

## SUSTAINABILITY REPORT **2023**

Car Million Christ

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## MESSAGE FROM LEADERSHIP

#### **CONNECTIONS THAT REGENERATE!**

Over the last 5 years, the world has undergone an unprecedented transformation and with this we must face important challenges, all of which involve sustainability. It is no longer enough to talk about sustainable tourism; we must deepen our actions to achieve a more significant impact on our environment through **"Regenerative Tourism"**.

The intrinsic sustainability that runs through the fabric of our business translates into ensuring that our guests and visitors can connect in a conscious and genuine way. Connect with ourselves, with others, with nature and the communities from where we operate.

Only together: government, companies, customers, suppliers and communities, can we restore environments, generating economic value and prosperity by true actions for people and nature. Through our sustainability program, we seek to impact positively and with innovation, through good environmental, socioeconomic and cultural practices.

We hope that our 2023 Sustainability Report can be a tool to inspire and motivate others to continue generating well-being through tourism, and through connections that produce life, health and positive transformation for present and future generations.

Likewise, we invite you to join Tabacón on this exciting path of sustainability. How can you do it? By participating in our sustainability program or providing us with feedback, support and knowledge.

Let's continue together, creating connections that regenerate our communities!

ANDREY GÓMEZ

• GENERAL MANAGER

### **COMMITTED TO SUSTAINABILITY**

The spirit of a true sustainability lover is alive!

Creating memorable experiences for our people and for those who visit us requires innovation, creativity and many other elements that guarantee the highest levels of quality; However, the essence of sustainability is achieved through a genuine interest in preserving and ameliorating/bettering what we leave behind for future generations.

From our founder Jaime Mikowski on, Tabacón has been an example of sustainable hospitality in the Tourism industry for more than 31 years; Not only because he was passionate about the sector, but also because his vision for the destination's progress was ahead of its time. The beginning of this company marked the birth of La Fortuna as a destination, thanks to the acquisition of a property that was previously used for livestock. By rewilding the land and creating one of the first hot springs in the area he was thinking about the development of our community in a global context, to attract travelers from all over.

Thanks to this, ourthe company emerged, but always with the idea of supporting the development of the community, its people and the conservation of the environment at its core; providing giving opportunities forto the local population. This is how our sustainability efforts for sustainability were born, however, for Jaime and for us it's but more than this., It's the idea of INSPIRING this industry to work to offer experiences centered around under a unique concept that raises awareness and drives business towards to visit conscious tourism companies. For us, this awareness has led us to develop our activities under the principle of harmony in all areas, balancing the well-being of the people and their progress along with that of the tourist destination. This is how our involvement in initiatives to support community development have come about, out of a genuine interest and because we understand that it is essential for everyone to prosper.

This commitment, coupled with and our constant evolution, as well as and the desire to multiply the scope of our actions, led us to launch our new sustainability program.





## **TABACÓN AND THE SDGs**

#### OUR COMMITMENT TO THE FUTURE: A COMMITMENT TO ACTION

The Sustainable Development Goals (SDGs) are a blueprint for action for people, the planet, prosperity, peace, and working together. For Tabacón, they represent an important reference point as we execute our Strategic Sustainability Plan and during the pandemic period by increasing our actions in pursuit of the well-being of all.

Our actions are reflected in specific SDGs, which we believe can help drive progress and support our philosophy.



### **PURPOSE:**

"Create and inspire experiences to immerse ourselves in life"



## VALUES:

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Put ourselves in the shoes of the other, listening without judging, so we can communicate and connect. We deserve to be treated like guests of the house and feel special to be part of the Tabacón family.

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Go the extra mile, do more than wat is expected of us, put our heart in everything and inspire those around us. Adding a spark is knowing that any action is an opportunity to shine in our work, as we must aspire to be the best of the world in what we do.

## WE ARE AN ECOSYSTEM

As a live ecosystem we all depend on one another. If one of us fails, the entire ecosystem will be affected. Thinking that we are only one ecosystem means understanding that we are connected, that it is not only about working well as a team, but also watching out for every member of this family that complements me.

## PASSION FOR BEAUTY

The beauty that surrounds us is an inspiration and everything we do aims at honoring it. The attention to design, how we present ourselves and all our creations must reflect this celebration through balance, form and style.

### ENSURING THE FUTURE

Thinking about the future means connecting with the persons around us in a sense of higher community, while we also respect our natural environment and add value to it, thus ensuring that future generations may also enjoy it.

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# GENTE QUE FLUYE

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## **GROWING TOGETHER!**

In an atmosphere of camaraderie and teamwork, the Tabacón Family performs with professionalism, maintaining the highest quality standards of service for our guests, suppliers and visitors.

This would not be possible without the innovation and dynamism that characterizes our company, always seeking continuous improvement in the processes, training and development of our staff.

Thus, in 2023, 6,750 people hours were invested in technical training, combined with other training in various areas of hotel management. In total 8,751 people hours of training were completed.





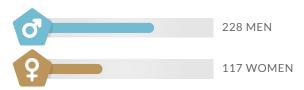


#### A FAMILY EXPERIENCE FROM DAY ONE

With Tabacón's **"Induction Program"**, we seek to ensure that from the moment they join, each new employee feels welcome and part of the family. In our induction, in addition to introducing our core purpose and values, we take a trip through each area of the company and share our internal culture. Also, through gamification methodology they live a 2-day experience, learning through game.



#### STAFF 2023: 345 TOTAL



#### INTERNAL VOLUNTEERING

With our internal volunteer program, employees can do complete 'work experience' hours of practice in various areas of the company, accumulating skills experiences that will allow them to grow in their professional development, expand their knowledge and be able to apply to future positions.

In 2023, 9 employees finished their internal volunteering for a total of 1,350 hours. These experiences are enriching for them and at the same time for the areas where they carry out these practices.

#### **INTERNAL PROMOTIONS**

Our culture of continuous growth has allowed us to open up development possibilities within the organization. Also, by knowing the talents of our employees as well as their personal interests, we can open doors and paths to new opportunities.



## **INTERN PROGRAM: DOORS OPEN TO GROWTH!**

As part of our commitment to the social responsibility that characterizes us has allowed us to be a we pride ourselves on being a company that welcomes with open doors to receive interns from different institutions, such as the National Learning Institute (INA – Instituto Nacional de Aprendizaje), Technical Colleges, Institutes and Universities.

#### **DUAL EDUCATION**

Our alliance with the National Learning Institute (INA) allowed us to resume our participation in Dual Education programs in 2023, where the training of students is based on daily practical experience combined with the theory and knowledge they receive in the classroom.

In 2023 we received 3 interns from this program in the Food and Beverage Department.

#### **STUDENT TOURS**

Every year students from national and international institutions have the opportunity to learn about our culture at Tabacón. We provide them with an insight into how we do things, customer service and various other tourism topics. Thus, we are also a 'school hotel' for many students who are eager to learn.

In 2023 we received 3 groups of students:

- Universidad Técnica Nacional in Alajuela
- ETAI Santa Clara
- University of Louisiana at Lafayette



Thus, being a sustainable company leads us to seek solutions, not only for the growth of our people now, but for those who will continue our legacy. At Tabacón we believe that the driving force behind the development of our society is quality education that trains the professionals of tomorrow; under the ideology of educating for life by forming perceptive "human beings".

