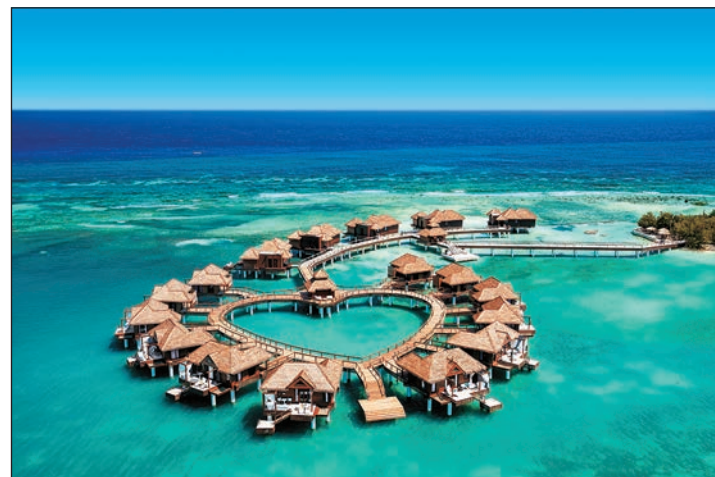


The Soul of Sandals

**An Interview with Adam Stewart, CD,
Executive Chairman, Sandals Resorts International**



Over-the-Water Bungalows at Sandals Royal Caribbean in Montego Bay, Jamaica

EDITORS' NOTE Adam Stewart is Executive Chairman of Sandals Resorts International, the company founded by his father, Gordon "Butch" Stewart, the legendary hotelier who passed away on January 4, 2021. He previously spent more than a decade as Deputy Chairman and Chief Executive Officer of SRI. His efforts have been recognized by numerous hospitality industry awards including being named the 2015 Caribbean Hotel and Tourism Association



Adam Stewart

Hotelier of the Year. In addition to his responsibilities as Executive Chairman, Stewart continues his leadership role in the family's extensive hospitality, media, automotive and appliance business holdings, including his position as Executive Chairman, The ATL Group, comprising the Jamaica Observer, the country's leading daily newspaper, and ATL Appliance Traders, a chain of domestic and commercial appliance outlets combining exclusive distributorship of the world's top electronic brands with exceptional customer service throughout Jamaica. Deeply committed to the region, he is the President of the Sandals Foundation, a 501(c)(3) nonprofit organization aimed at fulfilling the promise of the Caribbean community, and also served as 1st Vice President of the Jamaica Hotel & Tourist Association and is chair of the country's Tourism Linkages Council, which seeks to enhance the capacity and competitiveness of local suppliers, making the strength of tourism work for all. He was also recently appointed to the Executive Committee of the World Travel & Tourism Council. Stewart has been personally recognized as the Jamaica Hotel and Tourist Association's Hotelier of the Year 2015, World Travel Awards' Rising Star, Caribbean World's Travel and Tourism Personality of the Year and received the Distinguished Alumni Torch Award from FIU and The Gleaner Company's Jamaica 50 under 50 Award. Stewart graduated from the acclaimed Chaplin School of Hospitality & Tourism Management at Florida International University in Miami. An avid adventurer and lover of the sea, Stewart was inspired to share his passion for the Caribbean and launched the region's premier tour company, Island Routes Caribbean Adventures, offering unique and exciting tour and adventure experiences throughout the region. Island Routes has since transformed from a small island outpost to a multiple World Travel-Award-winning company employing 200 people and offering hundreds of adventures in 12 countries.

In 2020, Stewart played an integral role in managing the company's response to the COVID-19 pandemic. Under his guidance, Sandals Resorts International implemented the respected Platinum Protocols of Cleanliness at Sandals® Resorts and Beaches® Resorts to ensure guests' and team members' safety. Additionally, he consulted with industry groups, government entities, health organizations and international associations alike for the betterment of the travel industry. His work guaranteed Sandals Resorts and Beaches Resorts was at the forefront of providing

a safe and enjoyable destination for international travelers.

