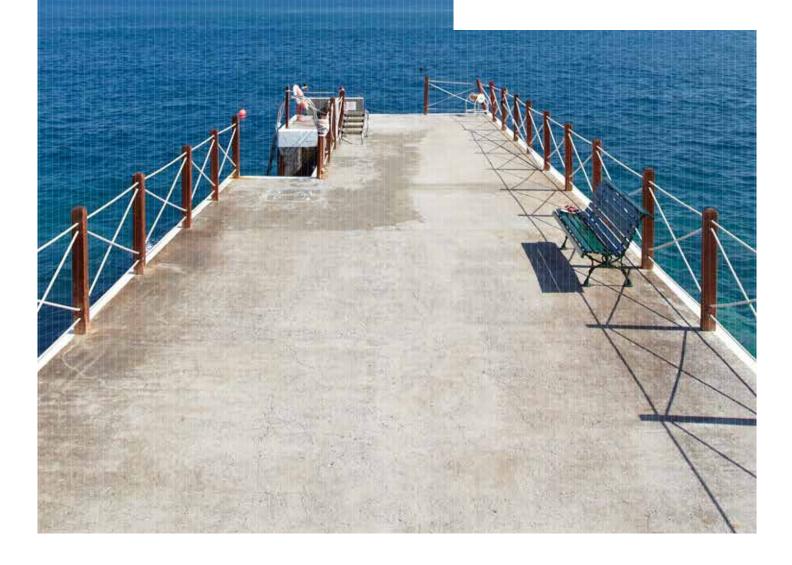
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PORTOBAY sustainability report portugal





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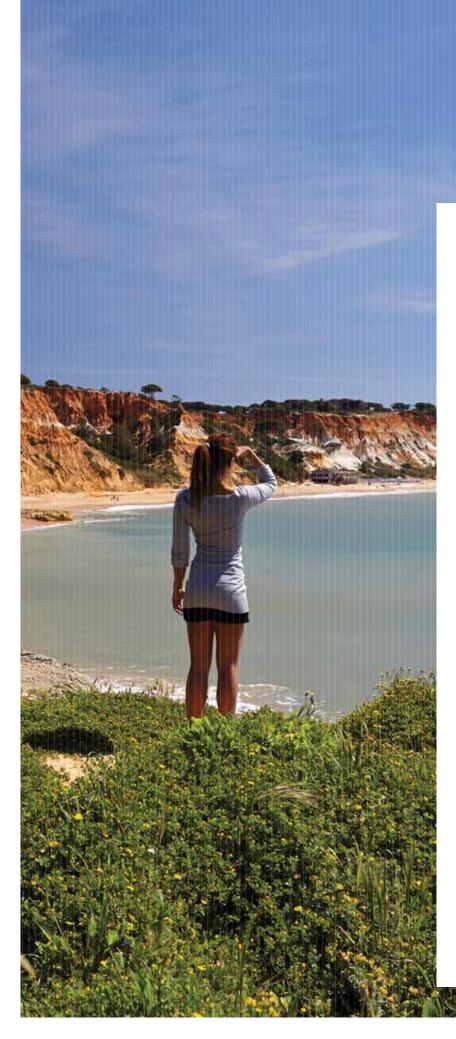
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PORTOBAY HOTELS & RESORTS

PortoBay Hotels & Resorts is a Portuguese hotel group based in the island of Madeira, in Portugal. The PortoBay group is a hotel chain comprising 12 hotels: 9 in Portugal and 3 in Brazil, with a total of 3,050 beds in the 4 and 5-star sectors. All the hotels have different concepts but are similar in terms of quality and all hold the guarantee of the PortoBay brand. In Portugal, the properties located in Funchal, on the sub-tropical island of Madeira, are: the five-star The Cliff Bay hotel, with direct access to the sea, the Porto Santa Maria hotel, in the city's historic centre, the Vila Porto Mare resort, which includes three hotels - Porto Mare, Eden Mar and The Residence. In Santo da Serra, next to the golf course, there is the charming PortoBay Serra Golf. In the Algarve, the group has the PortoBay Falésia hotel, located next to Falésia beach, in Olhos de Água. In Lisbon, PortoBay Liberdade is located next to the Avenida da Liberdade. Right around the corner from Marquês de Pombal square, on the quiet Duque de Palmela Street, is located the hotel PortoBay Marquês.