Through their education and wellbeing, developing in a community that provides opportunities, these children and youngsters are the ones who occupy positions in our organizations in the future. Being part of the local population, with their innate sense of belonging, they are the ones who will provide travelers with a memorable experience by presenting the destination as a "home away from home".

## LIVING OUR VALUES

Celebrating each year as part of our Tabacon family has great meaning. We celebrate the careers of our employees, and we love to honor loyalty and commitment.

That is why every year we hold a very special event to celebrate our employees who celebrate 5, 10, 15, 20 and 25 years of service.

QUINQUENNIALS 2022		
QUINQUENNIAL	EMPLOYEES	
20 years	5	
15 years	3	
10 years	7	
5 years	15	

## **MEMORABLE MOMENTS**

Our culture of service encourages us to create memorable moments for our guests and employees. Therefore, it fills us with great satisfaction to celebrate and recognize special dates internally, creating experiences full of joy, solidarity and camaraderie.

#### **ACTIVITIES IN 2023**

- Delivery of school supplies: as part of our social responsibility program and our interest in collaborating on the education of our employees' children, in January of each year a school package is delivered to them; in 2023, 120 packages were delivered.
- Worker's Day: ia delicious lunch was held to pamper colleagues and express how valuable each and every one of the Tabacón Family is.
- Independence Day Celebration: that day was commemorated with a special lunch and dinner and live marimba music.

- Children's Day: a table football was purchased for the employees, holding a tournament to celebrate Children's Day and in addition, a present was given to each of our employees' children.
- Commemoration of International Women's Day: We commemorated this day with a talk and a small gift to our colleagues, in appreciation of their effort and performance in the Tabacón family.





## DELIVERING EXCELLENCE

## **CREATING QUALITY EXPERIENCES**

#### COMMITTED TO INNOVATION, QUALITY AND CONTINUOUS IMPROVEMENT

Our commitment to sustainability includes a rigorous focus on the quality of our services and operations. We continue to build on establish our essence of natural and genuine service, combined with the national and international standards of excellence.

• Quality management: constant internal and external audits to ensure compliance, allowed us to achieve 99% in Small Luxury Hotels of the World's Mystery Inspectors program, the highest qualification in our service history.



- Evaluation and Feedback: We conduct satisfaction surveys with our guests to compile valuable comments and improve from them.
- Future initiatives: We plan to implement new technologies to optimize our guests' experiences.

## **RECOGNITIONS OF 2023**

Every year our culture of excellence allows us to receive outstanding recognitions that fill us with great satisfaction, since these awards reflect the service we provide, how we live our values, and the innovation and the hard work of our entire work team.

We are a founding member of the SLH Considerate Collection and a member of the Virtuoso Sustainability Community & Culinary Community.

We applaud the outstanding work of our leaders and staff in general!



- Condé Nast Traveler Readers' Choice Awards 2023
  - Top 20 Resorts in Central America (#7)



- Tripadvisor Travelers' Choice Awards 2023
  - Thermal Resort: Top 10% of the world's best attractions
  - Top 25 Hotels in Costa Rica (#10)
  - Top 25 Luxury Hotels in Central America (#11)
  - Top 25 Luxury Hotels in Costa Rica (#9)

#### CERTIFICATIONS



- Category 5 stars Costa Rican Tourism Institute Instituto Costarricense de Turismo.
- Elite Level in the Tourism Sustainability Certification (CST) of the Costa Rican Tourism Institute; in the categories Lodging, Gastronomy and Thermal Waters & Spa.
- Ecological Blue Flag Program in the category of Climate Change.

#### MEMBERSHIPS





## WELL-BEING FOR ALL

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## A PURE LIFE IS PRESENT IN THE COUNTRY OF "PURA VIDA"

Our purpose is to create and inspire experiences to immerse ourselves in livingfe, in an inherited space full of details designed to celebrate every minute. A different concept leads us to integrate the various elements and connect with the most profound in the search for a state of calm.

Mentioning Tabacón is synonymous withto well-being, from its biodiversity to human warmth and of course delivered to everyone equally. Starting with our hot springs, whiche naturally increases the production of endorphins, and, through their properties, we help many people heal with therapies gifted by nature.

We work by activating all the senses: taste, smell, touch, sight and hearing.

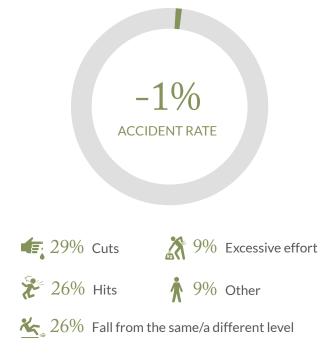
- Through our sustainable gastronomy: healthy flavors, native and locally sourced foods, smells, colors and textures.
- Environment full of the sounds of nature, forest, thermo-mineral water and animals.
- Therapies for body and mind, touch and aromas at The Spa.

The health and well-being of our people - staff, suppliers, clients and community in general - are among our absolute priorities. Therefore, we work for your health through initiatives that seek to improve mental, physical, social and environmental well-being.

Since our foundation, social good has led us to work both internally and externally in spaces that are healthy for the development of people. Supporting organizations, fairs, activities that promote safe spaces, mental health, training and education; everything related to the quality of life of those around us and therefore their well-being.



## SAFE, HEALTHY AND SUSTAINABLE TABACÓN



#### **OCCUPATIONAL HEALTH**

A company with healthy and happy staff is a productive company, therefore we promote activities focused on the team's physical and mental health.

#### **Activities:**

- Fair "For your Health".
- Balneation in hot springs.
- Nutrition talks on "Emotional Management".
- Consultations with the Costa Rican Social Security Fund (Caja Costarricense de Seguro Social CCSS) and consultations for women.
- Educational activity on breast and prostate cancers, taught by the Ministry of Health and CCSS.
- Participation in the National Brigades Challenge of the National Insurance Institute (Instituto Nacional de Seguros).
- Participation in the local Brigades Challenge.

#### SAFETY TRAINING

- First aid and CPR: This year we have trained approximately 90 employees from all areas of the company in first response care and CPR. Taught by the Meritorious Fire Department of La Fortuna.
- Incident command system: For the control and coordination of response to an emergency situation. Managing to stabilize the incident and protect the lives of people, their property and the environment that could be affected.
- Fire control workshop.
- System and ropes: For vertical and water rescue.
- Fixed fire-fighting system.







#### NATIONAL BRIGADES CHALLENGE

We brought home **FIRST PLACE** in the National Non-Industrial Brigades Challenge, a competition that takes place annually at the National Fire-fighters' Academy, in which companies from all over the country and from different industries participate.

It is an award for the effort, discipline, courage, bravery of a group that represents the essence of the Tabacón employee.

## PARTICIPATION IN THE NATIONAL EMERGENCY DRILL

Every year we raise awareness, prepare and evacuate to strengthen the capabilities of our staff in the face of the type of emergency situations we could be exposed to at Tabacón.





#### HEALTHY AND SAFETY COMMITTEES

#### SPORTS COMMITTEE

The well-being and improvement in the quality of life of our employees are a fundamental pillar for Tabacón. Therefore, several years ago we constituted a "Sports and Recreation Committee", which seeks to promote physical activity and healthy coexistence among colleagues.

