

Environment & Sustainability_F&B

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.

5.1 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 14001, Green Key or Hoteles+Verdes)
- External recognition as GreenLeader 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.

5.2 GOOD ENVIRONMENTAL PRACTICES

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

Waste Management

All waste is separated properly at the disposal points available. This way it avoids mixtures among them.

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 containers of paper and cardboard and office paper.
- Used cooking oil: in reference to the oil generated in kitchens.
- Organic: in reference to food leftovers.
- Containers: they may be plastic containers, bricks and cans.
- Furniture removed in reforms can be handed over to employees or donated to 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 or by notifying the Maintenance Department to proceed with its disposal in the correct containers in case that they are not available in the offices areas.

In the kitchen, there must be containers available and perfectly identified with its corresponding label showing the type of waste that has to be deposited in it without giving rise to confusion.

The used cooking oil should be stored in the container provided by the authorized manager and every document related to each pick up by the manager should be photocopied and filed. The container shall be temporarily stored in the kitchen and once filled it will be moved to the final storage area (garbage room) so that the manager proceeds with its pick up.

Each hotel, according to its characteristics must set some concrete schedules for the transfers of waste produced in the kitchens to the final storage area in order to avoid cases of cross-contamination. These hours must be clearly exposed at the areas of use for the staff involved in this task.

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 in order to avoid unsustainable practices that cause waste, such as those listed below:

- Avoid thawing food by using water. It is advisable to schedule thawing by transferring raw materials to the refrigerator the day before or use the microwave at unforeseen situations or emergency.
- When scrubbing cooking containers / utensils by hand one should avoid keeping the faucet open during the process of lather.
- Use only the amount of water that is needed in the cooking process. When water is used for cooking, one should use only the precise amount. If one heats more water than what is needed there will be an extra expenditure of energy and an unnecessary expenditure of water.
- Use the batch washer or dishwasher at full load, optimizing the number of washes.
- It is convenient to have pedal pushers for water use in the kitchen whenever possible and functional.

In the case of possible water leaks one must notify the Maintenance Department staff immediately for proper repair.

Note: For further information, Please refer to the "Environment Principles", which are available on the intranet.

Energy

The lighting and the equipment of high power consumption must be used in an efficient manner by following the criteria for different devices:

Freezers and cold room

- The freezing rooms, the freezing cabinets and chest freezers have to be kept free of frost / ice to its optimum performance. They must not be opened needlessly.
- Do not introduce warm foods in the freezing rooms for its cooling. Use the cooling unit when you have or cubed ice when there is not any. However, if the food is brought into the chamber and it has not lost all temperature, ensure that they are covered in order to avoid the release of moisture in it.
- Turn off the lights of the freezing rooms at the end of the service.
- Turn on the cold room only when it is going to be used. The use of the cold room will be for food handling for more than 30 minutes.
- Do not use the cold chamber as food storage. The freezing rooms should be used for that purpose. Keep the doors and windows for passing dishes closed.
- The cooling chambers must close properly to avoid energy losses and reduce compressors breakdowns.
- The vents of ringers and refrigeration cabinets must be kept clean to ensure proper operation and to avoid unnecessary heating of the motor.

Cooking Center. Ovens, Wood-burning stoves, Burners, Stoves.

- Do not use grills, ovens and wood-burning stoves as kitchen heating element.
- Use only the required time to preheat the equipment (ovens, irons, etc.).
- Try to make the most of the oven capacity by introducing several foods at once.
- Remember to turn off the oven after each use. Do not keep it on throughout the working hours.

- Turn off the oven slightly before the end of cooking: the residual heat will be enough to finish the cooking process in products that allow it.
- Turn the food and the plate warmer on only when required and the volume of work require so. Only connect the IR during the service.
- Take advantage of residual heat of electric cookers (excluding induction) and turn them off before the end of the cooking process.
- Any household alternative equipment must be used for the RoomApetit when the kitchen is closed, so that it is not necessary to use industrial furnace for the production of a single order. For example: household iron, home fryer, microwave.

Note: For further information, Please refer to "Environmental Principles", which are available on the intranet.

Raw Material

The kitchen team must use raw materials in a responsible manner so that resources are optimized.

Recently, the "Local Corner" has been added as a restaurant offer at certain hotels that make local products "km 0" available to guests. These products comply with the following feature:

1. Local products "km 0": coming from a distance exceeding 150 km.

The "Healthy Corner" which encompasses healthy and organic foods available for the coffee breaks has also been included in the product Eco-Friendly Meetings Events.

It is suitable to include in the gastronomic offer of all hotels at least a product with the following features:

1. Organic products: products in which no chemical intervention has been done to achieve optimum development with pesticides, fertilizers, or other similar substances.
2. Ecologic products: the organic foods are those whose origin is in absolute harmony with the environment, at all stages of growth and production. In the agriculture it uses organic seeds, land and water decontaminated, and takes advantage of the natural conditions of climate and soil for cultivation. As for the livestock sector the raising is done in pollution-free area and provides ecological food, without growth hormones or antibiotics.
3. Local products: km 0.

The identification according to the characteristics of the product shall be done either in the breakfast room, coffee break, in the restaurant or in the menu at the RoomApetit. For example, the label on the breakfast room that identifies local products, the label in the buffet of the coffee break indicating "Healthy Corner", the logo on the menu in the restaurant or RoomApetit that identifies organic products, etc.

Some of the labels that feature these food characteristics are: slow food, rain forest Alliance, bio products, Eco label, etc.

The guests should be informed of the possibility to ask for water in jugs instead of bottled water.

The use of local raw materials should prevail whenever possible.

Management of the Malfunctions Log

Any member of the staff of the hotel has access to the registry of breakdowns and incidents for the Maintenance Department. If any breakage is detected, it must be register by following the internal procedures of the NH Hotel Group, so that the Maintenance staff may repair it in an

appropriate manner as soon as possible, thus avoiding the waste of resources on possible water leaks.

Environmental Objective of the hotel

The F&B Department staff must know the goals set for their own hotel and the level of achievement of those targets throughout the year, so that they can participate in the initiatives and plans of action against possible deviations. This information will be given by the Hotel Management.

We can state that the F&B Department contributes to the objectives of sustainability of the company because:

- It manages the lighting in an optimal manner.
- It manages in an efficient manner the operation of the equipment of high power consumption.
- It features non-industrial kitchen equipment to meet the orders of the RoomApetit when the kitchen is closed.
- The washing equipment is used at full load.
- Waste is separated at source.
- They recycle the used cooking oil by turning it over to the authorized management service.
- It uses local products (km 0).
- It uses, at least, an organic product and/or eco-friendly in its gastronomic offer.
- The F&B staff participates actively in internal and external audits.

Queries, questions or suggestions

Whenever the F&D 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
2				Feb 2017
1	Environmental & Sustainability Corporate Manager (Process Owner)		Procedure	June 2015
	Operations & Quality			