In Brazil, we are represented in São Paulo with the five-star L'Hotel PortoBay São Paulo hotel, situated in Alameda Campinas, next to Avenida Paulista. The PortoBay Rio Internacional hotel is in Rio de Janeiro, right on Copacabana beach. PortoBay Búzios, a charming boutique hotel, is located in the picturesque seaside resort of Búzios.

SUSTAINABILITY

our commitment.

We think that our socially responsible policies and a firm commitment to sustainability are absolutely crucial for building a better future as much for our company as for our stakeholders: staff and their families, clients, suppliers, shareholders, public bodies, unions, the media and society in general. We believe that this project needs everyone to make an effort. Our mission involves all parties as far as possible by sharing information and guaranteeing that all of us are committed to its success by implementing actions that are beneficial to all.

 $\begin{array}{c} {}^{\rm PORTOBAY} \\ {\rm 2016 \ sustainability \ report} \ {\it I} \end{array}$



ENVIRONMENTAL

We take measures that help save energy, reduce wastefulness and properly manage waste.

for PortoBay buildings.

We draw up annual plans to increase energy efficiency. Solar panels, low-energy bulbs, more efficient appliances and motion detectors have recently been introduced.

Solar panels were installed to heat water at all of the group's hotels in Portugal, thereby guaranteeing reduced gas consumption.

We are constantly replacing all light bulbs with state-of-the-art LED bulbs, helping to reduce the amount of electricity used.

We keep records of all energy use and the waste produced and its type. This means we always know how they are changing, and can make adjustments with practical action that changes behaviour to reach the goals established.

recyclind

The hotels' waste is recycled, including waste from the rooms.

In some gardens we compost organic waste. At all the hotels, we encourage staff and guests to separate different types of solid waste.

We check the quantity of different waste produced in the day-to-day running of our hotels every month. This means we always know how they are changing, and can make adjustments with action that changes behaviour to reach the goals established.

We encourage guests at all the group's hotels to reuse towels and bedding, helping to reduce the amount of water, chemical products and energy used in the washing and drying process.

At some hotels, as well as using automatic drip irrigation, moisture sensors have been installed so that watering only takes place when necessary and in accordance with weather conditions. Water filters have been installed in the staff areas so as to use water from the public water supply, producing real effects on the reduction of the ecological footprint by reducing imports of water and plastic containers. We have acquired individual containers that will replace plastic cups.

Internal procedures have been implemented to reduce the flow from taps in sinks in rooms and bathrooms in public areas.



partners

In the environmental field, we are institutional partners of the Madeira Nature Park and active partners in the Association of Friends of the Funchal Ecological Park. We participate in discussing protected areas of the island of Madeira with guests, making them aware of appropriate behaviour to protect the environment. We work with the Funchal Town Council to promote Madeira's Laurissilva Forest.

ENVIRONMENTAL

We make an effort to reduce paper usage by recycling it, and by prioritising printers with the "green print" seal, which also reduces energy usage.

Through December 2015, the hotel PortoBay Falésia contributed 2,243.50 kg of paper, which go to the Albufeira Humanitarian Welfare Association (AHSA), under the "Paper for Food" aid campaign.

The campaign is sponsored by the Portuguese Food Bank Federation, with both environmental and welfare aspects: all of the paper gathered is converted into food products to be distributed among the needy.

green spaces , ,

Further to maintaining and treating the green spaces at the hotels, we deal with the upkeep of the gardens and green spaces around the hotels, as is the case at the Vila Porto Mare resort, whose gardening team is also responsible for the maintenance of two public green spaces.