2023 was full of activities such as:

- Hikes
- Recreation on bicycles
- Zumba classes

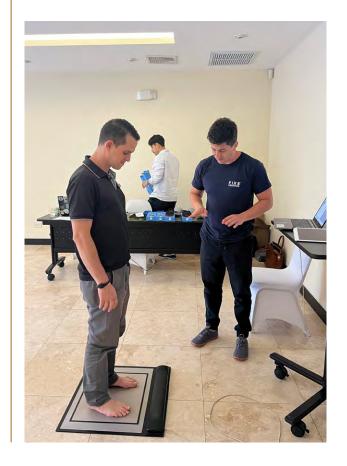
- Internal football championship
- Participation in labor games 2023
- San Carlos relay race 2023

#### **OCCUPATIONAL HEALTH COMMITTEE**

#### **COMMITTEE FOR YOUR HEALTH**

## COMMUNITY EMERGENCY COMMITTEE OF LA FORTUNA

The National Emergency Commission and the Municipality of San Carlos took the initiative to constitute a new community committee in La Fortuna, in which Tabacón plays a proactive role.





## WELLNESS THROUGH THE SPA

#### THERAPIES WITH HEALING POWER

Through our Spa we are committed to the mission of bringing well-being in all its forms to human beings, addressing every aspect that defines us, and every sense, system and cell that makes us up. Our passionate team is trained to. ensure that our visitors are guided through their SPA experience and treatments by experienced and capable hands and leave better able to take care of themselves.

In 2023 we perfected ourselves by polishing the skills and abilities of our staff in each of the techniques that make up our service offerings. New service protocols were developed and created for the staging of a new menu planned for 2024.

With great excitement and motivation, our staff trained in techniques such as Vibra Healing, the healing power of vibrations.

With the intention of restoring the natural frequency of each cell in the body, breaking energetic/emotional blockages, introducing new energy, and stimulating brain waves inducing deep relaxation, Sound Healing is here to stay in The Spa's new service offering.









#### CÉSAR TEJEDOR WELLNESS EXPERT

We had with us César Tejedor, Health and Wellness Expert, who in 2020 was awarded Best Trainer in Europe and the United Kingdom in the Hall of Wellness Awards. He is a physiotherapist, trainer and consultant, specialized in Asian techniques, project definition and conceptualization of wellness spaces, among many other things. César immersed our team in Sound Healing and took them, step by step, on a journey through Asia and the origins of the bowls.

#### RECOGNITIONS

#### Hall of Wellness Awards - Winner 2020

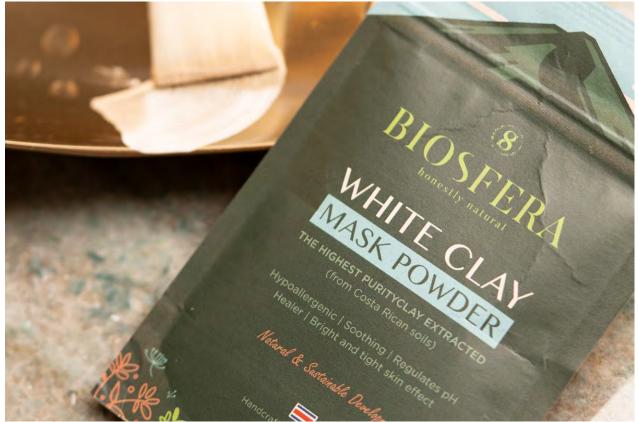
- Best Trainer in Europe & UK
- Top 3 Wellness Therapist in the World

## **CERTIFIED QUALITY HEALTH**

#### SAMPLING VISITS AT BIOSFERA LAB

Maintaining quality in the supplies we use in our treatments is essential. We combine luxury with nature, working together with our commercial partner Biosfera Skin Care to stay at the forefront of locally-produced, environmentallyfriendly products. This phyto-cosmetic laboratory allows us to highlight natural, Costa Rican raw materials from different parts of our beautiful country.

One of our objectives is to support small and medium-sized farmers and producers who specialize in artisanal crops and uphold excellent manufacturing practices. Additionally, we prioritize environmental responsibility and strive to maximize the benefits of each raw material, a philosophy that aligns closely with the values of Tabacón and The Spa.









## **DIVERSITY AND INCLUSION**

#### "To look with the eyes of the heart"

The ability to adapt or evolve is always required to improve in any sense. When it comes to customer service, it is no exception, and it has been through the years and our experiences that we have created our own concept of host.

Today, we recognize that adapting to the diverse physical and mental abilities, traits, and emotions of our clients is essential. Our commitment to sustainable development embraces everyone, ensuring equal opportunities for tourist enjoyment and making our visitors feel "at home."

For example, during this period, we focus on providing preventive maintenance to all access points and areas to ensure smooth mobility for every visitor. Additionally, as a top priority, we continue to offer training and awareness programs for our staff. These initiatives not only educate them about proper care but also foster greater empathy.

Thanks to our membership of the National Council of People with Disabilities and the Business Alliance for Sustainability, we trained 41 people from La Fortuna (including Tabacón employees) in the workshop "Tourist enjoyment for people with disabilities."

#### MEMORABLE EXPERIENCES FOR ALL

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5 rooms that are 100% accessible.



Bars and restaurants with facilities.



Trails, corridors and ramps enabled both in the hotel and in the thermal complex.



Equipment available such as canes, crutches and conventional wheelchairs.

And other.



## **INNOVATION WITH A SENSE FOR SUSTAINABILITY**

#### ARCHITECTURE FROM THE PASSION FOR BEAUTY

Our social and environmental responsibility, as well as our resilient essence, has led us to adapt to the many changes over the years, including climate change and its effects. This has been essential in a business like ours, but the biggest challenge has been using the different methods we have to influence others into joining in the initiatives in their daily lives.

We focus on employing solid and sustainable principles throughout the entire life cycle of our infrastructure and operation, so that every detail is thought through twice. Likewise, maintaining our commitment to the regeneration of ecosystems and the protection of resources, our task has been to create spaces immersed in nature under a concept that respects the environment.

#### **REBORN AND RENEWING**

In 2023 we began construction of two very important projects, which fill us with great joy and have been the result of a great effort to develop sustainably.



#### CHOYÍN THERMAL RIVER IS BORN FROM LAS FUENTES DEL ARENAL

In the 1990s, Tabacón was born from the vision of our founder, in a space for enjoying hot springs called "Las Fuentes del Arenal" (the Sources of the Arenal). This iconic space represented the beginning of La Fortuna as a tourist destination, where locals and visitors could enjoy the benefits of these thermos-mineral waters.

Thanks to the effort and dedication, it became a renowned site that lives in the memory of those who knew it, with moments of family, friends and love for this wonderful destination. Thanks to the effort and dedication invested, Las Fuentes del Arenal it has become became a renowned destination that remains in the memories of those who experienced it, filled with moments of family, friendship, and love for this wonderful place.



Years later it closed, giving the opportunity to entrepreneurs in the area to attract many of the visitors to this independent tourist complex and continue promoting community development. In 2023, Tabacón's management decided to reopen the project as a "sister" business to Tabacón, aiming to adapt it to modern conditions while preserving the essence of what once existed there.

