



SUSTAINABILITY REPORT 2018

CORAL HOTELS



CORAL HOTELS
Happiness in the Sun

1. INTRODUCTION

Another year and in accordance with our commitment towards Sustainable Development, we present the CORAL HOTELS Sustainability Report for the Financial Year 2018. It is a document where we display all the actions carried out in the economic, environmental and social areas. The main target is, to communicate our achievements to the different interest groups and assess the performance of our hotel company, in order to extract the best evaluations and to be able to set new targets and goals.

In order to issue the report, we have been supported by all departments of our company, as without them, it would be impossible to achieve our targets, e.g. to provide a sustainable and efficient catering service to our customers, employees and the society in general, rewarding the time our customers dedicate to us and improving their experiences and contributing to a more sustainable world.

2. WELCOME TO "CORAL HOTELS"

José Barreiro Vilacoba who boast of an extensive experience in the tourism sector and a with a strong entrepreneurial spirit, started with a single property in 1986, a hotel project that has progressively grown to currently have 10 tourist properties, which annually hosts more than 1.2 million customers and employs over 450 people.

During these 30 years of experience, there has been a continuous growth, as a result of the numerous improvement projects that have allowed CORAL HOTELS to have a position among the vanguard of the Canary hotel industry.

MISSION, VISION AND VALUES



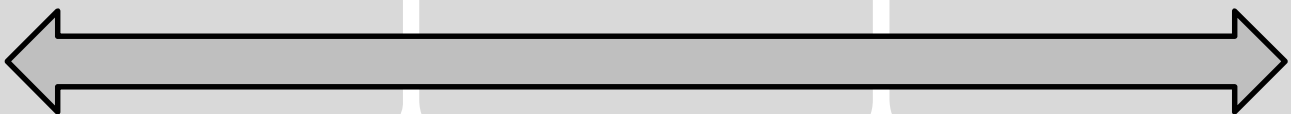
Aware of the impact generated daily by our activity, we are committed to work actively for the Sustainable Development, without forgetting, of course, our guests' satisfaction and the cost-efficiency of our accommodation units.



We work continuously to position ourselves among the vanguard of the Canary Hotel industry, but always applying the strict criteria of cost-effectiveness, environmental protection and social commitment of the region, where we do our business.



Among the values that daily inspire our activity, we emphasise our orientation towards persons (our employees, our customers and our suppliers) and environmental responsibility (care and respect of the environment) and minimising the negative impact on the environment.



OUR COMMITMENTS



QUALITY

To analyse the satisfaction of our customers, teams and suppliers in order to continuously improve our quality. Our greatest challenge is to exceed the expectations of our customers, who visit us.



ENVIRONMENTAL PROTECTION

Awareness of our customers and staff in the area of sustainability by different training actions. To apply sustainable criteria in refurbishments and future projects. Renewal of the Travelife certificate.



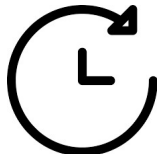
SOCIETY

To continue our cooperation with the different social projects that affect our society, such as Ámate (Tenerife Breast Cancer), Red Cross, Cáritas...



INNOVATION

Implementation in all departments of the company the management operating system (PMS - "Property Management System") Noray Html.



FUTURE

Renovation of CORAL COMPOSTELA BEACH and CORAL SUITES & SPA between 2018 and 2019, as well as carrying out numerous projects in order to improve our current facilities.



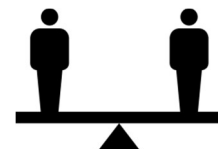
PEOPLE

To continue to support qualified staff, prioritizing employees from our Region, as well as suppliers from our Islands.



HEALTH AND SAFETY

To work towards the reduction of our accident indices by means of professional training of our employees, the implementation of work equipment and individual protection equipment of the most advanced technology.



HUMAN RIGHTS

To continue working on our "Equality Plan", the integration of people being in a situation of labour exclusion...

CORAL HOTELS - MEMORIA DE SOSTENIBILIDAD 2018

OUR BRANDS

CORAL HOTELS properties are designed to offer maximum comfort and relax to the most demanding customers. Located in different areas of the wonderful island of Tenerife, our hotels offer all kind of facilities in order to allow our guests to enjoy the destination and every minute of their holidays, without having to worry about anything.



ONLY ADULTS

CORAL SUITES & SPA

191 rooms	382 beds	Occupancy 2017: 85,21% 2018: 89,06%
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CORAL CALIFORNIA

95 rooms	200 beds	Occupancy 2017: 85,33% 2018: 89,74%
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CORAL OCEAN VIEW

143 rooms	299 beds	Occupancy 2017: 95,78% 2018: 95,52%
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FAMILY

CORAL COMPOSTELA BEACH

242 rooms	836 beds	Occupancy 2017: 90,89% 2018: 91,93%
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CORAL COMPOSTELA BEACH GOLF

156 rooms	326 beds	Occupancy 2017: 72,26% 2018: 90,30%
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CORAL LOS ALISIOS

