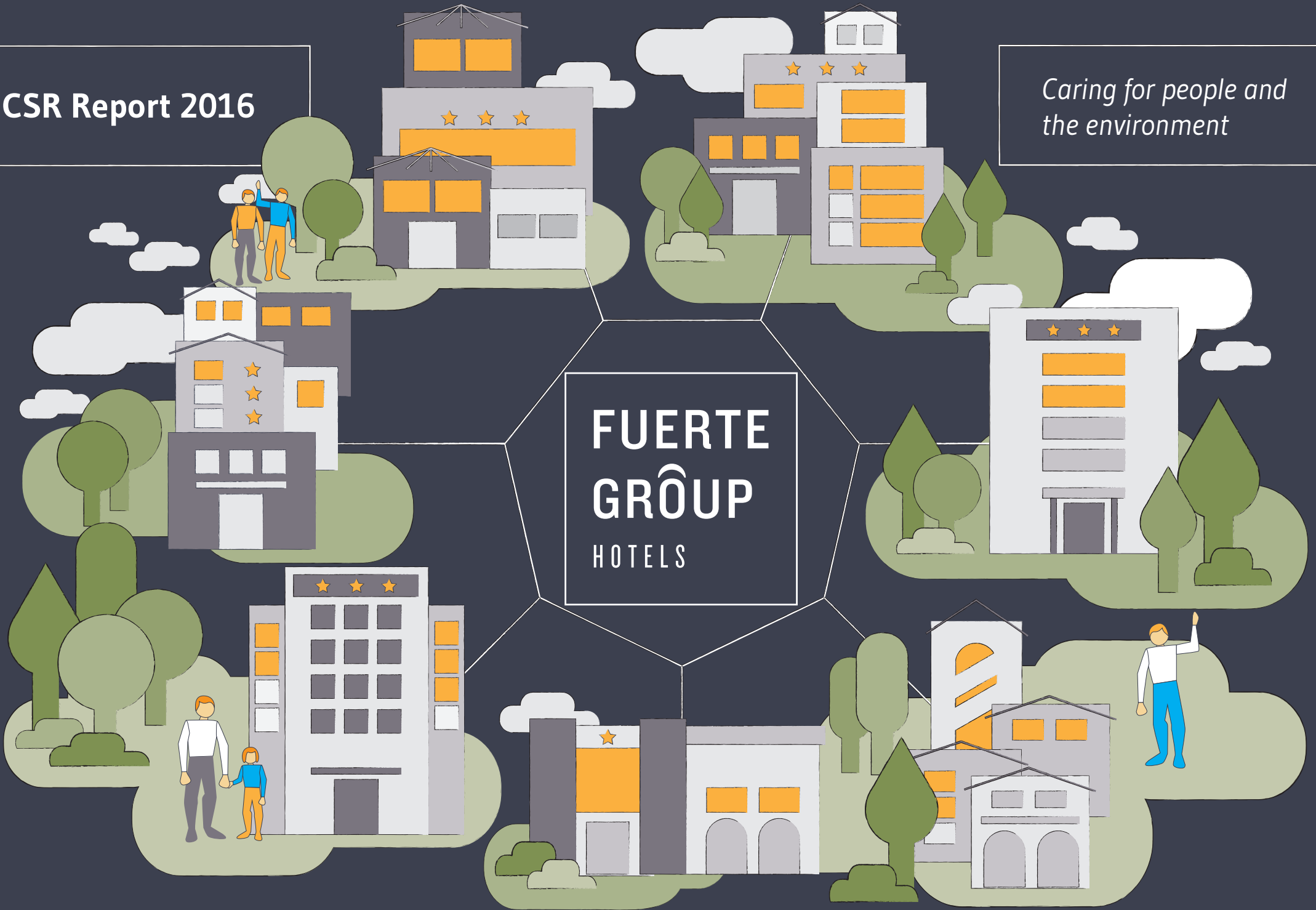


CSR Report 2016

*Caring for people and
the environment*

FUERTE
GRÔUP
HOTELS



3 ABOUT
THIS
REPORT

4 LETTER
FROM THE
CHAIR

5  OUR
PROFILE

13  NEW
PROJECTS
AND GOALS

20  DIALOGUE
WITH
STAKEHOLDERS

28  SOCIAL
ACTIONS AND
COMMITMENTS

38  ENVIRONMENTAL
ACTIONS AND
COMMITMENTS

44  LOCAL PURCHASES
AND SUSTAINABLE
AWARDS

47 FINAL WORDS
LETTER FROM
THE CEO

48 GRI
INDICATORS
TABLE

1 ABOUT THIS REPORT

It is a great source of pride for our company to have now published 7 consecutive editions of this report, in which we provide information to all of our stakeholders about our most noteworthy sustainability development performance and initiatives. This edition covers the period between 1 January and 31 December 2016. The previous sustainability report was published in October 2016, with reference to the 2015 calendar year.

Seeking to bring ourselves into link with the main requirements in this area, once again this year we have followed the directives set out in version G4 of the Global Reporting Initiative (GRI) for drawing up sustainability reports. Furthermore, as a new feature this year, this report includes a list of objectives and actions taken that have been brought into line with the principles of the United Nations Global Compact and the United Nations Sustainable Development Goals. Furthermore, it is worth emphasising that this report will only be published digitally, to avoid printing out copies, which has a damaging effect on the environment.

Based on GRI recommendations, the content of this report has been classified under the following main headings:

- **Stakeholder engagement:** describing who the stakeholders are and the main relationships with them.
- **Context of sustainability:** explaining how our activity is performed from social, economic and environmental protection perspectives.
- **Materiality:** including how the company focuses on stakeholders.

- **Comprehensiveness:** providing data and indicators to allow outside groups to accurately analyse our performance over this period.

Finally, with the intention of continuing to improve, we would like to thank you in advance for sending your comments on any aspect of this report to the following email address:

communication@fuerte-group.com



Views from Hotel Fuerte Calaceite.



Fuerte Conil – Costa Luz Hotel.

2 LETTER FROM THE CHAIR

I am writing this letter in 2017, a very special year for Fuerte Group Hotels, as it marks the 60th anniversary of our foundation. A lifetime dedicated to the happiness of the hundreds of thousands of Spanish and foreign tourists who have since stayed in our hotels since then. And looking back I feel very proud of several aspects.

GOALS ACHIEVED

The first, having made sure that all of the members of our family are committed to preserving this precious business, through which we put everything in to making many people's dreams come true. But above all, having made Fuerte Group Hotels into a large family, made up of wonderful people who also feel that vocation of service. The fact is that tourism is one of the most vocational jobs that exists. A vast amount of effort has to be made to satisfy increasingly demanding clientèle, but the reward of seeing the smiles on the faces of their guests as they leave to go home is worth the sacrifice.

Another reason that makes me feel happy is to see how we have positioned ourselves one of this country's most sustainable hotel chains. Although this was one of the founding principles of our chain, and we have been very clear about the importance of growing in an environmentally friendly manner ever since we opened Fuerte Marbella in the then small fishing village of Marbella, the road has been long and it has demanded plenty of passion and major investments.

Two dates were milestones on this journey. The was first 1999, when the Fuerte Conil hotel was inaugurated, as from then on we began to introduce the concept of sustainability into the construction of our establishments. And the most important was 2016, when we signed the WTO's Global Code of Ethics for Tourism and, especially, when we joined the Spanish Network of the United Nations Global Compact.

This milestone brought changes to many of our operations, as since then another variable has been introduced into the chain's decision making process: whether or not the Sustainable Development Goals (SDG) set by the UN are complied with. The goals aim to ensure that by 2030 we live in a better world in which there is no poverty, prosperity is achieved and the planet's health is scrupulously preserved.

We're working on it. On aiming to ensure the growth of this sixty-year-old group, whose experience is worth its weight in gold and whose dreams are still as alive now as they were in that month of July 1957 when we opened the doors of Fuerte Marbella with the feeling that we were doing the right thing, despite the fact that nobody was investing in the future of tourism at the time. Time has proven us right and, today just as in the past, as can be seen from the results and assessments included in this report, we are confident that we are doing things right. And, to the extent that we are able, to make the whole society part of that well-being through the social activities that continue to be channelled through the Fuerte Foundation.



Kind regards,
Mrs. Isabel García Bardón,
President of Grupo El Fuerte



OUR PROFILE



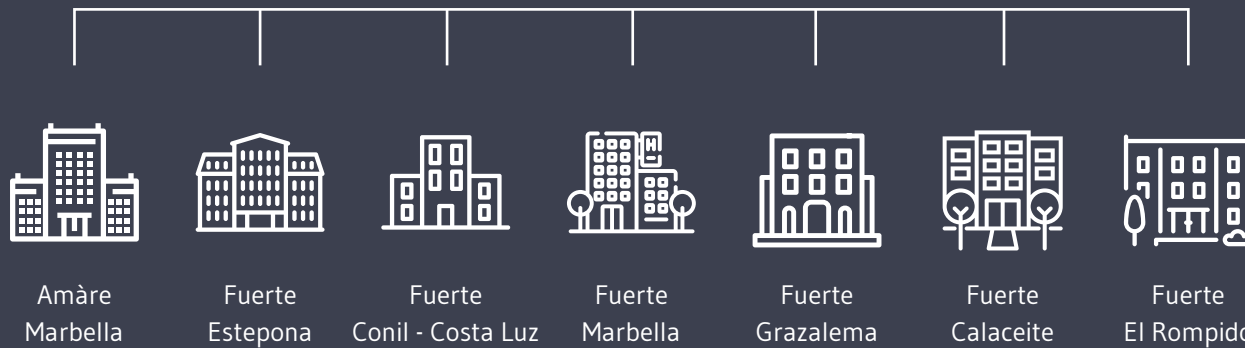
2.1 EL FUERTE GROUP STRUCTURE

Fuerte Group Hotels is the hotel division of **El Fuerte Group**, an Andalusian family business group founded in 1957 by José Luque Manzano, which also includes the We Company business group and the Fuerte Foundation. Following the opening during the same year of the **Fuerte Marbella**

hotel, the first hotel establishment to open in the centre of Marbella and the **Fuerte Hoteles** chain's first, the company continued to expand to achieve its current portfolio comprising six 4 star holiday hotels and 1 rental apartment resort, all located in Andalusia (in Málaga, Cádiz and Huelva). At the

end of 2015 it launched a new hotel brand, Amàre, aimed at the adult market, whose first establishment was the refurbished Fuerte Miramar, which changed its name in 2016 to become **Amàre Marbella Beach Hotel**.

FUERTE GRÔUP HOTELS



CORPORATE HEADQUARTERS:

Avda. Puerta del Mar 15
29602 Marbella (Málaga)
Tel. (press): (34) 952.92.00.36 Ext. 10701
E mail (press): communication@fuerte-group.com
Internet: www.fuertehoteles.com / www.amarehotels.com
Bookings: (34) 900.82.82.32

2.2 GOVERNING BODIES

The Board of Directors is the highest level governing body of El Fuerte Group, of which Fuerte Group Hotels forms a part. It is led by Isabel M^a García Bardón as chair, and all of her children are members. Each of them is assigned a series of responsibilities aimed at ensuring that the company

operates well and prospers.

Under the Board of Directors can be found the body known as the “Delegate Commission”. This commission is made up of 3 children of the Luque García family and meets on a weekly basis to agree on important El Fuerte

Group decisions.

