

Environmental Report

Lucillumar – Sociedade Hoteleira e
Turismo S.A.

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INTRODUCTION

Sentido Galo Resort hotels are continuously striving to increase the positive impact we have on people and the environment. We are deeply committed to reducing our greenhouse gas emissions and protecting local biodiversity.

As part of this commitment, in 2024 we set an ambitious goal to reduce our greenhouse gas emissions from energy, water, and waste by 50% by the end of 2030. To achieve this goal, Sentido Galo Resort will focus on minimising its carbon footprint and supporting certified emission reduction projects through carbon offset initiatives. Our reduction efforts will focus on improving energy efficiency, transitioning to renewable energy sources, and implementing effective waste management practices. In addition, we plan to partner with a local company to purchase carbon credits from projects that actively reduce or remove CO₂ from the atmosphere — such as reforestation and tree planting initiatives. We are committed to using natural resources efficiently, especially energy and water, by adopting practices that minimise consumption and waste. In addition, we engage all stakeholders (e.g., employees, suppliers, guests, and the community) to ensure that everyone contributes to the implementation of these best practices:

- Reducing greenhouse gas emissions (by reducing waste and promoting recycling and reuse; reducing energy consumption and minimising water use).
- Use natural and sustainable resources rationally and efficiently.
- Protect the environment and biodiversity, particularly the Garajau Nature Reserve, of which the Hotel is an integral part.
- Commit to sustainable procurement and promote the local circular economy.

When analysing the sustainable goals that have been set for 2024, we can conclude that our sustainable policy and strategies are making positive progress in environmental preservation. When comparing the sustainable goals that have been set for 2024, we can conclude the following:

Total guests per year: In 2024, we had a total of 125,973 guests, which represented an increase of 18.04% compared to the total number of guests in 2023.

We are pleased to report that, as of 31 December 2024, we achieved the following reductions:

Gas consumption: The projected gas consumption for 2024 was 0.467 kg per guest, while the actual consumption was 0.337 kg per guest. This represents a reduction of 0.13 kg, or a 27.8% decrease in gas consumption per guest. Compared to 2023, the reduction in gas per guest was less than 15.75%.

Electricity consumption: The electricity consumption target for 2024 was 14.21 kW per guest, while actual consumption was 13.08 kW per guest. This represents a reduction of 1.13 kW, or a decrease of 7.95% in electricity consumption per guest. Compared to 2023, the reduction in electricity per guest was less than 12.91%.

Water consumption: The predicted water consumption for 2024 was 0.333 m3 per guest, while the actual consumption was 0.24 m3 per guest. This represents a reduction of 0.093 m3, or a decrease of 27.9% in water consumption per guest. Compared to 2023, the reduction in water per guest was less than 27.9%.

We know there is still much work to be done, and in 2026 we will implement several new initiatives across our operation to help us achieve our 2030 goal. Our goal is to reduce CO₂e emissions from our hotels by 50% by 2030, compared to 2020 levels. This project will be carried out in partnership with a Portuguese company: PontoVerde. PontoVerde is a sustainability consulting firm that helps its clients improve their environmental performance and communicate the results of that performance in a clear and engaging way to employees, partners, customers, and investors. Carbono Zero® is a service provided by *PontoVerde* based on the concept of identifying, accounting for and offsetting greenhouse gas (GHG) emissions generated by organisations' activities by paying for carbon dioxide (CO₂) sequestration services by forest areas in equivalent amounts. We encourage our valued guests, employees and visitors to support us by following the reminders we provide throughout the hotel about saving water and energy, as well as minimising waste.

We are proud of the fundraising activities carried out by our guests to achieve our goal of raising €4,000 for the Centro Mãe Social Solidarity Association. The institution's mission is to support families, defend human life and promote the dignity of women. This amount will play an important role in assisting, supporting and providing support to women, young mothers and pregnant women at risk. Thanks to donations from our guests, we were able to achieve this goal.

