - 1,578 national and overseas visitors
 - Bike Ride - 1,392 national and overseas visitors
 - Bird Spotting - 244 national and overseas visitors
 - Walking through the forest - 805 national and overseas visitors





Grupo Piñero
7. Recognitions

1. Posthumous Recognitions for **Pablo Piñero**

- *Tribute to Pablo Piñero for his professional career and personal life, in Fitur by the Dominican Republic*
- *Tourism Personality 2017 awarded by Hosteltur.*
- *2018 Tourism Award, awarded by Onda Cero.*



2. Grupo Piñero

2018 Award for Corporate Social Responsibility, awarded by Onda Cero.



3. Bahia Principe Hotels & Resorts

Sustainability Certifications

As a pioneering group, we continue to maintain the most prestigious international quality and sustainability recognitions given in the tourism sector. In 2018, we incorporated the following hotels:



Travelife Gold

Luxury Bahia Principe Sian Ka'an
 Luxury Bahia Principe Akumal
 Grand Bahia Principe Coba
 Grand Bahia Principe Tulum
 Luxury Bahia Principe Runaway Bay
 Grand Bahia Principe Jamaica
 Luxury Bahia Principe Cayo Levantado
 Luxury Bahia Principe Samaná
 Grand Bahia Principe Cayacoa
 Grand Bahia Principe EL Portillo
 Grand Bahia Principe San Juan
 Luxury Bahia Principe Bouganville

Grand Bahia Principe La Romana
 Fantasia Bahia Principe Punta Cana
 Luxury Bahia Principe Ambar
 Grand Bahia Principe Aquamarine
 Luxury Bahia Principe Esmeralda
 Grand Bahia Principe Bávaro
 Grand Bahia Principe Punta Cana
 Grand Bahia Principe Turquesa
 Sunlight Bahia Principe Costa Adeje
 Sunlight Bahia Principe Tenerife
 Sunlight Bahia Principe San Felipe



Earth Check

Luxury Bahia Principe Sian Ka'an
 Luxury Bahia Principe Akumal
 Grand Bahia Principe Coba
 Grand Bahia Principe Tulum



"S" distinction

Luxury Bahia Principe Sian Ka'an
 Luxury Bahia Principe Akumal
 Grand Bahia Principe Coba
 Grand Bahia Principe Tulum

Beach certifications



Blue Flag

The beaches at the Bahia Principe Hotels & Resorts in the Dominican Republic have once again been awarded the Blue Flag, specifically, the beaches at hotel Luxury Bahia Principe Cayo Levantado, Grand Bahia Principe El Portillo, Grand Bahia Principe San Juan, Grand Bahia Principe La Romana and our Bahia Principe Bávaro resort.



Clean Beaches

For the tenth year in a row, the beach at the Grand Bahia Principe Tulum hotel obtained the Certified Beach accreditation awarded by the Mexican Standardisation and Certification Institute.

Awards



Travelers Choice

For the following hotels:

In the all-inclusive category in Spain:

Sunlight Bahia Principe Costa Adeje (no. 8).

In the international all-inclusive category:

- **Luxury Bahia Principe Cayo Levantado (17)**
- **Luxury Bahia Principe Samaná (18)**

In the all-inclusive category in the Caribbean:

- **Luxury Bahia Principe Cayo Levantado (no. 2)**
- **Luxury Bahia Principe Samaná (no. 3)**
- **Luxury Bahia Principe Esmeralda (no. 21)**
- **Grand Bahia Principe El Portillo (no. 22)**



Top Quality Awards

Awarded by the German tour operator TUI, to our hotels:

- **Grand Bahia Principe El Portillo**
- **Luxury Bahia Principe Cayo Levantado**



Apple

Awarded by Apple Vacations, one of the leading American tour operators and clients of Bahia Principe in the United States, considered to be a guarantee of quality and service.