Similarly, the Hotel Management Committee, made up of the directors of each area of Fuerte Group Hotels, is in charge of executing the general guidelines of the hotel division’s strategic plan.



Luque García family.

2.3 ABOUT FUERTE GROUP HOTELS

MOTTO: "CARING FOR PEOPLE AND THE ENVIRONMENT"



Number of hotels

6 hotels owned by the group, and 1 leased apartments complex.



Number of rooms

1,636



Number of beds

3,739



Average hotel staff 2016

664 of whom 92% come from the provinces where the hotels are located.



Total hotel revenue 2016

58.3 million euros.



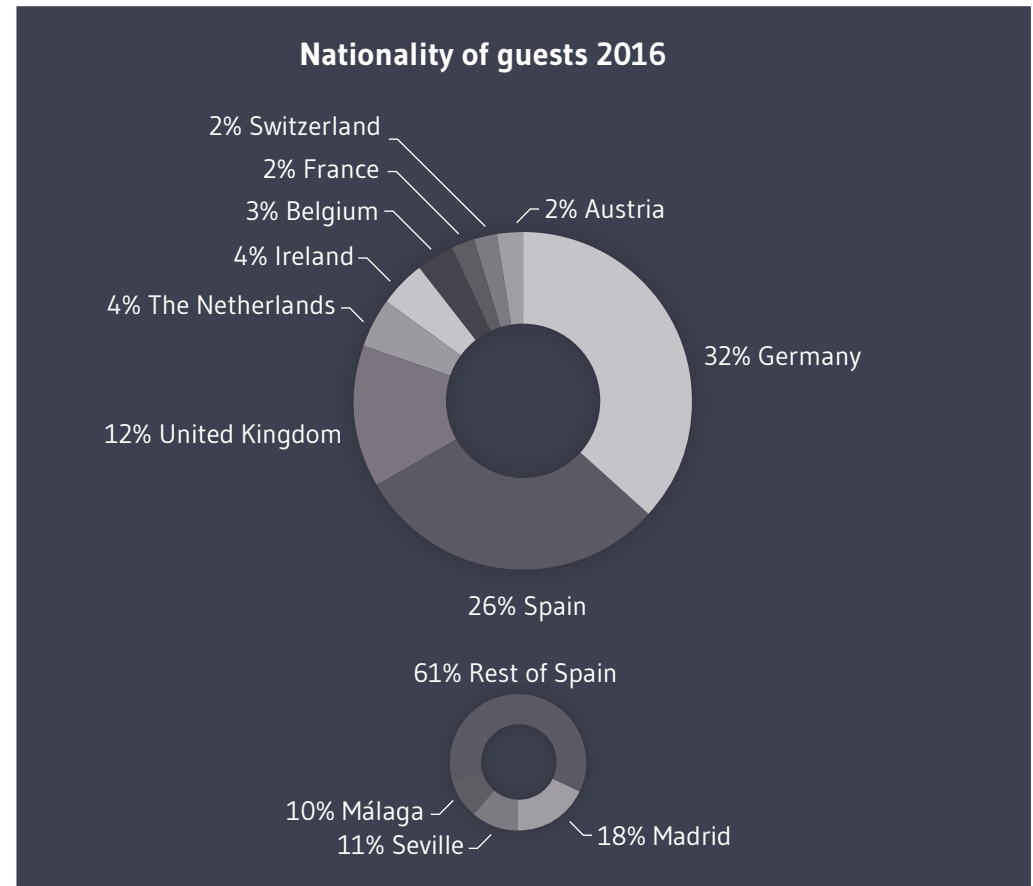
Investment

in social projects: €76,400, in training: €117,907 and in social assistance to employees: €87,370.

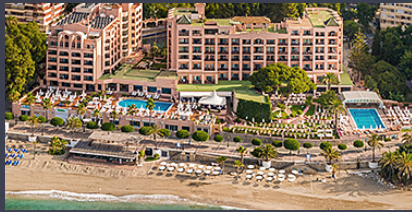


Average occupancy 2016

75.61%.



2.4 HISTORY OF FUERTE GROUP HOTELS:



FUERTE MARBELLA 4*
(CELEBRATES ITS 60TH ANNIVERSARY IN 2017).
Location: Centre of Marbella (Málaga).
263 rooms.
Guests: in 2016, 150,835 people were accommodated.

1957 THE CHAIN'S FIRST HOTEL



FUERTE CONIL 4*
Conil de la Frontera (Cádiz).
250 rooms.
Guests: in 2016 Fuerte Conil – Costa Luz hosted 211,251 people.

1999



FUERTE GRAZALEMA 4*
Grazales (Cádiz).
77 rooms.
Guests: in 2016, 35,065 were accommodated.

2002



FUERTE COSTA LUZ 4*
Conil de la Frontera (Cádiz).
219 rooms
Guests: in 2016 Fuerte Conil – Costa Luz hosted 211,251 people.

2004

EVOLUTION OF FUERTE GROUP HOTELS

2005

FUERTE EL ROMPIDO 4*
El Rompido (Cartaya), Huelva.
300 rooms.
Guests: in 2016, 110,478 people were accommodated.



2008

FUERTE CALACEITE APARTMENTS
87 apartments.
Between Torrox and Nerja (Málaga).
Guests: in 2016, 64,485 people were accommodated.



2010

FUERTE ESTEPONA 4*
Estepona (Málaga).
210 rooms.
Guests: in 2016, 102,116 people were accommodated.



2016 THE FIRST HOTEL RECOMMENDED FOR ADULTS

AMÀRE MARBELLA 4*
Marbella (Málaga)
236 rooms.
Guests: in 2016, 103,396 people were accommodated.



2.5 GROUP PRINCIPLES AND VALUES

MISSION



“To be a family business with a vocation for development, fundamentally aimed at hotel businesses that are profitable and committed to the responsible development of people and the environment. We want to achieve coherence between our business, management team, professional coexistence (policies) in our day-to-day work and the way that the institution is set up (governance)”.

VISION



“To be a company with leading brands in responsible hospitality, defined as an attitude of sensitivity towards people (shareholder, guest and employee satisfaction) and the environment (local community and the environment), with a presence in Spain”.

2.6 OUR SUSTAINABLE DEVELOPMENT STRATEGY

IF YOU CAN MEASURE IT, YOU CAN MANAGE IT

Based on this simple premise, the company places value on tangible aspects that are a feature of sustainable management.

Using this as a guideline, it is simple to define and analyse strategies, as it allows deviations or alert indicators to be quickly detected, allowing us to react quickly to any unforeseen circumstances or problems that may not be recognised at first glance. The three fundamental cornerstones that make up Forte Group Hotels' Corporate Social Responsibility-based strategy are:



Back to origins

Ensure that the cultural environment and local communities in areas where the chain carries out its activity are conserved and developed.



Reducing pollution

This responsibility can be measured by controlling the recycling system, and indicators showing the consumption of resources and the activity's environmental impact, such as the Ecological and Carbon Footprints, among other indicators.



Ethical and transparent management

Through the communication of the results of guest satisfaction, working environment and other performance indicators.

2.7 STRATEGIC OBJECTIVES

During 2016, Fuerte Group Hotels has run its whole range of different actions and initiatives, always taking the following objectives into account:



I. PROFIT ORIENTATION

Priorities in this area have aimed to reduce costs through obtaining greater efficiency in operating and structural costs, as well as to increase income, thanks to the better management of prices in all channels and the prioritisation of direct channels.



II. CUSTOMER ORIENTATION

In this regard, the intention is to ensure that guest experiences exceed their expectations. To do this, it has been necessary to gain a deep knowledge of the aspects that they really value, and include them in the service and the treatment they are given. The ultimate aim of these actions is to satisfy guests, as well as to instil loyalty in them and even make them proponents of the chain.



III. COMMUNICATING AND PROMOTING OUR UNIQUE IDENTITY AND CSR

Nowadays it is not enough just to take action, it is also necessary to provide information about it, and do it well, using all available on- and off-line channels. The recipients of the communications have been the different internal and external stakeholders. On-line visibility has been sought in some cases, by increasing traffic to social networking profiles and improving brand recognition; in other cases, efforts have been made to retain guest loyalty; the most difficult thing has been converting all of this media attention into bookings.



IV. TALENT DEVELOPMENT

Fuerte Group Hotels is very clear about the importance of its staff at all levels of the chain. That is why it makes an effort to attract, develop and retain the talent that it identifies both in the corporate and hotel areas. It offers a range of different tools, particularly training, to encourage involvement and improve vital aspects such as leadership, teamwork and the resolution of crisis situations, among others.

2.8 MANAGEMENT SYSTEMS

Fuerte Group Hotels uses different management systems aimed at ensuring that its hotels meet chain's quality, sustainability and environmental friendliness commitments.



I. ISO 14001 CERTIFICATES

The hotels Fuerte Grazalema, Fuerte El Rompido and Fuerte Conil - Costa Luz are certified to the ISO 14001 international Environmental Management Systems standard. This standard is renewed on an annual basis following exhaustive internal and external audits. The latter are conducted by the well-known certification entity AENOR.



II. TRAVELIFE SUSTAINABILITY SYSTEM CERTIFICATES

This certification system ensures that its member establishments meet a long list of criteria related to sustainable tourism. It is one of the most demanding certifications in this area, so achieving its "Gold" status represents an effort both by the company's management and all of its staff, which must demonstrate very high standards of knowledge of, and involvement in the certificate. In 2016 3 hotels from Fuerte Group Hotels were awarded the highest level of this recognition (gold): Fuerte Marbella, Fuerte Conil-Costa Luz y Fuerte El Rompido.



III. ISO 9001 BASED QUALITY MANAGEMENT SYSTEM

Fuerte Group Hotels continues to base its quality management system on international standard ISO 9001, one of the best known standards for quality management in hotel establishments, recognised at a domestic and international level. Although this service is no longer certified externally, the documentation is conserved and procedures and records are kept up to date using the same methods as when external verification and control audits were conducted. In addition, the figure of the quality manager is still present in the chain, to ensure that this monitoring takes place.



NEW PROJECTS AND GOALS



3.1 ALIGNMENT WITH THE UN SUSTAINABLE DEVELOPMENT GOALS

In January 2016, Fuerte Group Hotels signed up for membership of the WTO's Global Code of Ethics for Tourism, and joined the Spanish Network of the United Nations Global Compact, for the purpose of bringing its practices into line with achieving the Sustainable Development Goals (SDGs). It is the largest Corporate Responsibility and Sustainable Development initiative in the world, as part of which 13,000 entities are committed to a better world.

As a result of this most initiative taken by the chain throughout 2016 were aimed at promoting one of the 17 SDGs set by the UN. This milestone was highlighted by Fuerte Group Hotels as part of its participation in the open day entitled Responsible tourism, everybody's commitment, organised by the Spanish Network of the Global Compact and the Tourism Organisation on 19 September 2016, with the aim of highlighting the role played by tourism companies in achieving the SDGs. A website was launched on the same day, containing an e-publication, testimony videos and a summary of the best practices of all of the event's participants.



José Luque, along with the rest of the participants at the launch event "Responsible tourism, everybody's commitment" on 19 September in Madrid.

3.2 TRAINING AGREEMENT WITH AUDIOLÍS

One of the actions that Fuerte Group Hotels took in 2016 to meet the goal of developing the talent existing in the company was the signing of an agreement with the company Audiolis to provide training to employees at the Fuerte Conil – Costa Luz hotel. This training will be aimed at professional performance and will be adapted to suit the certificates of professionalism.

