

MANAGEMENT AND GOVERNANCE MECHANISMS



ENVIRONMENTAL AND SOCIAL MANAGEMENT SYSTEM

Our Environmental and Social Management System (ESMS) effectively replaced Tropicalia's Sustainability Management System and prompts us to analyze issues in key topic areas such as stakeholder engagement; the environment, health and safety of workers; contractor management; sustainable supply chains; and grievance mechanisms, among other issue areas.

Every ESMS document defines the scope of application and the user group (ownership, hotel operator, general contractor, suppliers and subcontractors) responsible for implementing the plan, policy or procedure outlined by this management system. The general scope of the ESMS encompasses Four Seasons Tropicalia, the Tropicalia estate and Fundación Tropicalia when appropriate; which also coincides with the reporting boundaries of our sustainability report.

- Tropicalia developed its ESMS in compliance with IFC Performance Standard 1, comprising 44 procedures, plans and policies that set targets and objectives for Tropicalia's environmental and social performance.
- We defined our external grievance mechanism, effectively identifying our external stakeholders and the process by which Tropicalia will manage community concerns and recommendations during construction and operation.
- We managed local stakeholder relations in coordination with Tropicalia's Institutional Relations Manager based out of our Miches office, providing a space for ongoing and open-door consultation with community and sectoral stakeholders. Concerns are assessed and channeled to Tropicalia's executive team for proactive resolution.



LABOR AND HUMAN RIGHTS

We remain committed to the protection of human and labor rights as a fundamental element for creating a healthy workplace.

- We translate these commitments into policies that counter child labor, advocate for gender equality, equal opportunity employment, and encourage individual freedom of association.
- Our newly developed ESMS includes procedures for: Human Resources Management and Recruitment Procedures; Environment, Health and Safety of Workers; and an Internal Grievance Mechanism Procedure, all of which comply with IFC's Environmental and Social Performance Standards as well as local regulation.
- We are proud to say that more than 45% of our current employees are women; all employees are remunerated based on experience and position.
- We hire and train local residents (nearly 70% come from rural regions); and all Miches-based operations implement local community engagement and development programs via Fundación Tropicalia.



SUSTAINABILITY COMMITTEE

Tropicalia's Sustainability Committee is a 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 senior level Cisneros executives hailing from a wide variety of roles and backgrounds, in addition to external advisors, which are convened depending on the particular topic and area of expertise that is needed.
- In November 2019, we rescheduled our annual meeting to the first quarter 2020 due to scheduling conflicts of our team. Continuity regarding sustainability programs and implementation was guaranteed throughout the year.
- The Sustainability Committee is the most important governance body that reviews social and environmental issues for the project. The Committee plays an advisory role and guarantees the financial and human resources necessary for implementing Tropicalia's sustainability programs.

In light of the current global pandemic, the Committee is prepared to assess and restructure strategy in order to respond to the new realities affecting our industry.



COMMITMENTS TO THE UNGC AND SUSTAINABLE DEVELOPMENT GOALS

We remain committed to the 10 principles of the United Nations Global Compact and the Sustainable Development Goals, which offer a critical path for business to achieve collective environmental and social objectives. Specifically, Tropicalia is driving the following SDGs:

- SDG 5 for Gender Equality: We constantly push forward women and girls' empowerment by implementing equal opportunity hiring policies, monitoring gender balance in our workforce and via the work of Fundación Tropicalia, which actively supports women and girls in agriculture, education and entrepreneurship.
- SDG 8 for Decent Work and Economic Growth: Our entire business model is structured around sustainable tourism, thereby supporting the local government in promoting cultural integrity and local consumption.
- SDG 9 for Industry, Innovation and Infrastructure: We support SDG 9 via our pursuit of LEED and EDGE certification, both of which account for infrastructure resilience in the face of climate change.
- SDG 12 for Responsible Consumption and Production: Tropicalia's annual sustainability reports support SDG 12 as we pride ourselves on transparency and communication of our business' impact in the world.
- SDG 15 for Life on Land: Our biodiversity management plan and environmental programs support SDG 15 as we aspire for 100% compensation of deforested areas and plan on using only native, non-invasive species for gardening and landscaping.

It's worth noting that Fundación Tropicalia supports SDGs 2, 4, 5, 8, 11, 14, 15 and 17 as well via its community development programs in the areas of education, environmental protection, economic inclusion and sociocultural advocacy.