

“We are all just Guest on this Planet”

**SUSTAINABILITY REPORT
PESTANA HOTEL GROUP 2019**



PLANET GUEST
PESTANA SUSTAINABILITY

1 MESSAGE FROM THE PRESIDENT

It is with great pleasure that I present the 6th Pestana Hotel Group Sustainability Report, containing our PLANET GUEST initiatives - the Group's sustainability programme - implemented since 2018.

As we celebrated the programme's tenth anniversary, we engaged in a process of strategic thinking that resulted in the restructuring of the programme in six activity areas: support of and relationship with the local community; education and culture; respect for the environment; restoration and preservation of listed heritage sites; internal social responsibility and support of entrepreneurship projects.

The nominated six areas are the ones we believe currently contribute to the development of Pestana Hotel Group's business and will continue to do so over the years. Among these, I would like to highlight the following: internal social responsibility, an area that has increasingly become one of our main focuses; the restoration and preservation of listed heritage, resulting from the Group's long-standing tradition of investing in the conversion of listed buildings into hotels; and supporting entrepreneurship projects, an area we intend to grow further.

With the commitment and motivation of our global team spread across the 16 countries where the Group currently has 100 hotels, we will continue to look out for new opportunities to express our environmental and social responsibility, because we believe growth should go hand-in-hand with respect for the people and the planet.

I am certain that the next decade of Planet Guest will involve building, together with our partners and local communities, a set of new initiatives that will make our sustainability programme even stronger.



Dionísio Pestana

Shareholder and President of the Pestana Hotel Group



THE BUSINESS



16
countries



434.2M€
Business Volume



100
100 Hotels



4
New Hotels
Inaugurated



15
Construction/rehabilitation
of Hotels



12 000
Rooms



67%
Average
occupancy rate



43.2M€
financial investment in
new hotels with the
restoration and
preservation of heritage



