



THE PALACE COMPANY®

SUSTAINABLE INITIATIVES



At our resort, we are aware that tourism can have a negative impact in the environment and local communities.

That's why we have embraced the vision of Earth Inclusive, a brand that represents our commitment to minimize our ecological footprint and maximize our social value.

We have a strategy supported by an Environmental Management Committee, composed of a team of highly skilled biologists. This team plays a key role in directing and promoting environmental initiatives, ensuring that our actions are aligned with the best sustainable practices and standards.

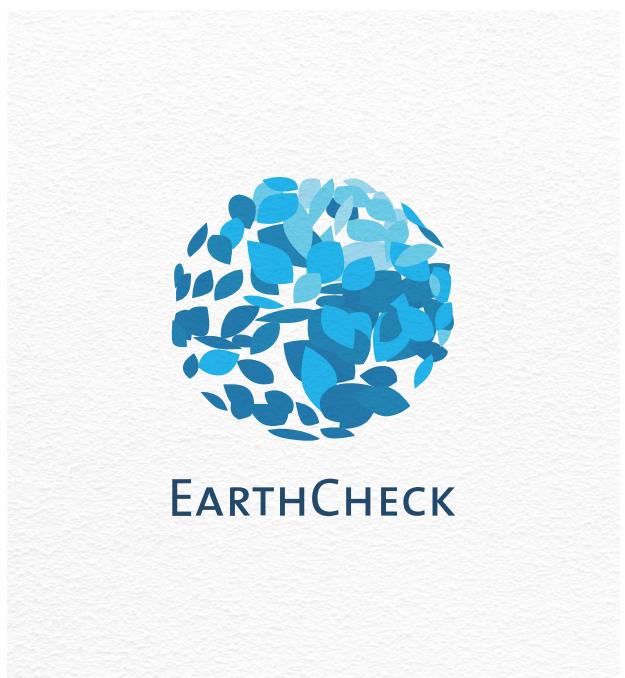
Thus, we aim to demonstrate that it is possible to offer a quality tourist experience without compromising the well-being of present and future generations. Earth Inclusive is more than a brand; it is a way of understanding tourism and the world, which is why we take pride in leading the hospitality sector and being a benchmark in the constant pursuit of environmentally respectful practices.

SUSTAINABILITY CERTIFICATIONS

EarthCheck – Progressing Towards Silver

The EarthCheck Certification is an international standard that evaluates environmental practices in the tourism sector and awards a badge to companies demonstrating a solid commitment to sustainability.

Moon Palace Cancun has been acknowledged with the **EarthCheck bronze category in the years 2022 and 2023**. Currently, we are in the process of obtaining the Silver Certification, which has motivated us to develop even more effective strategies to optimize our energy, fuel, water consumption, and waste management. Our continuous effort to reach this prestigious level will lead up to a significant achievement that will underscore our commitment to sustainability and position us as leaders in responsible practices within the hospitality industry.



PLANETARY AWARENESS

GUEST SENSITIZATION MEASURES



WE OFFER ENVIRONMENTAL ACTIVITIES DURING YOUR STAY

We deeply value environmental awareness and strive to share this commitment with our guests. Through the Palace Foundation Environmental Committee, we offer a variety of environmental education activities designed to inspire and raise awareness among our visitors about the importance of caring for the environment. From expert guided bird watching tours in the Bird Watching Experience to culinary experiences in our organic garden through our Farm to Table Experience, we encourage active participation. Each experience is designed to highlight the beauty and importance of our surroundings. We believe that by participating in these activities, our guests not only enjoy a memorable vacation but also become passionate advocates for the environment, committed to protecting and preserving our paradise.

WHITE LINEN WASHING STRATEGY

As part of our commitment to preserving natural resources and environmental sustainability, we have implemented a strategy to reduce the use of detergents and softeners in the washing process of the white linens used in our Resorts.

