

Decorative detail which enhances one of our gastronomic spaces



ANNUAL REPORT 2011  
CORPORATE RESPONSIBILITY

Wake Up  
To a Better  
World **NH**  
HOTELS







# OUR PRESENCE IN THE WORLD

## NH Hoteles in 2011:

397 hotels in 25 countries  
59,052 rooms  
19,600 employees  
15 million customers

Leaders in Europe with holiday presence in Spain and Italy.  
Europe: 360 hotels  
51,974 rooms

Andorra	Luxembourg
Austria	Poland
Belgium	Portugal
Czech Republic	Romania
France	Spain
Germany	Switzerland
Hungary	The Netherlands
Italy	United Kingdom

NEXT OPENING  
Slovakia

Africa: 2 hotels  
240 rooms

South Africa

Wide presence in  
America: 35 hotels  
6,838 rooms

Argentina  
Chile  
Colombia  
Dominican Republic  
Mexico  
United States  
Uruguay  
Venezuela

NEXT OPENINGS

Haiti  
Panama

[www.nh-hotels.com](http://www.nh-hotels.com)



# MESSAGE FROM THE CHAIRMAN OF NH HOTELES



Mariano Pérez Claver,  
Chairman of NH Hoteles

Wake Up  
To a Better  
World

**NH**  
HOTELES

The NH Hoteles corporate culture, based on a quality commitment to our customers and constant sustainable innovation, enables us to report a significant evolution in performance, the results of which I am honoured to present in this sixth Annual Corporate Responsibility Report 2011.

In 2011, NH Hoteles has redefined its model, size and organisation in order to manage its business more efficiently in the new competitive context. The organisational change is aimed at growing and boosting the Group's profitability by using a more functional structure, through greater integration of the Business Units, the markets in which we operate, the hotel brands and operation models, as well as strengthening commercial, operational and management skills.

We have finished the year with solid results. The main NH Hoteles figures at the close of 2011 reflect a considerable recovery compared to 2010. It is worth highlighting the strong cost-reduction policy maintained throughout the year, with particular efficiency in the latter months of 2011, as well as the intense commercial boost. This has all enabled the Group to generate an EBITDA of €202.4 million, a 37% increase compared to the previous year; the total revenue also increased by 7%, reaching €1.4 billion. I want to thank all of our employees, not only for their effort and commitment in the current climate, but also for their continued dedication to offering a quality service which has always made us stand out to our customers.

In addition to this, I am pleased to announce that in 2011 we exceeded the ambitious environmental objectives that we set ourselves. Thanks to the effectiveness of all of the programmes implemented, not only has the efficiency of NH Hoteles increased but we have also made a saving of €15.1 million on the energy consumed throughout the year.

We continue to incorporate improvements to the quality of our service; furthermore, customer comments have practically doubled compared to last year, reaching 210,000 due to an increase in the surveys received and the incorporation of online comments from external websites.

Also in 2011, our new Corporate Website was launched with the aim of offering global, transparent and effective communication to our stakeholders who are connected to NH in different ways, both with regard to our service offering and to our performance at all levels.

Another of the year's milestones was the approval of the new NH Hoteles Code of Conduct which covers all of the stakeholders and sets guidelines relating to each of them, strengthening our commitment to act in line with the most demanding ethical principles. As such, we promote trust and responsibility to everyone who shares our values and standards.

Furthermore, our commitment to society has been strengthened by collaborating on over 450 social projects in the communities where we operate, with the participation of 193 volunteers. For this reason, we have developed a global indicator system that will enable us to measure the social impact of the actions in progress.

We continue to work to offer high-quality sustainable services with the spirit of leadership that we are known for, in order to continue being the sector's leaders in sustainability and boost the Company's maximum performance.

A handwritten signature in black ink, appearing to read 'Mariano Pérez Claver', with a stylized flourish at the end.

Mariano Pérez Claver  
Chairman of NH Hoteles

# OUR SUSTAINABLE APPROACH

NH Hoteles' mission is to offer sustainable, consistent and efficient services to our customers, shareholders, suppliers, employees and to society in general. This focus includes a commitment to our stakeholders and the sustainable management of our business in economic, environmental and social terms, and to our desire to be **the sector's leading responsible company**.