In 2026, our focus will be on supporting a local association of friends of the ecosystems of the Madeira archipelago (ECOAMA). This is a regional environmental non-governmental organisation, accredited by the Portuguese Environment Agency. Its objective is to preserve

nature conservation and maintain the island's biodiversity, with a special focus on the endemic flora of the Madeira archipelago. We have set a goal of raising €4,500 to support this project, and our employees will participate in planting new endemic trees during the spring of 2026. If you would like to make a donation to this important community project, you are welcome to leave your donation at our reception.

Sentido Galo Resort is committed to respecting and protecting human rights. We believe that all people should be treated fairly and with respect. As part of this commitment, we regularly train our team on the prevention of discrimination.

We are also committed to safeguarding the welfare of children and young people. We have a policy of always reporting suspected cases of child exploitation and abuse to the police. We encourage our guests, staff and visitors to report their concerns about child exploitation and abuse to the local police by calling 00351291529130 or by going directly to the police station located at Praça Doutor João Abel de Freitas, 9100-162 Santa Cruz, Portugal, Santa Cruz (Madeira Island).

GENERAL REVIEW AND CERTIFICATIONS

Since 2022, we have continued our social responsibility activities and environmental improvements, including changes to labour standards and the development of communication plans for our guests.

In May 2025, the Green Key application was submitted, thus renewing the certificate.

In 2025, Sentido Galo Resort hotels joined the "Noite com Vida" (Night with Life) Award at the Platinum level. This initiative aims to promote good lighting practices in private establishments and , reduce unnecessary lighting, and raise awareness of the issue of light pollution, in order to protect nocturnal biodiversity.

In addition to this award, our hotels were also nominated for Europe's Leading Green Hotel and Portugal's Leading Green Hotel, with the results yet to be announced. It should be noted that the World Travel Awards are considered the Oscars of tourism, making this an extremely important and prestigious award.

COMPANY POLICIES

The company's policies were updated in 2025 and can be consulted on our website.

ACTIVITIES

Environment

The Sentido Galosol, Sentido Galomar and Alpino Atlantico Ayurveda hotels are committed to ensuring that all their processes are sustainable. The company works continuously to preserve the environment and improve its social responsibility. This year, several activities were carried out with employees and customers relating to environmental preservation and raising awareness of this issue.

The following environmental initiatives were carried out this year:

- **Arbor Day** – It was possible to carry out the reforestation activity in the Madeira Mountains. This event was supported by the staff as a way of raising awareness of environmental preservation issues. Afterwards, a lunch was held for everyone.
- **Earth Hour Celebration** – On 25 March, we celebrated Earth Hour at the hotels. We made sure to raise awareness among our guests by providing information about this event and Earth Hour, inviting our guests to turn off all lights during that hour. In public areas, with the exception of emergency and safety lights, everything else was turned off for one hour.
where most of the lights were turned off for an hour. A letter was sent to all customers informing them of the event and asking them to turn off all lights for an hour, explaining why. Our employees were also made aware of the event. Five guests took part in this event. During this hour, a meditation session was held by the Ondamar pool.
- The delivery of **reusable bottles** to employees continued, with the aim of reducing plastic waste and encouraging the use of reusable materials.
- Collection of batteries and light bulbs in the staff canteen and maintenance area (for batteries and light bulbs from guests and hotel areas) with the aim of collecting them under the AHP's HOSPES programme – WE CARE seal – in which the collection of these materials will be carried out by **Amb3E – Portuguese Waste Management Association**,

and the total amount collected (from used equipment) will be converted into financial support, to be delivered to an IPSS identified by the AHP;

- **The collection of plastic caps** for donation to the Portuguese Association for the Disabled – Madeira Branch was completed in June 2025, as the Association terminated the project.