We received seven Golden Apple awards for the following hotels:

- **Luxury Bahia Principe Akumal**
- **Luxury Bahia Principe Sian Ka'an**
- **Grand Bahia Principe Coba**
- **Grand Bahia Principe Tulum**
- **Luxury Bahia Principe Esmeralda**
- **Luxury Bahia Principe Ambar**
- **Luxury Bahia Principe Cayo Levantado**



8.1 HR Tables

Workforce data

The total average Grupo Piñero workforce in 2018 was as follows:

	Number of people	Percentage composition
Men	9,972	66.24%
Women	5,082	33.76%
Total	15,054	100.00%

The composition of the average workforce by gender and professional classification:

	Men	Women	Total
Management	110	57	167
Middle management	985	347	1,332
Basic staff	8,877	4,678	13,555
Total	9,972	5,082	15,054

The percentage of men and women and distribution by professional classification of the average workforce:

	Men	Women	Total
Management	66.22%	34.38%	100.00%
Middle management	73.89%	26.03%	100.00%
Basic staff	65.49%	34.51%	100.00%
Total	66.24%	33.76%	100.00%

Composition of the average workforce in 2018 by gender and age is as follows:

	2018 - Workforce			2018 - Percentage		
	Men	Women	Total	Men	Women	Total
18 to 25 years old	2,580	1,114	3,694	69.84%	30.16%	100.00%
26 to 35 years old	3,835	1,943	5,778	66.37%	33.63%	100.00%
36 to 50 years old	2,947	1,785	4,732	62.28%	37.72%	100.00%
50+	610	240	850	71.76%	28.24%	100.00%
Total average workforce	9,972	5,082	15,054	66.24%	33.76%	100.00%

The average workforce by gender, age, professional classification in 2018 is as follows:

	Men					Women				
	16-25	26-35	36-50	50+	Total	16-25	26-35	36-50	50+	Total
Management	-	40	62	8	110	-	18	34	5	57
Middle management	144	359	389	93	985	57	145	123	22	347
Basic staff	2,436	3,436	2,496	509	8,877	1,057	1,780	1,628	213	4,678
Total average workforce	2,580	3,835	2,947	610	9,972	1,114	1,943	1,785	240	5,082

The composition of the average workforce by country and professional classification is as follows:

	2018 - Workforce		
	Men	Women	Total
Management	29	17	46
Middle management	136	59	195
Basic staff	529	619	1,148
Total Spain	694	695	1,389
Management	37	29	66
Middle management	456	97	553
Basic staff	5,664	2,648	8,312
Total Dominican Republic	6,157	2,774	8,931
Management	26	7	33
Middle management	345	152	497
Basic staff	2,055	889	2,944
Total Riviera Maya, Mexico	2,426	1,048	3,474
Management	15	3	18
Middle management	44	37	81
Basic staff	614	488	1,102
Total Jamaica	673	528	1,201
Management	3	1	4
Middle management	4	2	6
Basic staff	15	34	49
Total other countries	22	37	59
Management	110	57	167
Middle management	985	347	1,332
Basic staff	8,877	4,678	13,555
Total	9,972	5,082	15,054

The composition of the Group's average workforce by geographic region in which their activities are carried out in 2018 is as follows:

Geographic region	Number of people		
	Men	Women	Total
Spain	694	695	1,389
Dominican Republic	6,157	2,774	8,931
Riviera Maya, Mexico	2,426	1,048	3,474
Jamaica	673	528	1,201
Other countries	22	37	59
Total	9,972	5,082	15,054

Composition of the average workforce in 2018 by geographical region is as follows:

Geographic region	Percentage of total		
	Men	Women	Total
Spain	4.61%	4.62%	9.23%
Dominican Republic	40.90%	18.43%	59.33%
Riviera Maya, Mexico	16.12%	6.96%	23.08%
Jamaica	4.47%	3.51%	7.98%
Other countries	0.15%	0.25%	0.39%
Total	66.24%	33.76%	100.00%

Employment contracts and dismissals

Average workforce in 2018 by gender and type of employment contract:

Type of contract	Gender	2018	
		Average workforce	Percentage composition
Indefinite	Male	7,278	48.35%
	Female	3,445	22.88%
	Totals	10,723	71.23%
Temporary	Male	2,694	17.90%
	Female	1,637	10.87%
	Totals	4,331	28.77%
Total		15,054	100.00%

Annual average number of indefinite contracts, temporary contracts and part-time contracts by gender, age and professional classification

Gender	Type of contract	Workforce 2018					Average workforce 2018				
		17-25	26-35	36-50	51+	Total	17-25	26-35	36-50	51+	Total
Men	Indefinite	1,844	2,800	2,154	480	7,278	12.25%	18.60%	14.31%	3.19%	48.35%
	Temporary	736	1,035	793	130	2,694	4.89%	6.88%	5.27%	0.86%	17.90%
Total men		2,580	3,835	2,947	610	9,972	17.14%	25.47%	19.58%	4.05%	66.24%
Women	Indefinite	733	1,391	1,134	187	3,445	4.87%	9.24%	7.53%	1.24%	22.88%
	Temporary	381	552	651	53	1,637	2.53%	3.67%	4.32%	0.35%	10.87%
Total women		1,114	1,943	1,785	240	5,082	7.40%	12.91%	11.86%	1.59%	33.76%
Total		3,694	5,778	4,732	850	15,054	24.54%	38.38%	31.43%	5.65%	100.00%

