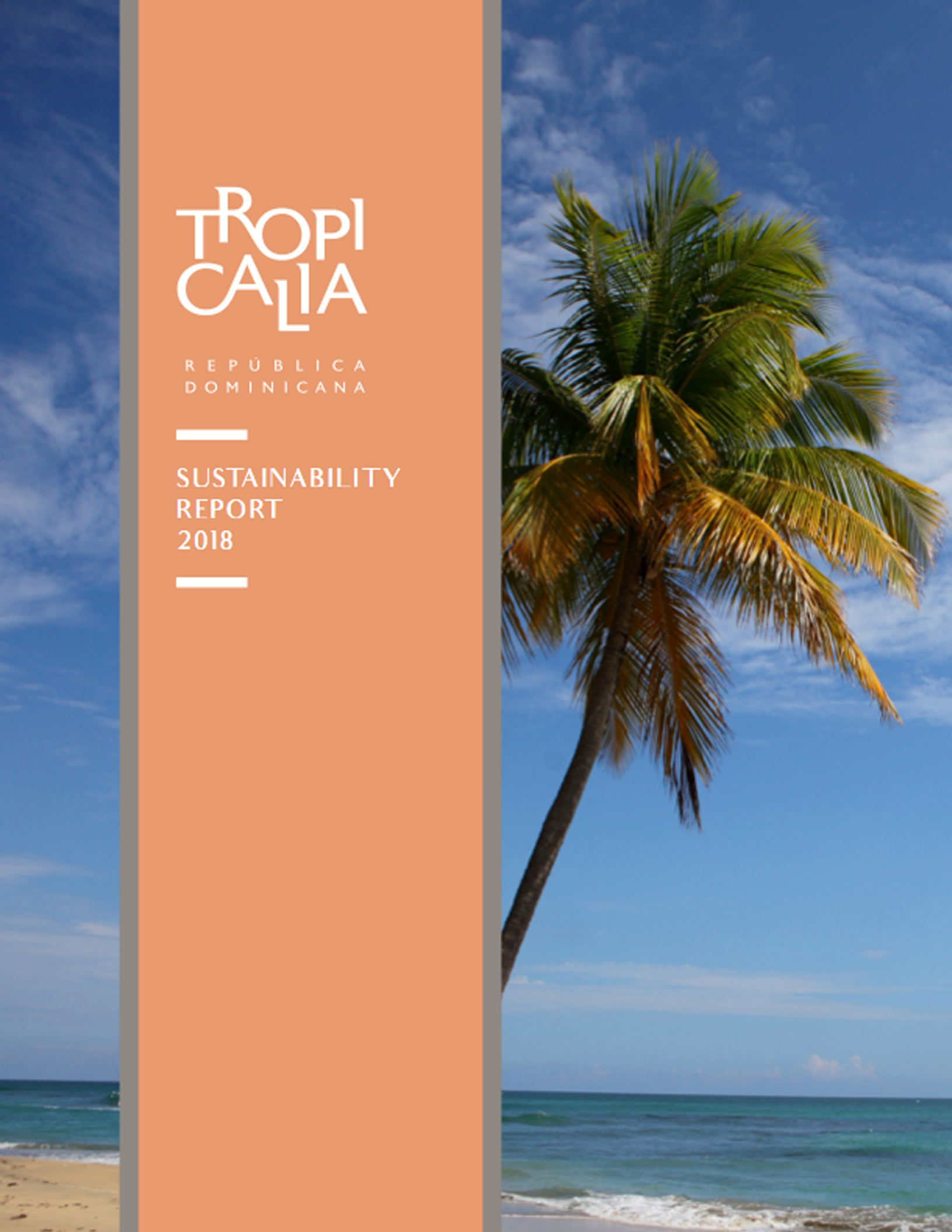


# TROPICALIA

REPÚBLICA  
DOMINICANA



SUSTAINABILITY  
REPORT  
2018



# TABLE OF CONTENTS

|           |   |           |
|-----------|---|-----------|
| <b>1.</b> | <b>A WORD FROM ADRIANA</b>  | <b>3</b>  |
| <b>2.</b> | <b>2018 HIGHLIGHTS</b>  | <b>5</b>  |
| <b>3.</b> | <b>TROPICALIA</b>   | <b>7</b>  |
|           | 3.1. Tropicalia   | 7         |
|           | 3.2. Four Seasons Tropicalia  | 7         |
|           | 3.3. A Natural Escape   | 7         |
|           | 3.3.1. Cerulean Coastline   | 7         |
|           | 3.3.2. Miches: Development in Balance   | 7         |
|           | 3.4. Creating a Business Model for a Sustainable Tourism Sector                           | 8         |
|           | 3.4.1. Economic Sustainability: International Lenders and Financing                       | 8         |
|           | 3.4.2. Sustainable Design and the Importance of Thoughtful Architecture                   | 9         |
|           | 3.4.3. Environmental Compliance and Expanding Recycling Efforts                           | 10        |
|           | 3.5. Management and Governance Mechanisms for Sustainable Business                        | 11        |
|           | 3.5.1. Sustainability Management System and Materiality                                   | 11        |
|           | 3.5.2. Sustainability Committee   | 11        |
|           | 3.5.3. Labor and Human Rights   | 12        |
|           | 3.5.4. Commitments to the United Nations Global Compact and Sustainable Development Goals | 12        |
| <b>4.</b> | <b>FUNDACIÓN TROPICALIA</b>   | <b>14</b> |
|           | 4.1 10 Years Working with Miches  | 14        |
|           | 4.2 Our Achievements in 2018  | 15        |
|           | 4.3 Strengthening Governance and Transitions  | 16        |
|           | 4.4 Environmental Protection and Stewardship  | 16        |
|           | 4.4.1 Costa Esmeralda and Playa Arriba Beach Rescues                                      | 16        |
|           | 4.5 Supporting Education  | 17        |
|           | 4.5.1 School Renovation and Maintenance Program   | 17        |
|           | 4.5.2 Scholarship and Cultural Exchange Program   | 19        |
|           | 4.5.3 Complementary Education Program   | 19        |
|           | 4.6 Productivity: Sustainable Tourism Supply Chain in Miches                              | 19        |
|           | 4.7 Sociocultural Advocacy  | 20        |
|           | 4.7.1 <i>Soy niña, soy importante</i> Summer Camp   | 20        |
|           | 4.7.2 Cultural Identity   | 22        |
|           | 4.7.3 Communications  | 22        |
| <b>5.</b> | <b>PARTNERS FOR SUSTAINABILITY IN 2018</b>  | <b>23</b> |
|           | 5.1 Tropicalia  | 23        |
|           | 5.2 Fundación Tropicalia  | 24        |
| <b>6.</b> | <b>LOOKING FORWARD</b>  | <b>25</b> |
| <b>7.</b> | <b>GLOBAL REPORTING INITIATIVE</b>  | <b>26</b> |



## A WORD FROM ADRIANA

I am honored to present Tropicalia's 2018 Sustainability Report. A decade ago, we embarked on a journey to support sustainable development in the municipality of Miches, located in El Seibo province on the northeast coast of the Dominican Republic, by creating a new kind of luxury destination — one that is in balance both with nature and with the local community. The 10-year anniversary of Fundación Tropicalia reaffirms our sustained commitment to this vision. As people around the world are becoming increasingly aware of human impacts on the environment, I am more convinced with every passing year that we have the opportunity to improve the health of our planet and its inhabitants by changing the way we do business. At Tropicalia we welcome the opportunity presented by the United Nations Sustainable Development Goals (SDGs) to make our contribution to the global development agenda, and are ever more committed to pioneering a new kind of sustainable tourism in the Caribbean and the world. As CEO of Cisneros, I am thrilled by our progress, humbled by the challenges that lie ahead and excited for the future, as we strive to create one of the most sustainable luxury resorts in the world.

Since our last annual sustainability report, the International Finance Corporation (IFC), a member of the World Bank Group, and IDB Invest, a member of the Inter-American Development Bank (IDB) Group, have partnered to provide Cisneros Real Estate with \$119.5 million in financing for Tropicalia. We anticipate the project will create 1,800 jobs during construction, 500 jobs during operations and an inclusive supply chain that will link dozens of local entrepreneurs and farmers to hotel and tourist demand. Eventually, the hotel will source up to 70% of its food from the Dominican Republic—with more than a third coming from producers in Miches and neighboring communities.

Over the past decade, Fundación Tropicalia has implemented dozens of high-impact, innovative programs in Miches that range from improving education to environmental conservation, responsible productivity and cultural preservation. These actions intend to lay the groundwork for a more sustainable and inclusive tourism industry that generates benefits for all. In the ten years since Fundación Tropicalia began, we have invested over US\$5.1 million in the local community and registered approximately 10,940 participations in our programs, serving more than 1,000 beneficiaries annually.

Children are the future of Miches, and sustainable development depends on the quality of their education and the protection of their rights. Fundación Tropicalia's education and gender programs support these objectives by providing administrative and career support to educators, while simultaneously working directly with children via complementary education programs and our all-girls summer camp, Soy niña, soy importante ("I'm a Girl, I'm Important"). This last project is our flagship program to contribute to the advancement of SDG 5 "to achieve gender equality and empower all women and girls". In 2018, 302 girls and 82 volunteers participated in more than 16 talks and workshops aimed at empowering young girls to dream big. Our support for local education also reached a new high, with 16 schools in our PRyME network, with 3 scholarships granted in 2018, 1 internship offered to agricultural engineering majors at Estancia La Querencia in Miches, and US\$11,754 awarded for school repairs and improvements.

Worldwide, coastal areas are the most common tourist destination and markedly so in the Dominican Republic. This brings an economic growth opportunity but implies an increased need for the thoughtful development of resources, infrastructure and services. As travel and tourism revenue increases in Dominican Republic, so too has Miches experienced a growth in public and private sector investment, resulting in increased tourism and infrastructure investments that include hotels, new roads and highways that connect Miches to the Punta Cana Airport and surrounding areas.

Tourism is a key pillar of the Dominican economy and has continued to increase each year, experiencing a record high of 6.2 million visitors in 2017, an outstanding 6.8% increase from the previous year. The Dominican government has set a national objective of 10 million visitors per annum by 2020, with an estimated revenue of

over US \$7 billion<sup>1</sup>. Including jobs indirectly supported by the industry, 696,500 jobs were supported in 2018, and this will rise by an estimated 1.6% per annum to 814,000 jobs by 2028 (15.7% of total)<sup>2</sup>.

Yet, climate change presents a real threat to this sector with the increase in intensity and frequency of natural events like droughts, hurricanes and storms<sup>3</sup>. At Tropicalia, we account for these issues in our design and architecture; but, we also seek consistency amongst actors to support a sustainable tourism model in Miches that will conserve, restore and protect the natural character of this luxury resort destination for future generations.

In accordance with UN SDG 15, which is to “protect, restore and promote sustainable use of terrestrial ecosystems, sustainably manage forests, combat desertification, and halt and reverse land degradation and halt biodiversity loss” we rolled out an all-new biodiversity initiative in 2018 to protect native species in six ecosystems and mitigate the effects of eight identified invasive species.

As we continue on our Journey to 2030<sup>4</sup> we are steadfast in our commitment to the United Nations SDGs as a way to promote positive environmental, social, and economic outcomes. By pioneering the tools and strategies needed to forge a more sustainable tourism sector, Tropicalia is creating a foundation upon which all stakeholders can prosper well into the future.

Adriana Cisneros de Griffin

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<sup>1</sup> République Dominicaine - Mesures affectant l'importation et la vente de cigarettes sur le marché intérieur. *Rapport de l'Organe d'Appel*. April 2005. doi:10.30875/61c86dfc-fr.

<sup>2</sup> Caribbean resilience and recovery: minimizing the impact of the 2017 hurricane season on the Caribbean's tourism sector: 1-15. <https://www.wttc.org/priorities/crisis-preparedness/caribbean-recovery/>. Accessed June 4, 2019.

<sup>3</sup> Maudlin L. Climate Change: A threat to Caribbean tourism. 2018. <https://www.tourism-review.com/caribbean-tourism-endangered-by-the-climate-change-news10625>. Accessed June 4, 2019.

<sup>4</sup> World Tourism Organization (2017) Tourism and the Sustainable Development Goals – Journey to 2030, Highlights. <https://www.e-unwto.org/doi/book/10.18111/9789284419340> Accessed January 2018



## 2. 2018 HIGHLIGHTS

### CONSTRUCTION

TROPICALIA SIGNED THE GENERAL CONTRACTOR AGREEMENT WITH BOUYGUES CONSTRUCCIONES REPÚBLICA DOMINICANA FOR THE CONSTRUCTION OF FOUR SEASONS TROPICALIA. THE AGREEMENT REFERENCED MATERIAL SUSTAINABILITY CRITERIA FOR THIS PHASE OF THE PROJECT, BY INCLUDING THE FOLLOWING STANDARDS AND PLANS IN TERMS OF ENVIRONMENTAL AND SOCIAL PERFORMANCE:

- Sustainability Management System (SMS)
- Environmental and Social Action Plan (ESAP)
- LEED Scorecard
- EDGE Certification

The Contract was revised and approved by lenders as part of the due diligence process for financing, thus ensuring the strength of sustainability clauses. There is substantial local economic development benefit associated with the construction phase by prioritizing and hiring local labor and talent and procuring services through local suppliers.