SOCIAL RESPONSIBILITY

Internal Social Responsibility

- **Employee of the month and year:** Continuation of the election of the employee of the month and year. Employees are very satisfied with this system of personal recognition.
- **Employee birthday celebrations:** every month, on the last day of the month, the birthdays of employees celebrating their birthdays that month are celebrated in the canteen, with all employees who are able to attend. Cake is cut and juice is distributed. A breakfast is also organised at the Ondamar restaurant at the beginning of the month following the birthday, with the birthday boys and girls and members of management. It should be noted that the birthday is counted as an extra day of holiday so that the employee can enjoy their birthday with their family.
- **Team physical activity:**
 - Twice a week, employees are given access to Pilates classes. This activity is organised by the Galo Active gym.
 - For the departmental management team, a PT session is held once a week.
 - Every year, we hold a team physical activity, the Volta à Madeira, which brings together employees from various departments to perform a series of physical exercises in the hotel gym.

External Social Responsibility

- **February 2022** - Participation in the AHP campaign - **Paper for Food** - The "Paper for Food" campaign is an initiative promoted by the Portuguese Federation of Food Banks, with environmental and solidarity aspects: all the paper collected is converted into food

products to be distributed to those most in need. For every tonne of paper collected, the equivalent of €70 in basic food products is delivered to the Food Banks Against Hunger by certified waste collection and treatment companies. In 2022, GRH donated around 500 kg of office paper.

- **Women's Day:** Women's Day was celebrated by inviting women who were present at the hotel – employees and guests – to take photos with phrases alluding to the day and publish them on Facebook.
- Awarded the **WE SHARE seal** by the AHP under the HOSPES programme for donating 35 mattresses to the Food Bank Against Hunger.
- In 2022, **€7,267.90** was raised for the **Abraço Foundation** as part of the as part of the 1 euro per check-out programme, where our guests can make a donation to this institution of their own free will when they check out. Guests can find all the information about the Abraço Foundation in their room.
- The Sentido Galosol, Sentido Galomar and Alpino Atlantico Ayurveda hotels are involved in the community as part of **the Caniço Educational Community**, offering students internships to help them integrate into working life.
- Once again, **gifts were collected** (from guests and employees) for **Christmas** for the following institutions:
 - Gracinda Tito Temporary Shelter;
 - Lar da Paz;
 - Machico Temporary Shelter.

SAFETY

Together with the chemical supplier Johnson Diversey, we changed the chemicals used by the Housekeeping department to sustainable and automated products.

The internal video surveillance system for the three hotels has been reinforced with the introduction of new video surveillance cameras in strategic locations. We also have a night guard service that conducts security patrols during the night.

Security improvements have been made to the IT system and services with the switch to Microsoft in terms of cybersecurity and the move to a cloud-based server.

RESOURCE MANAGEMENT – WATER, ELECTRICITY AND GAS

SENTIDO GALOSOL

Water

Water Consumption			
Year	2022	2023	2024
Overnight stays	63,292	50,432	71,064
m3 / year	21,292	13,843	16,199
Comparison	-	-7,449 (-34.98%)	+2,356 (+17.00%)
m3/night	0.336	0.274	0.228
Comparison	-	-0.062 (-18.00%)	-0.047 (-17.00%)

With regard to water consumption at the Sentido Galosol Hotel, there has been an inconsistent variation in consumption/year in different years. This is due to the fact that the hotel underwent renovation work in 2023, reducing occupancy and, consequently, consumption in that year.

However, it should be noted that consumption per overnight stay has been decreasing over the years. This is due to the implementation of good practices by employees and guests, as well as new systems to reduce water flow in rooms.

	Galosol Swimming Pool Consumption (m3)								
Consumption	Jacuzzi			Indoor swimming pool			Outdoor swimming pool		
Month/Year	2022	2023	2024	2022	2023	2024	2022	2023	2024
Jan	11	20	10	60	61	45	5	15	7
Feb	10	22	8	66	52	33	7	0	7
Mar	11	27	12	59	51	82	7	0	7
Apr	10	14	10	52	59	42	15	315	7
May	11	11	9	62	55	53	9	31	11
Jun	16	11	13	57	58	54	11	32	22
July	14	14	13	168	44	54	13	20	16
Aug	12	11	14	46	43	64	32	34	24
September	14	11	11	48	52	45	53	27	29
Out	14	11	12	53	32	54	95	32	17
Nov	16	9	12	45	39	50	71	9	17
Ten	15	10	10	48	94	9	44	12	19
Total	154	171	134	764	640	585	361	527	183
Comparison	-	+17	-37	-	-124	-55	-	+166	-344