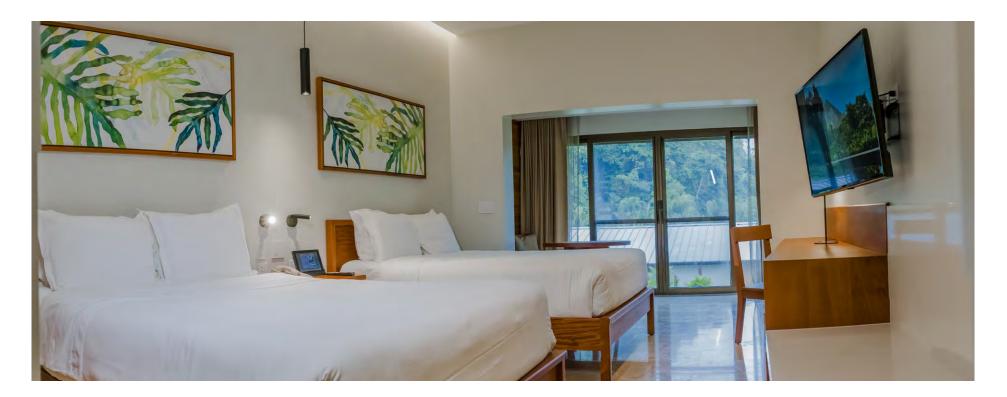
Our goal is to begin operations in 2024, inviting both locals and foreigners to enjoy the same mineral wealth of the Tabacón River in a renovated, attractive, and high-quality space.

#### CONSTRUCTION OF THE NEW PRODUCTION KITCHEN

Thanks to the growth the company has had and with the objective of providing excellent service and the very best facilities for our F&B team, construction of our new production kitchen began in 2023. It is a space that will be equipped as a multi-functioning kitchen, with state of the art features.

It will have areas for fish, meat, vegetables, storage, preparation, cellar and washing areas, among many others. Therefore, in addition to being a space that will bring together talented collaborators, it will function as a **culinary research and innovation center** also opening the doors to training of young people in our community.





#### THE ANNUAL "GLOW UP" FOR OUR ROOMS

All spaces require maintenance to continue showing freshness, quality and luxury, which is why the "Perfect room" program is carried out year after year. This year it was carried out as usual, to provide the necessary refreshment to the spaces in a predictive, preventive and corrective manner.

In addition, in 2023 during its development, a larger renovation was carried out on our Orchid room block module 300, belonging to the Orchid category. Some of the implementations included:

- Changes in wooden details.
- Wooden furniture, with a local supplier.
- Updating the lighting system (as in other areas), which contributes to savings.
- Renovation of walls and floors.
- And more.

#### DISINFECTION OF MATTRESSES AND SOFAS WITH OZONE

Ozone is a disinfectant 1000 times more powerful than chlorine (bleach) and its byproduct is oxygen. Because the ozone molecule is unstable, it disintegrates in the environment in just 20-30 minutes, making it very effective and safe.

We use Ozone to guarantee maximum cleanness in our mattresses and sofas, ensuring that they are free of molds, parasites and bacteria in general. The cleaning processes are certified by an authorized external entity, obtaining extraordinary results in their general cleaning.

# COSTA RICAN IDENTITY

## SUSTAINABLE GASTRONOMY

#### A TASTEFUL CULTURAL LEGACY

Cooking is part of our cultural heritage and, along with many other elements, provides a sense of belonging that strengthensour identity. For us it has always been valuable to transmit our culture to those who visit us and work hard for its rescue and conservation.

#### FINE DINING, A SENSORY ADVENTURE

In 2023, we elevated the fine dining experience at Tucanes restaurant by introducing a modern menu that blends first-world dishes and cocktails with Costa Rican flavors and ingredients, showcasing our rich gastronomic culture to the world in a unique and memorable way.

## SUSTAINABLE WINES FOR A UNIQUE EXPERIENCE

An essential part of our clients' gastronomic experience is enjoying quality wines that enhance their overall enjoyment. Therefore, we have meticulously curated our wine selection, focusing not only on exceptional quality but also on sustainability.

#### FLAVORS OF OUR PEOPLE

Creativity, innovation, passion and dedication are some of the qualities that characterize our employees. We have always considered ourselves a school, in which not only employees learn, but also teach others and can innovate and contribute to different processes.

Thanks to the talent of our expert beverage collaborators, in this period we achieved a 70% renewal of the menu in three bars. In addition, we presented alternatives for all tastes and also included the Zero Waste cocktail concept.





#### A DETAIL THAT TASTES LIKE "PURA VIDA"

One of the many qualities of gastronomy that we particularly cherish is the ability to express feelings through flavors. The opportunity to celebrate, captivate, and communicate emotions through carefully prepared dishes allows us to savor and understand what others wish to convey.

Thanks to this and to the experts who make these preparations, we have managed to include homemade amenities for our clients, many of them with traditional recipes. For example, we find cajetas, a very traditional sweet in our country linked to typical patron saint festivals; with which we evoke memories of great meaning for those who try them.





#### BREAD OF EVERY DAY

A great achievement in 2023 was the rise of our bakery, not only to take advantage of inhouse talent for our own creations, but also reducing the carbon footprint involved in purchasing these products. Likewise, it was a great opportunity to reinforce food inclusivity, since products such as **gluten-friendly** are now also part of our production.

#### SATISFYING INCLUSIVITY

This period was extremely important to increase the options for "special diets", both in dishes and drinks. Each menu offers the specifications of the preparations, so that it is indicated if it is vegan, gluten friendly or similar.

In addition, inclusive options are also included in drinks that offer vegan, organic, biodynamic and natural alternatives; as well as for people who prefer not to consume alcohol.

## SUSTAINABLE LOCAL SUPPLY

One of the pillars of work in Tabacón is sustainable local supply, from where we work every year to incorporate new products or services from across the country, as well as from the northern region and the canton of San Carlos.

The fact that our suppliers have sustainability practices in their processes is very important to us. Therefore, it is essential to know these actions and for our suppliers to also identify with our sustainability strategy.

We also seek to build relationships of trust and respect, in which transparency, ethics and joint work allow us to grow and learn from each other for the success of all.

Contributing to the growth of local economies through sustainable local supplies will always be one of our priorities. Below, we present a short review of one of our suppliers. His testimony fills us with satisfaction and is a true reflection of our work together with our suppliers.



#### CONSTRUCTORA MASABA A TRUSTED PARTNER!

"Thanks to the motivation of a friend who told me: Freddy, you can start a construction company, I began to take the first steps to have my own business. Three years later they called me from Tabacón to give me the opportunity to work on a pedestrian bridge. At that time they gave me their trust and 10 years later I continue to be an ally for the hotel's construction projects."

"For me, Tabacón is my second home, I feel very happy to work with this company. Management and leadership know my work and gave me the opportunity from day one," Freddy describes.

Today the company continues to grow with its manager Michael Salazar, thanks to this joint work and the effort put into each project, MASABA is able to employ workers from the region, which depending on the project, has benefited up to 65 people (families) in its charge, working with honesty, responsibility and punctuality.

For Freddy, working together with Tabacón has allowed him to be a trusted partner, his business has grown, and the hotel has recommended him for other work on tourism projects.

Freddy mentions that he will always be on hand to work on the renovations and new projects the hotel promotes. He appreciates working with a company that listens to solutions and has also permeated part of his culture into his company, as they feel like part of the Tabacón Family.