### FINANCING

TROPICALIA CLOSED ON LOAN AGREEMENTS WITH IDB INVEST AND THE IFC FOR A TOTAL OF US\$119.5 MILLION, AND FINALIZED THE ESAP FOR THE PROJECT IN ORDER TO MEET THE BANKS' ENVIRONMENTAL AND SOCIAL PERFORMANCE STANDARDS.

Given Tropicalia's resource efficiency projections for water and energy, 100% of IFC's loan is financed through Green Bonds, a program that supports climate-smart investments as part of a broader shift toward a resilient, low-carbon global economy<sup>5</sup>.

### ENVIRONMENTAL & SOCIAL COMPLIANCE

WITH HEIGHTENED MOMENTUM PLACED ON ENVIRONMENTAL AND SOCIAL PERFORMANCE IN OUR BUSINESS, IN 2018 CISNEROS REAL ESTATE NAMED A VICE PRESIDENT OF SUSTAINABILITY TO FURTHER STRUCTURE AND BUILD OUT ITS SUSTAINABILITY PRACTICE IN ALL PORTFOLIO INVESTMENTS, INCLUDING TROPICALIA.

As a first step, Tropicalia's environmental activities grew in scope and complexity to ensure compliance with local environmental regulations as well as effectively adhering to lender requirements laid out in the project's ESAP<sup>6</sup> and IFC's Environmental and Social Performance Standards (PS).

<sup>5</sup> IFC and IDB Invest Provide \$119.5 Million for Tropicalia Hotel in the Dominican Republic, Creating New Jobs and Promoting Sustainable Tourism. Press Releases. <https://ifcextapps.ifc.org/IFCExt/Pressroom/IFCPressRoom.nsf/0/7C208724FCDFEFD885258362005F58C0>. Published December 13, 2018. Accessed June 4, 2019.

<sup>6</sup> ESAP consists of 19 actions, and 32 sub-actions in total. The project must comply with IFC Performance Standards (PS) 1,2,3,4 and 6 (PS 5, 7, 8 were not triggered). Anything financed by the lenders IFC and IDB Invest must comply with IFC PSs--this includes Four Seasons Tropicalia, the access road (which is on Tropicalia's property), and associated infrastructure. Anything else built on Tropicalia is not beholden to IFC PS, but will be under the scrutiny of a cumulative impact study that would be triggered by PS 3

## ACCOMPLISHMENTS IN 2018 TOWARD MEETING ESAP REQUIREMENTS INCLUDE:

Performance Standard 1: Assessment and Management of Environmental and Social Risks and Impacts

- Began developing the Environmental and Social Management System (ESMS) for Four Seasons Tropicalia and Tropicalia in order to meet Performance Standard 1.

Performance Standard 6: Biodiversity Conservation and Sustainable Management of Living Natural Resources

- Conducted a Critical Habitat Assessment (CHA) and developed a Biodiversity Management Plan (BMP). One key finding from the CHA is that Tropicalia is in an already highly modified habitat. A small percentage of land contains fragmented natural habitat, which the project intends to protect and regenerate through its BMP.
- Tropicalia curated its species list for landscaping to include 100% indigenous, non-invasive species.

## FUNDACIÓN TROPICALIA AND COMMUNITY ENGAGEMENT

Fundación Tropicalia celebrated its 10-year anniversary, registering more than 10,000 participations in its programs and US \$5 million invested in the local community.

*Soy niña, soy importante* ("I'm a Girl, I'm Important" or SNSI) celebrated its sixth year of summer camps with the participation of 302 girls and the addition of two new program ambassadors, which brings the total to 21 in the Ambassador's Network's second year.

In 2018, we registered 2,979 beneficiaries, of which 58% were female and 42% were male.

## 3. TROPICALIA

### 3.1 TROPICALIA

Tropicalia is a sustainable luxury resort development created by Cisneros Real Estate that incorporates rigorous design standards and environmentally sound construction techniques while supporting community progress and financial inclusion. This high-end, low-density development is located on the breathtaking southern shores of the Samaná Bay in Dominican Republic. Tropicalia will be comprised of residential and resort developments as well as a Four Seasons hotel and residences. The project also includes a sustainably-designed golf course by Tom Doak<sup>7</sup>, which will have a significantly reduced environmental footprint compared to traditional golf courses. As a standard for golf design we intend to identify native endangered species for replanting or build around them whenever possible, with an emphasis on water conservation and avoidance of the use of chemical fertilizers. Tom Doak was selected for this project because of his international recognition for a minimalist approach to design.

Tropicalia integrates smart design into the tropical landscape while preserving the region's rich natural and cultural heritage. The project embodies the philanthropic and social values of the Cisneros Family and represents a model for sustainable luxury tourism in the Caribbean and the world.

### 3.2 FOUR SEASONS TROPICALIA

Four Seasons Tropicalia, includes a 169-key resort and 40 branded residences. The development is located on the Costa Esmeralda beachfront and was designed by Brazilian architect, Isay Weinfeld<sup>8</sup>, known for his emblematic use of sustainable architecture. Amenities include a luxury spa, meeting and banquet spaces, a kids' club, and a fitness center. Four Seasons Tropicalia's minimalist architecture and tropical modernism creates harmony between indoor and outdoor space, inspiring reflection and appreciation for the natural environment. Amenities offer a combination of adventure and leisure activities to guests and residents alike.

### 3.3 A NATURAL ESCAPE

#### 3.3.1 CERULEAN COASTLINE

Tropicalia is located in the community of Miches of El Seibo province on the southern shores of the Samaná Bay, a world-renowned Marine Mammal Sanctuary where 2,000 humpback whales migrate annually to give birth and mate in its warm waters. The region boasts a diverse ecosystem of beaches, mountains, mangrove forests, jungle, lagoons and rivers.

The area is celebrated for its beauty, including the stunning beaches of Costa Esmeralda and Playa Arriba, the towering Cordillera Oriental, and the tropical prairie landscapes and forests. Los Haitises National Park, just 45 kilometers west of Miches, contains impressive limestone plateaus, conical hills, caverns and an expansive mangrove forest. The Wildlife Refuge Lagunas Redonda and Limón features two beautiful lagoons, which are home to several native plant and animal species. Nearby, La Gina is a lush bay outlined by mangrove and coconut forests, which are preserved by the Dominican government as a species and habitat management area. Other historical and cultural landmarks in El Seibo include the Santa Cruz Church and the Monument for the Battle of Palo Hincado.

#### 3.3.2 MICHES: DEVELOPMENT IN BALANCE

As an emerging destination, Miches is full of contradictions: isolated yet connected, naturally beautiful and ecologically biodiverse, but adversely impacted by conventional agricultural practices; rich in possibilities yet struggling to increase gainful employment opportunities. Tropicalia and Fundación Tropicalia work hard to remedy these contradictions while striving for balanced development of the region. With a population of approximately

<sup>7</sup> Design RG. Who Is Tom? Golf Course Designer: Tom Doak. <https://www.renaissancegolf.com/198/who-is-tom>. Published January 8, 2018. Accessed June 4, 2019.

<sup>8</sup> Isay Weinfeld. Isay Weinfeld. <http://isayweinfeld.com/en>. Published January 12, 2019. Accessed June 4, 2019.

21,000, Miches' main economic activities include subsistence agriculture, cattle-raising, artisanal fishing, micro-business services and artisanal craftsmanship; however, tourism will very likely be the most important economic activity in the municipality, becoming a fully activated sector in the next few years.

Though tourism investments will support Miches' growth, the region faces many social and environmental challenges that will require an integrated approach to development in order to become a sustainable destination. Census data from 2010 reveals an employment rate of 32%; just 57% of the population has received primary school education; and approximately 60% of the municipality's population lives below the poverty line. Over the last ten years these barriers to development have been slowly shifting due to social impact investments, alongside the Dominican government's investments in transportation, education and telecommunication infrastructure that has supported increased market access both physically and virtually. Indeed, the 2020 census data will be incredibly telling as there is an expectation to see improved statistics for human development in the area.

### 3.4. CREATING A BUSINESS MODEL FOR A SUSTAINABLE TOURISM SECTOR

At Tropicalia, the pursuit of sustainability is present in all aspects of the project, from design and construction to operations. As part of our commitment to sustainability and community development, four key elements guide our most important decisions:

Figure I.

| Key Commitments to Sustainability |  |
|-----------------------------------|--|
| Economic Sustainability           | Where financial, environmental, social and aesthetic viability are equally considered in making sound business decisions.  |
| Environmental Balance             | Protection and conservation of the natural environment via sustainable site development and proactively participating in destination management to support biodiversity, habitat connectivity, education and civic responsibility. |
| Thoughtful Architecture           | Design and development standards that guarantee quality, resource efficiencies and environmentally sound construction techniques.  |
| Community Advancement             | Local economic diversification, sociocultural advocacy and capacity building led by Fundación Tropicalia.  |

#### 3.4.1 ECONOMIC SUSTAINABILITY: INTERNATIONAL LENDERS AND FINANCING

*“The financing of Tropicalia by IFC and IDB Invest as their first sustainable high-end resort in Latin America and the Caribbean, is a testament to our environmental and social commitments... Tropicalia is leading sustainable luxury tourism real estate development in the region by integrating innovative design, community development and environmental management into our business DNA.”*

*- Sofía Perazzo, Vice President Sustainability, Cisneros Real Estate*

In 2018, Tropicalia partnered with IDB Invest of the Inter-American Development Bank Group (IDB), and the International Finance Corporation (IFC) of the World Bank Group (WBG)<sup>9</sup>. Tropicalia's business model aligns with both banks' mandates to mitigate climate change, alleviate poverty, create dignified employment opportunities and generate an inclusive, responsible and local supply chain.

<sup>9</sup> IFC and IDB Invest Provide \$119.5 Million for Tropicalia Hotel in the. PRWeb.

[https://www.prweb.com/releases/ifc\\_and\\_idb\\_invest\\_provide\\_119\\_5\\_million\\_for\\_tropicalia\\_hotel\\_in\\_the\\_dominican\\_republic\\_creating\\_new\\_jobs\\_and\\_promoting\\_sustainable\\_tourism/prweb15987068.htm](https://www.prweb.com/releases/ifc_and_idb_invest_provide_119_5_million_for_tropicalia_hotel_in_the_dominican_republic_creating_new_jobs_and_promoting_sustainable_tourism/prweb15987068.htm). Published December 14, 2018. Accessed June 4, 2019.



Tropicalia leveraged its sustainable design, environmental management, and ten years of implementing socioeconomic and community development programs in Miches to access US\$119.5 million in development bank financing for the project. IFC and IDB Invest are providing loans for US\$79.5 million and \$40 million, respectively. As part of the financing package, IFC is mobilizing US\$34 million from institutional investors through its Managed Co-Lending Portfolio Program. The IFC loan is entirely financed through Green Bonds, given Tropicalia's projections for energy efficiency and other environmental considerations. IFC's Green Bonds program supports climate-smart investments as part of a broader shift toward a resilient, low-carbon global economy.

- Environmental and Social Action Plan (ESAP)

As a requirement of financing, Tropicalia issued an Environmental and Social Action Plan (ESAP) which consists of 19 actions, and 32 sub-actions that the project must implement in order to align environmental and social policies with IFC Environmental and Social Performance Standards (PS). The project must demonstrate compliance with PS 1-4 and PS 6 (PS 5, 7, 8 were not triggered).

- **Performance Standard 1: Assessment and Management of Environmental and Social Risks and Impacts**
- **Performance Standard 2: Labor and Working Conditions**
- **Performance Standard 3: Resource Efficiency and Pollution Prevention**
- **Performance Standard 4: Community Health, Safety, and Security**
- **Performance Standard 5: Land Acquisition and Involuntary Resettlement**
- **Performance Standard 6: Biodiversity Conservation and Sustainable Management of Living Natural Resources**
- **Performance Standard 7: Indigenous Peoples**
- **Performance Standard 8: Cultural Heritage**

In 2018, we made significant progress on PS 1 by initiating the development of an Environmental and Social Management System (ESMS) and subsequent policies, and on PS 6 by performing a Critical Habitat Assessment (CHA) and subsequently developing a Biodiversity Management Plan (BMP) for the project.

- Biodiversity Management Plan

The Biodiversity Management Plan / Biodiversity Monitoring and Evaluation Plan (BMP/BMEP) details a full suite of mitigation actions, describes performance measures, and assigns management responsibilities for implementation and monitoring of biodiversity values.