The PortoBay gardening team is also responsible for the upkeeping of public green areas in Santo da Serra. This year, in Madeira, the Portobay garden was created, a project with environmental concerns: there is reuse of materials from the hotels and chemicals are not used. In two months about two thousand kilos of horticultural products were collected and used in the kitchens of the hotels in Madeira.





CULTURAL

We support and promote cultural events in the community and occasional actions by concluding several agreements with cultural stakeholders, specifically contributing with accommodation and making it possible for students to perform and get closer to working life. We organise festivals and events to involve and raise awareness about cultural traditions and landmarks that involve the hotels where we are located.

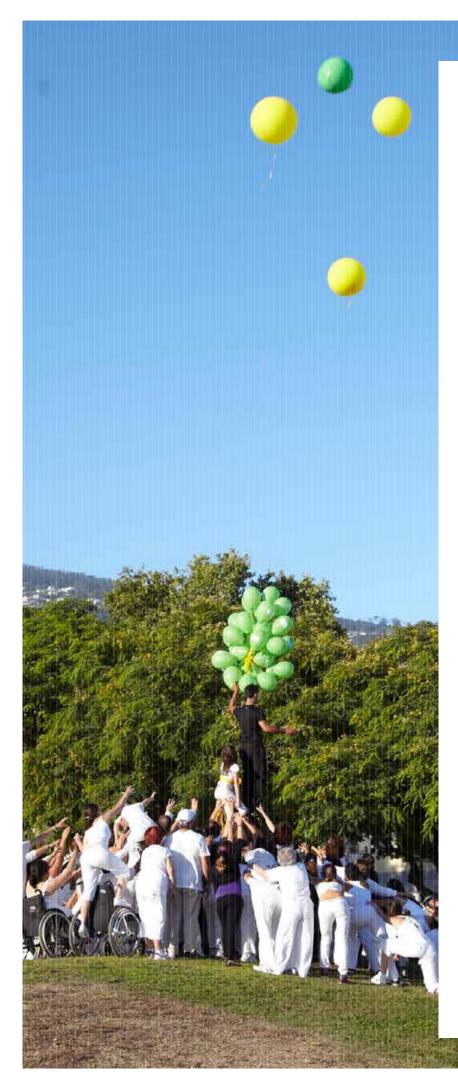
support for cultural agents ...

We have established agreements to make it possible for artists to undertake training and to increase cultural activities, with special emphasis on: the Association of Friends of the Madeira Conservatory (Associação de Amigos do Conservatório da Madeira), the Madeira Conservatory, the Coordinating Office for Artistic Education (Gabinete Coordenador de Educação Artística), the Association of Friends of Inclusive Dance – Dancing with Difference (Associação de Amigos da Dança Inclusiva – Dançando com a Diferença), the Madeira Classical Orchestra.

Every year, 150 nights of accommodation and meals are offered in this field, reaching a total value of 17,000 euros.







CULTURAL

festival on fusion art by portobay ... We developed, organised and produced the festival ON Eurise Art by PortoBay in 2006 2008 and 2011

We developed, organised and produced the festival ON Fusion Art by PortoBay in 2006, 2008 and 2011, which aimed to boost culture in the Old Town of Funchal (Madeira), which surrounds our Porto Santa Maria hotel. It is an investment in making the historic centre more lively and for charitable purposes. Different intervention areas host painting, sculpture, exhibitions, photography, design installations, multimedia, fashion, street theatre, performances, workshops, concerts, mapping, among others.