# SUSTAINABILITY IN ACTION



#### The inheritance of a heart that still beats!

Years ago, we were taught that resources were unlimited, which led to inadequate practices, in addition to a lack of concern about consumption that amounted to exploitation. Mr. Jaime Mikowski, our founder, saw in Tabacón and La Fortuna the potential of a destination that could become internationally recognized, as long as its development was sustainable.

The vision of a man, in times where the term sustainability was still unknown, but of which he took ownership, allowed to create this majestic place and transmit it to those around him, reaching up to this day. This land inherited by that noble heart must be preserved so that others may be inspired by example and replicate it around the world.

Our work is to harmonize between consumption and regeneration, to change paradigms to create our own concepts adapted to reality.

## **OPERATIONAL FOOTPRINT**

#### RECORD TO MEASURE, MEASURE TO IMPROVE ... IMPROVE TO GROW

Long ago, development was linked to the destruction of ecosystems, the replacement of natural areas with cities and pollution; a concept that perhaps reached many of us. From there, sometime later, "sustainable development" emerged, under a more basic definition that also sought harmony with the environment, society and the economy.

All valid ideas, until over the years it became increasingly necessary to adapt these terms to the new reality presented. One in which not only these three aspects coexist, but which should include cultural management and innovation in balance for sustainable growth.

Growing as a sustainable company that measures and compensates its impacts has been part of the objective to also place ourselves in a destination that is sustainable. Of course, requiring consumption of resources, however, the secret lies in how each action, no matter how small, is analyzed to maximize its positive effects or innovate for compensation.



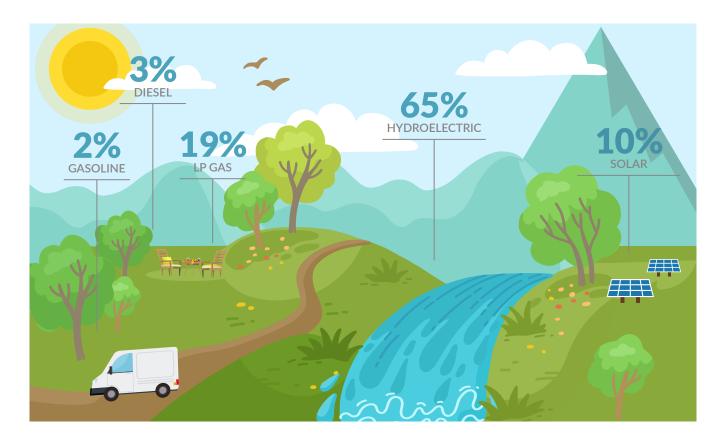
\*Data now reflect consumption of our administrative offices located in San José, Costa Rica.

## **ENERGY**

The behavior of our energy consumption has been influenced, as for everyone, by the effects of climate change on its supply. In our country, the most used type of energy is hydroelectric, which depends on the flow of rivers affected by high temperatures and lack of rain.

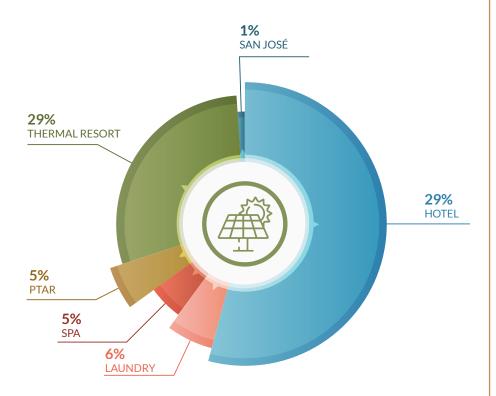
Given this, it becomes increasingly necessary to resort to other types of energy, for which two paths are presented: some resort to fossil fuels and others to clean energy. In our case, our energy matrix is varied and in fact the majority is linked to hydroelectric energy. We still require hydrocarbons, but we also make a great effort to continue generating solar energy.

#### X-RAY OF CONSUMPTION: OUR ENERGY MATRIX



For us, it is very important to monitor the consumption in the different sectors of the company, in order to define the possibilities for improvement. Some time ago it was decided to place the photovoltaic system in the hotel sector, however, it is precisely where we have the highest consumption; followed by the Thermal Resort.

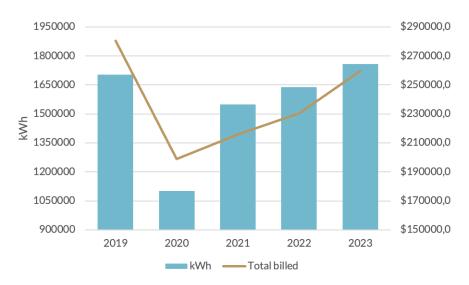
#### **ELECTRICITY CONSUMPTION BY SECTOR 2023**



In 2023, the hotel sector had 54% of total energy consumption, while the Thermal Resort had 29%; well above our administrative offices identified as the San José sector, with 1%. This period was full of new projects and some important expansions that are undoubtedly reflected in our operational footprint. However, it is interesting to observe the consumption year by year in the comparative graphs, and in this case the exemplification since 2019, a period very similar to 2023.

As we know, 2020 was marked by the Covid-19 pandemic, in which we had a significant closure of operations, and it was not until 2021 that we resumed "normally." Although, 2021 and the first half of 2022 still showed certain atypical behaviors; so the best comparison here is with 2019.

#### ANNUAL ENERGY CONSUMPTION COMPARISON



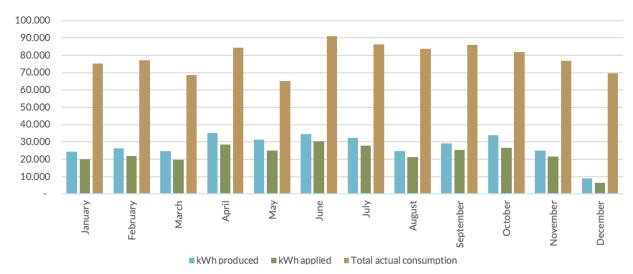
In 2023, the amount of energy required was increased, but as mentioned above it is important to consider that there were several big construction projects. For 2023, total electricity consumption was 1,745,893.38 kWh, while in 2022 it was 1,639,298.31 kWh - also considering that part of this consumption is covered by solar energy.

## SUSTAINABILITY IN ACTION = CLEAN ENERGY

#### SOLAR ENERGY GENERATORS FOR THE THIRD CONSECUTIVE YEAR

To mitigate climate change, we all have a great responsibility and play an important part in transitioning the world's dependence on fossil fuels to greater use of clean energy. Currently, we not only talk about how fundamental this is for the protection of the environment, but they represent effectively clean alternatives to the supply crisis that many of us face.

During this period, the photovoltaic system of 840 solar panels that we have, worked successfully for the third year in a row. However, for December there is an error in what was recorded, since one of the devices presented a failure; this situation appears in the invoice associated with that month.



#### DISTRIBUTED GENERATION SYSTEM FOR SELF-CONSUMPTION 2023

Comparison between total energy consumed, energy produced by the SGDA and that applied by the electricity company

#### In summary:

- 16% of total energy consumed on the property was solar.
- 29% of energy consumed in the hotel was solar.
- Total energy consumed was 1.484 132,18 kWh of hydroelectric energy and 274 980,4 kWh of solar energy.