## Our values

- ⊕ People Focus
- ⊕ Innovation
- ⊕ Environmental Responsibility
- ⊕ Business Sense

As explained in earlier reports, NH Hoteles has defined its stakeholders after analyzing all the strategic audiences with whom we interact and that form part of the value "ecosystem" of our business. In doing so we have defined our commitments to customers, shareholders, suppliers, employees, society and the also the environment, because it is a key player that we must bear in mind.

In the last six years, the Company has strategically focused upon the development of a **culture of responsibility** in all areas, and we have seen that being sustainable offers us significant benefits. Not only does it enable us to reduce costs, to innovate in order to be the most effective, to develop our employees' skills and add social value, it also grants us brand differentiation in the eyes of our customers.

## BENEFITS AND OPPORTUNITIES OF SUSTAINABILITY IN NH HOTELES

### Innovation

The **Sustainable NH Club** is already a prime example of the commitment to sustainable innovation and a source of the sector's key initiatives such as biodegradable amenities, LED lighting, cork recycling and sustainable lifts.

### Savings and competitive advantage

**Reduction of environmental consumption** with significant operational cost savings on water, energy and gas which enable us to improve our competitiveness without reducing the quality of service that we are known for.

### Commitment and Stakeholder engagement

Our Corporate Responsibility strategy enables us to ensure the **active collaboration** with **Customers, Employees, Suppliers** and **Society** in order to achieve sustainable development objectives. Initiatives like Ecomeeting as an option to offset emissions or charity donations at the check out are examples of involving customers in our responsible commitment.

### Brand differentiation

Our sustainable focus **increases brand value** and makes us stand out in the market, being a commercialisation lever in the Corporate Client and Consortiums segments which already assess the supplier's responsible commitment.

### Long-term planning

Corporate Responsibility implies integrating a vision with a greater perspective and analysing, not only the quarterly financial results, but also the **long-term impact**.



## STAKEHOLDER INVOLVEMENT

Communication and active listening to each of our stakeholders helps us ascertain their needs and expectations in order to build these aspects into management and respond to these key issues properly in the Annual Report.

In 2011, we continued to work to strengthen this dialogue with every stakeholder and tackle the challenges and opportunities that arise, in order to provide answers that **create value for the business** and for the different stakeholders.



	CR Master Plan	Specific corporate webs	Satisfaction Surveys	Meetings and workshops	Participation in events and forums	Communication/Publication of Information	2011 PROGRAMMES
Shareholders	●	●	●	●		●	New Shareholder Web
Customers	●	●	●	●		●	NH World update
Employees	●	●		●	●	●	New Code of Conduct complaints box
Suppliers	●	●	●	●	●	●	NH Sustainable Club
Environment	●	●		●	●	●	New Environment Web
Society	●	●		●	●	●	Up! For the People Strategy

This Report is our sixth Corporate Responsibility Report, with a Global Reporting Initiative (GRI) application level of **A+**. This Report has been produced annually since 2006 integrating the public relevant to strategic and coherent report on the evolution of performance in this regard. The Report allows us to consolidate the information about the Company's maturity and sustainable management, with commitment to our stakeholders and turning Corporate Responsibility into a strategic pillar of NH Hoteles year after year.

## THE GLOBAL COMPACT



NH Hoteles **became a member** of the United Nations Global Compact in **2006**, integrating its 10 Principles as a reference framework for responsible design and management. In 2011, and like each year, we issued our the Annual Progress Report through a public letter signed by the Company's Chairman. This contains all the initiatives and outstanding results of the year. Worth noting is that NH Hoteles' new Code of Conduct includes compliance with the international and industry ethical commitments that are considered among the **Global Compact Principles**.

NH Hoteles, sector's leading responsible company, integrates the 10 Global Compact Principles.



## 2011 CORPORATE RESPONSIBILITY MILESTONES

- Approval of the new **Code of Conduct** that considers all stakeholders, making commitments in the relationship with each one of them.
- Successful launch of the **NH Hoteles Corporate Website** <http://corporate.nh-hotels.com>, which is easier to browse and contains information about the Company's offers, policies and achievements. New section on Corporate Responsibility, information for shareholders and investors and the Environment.
- Consolidation of the web tool **Quality Focus On-line** that enables hotels to monitor customer satisfaction and promote plans for improvement within the quality management system.
- Successful holding in Milan of the **3rd Sustainable NH Club Meeting**, central to sustainable innovation with the most committed suppliers.
- **"Time For You"**, the new Performance Management system as a key tool for promoting talent.
- The goals of the **Environmental Strategic Plan 2008-2012** were exceeded with rigorous measurements, innovation and coaching of our employees.
- First international hotel chain worldwide with **ISO 50001 Certification**, an international regulation concerning the Energy Management System, in some of its hotels.
- Consolidation of the **Up! For the People** Community Involvement Action Plan in all of the Business Units and creation of a scorecard with global indicators (KPI) concerning the social impact of our projects.