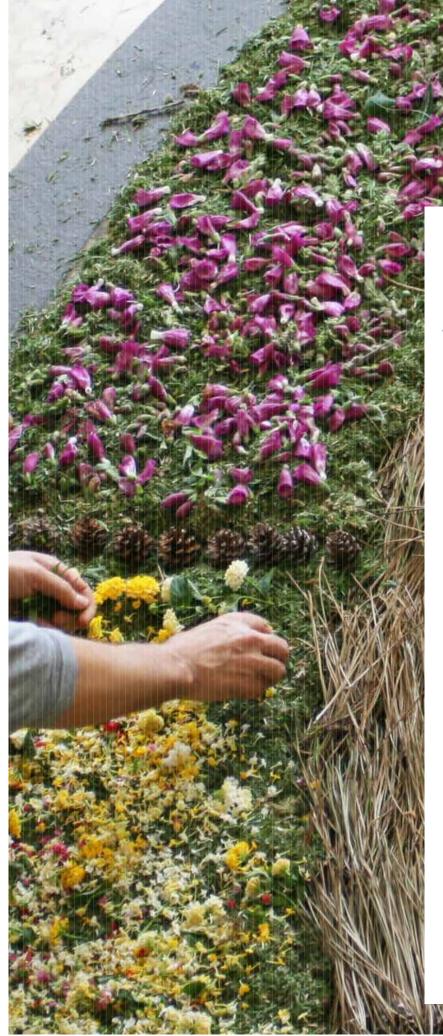
The invited artists joined the festival as volunteers, and donated the piece performed to the auction-dinner. The proceeds from the event were distributed among the Madeira Cerebral Palsy Association (Associação de Paralisia Cerebral da Madeira), the São Tiago Care Centre (Centro de Acolhimento de São Tiago), The Association of Friends of Inclusive Art – Dancing with Difference (Associação dos Amigos da Arte Inclusiva – Dançando com a Diferença), and the Funchal Association for Community Development (Associação de Desenvolvimento Comunitário do Funchal).

++ www.onbyportobay.com

Over the 3 years, the festival raised 106,000 euros.







CULTURAL

portobay events , , , We develop and organise events at the destinations

We develop and organise events at the destinations where we have hotels, emphasising their traditions, local products and cultural activities. To do so, we created the brand PortoBay Events, which aims to raise awareness about the different events that take place at our hotels in Madeira, Lisbon and the Algarve, in Portugal, and Rio de Janeiro, Búzios and São Paulo, in Brazil.

We promote events in different areas of operation, and local residents are also invited to take part. At some of these events, we create opportunities to advertise local products to our customers. For example: Wine Weeks in Madeira and the Algarve, Youth Week and Algarve Nature Week.

++ www.portobayevents.com







In the past 7 years PortoBay Hotels & Resorts has provided over 50 daily meals distributed by CASA to people facing difficulties. The meals come from the kitchens of the resort Vila Porto Mare and Hotel Porto Santa Maria, in Funchal. Per year more than 18,000 meals are guaranteed. We have already delivered about 90 thousand meals.

We have already delivered about 90,000 meals.

SOCIAL

PortoBay supports social organisations in Portugal where the group's hotels are located.

hope . .

Since 2012, the PortoBay group has made an annual donation to HOPE : "Small Gestures Big Hopes". We also rely on help from our guests, who donate 1 € (per room per stay). There is also the Run for Hope race. For every person registered to take part, PortoBay donated an amount to Hope.

In the 2015/2016 campaign, the institutions that benefited were: Cerebral Palsy Association of Madeira (Associação de Paralisia Cerebral da Madeira), Portuguese League Against Cancer (Liga Portuguesa Contra o Cancro), Albufeira Humanitarian Solidarity Association (Associação Humanitária de Solidariedade de Albufeira), Child Development Support Centre (CADIn - Centro de Apoio ao Desenvolvimento Infantil), Life and Peace Community (Comunidade Vida e Paz) and Comunidade "Um Céu para Santa Isabel".

In 2015/2016 campaign, were be donated 62,000 euros, in October 2016. With the help of our guests we also managed to raise 6,352 euros to support Madeirans affected by the fires last August. Since the beginning of the campaign, in 2012, 199,000 euros have been delivered.







donations and support . . . Throughout the year, several donations of equip-ment are made (televisions, furniture, fridges, etc.) to various institutions. In 2016 we denoted the on