31
units restored/refurbished



0.1M€
in financing received
from the government



105.6M€
EBITDA

DISTRIBUTION OF ECONOMIC VALUE



22.9M€
paid in IRC



198.8M€
paid to suppliers

CLIENTS



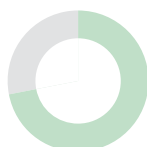
4.4M
clients

2 EMPLOYEES



2966

Employees



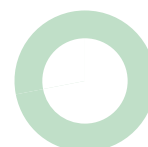
72%

Employees with
open-ended contracts



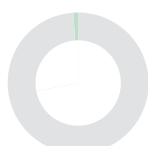
99%

Full-time contract
employees



100%

Employees with
performance
evaluation



0.87%

Absenteeism rate



38%

of employees are
under 35 years of age



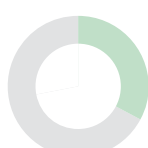
43%

of employees are
female



16%

of management
positions are occupied
by women



33%

of national
directors are
women



38%

of regional directors
are women



41%

of department heads
are women

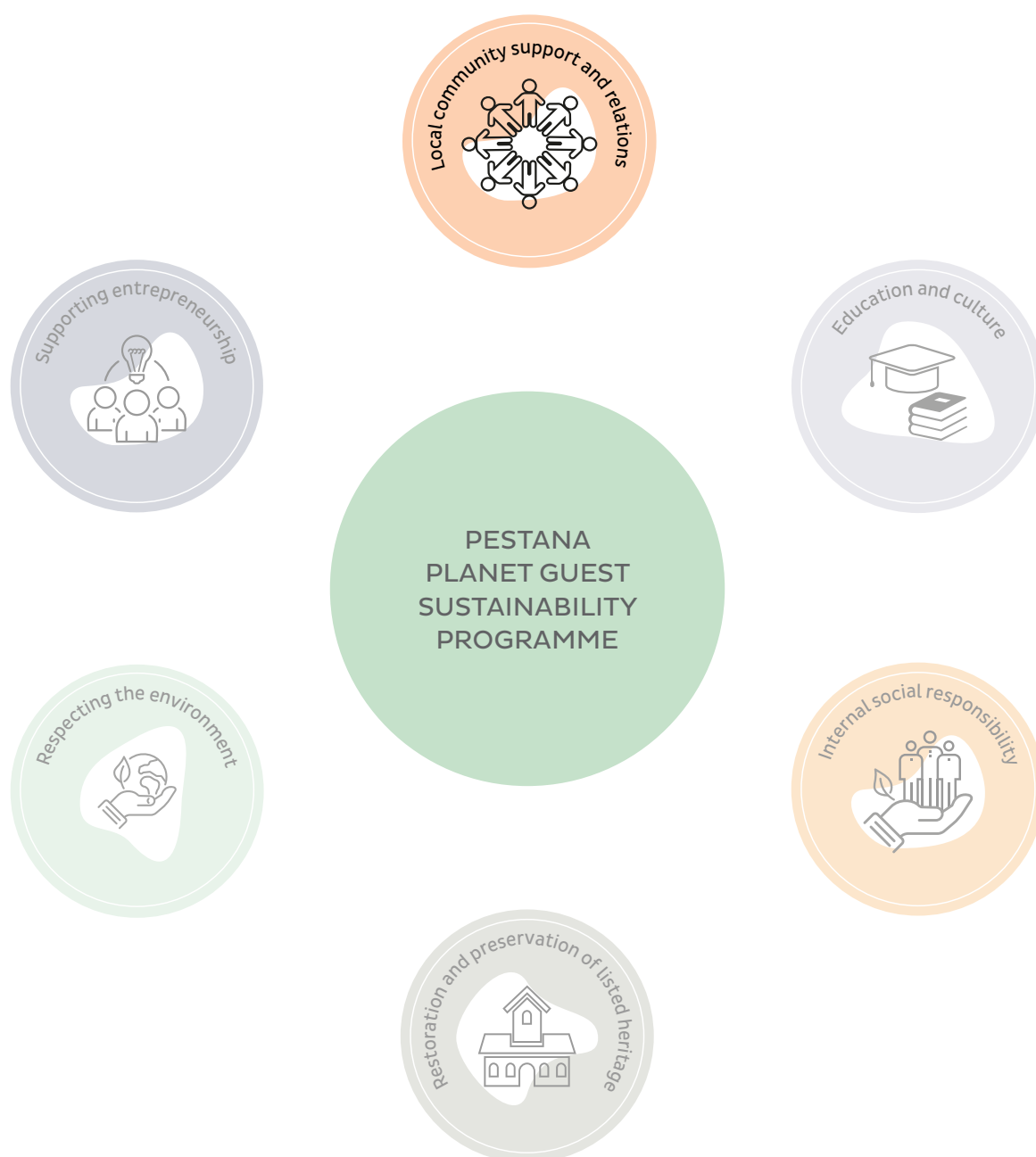


88.9M€

of employee costs

3 LOCAL COMMUNITY SUPPORT AND RELATIONS

We remain committed to the well-being and quality of life of the local communities where our hotels are located, fostering their development and improving social equality.



THANK YOU FOR YOUR HELP

We match every euro donated by guests to local institutions.

The funds collected in **São Tomé and Príncipe**, **Germany**, **Netherlands**, **Spain**, **United Kingdom**, and in the **USA** revert to the Santo António Kindergarten in São Tomé, built by the Pestana Hotel Group.

In **Portugal**, donations support the following local social assistance institutions: Acreditar/**Lisboa**, Crescer Ser/Porto, Lar Bom Samaritano in the **Algarve**, Criamar/**Madeira**, Afacidae in **Manteigas** and Santa Casa da Misericórdia in Vila Franca do Campo, based in the **Azores**.

Other donations abroad support Siya Buddy in **South Africa**, Nilus in **Argentina**, Teto in **Brazil**, Maracanã in the **Cape Verde** islands, Oeuvre de la Goutte de Lait in **Morocco** and Casa do Gaiato in **Mozambique**.



HELP 4 MOZ

The action we took towards helping the victims of Hurricane Iadi, in Mozambique, enabled:

- The delivery of about 8 **tons of emergency food aid**.
- The **donation of new clothes** by workers and linen from our hotels in Madeira. These clothes were hand delivered to social institutions in **Beira/Dondo**.
- Monetary donations from employees, which the Pestana Hotel Group then matched with an equal amount. These funds were used in the reconstruction of the **Beira Portuguese School**.



“ESTAMOS JUNTOS”

The Tilizinwe Community Development Project provides support for access to drinking water, electricity and healthcare in **Machulane**, the local community closest to the Pestana Hotel Group properties in **Bazaruto**.



PESTANA SUSTAINABILITY AWARD

For the first time in the history of the programme, a prize was set up to reward social institutions that show outstanding performance in activities aligned with the Group's sustainability objectives.

In 2019, **Casa da Alegria**, in Lisbon, was awarded 5.000 euros.



SOCIAL VOLUNTEER GROUP

JOÃO 13 ASSOCIATION

In 2019, **Pestana Hotel Group employees**, in partnership with the **Pedro Arrupe School**, started collaborative volunteer work at the **João 13 Association**.

Every Monday, 60 dinners and 60 breakfasts are provided and served, in collaboration with the Lisbon municipality. In 2019, 2,200 meals were provided.



DONATION OF GOODS AND FOOD

ZERO WASTE

The **Pestana Palácio do Freixo** provided a full meal to a person in need from **Campanhã** on a daily basis, as well as supported a family of five during the year. In addition, all leftover food from events held at the **Pestana Palácio do Freixo** and the **Pestana Vintage Porto** was donated to **Crescer Ser** in Porto.



DONATIONS TO SCHOOLS

Lisbon-based hotels donated five computers to the São João do Estoril school group.

In **São Tomé**, our hotels continued to play an important role in nearby schools, supporting local pupils, with the donation of books, clothes and providing **daily meals**. In this way, we contribute to children's learning and schooling by providing them with the most appropriate materials and satisfactory nutrition. This initiative was replicated by our hotel in South Africa, which donated schooling resources to pupils at the **Malenane school**, at the **Utahndiwe Children's Home**.



