



ISLAND CARES IMPACT REPORT

Sustainability & Social Impact at
Island Hospitality Management



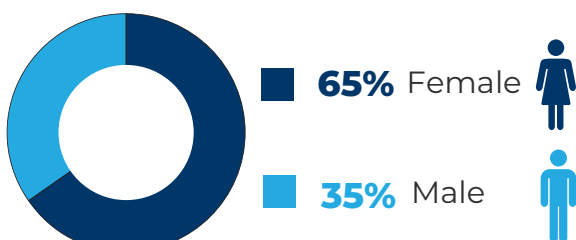
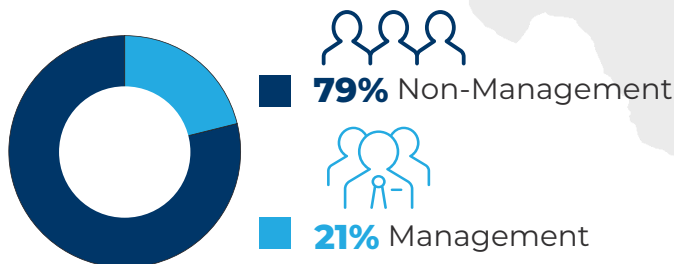
*Creating a sustainable
future in Hospitality.*

About Island Hospitality

Island Hospitality's portfolio consists of premium brand hotels in desirable and key locations throughout the United States. Our formula for success is a hands-on approach to revenue, customer service, and employee engagement combined with proprietary technology platforms that allow our partners to achieve superior financial results.

144 Properties

18,345 Rooms



2

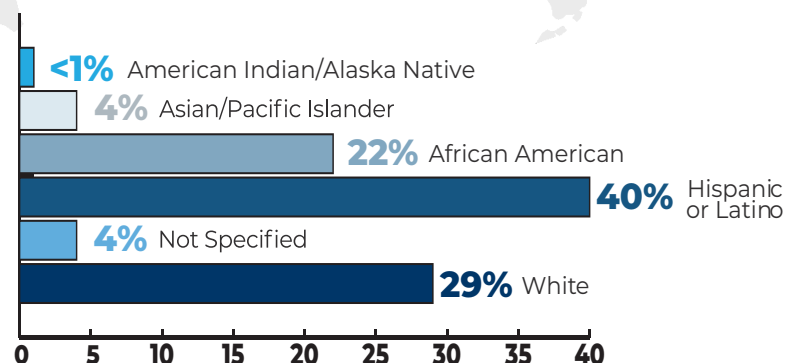


Table of Contents

04	Sustainable Goals
05	About Island Cares
06	2020 At a Glance
07	Environmental Impact
11	Community Impact
15	Our People
19	IH Cares
23	2021 Goals



**SUSTAINABLE
DEVELOPMENT** GOALS

Island Cares support(s) the
Sustainable Development
Goals of the United Nations



Creating a
Sustainable Future
in Hospitality

Island Cares

Creating a sustainable future in Hospitality

We believe in supporting the communities in which we operate. In addition to our IH Cares nonprofit arm, which provides financial assistance to employees in need, we participate in charitable programs and organization that make a positive impact on the environment, public health, and hunger.

Our Planet

Island Cares supports the Sustainable Development Goals of the United Nations.



Our Community

Island Cares supports the Sustainable Development Goals of the United Nations.



Our People

Island Cares supports the Sustainable Development Goals of the United Nations.



SUSTAINABILITY

Year of Year Reduction of Resources



18%
Electricity

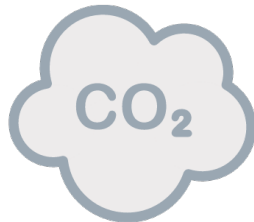


31%
Water & Sewer



36%

Gas



21%

Carbon Footprint

Eliminated the use of



16.9M

Plastic Bottles

SOCIAL



12,238

Meals
Donated



113,648

Bars of Soap
Recycled



304

Veterans
Impacted



8,613

Volunteer
Hours Donated



2,898

Young People
Impacted



290

Women
Impacted



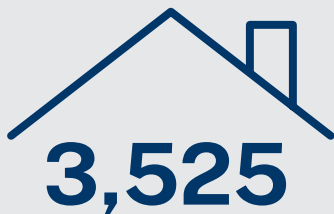
\$358K

Local Economic Impact
From Donations

Environmental Impact

Our company has impacted our planet through environmental conscious initiatives. From updating our thermostats to digital, converting pool & spa heaters to solar heaters, and reducing single-use plastics in the hotels, we believe that by taking the small steps to make our operations more sustainable, we are making our impact on our planet more sustainable.

