

SUSTAINABILITY REPORT 2019

1. STRATEGY and ANALYSIS

The HOTEL TIGAIGA, is a family run, traditional and small size hotel (83 rooms), located in the Taoro Park of Puerto de la Cruz, Tenerife, in an elevated area with respect to the sea.

Since its construction in 1959, the proprietors, the Talg Family, have led the management of the company directly with special awareness towards quality and environmental issues.

The low turnover of staff has made it possible to maintain good control of processes and management. Through successive actions, management systems have been implemented thus improving quality and energy efficiency. Already in 1982, HOTEL TIGAIGA was a pioneer in the Canary Islands incorporating thermal solar collection for domestic hot water.

In May 2016, the company acquired the “Florasol Apartments” establishment, which has 34 suites consisting of one and two bedroom apartments, a swimming pool, a tennis court and the next opening of a specialized restaurant, also open to non-accommodated clients. After an intensive reform, Florasol changed its name to TIGAIGA SUITES maintaining its privileged location in the Orotava Valley overlooking the Teide and just 200 meters from the Hotel Tigaiga.

This reform, which lasted for six weeks, consisted of adapting the rooms (each of about 60 square meters) to current standards, modernizing the bathrooms and small kitchens, as well as a total renovation of the furniture and adaptation of Wi-Fi and satellite television. True to its social policy and in support of local industries, the management made sure renovations were done by local companies.

Guided tours through the hotel take place on a weekly basis for guests to visit the company's internal areas. During these visits all improvements made are explained and showed to all those interested.

Enrique Talg family

2. CHARACTERISTICS of the REPORT and COMPANY PROFILE

This document informs about the activities of the TIGAIGA company between January and December 2019, and is based on the principles of transparency, objectivity, materiality and truthfulness, in order to inform the company's interest groups about the performance and the results obtained in the different fields of the Report. For further information or to answer any questions about the content of this Report, TIGAIGA SA is at your disposal.

The contents of this Report are a consequence of the reflection and the commitment to continuous improvement made by both management and employees of TIGAIGA SA, taking into account corporate objectives and values and based on the principle of 'materiality', that is, trying to reflect the most significant social, environmental and economic impacts of the entity for interest groups. This Report covers the whole company.

3. 3 BASIC COMPANY INFORMATION

The activity developed is that of a holiday hotel. At the end of 2018, the workforce amounted to 58 workers. The TIGAIGA HOTEL was created in 1959 and currently together with the TIGAIGA SUITES establishment, acquired in May 2016, legally adopts the form of Tigaiga Sociedad Anónima.



This company has its registered office at the following address: Parque Taoro, 28, 38400, Puerto de la Cruz, Tenerife.

HOTEL TIGAIGA has received in 2019 the following certifications and distinctions:

- ISO 9001 Quality Certification
- ISO 14001 Environmental Quality Certification
- Travelife Gold Certificate - Sustainability in tourism
- SICTED Distinction Renewal: Commitment to Tourism Quality

- Holidaycheck Hotel Award
- Tripadvisor Certificate of Excellence
- TUI Holly Award and TUI Umwelt Award

The market on which TIGAIGA focuses its activity is European, mainly the German speaking countries (Germany, Austria, Switzerland).

4. COMMITMENTS AND PARTICIPATION OF STAKEHOLDERS

The stakeholders of the company are those people or groups that are affected or have an impact on the activities, services or products of the company.

In order to ensure the long-term sustainability of the organization, it is especially relevant for TIGAIGA to know, prioritize and segment the various stakeholders, to better understand their expectations and establish a constructive dialogue with them which will allow the creation of value for all and gain their trust. The main stakeholders which are targeted by the company are the:

- Customers and employees
- Local and insular community
- Public authorities (local institutions, Cabildo, Government of the Canary Islands, public organizations, etc.)

5. PARTICIPATION RATES

The TIGAIGA SA stakeholders which have been identified as priorities and / or have the greatest impact on the business, have different ways of participation, both formally and informally, with which to communicate suggestions, complaints or indications of any kind, that contribute to the improvement of the performance and the continuous progress of the organization.

- Customer Service
- System for initiatives and suggestions from employees
- Email address and web contact, social networks
- Telephone attention or postal correspondence
- Frequent meetings between Management and employees (formally and informally)
- Open days for the community
- Visits by university students, academic institutions, cultural exchange between clients and students, etc.