The BMP/BMEP is designed to fulfill the mitigation requirements of IFC's PS 6, as published in 2012, and also utilizes the biodiversity section of Tropicalia's SMS as a baseline document. In efforts to streamline reporting and monitoring responsibilities, the BMP/BMEP adopted all SMS indicators, effectively replacing this section of the system. In addition, the BMP/BMEP integrates the biodiversity management procedures and commitments from the project's two environmental management plans and two environmental licenses granted in 2010 and 2016.<sup>10</sup>

The BMP/BMEP is a living document that will be reviewed periodically and updated on an ongoing basis as new information becomes available, project implementation proceeds, and the conservation context changes over time. Updates are expected to be frequent during the initial phases of project development and will be conducted annually once operations begin.

### 3.4.2. SUSTAINABLE DESIGN AND THE IMPORTANCE OF THOUGHTFUL ARCHITECTURE

In addition to aligning Four Seasons Tropicalia's design with the United States Green Building Council's (USGBC) standards to pursue LEED certification<sup>11</sup>, the design of Four Seasons Tropicalia is positioned to comply with the

<sup>10</sup> Declaración de Impacto Ambiental proyecto Hotel Four Seasons. Código No 12292. Prepared by Empaca. 2016

<sup>11</sup> LEED green building certification. USGBC. <https://new.usgbc.org/leed>. Published February 13, 2018. Accessed June 4, 2019.

IFC's rigorous standards for Excellence in Design for Greater Efficiencies (EDGE). Furthermore, coastal setbacks and elevation platforms for buildings ensure that the hotel and residence infrastructure can withstand the consequences of climate change such as increased occurrences of sea level rise and storm surge.

- EDGE Certification:

To become EDGE certified, Four Seasons Tropicalia will need to achieve a minimum of 20% energy and water savings, as well as 20% savings of embodied energy in materials. To date the Four Seasons Tropicalia design team anticipates up to 50% energy savings largely thanks to passive cooling systems such as green roofs and open corridors.

In addition,

- LEED Certification:

Four Seasons Tropicalia is seeking certification under version three (3) of the USGBC's LEED Green Building Rating System for New Construction. At completion, the project is anticipating LEED Silver certification, corresponding to 50-59 points for sustainable design, construction and operation strategies ranging across seven categories: sustainable sites, water use reduction, energy and atmosphere, materials and resources, indoor air quality, innovation and regional priority.

- Landscaping as an Expression of Our Sustainability Values

An output of the Critical Habitat Assessment and the Biodiversity Management Plan developed for the project was a complete revision of the species selection for Four Seasons Tropicalia landscape design, by expert botanists in the Dominican Republic. The project's landscape designers and general contractors will be using this list, which also contributes to biodiversity conservation.

### 3.4.3. ENVIRONMENTAL COMPLIANCE AND EXPANDING RECYCLING EFFORTS

Tropicalia's work to advance environmental sustainability complements its design process as well as its community engagement initiatives. Regulatory compliance and sustainable management are treated as an integral part of the development process. In addition, direct clean-up interventions by Tropicalia staff showcase to the community our commitment to address the on-the-ground challenges associated with pollution and the importance of recycling measures in promoting a more circular economy.

- Environmental Management Programs and Permits

Environmental permits for both Tropicalia and Four Seasons Tropicalia are current and require the implementation of a rigorous Environmental Management and Protection Program (PMAA). The PMAAs are drafted in accordance with the Environmental Compliance Reports (ICA) submitted to the Ministry of Environment and Natural Resources (MIMARENA). Both PMAAs include distinct programs that ensure protection of habitat and biodiversity; health, safety and training for workers and stakeholders; as well as environmental, physical and biological controls for resource management. Following our latest submission in 2016, the next ICAs for Tropicalia and Four Seasons Tropicalia will be prepared when construction begins.

- Beach Program and Finding Ways to Recycle Waste

On average, Tropicalia staff cleans the beachfront along Costa Esmeralda twice per month. This includes the collection of waste as well as pruning trees and grass. Organic waste is used as nutrient and fertilizer for soils, while inorganic waste is separated on site into four types, including: glass, metal, plastic, and cardboard. Approximately 30 m<sup>3</sup> of plastic and 200 m<sup>3</sup> of organic waste are collected per year. Tropicalia pursues recycling of inorganic waste to the greatest extent possible given limitations surrounding contamination, the challenges posed by blended plastic polymers, and the lack of existing recycling capacity in the Dominican Republic.

See section 3.4.1 to learn more about our environmental initiatives.

### **3.5. MANAGEMENT AND GOVERNANCE MECHANISMS FOR SUSTAINABLE BUSINESS**

#### **3.5.1. SUSTAINABILITY MANAGEMENT SYSTEM (SMS) AND MATERIALITY**

Tropicalia's sustainability strategy is strengthened by our constant attention to measuring and reporting on material topics related to the design, construction, and operation of the project. We rely on our Sustainability Management System (SMS), developed in collaboration with The Ocean Foundation in 2014, which prompts us to analyze issues in the following key topic areas:

- Sustainable destination management
- Cultural heritage and community development
- Legal accountability
- Labor
- Health and safety
- Built and natural environmental management

The SMS integrates the sustainability reporting guidelines of the Global Reporting Initiative (GRI) along with five other sustainable reporting systems. We aim to achieve substantial development impact associated with construction through the prioritization of local hires for employment and procurement through local suppliers.

Moving forward with the construction phase of the project, Tropicalia will include robust sustainability clauses and requirements in all major contracts and apply all environmental and social requirements to contractors and subcontractors. Tropicalia initiated this commitment with Bouygues Construcciones Republica Dominicana.

Tropicalia contracts include a robust section on sustainability commitments including compliance with:

- IFC Environmental and Social Performance Standards
- 10 Principles of the United Nations Global Compact
- Sustainability Management System (SMS)
- Environmental and Social Action Plan (ESAP)
- LEED Scorecard
- EDGE

The SMS was an important part of advancing the due diligence process with lenders, which generated support for loan approval and effectively reduced the amount of ESAP indicators we needed to comply with as part of this process.

Our ongoing collaboration with key partners such as Gensler, Sinergo, Thompson Engineers, Epsa Labco and The Ocean Foundation, has allowed us to include a wider and more integrated environmental perspective into our resort design. In 2018, we hired RINA consultants to develop an ESMS in accordance with PS 1 and ISO 14001, and the SMS serves as a base document for this exercise. We anticipate that the SMS will be absorbed in the ESMS so as to ease the reporting burden and streamline sustainability indicators for construction and operations of Tropicalia and Four Seasons Tropicalia.

#### **3.5.2. SUSTAINABILITY COMMITTEE**

Tropicalia's Sustainability Committee has served historically as a single cross-functional team that meets annually to discuss strategy, report progress and define goals for the upcoming year. The diversity of the Committee members has brought strength to this corporate governance body. Members include internal employees hailing from a wide variety of roles and backgrounds, in addition to external advisors depending on the particular topic and area of expertise that is needed.

On November 2018, we held our 13<sup>th</sup> annual Sustainability Committee meeting and discussed strategic decisions for the project's short-, medium- and long-term development, with valuable input of senior leadership and employees across the organization. Given the increasing complexity and technicality we face as we enter the construction phase, we decided that a strategic priority for 2019 is to segregate topics and define separate, but complimentary agendas for three different working groups: The Tropicalia Sustainability Committee, the Communications Committee, and the Fundación Tropicalia Corporate Advisory Committee.

### 3.5.3. LABOR AND HUMAN RIGHTS

In 2010, we committed to the United Nations Global Compact's (UNGC) universal principles on human rights, labor, the environment and anti-corruption. We translate these commitments into policies that counter child labor, advocate for gender equality, equal opportunity employment, and encourage individual freedom of association. We are proud to say that more than 40% of our current employees are women; all employees are remunerated based on experience and position; we hire and train local residents (more than 60% currently come from the local community and surrounding rural regions); and all operations implement local community engagement and development programs via our development non-profit, Fundación Tropicalia.

Figure II.

| Gender/region            | Number of employees (*) |
|--------------------------|-------------------------|
| Men                      | 16                      |
| Women                    | 12                      |
| <b>Total</b>             | <b>28</b>               |
| Rural (including Miches) | 17                      |
| Urban                    | 11                      |
| <b>Total</b>             | <b>28</b>               |

(\*) Information compiled and verified through the employee payroll for calendar year 2018. All employees are permanent and full-time.

### 3.5.4 COMMITMENTS TO THE UNGC AND SUSTAINABLE DEVELOPMENT GOALS (SDGS)

We continue to require our major partners to comply with the UNGC principles and other sustainability and environmental obligations by incorporating these requirements into our contracts, thereby making them legally binding. In September 2018, one major development partner, Bouygues Construcciones República Dominicana (BCRD), committed to this expectation.

#### *SDG 5: Gender Equity is a Priority for Tropicalia*

Although it is natural to understand why Tropicalia has prioritized gender equality as a business strategy, it begs the question as to why this is important from a tourism perspective. Though the tourism and hospitality sectors represent incredible comparative advantage for women, providing more opportunities for empowerment compared to any other industry, considerable challenges remain to ensure women's rights and equality within the industry.<sup>12</sup> To name a few: Disparity in pay, limitations for upward professional mobility and sexual exploitation are common place in our industry and we are committed to thwarting these trends.

Tropicalia's long-term sustainability depends on having a fully-engaged community working toward sustainable destination management.

See Figure III for a comprehensive list of ongoing challenges for women in tourism, published by the World Bank in 2017.



Figure III:<sup>12</sup>

- Key persistent challenges in the tourism sector include:
1. A high degree of gender-role stereotyping with women often to be concentrated in lower-paid spa, clerical, and cleaning jobs;
  2. Underrepresentation of women in more lucrative professions, such as tour guides, chefs, and land-and water-transportation positions;
  3. Widespread disparities in women's access senior technical and managerial roles;
  4. Discriminatory laws and practices in many countries that prevent women from working on or starting their own businesses;
  5. Limited or no access to collateral or financing to start or grow a business;
  6. Fewer women in decision making roles in tourism than men;
  7. Divergence between women's qualifications and their workplace responsibilities;
  8. Women in tourism are more likely to be undertaking part-time, informal, seasonal, agency, and casual work;
  9. Women are more likely to be victims of sexual exploitation from tourism.

Cisneros is committed to SDG 5 for Gender Equality, and as a result, Tropicalia and Fundación Tropicalia are following The Women's Empowerment Principles, which were developed by UNGC and UN Women to offer businesses guidance on how to empower women in the workplace, marketplace and community. Additionally, we have addressed specific gender goals for Four Seasons Tropicalia, including these commitments: Acquire the United Nations Gender Equality Seal for Public and Private Organizations at Four Seasons Tropicalia once the hotel becomes fully operational; work continuously with IFC Advisory Services to support equitable management strategies from a human resources and talent development perspective.

Fundación Tropicalia does incredible work in the community to support gender equality through the *Soy niña, soy importante* (SNSI) all girls summer camp initiative. To learn more about SNSI see section 4.5.1 of this report.

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<sup>12</sup> Idem

## 4. FUNDACIÓN TROPICALIA

Since 2008, Fundación Tropicalia (FT) has been working in the community of Miches by supporting the environmental and socioeconomic development of the region. Fundación Tropicalia strikes multi-sector partnerships to develop and implement high-impact and innovative programs related to sustainable agriculture, gender equality, education, environmental education, entrepreneurship and microfinance, and more. Working hand-in-hand with the community, FT designs and implements programs in four key areas: productivity, environment, education and sociocultural advocacy.

In 2018, Fundación Tropicalia celebrated its tenth anniversary. Over the last decade, more than 10,000 participants have registered for the various programs offered by the foundation, of which 65% are children and teenagers. The community development efforts undertaken by FT are a key component of Tropicalia's goal to build local capacity and expand economic opportunities while preserving the region's natural and cultural heritage. See Section 4.1 to view FT's 10-year results.