117 rooms	266 beds	Occupancy 2017: 87,34% 2018: 86,20%
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CORAL DREAMS TIME TO SMILE

49 rooms	98 beds	Occupancy 2017: 93,45% 2018: 90,70%
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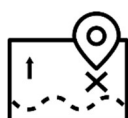
**NATURALEZA
Y AVENTURA**

CORAL LOS SILOS

14 rooms	56 beds	Occupancy 2017: 45,62% 2018: 62,35%
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CORAL TEIDE MAR

166 rooms	332 beds	Occupancy 2017: 74,63% 2018: 72,32%
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EXCLUSIVO

CORAL VILLAS LA QUINTA

3 villas	18 beds	Occupancy 2017: 40,25% 2018: 60,32%
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COMMITMENTS TOWARDS OUR SUPPLIERS AND SUBCONTRACTING PARTNERS

All our suppliers have been carefully chosen, bearing in mind we have set up the ecological selection criteria. In so doing, we promote the contracting of local suppliers (89.74% of our suppliers are from the Canary Islands, mainly from the Island of Tenerife, with 81.25%). We share with all of them our sustainability policy and encourage them to apply also sustainability measurements in their companies and to care about the environment and their employees.

3. ACHIEVEMENTS IN 2018 AND TARGETS FOR 2019

ACHIEVEMENTS IN 2018

- 70% (442m3) reduction of water consumption used for the garden compared to 2017 in our property CORAL COMPOSTELA BEACH GOLF, after having removed the natural grass and placed instead artificial grass on all terraces.
- Energy consumption reduction in CORAL COMPOSTELA BEACH GOLF after the installation of LED lighting in all its rooms.
- Reduction of water consumption in the gardens of our CORAL LOS ALISIOS after the replacement of the existing vegetation by native xerophilous vegetation.
- Reduction of 0.7 tons of plastic waste in all our establishments thanks to our policy "THE PLASTIC, BEST TO BE IN BULK".
- All our beds are fitted with the "COMFY CORAL BEDS" system, with fabrics that are environmentally responsible.
- Reduction of light consumption in the external reception area of the CORAL SUITES & SPA thanks to the placement of a solar sensor and the installation of LED lights in all lighting points.

TARGETS FOR 2019

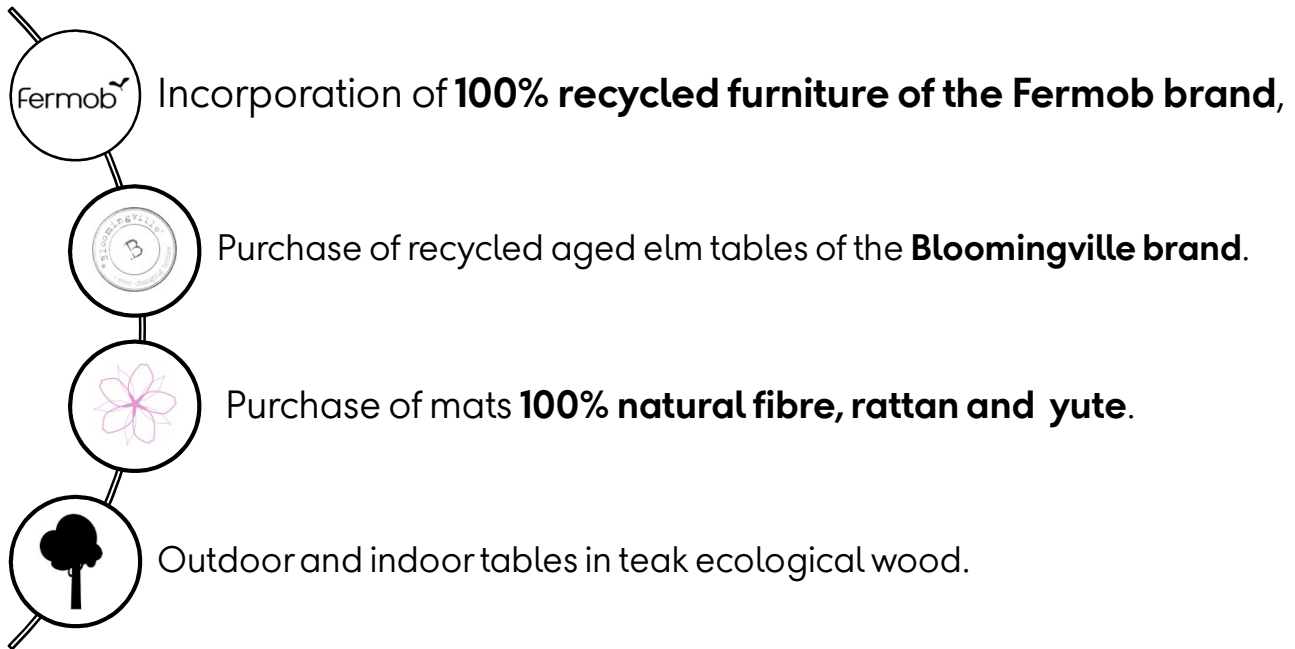
- Savings of 2.5% of water in the rooms of CORAL SUITES & SPA by replacing the existing toilets with other double flush (3 and / or 6 litres).
- Saving of 5% of electricity in CORAL SUITES & SPA after the implementation of: LED lighting in all rooms and public areas, replacement of refrigerators, microwaves, induction plates and more efficient extractor hoods.
- Saving of 5% of water consumption in CORAL LOS ALISIOS - Installation of drip and sprinkler irrigation system in different areas of the property in order to cover 100% of the garden areas.
- Removing single-use plastics in the Bar/Restaurant areas within our whole company launching the campaign "Say No to PAPS".... Replacement by biodegradable straws and wooden sticks.
- Replacement of plastic cups in all our properties by re-usable polycarbonate cups.
- Replacement of all the company's napkins (bars and restaurant, kitchen...) by others made of 100% recycled fibre
- Installation of defibrillators in CORAL DREAMS TIME TO SMILE, CORAL LOS ALISIOS and CORAL CALIFORNIA.
- Cleaning of beaches/gardens... in cooperation with the Town Councils of Arona and Adeje.
- Removal of paper signs in all our receptions and rooms, thanks to the implementation of information on TVs.