6. COMMITMENT with EXTERNAL INITIATIVES

TIGAIGA SA is a company which is integrated in the community where it operates and, to varying degrees, maintains a relationship with various organizations and entities in order to be well positioned in its territory of action and consolidate the relationship with the community.

The following are different external initiatives with which some relationship is maintained and / or with which different commitments have been adopted in economic, social or environmental matters:

- ASHOTEL Territorial sector business organization
- CIT Center of Initiatives and Tourism in Puerto de la Cruz
- Tenerife Tourism Excellence Association
- Tourism of Tenerife, Tenerife Natural
- University of La Laguna
- Puerto de la Cruz Urban Consortium
- Other associations such as Lions Club, etc.

As an external commitment of CSR, the TIGAIGA SA company values positively the content of the principles contained in the United Nations Global Compact, and supports their implementation in the business sector, in such a way that respect for human rights and labor, environmental care and the fight against corruption are on the agenda of all entities in the field of social responsibility.

7. PERFORMANCE INDICATORS

ECONOMIC SECTION

Economic value generated by the company. The economic activity of TIGAIGA SA implies a generation of wealth that reverts to various social agents in the form of payment of salaries, payment to suppliers, donations, taxes, reserves, endowments to the company itself, and so on. In the last fiscal year (year 2019) the result of the activity has meant a turnover of almost 4.5 million euros in the community where it operates.

ENVIRONMENTAL SECTION

Like all economic activity, the activities that TIGAIGA develops generate an environmental impact. Bearing this in mind, and with the objective of combining business growth with the minimization of this environmental footprint, the ISO 14001 environmental management system was implemented in 2001, which allows us to enforce measures aimed at achieving energy efficiency and reducing consumption.

All information concerning HOTEL TIGAIGA can be consulted in the annual Environmental Declaration of the company, carried out according to the European EMAS standard, of which the content is validated by external auditors.

CONSUMPTION PER OVERNIGHT STAY	2015	2016	2017	2018	2019
Energy consumption per overnight stay	0,023 MWh	0,020 MWh	0,022 MWh	0,022 MWh	0,024 MWh
Hotel water consumption per overnight stay	265 litres	195 litres	193 litres	213 litres	260 litres
CO2 emissions from energy consumption per overnight stay	9kg/CO2	6kg/CO2	3kg/CO2	3kg/CO2	2,6kg/CO2

Source: environmental declaration 2019, audited and certified by TUV Rheinland.

SOCIAL SECTION

TIGAIGA complies with all applicable regulations and works actively towards workplace risk prevention. Also

- Contractual improvements stipulated within the collective bargaining agreement of the sector
- Measures for flexible working hours (e.g. part-time, permits, days off, shift flexibility, etc.)

- Social benefits (maintenance, advances, health insurance, etc.)
- Training plans, employee evaluation
- Participation in dual vocational training programs (alternately in the training center and in the company) or cooperation with training centers for internship contracts
- Safety, health and wellness programs in the workplace (measures to prevent hazards in the workplace, health programs and promotion of healthy lifestyle such as physical activity etc.)

HUMAN RESOURCES	2015	2016	2017	2018	2019
Total number of employees	55	58	58	58	58
Employees with non-Spanish nationality	2	3	3	2	2
Employees with some degree of disability	1	1	1	1	1
Percentage of women among staff	45%	45%	45%	45%	45%
Euros spent on training	6.858	4.351	8.549	30.200	10.281

In addition, for TIGAIGA it is important to indirectly generate wealth in the island economy by supporting local companies through purchases from suppliers. This small company aims to influence the local economy beyond direct jobs and the payment of wages and taxes. The company strives to establish long-lasting relationships with local suppliers, responding to the needs of customers.

Society

HOTEL TIGAIGA, to the extent possible and on a periodic basis, contributes to the community through corporate volunteering, donations of material, etc...