In the outdoor pool and jacuzzi, there was an increase in water consumption in 2023. This was due to necessary maintenance work on the pools, which included washing the filters and sending the wash water to the sewer. At the end of 2024, a new water treatment system for swimming pools was implemented in the two swimming pools and jacuzzi at the Hotel Galosol, with a new proposal for high-performance cartridge filtration, disinfection by salt electrolysis and automated control of critical parameters such as pH and chlorine (ORP). This initiative stems from the need to overcome the limitations of conventional systems based on sand filtration and intensive use of sodium hypochlorite or granulated chlorine, which entails high operating costs, greater chemical risk and the need for frequent manual maintenance.

This project comes at a time of transition in the sector, marked by growing demand for automated, safer and more environmentally sustainable solutions. Lucillumar has identified as a strategic priority the reduction of dependence on aggressive chemicals, exploring alternatives through salt electrolysis processes, and improving water control through smart sensors and automatic valves. This filtration system represents a significant improvement in water

consumption management, as, compared to conventional systems using sand filters, it eliminates the need for considerable water waste during the cleaning process.

Electricity

Electricity Consumption			
Year	2022	2023	2024
Overnight stays	63,292	50,432	71,064
kW/year	1,238,101.37	1,169,140.04	1,228,445.58
Comparison	-	-68,961.33 (-6.00%)	+59,305.54 (+5.00%)
kw/night	19.56	23.18	17.29
Comparison	-	+3.62 (+19.00%)	-5.90 (-25.00%)

An analysis of Galosol's electricity consumption shows a slight increase in consumption per overnight stay in 2023, which may be associated with the renovation works. However, in 2024, consumption per overnight stay will fall again compared to 2022 figures.

Photovoltaic Production

Year	KW Produced	% kW in relation to energy supplied by the grid
2022	32,575.67	2.63
2023	33,956.32	2.90
2024	32,613.98	2.65

For the year 2025/2026, the implementation of a significant number of photovoltaic panels is planned, which will increase energy production, thereby reducing energy consumption from the grid.

Gas

Gas consumption			
Year	2022	2023	2024
Overnight stays	63,292	50,432	71,064
kg/year	27,266.00	14,472.00	22,337.00
Comparison	-	-12,794.00 (-47%)	+7,865.00 (+54%)
Kg/night	0.43	0.29	0.31
Comparison	-	-0.14 (-33%)	+0.03 (+10%)

An analysis of gas consumption at Hotel Galosol shows a steady reduction over the last three years. In the last two years, gas consumption per overnight stay has stabilised at around 0.30 kg.

Good practices and awareness among guests and staff, as well as some associated technology, always help to achieve savings.

SENTIDO GALOMAR

Water

Water Consumption			
Year	2022	2023	2024
Overnight stays	44,258	46,109	44,873
m3 / year	15,340	15,523	10,322
Comparison	-	+183 (+1.19%)	-5,201 (-33.51%)
m3/night	0.347	0.337	0.230
Comparison	-	-0.010 (-3.00%)	-0.107 (-32.00%)

Electricity

Electricity consumption			
Year	2022	2023	2024
Overnight stays	44,258	46,109	44,873
kW/year	377,657.00	370,041.40	363,692.30
Comparison	-	-7,615.60 (-2%)	-6,349.10 (-2%)
kw/night	8.53	8.03	8.10
Comparison	-	-0.51 (-6%)	+0.08 (+1%)

Photovoltaic production

Year	KW Produced	% kW in relation to energy supplied by the grid
2022	192,309.70	50.92
2023	199,522.10	53.92
2024	191,470.90	52.65

