ELAMENCO BEACH AND RESORT GOES GREEN



Sustainability Progress Report 2019









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Introduction

The management of Flamenco Hotels & Resort launched the implementation of the international 'Travelife' Sustainable Management System in the year 2013. Aiming to incorporate a sustainable basis in the hotel's operation and development. It was the result of the Hotel's commitment to offer high quality services and respect the cultural and natural environment of the local destination in conjunction with the recognition of the increased concern about social and environmental issues by guests and tourist partners. A sustainable policy was developed and a professional ECO-audit was conducted by a specialized external 'Travelife' consultant. Areas of improvements were identified and the best possible practices applied to achieve measurable goals according to the Sustainability Policy commitments. Since 2013, results have been kept regularly. Follow up inspection as well as improvement measures are conducted twice a year. A sustainable management coordinator was assigned together with a "green team"

Management Statement



"Dear Friends and Colleagues,

The current state of the natural & human environment challenges the future of our world and requires immediate action. The last 6 years we, at the Flamenco Beach and Resort Hotels, are actively working to be the change we wish to see in the world. The purpose of this report is to inform you about our efforts and results during this journey and to evaluate their meaningful contribution to the resorts' quality and social responsible profile. We are learning from our implemented responsibilities to preserve nature and habitats. As we are going deeper in the understanding of our daily operation's connection with the natural and social environment of the destination, we realize that there is always room for improvement. The coming years, we are committed to achieve better results with the involvement of our staff, guests, partners, suppliers, aiming to generate values for the destination and the local community as well as to strengthen the economical pillar of our hotel's sustainability performance.

Herbert Damboeck

Hotel Manager

Flamenco Beach

& Resort Hotel



Sustainability Policies

They include the basic principles and guidelines of sustainability, for environmental protection, personnel management and social responsibility which Flamenco Beach & Resort Hotel sustainable management abides. They were established in 2013 and renewed in September 2019. Flamenco Beach & Resort Policies Objectives:

- Reduce the operation's impact on the environment by improved water/energy/waste management and the application of an improved environmental friendly purchasing policy
- To meet local, regional and national legislation
- Operate more efficient and reduce costs by improving monitoring the above mentioned aspects according to annual turnover
- Operate with respect towards the hotel's staff and the local destination
- Operate in compliance with the required Health & Safety principals adding an additional value to the offered quality services
- Keep up with competitors and offer guests a sustainable holiday environment to stay in.







ENVIRONMENT POLICY

INTRODUCTION

Flamenco Beach & Resort Hotels aspires to minimise its impact on our environment and maximise the effective use of resources. We strive to achieve this by increasing communication and awareness of our efforts in accordance with this policy and fostering responsible environmental behaviour amongst staff, volunteers, and users at all levels.

Flamenco Beach & Resort Hotels is committed not only to complying with applicable law in all of its operations but to minimise risks and impacts through the development of robust and documented systems to implement, measure, monitor, and disseminate excellent environmental performance both within its operations and to the broader community.

PURPOSE

This Environmental Sustainability Policy aims to integrate a philosophy of sustainable development into all the organisation's activities and to establish and promote sound environmental practice in our operations.

POLICY

amenco Beach & Resort Hotels commits itself to minimising its impact on our environmen

- Providing a safe and healthful workplace
- Having an environmentally sustainable aware culture, where responsibility in the sustainable aware culture.
- Being an environmentally responsible neighbour in our community
- Conserving natural resources of by reusing and recycling and harmful waste/waste
- Using, in our own operations, processes that do not adversely affect the environment:
- Ensuring the responsible use of energy throughout the organisation:
- Participating in efforts to improve environmental protection and understanding
- Taking steps to improve environmental performance continually;
- Conducting monitoring, audits, evaluations, and self-assessments of the

Conducting monitoring, audits, evaluations, and self-assessments of the lementation of this policy;