DONATIONS AND CONTRIBUTIONS TO THE COMMUNITY

Institution	Event contribution	date
Fundación Hogar Santa Rita – helps and houses the elderly in the Canary Islands	Kitchen utensils and hotel linen: blankets, towels, etc... Disused material	All year
Anglican Church, Parque Taoro Monthly carboot sale for fundraising	Fundraising fleamarket Books and utensils	All year
Bottle caps for life The aim is to help children with health issues in need of medical treatment	Collecting plastic bottle caps and lids for recycling	All year
Various local institutions	Grant usage of meeting rooms	All year
Non profit organization ¡Ya vienen los Reyes! Association which organizes the yearly 3-kings parade in our town	Different decorative materials for the parade	January
Festival MUECA cultural street theatre festival which attracts local and foreign visitors, artists, businesses and managers	Platform for ‘accomplices’ Organization team	May
Puerto de la Cruz city council	collection of tables from the terraces, the balconies and the Tinguaro Restaurant	August
Lion’s Club Puerto de la Cruz	Beach party in Playa Jardín for social charity – Drinks	Sept.
<ul style="list-style-type: none"> • Christmas fair at the Puerto de la Cruz Ecumenical Church • Charity fair organized by PROBOSCO, La Orotava • Christmas fair at the Anglican Church, Puerto de la Cruz 	Tableware and furniture	Nov.
Christmas cards from Oxfam	Used for all our festive menus	Dec.

The main actions carried out by HOTEL TIGAIGA in the year 2019 are:

We continue to encourage commuting by bike offering our employees a safe

and functional space to store bicycles, showers and changing rooms for cyclists near their work area.

The Hotel Tinguaro Restaurant participates one more year in Restaurants Against Hunger. This campaign has been awarded one of the "National Hospitality Awards FEHR 2013" by the Spanish Federation of Hospitality to recognize the work and efforts of companies or people who contribute to enhance and dignify the hospitality industry.

Social Monitoring Project

Report of the company's social value by the University of La Laguna - data 2016 to 2018

Conclusions: The application of the extended information system of Retolaza et al. (2014, 2015, 2016) has allowed to obtain the social value generated by the Hotel Tigaiga and received by its stakeholders in 2016, 2017 and 2018, expressed in a single monetary measure.

The results achieved show that the integrated social value of the Hotel Tigaiga is, in each of the periods, at least 7.5 times higher than the operating profit. This means: for every euro that the owners receive from their capital, the stakeholders receive at least 7.5 euros. Specifically, the entity has transferred to its stakeholders a social value without counterpart of market price, of more than 2,200,000 euros in each of the years considered, that is, at least 2.7 times the profit result. Based on the distribution of the social value of the Hotel Tigaiga among stakeholders, it could be pointed out that the customers are the ones that receive the greatest social value, both of the integrated social value (29% in 2018), and of the transfer without counterpart of a price (85.6% of the non-market social value in the three years). It also highlights the social value generated towards the Public Administration, not only in terms of the return of economic activity (more

than 1 million euros in the three years), but also in terms of savings (between € 25,000 and € 30,000). Specifically, for each euro that the partners of Hotel Tigaiga receive, the Administration receives at least 1.3 euros.

In addition, participation as speakers and on behalf of the Hotel Tigaiga at workshops, contributing selflessly to the improvement of the business culture oriented towards quality and respect for our environment.

Corporate volunteering in various institutions. This is selfless work that involves providing collaboration, without any profit, for the welfare of the community or society in general.

ASHOTEL Non-profit organization. ASHOTEL defends the interests of its associates, and works for the future of the tourism industry as the main economic engine of the Canary archipelago. Vice President Enrique Talg

Tenerife Tourism Excellence Non-profit organization. Entity focused on improving management and the introduction of environmental values in companies and tourism organizations of our destination. President Úrsula Talg

Center of Initiatives and Tourism of Puerto de la Cruz Organization, apolitical and non-profit. The CIT plans and develops initiatives of interest to the city's tourism industry. Board member: Irene Talg

IMPROVEMENT OBJECTIVES

The CSR is for TIGAIGA a path of continuous improvement in business management, so the data collected in this document is the starting point of a journey that pursues excellence and the improvement of competitiveness. With this desire, the company sets out the following improvement objectives of:

- Social performance and environmental performance
- Reduction of energy consumption
- Increase dissemination of information to all interested parties

The embodiment of the objectives for improvement listed above responds to the definition of a short and medium term action plan marked to advance in this area.

COMPLIANCE WITH THE CSR OBJECTIVES MARKED IN THE PREVIOUS REPORT: Regarding the sustainability objectives set in the previous year in our CSR report, the degree of compliance is 95%.