This project lasts one year and four months, and employees will be provided with training in a range of different

areas related to their jobs, with a particular emphasis on the reception and dining room areas. The training will focus on aspects ranging from gaining customer loyalty to the importance of personal appearance, as well as different sales techniques and types of communication, among other topics. In total Audiolis will provide more than 120 hours of training to reception and dining room staff, combining in-person and online training through an elearning platform specially designed for the hotel chain.



3.3 CLEANING OF THE BEACH BEFORE THE END OF THE SEASON

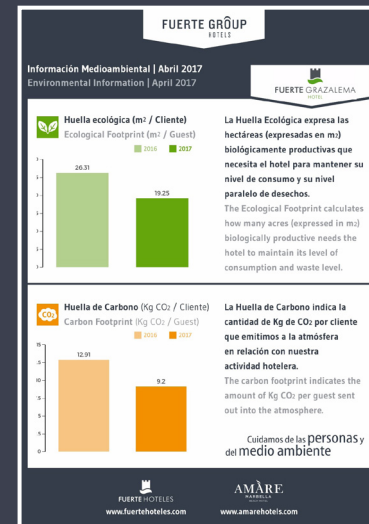
In October 2016, the Fuerte Conil - Costa Luz Hotel ran an interesting initiative aimed at raising awareness among its guests and employees of the importance of caring for and protecting the environment, through simple actions such as not leaving rubbish on the beach. The activity involved a clean-up of Fontanillas Beach, which is next to the hotel's premises. 10 hotel employees were joined in this initiative by 25 guests, who together cleaned up around 750 metres of the beach. The result of 18 kilos of rubbish; the most common types of waste that were found were cigarette butts, bottle tops, bottles, cans and lollipop sticks.



Beach cleaning day with Fuerte Conil – Costa Luz employees and guests.

3.4 REDESIGN OF CONSUMPTION CHARTS

Fuerte Group Hotels has an innovative methodology for controlling the consumption of water, electricity, diesel and propane at its hotels, as well as for specifically monitoring their respective ecological and carbon footprints for calculating the amount of CO₂ that they release into the atmosphere. Guests are informed of this significant environmental work through graphics displayed in receptions, updated every month. A change was made in 2016 to adapt these graphics to the chain's new corporate image, and particularly to facilitate the understanding of the concepts and images that they include.



Redesign of consumption charts.

3.5 IMPROVEMENTS TO HOTELS

During 2016 improvements were made to the facilities of some of the chain's hotels. The most noteworthy were those made to some of the rooms at Amáre Marbella and Fuerte Conil - Costa Luz; those made to bathrooms at Fuerte El Rompido; and the redesign of the Exclusive Lounge and the expansion of the Terraza del Mar at

Fuerte Marbella. In addition, the culinary offerings at Amáre Marbella were extended thanks to a partnership agreement signed with the 1 Michelin starred Messina restaurant. Finally, mobile apps were launched that, on the one hand, have forged closer relationships between the hotels and their guests, before, during and after

their respective stays; on the other hand, they have greatly enriched the travel experience by providing guests with information about the destination, giving them discounts and saving them time, as a lot of things such as booking a lunch or Spa treatment can be done with just one "click".



Refurbished Exclusive Lounge at Fuerte Marbella.



Refurbished rooms at Fuerte Conil - Costa Luz.

3.6 2016 GOALS. COMPLIANCE ASSESSMENT

This section includes the progress report that tracks the goals set for 2016, as well as the corresponding fulfilment of the commitments taken on with membership of the United Nations Global Compact.

GOAL	FULFILMENT	DESCRIPTION	GLOBAL COMPACT PRINCIPLE AND RELATED SDG
Membership of the United Nations Global Compact and signing of the WTO Sustainable Tourism Charter	✓	Signed during FITUR 2016. See section 3.1 for more information	SDG 17
Operational improvements in hotels	✓	A range of different investments in energy efficiency systems such as LEDs, low consumption equipment, inclusion of more local and healthy products.	SDGs 2, 3 and 12
Sustainability training for staff	Partial	April 2016: Open day on sustainability and CSR for all staff of the Fuerte Conil – Costa Luz hotel (approx. 170 people)	SDGs 11, 12 and 16
Revamped culinary offerings for people with gluten intolerance	✓	New gluten free menu at Fuerte Conil – Costa Luz	SDG 3
Participation in the Global Compact Working Group and attendance of our CEO as a speaker at the event entitled “Responsible Tourism: Everybody’s commitment”	✓	See point 3.1 on page 14.	SDG 17
Obtain new funds to collaborate with the Pivesport programme	✓	Donation €17,000	SDG 4
100% of the employees should know their workers’ rights and ensure that they are respected	✓	Information managed by HR and transmitted to all staff	1 and 2 (Human rights) SDG 16

Continued on next page

3.6 2016 GOALS. COMPLIANCE ASSESSMENT

GOAL	FULFILMENT	DESCRIPTION	GLOBAL COMPACT PRINCIPLE AND RELATED SDG
Set out the criteria and responsibilities for defining a specific code of conduct for possible cases related to child and sexual exploitation in tourism that may be detected, specifically at the chain's hotels, as well as for how to prevent it. Thus, the main goal is to prevent all incidents in this area.	✓	Application of corporate procedure "POG_50 Code of conduct for the prevention of child exploitation"	3, 4, 5 and 6 LABOUR RULES SDG 5
The establishment of conditions of occupational safety to reduce accidents in the workplace as much as possible. For this purpose, a target has been set to improve year-on-year incident rates, the average employee length of service indicator and working environment indicators	✓	See table on page 30. Incorporation of electrical gardening machinery to reduce ambient noise.	3, 4, 5 and 6 LABOUR RULES SDG 8
Promotion of more environmentally friendly technologies that promote energy saving and efficiency	✓	Increase the number of LED bulbs in common areas of hotels, and replace old electrical appliances with more efficient ones.	7, 8 and 9 ENVIRONMENT SDG 6 and 7
Participation in local, regional and global activities that promote environmental awareness. • Promotion of sustainable tourism and awareness through the organization of courses and forums at Fuerte Hoteles.	✓	Participation in the Global Compact working group, "Responsible Tourism, Everybody's Commitment".	7, 8 and 9 ENVIRONMENT SDGs 15, 16 and 17
Exceed the annual guest satisfaction rate of 2015.	✓	See the indicator table "Online reputation index" on pg. 24 Improvement achieved: from 89.20 to 90%	10 ANTICORRUPTION SDG 12

3.7 2017 OBJECTIVES

With a view to 2017, Fuerte Group Hotels intends to achieve the following goals:



Publication of the Global Compact Progress Report (which forms part of the Sustainability Report from this year onwards). The previous report can be viewed here:

[DOWNLOAD](#)

1



The Grill Beach Club restaurant at Fuerte Marbella will also be fully refurbished, an improvements will be made to the Beach restaurants at Fuerte Conil - Costa Luz and Fuerte El Rompido, with new menus featuring local products and healthy dishes.

2



A project to increase the number of wellness activities run at hotels, and the inclusion of high end brands at our Spas with new and exclusive treatments, as part of our healthy living philosophy.

3



The installation of a new program on the heating control computer at the El Rompido Hotel, to only switch on the heating when required by the outside temperature, thus adapting the system to energy needs at any given time.

4



The "De La Tierra" project at Fuerte Grazalema, refurbishment of the dining room to implement the philosophy of organic and ecological food from local suppliers. The creation of the concept dates back to 2016, but its execution and implementation will take place in early 2017.

5



Savings of at least 1% of the following environmental indicators, when compared to the previous year: Water (litres/guest), electricity (kwh/guest), diesel (litres/guest) and propane (kg/guest) SDG 12 and 13.

6



Costa Luz hotel and the fluorescent tubes in the parking area and access corridor with LED bulbs.

7



Raising awareness of the United Nations Sustainable Development Goals. Establish communication plan and list of activities focused on the different scenarios offered by the 17 SDGs:

- ▷ Social networking campaign.
- ▷ Interactive SDG infographic.

8



Continue with the One Responsible Euro Programme supporting Pivesport in 2017. See project description on page 37. (SDG 4)

9



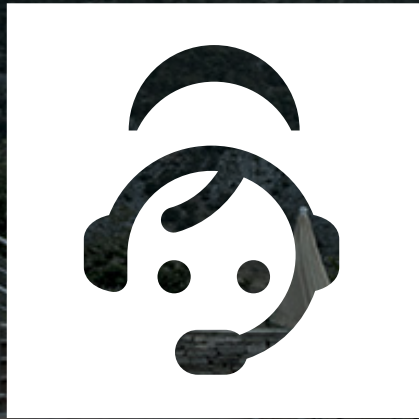
Improve the local purchasing rate when compared to the previous year SDG 2.

10



Specific training for employees on the company's CSR policy and to improve their performance.

11



DIALOGUE WITH STAKEHOLDERS



Throughout 2016 Fuerte Group Hotels maintained a close relationship with its different stakeholders. An honest, transparent, sustainable and demanding partnership including:

4.1 CORPORATE RELATIONSHIPS, ASSOCIATIONS, FORUMS

CORPORATE RELATIONS SOCIAL SCOPE

1) BUSINESS ASSOCIATIONS

Fuerte Group Hotels is a member, and in many cases a founding partner, of the following business associations:

HORECA: hospitality sector employers in the province of Cadiz. Member since: 1977.

AEHCOS: Association of Costa del Sol hoteliers. Member since: 1977.

CIT Marbella (Marbella Tourist Initiatives Centre). Member since: 1989.

Andalusian Family Business Association: Member since: 1989.

Family Business Professorship (San Telmo). Member since: 2000.

Huelva hoteliers association. Member since: 2005.

2) SPECIALISED FORUMS, UNIVERSITIES AND TECHNOLOGY CENTRES

During 2016 Fuerte Group Hotels participated in different events directly and indirectly related to the hotel industry. The events listed below are particularly noteworthy:

Gran Debate Hotelero: José Luque, CEO of Fuerte Group Hotels, participated in this forum which was organized by the Vía Group in Marbella, September 2016. One of



José Luque participating in the Great Hotel Debate.

the main topics discussed at this forum was the possible influence of BREXIT on Spanish tourism.

Round table on sustainable tourism: organised by the WTO and Spanish Network of the United Nations Global Compact. September 2016.

3) LOCAL COMMUNITY

► **Citizens:** Fuerte Group Hotels contributes to the socio-economic and cultural development of the destinations

where its hotels are located. It strives to promote local customs and traditions and gives priority to suppliers from the local area when contracting, to promote the local economy.

► **Workers:** when recruiting people for the workforce, the chain's recruitment policy gives priority to people from the areas around where the hotels are located. The aim of this is to create jobs and, as a result, to improve the living conditions of inhabitants of these destinations.

4.1 CORPORATE RELATIONSHIPS, ASSOCIATIONS, FORUMS



RELATIONS ECONOMIC AREA

- ▶ **Government:** Fuerte Group Hotels is committed to good relationships between public and private institutions, and it maintains contacts with local governments, councils, Andalusia's regional government and central government.
- ▶ **Partner companies:** during the course of its hotel business, Fuerte Group Hotels works very intensely with different operators in the sector, such as Spanish and international tour operator and travel agencies. It also works with other providers of services and products required to run a tourism business.
- ▶ **Shareholders.**
- ▶ **Suppliers:** as already mentioned elsewhere in this report, Fuerte Group Hotels prioritises commercial partnerships with local suppliers.