COMPANY BRIEF World-renowned Sandals Resorts and Beaches Resorts (sandals.com; beaches.com) has transformed from one brand and one resort in Montego Bay, Jamaica to become one of the most well-known and award-winning hospitality names in the world. With four brands and 23 properties in eight countries including Antigua, The Bahamas, Grenada, Barbados, Jamaica, Saint Lucia, Curaçao and Turks & Caicos, and a ninth location coming soon to St. Vincent. Sandals Resorts and Beaches Resorts is the undisputed leader of Caribbean vacation experiences and remains fiercely committed to the region, dedicating itself to innovative resort development that in the words of Founder Gordon "Butch" Stewart, "exceed expectations" for guests, associates and the people who call the Caribbean home.

Sandals Resorts is celebrating its 40th Anniversary this year. What have been the keys to Sandals' longevity and relevance for four decades?

We've had an amazing 40-year history of innovation and love that stems from a simple mantra of exceeding our guests' expectations – which my dad, the late Gordon "Butch" Stewart, founded our company on. I can honestly say that it's because of this single mindset that we've never rested on our laurels and have continued to out-innovate and outperform ourselves year after year and that's what keeps us at the top – always putting the customer first, constantly finding ways to enhance their experience, and giving them more than they'd ever expect. Simply put, innovation that consistently enhances, surprises and delights the customers is the key to our relevancy and the recipe that will carry us forward.

How do you define Sandals' culture and how important has it been to maintain culture as the company has grown in size and scale?

The soul of Sandals is something I am very humbled by because it all boils down to one word: family. Our 15,000 team members are part of something bigger than themselves. In the Caribbean, where SRI is the largest private employer, we hire for attitude and train for the skill. We see the endless potential in our people and that's what family and our company is about – fulfilling your best self, your dreams. That's why we are so proud of Sandals Corporate University and the training



The future Sandals Dunn's River and Sandals Royal Dunn's River in the Ocho Rios, Jamaica

and educational opportunities it provides. As we continue to expand our portfolio and add more team members across the Caribbean, we'll never lose sight of who we are. We'll always have family in our DNA, and that's what drives the magic behind our culture.

How did Sandals adapt its business to address the challenges caused by the global pandemic and how proud are you to see the strength and resilience of the Sandals workforce at all levels of the company during this challenging and unprecedented time?

When the pandemic struck, the borders of the entire Caribbean closed for the first time in 70 years. We are island nations and when borders close, imports stop. We knew we had to find a way to sustainably deal with our new situation and while we were deeply concerned, we were fiercely determined.

Our tourism community came together in a way that was actually beautiful. We were having conversations that were holistic and at the highest levels. So yes, the global pandemic was a challenge, but it gave us – leaders of the private and public sectors – an opportunity to pause and reflect on what is important, instilling confidence and inspiring hope in our people.



Home to the future Beaches Resort in Saint Vincent

As a business, we made the decision to move first. We had the resources and early in 2020, we developed our “Sandals Platinum Protocols of Cleanliness.” Created in partnership with the Centers for Diseases Control and Prevention (CDC), World Health Organization (WHO), and the local Ministries of Health in the countries where we operate, these enhanced measures are based on a thorough assessment of all points of guest contact, resulting in the integration of advanced hygiene practices across eighteen key touch points – from the moment guests arrive at airport lounges through to departure.

These protocols and standards of compliance were shared widely across the Caribbean tourism industry – from mom-and-pop hotels to the large players, villa owners, cruise and tour companies. These protocols also became an effective road map for building tourism resilient corridors. With compliance in order, we worked with government to sustain and support the unofficial members of tourism's greater ecosphere – taxi drivers, crafts people, fishers and farmers. Together with government, we mounted huge hurdles to get folks registered to receive a steady income while tourism prepared to return.

