

SUSTAINABILITY REPORT 2018 – sept. 2021/ago. 2022

1.- Executive introduction:

Vik hotel San Antonio is today one of the first hotels opened in Lanzarote. The hotel was inaugurated in 1972 and after a few years it was bought by Vik Hotels in 1993. After so many years, there is one thing that identifies San Antonio and that is the people. We offer excellent service provided by first class staff who feel like part of the hotel. Most of them have been in the hotel most of their lives and this is a reason to be proud.

With this wonderful advantage, we can only seek excellence in treating our guests and our will is to continue to be one of the most important hotels in Lanzarote for many years to come.

San Antonio's sustainability policy has always been present. Not only the investment in solar panels to use solar energy to heat water, but also the introduction of special technology to use sea water to cool the water used in air conditioning.

In the future, investments will target the renewal of these technologies that have improved in recent years and, from then on, will save on energy use.

2.- Introduction to our business

Our hotel is a reference on the island of Lanzarote. We cater to many nationalities providing a place to spend a wonderful vacation. The vast majority of our guests are on a half-board basis and enjoy the quality of our service and the location by the beach. In other words, we concentrate our service on breakfast and dinner, we collaborate with many local partners and we promote the local economy and culture. With its 662 beds in 331 rooms, the hotel has an average staff of 150 people

3.- Outline of our program

At the Vik Hotel in San Antonio, our senior managers are committed to protecting the environment and strive to reduce our property's operational impact on the environment.

Fernando Benítez is responsible for managing and implementing the property's sustainability program.

4.- With whom we are getting involved.

Vik hotel San Antonio aims to involve clients, tour operators, suppliers and the local community. We will be in contact with them in terms of written reports available in the public areas of the hotel, email, web publications, and

participating in actions organized by local authorities, events and any available opportunity to interact.

5.- Key environmental and social issues

<u>Energy</u>: Energy is not only expensive but also locally harmful to the atmosphere. Almost all the electricity used in Lanzarote is produced with diesel brought to the island by boat. We try to maximize solar energy with the panels on our roof. We discriminate the times for our machinery to work when electricity is cheaper and then the demand is lower

<u>Water</u>: Although we produce our own water, we are aware of the fact that water is a limited resource. We use systems to maximize the use of water in the bathrooms of our rooms and in public areas. The irrigation system in the gardens is drip irrigation and we tend to have only plants with low water demand

<u>Local community</u>: We want to be present in the social community of Lanzarote. Actually, a large part of our staff is local. This is not the case in most hotels on the island. The Hotel San Antonio, being one of the first Hotels in Lanzarote, has always had a very strong relationship with the island and especially with Puerto del Carmen and Tías. To strengthen this relationship, we collaborate with some key organizations such as:

- Caritas (charity) giving food throughout the year and especially for Christmas Eve
- Iron Man: we support this important event every year
- Folklore: we collaborate with Gayda, a local folklore organization, and we
 put on special shows in our facilities so that our guests get to know the
 local culture (dance and song) and we have also organized samples of
 the local carnival with the help and collaboration of the Comparsa Sur
 Caliente.

<u>Guests</u>: Our clients are the reason we are here. We work every day to have happy guests. We are pleased to have a high turnover of loyal customers and are pleased to see that the percentage of returning visitors is slowly increasing.

The opinions of our guests are very important to us. We take advantage of reviews on the internet and of course our internal quality system. We get a lot of positive feedback, but we learn the most from constructive criticism.

6.- Key actions

<u>Energy:</u> We have invested in technology to reduce energy consumption. Not only eliminate the use of gas oil. We have changed our 6 hot water accumulators for 9 that help us make more use of the solar energy from our panels. We have installed 6 chargers for electric vehicles in our car park and we have replaced 2/3 of the solar thermal panels with photovoltaic panels, which will help us reduce our electricity demand by approximately 33%. Finally, we have changed our two gas dryers for two electric ones, and we have also changed our old gas ovens for new electric ones.

<u>Water</u>: During the year 2021, 101 bathtubs were changed for 101 showers with the consequent saving of water. On the other hand, we have renovated the engine room of our three swimming pools. There were many impossible-to-fix water leaks that do not exist today, in any of the three pools.