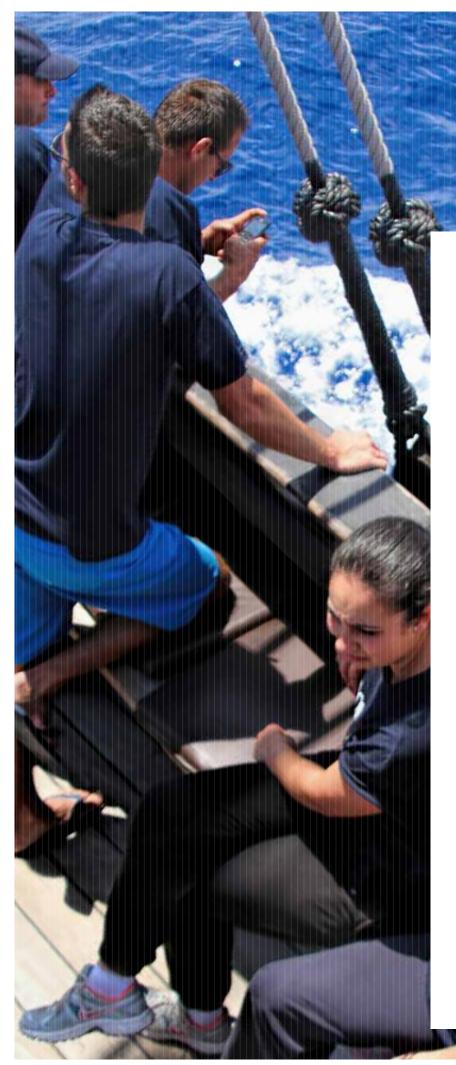
Throughout the year, several donations of equipment are made (televisions, furniture, fridges, etc.) to various institutions. In 2016, we donated the entire interior of the former Hotel Aviz (furniture and decoration), at present PortoBay Marquês, to a social solidarity institution. Around 1,500 mattresses were given to several institutions.

In 2016, the actions performed in this field were worth approximately 68,000 euros.





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SOCIAL

team

In the social area, in terms of work, we scrupulously meet all the rules required by law and those in the collective labour agreements for the hotel sector. We also care for the PortoBay team's well-being by providing benefits beyond wages, distributed at different times of year. We provide hampers at Christmas and Easter and negotiate local partnerships, and we give bonuses linked to the satisfaction questionnaires filled in by guests and organise social events. There are also internal regulations with different rules, rights and duties for every member of staff.

++ video : youtu.be/wqFKnvyzCYs

In 2016, the actions performed in this field were worth approximately 278,000 euros.









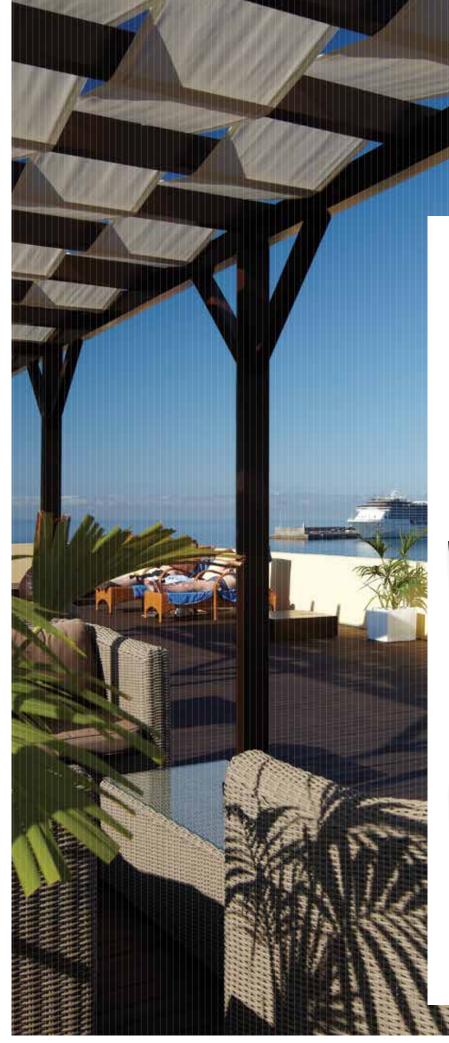
ECONOMIC

We seek to prioritise local products at our hotels' restaurants and bars. At the hotels in Portugal, craft fairs are organised to help promote and advertise the products of local craftspeople. The PortoBay Prestige Club, the group's loyalty programme, has a range of partnerships with local shops and tourist attracts that promote local products. In its communication with guests and potential customers, PortoBay frequently advertises local products and local dynamics.