## NH HOTELES NEW CODE OF CONDUCT

In May 2011 the Board of Directors approved the New NH Hoteles Code of Conduct (replacing the Group's first Code), which is mandatory for all employees, board members, shareholders, suppliers and other stakeholders.

### BASIS FOR THE REVISION OF THE CODE OF CONDUCT:

- The new Penal Code which came into force in 2010 introduced criminal liability for legal entities in respect of crimes committed by their legal representatives or employees. The new NH Hoteles Code of Conduct includes **preventive measures for minimising the risks** in this respect and

having an appropriate internal control system to protect the Company from possible crimes by related persons.

- **Conflict of interest and linked operations procedure**, regulating the Company mechanisms in the event of such scenarios.
- Anonymous complaints channel as a **procedure** for notifying breaches of the Code, handled by the Internal Auditing Department and guaranteeing confidentiality.

Let us know irregularities.  
Strictly confidential.  
[codeofconduct@nh-hotels.com](mailto:codeofconduct@nh-hotels.com)



- It incorporates the fulfilment of **international and sectorial ethical commitments** such as the United Nations Global Compact, the World Tourism Organisation Code of Conduct and the ECPAT Code, for the protection of children against sexual exploitation in tourism and travel industry.

As well as the Code of Conduct, NH Hoteles has published other documents such as the **Practical Guide**, which details the rules and values of the Code in an informative way, and a document containing the **Most Frequently Asked Questions**, which reflects aspects such as its binding nature, confidentiality in the processing of complaints and the anonymity of the channel.



# In NH Hoteles we promote Sustainable Development.



## DISSEMINATION AND RAISING AWARENESS ABOUT THE NEW CODE OF CONDUCT

### Internal campaign

- Documents available in the Intranet.
- Desktop wallpaper and banner in the Intranet.
- Internal communiqué to all employees.
- Posters in workplaces.
- Acceptance email sent to all employees.
- Cascading dissemination in all the Business Units.
- Signing of the Code by new employees.
- Specific e-Learning programme via NHUniversity.

### External campaign

- Publication of the Code of Conduct in the corporate web.
- Signing of the new Code by Suppliers.
- Press release with news about the Code and its implementation.
- Participation in forums and seminars to disseminate it.

## NH HOTELES SUBSCRIBES TO THE GLOBAL CODE OF ETHICS FOR TOURISM

The chain subscribed to the Principles of the Code of Ethics promoted by the World Tourism Organisation (UNWTO) on the occasion of the 1st International Congress on Ethics and Tourism, held in 2011. This code refers to consumer protection and cultural and environmental sustainability. The Company also subscribed to the ECPAT Code of Conduct for the protection of children from sexual exploitation in tourism, under the auspices of UNICEF.

## CORPORATE RESPONSIBILITY MANAGEMENT SYSTEM

As part of the **2011-2013 Corporate Responsibility Management Plan**, in 2011 the Annual Plan was launched, outlining the actions for the year. This time, apart from being approved by the NH Hoteles' Corporate Responsibility Committee and the Steering Committee, it was endorsed by the Steering Committees of the Company's Business Units, the key driving forces behind the global implementation of the action lines, thus consolidating the **transversal and global nature** of our sustainable focus.

## INTERNAL ORGANIZATION

- ⊕ The Corporate Responsibility Department reports to the General Secretary who reports directly to the President. The General Secretary is a member of the Steering Committee and the responsibility strategy is overseen by an Independent Director.

- ⊕ In order to ensure the correct implementation and coordination in the different Business Units, each unit has a Corporate Responsibility manager who manages and directs the information and initiatives in each region.
- ⊕ The Sustainability/Corporate Responsibility Committee brings together different areas of the organisation, including Project Management, Human Resources, Purchasing, Engineering and Environment, Marketing, Sales, Quality and Processes, Institutional Relations/Communication and Corporate Responsibility.

