

Environment & Sustainability_Maintenance

The NH Hotel Group, in its longstanding commitment to the environment and sustainable development, has integrated canyons of sustainability at all levels of the Organization over the years. Therefore, they are part of the daily tasks of all the employees in each of the departments.

The criteria governing the policy of sustainability in the group as well as the different products or services that relate to the environment and sustainable development must be known by the staff. This will provide the staff to clarify our clients in the case that any information of this type is requested.

At the same time, every Department in the hotel must be informed of the monitoring indicators regarding the environment and energy efficiency and to support the management in order to optimize them. All hotel Departments will be informed about the status of the achievement of ratios objective established by the hotel's General Management.

8.1 ENVIRONMENT AND SUSTAINABILITY AT NH HOTEL GROUP

RESPONSIBLE COMMITMENT PLAN 2017-2019:



NH Hotel Group carries out its hotel activity by creating shared value at the economic, social and environmental level wherever it is present. In 2017, with the aim of leading responsible commitment in the industry, it has drawn up the Corporate Responsibility Strategic Plan 2017-2019, establishing the main objectives and initiatives for the different responsible commitments defined by the Company.

The innovative "Room 4" concept encompasses these goals related to the business of NH Hotel Group and its key stakeholders. This transversal three-year plan has been approved by the Company's principal governing bodies and all the areas of the Company are committed to it. On one hand and as starting point for the creation of the Plan, the materiality analysis has been used to determine the key aspects for NH Hotel Group according to its strategy and stakeholders and, on the other hand, the Corporate Responsibility Policy. The United Nations Sustainable Development Goals (SDG) have also been used.

The Plan, a key part of the Company's global strategy, includes its main commitments regarding responsibility, as well as the development of the lines of action in priority areas for the Company: commercial, employee engagement, investment, brand purpose, corporate governance and supplier evaluation. It also provides for annual reporting of the Plan's progress, both consolidated and by Business Unit, to the Board and the Management Committee.

PURPOSE, PILLARS AND COMMITMENTS OF THE PLAN

NH Hotel Group has defined a clear purpose for its Responsible Commitment Plan which is that: *Wherever we are, we strive to have the most positive economic, social and environmental impact.* The Responsible Commitment Plan comprises three pillars of action: People, Planet and Responsible Business. In this document ROOM 4 PLANET is explained. Further info can be found in the Annual Report.



In its commitment to the Planet, NH Hotel Group works to minimize its impact on climate change, increase efficiency of resources and develop more sustainable products. All this by reducing the Company's carbon footprint with responsible consumption of natural resources.

NH Hotel Group has its Sustainability Policy approved by the CEO of the company. It has to be known by all employees, who must be able to respond to questions from guests or stakeholders of their existence and the place where they can consult it.

The Vision on Sustainability

For the NH Hotel Group, sustainability means taking care of the **PEOPLE** who that we host, care for the **DESTINATIONS** where our hotels are located and take care of the **PLANET** we all share. We innovate in order to develop eco-efficient solutions, in a way that the guests in the NH Hotels may feel the site, enjoy a healthy and a pleasant stay and to help take care of the planet.

The Sustainability Policy is available on the intranet and on the NH Hotel Group website: <https://www.nh-hotels.com/corporate/responsible-and-sustainable-company/sustainability>

A hotel activity has an impact on the environment by the energy and water consumption and waste generation. Additionally, the consumption of water and energy is usually more than 7% of the fixed costs of the hotel. Working on environmental actions in the hotel has positive return for the planet and for the company. This is for the reason why the NH Hotel Group tries to improve every day including the sustainable criteria in the different services that we offer in order to reduce our environmental impact.

At the NH Hotel Group Hotels, in general terms, at least the following environmental initiatives have been implemented:

- Monthly report on the variables:
 - Water consumption.
 - Energy consumption.
 - Carbon footprint.
- A specific program focused to reduce the frequency of linen and towels washings. This program provides to our guests the chance to choose if they want their towels to be changed during their stay.
- Control of set point temperatures in rooms and meeting rooms.
- Program on waste recycling.
- The paper used is FSC.
- LED lighting over 75%.
- External Environment Certification (for instance, ISO 14.001, ISO 50.001, Green Key or Hoteles+Verdes, ...)
- Recognizing our hotels by GreenLeader scheme by TripAdvisor.
- External annual Auditing in order to certify that all the Sustainable Requirements at the NH Hotel Group are observed.
- Green energy consumption.