Annual average number of indefinite contracts, temporary contracts and part-time contracts by gender and professional classification in 2018

Gender	Professional Category	2018 Workforce			2018 Percentage		
		Temporary	Indefinite	Total	Temporary	Indefinite	Total
Men	Management	44	66	110	0.29%	0.44%	0.73%
	Middle management	260	725	985	1.73%	4.82%	6.54%
	Basic staff	2,390	6,487	8,877	15.88%	43.09%	58.97%
Total men		2,694	7,278	9,972	17.90%	48.35%	66.24%
Women	Management	16	41	57	0.11%	0.27%	0.38%
	Middle management	144	203	347	0.96%	1.35%	2.31%
	Basic staff	1,477	3,201	4,678	9.81%	21.26%	31.07%
Total women		1,637	3,445	5,082	10.87%	22.88%	33.76%
Total		4,331	10,723	15,054	28.77%	71.23%	100.00%

The number of dismissals in 2018 by gender, age and professional classification is as follows:

		18–25 years	26–35 years	36–50 years	50+	Total
Management	Male	-	-	-	-	-
	Female	-	-	-	-	-
Middle management	Male	-	-	-	-	-
	Female	-	-	-	-	-
Basic staff	Male	11	24	96	64	11
	Female	-	11	87	20	-
Total		11	35	183	84	313

Remunerations

Average remuneration by gender and professional classification in 2018:

1. Spain

	Gross Annual Salary in euros		
	Men	Women	Total
Management	115.395	108.460	111.928
Middle management	59.061	55.612	57.337
Basic staff	24.533	23.977	24.255

2. Caribbean Region

	Gross Annual Salary in US Dollars		
	Men	Women	Total
Dominican Republic			
Management	48.077	41.589	44.833
Middle management	9.630	10.905	10.267
Basic staff	3.377	3.174	3.276

2. Caribbean Region

	Gross Annual Salary in US Dollars		
	Men	Women	Total
Riviera Maya, Mexico			
Management	34.921	33.321	34.582
Middle management	12.648	11.013	12.148
Basic staff	4.077	3.724	3.971
Jamaica			
Management	79.948	69.159	74.554
Middle management	16.013	18.134	17.074
Basic staff	5.615	5.279	5.447
Average for countries in the Caribbean Region			
Management	54.316	48.023	51.323
Middle management	12.764	13.350	13.163
Basic staff	4.356	4.059	4.231

- Average remuneration by age and professional classification

1. Spain

	Gross Annual Salary in euros - age bracket				Average
	16-25	26-35	36-50	50+	
Management	-	106.768	120.532	108.483	111.928
Middle management	51.976	57.751	55.726	58.533	57.337
Basic staff	9.098	28.451	29.325	30.146	24.255
Total average remuneration	15.849	35.338	36.482	36.650	31.805

2. Caribbean Region

	Gross Annual Salary in US Dollars - age bracket				Average
	16-25	26-35	36-50	50+	
Dominican Republic					
Management	-	35.822	51.646	54.262	44.833
Middle management	4.799	7.975	10.403	14.705	10.267
Basic staff	2.754	3.219	3.977	4.234	3.276
Total remuneration	2.566	5.631	4.218	4.306	5.727
Riviera Maya, Mexico					
Management	-	17.351	51.854	-	34.582
Middle management	8.208	12.381	10.031	13.636	12.148
Basic staff	3.506	4.024	5.208	2.922	3.971
Total remuneration	4.185	5.345	6.757	4.425	5.428
Jamaica					
Management	-	51.061	77.302	-	74.554
Middle management	5.179	9.032	10.462	4.362	17.074
Basic staff	4.222	3.603	4.623	2.918	5.447
Total remuneration	4.162	3.682	5.641	4.363	6.479

Business cost of staff expenditure by geographical region is as follows:

Geographic region	Euros	Percentage composition
Spain	50,371	34.83%
Dominican Republic	52,270	36.14%
Riviera Maya, Mexico	29,950	20.71%
Jamaica	10,823	7.48%
Other countries	1,204	0.83%
Total	144,618	100.00%

Disability

Employees with a disability

	2017			2018		
	Men	Women	Total	Men	Women	Total
Management	-	-	-	-	-	-
Middle management	2	1	3	1	1	2
Rest of staff	8	7	15	6	6	12
Total	10	8	18	7	7	14

Work organisation

Number of hours of absenteeism

The workdays lost to absenteeism in 2018 within the Spanish companies increased to 24,336 days, equivalent to 194,688 hours, with the absenteeism rate for 2018 standing at 4.99%.