<u>Local community</u>: We have continued to support local wines and have started buying some km 0 (local) fruits and vegetables. The benefit of buying the wines is to preserve the La Geria area, the area with a unique landscape where the vineyards are located. We have also supported a charity event hosted by Tui Uk in Rancho Texas for the past two years. During the beginning of the pandemic, we have donated all the stock in our warehouses, both frozen and non-perishable, to entities such as Calor y Café, which feeds the homeless, or Emerlan, which distributes it to other groups in need.

<u>Guests</u>: After several years in which our clients asked us to renew our facilities, we have finally done it. We have renovated the Reception, Lounge Bar and Guatatiboa Lounge areas as well as 75% of our rooms. We are glad to see that our clients congratulate us for the work done.

7.- Performance measurement and control

	Year	Per guest per	Year	Per guest per	
RESOURCES	2018	night	sept21- ago22	night	Trend
Electricity (kw)	3.853.855	19,08	3.032.390	19,47	102%
Gas oil (kw)	911.688	4,51	0	0,00	0%
GLP (kw)	180.631	0,89	127.271	1,14	128%
Water (m3)	64.718	0,32	41.997	0,27	84%
Overnight stays	201.952		155.748		

<u>Energy</u>: We measure all the energy we use. In the figure above, all energy has been converted to kW and then kW per person per night. That way, we can easily see that we have consumed 2% more electricity. This has an explanation that satisfies us very much: That 2% is replacing the entire cost of diesel, since we have installed high-pressure electric boilers. In the case of propane gas we have spent 28% more. This expense corresponds exclusively to kitchens and laundry dryers. We are studying how to optimize this resource. In terms of kW per stay, we have gone from a total of 24.48 kW per person to 20.61, which means a decrease of more than 15%.

<u>Water</u>: The use of water has also improved. It has dropped from 0.32 m3 to 0.27 m3 per stay. This means a 15% drop in water consumption per person per day. The reasons are mainly the reform of the upper swimming pool that lost water through the pipes and the engine room. No less important is the change of 101 bathtubs for showers, with which we have also limited consumption in the rooms.

<u>Local Community</u>: We have been able to see that our hotel is more recognized as a supporter of activities and events related to tourism, sports and the local community. By monitoring this, we realize that we can continue to support more aspects of the local community, such as agriculture, local art and gastronomy as well as some contribution to sport with a charitable cause: Vuelta a nado a Lanzarote (Swim around Lanzarote)

<u>Guests</u>: Our repeat customers have rewarded us with an improvement in scores, mainly due to the renovation of the rooms and the mentioned areas. We are not done yet, we will continue to renovate and improve our hotel.

- 8.- Notification period. This Sustainability Report attempts to compare the management of the hotel between 2018 and the first year after reopening: from September 2021 to August 2022
- 9.- Objectives and Goals

OBJECTIVES:

Through our environmental policy, we:

- We ensure that we comply with all applicable environmental laws and regulations
- Measure our environmental performance against our goals and objectives, ensuring that we regularly review our progress
- Train our staff on our environmental commitments, so that they understand the role they play in achieving our goals and objectives, and
- Invite our guests to support our efforts to reduce our environmental impact
- Inviting our guests to farmers markets, local museums and local cuisine

GOALS:

To achieve our environmental goals, this is what we will do:

- Achieve and maintain our Travelife award for hotels and lodging
- We reduce our energy consumption by 25% compared to 2021/2022 through the commissioning of photovoltaic solar panels
- Reduce water consumption by 5% compared to 2021 by installing and renovating water flow restrictors on faucets and dual-flush and/or dualflush showers and toilets in guest bathrooms.
- Reduce the waste we send to landfill by 10% compared to 2021 by separating all of our waste streams, including glass, paper, cardboard, etc., and identifying opportunities to reuse or recycle these materials.
- We will reduce the use of potentially harmful chemicals in our operations by 5% compared to 2021, and seek biodegradable or natural alternatives
- Implement a plan to protect our sea and our beaches by inviting our clients to help us keep them clean and get to know their bottoms by snorkeling.
- Ensure 30% of non-consumable products are made from recycled content
- Start with the consumption of vegetables and vegetables Km 0 (local)

10.- Progress since previous reports

This report is the first sustainability report after receiving the first Prize. However, it is clear that the team and staff are increasingly aware of the sustainability aspect of the daily operation. This mentality is what allows us to continue improving and reducing the environmental impact of this hotel.

Lanzarote, September 2022