### 4.1. 10 YEARS WORKING WITH MICHES



## 4.2. OUR ACHIEVEMENTS IN 2018

Figure IV.

|   |
|---|
| <b>ENVIRONMENT</b>  |
| Costa Esmeralda and Playa Arriba environmental conservation programs (or <i>rescates</i> ) to support beach clean-up, designated parking, installation of educational signage, and trash collection points. Construction of 2 garbage sorting stations and maintenance of 6 sorting stations in Playa Arriba. |
| <b>GOVERNANCE</b>   |
| Established a Fundación Tropicalia Corporate Advisory Committee.  |
| <b>EDUCATION</b>  |
| 489 students participate in our complementary education programs.   |
| 3 new college scholarships awarded; 2 scholarship students graduate college.  |
| 1 internship in Estancia La Querencia.  |
| 2 new schools join the School Renovation and Maintenance Program (PRyME). 1,806 students and 86 teachers benefit from PRyME.  |
| 44 students participate in the newly re-launched League of Enterprising Farmers in Training (LEAF) Program.   |
| <b>PRODUCTIVITY</b>   |
| 1 research study, <i>Value Chain Opportunities and Climate Resiliency for Farmers in Miches. Opportunities</i> , to update previous work done in this area  |
| 39 participants in the <i>¡Miches, sí!</i> program trained in the development and improvement of business plans; 4 business plans awarded with seed capital.  |
| 9 entrepreneurs receive RD\$1,094,000 in financing through the <i>¡Miches emprende!</i> rotational fund.  |
| 19 participate in FT's first annual agricultural leadership meeting, representing 8 agricultural products.  |
| <b>SOCIOCULTURAL ADVOCACY</b>   |
| 302 girls and 86 volunteers participate in <i>Soy niña, soy importante</i> girls summer camp program.   |
| 65 girls participate in an empowerment and self-esteem workshop with CURLS and Miss Rizos Salón.  |
| 4 local cultural festivities supported (Carnaval, Fiestas Patronales, Coconut Festival and Christmas Lighting).   |

### 4.3 STRENGTHENING GOVERNANCE AND TRANSITIONS

In 2018, Fundación Tropicalia initiated a gradual revision of its governance and organizational structure, resulting in the establishment of a Corporate Advisory Committee to the foundation. This committee's purpose is to strengthen FT's mechanisms for good governance and due diligence, by providing strategic advice to the board and management team. Members of this Committee include Cisneros Real Estate's President and VP of Sustainability, and Cisneros' head of Corporate Social Responsibility.

The FT Committee held meetings as required throughout the year and celebrated its annual meeting to continue supporting its mandate, operations and relations.

Significant personnel transitions also took place in the operation and management of the foundation, with a few staff members taking on new roles with Cisneros Real Estate and Tropicalia. Most notably, a new Executive Director was hired, Maricelle León, and Sofia Perazzo (the founding Executive Director for FT) transitioned to a new corporate position as Vice President of Sustainability with Cisneros Real Estate. The previous General Coordinator for FT, Gustavo A. Román, became Manager of Institutional Relations for Tropicalia, and a new General Coordinator was appointed, Rafael Fernández. In addition, a new Productivity Assistant was hired, Jhanny Paola Candelaria. Jhanny, a Fundación Tropicalia scholarship student, graduated as an agriculture engineer and now supports all programs related to productivity, including entrepreneurship and climate smart agriculture. We are excited to enter 2019 with a growing team of professionals, as we continue to innovate and evolve our community engagement programs.

### 4.4 ENVIRONMENTAL PROTECTION AND STEWARDSHIP

#### 4.4.1 COSTA ESMERALDA AND PLAYA ARRIBA BEACH RESCUES

Tropicalia and Fundación Tropicalia, in collaboration with local authorities, have worked to restore and protect the stunning Costa Esmeralda beach since 2013. Recent road improvements from Bávaro and El Seibo to Miches, as well as greater promotion of tourism destinations such as Montaña Redonda, have increased arrivals to Costa Esmeralda as well as Playa Arriba, which is located close to downtown Miches. We work toward creating environmental awareness and encourage residents and beachgoers to responsibly enjoy the beach.

#### 2018 Activities:

- Costa Esmeralda:
  - Conducted a beach cleanup of more than 1 kilometer of beachfront with the help of volunteers.
  - Expanded the beach parking lot to provide capacity for up to 250 vehicles (up from 20) using local natural materials to reduce impacts from people parking along the road and in vegetated areas.
  - Installation of trash cans and improved waste management practices.
  - Provision of coastal ambassadors accredited by the municipalities to receive visitors, provide ongoing review of rules, and collaborate with local authorities and Tropicalia to improve visitor welfare.
- Playa Arriba:
  - Conducted a beach cleanup of over 500 meters of beachfront with the help of volunteers and re-organized parking space to reduce damage to surrounding vegetation.
  - Expanded the beach parking space to provide capacity for up to 250 vehicles (up from 20) using local natural materials to reduce impacts from people parking along the road and in vegetated areas.
  - Provision of coastal ambassadors accredited by the municipalities to receive visitors, provide ongoing review of rules, and collaborate with local authorities and Tropicalia to improve visitor welfare.
  - Commenced *Operación Semana Santa 2018* (Operation Spring Break 2018) working alongside the Ministry of Industry and Commerce and the Emergency Operations Center (COE). *Operación Semana Santa 2018* requires coastal municipalities to engage with civil society and prepare for the Spring Break high season. Parallel to these efforts, the Ministry of Tourism issued a resolution that prohibits maritime traffic during the holiday. To complement police visibility, Fundación Tropicalia provided free secured parking for around 600 visitors to increase public safety and to assure ecological protection of Costa Esmeralda.



## 4.5 SUPPORTING EDUCATION

*“With the investment in education and the new opportunities that Tropicalia will bring about in Miches we know that our youth and members of the community may have the opportunity of growing and finding employment which gives us a great outlook for the future”, Pascual de la Rosa, community leader. Boletín Comunitario #45, February – March 2019, interview.*

### 4.5.1 SCHOOL RENOVATION & MAINTENANCE PROGRAM

To achieve competitive and sustainable economic development, quality education is vital. Yet, Dominican Republic produced the lowest scores in the Third Regional Comparative and Explanatory Study (TERCE), published in 2015, among 15 countries in Latin America and Caribbean, even though it was the fastest growing country when compared to previous studies.<sup>13</sup>

In 2018, Fundación Tropicalia culminated another year of the School Renovation and Maintenance Program (PRyME), which brings together the education community to address infrastructure repair, maintenance and administrative challenges. Fundación Tropicalia requires that schools provide counterpart funding or resources (including in-kind labor) to encourage self-determination, responsibility, pride of accomplishment, and independence.

Fundación Tropicalia visited 8 of the 16 schools that pertain to the PRyME program to assess the conditions of school infrastructure and tally their educational needs. Findings were presented and discussed with school principals and these outcomes were shared with the Ministry of Education.

In 2018, the El Jovero and Padre Daniel Primary Schools joined the PRyME program, growing the total to 16 schools in Miches and nearby communities.

In addition to PRyME, Fundación Tropicalia worked with Save the Children to support post-hurricane recovery efforts to rebuild Arroyo Rico Primary School. Activities included building a new cafeteria, restore interior and exterior paint, repair bathrooms and coordinate local labor efforts. A total of US\$3,183 was invested, benefitting 23 students and two teachers.

#### PRYME RESULTS IN 2018:

##### **Padre Daniel Secondary School - PRyME since 2010**

Fundación Tropicalia provided support to repaint the basketball court and install two new backboards for the court. FT also restored the exterior mural.

##### Overall Impact:

Contribution: US\$853 (30% Fundación Tropicalia, 21% local entrepreneurs, 49% community donations of paint and labor)

Impact: 632 students 345♀ 287♂  
24 teachers 14♀ 10♂

##### **Hicaco Blanco Primary School - PRyME since 2008**

Fundación Tropicalia sponsored repainting of classrooms, restoration of exterior mural and plumbing work to replace four bathroom faucets, with labor performed by volunteers and school employees.

##### Overall Impact:

<sup>13</sup> EDUCA. Informe De Progreso Educativo: Decidimos Mejorar!; 2015.

Contribution: US\$1,949 (83% Fundación Tropicalia, 17% Hicaco Blanco School)  
 Impact: 149 students 72♀ 77♂  
 11 teachers 7♀ 4♂

#### **Los Urabos Primary School - PRyME since 2010**

Fundación Tropicalia supported the repair of two benches damaged by Hurricane Irma plus the construction of four new benches, plumbing projects, the restoration of walkways impacted by water damage and replaced the PRyME school sign, which had deteriorated over time.

Overall Impact:  
 Contribution: US\$1,542 (65% Fundación Tropicalia, 35% Los Urabos School)  
 Impact: 59 students 27♀ 32♂  
 4 teachers 4♀

#### **La Culebra Primary School - PRyME since 2009**

Fundación Tropicalia contributed supplies to repaint the school and make improvements to the patio and gardens, repair the bathrooms and restore the school's filtration system.

Overall Impact:  
 Contribution: US\$2,214 (73% Fundación Tropicalia, 27% La Culebra School)  
 Impact: 114 students 54♀ 60♂  
 10 teachers 9♀ 1♂

#### **La Mina Primary School - PRyME since 2009**

Fundación Tropicalia repaired the front gate, replaced the PRyME school sign, which had deteriorated over time and restored the exterior mural.

Overall Impact:  
 Contribution: US\$421 (100% Fundación Tropicalia)  
 Impact: 342 students 155♀ 187♂  
 16 teachers 12♀ 4♂

#### **Escuela Padre Daniel Primary School - PRyME since 2018**

Fundación Tropicalia welcomed Escuela Padre Daniel to the PRyME network, and supported the painting of deteriorated walls, the repair of six benches, with board games to play checkers and chess, and the restoration of walkways impacted by water damage.

Overall Impact:  
 Contribution: US\$4,306 (83% Fundación Tropicalia, 17% Padre Daniel Primary School)  
 Impact: 450 students 222♀ 228♂  
 17 teachers 14♀ 3♂

#### **El Jovero Primary School - PRyME since 2018**

Fundación Tropicalia also welcomed El Jovero to the PRyME network, and supported the painting of deteriorated walls.

Overall Impact:  
 Contribution: US\$1,646 (94% Fundación Tropicalia, 6% community donations of paint and labor)  
 Impact: 37 students, 15♀ 22♂  
 2 teachers 2♀

As for the remaining eight schools in the PRyME network, Fundación Tropicalia continues to play an advisory role in maintenance, management and academic processes.

*"Since I was little, I saw my future in education, now being a teacher allows me to instill a love for study [in young people]"* ~ Bierka Corniel, supported by Fundación Tropicalia Scholarship and Cultural Exchange Program and graduated from UISA with a degree in teaching, emphasis in natural sciences. Today, she is the youngest teacher at Padre Daniel Secondary School in Miches.

In January 2018, Fundación Tropicalia hosted its ninth annual PRyME celebration with representatives from Miches education community including directors, teachers, local authorities, presidents of parent-teacher associations (APMAE), and Ministry of Education. 180 guests came together in a 1970s-themed costume party held in the local venue Restaurant Coco Loco to commemorate the year's work and achievements in 2017.

#### **4.5.2. SCHOLARSHIP & CULTURAL EXCHANGE PROGRAM**

Since 2011, Fundación Tropicalia has coordinated a Scholarship and a Cultural Exchange Program in partnership with the *Universidad Instituto Superior de Agricultura*, or Universidad ISA, which specializes in agricultural sciences, located in Santiago de los Caballeros, the second largest city in the Dominican Republic. The program offers young, promising *michenses* and *seibanos* an opportunity to pursue an undergraduate degree that corresponds to anticipated labor demand in Miches, including degrees in engineering agronomy, animal production and food technology, education specialized in natural sciences, and business administration.

All scholarship students benefit from financial, work-study, cultural and/or professional support services, as well as exchange opportunities, on-campus counseling, and parent meetings in Miches and El Seibo. This year, our annual Professional and Cultural Exchange Initiative took place in *Consorcio Cítricos Dominicanos*, a tropical fruit processing plant, producer of juices and dairy products, based in Villa Altigracia.

In 2018, a total of 16 students were enrolled in the program, two of which achieved graduation status.

#### **4.5.3. COMPLEMENTARY EDUCATION PROGRAM**

Fundación Tropicalia's Complementary Education Program supports soft and motor skills development in students. Through a curriculum that includes courses in crafts, visual and performing arts, the program aims to complement standard education requirements of public schools. In 2018, we conducted the program both in the Hicaco Blanco Primary and Los Urabos Primary School and we continued working in KM. 10 Primary School. We also relaunched the League of Enterprising Farmers in Training (LEAF), a school gardening program, in partnership with La Gina Primary School; 44 students enrolled and 2 teachers volunteered to coordinate the program.

#### **4.6. PRODUCTIVITY: SUSTAINABLE TOURISM SUPPLY CHAIN IN MICHES**

A critical component for Tropicalia is the design and development of a sustainable tourism-focused supply chain in Miches. Not only will locally-sourced goods and services minimize the project's environmental impact, including a reduced carbon footprint, but it will also provide substantial economic support for the region and lead to the emergence of new entrepreneurs and business opportunities. Creating a pathway for economic self-sufficiency will greatly amplify Tropicalia's long-term impact in the area and attract additional investment. FT's productivity programs focus on identifying and cultivating local business and agricultural leaders that can build a supply chain that will enable major growth in the tourism sector while providing jobs and other economic opportunities for current and future generations.