#### COMPARATIVE SUMMARY 2022-2023 BETWEEN ELECTRICITY PRODUCTION AND CONSUMPTION IN THE HOTEL

Year	KWh produced	KWh deposed in the distribution network
2022	340 380	69 115,20
2023	330 550	55 569,60
Difference	9830	13 545,60

The previous table shows the increase in solar energy production in 2023, in addition to a decrease in the energy deposited in the distribution network, that is, the energy injected because it is not required or stored.

On the other hand, it is important to compare 2023 with respect to the last year in which the photovoltaic system was not used, so the year 2019 is included as such. An increase in energy consumption can be observed, however an important part is produced by solar panels; generating savings for almost half of the total amount invoiced.

#### COMPARATIVE TABLE BETWEEN THE YEARS 2019 AND 2023 REGARDING THE ENERGY CONSUMPTION OF THE HOTEL AND THE TOTAL BILLED

Year	KWh	Total Billed
2019	925 996,8	¢97 685 917,84
2023	946 058,80	¢53 537 406,67

#### SUSTAINABLE LAUNDRY

Thanks to the implementation of a production management system, we succeeded in reducing electricity and gas consumption from \$92,700 in 2022 to \$66,843 in 2023,



#### COMPARED TO THE YEAR 2022

This adjustment, carried out in February 2023, consisted of a review of the loads in the laundry and the optimization of the process to make it more energy efficient.

In November 2023, new equipment with greater capacity began operation, replacing the old ones and reducing their quantity, which directly impacted the amount of energy and water required. Washing capacity went from 835 lbs. to 690 lbs., equivalent to a saving of approximately 50 liters of water for each complete wash cycle. With an average of 8 complete cycles per day, this represents a saving of **12,000 liters of water per month.** 



## REAFFIRMING OUR COMMITMENT: SUSTAINABLE MOBILITY FOR A SUSTAINABLE DESTINATION

As pioneers and coordinators of the Electric Route of La Fortuna, together with strategic allies, we relaunched the program in 2023 to reaffirm the commitment of local companies charging points for electric vehicles and to raise awareness of sustainable mobility.

With more than 15 participating companies, the project resumed with the installation of the first fast charging station in La Fortuna and the San Carlos area, by the electrification company Coopelesca. This is undoubtedly a great achievement in the area, as it also allows for a greater number of visitors in vehicles without combustion engines.



# WATER: A HEART OF BLUE GOLD

Creating memorable experiences for our people and for those who visit us requires innovation, creativity and other elements that guarantee quality. However, the essence of sustainability is achieved through wanting to preserve what we have to live in the future.

Maintaining and improving what has differentiated us over the years depends on the great commitment to balance our use of resources, which is also part of the legacy of our founder.



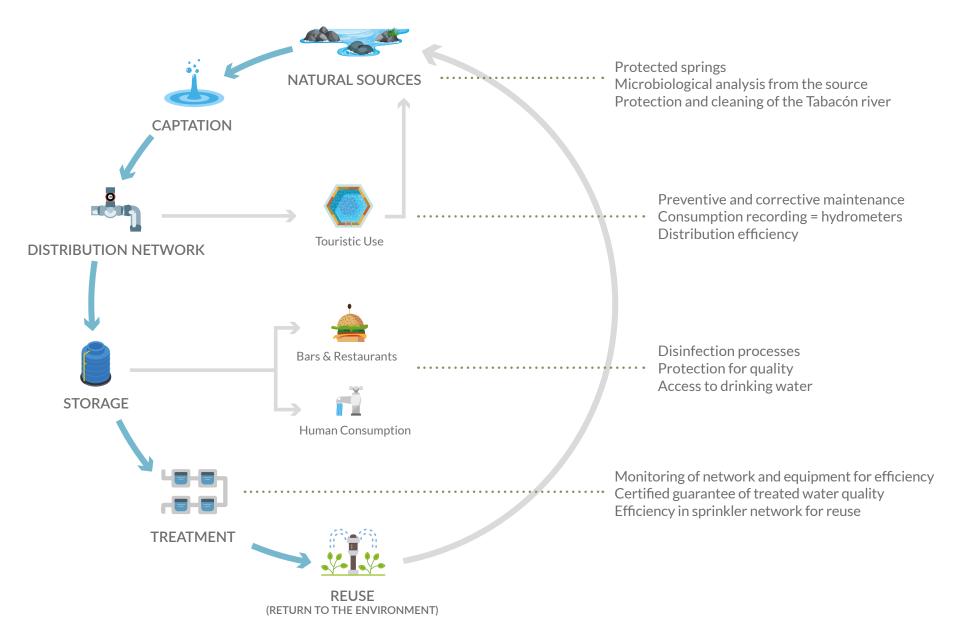


#### Unique, magical and blessed: our Tabacón River

- Sprouts of the slopes of the Arenal Volcano, right on our property.
- 2.5 km long and a perimeter of approximately 6,700 linear meters that flows into the Arenal River.
- Basin made up of around 85% forest.
- Temperature that ranges between 44 and 47 degrees Celsius (111-117 degrees Fahrenheit).
- The average height is 600 m.a.s.l.
- Natural and mineral enriched thermal water: Hyperthermal sodium chloride of medium mineralization.

# WITH LOVE TO TURN IT INTO INFINITY

#### **REMEMBER OUR WATER CYCLE**





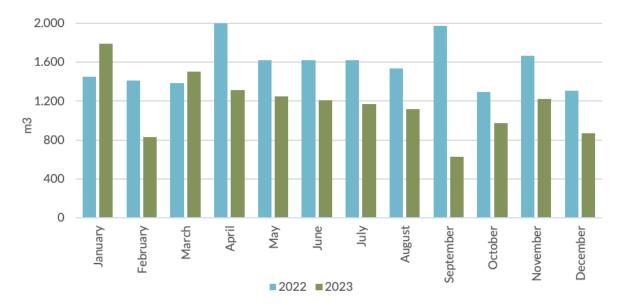
# MEASUREMENT, MONITORING AND RECORDING EVERY DROP COUNTS

#### MONTHLY WATER CONSUMPTION IN 2023

As part of our responsibility acquired by having a permit to consume concessioned springs, we maintain control with flowmeters. The record of water consumption is currently kept at 8 meters, with which we identify possibilities for improvement in 2023 and for which we continue working.

During this period, a reduction in consumption of 26.5% was recorded, which was undoubtedly influenced by our savings efforts.

#### COMPARISON OF WATER CONSUMPTION 2022-2023



# **COMPREHENSIVE WASTE MANAGEMENT**

#### ORDER MUST START AT HOME

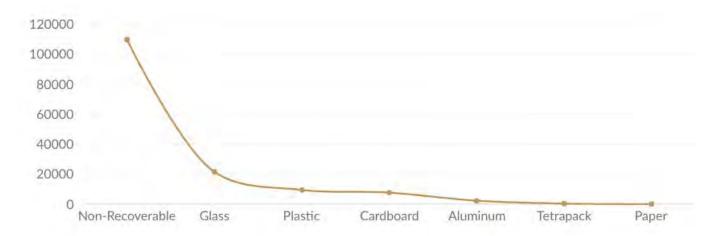
It will always be essential to get involved in nearby communities to raise awareness on the proper management of recoverable and non-recoverable materials, to mitigate their impact on the environment and health. However, there is one detail we cannot forget, and that is to start with ourselves, our homes, and companies.