- Working with suppliers who promote sound environmental practices; and
- Enhancing awareness among our employees, volunteers, and users educating and motivating them to act in an environmentally responsible manner.
- Flamenco Beach & Resort Hotels will act responsibly to correct incidents or conditions that endanger health, safety, or the environment. It will promptly report any such incidents to the relevant authorities, and inform affected parties as appropriate.
- Flamenco Beach & Resort Hotels will, use reasonable endeavours to, reuse and recycle materials, purchase recycled materials, and use recyclable packaging and other materials.
- Flamenco Beach & Resort Hotels will use all reasonable endeavours to that its services and products are safe, efficient in their use of energy, protective of the environment, and able to be reused, recycled or disposed of safely.
- Flamenco Beach & Resort Hotels will use all reasonable endeavours to minimise materials and energy use, prevent air, water, and other pollution, and dispose of waste safely and responsibly.
- Flamenco Beach & Resort Hotels will use all reasonable endeavours to conserve energy by Improving energy efficiency and giving preference to renewable over nonrenewable energy sources when feasible.
- Flamenco Beach & Resort Hotels will, use reasonable endeavours to, utilise its particular knowledge and experience to contribute to environmentally sustainable
- Flamenco Beach & Resort Hotels will use all reasonable endeavours to contribute to the maintenance and increase of biodiversity through its management of its landholdings.
- Flamenco Beach & Resort Hotels will use all reasonable endeavours to meet or exceed all applicable government requirements and voluntary requirements generally observed in its field, and will, in addition, adhere to the more stringent requirements of its own environmental policy.
- In order to continually improve its environmental management system Flamen Beach & Resort Hotels will use reasonable endeavours to conduct audits and self-

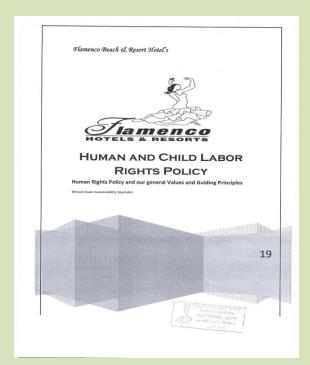
nents of its compliance with this policy.

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Flamenco Beach & Resort Hotels

Hotel Manage

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Global Human Rights Policy

Our Flamenco Beach& Resort Hotels Guiding Principles provide that we will respect others and succeed together. Respecting the human rights of our employees, along with those in our value chain, and the communities in which we operate is the cornerstone of our Human Rights Policy.

Flamenco Beach& Resort Hotel's Human Rights Policy aligns with our Values and Guiding Principles, Global Code of Conduct, and business policies covering diversity, environment, health and safety, and employee relations. The Human Rights Policy also reflects the principles contained in the International Bill of Human Rights, flamenco hotels accepted all fundamental Principles and Rights at Work, the United Nations Global Compact and the UN Guiding Principles on Business and Human Rights. The Human Rights Policy applies to all Flamenco Beach& Resort Hotelsemployees and joint venture employees over which Flamenco Beach& Resort Hotels has management control.

Respect for Human Rights

Flamenco Beach& Resort Hotels recognizes the importance of maintaining and promoting the fundamental human rights of employees by operating under programs and policies that: Promote a workplace free of discrimination and harassment

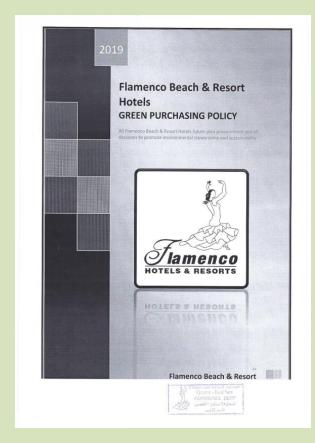
- Prohibit child labor, forced labor, and human trafficking
- Provide fair and equitable wages, benefits, and other conditions of employment in

•Accordance with local laws Provide humane and safe working conditions, including safe housing conditions as

 Applicable Recognize employees' rights to freedom of association and collective bargaining

> Others - Red Sea Fillingsonel, DEPT epists - 20 15 3 and







1 Waste Management (liquid & solid)

Objective: To reduce waste production and to minimize the relative pollution of natural resources (water and soil.)