To support a Sustainable Tourism Supply Chain in Miches, Fundación Tropicalia continues to implement and strengthen the following programs:

- *¡Miches, sí!*: A capacity building program that teaches entrepreneurs how to develop a business plan for microenterprise and small business creation in the sectors of sustainable tourism and agricultural production. In 2018, 24 participants completed the curriculum and, as a result, 19 business plans competed before an independent panel of judges to compete for seed funding.
- *¡Miches emprende!*: A rotational fund managed by our partner Banco ADOPEM, that provides financing to enterprises in tourism and agriculture that follow sustainable and ecologically responsible practices. It offers preferential interest rates and is accessible only to graduates of the *¡Miches, sí!* program. The fund was capitalized at RD\$1,845,000 in 2016 and as of December 31, 2018, capitalization rose by RD\$209,873, for a total of RD\$1,962,623 available for lending.

The fund acquired 11 new clients in 2018 and since launching a total of US\$43,233 has been disbursed to 20 entrepreneurs (9 women and 11 men) who operate food and beverage businesses, agricultural enterprises, and arts and crafts gift shops. These credits enabled the creation and continuation of 60 direct jobs and indirectly benefited 300 people<sup>14</sup>.

- *Training and Mentorship*: Fundación Tropicalia is committed to supporting the agricultural sector of Miches via continued support and technical assistance to improve crop production via ecological methodologies. In 2018, Fundación Tropicalia hosted its first annual Meeting of Agricultural Leaders, bringing together producers of rice, yam, cacao, pineapple, papaya, coconut, passion fruit and livestock to convey to the Dominican Agribusiness Board (JAD) what are the most pressing infrastructure needs for the region's agricultural sector.
- *Research and Investigation*: We carried out additional studies to continue supporting our inclusive supply chain program by working with IDB Advisory Services and hiring GREEN LAC, a Costa Rican consulting firm, to further develop market analysis and climate smart agriculture programs for local producers in order to link up local supply and demand by the tourism industry, specifically hotels and resorts. This study was contracted in August / September 2018 and results will be delivered first quarter 2019.

## 4.7. SOCIOCULTURAL ADVOCACY

### 4.7.1. SOY NIÑA, SOY IMPORTANTE SUMMER CAMP

*"Participating in the summer camp taught me that if I believe in myself I can grow up to be important"* – Raquel, SNSI 2018 participant, *interview during SNSI video production.*

Fundación Tropicalia celebrated its sixth year of the *Soy niña, soy importante* ("I'm a Girl, I'm Important" or SNSI) summer day camp, a program that serves at-risk, 9 to 12 years old girls. The camp provides guidance and a constructive yet fun space for young girls to reflect upon their future and encourage them to make timely life choices like staying in school and postponing pregnancy.

As girls complete their full four years of participation in SNSI, we hope SNSI has given them the tools and experience to reflect on their future, their rights and their short-, medium- and long-term goals as they enter into their adolescence. Family involvement and support continues to grow with more parents and extended family members attending the informational and registration sessions, and in some cases, volunteering to make SNSI a reality every year.

Milestones in 2018 include:

- Expansion of the Ambassador Network to include 21 members.
- 86 volunteers registered 3,692 volunteer hours, ranging from camp counselors to soccer, photography, yoga, music and environmental instructors.
- 302 girls participated in three camp sessions in La Mina, La Gina and Miches.
- 30 institutional and 88 individual donors raised US\$60,000 (56% cash contributions, 44% in kind).

<sup>14</sup> These numbers are calculated such that each client provides direct employment to 3 people, and each of these indirectly benefits 5 family members. (Source: Banco ADOPEM)



## SNSI 2018 Key Performance Indicators

Figure V:

|                                |  |
|--------------------------------|--|
| Girls Attended                 | 302  |
| Participant Communities        | 3  |
| Amount Raised (Cash & In-Kind) | US\$60,000<br>56% Cash<br>44% In-kind<br>30 institutional donors<br>88 individual donors |
| Number of Volunteers           | 86   |
| Number of Volunteer Hours      | 3,692  |
| Camp Sessions                  | 3  |
| Corporate Sponsors             | 30   |
| Ambassadors                    | 21   |

### Women and Girls in the Dominican Republic

- **The Gender gap is increasing.** The Dominican Republic ranks 74th out of 149 countries for gender inequality according to the World Economic Forum's 2018 Global Gender Gap Report.<sup>15</sup>
- **Teen pregnancy is becoming more frequent.** The Dominican Republic has the fifth highest teen pregnancy rate in Latin America<sup>16</sup>, with 22% of Dominican girls becoming pregnant at least once before their 19th birthday<sup>17</sup>. The demands of teen motherhood can set young women on a lifelong course of minimal education and underemployment, perpetuating the generational cycle of poverty.
- **Dropout rates increase.** Impoverished girls and young women who become pregnant face higher risks of health complications related to early pregnancy, and are more likely to drop out of school. In fact, nearly 44% of adolescent dropouts are caused by early pregnancy
- **Child marriages.** More than 790,000 Dominican girls were in union or married before their 18th birthday. One in five teens between the ages of 15 and 19 is currently married or in civil union with a man at least ten years her senior<sup>18</sup>. These girls sacrifice important opportunities such as learning, and maturing physically and emotionally.
- **Prostitution and sexual exploitation:** According to the International Labor Organization, in recent years sexual tourism has been a recurring practice in the Dominican Republic. Their studies show that almost 25% of tourists engage in commercial exploitation mostly targeting children in impoverished areas, since it promises a way out of poverty for themselves and their families in communities with little to no opportunity of employment and growth.
- **Victims of violence.** The Dominican Republic also ranks third in the region in femicide<sup>19</sup>. Dominican girls

<sup>15</sup> Data Explorer. Global Gender Gap Report 2018. <http://reports.weforum.org/global-gender-gap-report-2018/data-explorer/#economy=DOM>. Published 2019. Accessed June 4, 2019.

<sup>16</sup> Altagracia Ortiz (27 de septiembre 2017). Plan Internacional exige reducir embarazo de niñas. Obtained from <http://hoy.com.do/plan-internacional-exige-reducir-embarazo-de-ninas/>. Accessed March 06 2018.

<sup>17</sup> Altagracia Ortiz (27 de septiembre 2017). Plan Internacional exige reducir embarazo de niñas. Obtained from <http://hoy.com.do/plan-internacional-exige-reducir-embarazo-de-ninas/>. Accessed March 06 2018.

<sup>18</sup> El Matrimonio Infantil Forzado también existe en República Dominicana. Plan International. <https://plan-international.org/es/case-studies/el-matrimonio-infantil-forzado-tambien-existe-en-republica-dominicana>. Published March 21, 2017. Accessed June 4, 2019.

<sup>19</sup> ONE: República Dominicana ocupa el tercer lugar regional en tasa anual de homicidios a mujeres. Oficina Nacional de Estadística (ONE). <https://www.one.gob.do/Prensa/NotaPrensa?ContenidoId=1847>. Accessed June 4, 2019.

and women are also victims of sexual abuse, harassment, and more than double the rate of discouraged job seekers.<sup>20</sup>

To reinforce the empowerment message of *Soy niña, soy importante* (SNSI), we worked with Miss Rizos Salon to hold an event under the auspices of CURLS LLC, a pioneering company in the natural hair market that spreads a socially responsible female empowerment message via its “CURLS Girls Rule the World” initiative.

Our programs and initiatives help girls recognize their potential and, in the process, achieve a greater voice in civil society and their future professional careers. These girls will someday be the women that manage the socially-conscious businesses, sustainable farms, and other productive industries in Miches or Dominican Republic, so crucial to the sustainable development of the region.

#### 4.7.2 CULTURAL IDENTITY

Fundación Tropicalia works to preserve and enhance the cultural heritage of the region by supporting various activities in partnership with the local government and community leaders. Events we supported in 2018 include:

- The annual and historically significant “Carnaval” celebrations.
- Fiestas Patronales: Fundación Tropicalia sponsored the celebrations of the annual traditional festivity of *atabales* (a regional percussion instrument) in June 2018, in which *michenses* come together to honor their patron saint, San Antonio de Padua, dance and play music. We sponsored decorations and two days of *atabales* performances. Moreover, Fundación Tropicalia provided the meals for the security staff to ensure a safe environment during the celebrations.
- Third Annual Coconut Festival: Fundación Tropicalia sponsored the tent used to participate in the festival.
- Christmas Lighting Celebration: Fundación Tropicalia sponsored decorations for the Miches municipal park and locally sourced refreshments for the event.

#### 4.7.3 COMMUNICATIONS

##### *Community Newsletter*

Six new editions of Fundación Tropicalia’s Community Newsletter were issued in 2018. As in years past, FT continued to circulate 2,000 copies of each edition across more than 60 distribution points in Miches. The Community Newsletter is an educational and informational medium that communicates topics like sustainable tourism development, environmental stewardship, health awareness, local culture and traditions, and individual and civic responsibility for children and adults alike.

"Miches has been growing, socially and economically, thanks to the improvement in income, foreign investment and infrastructure. As a businessperson and a member of the local civil society, I understand how important it is to provide people the opportunity to grow, to change businesses and change the community. With the understanding that the future of Miches is already here, and only with close public and private cooperation, opportunities can be seized, but also the challenges that come with growth can be met" Justino Perez, local businessman and civil leader. *Boletín Comunitario #45, February March 2019, interview.*

##### *Fundación Tropicalia’s Online Community*

Fundación Tropicalia’s website ([www.fundaciontropicalia.com](http://www.fundaciontropicalia.com)) and social media handles launched in May 2015, and as of December 31, 2018, have generated 384,249 impressions and attracted 512 new followers. In addition, Fundación Tropicalia currently manages several social media profiles and two microsites:

1. [snsi.fundaciontropicalia.com](http://snsi.fundaciontropicalia.com) - for *Soy niña, soy importante* ("I'm a Girl, I'm Important" or SNSI), social media impressions reached 341,749 and 992 new followers.
2. [mype.fundaciontropicalia.com](http://mype.fundaciontropicalia.com) - for productivity, which launched in December 2017.

<sup>20</sup> Data Explorer. Global Gender Gap Report 2018. <http://reports.weforum.org/global-gender-gap-report-2018/data-explorer/#economy=DOM>. Published 2019. Accessed June 4, 2019.

## 5. PARTNERS FOR SUSTAINABILITY IN 2018

We can attribute our decade of work and progress to a thoughtful and engaged network of partners that we proudly recognize here.

### 5.1. TROPICALIA

#### Government

- Ministry of Tourism (2009 - present):  
Tropicalia complies with the Ministry of Tourism regulations for touristic developments.
- Ministry of Environment and Natural Resources (2008 – present):  
Tropicalia is in complete compliance with environmental regulations of the Dominican Republic; environmental permits are current.
- Export and Investment Center of the Dominican Republic – CEI-RD (2015 – present):  
Tropicalia works alongside the CEI-RD to promote investments in the country.
- Ministry of Public Works and Communication (2015 – present):  
Tropicalia works with the Ministry of Public Works and Communications to encourage the completion of infrastructure projects in the region.
- Municipality of Miches (2008 – present):  
Tropicalia complies with the Municipality of Miches regulations for touristic developments.
- CEIZTUR (Executing Committee for Infrastructure of Touristic Zones) dependency within the Ministry of Tourism (2018 – present).
- Administrative Ministry of the Presidency (Ministerio Administrativo de La Presidencia) (2018 – present).
- Legal Counsel of the Executive Branch (Consultoría Jurídica del Poder Ejecutivo) (2018 – present).

#### Civil Society and Non-Profit Organizations

- The Ocean Foundation (2013 – present):  
Tropicalia works with The Ocean Foundation to support reporting efforts. ,
- United Nations Global Compact (2010 – present):  
Tropicalia supports the 10 principles of the United Nations Global Compact in the areas of human rights, labor, the environment, and anti-corruption.
- National Association of Hotels and Restaurants - ASONAHORES (member since 2011).
- National Private Business Council - CONEP (member since 2014).
- Dominican Association of Tourism Real Estate Businesses – ADETI (member since 2011).

#### Development and Communications Associates

- Arquitectos Perez Morales
- Blu Spas
- Bouygues Construcciones República Dominicana
- Delphos
- EDG
- EPSA LABCO
- Gensler
- Hardner & Gullison Associates
- Holsteinson & Asociados, SA (HOLASA)
- HVS
- IDB Invest
- International Finance Corporation
- Isay Weinfeld
- LLORENTE & CUENCA
- Marshall
- Pellerano

- Renaissance Golf Design
- RINA Systems Consulting
- Rios Legal
- Sheila Donnelly & Associates (SDA)
- Sherwood
- Sinergo Development Group
- Thompson Engineering
- W.F.Baird & Associates Coastal Engineers LTD

## 5.2 FUNDACIÓN TROPICALIA

### Government

- Municipality of Miches and municipal districts El Cedro and La Gina (2008 – present):  
We collaborate on special projects related to culture, sports, education, and environment.
- Ministry of Education of the Dominican Republic (2010 – present):  
We work to improve the quality of education in the Miches school district.
- Ministry of Environment and Natural Resources (2013 – present):  
We support special projects related to the environment, research and education.