Our efforts through the sustainability program in terms of waste education, have been to improve everyday life, so that everyone trained applies in their personal lives. Raising awareness concerning this problem is so important that it has been fundamental in the training provided during this period.

As generally happens, non-recoverable waste was generated most, followed by glass and plastic. These non-recoverable materials refer to ordinary non-recyclable materials, which usually have the influence of rubble-type materials and even organic waste.

On the other hand, glass and plastic are the materials most used as product recipients, which is why they represent a high percentage of our recycling. In 2023, although this type of material was used to a large extent, we sought to return these recipients to their suppliers for reuse or final treatment.

As an example, one of the most generated plastics is due to cleaning products in their different presentations, however, keeping Florex as a supplier allowed us to return more than one ton in 2023.



#### RECOVERABLE AND NON-RECOVERABLE WASTE GENERATED IN 2023

#### **Á LA CARTE:** THE MAGICAL PRACTICE FOR REDUCING WASTE

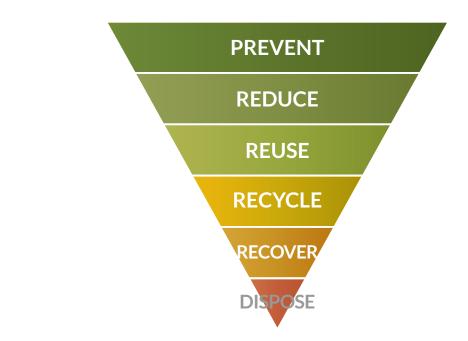
Organic waste is one of the largest generators of emissions in landfills and is closely linked to food waste. The problem not only occurs in our homes, but also in restaurants or other places where food is prepared.

In our commitment and effort, for years we have delivered organic waste to pig farms in the community, as food for the animals. It was seen as a possibility to reduce costs linked to waste and as part of our sustainable principles.

Therefore, a practice kept up in 2023 was to present food to our customers in a buffet style, changing it to a varied menu, but with "á la carte" service. Only breakfast at one of the points of sale uses this service, leaving lunches and dinners without the possibility of wasting the amount of food that was previously discarded.



#### OUR INVERTED PYRAMID: A HIERARCHY OF WASTE MANAGEMENT



Our actions in this matter will always go towards what is described in the hierarchy of waste management. This year, part of what all the departments of the organization worked on, has been to prioritize avoiding, reducing and reusing all materials as possible.

The above has included the continuity of the program of donating recyclable materials to our employees for reuse in their homes, for example large plastic containers for water collection. Likewise, delivery of recoverable materials to the local collection center has been part of our commitment, guaranteeing that it is to an authorized manager.

Treating and disposing are the last in the pyramid and although they are an important part of our processes, they are part of what we seek to reduce year after year; closely linked to recording a greater quantity of materials that comply with the categories higher up in the pyramid.

#### TOGETHER WE ARE MORE: THE SPA MINIMIZING FROM THE SOURCE

The spa is committed to the environment, from the selection of the supplies used to provide its services, to the way in which they are packaged and used.

In accordance with Law 9786, to combat plastic pollution and protect the environment, The Spa has sought to eliminate the use of plastic bags and single-use plastics in the portioning processes of treatment products.

The measures seek to minimize the use of single-use plastics, in addition to guaranteeing an optimal recycling or reuse process for all plastic recipients in which a spa product is packaged, so that this recoverable waste arrives washed and dried to its final destination: the collection center. Even our bags for carrying materials and work equipment are reusable: we eliminate plastic bags in which we carry orders for products or amenities.



#### **AVOIDING PLASTICS**



**12 000** Bamboo applicators

1000 Bamboo combs



3 300 PLA bath caps





**96 300** Compostable cups

**16 300** Caps for compostable cups

89 100 Compostable straws



# **BIODIVERSITY**

#### **TECHNOLOGY FOR CONSERVATION**

#### PHOTOTRAPPING FOR ECOLOGICAL INTEGRITY

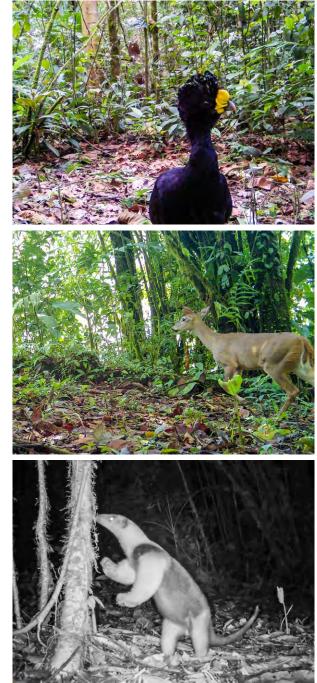
In 2023, the wildlife monitoring project with camera traps began to expand identification of species on the property and to protect them. Thus, since June, three pieces of equipment have been installed under the technical recommendations of experts, including strategic locations, photo-trapping time; among others.

In this period, 2 samples were taken, reaching 1451 captures, photographs and videos. In the previous ones the following results are obtained:

Total sightings	535
Total species identified	23 types
Type of species identified	Mammals, birds and arachnid
Most observed mammal	Peccary (Pecari tajacu)
Most observed bird	Peacock (Crax rubra)

Additional data:

- Photo-trapping is the basis of ITASA's Program for monitoring ecological integrity.
- It is intended to be the first project to be presented to achieve the Ecological Blue Flag award in the category Biodiversity 2024.



## ENVIRONMENTAL EDUCATION

ENVIRONMENT MONTH IN TABACÓN

Under the motto "No plastic pollution", awareness-raising, action and education activities were developed with collaborators, clients and suppliers. A month characterized by raising awareness in those around us, but also inspiring them to replicate these actions and contribute to the conservation and regeneration of the planet.

• VOLUNTEERS

- Visit to one of the most polluted rivers in Costa Rica
- Cleaning in the Arenal Volcano National Park.

#### • TALKS

- With students: climate change, energy, water, biodiversity, waste management, among others.
- Plastic waste management and RESIN8 project.
- EDUCATIONAL WALKS
  - Reforestation sector.
  - Green lagoon.
  - Visit to a plastic processing plant.

For the development of some activities, we had allies or guests from public institutions such as the Arenal Volcano National Park and the Ministry of Public Education (La Fortuna Professional Technical College), other private institutions such as PEDREGAL, JACAMAR, 7Tours, and the Alliance of companies for Sustainability.



# COMMUNITY DEVELOPMENT

## COMMUNITY DEVELOPMENT

For Tabacón, community progress interweaves multiple actions through different actors to generate socioeconomic development and collaborate with the improvement of the quality of life for the inhabitants of Fortuna de San Carlos.

Inspiring and working together with the living forces of the community is essential to face the challenges of the country's tourist communities. La Fortuna de San Carlos, being a model of social development, does not escape the challenges that we currently face in society in terms of education, environment, culture, employment generation, among other factors related to sustainability.

Therefore, we have focused on addressing some of the main areas in which we can have a positive impact:

#### **EDUCATION**

The crisis in the education sector the country is facing even before the pandemic has allowed us to assess aspects of collaboration such as the improvement in educational infrastructure, school supplies, support materials and innovative recognition programs.