To engage our guests in this important initiative, we offer them the option to decide if they want to change towels during their stay. We only replace towels found on the floor or wet. If towels are left hanging on the rack, we interpret that guests wish to continue using them. Additionally, we have introduced eco-friendly tent cards in the sink area, inviting our guests to actively contribute to environmental conservation. These cards promote water and energy conservation while reducing the carbon footprint. Estamos comprometidos en ofrecer una experiencia placentera para nuestros huéspedes, a la vez que trabajamos en armonía con nuestro entorno natural.

We are committed to offering a pleasant experience for our guests while working in harmony with our natural surroundings.



PAPERLESS PROCESSES



Our commitment to environmental conservation is evident in every aspect of our operation, particularly in our steadfast determination to reduce paper waste. From implementing digital check-ins to adopting reusable chip bracelets for accessing rooms and beach entrances, we have taken concrete and sustainable steps to minimize our environmental footprint.

Moreover, our mobile application serves as a comprehensive tool that enables our guests to explore daily activities, request amenities, shop at the gift store, view restaurant menus, and make reservations for dinners and luxury experiences through our Palace Vacation Planner. Even satisfaction surveys are managed electronically through the application. This technological approach not only enhances the efficiency of our services but also showcases our commitment to sustainability and reducing environmental impact.



SUSTAINABLE OFFERING IN EACH OF OUR MENUS

In our menus at each dining outlet, you can easily identify dishes prepared with ingredients sourced from our organic garden or from suppliers with sustainable certifications. This information provides you with the assurance of knowing the origin and traceability of the ingredients used in each dish, ensuring an authentic and responsible culinary experience.

ORGANIC MICROGREENS PRODUCTION IN OUR GARDEN



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Our resort takes pride in annually utilizing over 400 kg of products from The Palace Company's organic garden. These products encompass a wide variety of foods, including 15 types of microgreens, 18 varieties of leafy greens, 5 types of flowers, and 6 varieties of fruits and tubers. This consumption reflects our solid commitment to the circular economy and our dedication to sustainable practices that promote local and organic production.

Not only does this project strengthen our ties with the community but it also underscores our commitment to environmental preservation and our drive towards a more sustainable approach in all our operations.

WE USE RENEWABLE ENERGY

At Beach Palace, Sun Palace, Cozumel Palace, and Playacar Palace, we are proud to exclusively use green energy, which comes from a renewable source: the "Dos Arbolitos" wind farm, located in the state of Oaxaca, Mexico. This decision allows us to significantly reduce our carbon footprint and actively contribute to environmental care.



INNOVATION THAT SATISFIES COMFORT

Our buildings are equipped with a Building Management System (BMS), which acts as the brain of our hotels. This system controls room temperature, lighting, and other systems to ensure everything operates efficiently and comfortably for our guests, helping us save energy while providing a pleasant stay. The BMS collects real-time data, analyzes it, and makes automated decisions to enhance comfort and minimize energy consumption. Additionally, we implement various strategies to promote energy savings, such as installing solar panels at our Distribution and Services Center to harness renewable energy, using LED lighting, and efficient air conditioning systems.



In our constant pursuit of adopting more sustainable and environmentally friendly practices, we have made a significant change to our water heating system: we have significantly reduced our LPG consumption by incorporating heat pumps.

This innovative technology allows us to use renewable energy sources to generate heat efficiently, thereby minimizing our carbon footprint and contributing to environmental preservation.



EFFICIENT USE OF NATURAL RESOURCE

At Palace Resorts, we recognize the fundamental importance of efficient water use. Therefore, we have implemented a series of practices aimed at this goal. These include the installation of low-flow devices on faucets, showers, and toilets, as well as the timely detection and repair of water leaks. Additionally, we strive to raise awareness among our staff and guests about the importance of conserving this vital resource. As part of our environmental commitment, we recycle wastewater from our treatment plants for use in irrigating our green areas.

