

HIBISCUS HOTELS

Hibiscus Hotels, established on May 14, 2003, is a consolidated company that owns 4 hotels located directly on the Playa de los Pocillos in Puerto del Carmen (Lanzarote).

Our clients enjoy a personal service in a family atmosphere, in a quiet area of Puerto del Carmen. Ideal for couples of any age as well as for families looking for a relaxing holiday.

HOTEL LAVA BEACH



The Lava Beach Hotel ***** is located in C/ Marte, 6 in Puerto del Carmen, next to Los Pocillos Beach.

This modern hotel consists of 154 rooms spread over several buildings from 2 to 4 floors and offers excellent service in an elegant atmosphere.

Opening in December 2018.

Energy rationalisation and a more efficient use of energy are the cornerstones of the design of Hotel 5* Lava Beach. The project sprang from a basic concept that consists in dealing with and meeting all the hotel's demands through a rational use of energy.

Accordingly, the Hotel presents a combination of several different types of renewable energy that, depending on the demands and the time when these happen, are managed to obtain the best energy performance. This is done by combining open-cycle low enthalpy geothermal energy, aerothermal energy, solar thermal energy and photovoltaic solar energy.

The design of the thermal facilities contemplates the recovery of energy to use the surplus for other purposes.

The pool filtering and disinfection treatment is designed to rationalise resources, both regarding water renewal and electricity use, successfully keeping the environmental impact very low. The filtering is performed with an exclusive pool sweeper that improves the survival of the filtering environment throughout the system. The disinfection is performed with saltwater chlorinators to not add chemical components to the water, with the sole exception of pH controls. The saltwater chlorinators are incorporated into the hotel's central energy management system.

The maintenance of the facilities is based on two essential pillars: a rational design with an implementation that facilitates the performance of operations and maintenance; and having qualified professionals carrying out the management and operations.

Below is a brief graphical summary of the facilities and their spaces:



1. Thermal Mechanical Room



2. Manufacturing equipment powered by geothermal energy



3. Pool Mechanical Room



4. Saltwater chlorinator and control station



5. Thermal and photovoltaic solar panels



6. Pressure Pump Room with speed shifters



7. Positive and negative refrigeration stations powered by geothermal energy



8. Comprehensive control and management system of the Hotel

The management system automates the operations of the facilities, adapting them to the varying conditions of each season. This system can also be accessed from the outside to detect any incidents that may occur in real.

OUR ENVIRONMENT: LANZAROTE

Lanzarote is the most surprising island of the Canary archipelago, being located to the east of it. Much of the island is covered by a volcanic mantle that gives rise to very special landscapes, which is why Lanzarote is known as the "island of volcanoes".



Its geology gives rise to all kinds of beaches with different types of sand depending on the area where we are. Wild beaches of fine, almost white sand, such as those of

Papagayo or fine-grained but toasted brown, coexist with others of full black color and larger grain, more typical of areas with more recent volcanic activity.

The climate is another of the great attractions of Lanzarote, since the average annual temperature is 22°. On the island, extreme temperatures practically do not exist, the minimum seldomly drops below 13 ° and the maximum rarely exceeds 30°. The rains are scarce, and they occur in the winter months, being almost anecdotal between May and October.

Lanzarote hides many places to discover, among them the legacies of César Manrique, the most international artist of Lanzarote and a great defender of environmental values, reflected in the Centers of Art, Culture and Tourism of Lanzarote.

Its beaches, gastronomy, climate, the friendliness of its people and the relaxation you breathe in Lanzarote will make your vacation unforgettable.

SUSTAINABILITY

Among the measures implemented in our establishment in post of continuous improvement and supporting our sustainability policy we can highlight the following:

RENEWABLE ENERGIES USED AT THE HOTEL

The Hotel presents a combination of renewable energies and aims to use each one of them as efficiently as possible by finding for each one the best use it can be assigned at any given moment:

- ✓ Very low enthalpy open-cycle geothermal energy for heating and air conditioning, producing Domestic Hot Water (DHW) and refrigeration and freezing in cold chambers and rooms. For this energy we have installed 622 kW of cooling plants, a 100-kW high-temperature heat pump and 50 kW of positive and negative refrigeration stations.
- ✓ Aerothermal energy system. A 100-kW high-temperature heat pump has been installed for the production of DHW. This system acts as a duplicate of the aforementioned geothermal one.