SOCIAL SUPPORT EVENTS

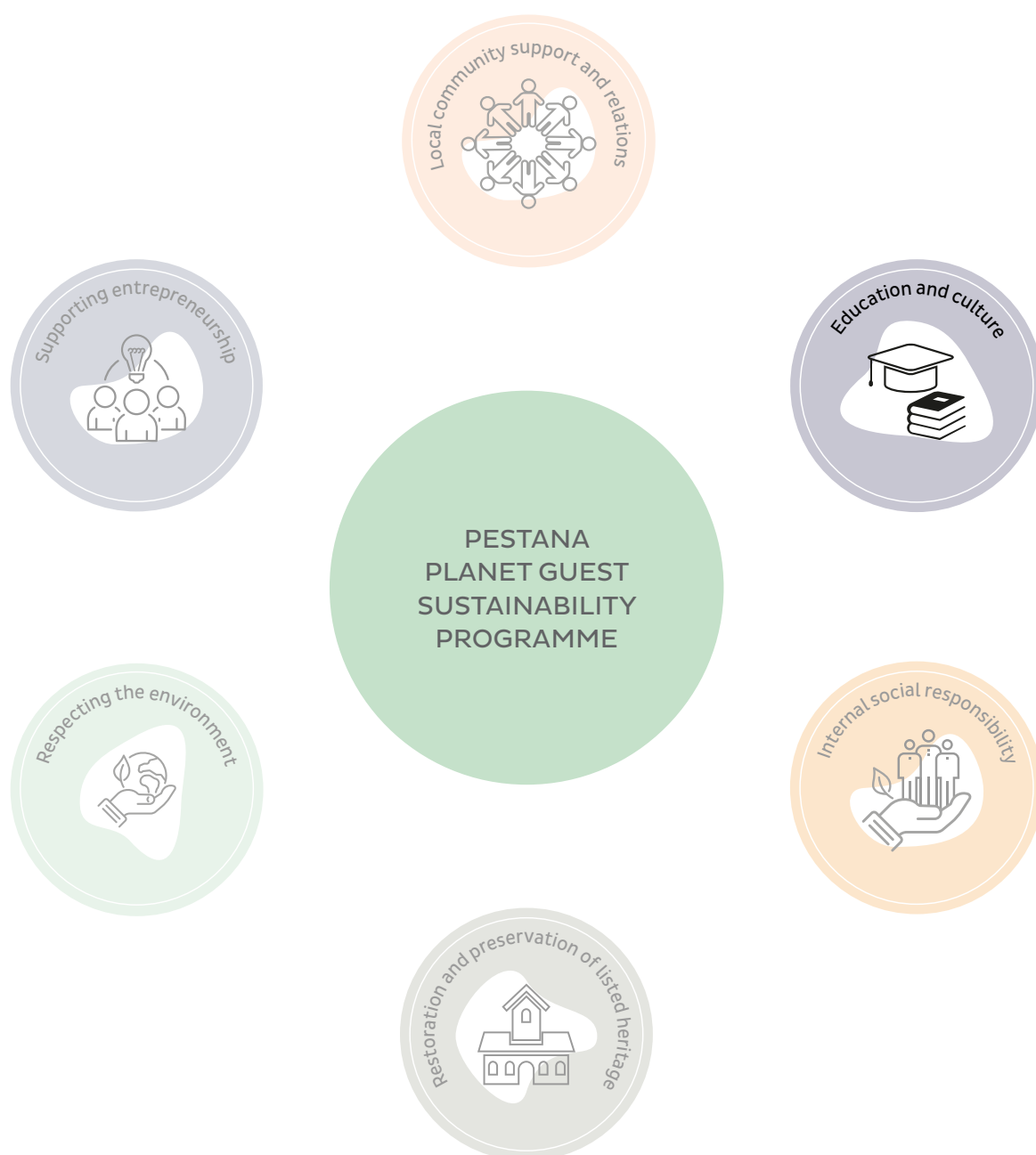
CHRISTMAS LUNCH FOR THE HOMELESS

As in previous years, on December 25th we opened up the stables of the Pestana Palace Hotel to provide a Christmas lunch for the homeless. By making our facilities available, we contribute to providing a warmer and more fraternal Christmas to this group of underprivileged people. In 2019, in a shared initiative with the group **Amigos do Rio**, we welcomed 280 people, that included additional services such as legal support, medical care, hairdressing and also a magic show.



4 EDUCATION AND CULTURE

In 2019, we continued to implement and support initiatives that add value to the cultural identity of the regions in which our hotels operate.



ARTE INSTITUTE

The Pestana Group supports the **Arte Institute**. The mission of this New York-based organisation is to promote Portuguese art and culture, providing an inter-cultural space for inspiration, thereby acting as a catalyst for innovative artistic dialogue between New York's various communities and Portuguese artists. In 2019, the partnership focused in supporting the **RHI (Revolution, Hope, Imagination) project**.



SOCIAL GRANTS FOR SCHOOL EDUCATION

In 2019, we continued to promote youth education, with three social grants awarded to young people mentored by **EPIS** (Empresários pela Inclusão Social [Entrepreneurs for Social Inclusion]) – an association created in 2017 by a group of more than 100 entrepreneurs and managers from Portugal. Their mission is to support and educate underprivileged young people, fulfilling their potential throughout their lives through education, training and professional placement.