### Business, Civil Society, and Non-Profit Organizations

- Banco ADOPEM (2015 – present):  
We work to broaden the scope of financial services available to the micro entrepreneurs that are supported by Fundación Tropicalia's programs.
- Junta Agroempresarial Dominicana - JAD (2015 – present):  
We work to bring development opportunities to local farmers and agribusinesses in Miches.
- National Business Network for Environmental Protection - ECORED (2008 – present):  
Fundación Tropicalia gains access to a private-sector network that increases environmental protection efforts and promotes public/private-sector dialogue.
- IDB Invest (2018): IDB Invest Advisory Services provides access to technical assistance programs.
- IFC (2018): IFC Advisory Services provides access to technical assistance programs. World Vision (2012 – present):
- Save the Children (2017 – present):  
Supported Hurricane Relief Efforts in Miches in the aftermath of Maria.

### Academic Institutions

- Universidad ISA (2011 – present):  
We host a scholarship program for Miches students who are interested in agricultural science and science education careers.
- Universidad Iberoamericana – UNIBE (2017 – present):  
We collaborate in programs aimed at contributing to the social development of Miches.



## 6. LOOKING FORWARD

This past year was an important transitional period for Tropicalia and Fundación Tropicalia, now celebrating a decade of advocacy for the environment and social well-being of Miches. After finalizing support from international development lenders and hiring a general contractor in 2018, we look forward to breaking ground on the resort soon and entering the construction phase. Translating our architectural vision for sustainability into reality will not be easy, but we know we have laid the groundwork for success by pulling together a group of great partners and leaders in sustainability. Through the support of the community of Miches, we aim to transform the sustainable tourism industry while preserving the natural and cultural heritage of this amazing place.

In 2019, we expect to make significant progress including these major milestones:

- Launch an itinerant photography exhibition in celebration of FT's 10th anniversary.
- Develop Tropicalia's ESMS and subsequent programs.
- Identify and transplant, avoid or compensate for all trees on our endangered species list before site clearance.
- Pilot a business mentorship initiative to give continuity to *¡Miches sí!* participants.

## 7. GLOBAL REPORTING INITIATIVE

This is our third year of reporting according to the guidelines and disclosures established by the Global Reporting Initiative (GRI). GRI is an international independent organization pioneering sustainability reporting since the late 1990s ([www.globalreporting.org](http://www.globalreporting.org)). Our report is self-assured.

In 2018, the G-4 Standards were transitioned to a new combined set of GRI Standards. The GRI Standards are based on the content from the G4 Guidelines and feature a number of changes and improvements<sup>21</sup>. The new GRI Standards have a modular structure that integrates content from the G4 Guidelines and the G4 Implementation Manual. In addition to content clarifications, the revised format has clear distinctions between requirements and recommendations. The new GRI Standards offer greater flexibility and transparency in reporting, as well as restructured content that has been edited for greater clarity and simpler language. All of the key concepts and most disclosures from G4 were carried through to the new GRI Standards, so our GRI Index and reporting only required minor updates in 2018 to comply with the new system.

### **Our GRI Content Index**

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<sup>21</sup> Transitioning from G4 to GRI Standards. Transitioning from G4 to GRI Standards. <https://www.globalreporting.org/standards/questions-and-feedback/transitioning-from-g4-to-gri-standards/>. Published 2018. Accessed June 4, 2019.



## GRI Content Index

| Disclosure                               | Description                                | Level | Location   |  | Notes   |
|--|--|-------|--|--|---|
|  |  |       | 2018 Sustainability report   | Other  |   |
| <b>GRI 101: Foundation</b>               |  |       |  |  |   |
| GRI 101 does not contain any disclosures |  |       |  |  |   |
| <b>GRI 102: General Disclosures</b>      |  |       |  |  |   |
| <b>1. Organizational profile</b>         |  |       |  |  |   |
| 102-1                                    | Name of the organization                   | ✓     | 3. Tropicalia  | Tropicalia website   |   |
| 102-2                                    | Activities, brands, products, and services | ✓     | 3. Tropicalia  | -  |   |
| 102-3                                    | Location of headquarters                   | ✓     | -  | -  | Tropicalia headquarters are in Santo Domingo, Dominican Republic. (Updated from 2017)   |
| 102-4                                    | Location of operations                     | ✓     | 3. Tropicalia  | Tropicalia website   | Miches, Dominican Republic  |
| 102-5                                    | Ownership and legal form                   | ✓     | 3. Tropicalia  | Tropicalia website; Cisneros Real Estate website   |   |
| 102-6                                    | Markets served                             | ✓     | 3. Tropicalia  | -  |   |
| 102-7                                    | Scale of the organization                  | P     | 3.1 Tropicalia<br>3.2 Four Seasons Tropicalia<br>3.5.3. Labor and Human Rights   | -  | - Total number of employees: 28 - Full time<br>- Total number of operations: 1, Dominican Republic<br>- Net sales: Does not apply<br>- Quantity of products or services provided: 169-key resort & 40 branded residences operated by Four Seasons. 1 Golf Course.<br>- Capitalization: Information not available  |
| 102-8                                    | Information on employees and other workers | ✓     | 3.5 Management & Governance<br>3.6.3. Labor and Human Rights   | -  | - Total number of employees: 28 - Full time<br>- Men: 16 - Full time<br>- Women: 12 - Full time<br>- Rural (including Miches): 17 - Full time<br>- Urban: 11 - Full time<br>- Tropicalia includes robust sustainability clauses and requirements in all major contracts to enforce all environmental and social requirements of contractors and subcontractors and their employees. |
| 102-9                                    | Supply chain                               | ✓     | 1. A Word from Adriana<br>3.4.1 Economic Sustainability<br>3.5 Management & Governance<br>4.4. Productivity: Sustainable Tourism Supply Chain in Miches<br>5. Partnerships | IFC Project Disclosure / Tropicalia ( <a href="https://disclosures.ifc.org/#/enterpriseSearchResultsHome/tropicalia">https://disclosures.ifc.org/#/enterpriseSearchResultsHome/tropicalia</a> )<br><br>IDB Project Disclosure / Tropicalia ( <a href="https://www.idbinvest.org/en/projects/tropicalia-sustainable-tourism">https://www.idbinvest.org/en/projects/tropicalia-sustainable-tourism</a> ) | - Commitments 2030: Inclusive supply chain sourcing from local businesses and farmers. 70% of hotel FB sourced locally.   |

|                                |  |   |  |  |   |
|--------------------------------|--|---|--|--|---|
| 102-10                         | Significant changes to the organization and its supply chain | ✓ | 3.4. Creating a Business Model for a Sustainable Tourism Sector  | IFC Project Disclosure / Tropicalia<br>IDB Project Disclosure / Tropicalia   | - Onboarded new financial and construction partners: IDB, IFC, BCRD   |
| 102-11                         | Precautionary Principle or approach                          | ✓ | 1. A Word from Adriana<br>2. 2018 Highlights<br>3.4 Creating a Business Model for a Sustainable Tourism Sector<br>3.5. Management and Governance Mechanisms for Sustainable Business | Tropicalia EIA; Four Seasons DIA;<br>Environmental Compliance Reports (ICAs); Sustainability Management System (SMS); Environmental and Social Action Plan (ESAP); Biodiversity Management Plan (BMP); LEED scorecard; EDGE scorecard.<br><br>IFC Project Disclosure / Tropicalia<br>IDB Project Disclosure / Tropicalia | Tropicalia applies the Precautionary Principle. Environmental Impact Assessments and subsequent Environmental Compliance Reports required of MIMARENA, as well as ESAP, BMP, LEED and EDGE KPIs are in line with the precautionary principle approach.  |
| 102-12                         | External initiatives   | ✓ | 3.4. Creating a Business Model for a Sustainable Tourism Sector<br>3.5. Management and Governance Mechanisms for Sustainable Business<br>4. Fundación Tropicalia                     | Tropicalia website<br>IFC Project Disclosure / Tropicalia<br>IDB Project Disclosure / Tropicalia<br>UNGC:<br><a href="https://www.unglobalcompact.org/w hat-is-gc/participants/12547">https://www.unglobalcompact.org/w hat-is-gc/participants/12547</a>   | Voluntary Commitments: 10 Principles of the UNGC since 2010<br>Mandatory Commitments: Local and international environmental law; IFC Environmental and Social Performance Standards   |
| 102-13                         | Membership of associations                                   | ✓ | 5. Partners for Sustainability in 2018   | Tropicalia website   |   |
| <b>2. Strategy</b>             |  |   |  |  |   |
| 102-14                         | Statement from senior decision-maker                         | ✓ | 1. A Word from Adriana<br>3.5 Management and Governance Mechanisms for Sustainable Business<br>2. 2018 Highlights<br>6. Looking Forward  | Tropicalia website<br>Fundacion Tropicalia website   |   |
| 102-15                         | Key impacts, risks, and opportunities                        | ✓ | 3.3 A Natural Escape<br>3.5.3. Labor and Human Rights<br>4.5. Sociocultural Advocacy<br>6. Looking Forward   | -  | Tropicalia EIA; Four Seasons DIA; SMS; LEED Scorecard; EDGE Scorecard; ESAP; Sustainability Committee.  |
| <b>3. Ethics and Integrity</b> |  |   |  |  |   |
| 102-16                         | Values, principles, standards, and norms of behavior         | ✓ | 2. 2018 Highlights<br>3.5 Management and Governance Mechanisms for Sustainable Business<br>4.3 Strengthening Governance and Transitions  | Tropicalia EIA and Four Seasons DIA provide inventory of national and international standards and laws governing the development of the project.<br>IFC Performance Standards includes reference to international norms and standards for environmental and social sustainability, including Equator Principles.         | Tropicalia abides to all national and international laws and regulations pertinent to the tourism industry. Governing principles are readily available in English and/or Spanish and are disclosed to relevant parties. Training of employees occurs when required.<br>VP Sustainability responsible for overseeing adherence to values, principles, standards and norms of institutional behavior. |
| <b>4. Governance</b>           |  |   |  |  |   |
| 102-18                         | Governance structure   | ✓ | 3.5 Management & Governance Mechanisms for Sustainable Business<br>4.3 Strengthening Governance and Transitions  | Tropicalia EIA, Chapter 11: Management strategies  |   |

|        |   |   |   |  |   |
|--------|---|---|---|--|---|
| 102-19 | Delegating authority  | ✓ | 2. 2018 Highlights<br>3.5 Management & Governance Mechanisms for Sustainable Business<br>4.3 Strengthening Governance and Transitions | -  | VP of Sustainability for CRE is responsible for compliance with environmental and social commitments, and works actively with all departments to integrate targets in each area of operations. The Sustainability Committee designates any outstanding economic, environmental or social issues to corresponding departments and employees.   |
| 102-21 | Consulting stakeholders on economic, environmental, and social topics         | ✓ | 3.5 Management & Governance Mechanisms for Sustainable Business<br>4. Fundación Tropicalia  | ESAP, EIA Environmental Management Program, Environmental Compliance Reports | Tropicalia executives actively engage stakeholders relevant to their areas of expertise. Fundación Tropicalia actively engages community stakeholders. These executives sit on the Sustainability Committee and report their findings to the Committee, which in turn reports to the CEO.   |
| 102-20 | Executive-level responsibility for economic, environmental, and social topics | ✓ | 3.5 Management & Governance Mechanisms for Sustainable Business<br>4.3 Strengthening Governance and Transitions                       | -  | VP of Sustainability is the executive level position responsible for environmental and social topics and works directly with finance and President of CRE for economic topics. Both executives report to the Sustainability Committee and the CEO and Board member of Cisneros.   |
| 102-22 | Composition of the highest governance body and its committees                 | P | 3.5 Management & Governance Mechanisms for Sustainable Business<br>4. Fundación Tropicalia  | -  | Sustainability Committee is the highest governance body for Tropicalia env't & social topics comprised of executives from Tropicalia and other Cisneros entities. The Committee has established sub committees: Communications Committee and Fundación Tropicalia Internal Advisory Board. In total the Sustainability Committee and sub committees in 2018 are composed of 13 members: 7 female, 6 male. 0 under 30 years old, 4 over 50 years old.  |
| 102-23 | Chair of the highest governance body  | P | 1. A Word from Adriana  | -  | Chair of the Sustainability Committee / highest governance body for env't and social issues is also CEO of the organization.  |
| 102-24 | Nominating and selecting the highest governance body                          | ✓ | 3.5.4 Commitments to the UNGC and Sustainable Development Goals (SDGs)  | -  | Committee members are internal executives and are selected based on their executive involvement (which is contingent upon their proven expertise in their respective areas of work) in Tropicalia. When necessary we bring outside advisors to the committee on a year-by-year basis. In 2018, we did not have a guest advisor. Members are not selected based on diversity, though we have non-discrimination hiring practices in place and also support gender equality see section 3.5 of report for more information. |