✓ System of 64 thermal solar collectors, each of which has a 2.37 m² collector surface. They will be used for producing DHW. Should the DHW demand be covered or should the temperature not be high enough because of radiation, it will be used for warming the pools.

✓ Photovoltaic panel system for self-consumption comprising 105 modules. Each panel has a Wp of 275. We set up 28.875 kWp to produce electricity. This photovoltaic facility produces 55,737.54 kWh of energy a year.

THE BUILDING'S ENERGY CERTIFICATION.

The Hotel has an “A” Energy Certification due to both the building’s insulation and the efficient use of energy for covering the existing needs.



GEOTHERMAL ENERGY

Due to the particular way in which this energy is used, which can provide truly excellent results in the Canary Islands, as we already have the technology to make it efficient, its use in the hotel is especially noteworthy.

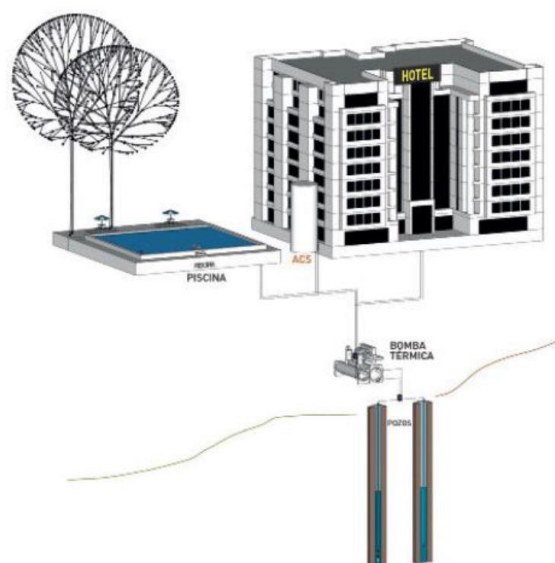
To meet its thermal demands (heating, air conditioning, DHW production, refrigerating chambers for preserving and freezing food, heating up pools...) Hotel Lava Beach harnesses geothermal energy via a centralised system. This energy is renewable, clean, local and highly efficient, as it can be found in infinite quantities right under our feet.

The centralised system consists in the implementation of a very low enthalpy open-cycle geothermal system that enables the flow of energy between the facility and the earth using the water of the Atlantic Ocean as an energy transmission vehicle.

To get the energy to flow between the facility and the earth, a well must be dug in the ground until reaching the water table. This will be a water intake well. In other words, it will absorb water from the earth (constant water temperature throughout the year of between 19° and 24°C). There must also be a second well into which we pour the water originally taken from the intake well.

The planned facility will have a high energy efficiency as its design is based on having a geothermal renewable energy source combined with surplus energy recovery systems and high-performance sources of conventional energy. Furthermore, the facility has been designed with the necessary control and regulation elements to ensure that energy production, as well as the fluids that transport it, can at all times adapt to the varying demands without compromising its performance and therefore save significant amounts of energy.

Here is a schematic illustration of the design:



SOCIAL CONTRIBUTIONS

The facility is designed in a way that helps reduce 138,128 kg of CO2 emissions a year. Graphic breakdown:



Standard carbon savings

55.45 Tons/year



CO2 reduction

138.13 Tons/year



Trees planted equivalent

7,547 trees/year

MINIMIZATION OF CONSUMPTION

INDICADOR	2020	2019	DIFERENCIA
Kw of electric energy consumed / customer day	41,800	32,210	9,590
m3 of water consumed / customer day	0,447	0,345	0,102
Propane / customer day	0,090	0,159	-0,069

If we carry out an analysis of the consumption indicators of HOTEL LAVA BEACH, the results are very negative as the hotel has been closed for a long time and has had fixed consumption that has been attributed to the few clients who have visited the hotel. Therefore, we consider that the data, despite being very negative, is not comparable due to being exceptional situations.