We are concerned with creating constant partnerships that are important for the local economy, from creating and promoting jobs to favouring local products. Whenever possible, we favour partners who supply local products and we actively promote them, whether acquiring them for use in day-to-day operations or internally promoting local craft items and activities in which tourists can actively participate. We are open to the local community. We receive regular visits from general schools and those focused on our area of business. We promote partnerships with schools in the local area and further afield to provide placements and work experience for students.







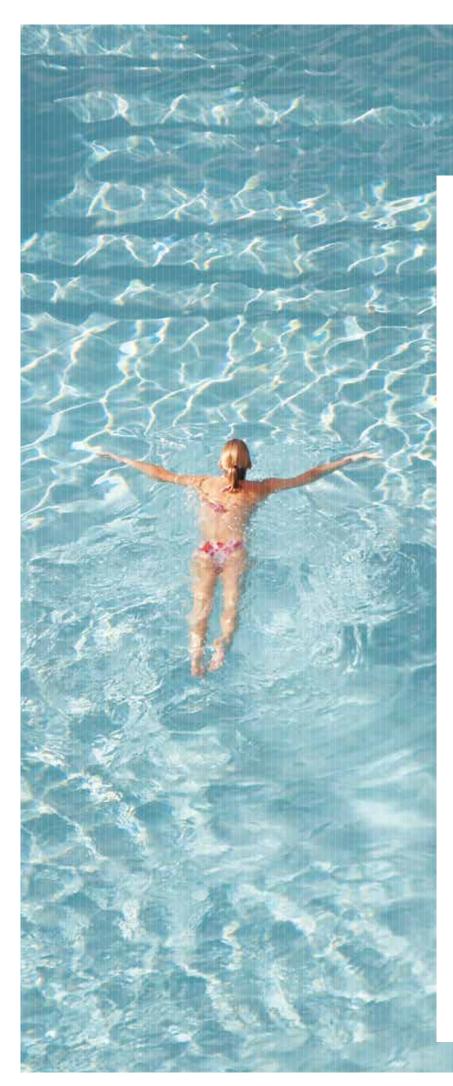
COMMUNICATION & CERTIFICATION

communication

Internally, we communicate using standard inter-nal memos with rules and procedures to be imple-mented during operations, raising awareness among staff members about the impact that their actions can have. We communicate with our clients through our official website www.portobay.com, the hotel newsletter, social networks, e-mail campaigns, press releases, magazines, etc.

++ blog : www.inportobay.com ++ video : youtu.be/GaGkm_-j6Z8





COMMUNICATION & CERTIFICATION

documents produced. . .

Since 2013, the following documents were produced :

- > PortoBay Hotels & Resorts Environmental Policy view here : www.portobay.com/media/1804509/Politica-Ambiental_2016_EN.pdf
- > PortoBay Hotels & Resorts Purchasing Policy view here : www.portobay.com/media/1804518/Politica-de-Compras_2016_EN.pdf
- > PortoBay Hotels & Resorts Social Report

certification

- > LIFE ECO Porto Santa Maria, Porto Mare, Eden Mare, The Residence, PortoBay Serra Golf and The Cliff Bay
- > GREEN GLOBE CERTIFICATION Porto Santa Maria



prizes

- TRAVELIFE GOLD AWARD Porto Mare, Eden Mar, The Residence, The Cliff Bay, Porto Santa Maria, PortoBay Serra Golf e PortoBay Falésia
- > TUI ENVIRONMENTAL CHAMPION Porto Mare, Eden Mar, The Cliff Bay and Porto Santa Maria
- > AHRESP 2016 . ENVIRONMENTAL SUSTAINABILITY PortoBay Liberdade



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