## ADAPTING TO THE NEW COMPETITIVE CONTEXT

NH Hoteles is redefining its model, size and organisation in order to manage its business in an increasingly efficient fashion, with a spirit of leadership in order to successfully achieve the objectives that we set ourselves. In September 2011, the Company modified its organisational structure and announced a plan to improve efficiency in the short and long term, featuring four guiding principles:

- ⊕ To grow with an organisational model and structure that incorporates the geographical markets where we operate, the hotel brands and various operation models (property, rental, management, franchise...).
- ⊕ To achieve greater integration of the Business Units and corporate services that enables us to identify opportunities for commercial improvement and a more unified implementation of corporate policies.
- ⊕ To promote the commercial, distribution, operational and development capacities (growth through management and franchising formats).
- ⊕ To improve the commercial management and control tools in order to have greater and better business development capacities.

## RISK CONTROL

The risk map is updated annually and in 2011 work was carried out on:

- Integrating the risk map in a computer tool used for processes which make it possible to improve the management, control and assessment of risks.
- Improving the controls implemented to mitigate the operational risks directly linked to the hotel activity.
- Within the system for controlling business, operational and environmental risks, a control panel was created.





NH Gate One, Bratislava - Slovakia

## GLOBAL FRAMEWORK

NH Hoteles carries out its international business complying with the legislation in force in each country and in accordance with the standard of ethics and conduct which it subscribes to and reports on. For the Company, it is fundamental to act independently of any political power or government by maintaining transparent and ethical relationships with the different public and administrative institutions.

Where the risks derived from managing the land as part of our business are concerned, NH Hoteles operates in accordance with the law, with a process for reviewing the classification of short-listed plots and the conformity of business licences, when signing new contracts.

## OUR RELATIONSHIP WITH GOVERNMENTS

In 2011, the Business Units of Spain, Italy and America obtained governmental subsidies, principally for environmental improvements by adapting facilities, as well as allowances for job training, the amount awarded reaching €303,381.24.

At 31st December 2011, capital subsidies basically include the grants received to build hotels and golf courses, mainly in Sotogrande and Donnafugata, to the value of €21,020.

## INITIATIVES AND ALLIANCES

- ⊕ **World Travel & Tourism Council (WTTC).** NH Hoteles has formed part of this platform for four years, with the support of senior management at the top one hundred companies in the tourism world.
- ⊕ **International Tourism Partnership (ITP).** In 2011, two events have been held jointly with this international platform which brings together the leaders in sustainability from the tourism sector. Activities ceased temporarily but will recommence in 2012.
- ⊕ **Club de Excelencia en Sostenibilidad.** We form part of this working groups of this organisation, the aim of which is to promote sustainable development in the Spanish business sector.
- ⊕ **Forum for Corporate Responsibility with Entrepreneurs.** In 2011 we joined this forum that was set up Accenture, the IE Business School and the Bankinter Innovation Foundation to promote entrepreneurs from the Corporate Responsibility model.

- ⊕ **European Conference on Tourism.** Participation in the initiative organized by the Hungarian Presidency and the Council of the European Union in Budapest to strengthen the development of sustainable tourism at European destinations. NH Hoteles was invited to share its best practices as it is regarded as Europe's flagship responsible hotel company.
- ⊕ **The Fundar Corporate Volunteer Work Study.** Participation in the study evaluating the impact of volunteer work in improving performance.
- ⊕ **Academic Collaboration.** NH Hoteles Case for studying CR practices at IESE (Spain), Universidad Antonio de Nebrija (Spain), Universidad Rey Juan Carlos (Spain), Universidad de Huelva (Spain) and Hospitality Glion Institute (Switzerland).
- ⊕ **Agreement with the Instituto Cervantes.** Global partnership that facilitates the international visibility of both parties and allows for greater dissemination of their commitment to culture.