MINIMAZATION OF WASTE

At Hibiscus Hotels we are aware that the hotel activity generates a large amount of waste. Our environmental philosophy promotes measures to minimize their generation, reducing their volume and enhancing recycling.

PRINCIPLES OF GREEN PURCHASES

At Hibiscus Hotels we have green purchasing principles implemented consisting of:

- Buy only what is necessary.
- Buy quality.
- Buy local products.
- Favor the purchase in local shops.
- Buy wholesale.

- Buy recycled or recyclable products.
- Rate, before bying, the option to rent.
- Favor products with independent eco labels.
- Avoid single-use products.
- Favor the purchase of efficient products.



HUMAN RESOURCES

At Hibiscus Hotels we believe that human resources are the basis of our business and we want our employees to be fully identified with our chain, for this we guarantee a fair and equal labor policy, as well as a dignified and respectful treatment of human and labor rights.

Hibiscus Hotels is committed to comply with labor contracts in accordance with current legislation, favoring the integration of the local community in a high percentage of the jobs it offers and giving priority to aspects such as internal promotion, conversion of temporary staff to permanent staff, hiring local staff...

SOCIAL RESPONSABILITY

En Hibiscus Hotels estamos perfectamente integrados en el entorno social de Lanzarote y nos comprometemos a adoptar medidas sociales dirigidas a los

colectivos más desprotegidos y poner a su disposición nuestra capacidad de alojamiento en casos de emergencias o catástrofes naturales.

Collaborative actions with local entities have been greatly affected by the cancellation of cultural events due to the COVID-19 crisis, however, we can mention the following:

- Collaboration with associations and local welfare organizations: Red Cross, Adislan, Calor y café...
- Promotion of local products: local gastronomy, Lanzarote wines, aloe soap.

OUR POLICIES

QUALITY POLICY

HIBISCUS HOTELS is a hotel chain that includes **Hotel Lava Beach, Hotel Las Costas, Hotel Lanzarote Village and Hotel Floresta**. Since their foundation, their main goal is to offer a high standard of quality, whilst respecting the environment.

Our hotels are situated in the touristic area of Puerto del Carmen in Lanzarote (declared Biosphere Reserve by the UNESCO in 1994).

Our guests enjoy a personal service in a familiar environment, ideal for couples of all ages and families alike, who are looking for a relaxing holiday in a quiet part of the island.

In order to consolidate our commitment to the environment and push for quality, we have created a concept of continuous improvement, perfecting our service and paying extra attention to the needs of our clients in which we:

- Aim to focus our business entirely on customer satisfaction, resulting in their loyalty, and always aim to fulfill customer requests, taking special care of those who may have a disability.
- Set quality targets and review them annually.
- Guarantee compliance with regulations on the current basic tourism legislation and on health and safety, as well as other laws and regulations of the country and of autonomous communities which are not applicable.
- Make the best use of our human resources and material resources to maximize productivity and put our customers' needs first.
- Train our staff to increase their personal development using both internal and external training programmes.
- Encourage staff participation in the improvement of the system and in the reaching of targets to improve interdepartmental collaboration.
- Highlight team work and interdepartmental communication as our strong points.
- Contribute with the conservation of the environment and comply with the regulations for responsible tourism, which also includes social responsibility.

In order to achieve this policy and to obtain our goal we need the unconditional support of all members of staff which is demonstrated by the ongoing commitment to maintaining quality throughout our organisation.

ENVIRONMENTAL POLICY

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HIBISCUS HOTELS is aware of the environmental impact of tourist activity from its resorts and therefore retains an Environmental Management System based on standard UNE-EN-ISO 14001:2015 and guarantees to comply with and continually improve the effectiveness of the requirements of the environmental management system.