Gas

Gas consumption			
Year	2022	2023	2024
Overnight stays	44,258	46,109	44,873
kg/year	20,280.79	22,485.96	14,393.21
Comparison	-	+2,205.16 (+11%)	-8,092.74 (-36%)
Kg/night	0.458	0.488	0.321
Comparison	-	+0.03 (+6%)	-0.167 (-34%)

ALPINO ATLÂNTICO AYURVEDA HOTEL

Water

Water Consumption			
Year	2022	2023	2024
Overnight stays	10,591	10,177	10,066
m3 / year	2,708	2,691	3,228
Comparison	-	-17 (-1%)	+537 (+20%)
m3/night	0.256	0.264	0.321
Comparison	-	+0.01 (+3%)	+0.06 (+21%)

An analysis of water consumption at the Hotel Alpino Atlântico shows a slight increase from 2023 to 2024. This is due to the increased use of water in Ayurvedic treatments at the Ashoka Spa. It can be said that the number of meals at the Alpino restaurant has been increasing, as has the number of treatments at the healing centre, leading to higher water consumption.

Electricity

Electricity consumption			
Year	2022	2023	2024
Overnight stays	10,591	10,177	10,066
kW/year	62,714.75	63,869.62	56,256.00
Comparison	-	+1,154.87 (+2%)	-7,613.62 (-12%)
kw/night	5.92	6.28	5.59
Comparison	-	+0.35 (+6%)	-0.69 (-11%)

Photovoltaic production

Year	KW Produced	% kW in relation to energy supplied by the grid
2022	15,565.76	24.82
2023	15,890.61	24.88
2024	15,413.00	27.40

An analysis of Alpino Atlântico's electricity consumption shows a reduction in 2024. This reduction was due to the installation of new, more efficient equipment (new boilers, new kitchen oven, change to LED lighting).

Gas

Gas consumption			
Year	2022	2023	2024
Overnight stays	10,591	10,177	10,066
kg/year	7,660.00	5,768	5,740.00
Comparison	-	-1,892.00 (-25%)	-28.00 (-0.5%)
Kg/night	0.723	0.567	0.570
Comparison	-	-0.16 (-22%)	+0.003 (+1%)

Gas consumption at the Hotel Alpino Atlântico fell in 2023 and remained low in 2024. This reduction is due to the installation of new boilers that are much more efficient than the previous model.

CARBON FOOTPRINT

In 2024, Sentido Galo Resort Hotels reinforced its commitment to sustainability, focusing on reducing greenhouse gas emissions and protecting local biodiversity. The company has set a target of achieving 50% carbon neutrality by 2030 by reducing its carbon footprint and offsetting emissions with certified projects, such as reforestation.

The main actions include:

- Improving energy efficiency
- Transition to renewable energy
- Effective waste management
- Acquisition of carbon credits
- Involvement of all stakeholders (employees, suppliers, guests and the community)

The sustainable policy also includes:

- Rational use of natural resources
- Protection of the Garajau Nature Reserve
- Promotion of the local circular economy