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|----------------------------------|--|---|---|--|--|
| 102-26                           | Role of highest governance body in setting purpose, values, and strategy | P | 3.5 Management & Governance Mechanisms for Sustainable Business<br>4.3 Strengthening Governance & Transitions | -  | Sustainability Committee is the highest governance body for Tropicalia env't & social topics comprised of executives from Tropicalia and other Cisneros entities. The Committee has established sub committees: Communications Committee and Fundacion Tropicalia Internal Advisory Board.   |
| 102-27                           | Collective knowledge of highest governance body                          | P | -   | -  | When appropriate & necessary, the Sustainability Committee agenda will incorporate required reading requirements and knowledge sharing exercises to enhance collective knowledge of the group. All committee members are empowered to seek out industry conferences and workshops to build upon their knowledge in their respective areas. |
| 102-29                           | Identifying and managing economic, environmental, and social impacts     | ✓ | 3.5 Management & Governance Mechanisms for Sustainable Business   | -  | Sustainability committee members identify these risks / impacts within their work and bring up the most relevant/pressing matters in the committee agenda.   |
| 102-30                           | Effectiveness of risk management processes                               | ✓ | 3.5 Management & Governance Mechanisms for Sustainable Business   | -  | Sustainability committee members manage risk within their work and bring up the most relevant/pressing matters in the committee agenda.  |
| 102-31                           | Review of economic, environmental, and social topics                     | ✓ | 3.5 Management & Governance Mechanisms for Sustainable Business   | -  | Sustainability Committee reviews environmental & social topics once per year.  |
| 102-32                           | Highest governance body's role in sustainability reporting               | ✓ | 3.5 Management & Governance Mechanisms for Sustainable Business   | -  | VP Sustainability sits on the Sustainability Committee and is editor in chief of the Sustainability Report, ensuring materiality, supervising and approving all content prior to sending to executive committee members for final approval.  |
| 102-33                           | Communicating critical concerns  | ✓ | 3.5 Management & Governance Mechanisms for Sustainable Business   | -  | Critical concerns are usually tackled on an operational level; however if they relate to strategy for environmental and social topics, often they are addressed in annual sustainability committee agenda.   |
| <b>5. Stakeholder engagement</b> |  |   |   |  |  |
| 102-40                           | List of stakeholder groups   | ✓ | 3.3.2 Miches: Development in Balance<br>5. Partners for Sustainability in 2017                                | EIA Tropicalia<br>DIA Four Seasons<br>Stakeholder Engagement Guidelines for General Contractor (Sustainability Department)<br>Stakeholder Maps (Communications Department) |  |
| 102-41                           | Collective bargaining agreements   | ✓ | -   | Registro Iniciativas Sostenibles 2018 _ Tropicalia y FT  | None at this time  |

|        |  |   |  |  |   |
|--------|--|---|--|--|---|
| 102-42 | Identifying and selecting stakeholders                     | ✓ | -  | EIA Tropicalia<br>DIA Four Seasons<br>Stakeholder Engagement Guidelines for General Contractor (Sustainability Department)<br>Stakeholder Maps (Communications Department) | For identifying its stakeholders, Tropicalia and Fundación Tropicalia have developed and consistently update a stakeholder map. Both stakeholders that would be impacted by the project and that could impact the project are considered. Other sources for identifying relevant stakeholders to the project include the project's EIAs and Stakeholder Engagement Procedures for the General Contractor.   |
| 102-43 | Approach to stakeholder engagement                         | ✓ | 3.3.2 Miches: Development in Balance<br>4. Fundación Tropicalia<br>5. Partners for Sustainability in 2017  | Stakeholder Engagement Guidelines for General Contractor (Sustainability Department)   | - Tropicalia and Fundación Tropicalia engage with stakeholders on an ongoing basis, including business partners, sector associations, community groups, industry leaders, lenders, etc. We have an outreach and open-door policy, meaning that community stakeholders have consistent and constant contact with our employees to express their concerns and interests impromptu.<br>- According to the specific program or initiative, Fundación Tropicalia develops community surveys to measure and assess the quality of the interventions and the level of satisfaction of the local people.<br>- Tropicalia advises its General Contractor on how to engage with its stakeholders as well. |
| 102-44 | Key topics and concerns raised                             | ✓ | 3.4.3. Environmental Compliance and Expanding Recycling Efforts<br>3.5 Management and Governance Mechanisms for Sustainable Business<br>4.4. Environmental Protection and Stewardship<br>4.7. Sociocultural Advocacy | Tropicalia EIA; Four Seasons Resort DIA; Sustainable Management System: ESAP   | Beach access was identified as one of the major community concerns. Tropicalia has developed a Beach Program for the recovery and maintenance of Costa Esmeralda to address stakeholder's concerns. Gender inequality in the DR is a major concern: Tropicalia addresses this through commitment to SDG 5 and FT through SNSI program<br>Tropicalia's ESAP addresses environmental and social concerns raised by the lenders and sets targets to fulfill their Performance Standards  |
| 102-45 | Entities included in the consolidated financial statements | P | -  | -  | Tropicalia's financial statements are shared with material stakeholders upon request and subject to internal approval.  |
| 102-46 | Defining report content and topic boundaries               | ✓ | 3.5.1. Sustainable Management System and Materiality   | Sustainability Management System; IFC Performance Standards and ESAP   | Boundaries of each material topic are limited to Tropicalia's property, everything that happens within the property, and the community that is impacted by the project activities: Miches Municipality, located within El Seibo Province.   |
| 102-47 | List of material topics                                    | ✓ | 3.5.1. Sustainable Management System and Materiality   | Sustainability Management System; IFC Performance Standards and ESAP; Biodiversity Management Plan; EIAs   | All the material topics are presented in the SMS as criteria and indicators. Material topics are also included in this Content Index,   |

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|---|--|---|--|-------------------------------|---|
|   |  |   |  |                               | Disclosures GRI 301-1 through GRI 419-1.  |
| 102-48  | Restatements of information                              | √ | -  | -                             | Disclosures 102-45 and 102-56 should have been reported upon as Partial, rather than Full ability to meet reporting disclosures.  |
| 102-49  | Changes in reporting                                     | √ | 7. Global Reporting Initiative   | -                             | Tropicalia was joined by two new stakeholders: IFC and IDB - international development bank lenders. As a result a new set of material topics were introduced to the project in 2018 when we finalized our Environmental and Social Action Plan (ESAP), and subscribed to IFC Env't and Social Performance Standards.   |
| 102-50  | Reporting period   | √ | Introduction   | -                             | January 2018 to December 2018   |
| 102-51  | Date of most recent report                               | √ | -  | -                             | April 2018  |
| 102-52  | Reporting cycle  | √ | Introduction   | -                             | The Corporate Sustainability Report is published annually. This is our eighth report.   |
| 102-53  | Contact point for questions regarding the report         | √ | Last page of report / credits  | -                             | Sofía Perazzo<br>Vice President of Sustainability<br>Cisneros Real Estate<br>sperazzo@cisneros.com  |
| 102-54  | Claims of reporting in accordance with the GRI Standards | √ | 7. Global Reporting Initiative   | -                             | This report has been prepared in accordance with the GRI Standards: Core option.  |
| 102-55  | GRI content index  | √ | 7. Global Reporting Initiative   | -                             |   |
| 102-56  | External assurance                                       | P | 3.4.1. Economic Sustainability:<br>International Lenders and Financing<br>3.5. Management and Governance<br>Mechanisms for Sustainable<br>Business<br>7. Global Reporting Initiative | -                             |   |
| <b>GRI 103: Management Approach (applies for all material topics covered)</b> |  |   |  |                               |   |
| 103-1   | Explanation of the material topic and its Boundary       | P | 3.5.1. Sustainable Management System and Materiality   | Sustainable Management System | Boundaries of each material topic are limited to Tropicalia's property, everything that happens within the property, and the community that is impacted by the project activities: Miches Municipality, located within El Seibo Province.<br>Material topics were identified as part of a materiality assessment based on complying with multiple internationally recognized best practices and reporting guidelines, including the LEED Scorecard, United Nations Global Compact, Global Sustainable Tourism Council Criteria for Destinations and Hotels and Tour Operators, Abu Dhabi Planning Council's Pearl Rating System for Estidama, among several |



|                                      |   |   |  |  |  |
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|                                      |   |   |  |  | others.  |
| 103-2                                | The management approach and its components      | P | 3.5. Management and Governance Mechanisms for Sustainable Business<br>7. Global Reporting Initiative | Sustainable Management System; Tropicalia EIA, Chapter 10 Biodiversity Management Plan / Biodiversity Monitoring and Evaluation Plan | <ul style="list-style-type: none"> <li>- Each material topic will be managed according to the guidance provided in the SMS per topic included.</li> <li>- EIA chapter 10 presents the Environmental Management Plan, which outlines the management strategies for the environmental material topics identified</li> </ul>  |
| 103-3                                | Evaluation of the management approach           | P | 3.5. Management and Governance Mechanisms for Sustainable Business<br>7. Global Reporting Initiative | Sustainable Management System Biodiversity Management Plan / Biodiversity Monitoring and Evaluation Plan                             | <ul style="list-style-type: none"> <li>- The management approach of each material topic will be evaluated quarterly against the indicators included in the SMS, considering the baseline data provided in each case as a point of reference.</li> <li>- Working groups that would tackle specific areas of our sustainability approach have been established, making sure that decisions made at the committee level are operationalized on the ground.</li> <li>- Tropicalia has been continually executing a rigorous Environmental Management and Protection Program (PMA), through which significant environmental management processes are implemented and relevant parameters closely followed and evaluated. All requested Environmental Compliance Reports (ICAs) have been presented to the Ministry of Environment and Natural Resources and no further reports are required until construction phase starts.</li> </ul> |
| <b>GRI 200: Economic topics</b>      |   |   |  |  |  |
| <b>GRI 201: Economic performance</b> |   |   |  |  |  |
| 201-1                                | Direct economic value generated and distributed | P | 4.1 10 Years Working with Miches<br>4.2 Our Achievements in 2018                                     | -  | Disclosure of community investments can be found in Section 4. Fundación Tropicalia.   |

|   |  |   |   |   |   |
|---|--|---|---|---|---|
| 201-2                                     | Financial implications and other risks and opportunities due to climate change | P | 3.4.2. Sustainable Design and the Importance of Thoughtful Architecture | Four Seasons DIA Chapter 8.5: Adaptation plan for climate change<br>Tropicalia EIA Annex 3.3: Climatic characterization<br>Biodiversity Management Plan / Biodiversity Monitoring and Evaluation Plan (BMP / BMEP)<br>LEED and EDGE scorecard | <ul style="list-style-type: none"> <li>- There are financial implications due to climate change that have been considered in design and development plans. These include, for example, the need to raise construction 2.5-3 m above sea level in order to protect the investment against sea surge.</li> <li>- Tropicalia vetted design decisions against its proprietary Sustainability Management System. Methods that will be used to manage the opportunities entailed include: use of Carbon Offsets, use of lower Carbon footprint energy, etc.</li> <li>- As part of our commitment to implementing environmentally friendly development, the project is anticipating LEED (Leadership in Energy and Environmental Design) Silver certification, corresponding to 50-59 points for sustainable design, construction and operation strategies. LEED certification prepares sustainable, energy efficient buildings that are resilient towards climate change, and that contribute towards climate change mitigation.</li> <li>- The BMP also provides guidance regarding beach Dune management and recovery, reducing threat of sea surge.</li> </ul> |
| 201-3                                     | Defined benefit plan obligations and other retirement plans                    | v | -   | Human resources payroll   | We comply with Dominican labor law and mandatory retirement plan: Employer contributes 7.10 % and employee contributes 2.87% of monthly salary to his/her retirement plan. 100% of Tropicalia/ICE employees participate in this plan. No other pension or retirement plan exists.   |
| <b>GRI 202: Market presence</b>           |  |   |   |   |   |
| 202-1                                     | Ratios of standard entry level wage by gender compared to local minimum wage   | v | 3.5.3 Labor and Human Rights  | EIA Chapter 7: Regulatory Framework provides an inventory of national and international standards and laws governing the development of Tropicalia.   | All full-time and part-time salaries are higher than the legal minimum wage. All positions are remunerated based on experience and position, and consider both men and women, including managerial positions. For minimum wage positions, male and female positions are compensated the same  |
| 202-2                                     | Proportion of senior management hired from the local community                 | v | -   | -   | <ul style="list-style-type: none"> <li>- All positions are given equal consideration to all people, including managerial positions. Locals occupy 2 of 4 senior management positions.</li> <li>- We prioritize hiring people that are from the local community.</li> <li>- Dominican citizens or permanent residents of the Dominican Republic are considered as 'local.'</li> </ul>  |
| <b>GRI 203: Indirect economic impacts</b> |  |   |   |   |   |