BOOKS THAT PROVIDE PROFESSIONAL SUPPORT FOR CHILDREN WITH TRISOMY 21

The **Pestana Cidadela de Cascais** upholds the work developed by **Dejá Lu Bookshop** in support of children with Down syndrome by housing the store in its quarters.

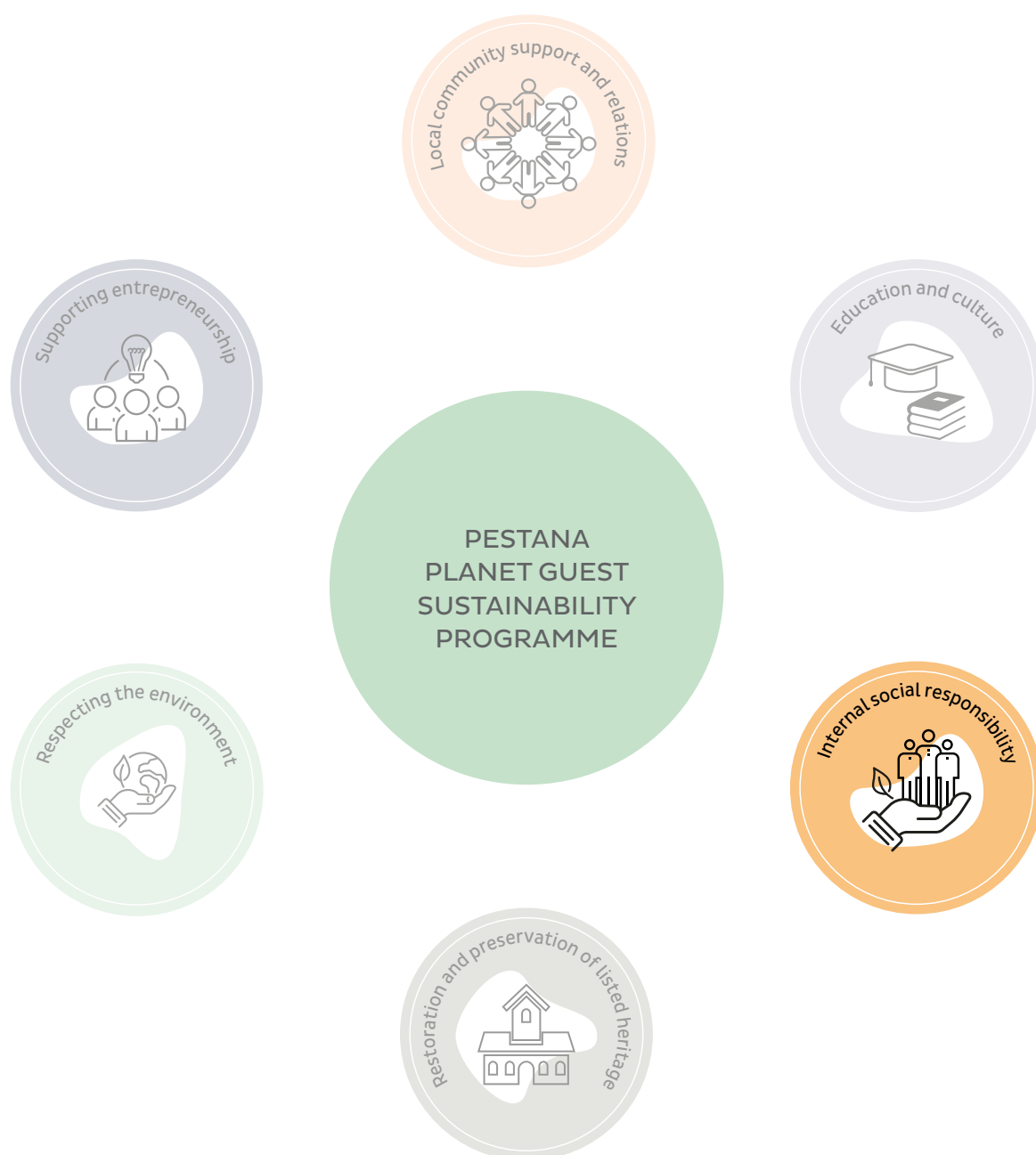
Dejá Lu is the forefront of an association that sells donated books. All its proceeds go to supporting projects that provide professional career prospects and care for children with the disease.

In 2019, **Dejá Lu** generated €75,500 in revenue.



5 INTERNAL SOCIAL RESPONSIBILITY

Support to our employees is one of Planet Guest's main activities, with initiatives aimed at enhancing their professional and personal lives.



MORE HEALTHCARE FOR OUR EMPLOYEES

PESTANA SÃO TOMÉ

The healthcare clinic in **São Tomé** was fully equipped with donations from Portugal. It offers free medical consultations to our employees and their families, carried out by in-house doctors on a voluntary basis.

There are several protocols in place, such as:

The protocol for the hospital care of our employees and their families.