Health and safety at work

"Healthy Company" Programme

• The adaptation of safe and healthy workplaces, in which we have invested over €1,259,155 in the Caribbean and central offices in Palma de Mallorca:

Geographic region	Euros
Caribbean Region	1,024,589
Central offices Palma de Mallorca	234,566
Total	1,259,155

• Over the course of 2018 we carried out a range of training activities and courses relating to the healthy company, with the number of attendees and the costs incurred standing as follows:

	Euros	No. attendees	Hours of training
To achieve healthy environments	1,259,155	5,824	73
Launch health campaigns	3,762	7,325	257
Encourage healthy habits	31,500	1,551	796
Support for parents	39,556	2,359	40
Total	1,333,973	17,059	1,166

The distribution by countries in which the Group operates is as follows:

	Euros	Attendees	Hours
Spain	239,877	110	42
Dominican Republic	35,699	11,298	282
Mexico	1,003,213	2,151	719
Jamaica	55,185	3,500	123
Total	1,333,973	17,059	1,166

In 2018, there were no work-related accidents resulting in the death of an employee.

Training

In 2018, the number of occupational risk prevention courses delivered and people who attended was as follows:

	2018
Number of courses	27
Number of hours delivered	7,565
Number of participants	5,547

The number of training courses delivered by destination and the number of attendees by gender

	No. training actions	Number of attendees		Total
		Men	Women	
Spain	123	1,460	1,580	3,040
Dominican Republic	314	30,154	24,348	54,502
Riviera Maya, Mexico	45	14,734	9,392	24,126
Jamaica	71	2,398	3,107	5,505
Total	553	48,746	38,427	87,173

The number of training courses delivered by destination and the number of attendees by professional category

	No. training actions	Number of attendees			Total
		Management	Middle management	Basic staff	
Spain	123	111	311	2,618	3,040
Dominican Republic	314	3,413	9,260	41,829	54,502
Riviera Maya, Mexico	45	490	6,114	17,522	24,126
Jamaica	71	178	1,287	4,040	5,505
Total	553	4,192	16,972	66,009	87,173

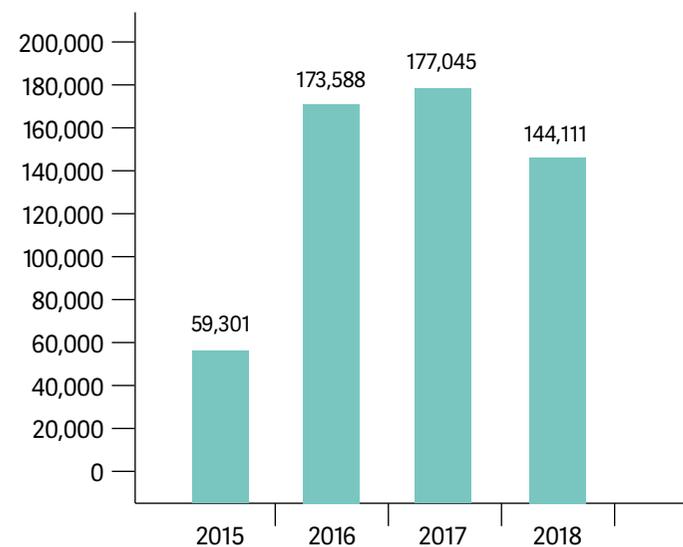
The number of hours of training delivered by destination and by gender

	No. of training activities	Hours of training delivered		
		Men	Women	Total
Spain	123	4,970	5,501	10,470
Dominican Republic	314	51,186	39,583	90,769
Riviera Maya, Mexico	45	20,282	13,243	33,525
Jamaica	71	4,256	5,091	9,347
Total	553	80,694	63,417	144,111

The number of hours of training delivered by destination and by professional category

	Hours of training delivered			Total
	Management	Middle management	Basic staff	
Spain	428	971	9,071	10,470
Dominican Republic	5,430	16,538	68,801	90,769
Riviera Maya, Mexico	702	9,358	23,466	33,525
Jamaica	224	1,840	7,283	9,347
Total	6,783	28,707	108,620	144,111

In recent years, the evolution of the hours invested in training for personal and professional development is as follows:



8.2 GRI Content Index

The following table shows the index of general and specific disclosures of the Global Reporting Initiative (GRI) according to GRI Standards for the option Compliance Essentials.