The Company commits, through the Environmental Policy to the following:

1. We recognise environmental protection as an integral part of management of the company and ensure that environmental guidelines are considered in the planning and managing of all our operations.
2. Protect the environment and prevent pollution when undertaking all business operations and relevant commitments.
3. Promote continuous improvement of efficiency so that we continue to reduce the environmental impact of all our activities.
4. Optimise internal communication and Human Resources to minimise environmental impact - Provide necessary training programmes for staff to ensure they are aware of their roles within the Environmental Management System and encourage them to develop their own positive environmental practices.
5. Hibiscus Hotels demonstrates compliance with the current environmental legislation that applies to the organisation and its activities.
6. Produce a waste management plan, reducing waste and the consumption of natural resources through re-use and recycling.
7. Reduce negative influences caused by the organisation's activities by adopting working practises that will help to have a positive effect towards continued environmental improvement.

This policy commits HIBISCUS HOTELS to ensure compliance to the environmental legislation whilst protecting the environment. The organisation is

committed to developing adequate resources to continue implementing these objectives.

HEALTH AND SAFETY POLICY

HIBISCUS HOTELS is a hotel chain that includes **Hotel Lava Beach, Hotel Las Costas, Hotel Lanzarote Village and Hotel Floresta**. Since their foundation, their most valuable asset is their employees, thus go through great lengths to guarantee their health and safety in the workplace.

Our compliance with health and safety in the workplace is based on the following principles:

- A firm commitment to workplace health and safety by promoting a culture of prevention
- Providing adequate health and safety instruction, supervision and risk assessment information in all procedures, projects and operations of the workplace and implementation of necessary control measures to protect employees whilst at work.
- Giving collective protective measures priority over individual protective measures.
- Complying with legal requirements and any other regulations related to Occupational Health and Safety subscribed to by the company.

To ensure that this policy is achieved, it is absolutely essential that all employees and members of the company share an ongoing commitment and comply with Health and Safety in the Workplace throughout the organisation.

SOCIAL RESPONSIBILITY POLICY

HIBISCUS HOTELS is a hotel chain that includes **Hotel Lava Beach, Hotel Las Costas, Hotel Lanzarote Village and Hotel Floresta**. Since their foundation, they strive to contribute to the improvement of the social environment, creating opportunities for both economic and social development.

Our compliance with the local community is based on the following principles:

- Search for ways to generate economic prosperity and sustainable development in Lanzarote by promoting culture and respecting values and tradition. Special attention will be paid to vulnerable groups, such as children.

- Prioritise the recruitment of local staff when equally qualified.
- Collaborate with social entities through donations or other initiatives.
- Promote human rights - particularly children's rights through preventing and condemning exploitation of all forms, especially sexual exploitation and more so where minors are concerned.
- Prioritise, under equal conditions, the acquisition of local products and services.

To ensure that this policy is achieved, it is absolutely essential that all employees and members of the company share an ongoing commitment and comply with the social responsibility to the local community.

HUMAN RESOURCES POLICY

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Our compliance with Human Resources is as follows:

- Equal rights in access to employment and recruitment of both men and women- ensuring equality in performance assessment, promotions, training, compensation, family-work life balance, communication and prevention of sexual harassment and discrimination.
- Favouring the recruitment of local personnel and residents of the same municipality as our hotels wherever possible, in order to generate employment locally.
- Guaranteeing compliance with current legislations and undertaking a good code of practice in our professional relationships based on the following terms:

- Respect for dignity in the workplace.
- Acknowledgement of individual merit and reward for a job well done.
- Favouring a pleasant work environment.
- Rejection of all forms of discrimination on account of sex, race or nationality.
- Rejection of all forms of harassment.
- Devising a continuous training plan to promote the skills and professional development of our workers.
- Recruiting people with functional diversity, ensuring the work is adjusted to their functional needs.

To achieve carrying out our policy and attaining our objectives, the support of all staff is absolutely essential through continuous strong commitment to Human Resources and to the organisation.

Puerto del Carmen, 12 July 2021