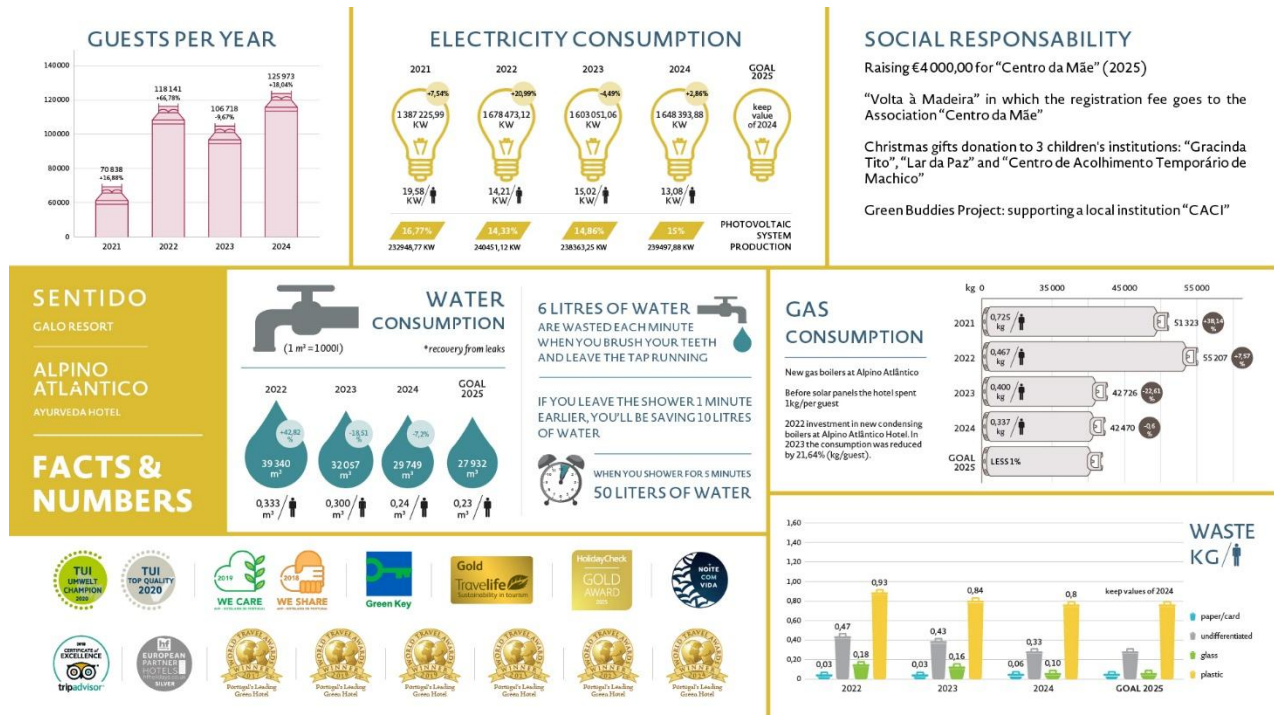
Carbon Footprint Results:

- Sentido Galosol - 556.62 tCO₂e
- Sentido Galomar - 115.82 tCO₂e
- Alpino Atlântico Ayurveda Hotel - 35.71 tCO₂e

These results demonstrate positive progress in the implementation of environmental strategies and the preservation of natural resources.

INNOVATIONS/CHANGES

- Sustainability Framework – information for guests



WASTE

Waste separation is an ongoing best practice and very important in our hotels. Recycling bins are strategically placed in various locations. Waste separation is carried out by guests and employees, and ongoing awareness is ensured.

The base values for waste weighing have been changed, so the values change from year to year. A new waste management procedure has been created.

Every month, information is gathered on the quantities of waste collected at the various hotels (see table below).

Galosol and Galomar

	Cardboard (kg)		Organic (kg)		Glass (kg)		Packaging (kg)	
Month	2023	2024	2023	2024	2023	2024	2023	2024
January	126.57	182.27	3543.96	943.57	675.04	293.05	1814.17	308.27
February	92.04	361.6	2577.12	1872.24	490.88	581.48	1319.24	611.67
March	1.11	463.6	31.08	2400.10	5.92	745.42	15.91	784.13
April	151.11	785.28	4231.08	2620.55	805.92	1429.40	2165.91	1332.34
May	245.58	776.85	6,876.24	4632.36	1309.76	1141.30	3,519.98	1275.58
June	292.89	1209.15	8,200.92	4153.58	1562.08	1126.08	4198.09	1439.91
July	345.57	895.5	9675.96	4846.08	1843.04	1552.34	4,953.17	1492.63
August	361.35	565.06	10,117.8	5085.57	1927.2	1278.83	5179.35	1308.57
September	328.68	654.40	9,203.04	4258.46	1752.96	1367.40	4711.08	1455.30
October	322.83	445.81	9039.24	2307.80	1721.76	716.75	4627.23	753.97
November	286.38	412.24	8018.64	2134.03	1527.36	662.78	4104.78	697.20
December	230.94	326.83	6466.32	1691.92	1231.68	525.47	3310.14	552.76
Total	2785.05	7078.78	77,981.4	36,946.27	14,853.6	11,420.29	39,919.05	12,012.33
Overnight stays	92,835	112,882	92,835	112,882	92,835	112,882	92,835	112,882
Kg/night	0.03kg	0.06kg	0.84 kg	0.33 kg	0.16kg	0.10 kg	0.43 kg	0.11 kg