Liquid Waste (waste water):

The Flamenco Beach & Resort Hotels operates its private sewage-treatment plant. The unit is based on a three-stage process with active silt and a ventilation system with specific filters allowing part of the "final" wastewater to be used for irrigation purposes including sprinklers. A secured underground disposal slash tank is used to store the rest of the treated last wastewater as to avoid the pollution of the underground water. The Flamenco Beach and Resort contracted licensed company to removes the remains from the tank monthly including cleaning. A daily inspection of the unit's proper operation is conducted by the hotel's maintenance department and chemicals and microbiological tests are performed regularly by an accredited private laboratory.





Sewage plant

Clear water production for Irrigation



Solid Waste Management:

Objective: Garbage separation in the production and public areas of the property for solid waste reductions. Environmental friendly purchasing principles are in place where it is possible.

Measurable Goals by end of 2019 should be confirm with the goals • 10% increase of returnable packaging • 60% reduce of disposable/single-use items • 50% decrease of plastic bags, bottles and cups • Used cooking oil recycling and packaging recycling 100% • Hazardous waste recycling, 80% out of the 100% that should be applied annually.

The waste management procedures and recycling infrastructure in the local and regional area are still in a developing stage. Some positive measures were taken in all shops and for hotels in 2019 to reduce plastic bags and bottles. Apart from daily life consumptions, tourism, especially during the high season continually increases the quantity of waste production. On the other hand, the capacity of the available landfill decreases, which leads to enormous difficulties in waste collection and disposal increasing the threat of natural resources pollution. The hotel's financial contribution to the Municipalities waste management system is not affected by their relative waste production. Measuring waste generated per year has become one of the objectives of the hotel's sustainable management. Also recycling is an integral part of the Flamenco Beach & Resort policy reducing waste wherever possible.

- 1. The discontinuation of purchasing disposable items such as cocktail decorations, cups, plates, glasses and, wherever their use is necessary, biodegradable or reusable products were preferred
 - 2. Paper cups are purchased to reduce one way plastic cups (to go cups)





Garbage separation in public areas



Garbage pickup car with separation box



- 3. Cotton bags are offered for purchase in the hotel to avoid carrying plastic bags in the hotel property
- 4. Increased use of acrylic glasses and paper cups in all the F&B open areal outlets to reduce paper and one way plastic cup.





14 Water refill stations are placed in all hotel floors, lobby, outside area, in staff accommodations and all bars



5. In compliance with Red Sea legislation the hotel has a contract with the city government to remove our garbage the city council has a recycling plan for these materials.

6 The supply companies for hazardous waste such as, energy saving light bulbs, electrical & electronic equipment, ink cartridges, rechargeable batteries, lubricants, tires and used cooking oils are picking up the used products.



2 Energy Saving

Objective: The Flamenco Beach & Resort Hotel efforts are oriented towards improving energy efficiency. To reduce non-renewable energy consumption without affecting the service quality.

Energy is a very important and costly factor for any hotel operation. Electricity is the main energy source for almost all Hotels' facilities and services. Oil is used complimentary only as soon the power supply is cut off from the main supplier. Solar energy is used for water heating. For this purpose, the following technologies and measures were implemented in the Flamenco Beach and Resort Hotel to save energy.



The Owning Company from Flamenco Beach and Resort Hotel has invested in a new high tec. desalination plant which is producing more water with less power consumption.

Old pump production 170m3 amp 150 New pump production 220m3 amp 55

Global environmental problems are directly related to the burning of fossil fuels for the supply of our energy needs.

Measurable Goals 2018/2019

5% overall energy reduction per day per room KW 2018 amp 50 2019 amp 47

5% overall water reduction per day per room m3 2018 0,8 2019 0,75

1100 Energy-saving lamps (60amp change to 5 amp) in all the hotel public areas, rooms, and external grounds. The use of these lamps accounts for 80% of total lighting needs. Additionally, timer switches are used in all interior and exterior spaces.