**ENERGY
EQUIVALENT TO**



3,525

**HOUSES
POWERED**

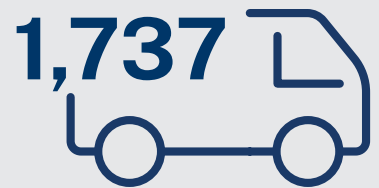
**WATER
EQUIVALENT TO**

277



**OLYMPIC
SWIMMING POOLS**

**GAS EMISSIONS
EQUIVALENT TO**



1,737

**CARS OFF
THE ROADS**

**CARBON FOOTPRINT
EQUIVALENT TO**



2,904,378

**TREES
PLANTED**

**ENOUGH PLASTIC
EQUIVALENT TO
PRODUCING**

1,061



PARK BENCHES





18% REDUCTION IN ELECTRICITY

ACCOMPLISHMENTS

- We installed Motion sensor lights and replaced non-motion sensor lights to lower wattage to reduce our electricity consumption
- Replaced lighting with eco-friendly bulbs and lighting controls
- We replaced all analog thermostats to updated digital thermostats with time controls and time specific climate
- Converted pool pump and filtration to new ENERGY STAR saving systems
- Replaced current pool and spa heaters with solar heaters



31% REDUCTION IN WATER

ACCOMPLISHMENTS

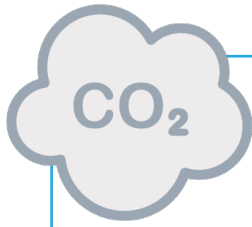
- Installed Ecolab Aquanomic Laundry Program which helps the hotels reduce water consumption by 30% - 40% and reduces the washing temperature from 140 degree to 100 degrees fahrenheit.
- Monitored and regulated the water in use for water cooling tower
- Installed rain sensors to reduce the irrigation water consumption
- We reduced water consumption in kitchen operations whenever possible
- Replaced sink aerators to reduce water pressure which increased water efficiency and decreased waste
- Implemented 'Green Choice' which allows guests to choose if they would like towel replacements. Reducing the amount of towel replacements reduced water usage
- Replaced faucets, showerheads, and commode accessories with low flow alternatives
- Replaced water softener systems with more energy efficient models



36% REDUCTION IN NATURAL GAS

ACCOMPLISHMENTS

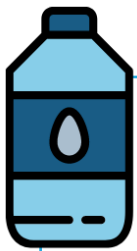
- In an effort to reduce gas emissions we have created teams to compete against other local businesses to carpool, walk/bike, or take public transportation to work
- Reduced hotel shuttle frequencies and radius to save gas and emissions
- Introduced monthly pick up programs of grease and oil to be recycled for sustainable fuel



21% REDUCTION OF CARBON FOOTPRINT

ACCOMPLISHMENTS

- Implemented new audit procedures which utilize digital communication and records to reduce administrative paper and ink toner waste
- Reduced waste by providing printed guest portfolios only by request
- Implemented Guest Room Energy Reduction Programs which involved checking all vacated rooms to ensure all lights are turned off, drapes are opened for natural light, televisions are turned off, and reset all thermostats
- Implemented efficient recycling programs in all hotels
- Eliminated waste by donating used linen, mattresses & renovation materials to homeless shelters and other local organizations
- Replaced all plastic straws, coffee stirrers and food picks with biodegradable versions
- Eliminated newspaper distribution and replaced with access to electronic version
- Implemented new F&B offerings to allow for better cross food utilization between breakfast and dinner. Food items that would be waste are donated to local Food Pantry



16.9M PLASTIC BOTTLES ELIMINATED

ACCOMPLISHMENTS

- Switched to larger bottles, instead of single-use bottles, or wall-mounted dispensers of shampoo, conditioner and body wash in guestroom showers

"A typical large, pump-topped bottle contains the same amount of product as about 10 to 12 tiny, single-use bottles. Because tiny bottles are not usually recycled, they end up in the hotels' trash bins – generating refuse that will never truly decompose in landfills. In addition to allowing guests to use as much of a product as they need, the larger bottles are also recyclable along with other basic containers, such as plastic soda bottles."

Community Impact

We believe in giving back to the communities in which we serve. Supporting our local communities helps our company and employees thrive through engaging in local partnerships and volunteering in the local community.