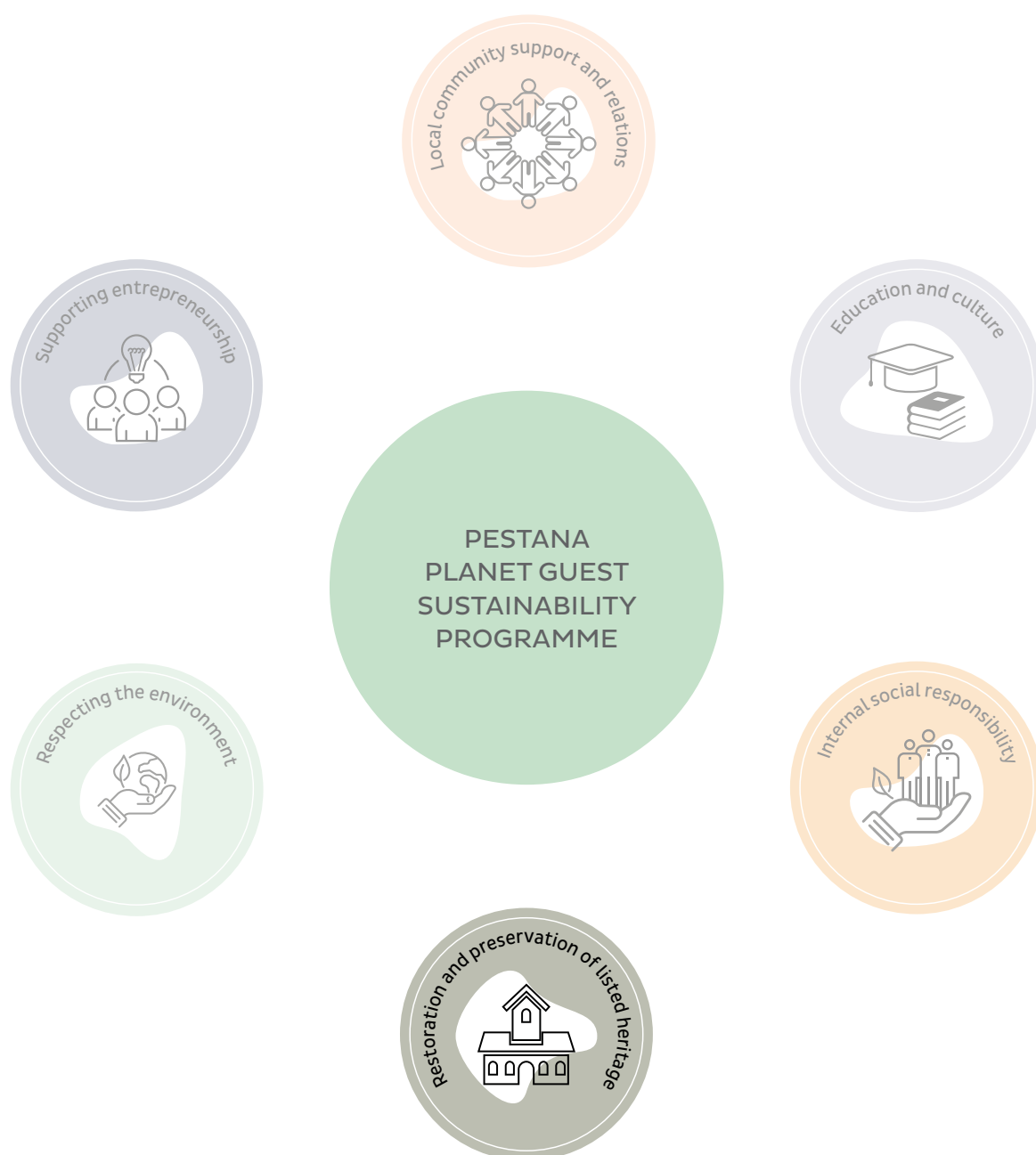
The protocol with the Ministry of Health, for the purchase of drugs provided to our clinic for use by our employees, their families and our hotel guests, if necessary.

We have also invested in the volunteering of skills, which aims to promote our employees' development. In this program, each employee donates one hour of work per week to volunteer his or her skills to a colleague.



6 RESTORATION AND PRESERVATION OF LISTED HERITAGE

In 2019, we continued the restoration of historic buildings as part of our hotel projects, thus contributing to maintaining the heritage and history of the locations where we have our hotel operations.



PESTANA PLAZA MAYOR MADRID

In May 2019, the Pestana Hotel Group made its debut in Madrid with the opening of the **Pestana Plaza Mayor**, a hotel that integrates the restoration of two historic buildings– the Casa de la Carnicería, which is over 400 years old, and an old fire station.



POUSADA VILA ÓBIDOS & CASA DO LIDADOR

In May 2018 the Group inaugurated two new Pousadas de Portugal in Óbidos, one of Portugal's best preserved medieval villages: the **Pousada Vila Óbidos** – a traditional 18th-century house, and the **Casa do Lidador**, where the first Pousadas de Portugal prototype hotel operated in 1940, as its first training facility.

In the **Pousada Castelo de Óbidos**, also managed by the Group, the roof of the **D. Dinis Tower** was restored.