• Air-conditioning is switched off when opening windows or doors from rooms and is set to 21c. The chiller motor is stopping automatically when the water is reaching 6c and is starting to work when exceeding 12c.



- Gas is a natural resource in Egypt. It was decided early 2019 to connect and operate most of the equipment in the kitchen and Laundry with gas instead of using electricity.
- Improve insulation of pipes containing hot/cold fluids
- Improve burner/boiler maintenance, control and performance measurements by external accredited technician
- Regular repair and maintenance from a contracted company is taking place twice per year, permanent monitoring from consumption is performed.
- Trainings for the above points are hold in all related departments to assure that all staff adopts energy saving actions into their daily activities.

3 Water Saving

Objective: To reduce water consumption and alleviate the hotel's water supplies.

Most of the Red Sea Regions like El Quseir typically face water shortage problems, especially during the summer period, due to increased tourism and daily human activities. Thus sustainable development requires concise planning and proper management in the use of the daily produced water. During the year 2019 a new High Tec Desalination Plant from Salino Company was installed to increase the production of water. The Flamenco Beach and Resort Hotel has implemented the following practices in order to achieve the 5% less consumption per guest goal:



 Water save sticker has been placed into the guest shower and bath rooms



 Guest info sticker to minimize water consumption and towel change, reducing laundry and thus save on the use of water and detergents.





- Automatic underground irrigation systems have been installed to ensure that watering is performed with the least possible waste of water.
- Treated wastewater is used for hotel garden irrigation.
- Regular maintenance checks in order to repair faults and leaks as soon as they occur



• Training of the housekeeping and kitchen staff to ensure the reasonable use of water during their daily.

4 Pollution Control & Prevention

Objective: To apply all necessary measures and guidelines for avoiding and reducing harmful gas and liquid emissions in the environment.

The Flamenco Beach and Resort Hotel operates in a coastal area, thus it is in their benefit to protect the natural resources as well as to ensure the quality of water (marine and fresh) and soil, the main components of the coastal ecosystem.

- 1. Regular chemical/microbiological analysis of drinking, pool and treated waste water throughout the year by a private accredited Laboratory.
- 2. Apart from the substances that have been recorded under law as hazardous, there are a number of products used in the hotels' operations that can become hazardous if mishandled or disposed improperly. The Flamenco Beach and Resort Hotel established a recycling program to collect and safely dispose all recyclable hazardous wastes and a better management (MSDS check & filing, control use and storage) of other chemical products such as disinfectants, pool chemicals, paints, varnishes & solvents, detergents, etc.
- 3. Preference is given to oxygen based bleaching products and less acidic salt removers (e.g. citric acid and vinegar instead of phosphoric acid, etc.) as well as detergents that demand less water for their



rinsing. The Hotel is has contracted International silenced Companies such as Diversey to supply chemicals in all areas.



Hazardous chemical list with ingredients and consumption from the agriculture department.

5 Social Responsibilities

Objective: Support the local community whereas promoting and preserving local culture and traditions. In addition, we work to provide a healthy, safe and fair environment for our employees and guests; increasing awareness amongst them, our partners, locals and other members of the tourism industry.

Goals by 2019: Increase F&B show activities by 20%





• To increase local and international dishes of the total F&B menu offerings, purchasing fresh regional market products from the season accompanied by chef garden herbs and flowers







• The Flamenco Beach and Resort Owning Company has contracted in 2019 a luxury wellness company operating the Health Club and SPA to improve the wellness SPA services. Not animal tested herbal oils and creams used are environmental friendly oriented and from the region.

• To improve guest information to participate festivals, culture & natural heritage

What is Ramadan?

Ramadan is the ninth month of the Islamic lunar calendar. Every day during this month, Muslims around the world spend the daylight hours in a complete fast.

Fasting is not merely physical, but is rather the total commitment of the person's body and soul to the spirit of the fast.