At Sandals, we lived what we preached. We kept our entire workforce, and we made the decision to demonstrate our confidence in our



Sandals Royal Curaçao

comeback through significant investment in Caribbean tourism, spending \$55 million to reimagine Sandals Royal Bahamian and acquiring four new properties during the downturn and we made a big splash about that investment. We wanted the world and especially our people, our partners and guests to know that we never stopped believing in Caribbean tourism and were getting ready for its return.

Our recently announced Sandals Vacation Assurance Program is a continuation of this effort to build trust and it's working. When we reopened in June 2020, the hotels were at 40 percent occupancy and today, we're on track to have the best winter season we've ever had.

Sandals continues to expand with new properties and new markets. Will you discuss Sandals' growth plans and where you see additional opportunities for the brand?

We are Caribbean. This is our home, and we are on a mission to share its beauty and diversity with the world. Sandals Resorts will double its current portfolio over the next ten years through a combination of ground-up development, expansion of existing hotels and acquisition of assets. We have a bold plan for growth and will continue to invest in islands that we fall in love with. We are well-positioned and reinvesting in our business and in our home region.

Unlike the asset-light model favored by many hotel companies, Sandals is a rarity in the industry because we own all our hotels as well as the last parcels of best-in-class real estate in the Caribbean. We believe this gives us tremendous flexibility and the ability to address evolving customer desires and demands quickly.

We begin with five new resorts under development, three in Jamaica, our first in Curaçao and our first in St. Vincent. In Jamaica, our home country, we acquired Sandals Dunn's River – which we actually operated in the '90s. It's great to have it back in the fold and in addition to the original property, we purchased the adjacent land.

Our first-phase development is focused on Sandals Dunn's River where we are gutting the property and bringing it back to life. Phase 2 will introduce Sandals Royal Dunn's River, together a \$230 million development, that will operate very much like our sister hotels in Barbados – side-by-side resorts with complementary services and amenities and more restaurant concepts and bars for guests to enjoy. Last, but not least, we're building our third Beaches Resort in Jamaica – Beaches Runaway Bay. In total, these three hotels represent more than \$500 million in investment.

Our first hotel in Curaçao, Sandals Royal Curaçao, will debut in April 2022. This is our



Rendering of Sandals Dunn's River Swim-Up Rondoval Suites



Rendering of the future lobby of Beaches Runaway Bay

ninth destination in the basin and the first in the Dutch Caribbean. The property was owned by a private Dutch family, and later run as an independent hotel. It's an incredible property with 44 acres set within a 3,000-acre private reserve. We're spending \$75 million to bring it to our standards, a term we like to call the "Sandalization" process, and we're introducing new concepts there that we know will delight guests including convertible Mini Coopers that come with the highest category suites for guests to explore and enjoy the island.

In early 2023, we will unveil our first property in St. Vincent, a new Beaches Resort. Beyond our acquisition costs, we're investing \$200 million into this property and it will be a phenomenal escape for families.

You launched the Sandals Foundation in 2009. What was your vision for creating the Foundation and how do you define its mission?

The mission of the Sandals Foundation is to widen the circle of opportunity in the Caribbean, our home. Nobody cares for the region, its people or its potential the way that we do. Everything we do is about our reverence for the Caribbean and its people. Before it was fashionable for companies to talk about sustainability, we were building walkways for land crabs, preserving ancient trees and limiting water use. Caring for the Caribbean comes naturally to us because we are the Caribbean. Our family has been part of the region's beautiful and precious ecosystem for more than six generations.

In fact, it was the impetus for the 2009 creation of the Sandals Foundation, the philanthropic arm of Sandals Resorts International. The Foundation puts a formal framework around the work Sandals had already been undertaking since our founding in 1981 to play a meaningful role in the lives of the communities where we operate throughout the Caribbean. The Sandals Foundation funds projects in three core areas: community, education and the environment. We've invested \$77 million to date and the difference our team is making all throughout the region is incredible.

Best of all, wherever the Foundation operates – whether delivering healthcare to

communities, funding school supplies or protecting the Caribbean's fragile environment – 100 percent of the monies contributed by the public to the Sandals Foundation go directly to programs benefiting the Caribbean community.