PESTANA CHURCHILL BAY

Set in the bay of Câmara de Lobos, a quaint fisherman's village, in Madeira, the **Pestana Churchill Bay** bays tribute to British Prime Minister Sir Winston Churchill, who made the spot renowned by painting its landscape. The project includes the restoration of two historic buildings, which were in very poor condition.



PESTANA DOURO

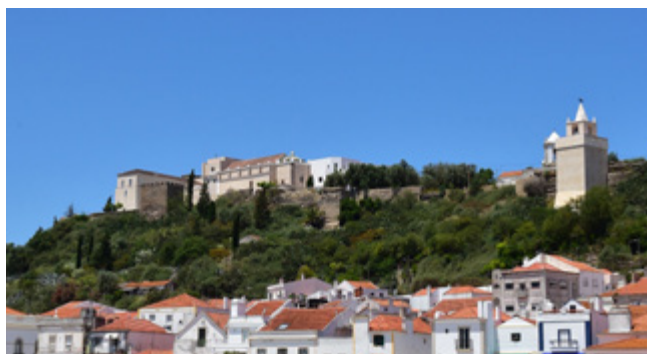
The **Pestana Douro** is a reconversion of the town's historic scented soap factory, located on the right bank of the Douro River, a short 10 minute walk from the centre of Porto.



OTHER HERITAGE RESTORATION AND PRESERVATION PROJECTS:

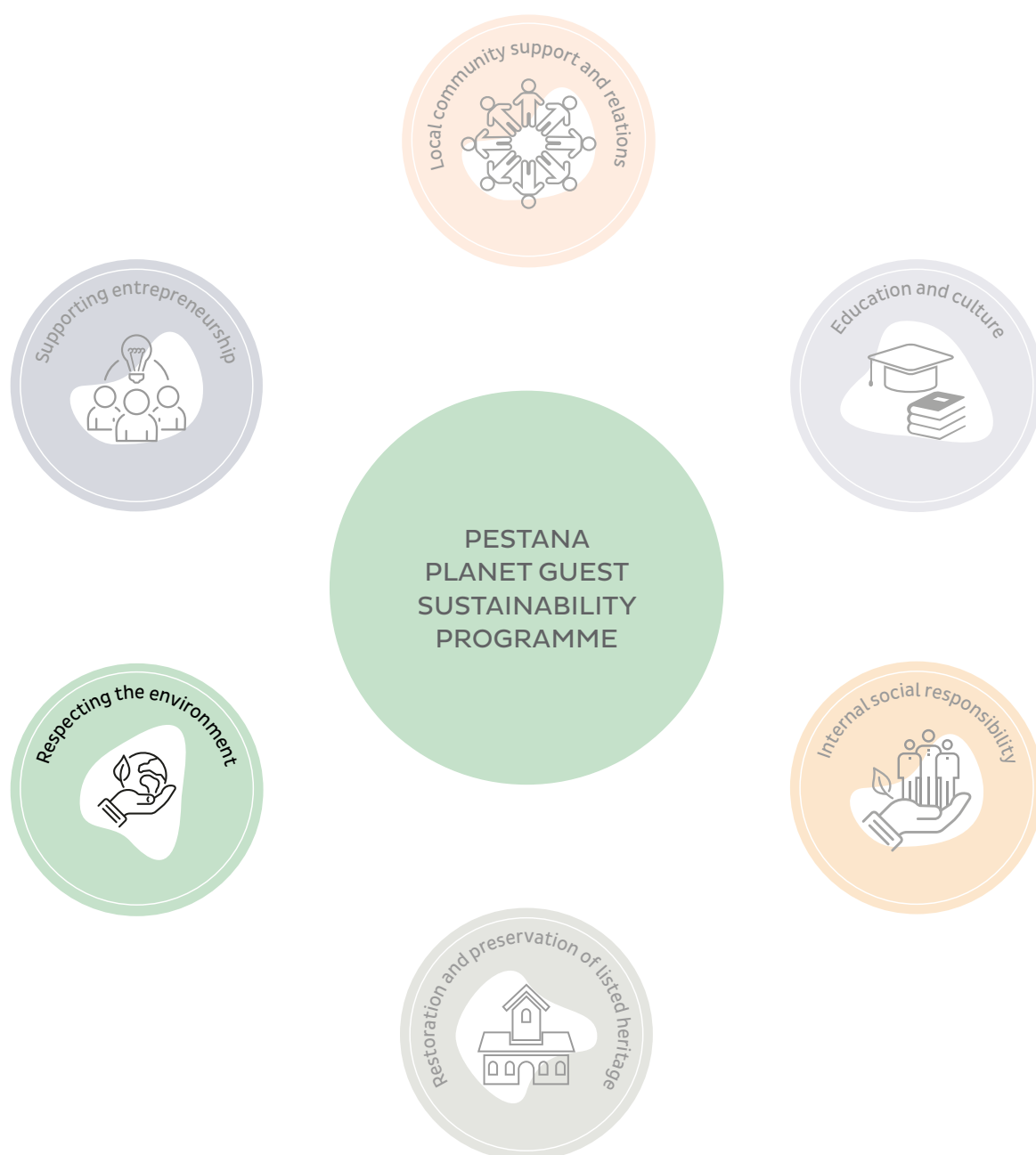
During 2019, other heritage and preservation projects were also completed. Mainly:

- Restoration of the Laranjeiras (orange trees) Courtyard at the Pousada Mosteiro de Amares;
- Repair and painting of the Sado Room ceiling at the Pousada Castelo Alcácer do Sal;
- Conservation and restoration of the garden area and general painting of the facade of the Pousada Palácio de Estoi;
- Conservation works and facade restoration at the Pousada Convento de Tavira.