GOBIERNO DE COSTA RICA



#### MEP-TABACÓN EDUCATIONAL EXCELLENCE RECOGNITION PROGRAM

We seek to motivate teachers, directors and students of the 26 educational centers of La Fortuna de San Carlos, through recognition of educational excellence.

The program was launched in 2023, the year in which the basis of the program was established together with the Ministry of Education, specifically Circuit 06, La Fortuna.

#### **Recognition categories:**



**Awards:** Complimentary nights at Tabacon or day passes to our thermal resort, and financial awards for each category.



#### **TOGETHER FOR EDUCATION!**

# CONSTRUCTION OF 5 CLASSROOMS AT LICEO DE SONAFLUCA

As part of the committee that started this project, we have contributed for the last two years in a row to the construction project of 5 classrooms for the Liceo de Sonafluca, an educational center with capacity for 200 students, however is currently housing more than 500. As a resultTherefore, young people had to receive lessons every 15 days, many of them sitting on the floor or in the corridors.

At a time when people had lost the motivation to continue with the project, Tabacón's support was an important boost to help them believe again that itthe project would be possible and to join community forces, once again calling on the business sector of La Fortuna and requesting collaboration from the local government. During 2022, cement and prefabricated materials were donated to begin construction of the classrooms and by 2023, zinc was donated for the roofs of the 5 classrooms.

The project continues throughs until 2024, when the construction work will be completed, and the classrooms will be opened.

### ¢10.000.000

AMOUNT DONATED IN TWO CONSECUTIVE YEARS POPULATION IMPACTED

500 students





#### **BACKPACKS FILLED WITH HOPE!**

At the beginning of each year, we are happy to provide a package of school supplies to socially vulnerable children from schools in La Fortuna. With each backpack that is filled with notebooks and supplies, we contribute to families in the community and bring hope to children who need these tools to start their school years.

In 2023, we donated 120 packages of school supplies to our employees and 160 packages were distributed among 4 schools: Escuela Experimental Bilingüe Z-13, Escuela de La Fortuna, Escuela del Tanque and Escuela de Los Ángeles.



# **COMMUNITY ACTION**

#### **SPORTS**

#### TRAINING ATHLETES WITH VALUES

We collaborate with community sports groups that have demonstrated continuous work over the years, not only in sports development, but also in the values, discipline and family unity that these sports represent.

In 2023 we sponsored the uniforms of the Gutiérrez Goalkeeping School, with 3 academies in the northern region, for 39 athletes.

### CULTURE

#### YOUNG MUSICIANS SHINE IN LA FORTUNA!

As a company, we are proud to see generations of musicians grow who have been part of the Communal Band of La Fortuna. For 5 years we have provided the La Fortuna Community Band with annual and special sponsorships for activities and festivals, both in the community and outside of it.

Through this project we bring music, joy and talent, collaborating on the musical development of more than 150 young people.



#### LET'S LIVE THE PATRIOTIC FERVOR! HUELI

#### Celebrations of September 14 and 15

In our country and community, the national holidays are lived with great fervor and joy. We reflect these values by participating in various activities that reaffirm our commitment to cultural rescue, maintaining our traditions over time.

One of these is a shared breakfast organized by local companies, for which we donate typical dishes and together with our community celebrate independence from 6 a.m. on September 15 with marimba music, laughter and dancing.

We also participated in the Band Festival on September 15, by donating food for the participants' dinners. More than 1,500 musicians from various bands across the country receive unique hospitality from La Fortuna de San Carlos.

#### HUELLAS FESTIVAL

Every year, tourism companies come together to raise funds for a social purpose.

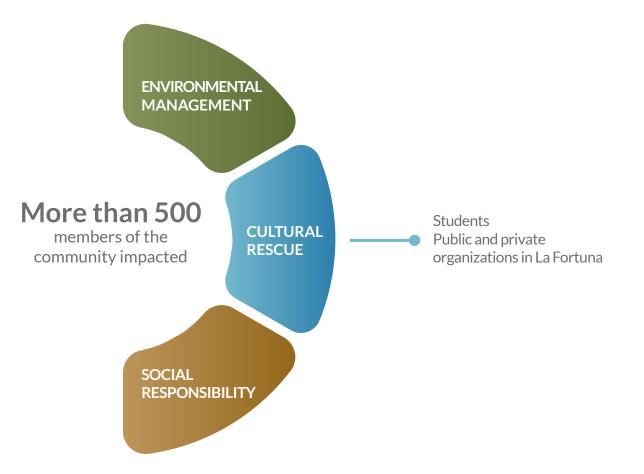
The initiative, led by the company Pure Trek, seeks to build a community library and a shared space for learning and innovation. The Huellas Festival (Footprints Festival) is a gastronomic and cultural event, to which each company brings a dish inspired by the Costa Rican provinces, and there are performances by cultural groups from the region.



# SYNERGIES WITH A PURPOSE

Alliances with other companies and organizations allow us to enhance the scope of our sustainability programs, achieving objectives and multiplying actions in favor of the sustainable development of the communities in which we operate.

ALLIANCE OF COMPANIES FOR SUSTAINABILITY



# ARENAL DESTINATION DEVELOPMENT

Tabacón is part of the Board of Directors of the Arenal Chamber of Tourism and Commerce, from where we support the implementation of initiatives for the sustainable development of the La Fortuna community and its business sector. This is possible thanks to affiliated companies, as well as the alliance with the La Fortuna Development Association (Asociación de Desarrollo de La Fortuna - ADIFORT), local government, academia and institutions in general.

Last year, the Chamber continued with the implementation of the Comprehensive Destination Management Plan promoted by the Costa Rican Tourism Institute. In addition, two important business meetings were held - one focused on economics and the second on security - as well as the "Octubre Termal" initiative to promote the destination in the low season, and within that framework the "Expo Arenal" Fair.

Through the Chamber we continue to focus efforts on training, sustainability, political advocacy, marketing and promotion of the destination, among other relevant topics.

In this period, the work team reached 14 public-private organizations, working in the different areas of sustainability for the tourist destination of La Fortuna.

# VOLUNTEERING

#### TALENTS AT THE SERVICE OF THE COMMUNITIES

Contributing to the sustainable development of communities is not something just for the Board of Directors or the management team. We seek to involve all our employees, who contribute their time, talents and skills. During the year, internal and external volunteering was carried out in various projects focused on the environment, education, health and culture.

From Tabacón, we wish to INSPIRE other companies and workers in the tourism sector to join in this arduous task of building and regenerating our environments for present and future generations.

	EDUCATIONAL		VOLUNTEERING			<b>OTHER</b> *
٦٢	IMPACTED COMMUNITY	ACTIVITIES	ACTIVITIES	VOLUNTEERS	HOURS	IMPACTED COMMUNITY
ENVIRONMENTAL	555	12	7	86	334	
Social	214	2	3	22	258	320
CULTURAL	17	1	3	17	127	600
TOTAL	786	15	13	125	719	920

\*Other: Children, youth and adults benefited during other activities (school supplies and food)

# **VOLUNTEERING IN NUMBERS**

1833	719 horas	125	
TOTAL PEOPLE IMPACTED	OF VOLUNTEERING	VOLUNTEERS	





Yourse



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and the