RELATIONS ENVIRONMENTAL AREA

- ▶ **Not-for-profit associations:** Fuerte Group Hotels works closely with environmental NGOs such as WWF Spain, with which it has participated in several awareness campaigns such as the "Earth Hour", and with others such as the +Árboles Foundation.
- ▶ **Citizen and guests:** As part of its management policy, Fuerte Group Hotels includes the promotion of environmentally friendly activities that contribute to the development of communities where its hotels are located. It invites guests at all of its hotels, and residents in areas where its hotels are located to participate in these activities.
- ▶ **Employees:** all of this is possible thanks to the involvement of all of the company's employees, 92% of whom are local, in the company's sustainability policies.
- ▶ **Suppliers:** in order to work with Fuerte Group Hotels, the company requires all of its suppliers to sign a declaration of environmental friendliness and good environmental practices. This is a small action that has a knock-on effect on local economies and their environmental policies.

4.2 GUEST RELATIONSHIPS

A) GUEST SATISFACTION

The first element used in this regard is the guest satisfaction index, which is calculated by all departments using the following sources and tools:

- ▶ Online surveys sent to the guest's email address after check-out.
- ▶ Online reputation: indexes sourced from traveller communities, specialist websites and social networks, among others.

- ▶ 'Mystery Guest' audits: these audits, which are conducted anonymously and unexpectedly, assess compliance with the quality standards established in the Fuerte Group Hotels procedures manual. They particularly focus on aspects that have the greatest impact on guest satisfaction, as well as on details related to the atmosphere created at each hotel, such as the volume of background music, predominant aromas and smells, the arrangement of the decoration and the intensity of light and lighting, among other aspects.



Fuerte El Rompido welcomes its millionth guests with a certificate and welcome gift.

RESULTS OF GUEST SATISFACTION SURVEYS

	2015	2016
Reception (%)	92.9	93.1
Room cleaning (%)	91.5	91.9
Location (%)	89.6	89.4
Gastronomy (%)	88.8	88.0
Price-Quality (%)	83.7	84.7
Entertainment (%)	81.8	82.4

2016 data shows an improvement related to data obtained during the same period of the previous year.



Volleyball match between Fuerte El Rompido guests and staff..

4.2 GUEST RELATIONSHIPS

B) QUALITY CONTROL TOOLS

The phase of analysing the action of adopting corrective measures to ensure that the chain’s hotels achieve suitable levels of quality is carried out using “guest intelligence” tools such as “**Review Pro**”, which brings together online reputation data with information from direct guest surveys, allowing technicians to create indices and indicators that are useful for making decisions, specifically regarding the inclusion of new pieces of equipment and the improvement of services.

Another benefit of this tool is its immediacy, since obtaining information continuously means that comments made by guests during their stay can be replied to and their requests dealt with quickly before they leave the hotel.

Fuerte Group Hotels received a greater response in 2016, with 1444 more opinions than in 2015. Based on the total number of opinions received, the opinions management tool calculated an online reputation index of 90%, almost one percentage point higher than the index achieved during the previous year.

The net promoter score is used by Fuerte Group Hotels as a tool to find out how guests perceive the service that they have received. This measurement is based on a simple question. How likely are you to recommend the hotel to a friend or colleague? By applying a simple formula according to the scores awarded by the surveyed population, this guest satisfaction indicator is obtained. The results achieved in 2016 in this respect are 41.54% better than those achieved in 2015.



Children having fun at Forti’s birthday. They’re having a great time!

QUALITY INDICATORS

	2015	2016
No. of opinions about the chain: Data source: Review Pro	9,531	10,975
Online reputation index: Data source: Review Pro	89.20%	90.00%
NPS (Net Promoter Score): Entertainment (%)	53.76%	95.30%

Los datos relativos a 2016 muestran una mejoría respecto a los obtenidos durante el mismo periodo del año anterior.

4.2 GUEST RELATIONSHIPS

C) USE OF SOCIAL NETWORKS

In 2016 Fuerte Group Hotels remained firm in its intention to give a boost to its different social networks with the aim for improving its brand image, building closer relationships with guests and different market players and, as previously seen, using them as a source of information for assessing the quality of hotels and providing decision-making support.

Similarly, it should be remembered that certain campaigns run by Fuerte Group Hotels in 2016, mainly channelled through social networks, were awarded major

prizes. Firstly, the Merry Christmas video produced by the agency Limón Publicidad won two prizes at the Smile Festival in the categories “Best web spot animation” and “Best creativity in animation”; on the other hand, the “Summer unlimited” campaign, produced by the same agency for the Amàre Marbella hotel, took away 3 prizes from the Luxury Advertising and Premium Brands Festival, in the categories “Best advertising campaign creativity”, “Best interactive campaign creativity” and “Best online marketing”.



Award of prizes at the Luxury Advertising and Premium Brands Awards Festival.



SOCIAL NETWORKS

ACCUMULATED DATA	2014	2015	2016
Facebook	16,312	22,776	29,231
Twitter	4,298	6,135	7,161
Instagram	49*	1,004	1,948

*Profile created in October 2014.

Fuerte Group Hotels’ main social networking sites saw a general increase during 2016. The biggest increase was Facebook, which achieved 29,000 followers, followed by Twitter with more than 7,000 and Instagram with almost 2,000. In addition, the chain has a Youtube channel, which is mainly used as a host for travel experiences and recommendations in the format of attractive videos about each destination.

4.3 RELATIONSHIPS WITH THE LOCAL COMMUNITY

In 2016, Fuerte Group Hotels maintained its commitment to the economic and cultural development of the districts where its activities are located. It also continued with efforts to contribute to this progress through a range of different activities, mostly channelled through the Fuerte Foundation, an organisation that constantly runs social and cultural projects with a range of different objectives.



1. HIRING OF LOCAL EMPLOYEES

The main way in which Fuerte Group Hotels supports local development is through its hiring policy, thanks to which 92% of company employees come from the towns where the hotels are located.

In addition, in order to motivate them and make them feel members of a large family, and to create even closer ties with the local community, every month all hotel and corporate staff select their “Best employees”, a highly sought-after recognition that is the result of votes by all colleagues.



2. AGREEMENTS WITH LOCAL SUPPLIERS

In addition to prioritizing the hiring of local employees, Fuerte Group Hotels has for many years decided to work with local suppliers, with the aim of providing an incentive for the dynamism of the local economy. However, when prioritizing local suppliers, the chain requires all of these companies to meet a series of ethical and environmental requirements, set out in its code of ethics.

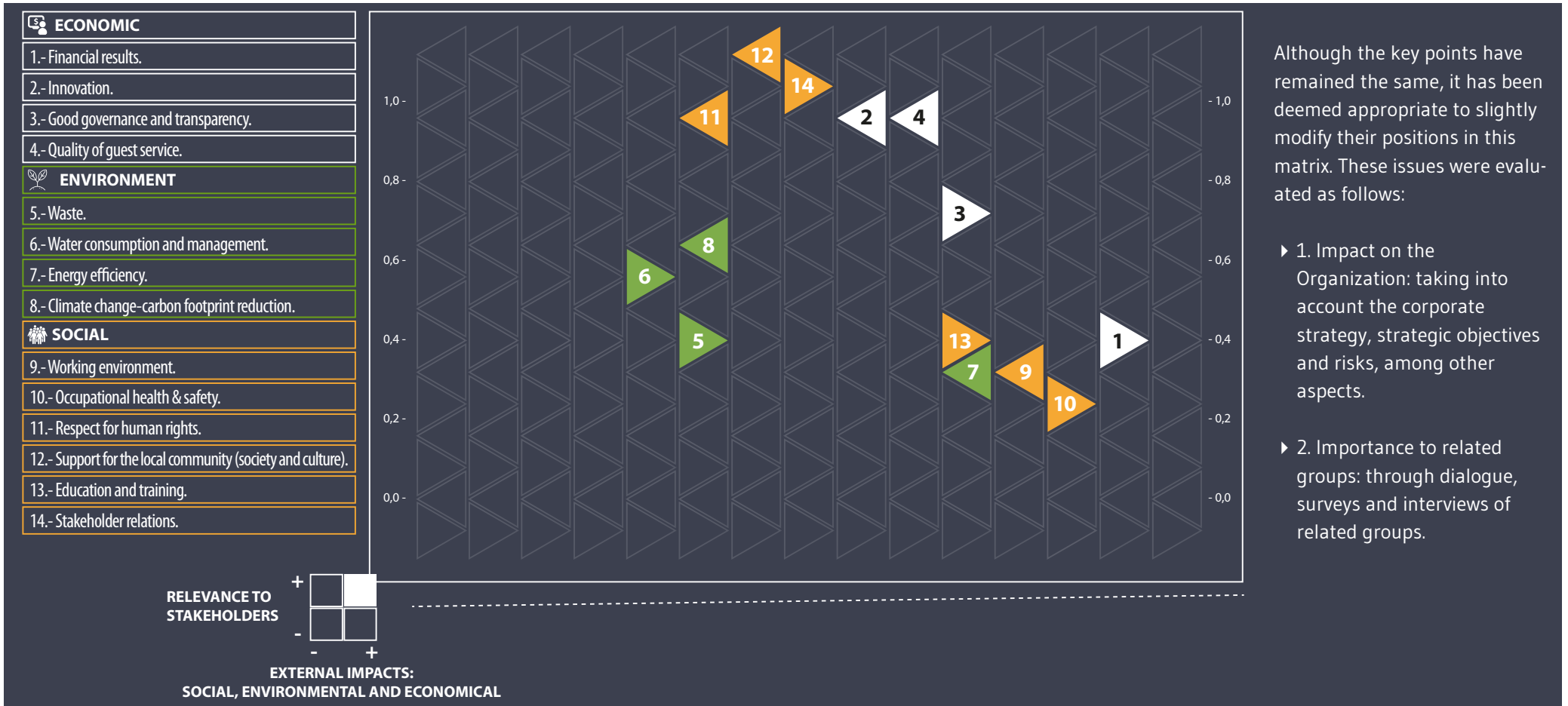


3. PROMOTION OF LOCAL ART

Fuerte Group Hotels has always shown great sensitivity towards local cultures and traditions. 2016 was no exception, as during this year the chain’s hotels lent several exhibition rooms for the promotion of artists from the different areas around where the hotels are located. Furthermore, many of the hotels are decorated with handcraft products from local areas, making the group a true user and patron of local art.

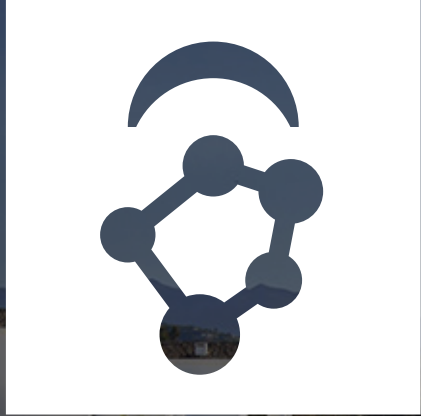
4.4 MATERIALITY

Continuing the materiality analysis that was introduced in the previous Sustainability Report, Fuerte Group Hotels has once again reviewed the 14 points classified as “material” that have the most influence over “stakeholder” performance, and that also have a direct or indirect impact on the company.



Although the key points have remained the same, it has been deemed appropriate to slightly modify their positions in this matrix. These issues were evaluated as follows:

- ▶ 1. Impact on the Organization: taking into account the corporate strategy, strategic objectives and risks, among other aspects.
- ▶ 2. Importance to related groups: through dialogue, surveys and interviews of related groups.