7 RESPECT FOR THE ENVIRONMENT

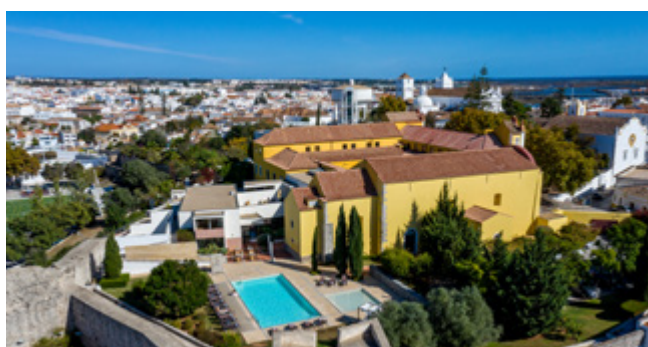
In 2019, several of our hotels were awarded environmental responsibility certifications and recognition. We continued with our campaign to **replace the use of plastic** in our operations and pursued **environmental projects** already underway around the world, as well as initiatives to protect **endangered species** and raise environmental awareness amongst our employees and clients.



ENERGY EFFICIENCY

First installations of Electric Vehicle Charging Stations – EVCS, in several Pestana hotels, in partnership with EDP Commercial In 2019, 4 EVCSs were installed in the following locations:

- Pestana Blue Alvor
- Pousada Palácio de Estoi
- Pousada Convento de Tavira
- Pestana Palácio do Freixo



PESTANA VOLUNTEER DAY

In 2019, the first Pestana Volunteer Day was established on June 5th. Hundreds of Pestana volunteers celebrated World Environment Day all over the world. Various environmental and social activities in collaboration with local entities were carried out in Portugal, Cape Verde, Mozambique, São Tomé, South Africa, Berlin, Brazil, Brazil, Buenos Aires and Miami.



SAY NO TO PLASTIC

The **Say No To Plastic** initiative was launched in 2019 with the aim of achieving a 50% reduction in non-reusable plastic by 2020.

First most noteworthy activities:

- Elimination of plastic straws ;
- Replacement of disposable plastic cups with reusable or paper cups;
- Liquid soap, shower gel and shampoo dispensers in the bathrooms;
- Substitution of ballpoint pens with pencils;
- Digital opening of doors to replace cards.

The objectives were fully achieved, with targets surpassing expectations in the first year of implementation:

A 60% reduction in non-reusable plastic items worldwide, i.e. less 50 tons of plastic used, 4 million fewer plastic cups and 1.5 million fewer straws.



GREEN BONDS

The Pestana Group developed the Pestana Tróia Eco-Resort and the Pestana Blue Alvor projects with the following features:

- Integration of architectural features with nature;
- Harmonisation of the facilities with their respective surroundings;
- Low construction density;
- Reduced environmental impact;
- Preservation of nature and restoration of habitats and native species.

Due to the sustainable nature of these projects, the Pestana Group benefited from the financing of the first worldwide issue of “green obligations” in the hotel industry. The operation gave rise to considerable interest in the European financial markets, due to its innovative nature. With capital allocation being guaranteed for sustainable projects, the offer was oversubscribed threefold. This allowed the Group to increase the issue price from 50 to 60 million euros under very favourable financial conditions. The operation was also subject to certification in accordance with the principles of the ICMA, the International Capital Market Association, by an independent entity and submitted to a credit rating assessment, obtaining an investment grade classification of “BBB”.



ECOLOGICAL LIFESTYLE

The **Pestana Amsterdam Riverside** continues to promote a more environmentally friendly operation, using ecological cleaning products, replacing paper newspapers with online ones, making bicycles available to guests and partnering with a taxi company that provides transportation with lower environmental impact.



ENVIRONMENTAL RESPONSIBILITY

The Pestana Hotel Group was awarded the Social and Environmental Responsibility seals from the AHP (Associação da Hotelaria de Portugal - Portuguese Hotelier Association).