## 2011 CORPORATE AWARDS AND RECOGNITIONS

- **Key Audience Research (KAR) Study.** NH Hoteles has been rated as one of the best hotel chains according to the study conducted by the consultancy firm Ipsos.
- **El Economista Ranking.** With 35% of votes, NH Hoteles was voted the tourism sector company best appreciated by the magazine's readers.
- **Sector leader in MercoEmpresas 2011.** NH Hoteles has again been recognised as the Company with the Best Reputation in the Spanish Tourism Sector, ranking 18th in the general classification.
- **MercoEmpresas Responsables 2011.** NH Hoteles is the sector's only company listed in the new Merco Empresas Responsables (Responsible Companies Review) ranking that includes Spain's 50 most responsible companies.
- **European Hotel Design Awards.** The NH Palacio de Tepa hotel (Madrid, Spain) received the award in the category "Best Rehabilitation of building for hotel use" in Europe.
- **Condé Nast Traveller Prize.** The Secrets Royal Beach Punta Cana hotel won the prize in the Best International Resort category.
- **Best New Hotelier Award.** Jordi Caralt, Director General of NH Resorts, was awarded the best new hotelier award at the International Tourism Fair (WTM) in London.

# ECONOMIC PERFORMANCE

Our objective is to be increasingly effective and excellent in our business, with a performance based on high **international and sectorial standards of ethics**. We are looking to consolidate the Group's presence in the markets and to maximise our competitive brand and sustainable positioning advantages in order to achieve solid results and be able to respond to our shareholders, offer innovative, high-quality services to our customers with continuous improvement, and to work with our sustainable suppliers as allies in the search for shared value.

## WHO WE ARE

NH Hoteles is a chain that offers hotel services in **25 countries** in Europe, America and Africa. In 2011, our portfolio had **397 hotels**, including urban and holiday establishments, with a total of **59,052 rooms**.

## KEY FIGURES

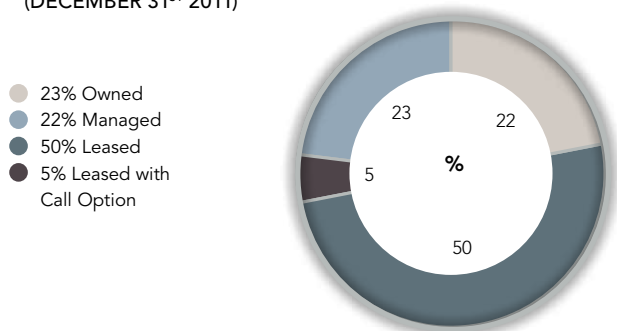
### NH HOTELES PORTFOLIO BREAKDOWN (31<sup>ST</sup> DECEMBER 2011)

	TOTAL		LEASED		OWNED		MANAGED	
	Hotels	Rooms	Hotels	Rooms	Hotels	Rooms	Hotels	Rooms
<b>TOTAL NH HOTELES</b>	<b>397</b>	<b>59,052</b>	<b>225</b>	<b>32,488</b>	<b>82</b>	<b>13,628</b>	<b>90</b>	<b>12,936</b>
<b>EUROPE</b>								
Spain	176	21,119	96	10,995	15	2,229	65	7,895
Germany	60	10,655	55	9,651	5	1,004	0	0
Italy	53	8,287	32	5,289	15	2,280	6	718
The Netherlands	35	6,509	16	2,441	18	3,988	1	80
Belgium	10	1,550	2	434	8	1,116	0	0
Austria	6	1,183	6	1,183	0	0	0	0
Switzerland	4	522	3	400	1	122	0	0
United Kingdom	3	533	1	121	0	0	2	412
France	3	556	2	397	0	0	1	159
Czech Republic	2	271	1	134	0	0	1	137
Portugal	2	165	2	165	0	0	0	0
Romania	2	161	1	83	0	0	1	78
Hungary	1	160	1	160	0	0	0	0
Luxembourg	1	148	1	148	0	0	0	0
Poland	1	93	0	0	0	0	1	93
Andorra	1	60	0	0	0	0	1	60
<b>TOTAL EUROPE</b>	<b>360</b>	<b>51,972</b>	<b>219</b>	<b>31,601</b>	<b>62</b>	<b>10,739</b>	<b>79</b>	<b>9,632</b>
<b>LATIN AMERICA AND CARIBBEAN</b>								
Mexico	13	2,040	5	689	4	681	4	670
Argentina	13	2,049	0	0	11	1,524	2	525
Dominican Republic	2	1,015	0	0	0	0	2	1,015
Venezuela	3	1,094	0	0	0	0	3	1,094
Colombia	1	140	0	0	1	140	0	0
Uruguay	1	136	0	0	1	136	0	0
Chile	1	122	0	0	1	122	0	0
<b>TOTAL LATIN AMERICA AND CARIBBEAN</b>	<b>34</b>	<b>6,596</b>	<b>5</b>	<b>689</b>	<b>18</b>	<b>2,603</b>	<b>11</b>	<b>3,304</b>
<b>AFRICA</b>								
South Africa	2	242	1	198	1	44	0	0
<b>TOTAL AFRICA</b>	<b>2</b>	<b>242</b>	<b>1</b>	<b>198</b>	<b>1</b>	<b>44</b>	<b>0</b>	<b>0</b>
<b>USA</b>								
United States	1	242	0	0	1	242	0	0
<b>TOTAL USA</b>	<b>1</b>	<b>242</b>	<b>0</b>	<b>0</b>	<b>1</b>	<b>242</b>	<b>0</b>	<b>0</b>