SOCIAL ACTIONS AND COMMITMENTS



5 SOCIAL ACTIONS AND COMMITMENTS

For 60 years, Fuerte Group Hotels has remained convinced that people lie at the heart of the hotel business. As already mentioned, guests on the one hand, and group employees on the other, are extremely important for ensuring that a services activity works well. To achieve stability

to which all family businesses aspire, staff need to identify with the company and its values, they need to feel motivated and recognised by their managers and they need to be provided with tools to allow them to grow - both professionally and as people.

Fuerte Marbella

the first establishment opened by the group 60 years ago, has the most stable workforce and lowest turnover in the Fuerte Group, with employees staying for an average of 9.1 years in 2016.

5.1 CARING FOR PEOPLE

Because people is what this report is about. About people who have been working for the group for many years, but also about young people from vulnerable groups who, thanks to integration programmes such as the one organised by the Spanish Red Cross and the Gypsy Secretariat Foundation, in partnership with the "La Caixa" charity, in which the Fuerte El Rompido hotel has participated, have received training and now have jobs in the hospitality sector.

80,9% is the group's working environment, according to surveys conducted in 2016.

And they are happy in their work, just like most of the chain's employees. Or at least that is what can be seen in the different working environment surveys carried out by Fuerte Group Hotels during the course of 2016.



Tomeu Roig, Director of Fuerte El Rompido, with participants in the Gypsy Secretariat Programme.

5.2 WORKING ENVIRONMENT, CODE OF ETHICS AND COMMITMENT TO DIGNIFIED WORK

The data obtained from these surveys show that, in 2016, the hotel with the greatest increase in employee satisfaction, when compared to the previous year, was Amàre Marbella; whereas Fuerte Grazalema is still considered to be the chain's hotel with the happiest employees, where 90% of the workforce state that they are very satisfied with their jobs.

In terms of workforce stability, in 2016 Amàre Marbella and Fuerte Grazalema saw a slight increase in the average employee length of service; however, the hotel with the most stable workforce and lowest turnover is still Fuerte Marbella, the first establishment inaugurated by the group 60 years ago.

WORKING ENVIRONMENT SURVEY

	2015	2016
Fuerte Marbella	77.4%	78.5%
Amàre Marbella	80.1%	83.2%
Fuerte Conil - Costa Luz	79.9%	81.5%
Fuerte Grazalema	89.3%	90.3%
Fuerte El Rompido	77.6%	79.8%
Fuerte Estepona	79.1%	72.6%
Central Offices	82.4%	83.7%

STAFF STABILITY

AVERAGE LENGTH OF TIME WITH THE COMPANY (years)	2015	2016
Fuerte Marbella	10.6	9.1
Amàre Marbella	6.8	7.22
Fuerte Conil - Costa Luz	8.1	7.56
Fuerte Grazalema	6.8	7.4
Fuerte El Rompido	7.04	7.65
Fuerte Estepona	2.35	2.02
Central Offices	8.14	7.65

INCIDENT RATE	2015	2016
Fuerte Marbella	13.33%	15.37%
Amàre Marbella	7.05%	8.70%
Fuerte Conil	5.55%	9.11%
Fuerte Grazalema	0.00%	4.58%
Fuerte El Rompido	1.69%	6.53%
Fuerte Estepona	8.97%	5.98%
Central Offices	0%	0%

INCIDENT RATE Indicates the number of people having to take time off work, for every thousand exposed people. Incidence rate = (No. of accidents involving time off / total workforce) x 100000.

Source: Fremap accident rate reports.







Except Fuerte Estepona, which in 2016 saw a decrease in the number of days off taken by its employees during the course of the financial year. An increase was seen in this rate in all other establishments.

There was also a slight increase in the number of days taken off by employees at the Fuerte Marbella, Fuerte Estepona and Fuerte Conil - Costa Luz hotels; whereas these increases were more notable at Amàre Marbella, Fuerte El Rompido and Fuerte Grazalema

5.2 WORKING ENVIRONMENT, CODE OF ETHICS AND COMMITMENT TO DIGNIFIED WORK

All Fuerte Group Hotels employees, as well as the chain itself, are committed to dignified work. This is included in the group’s Code of Ethics, of which all new employees are made aware when they join the company, through the Welcome Manual. In addition, this is an issue that is

always discussed at department meetings and even by the management committees, which always begin with a reading of one of the 12 principles set out in the code of ethics and a brief reflection on it; in addition, one of the principles is always printed on employee payslips.

	We exist to satisfy our guests.
	People are the fundamental value of our company.
	By being environmentally friendly, we show our respect for others.
	There are good employees and good managers.
	We all have the capacity to improve as individuals and as professionals and, if so, it will be good for our work.
	Participation and fair treatment encourage commitment to the company.
	Being responsible means following standards, procedures and objectives.
	Diversity is one of the main sources of wealth; Respect for it provides healthy and mature relationships.
	Good behavior must be recognized in a public, exemplary way and using all available means.
	Discretion increases trust, improves relationships and strengthens our image.
	An organisation’s strength depends to a great extent on the loyalty of its personnel.
	The separation of personal and professional matters within the company will allow us to carry out our work.



Award of the Best Employee certificate at Fuerte Marbella by the hotel’s director, María Antúnez.



The Amàre Marbella dining room and kitchen team prepares its best cocktails and dishes in an internal competition; the winner is featured on the following year’s menu.

5.3 TRAINING AND SOCIAL IMPROVEMENTS PLAN

In just three years Grupo El Fuerte has nearly doubled the number of hours of training provided to its employees, from 7528 hours at the end of 2014 to a total of 12,141 during the entire year 2016. Out of these hours, 55.9% were aimed at improving the knowledge of regular employees, and 44% to training for senior and middle management.

In terms of people, in 2016 a total of 1674 employees benefited from the Fuerte Group Hotels Training Plan; 56% of these employees were male and 44% female. However, the best way to assess the importance that the chain places on this aspect is the budget assigned for this purpose, which was over €117,907.18 euros in 2016.

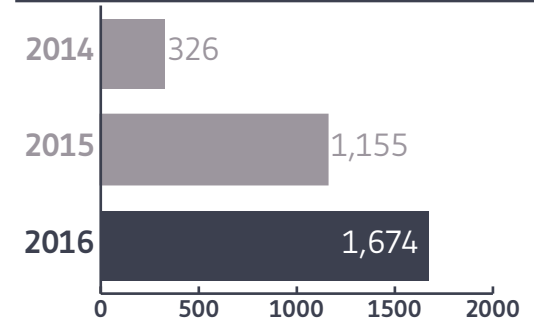
The budget allocated to training by Fuerte Group in 2016 was over

€117,907.

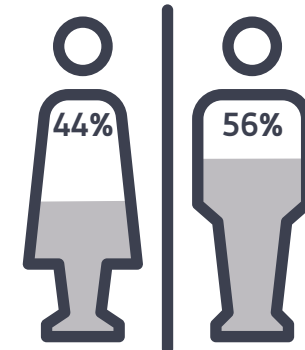


TOTAL OF HOURS OF TRAINING PER CENTRE				DETALLE 2016	
Company	2014	2015	2016	DI+MI	PB
Fuerte Calaceite	12	6	0	0	0
Fuerte Conil-Costa Luz	1,794	1,281	2,038	736.5	1,301.5
Fuerte El Rompido	770	780	961	328	633
Fuerte Estepona	618	371	593	152	441
Fuerte Grazalema	353	171	201	18	183
Central Offices	2,366	3,268	3,626	2,438	1,188
Fuerte Marbella	939	845	1,375	218	1,157
Amàre	676	2,604	3,347	1,460	1,887
Total hours of training*	7,528	9,326	12,141	5,350	6,790

PEOPLE WHO HAVE ACCESSED TRAINING



TRAINING OF STAFF BY SEX IN 2016



Training table note: The final two columns divide the 2016 hours between senior and middle management (S+MM) and regular employees (RE). * Total amount posted under the groups training accounts during the year.

5.3 TRAINING AND SOCIAL IMPROVEMENTS PLAN

The Fuerte Group Hotels training plan includes the following programmes:

TRAINING PROGRAMME

The purpose of this programme is to promote the professionalism and qualifications of employees, by improving training given to employees at their workplace, giving them new knowledge, skills and competences and updating existing ones..

- Web analytics, usability and user experience (ux)
- Social media analytics and monitoring
- Floral art
- Tax and accounting advice
- Menus
- Wine lists
- Ornamental grasses
- Spanish, international and creative cuisine
- Cocktail making
- Financial controller
- Ham carving
- Production of bakery and patisserie products
- Advanced, medium and basic excel
- Tourism marketing expert
- Customer relationship management (crm)
- Hotel housekeeper
- English and german
- Online marketing and hotel management
- Hotel marketing and strategic planning
- Online analytics and marketing web-master
- Training methodology
- Patisserie and cake-making
- Programming of fire detection systems
- Work procedures, critical processes and staging
- Corporate social responsibility
- Revenue management
- Building thermal installations regulation
- Arc welding
- Sommelier
- Germaine de capuccini treatments
- Upselling

DEVELOPMENT PROGRAMME

A set of initiatives aimed at management personnel and regular employees that promote personal/professional growth and talent in the company. These initiatives are related to the development of organisational and management competences and skills that are necessary for team management.

- Personnel development
- Business management
- Solution groups
- Leadership and people management
- Motivation and frustration