For each one of the NH Hotel Group Hotels there are annual objectives, the ratios of energy, water and carbon footprint, with the ultimate goal that every one of the hotels can meet the ratio that is optimal for the hotel in question and that is calculated according to their technical specifications, architectural and geographical.

The upending of the individual objectives of each hotel is determined by the fulfillment of the overall objectives of sustainability of NH Hotel Group. Therefore, all actions and initiatives developed at each hotel are relevant to the fulfillment of the objectives at the company level.

8.2 GOOD ENVIRONMENTAL PRACTICES

In addition to the commitment to environmental values of the NH Hotel Group, the Maintenance Department shall apply, to its day-to-day activity, good environmental practices in order to minimize the impact associated with the water consumption, energy as well as the separation and waste production.

Waste management

All waste is separated properly at the disposal points available. In this way it avoids mixtures.

It is an internal requirement by the NH Hotel Group, that all hotels should separate, at least 4 types of non-hazardous waste:

- Glass: this refers to glass containers.
- Paper and cardboard: This refers to paper containers and cardboard and office paper.
- The used cooking oil: in reference to the oil that was used in the kitchens.
- Organic: food leftovers.
- Containers: they may be plastic containers, bricks and cans.
- All the furniture that are discarded during the reforms may be handed over to the employees or donated to the NGOs.

It is necessary to note that waste such as batteries, electronic devices and toner are managed as hazardous waste and must be deposited in the containers provided for that purpose. The Head of the Maintenance Department is responsible for their storage and for requesting the pick-ups complying with the legislation in force in this respect.

All waste that has been produced in maintenance work, such as, stained oil rags, remains of paint, and empty containers of toxic and dangerous products are also considered hazardous waste. The storage and management of that kind of waste should follow the present legislation.

The Maintenance Department staff must manage all hazardous waste that has been produced by other departments whenever they are requested.

The Head of the Maintenance Department must control and file all documentation related to the pick-up of hazardous waste. The documentation must be easily located and legible.

Likewise, the Head of the Maintenance Department must ensure that the labelling of containers of all types of waste remains in perfect condition.

Note: For further information on how to manage Waste, please refer to the Operative Guideline OI_02_GP_03, which is available on the intranet.

Water

The staff must use this resource efficiently and avoid unsustainable practices that waste it. For instance, leaving faucets open when they are not in use or flush the toilet more than the necessary.

In the case of possible water leaks, they should be reported immediately so that appropriate repair gets under way.

The Maintenance Department staff should periodically check notices that have been registered with the Front Desk Department and indicate whether they have been resolved or not.

The Maintenance Department staff must perform a preventive maintenance of all facilities to keep them in optimal operating conditions, thus avoiding possible malfunctions that would mean a waste of resources in its repair.

Energy

The Maintenance Department staff will ensure the compliance with the established temperature set by the NH Hotel Group (21 ° C as a maximum in winter and 24 ° C minimum in summer). The staff must manage the air conditioning and lighting efficiently, and coordinate with the Front Desk Department the grouping of clients by floors in case of low occupation as well as the management of air conditioning and lighting in the meeting rooms.

The Head of the Maintenance Department shall manage all high power consumption or fuel installations efficiently by adapting schedules to the demands of the hotel, the seasons of the year, the outside temperature and the typology of guest. Likewise, as much as possible, he/she must plan the start of the machinery on the basis of the most economical period within its contracted rate. This will have a directly impact on the costs.

Management on the Non-Occupied Floors

Depending on the intended occupation, it is a good practice to optimize the consumption of resources (energy and water) group the guests by floors. The Head of Maintenance should coordinate with the Front Desk Department the optimal way to carry it out according to the characteristics of each hotel. In addition, whenever it may be possible, it must take into consideration the orientation of the building and the existence of warmer and fresher rooms to distribute to guests in an efficient manner according to the season of the year.