CORAL HOTELS - MEMORIA DE SOSTENIBILIDAD 2018

CORAL HOTELS has a firm commitment to environmental preservation and collaboration by investing in its upcoming refurbishments the re-use of existing furniture, to use natural indoor plants as part of the decoration, to purchase furniture and decorative elements manufactured with ecological wood and other natural raw materials.

We have just approved for 2019 the partial renovation (rooms, corridors and Bar/Restaurant) of our property "CORAL SUITES & SPA", where we will implement a new concept of decoration.

Hereafter some of the actions that we will carry out:



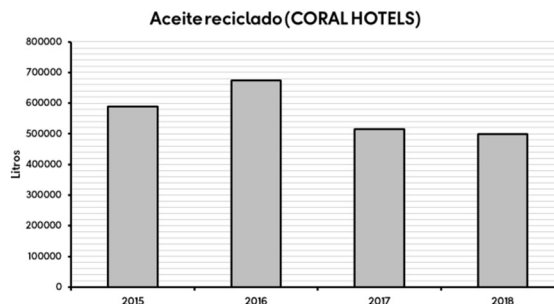
4. ENVIRONMENT

ENVIRONMENTAL ISSUES

In CORAL HOTELS we work day after day to achieve that all issues related to the environment are being realized in the appropriate way. We always keep in mind the location where we work and we have fixed as a future target the Agenda 2030 about Sustainable Development, which was approved by the United Nations in 2015... We analyze our purchases, study our consumption and manage our waste as efficiently as possible and according to our Quality and Environment Policies.

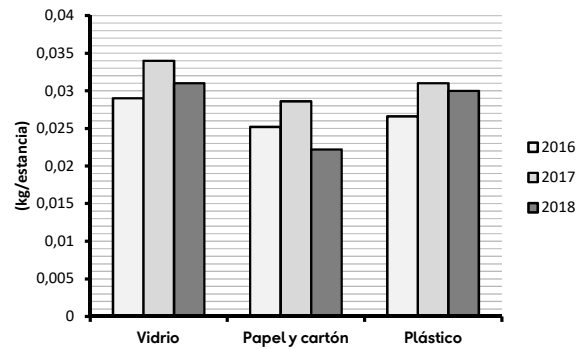
OIL

Oil recycling (Coral Hotels)
We are continuing with our policy of collecting used oil through the Canary company "ECATAR Canarias", managing our waste in accordance with current legislation.



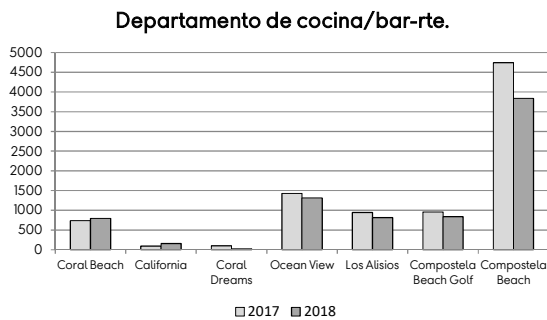
WASTE RECYCLING

The waste produced in our properties is selectively separated by means of different recycling points, located at strategic areas in the hotels, so that our guests, suppliers and employees can use them appropriately.

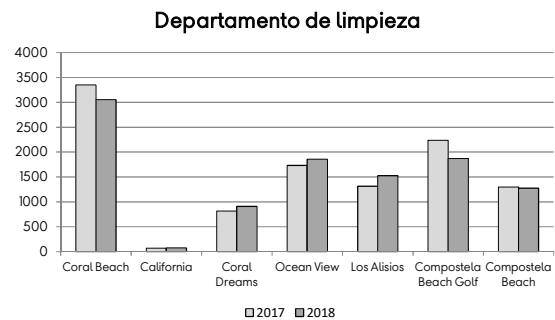


CHEMICAL PRODUCTS

We continue in all our properties with our bleach reduction policy, having achieved a 19.36% (705 litres) decrease in 2018 compared with the figures of 2017. The consumption of chemical products in the cleaning and kitchen/bar departments has been as follows:



Kitchen / Bar/ Restaurant Departments



Cleaning department

We have decreased the use of chemicals in the cleaning and kitchen-bar/restaurant departments of our properties by 15.84% compared to 2017 figures, which represents a reduction of 1468.53 litres.