Indicators	Disclosure	Section	Page
GRI 102 General disclosures, profile of the organisation			
102-1 Name of the organisation	Yes	3.4	14
102-2 Activities, brands, products and services	Yes	3.2	9-12
102-3 Location of headquarters	Yes	3.4	14
102-4 Location of operations	Yes	3.3	13
102-5 Ownership and legal form	Yes	3.4	14
102-6 Markets served	Yes	3.2	9-12
102-7 Scale of the organisation	Yes	4	19
102-8 Information on employees and other workers	Yes	6.1.2	40-44
102-9 Supply chain	Yes	6.1.3	45-46
102-10 Significant changes to the organisation and its supply chain	Yes	3.2, 6.2	9-12, 51-55
102-11 Precautionary Principle or approach	Yes	3.5, 6.3	16, 56-64
102-12 External initiatives	Yes	5.6	29
102-13 Membership of associations	Yes	5.6, 6.14	29
Strategy			
102-14 Statement from most senior decision-maker	Yes	3.4	14-15
102-15 Key impacts, risks, and opportunities	Yes	5.8	31-32
Ethics and Integrity			
102-16 Values, principles, standards, and norms of behaviour	Yes	5.1, 5.3, 5.4, 5.8, 5.9	22-34
102-17 Mechanisms for advice and concerns about ethics	Yes	5.8, 5.9	31-34
Governance			
102-18 Governance structure	Yes	3.4	14-15
102-19 Delegating authority	Yes	3.4	14-15
102-20 Executive-level responsibility for economic, environmental, and social topics	Yes	5.2	23
102-21 Consulting stakeholders on economic, environmental, and social topics	Yes	5.4, 5.5	25-28
102-22 Composition of the highest governance body and its committees	Yes	3.4	14-15

Indicators	Disclosure	Section	Page
Governance			
102-23 Chair of the highest governance body	Yes	3.4	14-15
102-24 Nominating and selecting the highest governance body	Yes	3.4	14-15
102-25 Conflicts of interest	Yes	3.4	14-15
102-26 Role of highest governance body in setting purpose, values, and strategy	Yes	3.4, 5.2	14-15, 23
102-27 Collective knowledge of highest governance body	Yes	3.4	14-15
102-28 Evaluating the highest governance body's performance	Yes	3.4	14-15
102-29 Identifying and managing economic, environmental, and social impacts	Yes	5.2, 5.9	23, 33-34
102-31 Review of economic, environmental, and social topics	Yes	4, 5.9	19, 33-34
102-32 Highest governance body's role in sustainability reporting	Yes	5.1	22
Stakeholder engagement			
102-40 List of stakeholder groups	Yes	5.4	25-26
102-42 Identifying and selecting stakeholders	Yes	5.4, 5.5	25-28
102-43 Approach to stakeholder engagement	Yes	5.2, 5.4, 5.5, 5.9	23-34
102-44 Key topics and concerns raised	Yes	5.4, 5.5, 6.1.1, 6.1.2, 6.1.3, 6.1.4	25-28, 37-51
Reporting practice			
102-45 Entities included in the consolidated financial statements	Yes	3.2	9-12
102-46 Defining report content and topic boundaries	Yes	5.5	27-28
102-47 List of material topics	Yes	5.5	27-28
102-48 Restatements of information	Yes	2	5
102-49 Changes in reporting	Yes	2	5
102-50 Reporting period	Yes	2	5
102-51 Date of most recent report	Yes	2	5
102-52 Reporting cycle	Yes	2	5
102-53 Contact point for questions regarding the report	Yes	2	5
102-54 Claims of reporting in accordance with the GRI Standards	Yes	2	5
102-55 GRI Content Index	Yes	8.2	77
102-56 External assurance	Yes	8.3	
GRI 103: Management Approach			
103-1 Explanation of the material topic and its Boundary	Yes	5.5	27-28
103-2 The management approach and its components	Yes	3.5, 5.2, 6.1.1	16, 23, 37-39
103-3 Evaluation of the management approach	Yes	5.8, 5.9	31-34