304
VETERANS
IMPACTED



2,898
YOUTH
IMPACTED



290
WOMEN
IMPACTED

Women's Resource Agency
Women's Advocate
Leukemia & Lymphoma Society
Light the Night
Veterans Helping Veterans

Urban Youth Impact
Back 2 School Blast
Loop for Literacy
Read for the Record
Holiday Homeless Shelter Gifts

Impacted women & families
displaced and seeking shelter,
Volunteered and participated in
walks for Susan G. Komen,
Implemented mentoring programs
focused on development and
promotion

12,238 MEALS DONATED



**SUSTAINABLE
DEVELOPMENT**



Island Cares support(s) the Sustainable
Development Goals of the United Nations



Even in the world's greatest food-producing nation, children and adults face poverty and hunger in every county across America. Island Cares is dedicated through partnerships with local organizations to provide access to prepared food to those in need.

During the Coronavirus pandemic, our hotels partnered with local hospitals donating food for staff that will be working in field hospitals.

Through partnership with Quantum House, our teams prepared and served dinner to over 30 families whose children are going through extensive surgeries at St Mary's Hospital. While preparing dinner, the team had the opportunity to interact with the children through arts and crafts projects. While numerous groups volunteer to cook, our team is the only one to go above and beyond to engage the children and give them some sense of childhood normalcy in the midst of their serious medical conditions.

At the beginning of the Coronavirus pandemic one of our General Managers set up an Amazon Wishlist, which was sold out within minutes. The items from the Wishlist were used to stock a food pantry large enough to provide each employee with food to bring home. Delivery services were even set up to bring food to team members without current hours.

8,613 HOURS VOLUNTEERED



SUSTAINABLE DEVELOPMENT GOALS

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**Children's
Miracle Network
Hospitals**



Our teams participated in:
Food Drives
Habitat for Humanity
Toy Drives
Hurricane Dorian Disaster Relief
Serving the homeless
And many more



**American
Red Cross**

**FEEDING
AMERICA**



113,648 BARS OF SOAP RECYCLED



Island Cares support(s) the Sustainable Development Goals of the United Nations



Through partnership with Clean the World® Island Hospitality donates bathroom amenities for recycling into new soap which is then donated to impoverished communities without access to needed hygiene items. These recycled soap bars help fight hygiene-related illnesses and deaths every year.

\$358,000 LOCAL ECONOMIC IMPACT FROM DONATIONS



Island Cares support(s) the Sustainable Development Goals of the United Nations



Our Team Members extend their passion for hospitality beyond the walls of our hotels through local, nationwide and global volunteering efforts. This contribution strengthens the communities where we work, live and travel through the following initiatives:

- Donations to the Community Soup Kitchens and Outreach Centers
- Supporting Urban Youth Impact's Back 2 School drive sponsoring students and collecting school supplies
- Donations to the Children's Miracle Network Hospitals
- Participation in the Susan G. Komen Race for the Cure
- Supporting Boston Children's Hospital through public auctions at our hotels
- Donating toys during the holidays for families in need

Our People



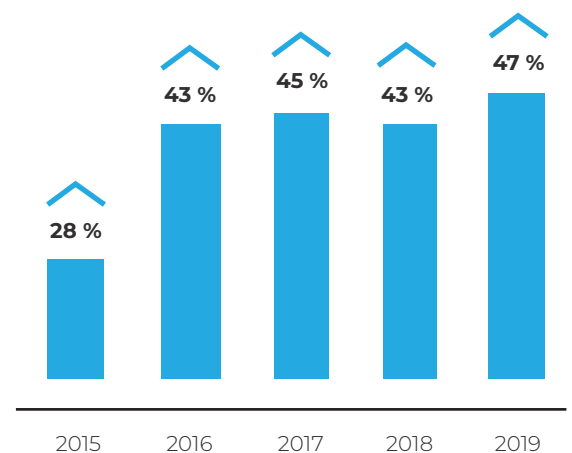
963 TEAM MEMBERS IMPACTED BY CAREER PATHING

Internal development and career growth has always been a cornerstone of our success at Island Hospitality. This commitment is displayed through a formalized training and development program providing a clear path for any employee with a desire and aptitude to thrive in the hospitality business. Great companies are embedded with a wealth of talent that is developed internally. A company has continued success when key positions of leadership are filled with internal candidates promoted throughout the organization.

It is, for this reason, Island Hospitality is engaged with our Pathways of Leadership Program at all levels of the organization. This unique program fosters employee growth throughout our associates' career with our company and has a clear path to get you where you envision yourself. The program is designed to incorporate associates in all departments and steps in their career. As team members join Island Hospitality from other organizations they too can build on that prior experience and find further growth opportunities within our company by utilizing the tools and resources offered.