WATER

CORAL SUITES & SPA		
2016	2017	2018
0,045	0,036	0,044

CALIFORNIA		
2016	2017	2018
0,192	0,183	0,224

CORAL DREAMS		
2016	2017	2018
0,356	0,397	0,323

OCEAN VIEW		
2016	2017	2018
0,292	0,397	0,391



(m³/stay)

TEIDEMAR		
2016	2017	2018
0,331	0,309	0,310

LOS ALISIOS		
2016	2017	2018
0,220	0,227	0,220

LOS SILOS		
2016	2017	2018
0,173	0,158	0,151

CB GOLF		
2016	2017	2018
0,175	0,172	0,171

COMPOSTELA BEACH		
2016	2017	2018
0,128	0,123	0,105

LA QUINTA		
2016	2017	2018
0,188	0,163	0,160

CORAL HOTELS - MEMORIA DE SOSTENIBILIDAD 2018

Water consumption in the different properties of **CORAL HOTELS** has been considerably reduced in 2018 compared with the previous year. See above chart. This is the result of the different actions carried out in our properties. We have drawn up specific strategies for each area, such as the installation of low-consumption systems (aerators in taps or double flush cisterns), the periodic review of all facilities (document R17-"Periodic review of equipment"), awareness among our employees and customers of the water consumption in their daily routines and activities, etc.

As seen below, water consumption at corporate level of "**CORAL HOTELS**" increased in 2017 with respect to the year of 2016. But last year we managed to reduce this consumption level with the aforementioned actions.

Our 2019 target is to go below 0.20 m³ per stay. Therefore, we continue collaborating with our customers and staff in order to achieve that goal.

	2016	2017	2018
Consumption (m ³)	0,210	0,216	0,209

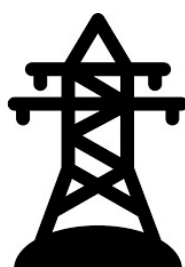
ELECTRICITY

CORAL SUITES & SPA		
2016	2017	2018
8,83	8,50	8,32

CALIFORNIA		
2016	2017	2018
2,47	2,71	2,58

CORAL DREAMS		
2016	2017	2018
4,68	5,49	5,42

OCEAN VIEW		
2016	2017	2018
6,18	6,73	6,51



(Kwh/stay)

TEIDEMAR		
2016	2017	2018
2,33	2,19	2,06

LOS ALISIOS		
2016	2017	2018
1,37	1,42	1,60

LOS SILOS		
2016	2017	2018
2,39	1,92	1,83

CB GOLF		
2016	2017	2018
4,15	5,03	3,68

COMPOSTELA BEACH		
2016	2017	2018
8,64	7,88	7,82

LA QUINTA		
2016	2017	2018
1,72	1,39	1,22

In **CORAL HOTELS** carries out an analysis of the efficient use of the energy, being the target to reduce as much as possible the current energy consumption. In order to achieve this target, we have committed ourselves to reduce the consumption of kWh/stay (at company level) below 4 points with respect to 2018, a fact that we will achieve by applying our policy "100% LED in rooms", which means the replacement of the existing luminaires by LED types in the properties **Coral Suites & SPA** and **Coral Compostela Beach**.

	2016	2017	2018
Consumption (kwh/stay)	4,276	4,326	4,104

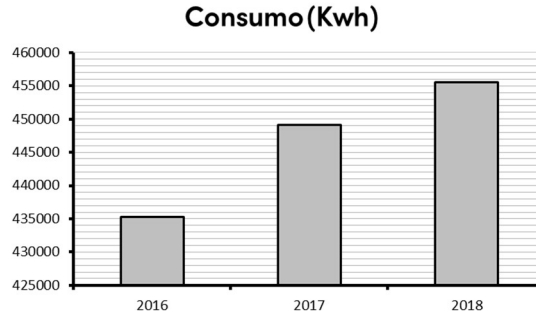
CORAL HOTELS - MEMORIA DE SOSTENIBILIDAD 2018

However, we have also introduced other actions, such as:

- The implementation of the document R17-" Regular review of equipment", with which we will keep all our facilities updated in order to ensure that our consumption is not wasted.
- Change of electric company in different properties after having carried out an exhaustive analysis of the contracted electricity company.
- Replacement of the current household appliances for other more efficient ones


NATURAL GAS

En Since 2016, the **Coral Ocean View** has been using natural gas as an energy source. We are conscious of its environmental advantages and its highly efficient use.