Each day before dawn, Muslims observe a pre-fast meal called Sohour. At sunset, families take the fast-breaking meal known as Iftar

During the blessed month of Ramadan, Muslims all over the world abstain from food, drink, and other physical needs during the daylight hours from sunrise to sunset.. As a time to purify the soul, refocus attention on God, and practice self-sacrifice, Ramadan is much more than just not eating and drinking. "fasting" literally means "to refrain" - and it means not only refraining from food and drink, but from evil actions, thoughts and words.



Happy Ramadan

Iftar

Served daily at the Flamenco Beach Buffet From 18:30 till 21:30

Sohour

Served daily at the Carmen Lounge From midnight till 03:00am

Ramadan Café at the Alibaba Tent Coffee, Shisha, Drinks, Dessert,

Entertainment From 20:00 onwards



Local Community Support

Applied Actions and respective results and certificates for 2019 are listed below.

- Donations, sponsorships and memberships in the areas of social, cultural and environmental protection are documented in the below table.
 - 1 The Flamenco Beach and Resort Hotel has permanently 2 rooms available to host regional Doctor's for free. Room rate LE 1500
 - 2 Government business lunch has take place 4 tomes this year. Total guests 40, LE 8000
 - 3 Annual Iftar Ramadan free food and beverages for local community Total guest 150, LE 3750



Certificate from the Secondary Industry School for girls



Secondary School class picture 2019



7 Personnel Status

As an employer, the Flamenco Beach and Resort Hotel shares a great reputation in the local tourism market due to the following reasons:

- Constant support of the local economy by creating employment opportunities with paying salaries and taxes LE 250.000 and Insurance 1000.000,00. The total annual payroll is approximately LE 300.000, 00
- To create a work environment free of discrimination or harassment, offering equal employment opportunities to all staff qualified to work.

Flamenco Beach& Resort Hotels prohibits any type of discrimination or harassment based on age, race, sex, color, national origin, religion, gender identity, disability, sexual orientation, pregnancy status, or any other status protected by applicable law.

• Employment comparison 2018 / 2019

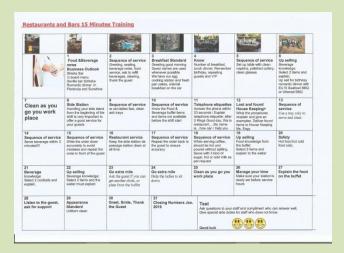
DEMOGRAPHIC STATUS EMPLOYEES 2018
Total Employees 24
168 Local, 72 Regional, 0 Foreigners
178 Male 4 Female 7 Handicaps

DEMOGRAPHIC STATUS EMPLOYEES 2019 Total Employees 284 201 Local, 80 Regional, 1 Foreigner 178 Male 6 Female 7 Handicaps

- During the high tourism period, the amount of full time employees makes 100%; 3 part time employees are permanently working: 1 Nurse, 1 Hygiene and Safety Trainer and 1 Industrial Safety
- The hotel has a turnover rate in personnel of 15 %. A number which is below the average in many resort properties in the region.
- A pleasant and fair working environment is better ensured by listening to the opinion of all our staff and taking into consideration future actions based on the departmental opinion survey. The Human Resources Department conducts Department meetings to collect essential points from employees, discussed the hotel's management. This aims towards staff satisfaction and to solve problems before time.
- During the summer season, around 20 young students are on training from Hotel, Tourism and Industrial Schools.



• Internal departmental meetings are held by the managers of each department to inform all relative staff regarding the hotel's daily operation.



8 Health, Safety & Wellness

Ensuring a healthy and safe environment for our guests and staff is among the core goals of our Quality and Sustainability policy.







In the past and now we conducted several Health & Safety audit to define the areas of improvement and additional implementation all over the hotels' areas and services. A Safety policy was developed stipulating that the hotel must maintain its health and safety system with specific measures, committees, staff training and practical review of the effectiveness and reporting. The system is implemented and monitored by the maintenance and human resources management. We will continue to improve our performance to ensure our hotel is safe for each of our employees and guests.