This initiative not only contributes to the conservation of such a precious resource as water but also helps to keep our green spaces lush and healthy. In this way, we can enjoy a beautiful natural environment while minimizing our impact on the environment.

PROPER WASTE MANAGEMENT

The tourism industry demands a significant number of resources, which, when used, generate a considerable amount of waste. Aware of this issue, we have implemented various strategies aimed at reducing the use of single-use materials, such as plastics, and managing the generated waste properly.

Firstly, we have prioritized the reduction of disposable material consumption by promoting the use of more sustainable and durable alternatives. In cases where total reduction is not possible, we have established a rigorous waste separation system at the source, facilitating its proper management and preventing it from ending up in landfills. This significantly contributes to mitigating environmental pollution and the impacts of climate change. Furthermore, we encourage circular economy practices by reusing and extending the lifespan of materials. We facilitate the sale of used materials to companies that can give them a second life, thus avoiding premature disposal and promoting more responsible resource management.

Our responsibility does not end there. We are committed to carrying out comprehensive waste management, prioritizing recycling as a sustainable alternative. We work in collaboration with specialized waste collection and recycling providers, ensuring that recyclable materials are sent to facilities where they are revalued and transformed into new products. During the year 2023, we successfully recycled 118 tons of plastic, 36 tons of cans, 332 tons of cardboard, and 445 tons of glass.

We are committed to responsible waste management in the tourism industry and will continue to work to implement even more sustainable practices in the future.



WE APPLY CIRCULAR ECONOMY

COMPOSTING FACILITY

At Beach Palace, Sun Palace and Moon Zone hotels, we have implemented the separation of compostable organic waste, which is directed to our composting facility. A mechanical and biological process takes place there, involving the participation of worms, to decompose the waste and turn it into valuable nutrients known as worm castings. These nutrients are used to maintain and enrich our green areas and organic garden, thus closing the sustainable cycle.

This approach reflects our strong commitment to responsible waste management and the promotion of ecological practices, which contributes to the well-being of the environment. Thanks to these initiatives, we annually divert 324 tons of compostable organic waste from landfills.



BIODIESEL PLANT

Our kitchens at Beach Palace, Sun Palace and Moon Zone hotels specialize in separating vegetable oil used during food preparation. Each year, we send 16,327 liters to our biodiesel plant, where it is transformed into a biofuel used in the machinery for beach cleaning.

This initiative allows us to substitute the use of fossil fuels and significantly reduce greenhouse gas emissions. It is a crucial step in our strategy to decrease our carbon footprint and move towards more sustainable practices.

WE CARE FOR PARADISE

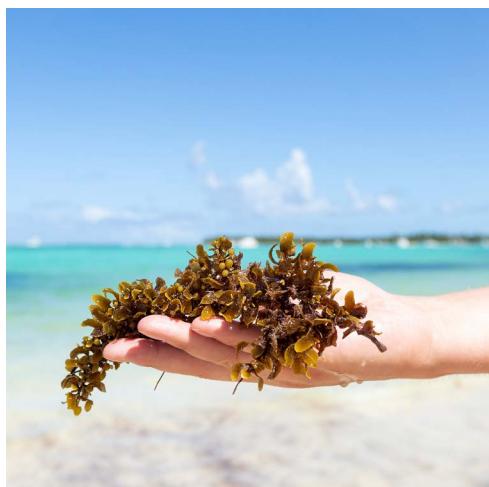
SUSTAINABLE BEACHES

COASTAL DUNE RESTORATION

Ecosystem-Based Adaptation is a smart approach we use to protect our beaches and properties from storm damage or rising sea levels. This method leverages nature itself to mitigate the effects of climate change. For example, restoring coastal dunes—those majestic sand mounds on the beach—not only beautifies our shores but also plays a vital role in their protection. Dunes act as natural barriers against wind and storms, preventing sand and water from passing through during extreme weather. Additionally, they host a rich diversity of wildlife, from small insects to unique plants adapted to their environment. It is essential to care for them, as they are vulnerable to damage caused by human activities. When damaged or destroyed, we lose that valuable natural protection against coastal erosion and the effects of climate change. Therefore, preserving the dunes by avoiding their disturbance and ensuring they continue to protect our shores and provide habitats for wildlife in the future is crucial.