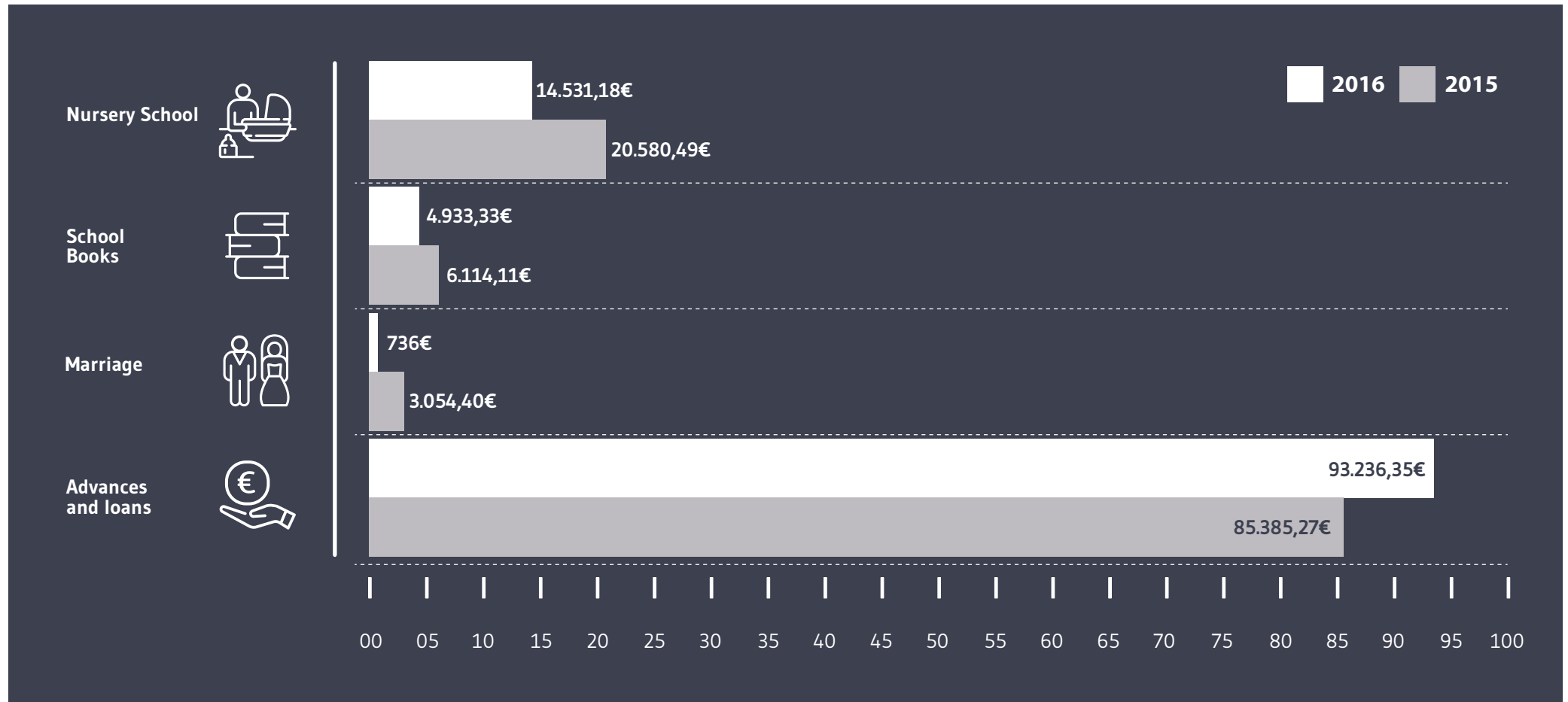
REGULATORY PROGRAMME

Regulatory training aims to obtain authorisations and certificates appropriate to the products and services offered by the El Fuerte Group, to ensure that work processes are carried out in accordance with current occupational safety and food hygiene legislation and technical certifications, etc.

- Training for performance of basic level functions
- Hygiene-sanitary maintenance of installations at risk of legionnaires' disease
- Emergency plan
- First aid
- Harassment protocol
- Job specific risks
- Food and allergen health and safety

5.3 TRAINING AND SOCIAL IMPROVEMENTS PLAN

During the course of 2016 the El Fuerte Group continued with its Social Improvement Plan, which as during other financial years included assistance with the costs of nursery school and school books, as well as marriage gifts. However, the most significant item is advance payments and loans.



5.4 SOCIAL AND CULTURAL PROJECTS. LOCAL COMMUNITY

Most social and cultural projects carried out by Fuerte Group Hotels during 2016 were channelled through the Fuerte Foundation, a not-for-profit entity that focuses on helping people at risk of social exclusion, organising cultural events and environmental awareness campaigns. Some of the most significant activities were:

CULTURAL AREA

Renewal of the partnership agreement with the Museum of Spanish Engraving

The Fuerte Foundation has been supporting the Museum of Contemporary Spanish Engraving since 1994. In this case, the partnership takes the form of the donation of a maximum of 2500 euros worth of stays at Fuerte Marbella, to accommodate celebrities and artists who travel to Marbella to attend events organised by the museum. Investment: €2,500

Award of the XXIII National Engraving Prizes

Hotel Fuerte Marbella lent its facilities to host the award ceremony of this prestigious event. It also provided a room to exhibit the winning works for a period of one month.

Organisation of organ music concerts

In conjunction with the Sol Mayor Organ Friends Association, the Fuerte Foundation organises three organ music concerts per year. The main aim of this activity is to preserve a magnificent organ built in 1975 by the Blancafort workshop, considered to have the best acoustic qualities

in Andalusia. It is currently installed in the main parish church of Nuestra Señora de la Encarnación in Marbella. Investment: €8,000.

Support for the Santa María de la Victoria Band

The purpose of this initiative is to consolidate the musical training given to the Santa María de la Victoria band and to improve the quality of its performances. For this purpose, it is essential to educate members of the group, make sure they are enthusiastic and that they share and feel music as a food that nourishes the soul. Investment: €3,000.

Support for local artists

As already mentioned, the chain's hotels frequently host exhibitions by local artists. Examples of this are the photography and poetry by Mari Ruiz and Many Delgado, from 15 to 25 of September in the La Duna room at Fuerte El Rompido, entitled #365HistoriasDeUnDía; and the painting of Ana María García, on display between 5 and 20 August at the same hotel. Fuerte Marbella also hosted events of this type, such as the exhibition by painter Manuel Fernández- Pacheco from Toledo, among others.



Works exhibited by Fernández-Pacheco at Fuerte Marbella.

5.4 SOCIAL AND CULTURAL PROJECTS. LOCAL COMMUNITY

EDUCATIONAL AREA

Literacy project at the St. Anne primary school (Jamaica)

This initiative aims to provide support to girls with special literacy needs, in order to ensure they are able to continue with their technical or secondary studies; and to help older students to acquire professional skills, particularly in the dressmaking sector. Investment: €2,500.

Training for unemployed women to promote their employment

The Fuerte Foundation, in partnership with Studio Ideas, organises training programmes aimed at unemployed women aged between 40 and 60 years old. The course aims to improve skills related to the digital world, and thus facilitate online job seeking. Investment: €2,400.



Female Boost Project.

Sponsorship of the Marbella Activa Story Competition

This activity aims to promote reading and literature. In the III Edition of this well-established event, the submitted works tell stories of Marbella and its historical heritage, Marbella in the present and Marbella in the future. Investment: €1,500.



Story competition.

Creation of a digital history app aimed at schools in Marbella

As a result of the agreement signed between the Fuerte Foundation and the Marbella Activa Association, an interesting free app saw the light of day in 2016, aimed at children and available in Spanish and English. The app showcases the most significant and attractive aspects of the towns of Marbella and San Pedro de Alcántara through educational games. Investment: €4,000.

Visit by students from the Heliópolis School of Hospitality, Seville

In May 2016, 22 students from this well-known school, who are training in the area of food and hospitality, visited the facilities of the Fuerte Conil - Costa Luz hotel. During the tour they were given an introduction to the different departments that form part of this establishment, and explanations about the main sustainability measures implemented by the hotel.

SOCIAL AREA

Collaboration with the maintenance of the Hombre Project's shelter apartments

Payment of the fixed costs of some of the shelter apartments that the Hombre Project makes available to drug addicts undergoing initial therapy or rehabilitation, who lack economic resources and/or family support. Investment: €4,000.

Drug addiction prevention project in Torrox

In this case the Fuerte Foundation worked with the Torrox local government and the AFAX Association-Hombre Project to organise training sessions on preventing drug addiction for year 5 and 6 primary school students from the schools Mare Nostrum, Colina del Sol, El Faro, Los Llanos and El Morche. Open days for their families were also organised. Investment: €3,300.

5.4 SOCIAL AND CULTURAL PROJECTS. LOCAL COMMUNITY

Participation in the PIVESPORT programme

For years, Fuerte Hotel Group hotels have been running the campaign entitled “1 responsible euro”, consisting of asking guests at the establishments to donate one euro, which is added to their bill and forwarded to the Horizonte Association Hombre Project Marbella for its Pivesport programme, which promotes social integration for underprivileged children through sport. In 2016, the chain’s hotels raised a total of €17,000 euros, which were donated to this cause.



Ceremony to present the €17,000 euro donation cheque to Pivesport.

Sponsorship of the Pro-Am “Miguel Ángel Jiménez-Hombre Project” Charity Golf Tournament

Participation, as a sponsor, in the organisation of a charity golf tournament, held at Málaga’s Guadalhorce Golf Club, to raise funds for the Málaga Hombre Project. Investment: €2,000.

Donation to the Jerez Hombre Project

Thanks to the donation of 5,000 euros by the Fuerte Conil hotel, 479 people from Grazalema and Conil had the chance to participate in different training activities; students from schools and institutes in the area attended school workshops on managing emotions, legal highs, illegal drugs and technology abuse. Investment: €5,000.



Hombre Jerez project.

Participation in the Horizonte Association’s Charity Flea markets

For 25 years the Horizonte Association-Hombre Project, which partners with the Fuerte Foundation, organises charity flea markets staffed by volunteers, aimed at raising funds and providing visitors with information about the programmes that it runs. Investment: €3,600.

Horizonte Association Directors Meetings

Facilities at the Fuerte Marbella hotel are provided for

Horizonte Association Directors meetings, which are held regularly to analyse the results and evolution of its range of therapeutic programmes.

Horizonte Association Charity Dinner

The Anniversary Dinner of the Marbella Horizonte Association-Hombre Project is one of the Fuerte Foundation’s most important events. It brings together the founders, partners, relatives of users, workers and volunteers with the aim of raising funds to cover the maintenance costs of the association’s programmes, such as shelter apartments, therapies, addiction treatments and other initiatives run year-round. Investment: €7,700.

Partnership with the Medical Centre Foundation in Montego Bay (Jamaica)

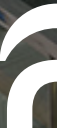
During 2016 the Fuerte Foundation continued to provide economic support to this centre, which provides general medical services, as well as optician services, minor surgery, patient rehabilitation and substance abuse prevention, among other services. Investment: €3,500.

Donation to the Hermanitas de los Pobres Old Peoples’ Home in Ronda

This is part of the Fuerte Foundation’s recognition of the important social work done with elderly people by this centre in Ronda. Investment: €400.



ENVIRONMENTAL ACTIONS AND COMMITMENTS



6 ENVIRONMENTAL ACTIONS AND COMMITMENTS

Throughout 2016, Fuerte Group Hotels maintained its commitment to environmental friendliness, and continued to apply sustainable management principles to its business. The different activities carried out in this regard are detailed below.

6.1 PROCUREMENT POLICY, ENVIRONMENTAL ASSESSMENT OF SUPPLIERS AND WASTE MANAGEMENT

Based on environmental management set out in the ISO 14001 standard, Fuerte Group Hotels requires its suppliers to sign an environmental commitment declaration. In addition, it ensures that priority is given to raw materials made from recycled products, renewable resources are used whenever possible and non-renewable resources are managed as efficiently as possible.

Except glass, the amount of waste paper and cardboard, packaging, aluminium and vegetable oil recycled by the chain this year was greater than last year - as much as double in some cases.

It also encourages reducing packaging, bulk packaging and delivery, instead of unit packaging, and efficient transport in compliance with legal environmental requirements, among other measures.