PROPANE

CORAL HOTELS analyses the consumption of all energy sources, such as propane, which is used occasionally in three of our properties.

	CORAL COMPOSTELA BEACH		CORAL SUITES & SPA		CORAL COMPOSTELA BEACH GOLF		CORAL LOS ALISIOS	
	kg	(kwh stay)	kg	(kwh stay)	kg	(kwh stay)	kg	(kwh stay)
2017	16804	1,054	21035	1,42	3640	0,374	6510	0,883
2018	12722	0,813	27372	1,45	4305	0,402	6930	0,900

PELLETS

In CORAL HOTELS we commit ourselves to the use of renewable and environmentally friendly energies. In three of our premises we have installed a biomass boiler to heat the water of the buildings, the swimming pools...

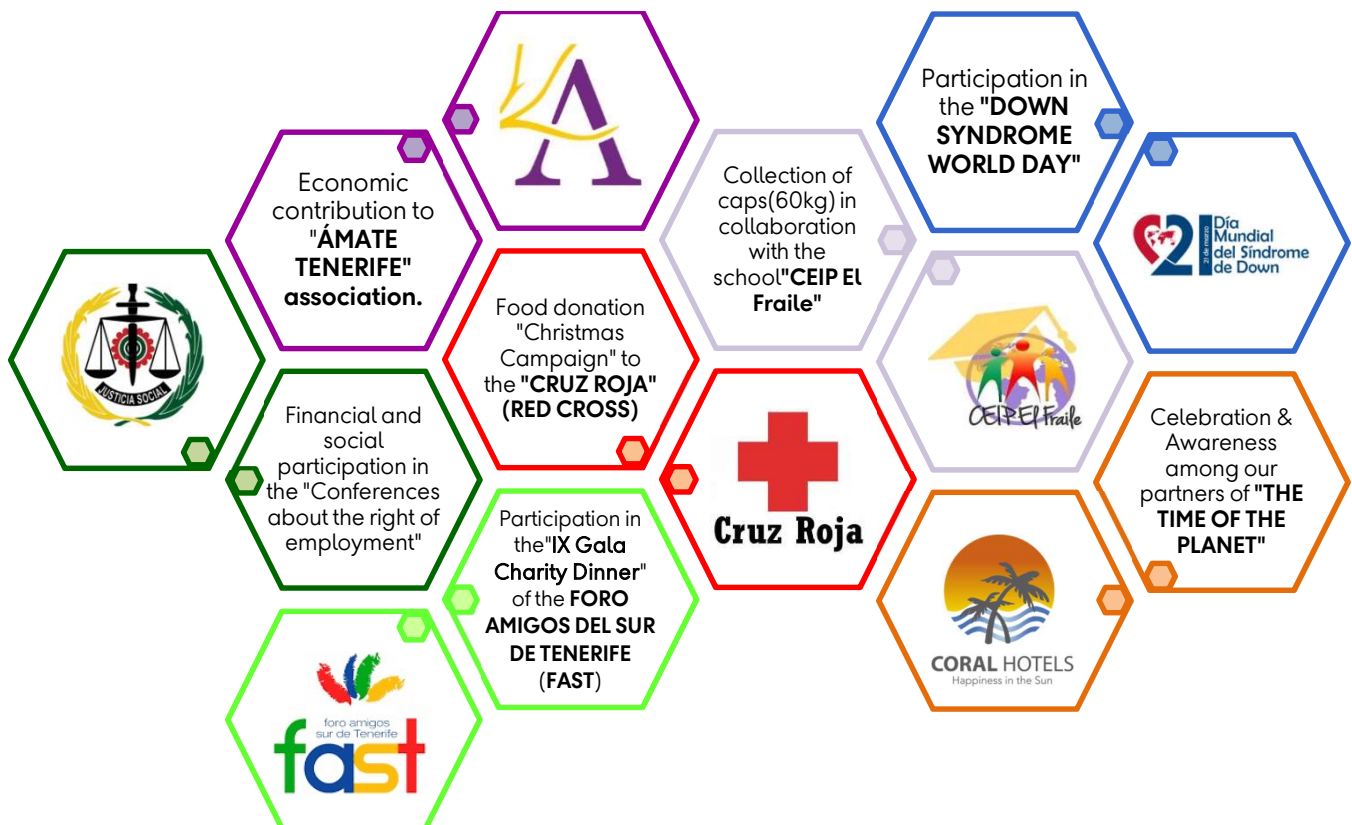
	CORAL COMPOSTELA BEACH		CORAL COMPOSTELA BEACH GOLF		CORAL LOS ALISIOS	
	(kwh/stay)		(kwh/stay)		(kwh/stay)	
2017	1,23		1,54		4,50	
2018	1,77		2,26		3,95	

5. SOCIAL

COOPERATION WITH OUR COMMUNITY

In CORAL HOTELS we understand that the collaboration with our immediate environment makes us stronger, therefore, we participate actively in numerous projects, programmes or social and / or cultural campaigns, such as to promote among our employees and their families the celebration of the "Days of Ecological Lunch" to commemorate the "DAY OF THE EARTH" or carrying out an economic contribution to the "WORLD DAY AGAINST THE BREAST CANCER" ...