- The Flamenco Beach and Resort Hotel has accredited a food hygiene and safety manager to support the hotel operation in all the hotel's bars & restaurants and hygiene training.
- Hotel SPA: the products used are ECO friendly.
- Operating License and Fire Safety Certificate for all hotel infrastructure is available.
- Application of safety measures and regular laboratory tests to minimize the risk of legionella bacterium development.
- The Flamenco Beach and Resort Hotel has contracted a nurse to guarantee the highest level of health and safety for all guests and employees. A practical Doctor is doctor 24h stand by available for the Hotel guests and employees. The Hotel has its own examination room.
- All food handling staff is examined and certified.

9 Guest Communication & Awareness

Objective: To motivate our guests to share responsibility for their holiday's destination as well as, to inform about our actions and earn their recognition for every award which is achieved.

• The Flamenco Beach and Resort Hotel is rated from International Rating Sites (Holiday Check, Trip adviser, Booking.Com.) Due to constant improvement in the hotel the rating has significantly increased with over 100%.

2019 actual Holiday Check results and Profile Visits 2019;"10";"13013"

#5 of 30 hotels in your city				
#31 of 131 hotels in your region				
89.6% of 1,162 reviews				
5.1 of 6.0 / very good				

2018 Holiday Check results and Profile Visits 2018;"10";"6318"

#9 of 30 hotels in your city				
#35 of 131 hotels in your region				
83.7% of 1,162 reviews				
4.9 of 6.0 / very good				



To increase sustainability knowledge and awareness among hotel staff, guests and locals by organizing specialized activities, various environmental activities inside the hotel and support the conservation of local nature.

Interactive / Experiential Activity





A Beach cleaning, within the framework of the environmental awareness is organized twice a year by the Hotel Management Team. In total35 full garbage bags with plastic remains along the coastal area beside the Flamenco Beach and Resort Hotel was collected by the by the hotel guests and staff

• Display of Environmental policy in the lobby, guest area, and activities from Flamenco Beach and Resort and business partner Diving DE.



• The
Environmental
Policy established
from the
Flamenco Beach
and Resort
includes all local
and regional
legislation and is
clearly posted in
the hotel lobby.



• The hotels
business partner
Diving DE is selling
environmental
friendly bags,
supporting with
the collected
money the
organization
www.theoceanclea
nup.com



9 Awards & Recognitions

'Travelife' Gold award in 2019

'Travelife' Gold award in 2017

'Travelife' Gold award in 2015

Recommendation on Holiday Check 2019 91/5,2/6

Fisher Travel Outstanding Customer Feedback 2018

Trip Adviser recommended hotel 2012

Trip Adviser recommended hotel 2011

L Tour travel award Palme 2009

Thomas Cook Marque of Excellence 2007

Thomas Cook Marque of Excellence 2006

Wohlfuehlhotel Category Club - Tauchen 2002





Sustainability Progress Report 2019 What will we do 2010?

• Reduce the electricity, water and diesel consumption from 2019 another 5% per room per day.

	2018	2019	2020
Electricity amp	50	47	44
Water m3	0.80	0.75	0.71
Diesel I	0.95	0.40	0.38

- Improve information and training packs for sustainability issues such as climate change, sustainable food, Human rights, etc. Strengthen the hotel's external marketing based on its solid sustainability profile
- Improve in-house marketing and awareness. Print the Flamenco Hotel and Resort Green Booklet for all rooms
- Flamenco Hotel and Resort Green Team conduct on regular bases an energy, diesel, HLP meeting and share with the staff, file minutes.
- Improve measurement goals regarding water, energy saving and recycling Improve hazardous substances record and monitoring system Introduce green-cultural interactive activities for adults and children.
- Install an efficient preventive maintenance system to save water changing water saving shower heads, set the toilet flush with lower capacity, and implement the 2nd day policy for bead linen and beach towel cleaning
- Work on sustainable Food and Beverage offerings

Herbert Damböck, Hotel Manager

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