Indicators	Disclosure	Section	Page
GRI 201: Economic performance			
201-1 Direct economic value generated and distributed	Yes	4	19
201-2 Financial implications and other risks and opportunities due to climate change	Yes	6.3	57-64
GRI 202: Market presence			
202-1 Ratios of standard entry level wage by gender compared to local minimum wage	Yes	8.1	70-76
202-2 Proportion of senior management hired from the local community	Yes	8.1	70-76
GRI 203: Indirect Economic Impacts			
203-2 Significant indirect Economic Impacts	Yes	6.1.1, 6.1.4, 6.3	37-39, 47-50, 57-64
GRI 204: Procurement Practices			
204-1 Proportion of spending on local suppliers	Yes	6.1.3	45-46
GRI 205: Anti-corruption			
205-1 Operations assessed for risks related to corruption	Yes	5.8, 5.9	31-34
205-2 Communication and training about anti-corruption policies and procedures	Yes	5.9	33-34
GRI 301: Materials			
301-1 Materials used by weight or volume	Yes	6.3	57-64
301-2 Recycled input materials used	Yes	6.3, 5.9	57-64, 33-34
301-3 Reclaimed products and their packaging materials	Yes	6.3, 5.9	57-64, 33-34
GRI 302: Energy			
302-1 Energy consumption within the organisation	Yes	6.3, 4, 5.9	57-64, 33-34
302-3 Energy intensity	Yes	6.3, 4, 5.9	57-64, 33-34
302-5 Reductions in energy requirements of products and services	Yes	6.3, 4, 5.9	57-64, 33-34
GRI 303: Water			
303-1 Water withdrawal by source	Yes	6.3, 4, 5.9	57-64, 33-34
GRI 304: Biodiversity			
304-1 Operational sites owned, leased, managed in, or adjacent to, protected areas and areas of high biodiversity value outside protected areas	Yes	6.3, 4, 5.9	57-64, 33-34
304-2 Significant impacts of activities, products, and services on biodiversity	Yes	6.3, 4, 5.9	57-64, 33-34
304-3 Habitats protected or restored	Yes	6.3, 4, 5.9	57-64, 33-34
GRI 305: Emissions			
305-1 Direct (Scope 1) GHG emissions	Yes	6.3, 4, 5.9	57-64, 33-34
305-4 GHG emissions intensity	Yes	6.3, 4, 5.9	57-64, 33-34
305-5 Reduction of GHG emissions	Yes	6.3, 4, 5.9	57-64, 33-34

Indicators	Disclosure	Section	Page
GRI 306: Effluents and waste			
306-2 Waste by type and disposal method	Yes	6.3, 4, 5.9	57-64, 19, 33-34
GRI 308: Supplier Environmental Assessment			
308-1 New suppliers that were screened using environmental criteria	Yes	6.1.3	45-46
308-2 Negative environmental impacts in the supply chain and actions taken	Yes	6.1.3	45-46
GRI 401: Employment			
401-1 New employee hires and employee turnover	Yes	8.1	70-76
GRI 404: Training and education			
404-1 Average hours of training per year per employee	Yes	6.1.2, 4, 5.9	40-44, 33-34
404-2 Programs for upgrading employee skills and transition assistance programs	Yes	6.1.2	40-44
404-3 Percentage of employees receiving regular performance and career development reviews	Yes	6.1.2	40-44
GRI 405: Diversity and equal opportunity			
405-1 Diversity of governance bodies and employees	Yes	6.1.2, 5.9	40-44, 33-34
405-2 Ratio of basic salary and remuneration of women to men	Yes	8.1	70-76
GRI 406: Non-discrimination			
406-1 Incidents of discrimination and corrective actions taken	Yes	5.9	33-34
GRI 413: Local Communities			
413-1 Operations with local community engagement, impact assessments, and development programs	Yes	6.1.4, 4, 5.3, 5.9	47-50, 19, 23, 33-34
GRI 414: Supplier Social Assessment			
414-1 New suppliers that were screened using social criteria	Yes	6.1.3	45-46
414-2 Negative social impacts in the supply chain and actions taken	Yes	6.1.3	45-46
GRI 416: Customer Health and Safety			
416-1 Assessment of the health and safety impacts of product and service categories	Yes	6.1.1	37-39
416-2 Incidents of non-compliance concerning the health and safety impacts of products and services	Yes	6.1.1	37-39
GRI 418: Customer Privacy			
418-1 Substantiated complaints regarding breaches of customer privacy and losses of customer data	Yes	6.1.1	37-39



Corporate information and contacts

Corporate headquarters:

Plaza Mediterráneo, 5

07014 Palma de Mallorca

Tel: (34) 971 78 70 00

Corporate Social Responsibility

adeltoro@grupo-pinero.com