Below is a brief summary of some of the actions carried out in 2018.



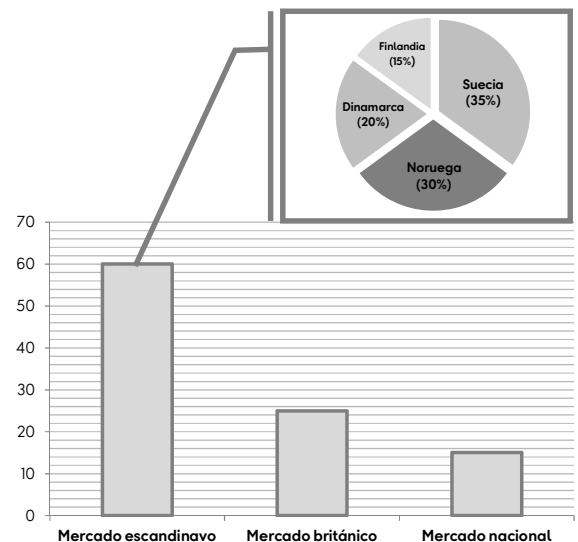
OUR GUESTS

– ORIGINE NATIONALITIES

In terms of the nationalities of the costumers staying in our premises, to point out that the Scandinavian market is the absolute leader with 60%, led by the Swedish (35%), the Norwegian (30%), the Danish (20%) and the Finnish (15%). The British market holds 25%, mainly in the summer season.

The customers who stay in our property Coral Dreams Time To Smile come from Belgium (10%) and Holland (90%).

National clients make up 15%.



– SATISFACTION LEVEL

To calculate our customers satisfaction level of each department, CORAL HOTELS obtains its data from the following sources:

- **Online surveys sent to the customer's e-mail address after check out.**
- **Paper questionnaires, placed in the room of the premises.**
- **The online reputation of the hotels: analyzing the indices collected in traveller communities, specialised websites and social networks as well as other channels.**
- **Reviews through the website WWW.CORAL-HOTELS.COM**
- **"Mystery Guest" Audits.**

We use the "guests' intelligence" **Review Pro** tool, which concentrates all online reputation data and information obtained from direct customer surveys, allowing our Quality Department to generate indices that reflect the customers satisfaction level. The most important is that by continuously receiving data, we are able to react immediately if a problematic situation needs to be resolved.

Results of the surveys to measure the customer satisfaction level (%)

	2017	2018
GRI	79,5	80
Cleanning	84,9	86,8
Location	80,1	84
Gastronomy	72,6	80,2
Services	82,9	81,6
Entertainment	71,6	70,1
Room	79,4	81,8

QUALITY

	2017	2018
Nº of reviews about the company		
Data source:	2832	3277
Review Pro		

	2017	2018
Reputation on line index	80%	79,5%
Data source		
Review Pro		

– QUALITY OF SERVICE

In order to make our guests' stay in our properties, their visit, enjoyment and knowledge about our archipelago unforgettable and to meet all their expectations, in CORAL HOTELS we work continuously to maintain all our facilities in perfect conditions; we also ensure that our staff is trained and qualified in order to satisfy the demands, not only of our customers, but also of our suppliers, companies and facilities in our work area.

The actions that have been carried out in order to reach these targets in cooperation with our external companies, are as follows:



– FEED BACK

We want to stay in constant contact with our customers, partners and employees; in CORAL HOTELS we trust and rely on the new technologies as an effective means to interact, improve and learn from the feedback and suggestions of all of them.

You can follow us on:



– HEALTHY HABITS

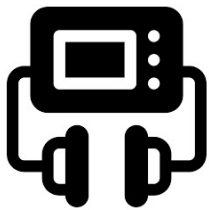
In CORAL HOTELS we believe in the implementation of healthy habits among our employees and customers, a fact that we have stated in our Company's Policy about "Healthy Habits Day by Day". We also organize events among our employees and customers, such as an "ecological lunch" to commemorate the "DAY OF THE EARTH". Some of the recommendations and actions we are carrying out among our employees and customers are:



CORAL HOTELS - MEMORIA DE SOSTENIBILIDAD 2018

- Fitness activities. We have signed a cooperation agreement with the Nexsport Club Adeje Sports Centre, in the form of granting a discount to our employees and customers.
- Encouraging everybody to use the public transport and bicycles (cooperation agreement with the company "Bike-Xpress" for the rent of bicycles).
- Elaboration of healthy menus, both for customers and employees.
- Healthy food suggestions: (such as "eat daily fruit, drink at least 1 litre of water a day, avoid food with a high fat content, reduce salt consumption", etc.) and use a balanced diet (such as planning the week's menu, eating 5 meals a day, moderation in the quantities taken...).
- Yoga classes provided to our guests in two of our premises: Coral Beach Suites & Spa and Coral Ocean View.
- Availability of **GYM** at 3 of our properties: Coral Beach Suites & Spa, Coral Los Alisios and Coral Ocean View.