You have referred to your late father, Gordon "Butch" Stewart, as a doer and a dreamer. What made him such a pioneer and visionary and how special was it for you to be able to work so closely with him for more than two decades?

My dad's brilliance was his ingenuity and innovation; he showed the world that what was created in the Caribbean could compete on the world stage and in doing so, created the Caribbean's first and perhaps only super brand. He didn't believe in the word "impossible." He took a chance and bought his first hotel in Montego Bay, Jamaica, at 40 years old despite having no hotel experience and transformed it into one of the most successful hospitality brands in the world.

The most important lesson I ever learned from my father was to never stop innovating. To him, the highest goal was always to exceed expectations, which means to continue evolving and never rest on your laurels. There is only the next opportunity to delight the customer.

From the very start, Sandals has been on a mission to improve the all-inclusive experience. We reimagined the way we did and approached everything from suite concepts and partnerships to food and beverage and service standards. Everything.

By its very nature, the luxury market is resilient and from our deep experience in the honeymoon, bridal and weddings market, there are aspirational moments across audiences that only a luxury experience can satisfy.

More than anything, we prefer to race to the top. As more and more hotel companies added breakfast and dinner to an EP rate and donned the all-inclusive label, it was becoming clear that folks would be competing on price. That was never our business model and so we decided we would compete on our own terms, offering more inclusions, incredible suites, premium locations and so on.

As for me, getting to work alongside my dad gave me the know-how to propel this company into the future with the big dreams and even bigger plans we have in store today. I am focused on building upon our family's legacy and on growth and innovation, where we compete only with ourselves.

Do you think in the early days of the company that Butch could have ever imagined that Sandals would become what it is today and that it would have been a part of how countless numbers of people have celebrated the most special moments in their lives?

I think my dad always knew that Sandals was going to be special, but I don't think any of us could have ever imagined the incredible success Sandals would enjoy and the part we would play for over forty years, hosting some of the most special and meaningful moments of our guests' lives. It's a tremendous honor for us that we take very seriously. Marriages, honeymoons, anniversaries and family reunions – these are the celebrations that become the memories of a lifetime. It's incredible and it goes on.

As Sandals celebrates its 40th anniversary, how important is it for you and your team to take moments to reflect and celebrate what Sandals has accomplished?

We are very proud of our accomplishments. Making our guests happy is what makes our team happy, and we would not be who we are and where we are today without every single one of them. So, in honor of our 40th anniversary, we've embarked on a year-long celebration that encompasses all our guests and team members. We kicked off our celebrations in November by treating our guests to weekly Sandals Rewind events where live DJ's play the best of four decades of music and we started pouring our classic cocktails, made famous in '81, that still pack the same punch today. Our talented bartenders debuted a new hand-crafted cocktail experience for our guests, and we even introduced a new poolside service at all resorts. We also introduced a nostalgic Sandals 1981-inspired retail and t-shirt collection that's available in all resort shops, which our guests are all loving. We even launched Sandals' first-ever podcast, the Sandals PalmCast, that gives everyone a look into what's happening at our resorts with interviews from our beloved team members and loyal guests.

We also kicked off our 40 for 40 initiative – the commitment to add 40 new community projects chosen by our team members that are in addition to what our Sandals Foundation is already doing to help benefit Caribbean communities. From planting trees in the Blue and John Crow mountains to doubling efforts to increase capacity of local producers and farmers and more.

And something very close to my heart – we are currently constructing a world-class hospitality school: The Gordon "Butch" Stewart International School of Hospitality and Tourism at the University of West Indies together with world-renowned Florida International University's Chaplin School of Hospitality and Tourism Management. Together we will develop the next generation of tourism leaders with world-class curriculum and real-world experiences.

We're celebrating 40 in a big way and there's so much more to come. We're hyper-focused on the future and while I am so proud of all our accomplishments thus far, the next 40 years and beyond is going to be even better. ●