Learning and Development

Through our brand partners, Team Members have the opportunity for continuous learning and development with access to an extensive library of free online training. Content is delivered from world-recognized experts including eCornell, Rosetta Stone and SkillSoft in topics ranging from leadership and team building to web design and language learning, team members can prepare for the next step in their career and beyond.



Internal Promotion Rate

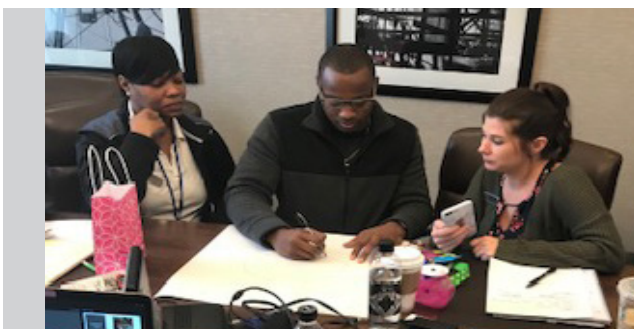
100% OF EMPLOYEES ARE TRAINED IN HUMAN TRAFFICKING AWARENESS

Global Scope of Human Trafficking

- 40.3 million people are in modern slavery
- 24.9 million in forced labor
- 15.4 million in forced marriage
- There are approximately 5.4 victims of human trafficking for every 1,000 people
- 1 in 4 victims are children
- Out of the 24.9 million people trapped in force labor, 16 million are in the private sector, 4.8 million are in forced sexual exploitation, and 4 million are in forced labor imposed by state authorities
- Women and girls are disproportionately affected
- Accounting for 99% of victims in the commercial sex industry and 58% in other sectors

Human Trafficking intersects with hotels in a variety of ways, including:

- Commercial sex occurring on hotel property
- Traffickers and/or victims use hotels when they travel to different areas
- Victims seek shelter in hotels when they leave their trafficking situations
- Traffickers house their victims in hotels
- Victims may live independently at a hotel
- Victims can be trafficked by hotels
- Victims can be trafficked by a hotel subcontractor



\$47,000 CONTRIBUTED TO EMPLOYEE RELIEF FUND

When Hurricane Harvey and Hurricane Irma ripped through the southern parts of the states, there were many unsuspecting team members who unfortunately had to deal the destruction first hand. Houses were torn apart and people were left stranded. While we were lucky enough that none of our team members were bodily harmed, their lives had been changed forever. Immediately after the storm Island Hospitality management began hosting fund raisers and taking part in local projects. The fundraisers were able to exceed nearly \$13,000 and the funds were given directly to our team members in need. The amount of effort that our team members put into the preparing for the storms, was nothing compared to how much they poured out afterwards.

The executive team at Island Hospitality Management was inspired by the outpouring and were quick to create IH Cares, a 501(c)(3). The purpose of this initiative is to take care of our team members with the help of our team members. Across all of our properties, people can now donate to specifically help other Island Hospitality team members. The donations that you make will be available to all of our employees in the case of an ill-fated circumstance. If something as disastrous as a wildfire, flood, or hurricane does damage to a home the fund may be able to provide assistance. If something as unfortunate as the loss of a immediate family member, the fund may be able to provide assistance. We aim to encourage the growth of our employees and want to walk with them through every area of life. We are excited to offer the not for profit program and know that people will continue to give to help support their fellow team members. You are able to donate online through a deduction of your bi-weekly paycheck for as little as one dollar or you are able to make a one time donation of any amount that you desire.





IH Cares is a 501(c)(3) nonprofit organization that has been recognized by the IRS as being tax-exempt by virtue of its charitable programs

IH Care's belief in social responsibility is rooted in our desire to make a positive impact on our associates, guests and the community. We act responsibly and with integrity while being a great employer, corporate citizen and good neighbor. We believe in the fair treatment of our culturally diverse, talented associates, in environmental consciousness, giving back to the communities in which we serve and sound business ethics.



75% OF TEAM MEMBERS ARE ETHNICALLY DIVERSE



Diversity and inclusion is an integral part of our company's culture and goals at Island Hospitality and we are committed to maintaining this as a top priority across our entire organization. An aspect of being focused on Diversity and Inclusion is to continue to remind and train on Sensitivity in the Workplace. Sensitivity training is a component to appreciating each other's backgrounds and finding respect when working together.