– USE OF DEFIBRILLATORS IN DIFFERENT PROPERTIES.



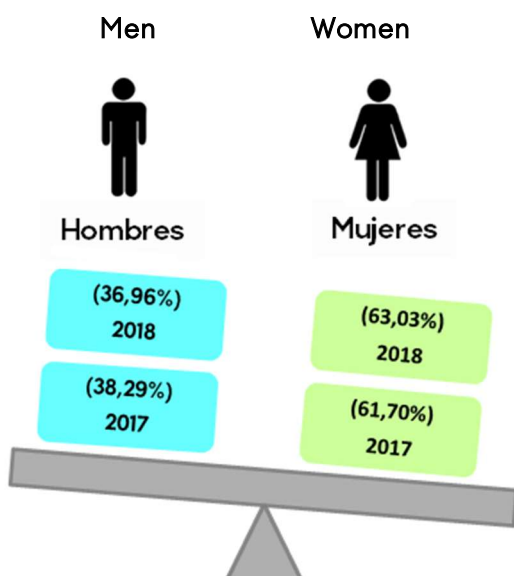
CORAL HOTELS has been committed to the safety of the customers and employees, placing defibrillators in three of its properties, with the intention to implement them in the remaining properties by 2019. We have trained our employees in "Basic first aid, RCPB and authorized use of DESA" in order to be able to use properly the device in case of need.

We have purchased modern and technologically advanced devices, suitable for our needs (easy to use and with choice of two languages: Spanish and English), in particular we want to point out in this respect the Powerheart G5 model provided by the company "Cardiac Science".

6. OUR EMPLOYEES.

EQUALITY PLAN

In CORAL HOTELS we believe not only in the fair employment between men and women, but we also support the employment of people with different special characteristics, such as disability, women suffering gender violence, people having special economic circumstances, long-term unemployed ... Some of the data that support this kind of actions are as follows:



CORAL HOTELS - MEMORIA DE SOSTENIBILIDAD 2018

In 2018 the total number of employees at **CORAL HOTELS** was increased by 1.53% with respect to 2017, reaching the number of 442 employees. Interesting is the increase in the percentage of women employed in 2018, as a result of our previously mentioned employing policy. Equally positive has been the increase in the number of women having a management position in different sections of our properties.

ESTABILIDAD



	2017	2018
Temporary Staff	51,05%	45,47%
Permanent Staff	48,94%	54,52%

CORAL HOTELS continues growing and is strongly committed to the job stability of its staff. In 2018, there was an 11.39% increase in the number of employees with permanent contracts compared to the previous year... The same applies to the percentage of full-time employees, which has also risen significantly.



	2017	2018
Part-time	17,25%	15,02%
Full-time	82,75%	84,98%

We are committed to local talented people; we understand that collaboration and the incorporation of local staff is essential, as we not only promote the economy and development of the area, but we also benefit from their cultural and gastronomic contributions... which we directly and indirectly pass on to our guests.

Our staff is dominated by Spanish employees with 74.93% of the total number in 2018, and with respect to our archipelago, 46.91% are of local origin.



	2017	2018
National Staff	73,34%	74,93%
Local Staff	45,62%	46,91%

TRAINING PROGRAMME

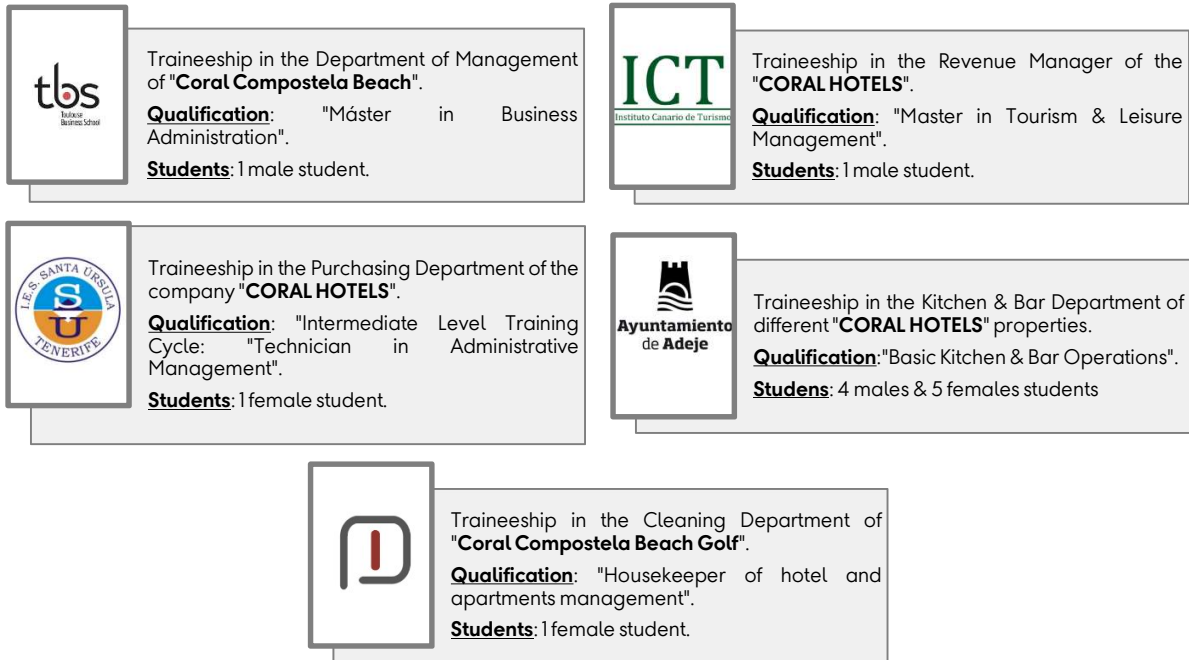
At **CORAL HOTELS** we strongly committed to the training of our employees, taking into account their needs and based on the strategic targets set by our company. To achieve this, in 2018 we have invested €18.205,90 (28.24% more than in 2017) in the professional training of 375 employees, of whom 40.8% were men and 59.2% women. In terms of time, this represented a total of 2570 teaching hours, 15.8% more than in 2017.