GREEN CERTIFICATION

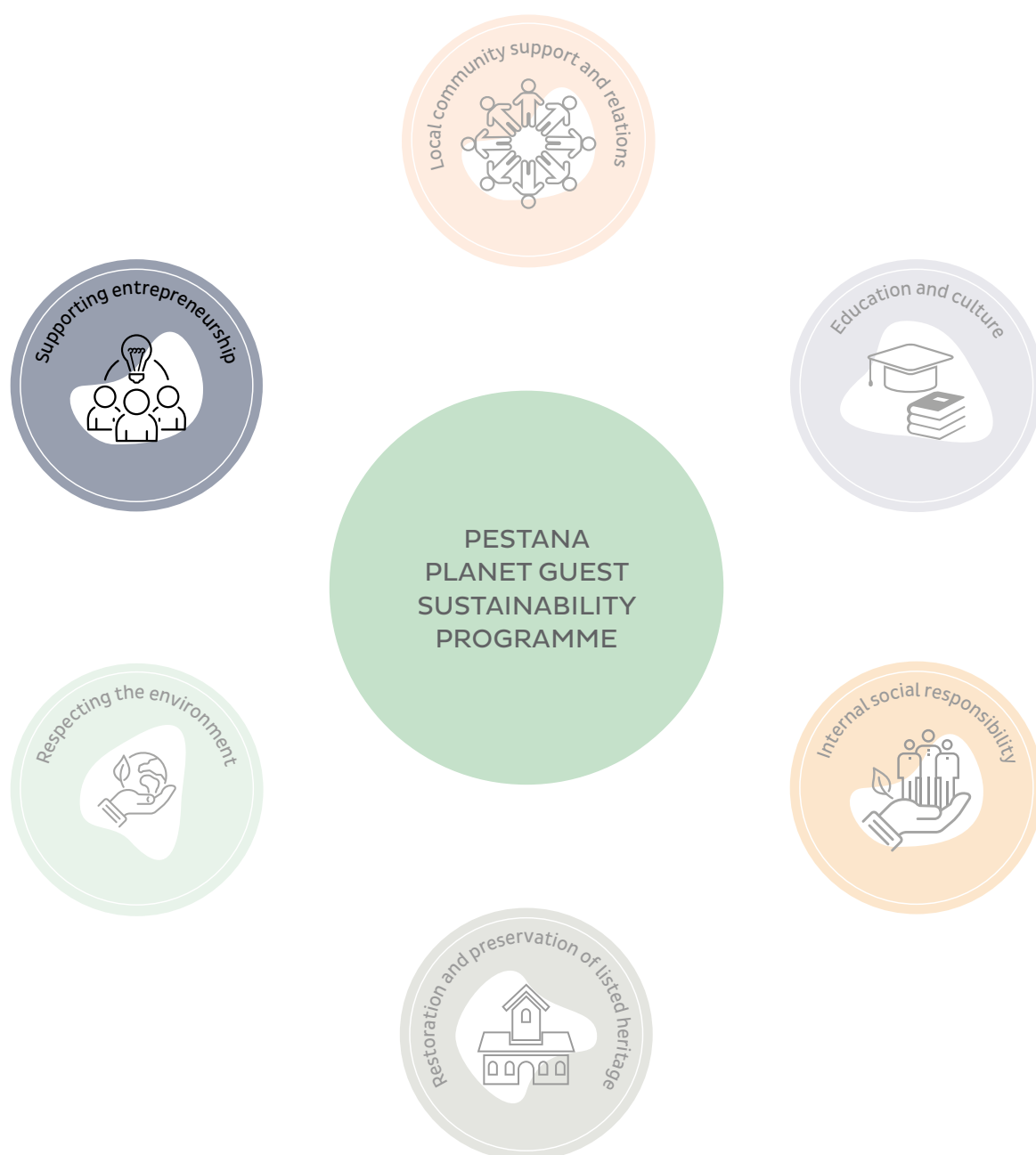
In 2019, and for the first time since the beginning of the programme, all the **Pestana Hotel Group's** hotels in Portugal were awarded the **Chave Verde** (green key) - a certificate that distinguishes hotels that promote **sustainable** tourism by practising correct environmental management.

One of the projects that stand out is the **Efficiency Project** (an ESCO [energy savings company] model) at the Pestana Vila Sol, which aims to promote energy efficiency in existing technical systems (replacement of coolers and boilers, installation of LED lighting; construction of a photovoltaic plant, etc.)



8 ENTREPRENEURSHIP SUPPORT

Either through our own initiatives, or together with partner organisations, we have acted as a driving force for entrepreneurship, contributing to professional development, as well as a more inclusive job market.



GIRL MOVE

Girl Move is an organisation that contributes to social change in **Mozambique**, by providing young Mozambican university students with active training coaching at a national and international level. It includes practical experience in terms of mentoring other young university students (under the **BELIEVE** Program, in Mwarusi) whilst offering the experience of an **international student apprenticeship in Portugal**

As part of the support given to this organisation, we hosted **Mariazinha** for a month, who passed through the various areas: Social Responsibility, Online, Development and Communication. This experience will permit her to improve her knowledge and skills to be applied in Mozambique.



REFUJOBS

We also continued our partnership with **REFUJOBS**, a project of the **High Commissioner for Migration**, which aims to enhance the professional skills of refugees and job opportunities available in Portuguese entities and companies..



INCORPORA

We established a partnership with the **Incorpora** programme, a **project of the “La Caixa” Foundation** that aims to employ people in situations or at risk of social exclusion, such as people with disabilities, immigrants, youngsters or female victims of gender violence, thus contributing to their **social inclusion**, professional development and entry in the labour market.