Some of our brand partners require training focused on diversity, inclusion, and unconscious bias awareness. These brand have increased their focus on this Sensitivity Training in recent years. In an effort to fill in any gaps where training is not required, IHM has offered additional training that is required for all employees, regardless of brand affiliation, to ensure that all IHM Team Members stay focused on this important topic.



Investing in Diversity

Through careful analysis, IHM has identified disparities among ethnic and gender groups in leadership positions within the company. With the formation of the Diversity and Inclusion Council, IHM has committed resources towards addressing this issue. The founding objective of the D&I Council is a commitment to bring leadership demographics beyond US labor force demographics and in line with overall US demographic numbers. Goals are measured and achieved, one step at a time, through a variety of strategies including hands-on training and mentorship programs, strategic hiring, company alliances, and company-wide education.



The founding objective was met in 2018 across multiple demographic groups and continues to be a focus, through a variety of strategies, as we close in on our goals across all ethnic and gender groups. Over a four year period, IHM saw impressive growth in many areas of focus for improvement.

GROWTH DEMOGRAPHICS

24%

Increase in African American
Department Managers

70%

Increase in Female
Regional VPs



67%

Increase in Hispanic
Director of Sales

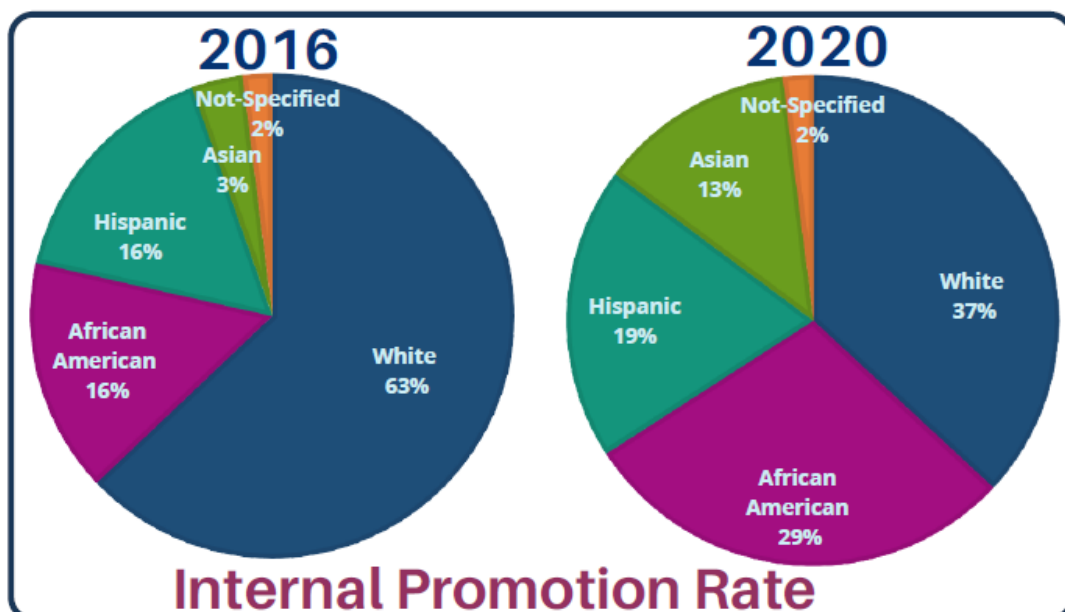
88%

Increase in African American
General Managers

Investing in Diversity

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One of the most instrumental company cornerstones towards a diverse and inclusive workforce at the management level is Island Hospitality's core development program, Pathways. The proprietary training and mentorship program is focused on fostering internal growth and development from within through career pathing for employees that leads to management both at a property and corporate level. Over the past five years, Pathways has earned 90% retention rates that have guided IHM's short- and long-term goals of building a balanced, educated and empathetic team of hospitality professionals.

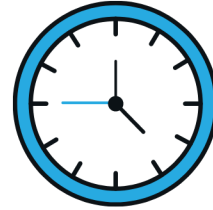


2021 GOALS



3,000

Meals
Donated



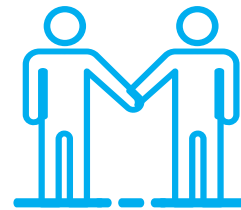
2,500

Volunteer
Hours



\$100,000

Local Economic
Impact from
Donations



500

Young People
Impacted



25%

Increase YOY Impact
on Career Pathing



Introduce Personal
Safety Devices in
Every Hotel