Management on the Non-occupied rooms

In the case of rooms reserved for a period of time, at times, the clients or guests conclude the working with meeting ahead of schedule and hand over the room to the Front Desk Department. The Front Desk Department staff should notify the Maintenance Department in order to disconnect the elements of lighting, electronics and climate control of the unoccupied room.

Materials

The maintenance tasks require the use of chemicals whose storage is subject to legal requirements. It is the responsibility of the Head of Maintenance to store them in such a way to meet such conditions as well as specifications of storage as shown on each product label.

They must use, for example, containment trays, covered and dry warehouse with good ventilation and without direct sunlight.

The safety sheets of those products must be available wherever they are used for consulting if necessary.

Note: For further information on Good Practices for Maintenance, please consult the Guideline on Good Practices per Department on the intranet.

Control of legal documentation

The Head of Maintenance, will be responsible for that all documentation that has been produced in inspections, evaluations, both external as internal servicing and hazardous waste pick-ups. The documentation must be available and in effect at any possible inspections and audits.

They must complete and keep the NH Hotel Group internal maintenance log since it is the internal requirement of the company.

Management of the Malfunctions Log

Any member of the staff of the hotel can register via the SAP tool any breakdown and incidences reported to the Maintenance Department. The Maintenance Department shall periodically check this log and proceed to rectify issues by giving priority to those ones which involve a waste of resources, for example, possible water leaks.

Environmental objectives of the hotel

All the hotels in the NH Hotels Group have defined objectives on water and energy consumption as well as on carbon footprint.

The Head of Maintenance Department must know the goals for his hotel and the level of achievement for them along the year. He/she shall report to the General Manager the monthly evolution of consumption and take the appropriate decisions before possible deviations. Therefore, the Head of the Maintenance Department must track the level of achievement of these objectives together with the General Manager and analyze the possible deviations by making decisions in this regard.

On a monthly basis, the Heads of Maintenance Departments will be responsible for entering data on the ENABLON software regarding the energy and water consumption as well as the comparison involving the hotel plus the invoices for water and energy supply.

Environmental certifications of the hotel

The Environmental Certifications of the hotel provide the value in terms of sustainable brand. They also help to ensure the full compliance with the legal requirements and verify that the hotel complies with environmental prerequisites which, in many cases, are required to close business deals. Currently, the NH Hotel Group is certifying hotels under the following standards:

- ISO 14.001.
- ISO 50.001.
- Green Key.
- Hoteles+Verdes

Also, recognizing our hotels by GreenLeader scheme by TripAdvisor.

The Maintenance Department staff must be aware of its existence and type of certificate that each and every hotel holds and in this way be able to inform the interested party by providing added value to the client and reinforcing the brand image of commitment to the sustainability of NH Hotel Group.

Likewise, the Maintenance Department must be an active part in internal and external audits involving this type of certificates, thus providing the auditors with any requested information.

We can say that the Maintenance Department contributes to the objectives of sustainability of the company because:

- Comply with the established temperature set by the NH Hotel Group (24 °C at least in summer and 21 °C maximum in winter).
- They manage the non-occupied guest rooms and other facilities with the Front Desk Department.
- They manage the lights in an optimal manner.
- They manage the hazardous waste (storing, labelling and documentation of the pick-ups).
- They control the water and energy consumption on a monthly basis through the ENABLON software.
- They perform preventive maintenance of the premises.
- They repair any malfunction in the shortest possible time.
- They store all chemical products by following the established conditions according to the present legislation.
- They participate in an active way during the internal and external audits for certification.
- They adjust any machinery parameters for an efficient run.

Queries, questions or suggestions

Whenever the Maintenance Department needs any clarification relating to Sustainability issues, it may contact the Environment and Sustainability Department via the following email: environment@nh-hotels.com

Procedure validation

Version	Corporate Area	Approved by	Document type	Date
3	Environmental & Sustainability Corporate Manager (Process Owner)			Nov 2018
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1			Procedure	June 2015