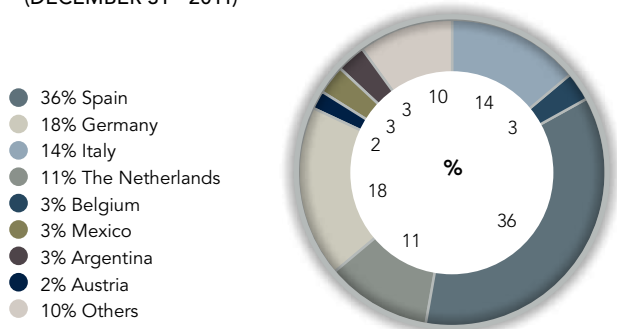
**BREAKDOWN BY ROOMS  
(DECEMBER 31<sup>ST</sup> 2011)**



The Hesperia WTC Valencia hotel (Venezuela), which opened its doors during the final quarter of 2010, with 32 rooms, added a further 170 rooms in 2011 and, when the building work is complete, the hotel will have a total of 323 rooms. Furthermore, the Group has opened a hotel, under a leasing agreement, next to the Frankfurt exhibition ground, especially designed for business customers.

In October 2011, the chain opened its first hotel in Bogotá (Colombia), the NH Bogotá 93, and it is looking at developing new projects both in this market and in Brazil.

**BREAKDOWN OF ROOMS PER COUNTRY  
(DECEMBER 31<sup>ST</sup> 2011)**

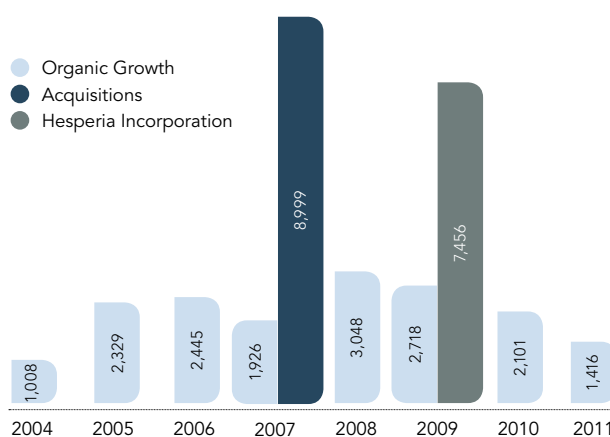


**HOTELS OPENED FROM 1<sup>ST</sup> JANUARY  
TO 31<sup>ST</sup> DECEMBER 2011**

HOTELS	CITY	ROOMS
NH Lingotto	Turin, Italy	240
NH Lingotto Tech	Turin, Italy	140
NH Ribera del Manzanares	Madrid, Spain	224
Hesperia WTC Valencia (Extension)	Valencia, Venezuela	170
NH Castellar	Cadiz, Spain	74
NH Algeciras Suites	Algeciras, Spain	73
NH Frankfurt Messe	Frankfurt, Germany	62
NH Bogotá 93	Bogota, Colombia	140
NH Diagonal Center	Barcelona, Spain	138
NH Provincial (Extension)	Mar del Plata, Argentina	155
<b>TOTAL New Openings</b>		<b>1,416</b>