PROPER MANAGEMENT OF SARGASSUM

At Moon Palace Cancun, we are firmly committed to the responsible management of sargassum to preserve the beauty and quality of our beaches, ensuring an unforgettable experience for our guests. Aware of the challenges posed by the accumulation of this seaweed on our coasts, we have dedicated considerable resources and efforts to implement effective management strategies. From acquiring specialized equipment, such as beach sweepers and sand sifters, to training our staff in sustainable practices, we have adopted a comprehensive approach to proactively address this issue.



In addition to maintaining regular beach cleaning, we have introduced an innovative system for collecting sargassum directly from the sea using floating barriers and specialized barges. This technique allows us to intercept the sargassum before it reaches the shore, thus preventing contamination and reducing its environmental impact. These initiatives not only help us to mitigate the effects of sargassum on our operations but also position us as leaders in environmentally responsible management practices in the hospitality industry. At Palace Resorts, our commitment to sargassum management goes beyond meeting environmental standards; it is a demonstration of our dedication to sustainability and excellence in service.

BIODIVERSITY CONSERVATION



At Moon Palace Cancun, Beach Palace & Sun Palace, we are dedicated to protecting and conserving five species of endangered sea turtles that inhabit our beaches. We recognize the ecological and symbolic importance of these species, therefore, we undertake various activities for their protection.

One of our main actions is the collection and relocation of nests to protect them from predators and ensure successful hatchings. As of the year 2023, we have relocated a total of 25,879 nests, protected 2,965,865 eggs in corrals, and released 2,398,859 turtle hatchlings into the sea.

These species play a crucial role in ecological balance and contribute to the quality of human life and various ecosystems.

For example, Hawksbill turtles (*Eretmochelys imbricata*) aid in coral dispersal, a vital organism in reefs that absorbs carbon to mitigate the effects of climate change. Our commitment to the conservation of these species significantly benefits marine biodiversity and the well-being of our planet.

Conservación de Tortugas Marinas | Fundación Palace®
(fundacionpalace.org)

WE HAVE ALLOCATED A LARGE AREA FOR CONSERVATION

Palace Resorts stands out not only for offering luxury and comfort but also for its commitment to environmental preservation. Among its numerous sustainable initiatives, the “Moon Palace Private Reserve” stands out, a Protected Natural Area covering 315 hectares, 208 hectares of which are mangroves—a vital ecosystem in our region. These mangroves are not only natural guardians of our coasts, protecting our beaches from erosion and storms, but also host an incredible diversity of marine life, from small fish to majestic coastal birds. Besides their beauty, mangroves play a fundamental role in the balance of nature by filtering nutrients and capturing large amounts of carbon, thus helping to mitigate climate change. They are essential for sustainable fishing and tourism, and they also serve as natural barriers against hurricanes, demonstrating that conserving them is beneficial not only for nature but also for local communities and our visitors.



CALCULATING OUR CARBON FOOTPRINT

The concept of a Carbon Footprint refers to the impact generated by our daily activities, expressed through greenhouse gas (GHG) emissions. At Palace Resorts, we are committed to reducing this footprint without compromising excellence and quality of service.

In our hotels, we meticulously track water, energy, and fuel consumption, as well as waste generation. This annual measurement is not only an exercise in responsibility but also a valuable source of information to design effective strategies for reducing GHG emissions.

During the years 2021 and 2022, we calculated our Carbon Footprint and used the results as a guide to identify areas for improvement and to implement solutions.

Our goal is to minimize emissions in our hotel operations and ultimately achieve carbon neutrality while maintaining the quality and warmth of service.





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