6.2 FACILITIES LOCATED IN PROTECTED OR HIGH VALUE AREAS

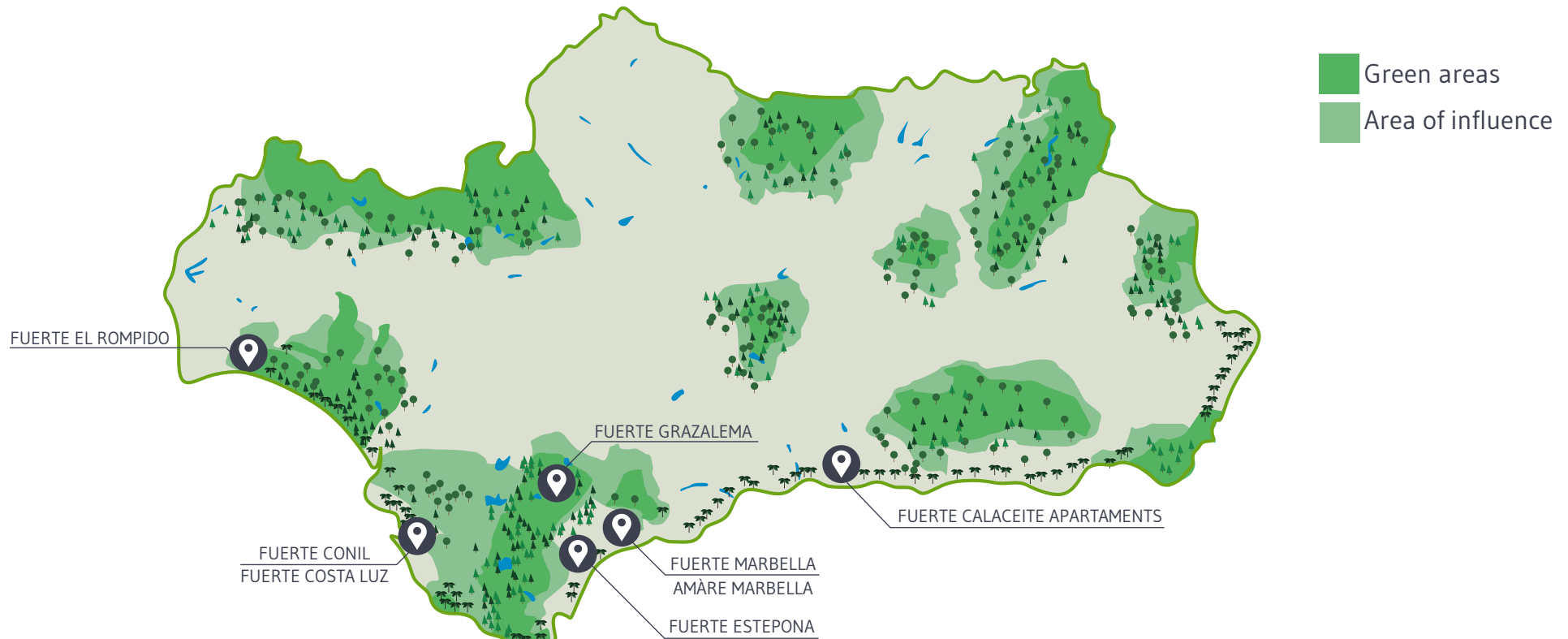
Maintaining respectful tourism activity in places of high ecological value is a really important task, given their special protection and conservation needs.

Fuerte Group Hotel establishments are in exceptional locations very close to places listed as being part of the

Network of Protected Natural Areas of Andalusia (RENPA). In addition, these spaces are not only recognised for their natural assets, but they also offer a legacy of history and culture to visitors.

The following map shows the locations of each

establishment and the protected natural areas closest to each of them. This map clearly shows why the chain must show maximum commitment to protecting these spaces, which in some cases are just a few metres away from Fuerte Group Hotel establishments.



6.3 ENERGY EFFICIENCY AND DECREASING POLLUTION. EVOLUTION OF OUR CARBON FOOTPRINT

After the Paris Summit recently closed an historic agreement on climate change, during which 195 countries reached an agreement to limit the steady rise in global temperatures, a path was forged for establishing more demanding measures to reduce all types of pollution that contribute to this phenomenon.

Furthermore, the commitment made by Fuerte Group Hotels to the United Nations has led to the chain being even more aware of the importance of continuing to commit to putting in place measures to make it both more competitive and more efficient.

Measuring the ecological footprint and carbon footprint

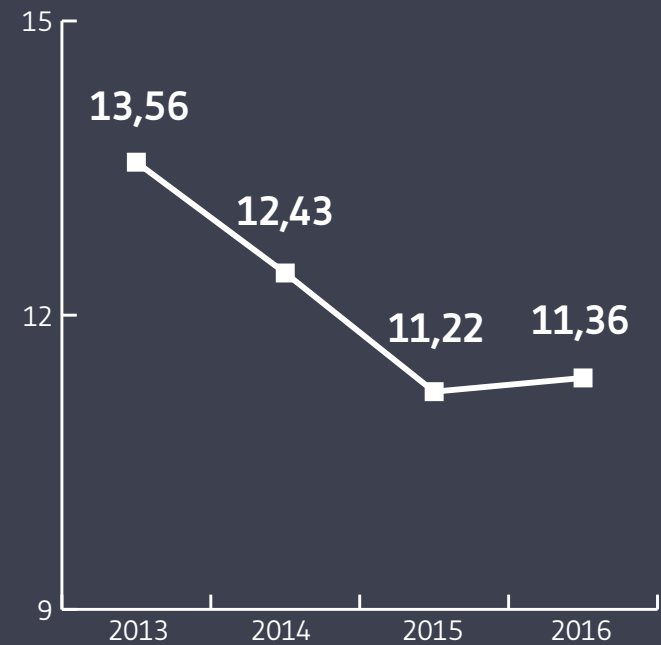
parameters allows the group to precisely calculate the environmental impact caused by the business activity of its hotels.

In this sense, the trend on the following chart shows clear improvements in a range of different aspects, such as raising awareness among personnel and guests about the need to protect the environment, efforts made to ensure that establishments have the most efficient measures and, in summary, the success of the strategy that aims to reduce the carbon footprint (the kg of carbon released into the atmosphere as a result of the use of fuel, electricity and other resources).



Responsible tour, one of our Fuerte Experiences during which we give explanations of our sustainable measures to guests. Fuerte Conil – Costa Luz.

EVOLUTION KG CO₂/GUEST



In this regard, it is worth noting that the carbon footprint of Fuerte Group hotels decreased by 16.22% between 2013 and 2016

6.4 CARING FOR THE ENVIRONMENT: MAIN INDICATORS

The European Environment Agency (EEA) defines an indicator as “a measurement, generally quantitative, that allows complex phenomena to be displayed simply, including trends and progress over time”:

Fuerte Group Hotels uses these figures to see the results of the management of the main resources that are consumed, and the impact that are having on the environment.

In addition to the indicators analysed below, the hotels also take many actions to raise awareness among guests, employees and other stakeholders.

These activities include the ecological kitchen gardens which, like solar panels, are present at all of the hotels; the video showing the sustainable measures implemented at the establishments, shown on channel 1 in all rooms; the interactive platform for finding out about the sustainable measures that are applied; and guided tours include in the “Fuerte Experiences” programme, which aim to raise awareness about the range of different responsible measures that have been implemented: Responsible tour, botanical tour and beach clean-ups, among other activities.

Finally, it should be noted that slight increases have been seen in consumption indicators during this financial year, mainly due to an increase of over 32,900 guests when compared to the previous year.



As part of the Forti Club activities run at Fuerte Grazalema, children have the chance to learn about how the kitchen garden works.



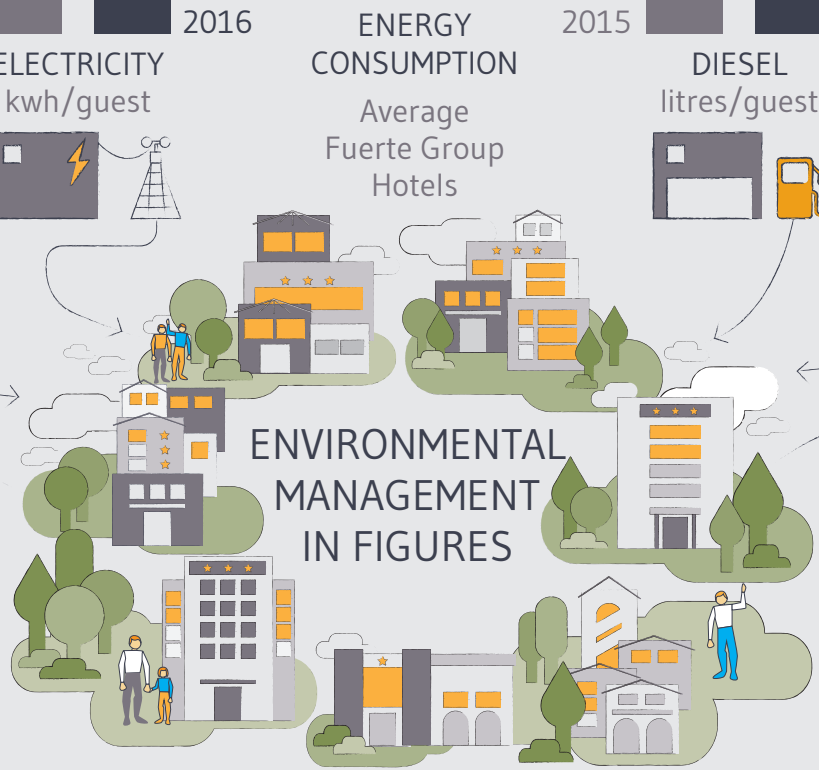
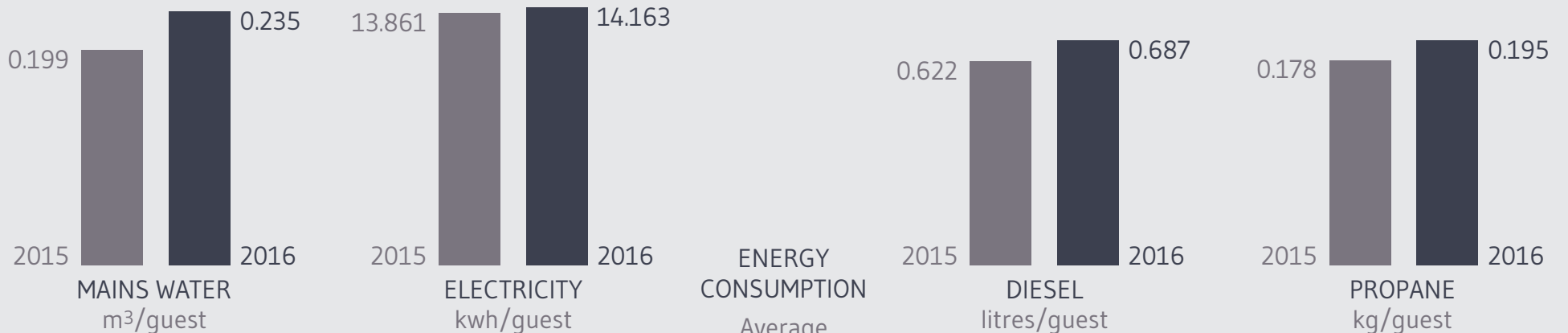
As part of the Forti Club activities run at Fuerte Grazalema, children have the chance to spend time with farm animals, feed them and play with them.



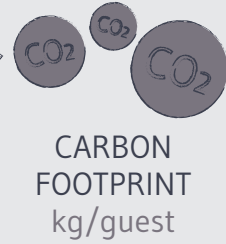
Responsible tour, one of our Fuerte Experiences where we explain our sustainable measures to guests. Fuerte Conil – Costa Luz.



The Forti Club activities run at Fuerte El Rompido give kids the chance to learn new things about the environment, such as how to make ecological greenfly traps.



In 2016, the average **ecological footprint** of Fuerte Group Hotels increased slightly when compared to the previous year. Although the increase does not even represent a full percentage point, it can be blamed on increased numbers of guests seen in 2016, with around 33,000 people more than the previous financial year, which has inevitably led to the consumption of more resources.