|                                       |   |   |  |   |  |
|---------------------------------------|---|---|--|---|--|
| 203-1                                 | Infrastructure investments and services supported   | ✓ | 4.4. Environmental Protection and Stewardship<br>4.5. Supporting Education<br>4.6. Productivity: Sustainable Tourism Supply Chain in Miches<br>4.7. Sociocultural Advocacy | Tropicalia EIA, Chapter 8 Annex presents a chart on potential impacts on the socioeconomic development of the local community during preconstruction, construction, and operation of Tropicalia.                          |  |
| 203-2                                 | Significant indirect economic impacts   | ✓ | 4. Fundación Tropicalia  | EIA, Chapter 8 Annex presents a chart on potential impacts on the socioeconomic development of the local community during preconstruction, construction, and operation of Tropicalia.<br><br>Fundación Tropicalia Website | - The relevance of the identified impacts was assessed in terms of intensity, extension, development, duration, and reversibility.<br>- Most of Fundación Tropicalia's initiatives and projects generate economic impacts on the Municipality of Miches.   |
| <b>GRI 204: Procurement practices</b> |   |   |  |   |  |
| 204-1                                 | Proportion of spending on local suppliers   | ✓ | 4.6. Productivity: Sustainable Tourism Supply Chain in Miches  | -   | Tropicalia and lenders have announced specific targets for inclusive supply chains, including but not limited to including up to 500 local MSMEs in the supply chain up through project maturation.<br><br>For the purposes of procurement, local is defined as an 80km radius from the project site.<br><br>Fundación Tropicalia: 100% of Fundación Tropicalia's activities are locally procured. |
| <b>GRI 205: Anti-corruption</b>       |   |   |  |   |  |
| 205-3                                 | Confirmed incidents of corruption and actions taken   | ✓ | -  | -   | No incident to date.   |
| <b>GRI 300: Environmental topics</b>  |   |   |  |   |  |
| <b>GRI 303: Water</b>                 |   |   |  |   |  |
| 303-1                                 | Interactions with water as a shared resource  | P | -  | Four Seasons DIA: Chapters 3, 4 and 8 discuss Tropicalia Four Seasons water source, consumption, discharge and catchments, as well as water management procedures for adequate use of water wells.                        | Tropicalia Four Seasons will source its water from 5 water wells located on Tropicalia property.<br><br>Catchment sites identified are primarily subterranean for the Four Seasons Tropicalia site.  |
| 303-2                                 | Management of water discharge-related impacts   | P | -  | Four Seasons DIA: Chapters 3, 4 and 8 discuss Tropicalia Four Seasons water discharge-related processes, impacts and management.  |  |
| <b>GRI 304: Biodiversity</b>          |   |   |  |   |  |
| 304-1                                 | Operational sites owned, leased, managed in, or adjacent to, protected areas and areas of high biodiversity value outside | ✓ | -  | Tropicalia EIA, Chapter 3<br>Four Seasons DIA<br>Critical Habitat Assessment<br>Biodiversity Management Plan /<br>Biodiversity Monitoring and Evaluation Plan   | The project is not located within any protected area or area of high biodiversity value. However, it is adjacent to a protected area, and areas of high biodiversity value are described in the project's EIA, DIA, BMP/BMEP and Critical Habitat Assessment   |

|  |  |   |  |  |   |
|--|--|---|--|--|---|
|  | protected areas  |   |  |  |   |
| 304-2                                    | Significant impacts of activities, products and services on biodiversity                                   | √ | -  | Biodiversity Management Plan / Biodiversity Monitoring and Evaluation Plan<br>Landscape Species List   | - As the project has not yet started construction, there have not been any impacts on biodiversity.<br>- Tropicalia revised its landscape species list with Botanical Garden experts and removed all non-native species from the list, such that Tropicalia will be landscaped with 100% indigenous, non-invasive species.  |
| 304-3                                    | Habitats protected or restored   | √ | 1. A Word from Adriana<br>2. 2018 Highlights<br>3.4.1 Economic Sustainability: International Lenders and Financing | Biodiversity Management Plan / Biodiversity Monitoring and Evaluation Plan<br>EIA, Chapter 10, presents the different proposed habitat management strategies   | A result of Tropicalia's Critical Habitat Assessment revealed that Tropicalia is located in a highly modified habitat with remnants of natural habitat. These remnants have been georeferenced and identified and will be managed in accordance the mitigation hierarchy.   |
| 304-4                                    | IUCN Red List species and national conservation list species with habitats in areas affected by operations | √ | -  | EIA, Chapter 3 presents a list of nationally and internationally protected species found within the property boundaries of the project<br>Biodiversity Management Plan / Biodiversity Monitoring and Evaluation Plan |   |
| <b>GRI 306: Effluents and waste</b>      |  |   |  |  |   |
| 306-1                                    | Water discharge by quality and destination   | P | -  | EIA Chapter 1<br>ICAs 1-11   | Tropicalia has been continually executing a rigorous Environmental Management and Protection Program (PMA), through which significant Environmental Management processes are implemented and relevant parameters closely followed and evaluated. In the case of water, quality of potable water, sea water, and wastewater is being continuously assessed and reported. |
| 306-3                                    | Significant spills   | √ | -  | -  | - No spills to date<br>- EIA Chapter 9 outline proper procedures for handling oil spills.   |
| 306-5                                    | Water bodies affected by water discharged and/or runoff  | √ | -  | -  | No water bodies have been affected to date due to runoff or discharges  |
| <b>GRI 307: Environmental compliance</b> |  |   |  |  |   |
| 307-1                                    | Non-compliance with environmental regulations  | √ | 3.4.3. Environmental Compliance and Expanding Recycling Efforts  | -  | - The organization has not been identified as non-compliant with environmental laws and regulations.<br>- EIA, Chapter 7 presents an inventory of national and international standards and laws   |

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|   |   |   |  |   | governing the development of Tropicalia.  |
| <b>GRI 308: Supplier environmental assessment</b> |   |   |  |   |   |
| 308-1   | New suppliers that were screened using environmental criteria   | P | -  | -   | BCRD (General Contractor) was screened for environmental compliance and strong environmental and social clauses were introduced in their contract, such that any subcontractor they hire would also have to comply.   |
| <b>GRI 400: Social</b>                            |   |   |  |   |   |
| <b>GRI 401: Employment</b>                        |   |   |  |   |   |
| 401-1   | New employee hires and employee turnover  | √ | 3.5.3. Labor and Human Rights<br>4.3 Strengthening Governance & Transitions  | -   | 3 employees (2 female, and 1 male). 0.04% turnover rate (rural, male in age between 30 and 50). Age 30 and under 1 male, 1 female rural region, >40 1 female urban region.  |
| 401-2   | Benefits provided to full-time employees that are not provided to temporary or part-time employees                            | √ | 3.5.3. Labor and Human Rights  | -   | All employees, full-time and temporary, are eligible for the same benefits, including: life insurance, health care, disability and invalidity coverage, parental leave, etc.  |
| 401-3   | Parental leave  | √ | -  | -   | No parental leave taken in 2018   |
| <b>GRI 402: Labor/Management Relations</b>        |   |   |  |   |   |
| 402-1   | Minimum notice periods regarding operational changes  | √ | -  | -   | No significant operational changes took place in 2018   |
| <b>GRI 403: Occupational Health and Safety</b>    |   |   |  |   |   |
| 403-1   | Occupational health and safety management system  | P | 2. 2018 Highlights<br>3.4.1 Economic Sustainability: International Lenders and Financing<br>3.5.1 Sustainability Management System (SMS) and Materiality<br>6. Looking Forward | General Contractor (BCRD) provided an EHS system including occupational health for all non-employee workers for construction phase of project.  | Tropicalia hired RINA consultants to develop the ESMS for the project, which will include an EHS and OHS procedure. These procedures were developed in 2018, and will be managed by the General Contractor and will be applied to non-employees during construction phase |
| 403-2   | Types of injury and rates of injury, occupational diseases, lost days, and absenteeism, and number of work-related fatalities | P | -  | General Contractor (BCRD) provided an EHS system including occupational health, employee handbook and identification of risks and management of risks for all non-employee workers for construction phase of project. | These procedures were developed in 2018, and will be managed by the General Contractor and will be applied to non-employees during construction phase   |
| 403-3   | Workers with high incidence or high risk of diseases related to their occupation  | P | -  | General Contractor (BCRD) provided an EHS system including occupational health, environmental and safety issues.  | These procedures were developed in 2018, and will be managed by the General Contractor and will be applied to non-employees during construction phase   |

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| 403-4  | Health and safety topics covered in formal agreements with trade unions  | P | -  | General Contractor (BCRD) provided an EHS system including occupational health, environmental and safety issues. | These procedures were developed in 2018, and will be managed by the General Contractor and will be applied to non-employees during construction phase   |
| 403-5  | Worker training on occupational health and safety  | P | -  | General Contractor (BCRD) provided an EHS system including occupational health, environmental and safety issues. | These procedures were developed in 2018, and will be managed by the General Contractor and will be applied to non-employees during construction phase   |
| 403-7  | Prevention and mitigation of occupational health and safety impacts directly linked by business relationships  | P | -  | General Contractor (BCRD) provided an EHS system including occupational health, environmental and safety issues. | These procedures were developed in 2018, and will be managed by the General Contractor and will be applied to non-employees during construction phase   |
| <b>GRI 405: Diversity and Equal Opportunity</b>                  |  |   |  |  |   |
| 405-1  | Diversity of governance bodies and employees   | √ | 3.5. Management and Governance Mechanisms for Sustainable Business | -  | a. Sustainability Committee and sub committees in 2018 are composed of 13 members: 7 female, 6 male. 0 under 30 years old, 4 over 50 years old.<br>b. 28 employees:<br>- Men: 16 - Full time<br>- Women: 12 - Full time<br>- Rural (including Miches): 17 - Full time<br>- Urban: 11 - Full time    |
| 405-2  | Ratio of basic salary and remuneration of women to men   | √ | -  | -  | All full-time and part-time salaries are higher than the legal minimum wage. All positions are remunerated based on experience and position, and consider both men and women, including managerial positions. For minimum wage level positions, male and female positions are compensated the same. |
| <b>GRI 406: Non-discrimination</b>                               |  |   |  |  |   |
| 406-1  | Incidents of discrimination and corrective actions taken   | √ | -  | -  | There have been no incidents of discrimination during the reporting period.   |
| <b>GRI 407: Freedom of Association and Collective Bargaining</b> |  |   |  |  |   |
| 407-1  | Operations and suppliers in which the right to freedom of association and collective bargaining may be at risk | √ | -  | -  | None during this reporting period.  |
| <b>GRI 408: Child Labor</b>                                      |  |   |  |  |   |
| 408-1  | Operations and suppliers at significant risk for incidents of child labor                                      | √ | -  | -  | None during this reporting period.  |
| <b>GRI 409: Forced or compulsory labor</b>                       |  |   |  |  |   |



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| 409-1                                      | Operations and suppliers at significant risk for incidents of forced or compulsory labor | ✓ | -  | -   | None during this reporting period. General Contractor has policies in place to prevent child labor in all operations and subs operations during the construction phase.   |
| <b>GRI 413: Local communities</b>          |  |   |  |   |   |
| 413-1                                      | Operations with local community engagement, impact assessments, and development programs | ✓ | 4. Fundación Tropicalia  | EIA, Chapter 8, presents a social impact assessment | All current operations and processes are implemented with local community engagement. No formal grievance mechanisms exist at this time.  |
| 413-2                                      | Operations with significant actual and potential negative impacts on local communities   | ✓ | -  | EIA, Chapter 8, presents a social impact assessment | Through Fundación Tropicalia we are consistently engaging community stakeholders and communicating relevant risks and opportunities related to Tropicalia via our Stakeholder Engagement plan.  |
| <b>GRI 414: Supplier social assessment</b> |  |   |  |   |   |
| 414-1                                      | New suppliers that were screened using social criteria                                   | P | 3.5. Management and Governance Mechanisms for Sustainable Business | Environmental and Social Action Plan                | We have included a clause listing the principles of the UNGC in all of our contracts, including our five major partners and contractors. We also have sustainability clauses included in major contracts, particularly with General Contractor and any contractor hired for the construction phase. |
| <b>GRI 419: Socio-economic compliance</b>  |  |   |  |   |   |
| 419-1                                      | Non-compliance with laws and regulations in the social and economic area                 | ✓ | 3.5. Management and Governance Mechanisms for Sustainable Business | -   | - The organization has not been identified as non-compliant with socio-economic laws and regulations.<br>- EIA, Chapter 7 presents an inventory of national and international standards and laws governing the development of Tropicalia.   |

| LEGEND |   |
|--------|---|
| ✓      | We fully meet the disclosure and include all information required in the report, the table under the "notes" section, or in another report/study. |
| P      | We partially meet the disclosure and include available information in the report, table, or other report/study.                                   |

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Please visit [www.sustainability.tropicalia.com](http://www.sustainability.tropicalia.com) and follow us on social media to share our sustainable vision for this world-class development.