Observing waste production at the Sentido Galosol, Sentido Galomar and Alpino hotels, it was found that there was a reduction in waste consumption. Unfortunately, however, waste counts were not carried out on a daily basis as there was no longer anyone responsible for the waste collection point during the 8-hour shift. Various awareness-raising and training initiatives were carried out to sensitise employees to the importance of recording waste and maintaining the waste collection points.

WATER AND SEWAGE

Fortnightly bacteriological, physical and chemical analyses of the indoor and outdoor swimming pool water continued throughout the year. Analyses of drinking water from various points, from bedrooms to kitchens, as well as legionella control, also continued.

The water in the natural swimming pool (Lido) is monitored through analyses carried out by the Regional Secretariat for Social Affairs and through internal analyses.

HAZARDOUS SUBSTANCES

The hotel keeps a list of all hazardous products on the premises, as well as their technical data sheets and safety data sheets. This list and the aforementioned sheets are distributed in all locations where these products are found, as well as in the purchasing manager's office.

All storage areas for these substances have prevention materials to act in case of spillage (masks, gloves, shovel, broom and bran).

COMMUNICATION

The environmental board set up to inform our guests lists the seven commitments made by Lucullumar – Sociedade Hoteleira e Turismo, S.A., based on sustainability and social responsibility policies. This board also shows the hotel's consumption of water, electricity and gas, as well as the targets for the following year. This board has been strategically placed to improve information for guests. One of the essential elements for the success of environmental certification is communication. Communication is essentially carried out on four levels: for customers, employees, suppliers, and the mass media and general public, when official awards are presented.

Every week during the management cocktail party, guests are informed of our sustainability policy and asked for suggestions on how to improve our environmental management. All guest feedback is referenced in the Trust You programme. This programme allows us to assess guest satisfaction in the various departments of our hotels.

FOOD AND COOKING

The F&B and stock control departments continue to work towards continuous improvement in consumption/stock control in order to avoid food waste and unnecessary expenditure. Menus are prepared using local and seasonal products, thus benefiting the circular economy and protecting the environment. The hotel also has two vegetable gardens that supply herbs and fruit to our kitchens.

OFFICE FACILITIES AND MATERIALS

In our offices, we always pay close attention to the materials we use. We use recycled paper whenever possible, and scrap paper is always reused for printing on the back, for taking notes or for making our own notepads for the restaurants and front office. Toner cartridges: toner cartridge packaging is collected by the supplier. Whenever possible, printing is done in black and white. Most internal and external communication is done via email. For example, all pay slips are sent by email instead of on paper.

PURCHASING AND RESOURCE MANAGEMENT

This area is managed with great care, always keeping in mind the company's sustainability policy and the requirements to ensure the safety and quality of our products.

TRANSPORT

All transport carried out within the scope of the hotel's functions is minimised.

Due to the layout of the three hotels, it is necessary for some goods to be transported in the hotel van.

Whenever possible, goods are delivered to their respective locations in order to minimise transport costs, such as the delivery of laundry from external laundries, as well as some products that are already delivered directly to outlets.

A day was set aside to go to Funchal (Wednesday) to take care of some hotel business, such as going to the bank. In specific cases, it is necessary to travel to Funchal or another location more than once a week.

Given that the connections between Caniço and Funchal are good, we encourage guests to use public transport. For this purpose, the timetables for the most important buses are available at reception. It should be noted that two new, more fuel-efficient vans have been purchased.