Hereafter are some of the training courses held in 2018:

Capacity Training Program	Compulsory Training	Sustainability
<ul style="list-style-type: none"> - Expert en Community Management. <ul style="list-style-type: none"> - Bartender. - Industrial boiler operator. - Basic First Aids, RCPB & Authorise Use of DESA <ul style="list-style-type: none"> - Cocktails maker. - Noray (management software for hotels). - Data Protection Law Training Course. 	<ul style="list-style-type: none"> - Manipulation of phitosanitary substances. - Postural hygiene course. <ul style="list-style-type: none"> - First aid. - Fire-fighting training. - Food manipulator. - Pool maintenance. - Prevention of Occupational Risks. <ul style="list-style-type: none"> - Legionella 	<ul style="list-style-type: none"> - Waste management at hotel premises. <ul style="list-style-type: none"> - ECPAT protocol. - Postural hygiene training. - Waste treatment in hotels

TRAINEE PROGRAMME

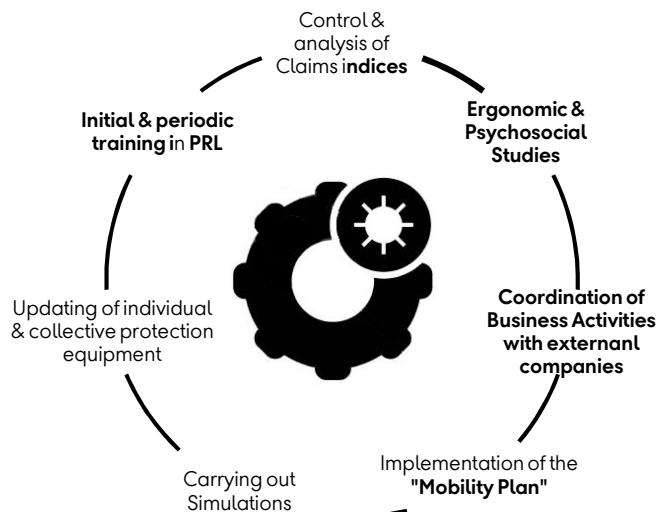
We are conscious of the limits that our young people face when it comes to begin their professional activity, at CORAL HOTELS we have opted for a training programme that enables the students of our associated training center or entities to get to know first-hand the operation of each of the departments of our properties. Some of the agreements we have signed are:



OCCUPATIONAL HAZARD PREVENTION

The most important factor that CORAL HOTEL has, are the employees; that is why we have designed an active and inclusive Occupational Hazard Prevention Programme, in which we actively involve all new employees and managers to ensure safety and health, psychosocial and ergonomic aspects as per current regulations.

The following are some of the preventive actions we are carrying out:



7. FAREWELL LETTER

As a result of the Action Plan (2015-2030) approved in 2015 by the United Nations General Assembly, the "Agenda 2030", in CORAL HOTELS we want to contribute to the "Transformation of Our World" through the planning of our own commitments towards Sustainable Development. To achieve our target, we have taken into consideration the slogan "Leaving no one behind", a key message of the Agenda 2030, which was featured in the "Report on the World Social Situation 2016" and which highlights the needs to identify, who is falling behind in the current development patterns and how.

Having analyzed the situation in our working area, our lines of action are based on four purposes:

- To stop poverty applying our inclusive policy of creating sustainable jobs and promoting equality.
- Gender equality, combating all types of gender-based violence, and ensuring women's full and effective participation and with equal opportunities.
- To provide decent work conditions and economic growth through the implementation of job opportunities for all people of working age.
- Responsible production and consumption, implementing waste reduction policies such as "SAY NO TO THE USE OF ", or the reuse of natural resources through a new concept of decoration.

"The world is a dangerous place, not because of those who do evil but because of those who do nothing to prevent it."

Albert Einstein