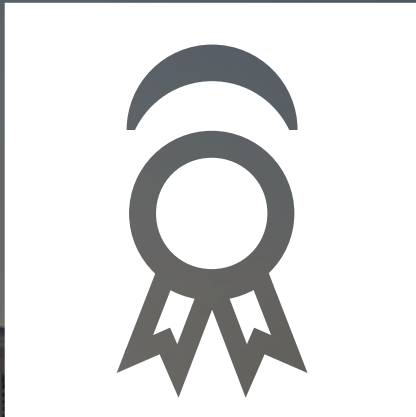
In terms of the **carbon footprint**, the change when compared to last year has been minimal. It is very similar to that seen in the ecological footprint analysis. It could be said that footprint-guest ratio stood at the lowest levels in the chain's entire history, taking into account the particularly noteworthy increase in guests when compared to the previous year.

ECOLOGICAL FOOTPRINT PER HOTEL 2016 (m²/guest)

El Rompido	27.48	
Conil-Costa Luz	19.01	
Grazalema	22.99	
Marbella	22.53	
Amàre Marbella	23.65	

CARBON FOOTPRINT PER HOTEL 2016 (kg/guest)

El Rompido	12.90	
Conil-Costa Luz	8.61	
Grazalema	10.96	
Marbella	10.73	
Amàre Marbella	11.54	



LOCAL PURCHASES AND SUSTAINABLE AWARDS

7.1 LOCAL PURCHASES

Collaborating with local development is one of the main objectives set out in the Fuerte Group Hotels procurement policy. Contributions are made to stimulating the area’s economy by applying the principle of prioritising local purchases and offering traditional local products for sale at the hotels.

The following table shows the costs incurred by the chains’ hotels for purchasing food and drink from local suppliers. The annual increase of this item is plain to see:

A **23.6%** increase in the percentage of local products over the past 2 years.

Support for traditional products from areas where the hotels are located has also been provided through specific promotion activities, such as the one hosted by the Fuerte El Rompido Hotel in 2016 to promote the consumption of wines from Huelva and products from Jabugo among its Spanish and international guests. Similarly, Fuerte Conil – Costa Luz contributed to the Tuna Route, organised in Conil between 6 May and 6 June 2016. It participated with a creative sweet tuna tartar with fruit and a chocolate turban.



Tasting of local products at Fuerte Conil-Costa Luz.

LOCAL PURCHASES

Percentage of expenditure on local suppliers in locations with significant operations:

	2014	2015	2016
Total local purchases in euros (food and drink):	€1,224,692.36	€1,456,778.60	€1,577,930.34
Year-on-year increase (%):	2.79%	15.9%	7.68%












Fuerte Conil - Costa Luz participated in the tuna route with this creative dessert.

7.2 LOCAL PRIZES AND AWARDS

In 2016, both Fuerte Group Hotels and its individual hotels were awarded major Spanish and international prizes. Details of the most significant prizes can be found below:

PRIZES

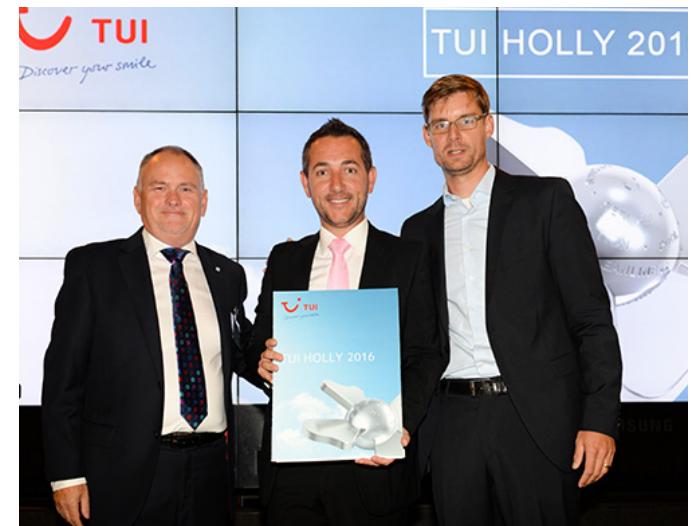
	ABC Corporate Track Record Prize
	"Best web spot animation" and "Best creativity in animation" at the Smile Festival
	TUI Holly 2016
	Travelife Gold Award
	Rethink Prize, 10 best hotels in Spain in terms of sustainability and European rehabilitation
	Prizes entitled "Best advertising campaign creativity", "Best interactive campaign creativity" and "Best online marketing" at the Luxury Advertising and Premium Brands Awards Festival
	Tripadvisor Certificate of Excellence
	Holiday Check 2016
	TUI Environmental Champion 2016

AWARDED TO

>	Fuerte Group Hotels
>	Fuerte Group Hotels (Christmas Video)
>	Fuerte Conil (Cádiz)
>	Fuerte Marbella (Málaga), Fuerte El Rompido (Huelva) and Fuerte Conil (Cádiz)
>	Fuerte El Rompido (Huelva)
>	Amàre Marbella ("Summer unlimited" campaign)
>	Fuerte Conil-Costa Luz and Amàre Marbella
>	Amàre Marbella, Fuerte Marbella, Fuerte Estepona and Fuerte Conil-Costa Luz
>	Fuerte Conil-Costa Luz, Fuerte Marbella and Fuerte El Rompido



GOLD Travelife Sustainability System Award at Fuerte El Rompido.



Antonio Basallote, Director of Fuerte Conil – Costa Luz picking up the TUI Holly 2016 prize

8 FINAL WORDS LETTER FROM THE CEO

There is no doubt that 2016 was a good year for Spanish tourism. Over 75 million tourists visited our country, almost 10% more than in 2015; in addition to this extra volume, they accounted for revenue of around 77 billion euros. If you haven't noticed, this is one of our country's main industries - and one of those that creates the most jobs - although it is often not treated as such.

As CEO of a family business that has managed to stay afloat for 60 years, I should not dwell on this moment of glory, despite the fact that Fuerte Group Hotels forms part of this group of privileged businesses that 2016 smiled upon. Because all of this can be put down to the dream that my parents began during a certain month of July 1957, which has gone on for so long - it was their vision of the future, their long-term thinking and the efforts they made every day.

Therefore, I believe that it is vital to enjoy the good things that are happening to us, and that have to a certain extent been gifted to us, as Spain has become a haven for those who do not trust the instability of many countries around the Mediterranean, which up until a few years ago represented fierce competition.

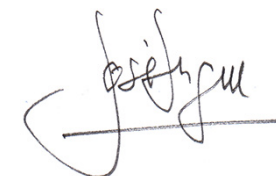
But we should also take advantage of these times of plenty to consider what we will have to do to retain these huge numbers of tourists when things calm down on the world stage. Because, ladies and gentlemen, that time will come, and if we are not able to offer an attractive, modern, sustainable and customised product with a good price-quality relationship, the goose that lays golden eggs will disappear.

At Fuerte Hoteles we are working on it. For example, in 2016 we continued to consolidate the sort of segmentation that we want to achieve in our establishments, by separating the family-friendly options found at Fuerte Hoteles from the Amàre brand, aimed at a more adult audience. In addition, we are planning a range of projects aimed at improving our culinary and health & beauty services, by creating solid concepts and training professionals able to provide unforgettable experiences. Because the simple traditional model of sun, sea and sand is in decline. Modern tourists want to experience unforgettable moments that can be enjoyed with all 5 senses.

In addition, during 2016 we continued to refurbish our facilities and we did another important thing, which could be extrapolated to the entire sector: opening up new markets.

Although Germany remains our main market, accounting for 32% of our clientèle, with the Spanish and British markets close behind with 27% and 10%, respectively, we have decided to diversify and countries such as Belgium, Ireland, the Netherlands, France, Austria, Switzerland and Scandinavia are beginning to gain a foothold in our guest portfolio.

Factors such as Brexit, economic crises and political instability can lead to reductions in travel from traditional markets, and forewarned is forearmed. Only by doing this - learning from the past and anticipating the future - is a company able to stay afloat for 60 years. It has only been possible for this project to remain as alive as ever thanks to my mother, my brothers and sisters, and particularly my father José Luque, who many branded a crazy pioneer.



Kind regards,
José Luque García
General Manager of Fuerte
Group Hotels

9 GRI INDICATORS TABLE

The following table contains the descriptions and locations of the indicators present in this report, based on version 4 of the Global Reporting Initiative. Alongside each description is shown the code of each indicator used for reports, according to the GR14 standards.

INDICATOR	DESCRIPTION	PG.	INDICATOR	DESCRIPTION	PG.
GENERAL BASIC CONTENT			GENERAL BASIC CONTENT		
G4-1, G4-2	Strategy and analysis	4, 10 and 11	G4-18	Material aspects and boundaries.	27
G4-3	Name of the organisation.	6	G4-24	List of stakeholder groups engaged by the organization.	21 to 27
G4-4	The primary brands, products, and services.	6 and 9	G4-25	Basis for selecting these stakeholders.	22
G4-5	The location of the organisation's headquarters.	6	G4-28, G4-29, G4-30, G4-33	Report profile.	3
G4-7	The nature of ownership and legal form.	6	G4-31	Contact point for questions regarding the report	6
G4-9	The scale of the organisation (number of employees, services that it offers, operations, sales and net revenue)	8	G4-34	Description of the governance structure of the organisation.	6 y 7
G4-10	Description of the workforce.	8	G4-37	Consultation between stakeholders and the highest governance body on economic, environmental and social topics.	21 to 27
G4-15	Charters, principles, or other initiatives to which the company subscribes.	12, 14	G4-38	Governance	7
G4-16	Associations to which it belongs, makes contributions or participates in governance or projects.	21, 22	G4-56	Code of ethics.	31

INDICATOR	DESCRIPTION	PG.	INDICATOR	DESCRIPTION	PG.
ECONOMIC INDICATORS			SOCIAL INDICATORS		
G4-EC1	Direct economic value generated and distributed.	8	G4-DMA	General information about the management approach: LOCAL COMMUNITIES.	21, 26 and 35
G4-EC9	Percentage of expenditure on local suppliers in locations with significant operations.	45	LABOUR PRACTICES AND DECENT WORK:		
ENVIRONMENTAL INDICATORS			G4-LA1	Total number and rates of new employee hires and employee turnover.	30
G4-EN1	Materials by weight or volume.	43	G4-LA2	Benefits provided to full-time employees.	34
G4-EN2	Percentage of recycled input materials used.	39	G4-LA3	Levels of return to work.	30
G4-EN3	Energy consumption within the organisation.	43	G4-LA9	Average hours of training per year per employee by gender, and by employee category.	32
G4-EN6	Reduction of energy consumption.	43	G4-LA10	Programs for skills management and lifelong learning that support the continued employability of employees and assist them in managing career endings.	33
G4-EN7	Reductions in energy requirements of products and services.	43	G4-LA12	Composition of governance bodies and breakdown of employees per employee category according to gender, age group, minority group membership, and other indicators of diversity.	32
G4-EN8	Total water withdrawal by source.	43	COMPANY:		
G4-EN15	Direct greenhouse gas (GHG) emissions.	43	G4-SO1	Percentage of operations with implemented local community engagement, impact assessments, and development programs.	45
G4-EN19	Reduction of greenhouse gas (GHG) emissions.	43	G4-SO2	Operations with significant actual or potential negative impacts on local communities.	35-37
G4-EN23	Total weight of managed waste, by type and treatment method.	39	PRODUCT RESPONSIBILITY:		
G4-EN27	Mitigation of the environmental impact of products and services.	39 to 43	G4-PR5	Results of guest satisfaction surveys	23

FUERTE GRÔUP
HOTELS

www.fuertehoteles.com
www.amarehotels.com