**PERFORMANCE OF OPENINGS AND INCORPORATIONS**

*By number of rooms*



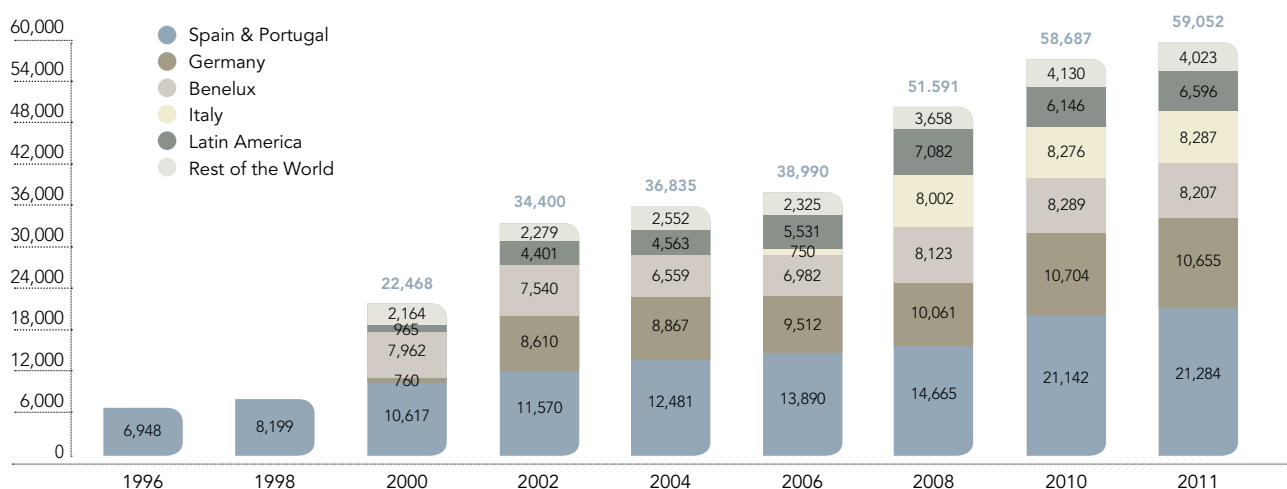
**OPENINGS**

**NEW HOTELS AND MARKETS**

Since the beginning of 2011, **eight new hotels** with 1,091 rooms have been opened, and two existing hotels have been extended with 170 and 155 additional rooms. Amongst the new hotel openings, two establishments stand out where management contracts were signed at the end of the year in Turin, with 240 and 140 rooms respectively, along with the opening in Madrid of the NH Ribera del Manzanares hotel, with 224 rooms. Also employing the management formula, a fully operational hotel was incorporated in Castellar de la Frontera, Cadiz, with 74 rooms. A second hotel was opened in Algeciras (NH Algeciras Suites) and another one was opened in Barcelona (NH Diagonal Center), consolidating the Company's leadership in this city where it operates around thirty hotels.

## CONTINUOUS GROWTH NUMBER OF ROOMS 1996-2011

Compound annual growth: +14%



## INTERNATIONAL DEVELOPMENT

The Group's main development focus in 2011 was to consolidate its European presence and promote its growth in Latin America in a more determined fashion, since this is a market that will make it possible to maximise the competitive advantages of NH Hoteles due to the privileged positioning of the brand in some of the continent's most prominent countries. The growth strategy, mainly based on lower capital intensive formats, started to bear its first fruits in 2011 with 100% of the projects signed during the year under the management formula.

### NEW HOTEL AGREEMENTS FROM JANUARY 1<sup>ST</sup> TO DECEMBER 31<sup>ST</sup> 2011

CITY	ROOMS	OPEN
Cadiz, Spain	74	2011
Teruel, Spain	56	2013
Bratislava, Slovakia	116	2012
Turin, Italy	159	2013
Guadalajara, Mexico	135	2013
<b>TOTAL</b>	<b>540</b>	

## ASSET MANAGEMENT

In line with the Company's asset rationalisation Plan, it is worth pointing out the sale of 8 hotels (1,051 rooms) in 2011. Additionally, NH Hoteles sold the 67% of the proprietary company of the Hotel Lotti in Paris. The Group continues operating the hotel under management contract for two more years

### NON-STRATEGIC ASSETS SALE

HOTELS	COUNTRY	ROOMS
Hesperia Centurión	Cambrils, Spain	211
Hesperia Chalet del Golf	Gerona, Spain	33
NH Capo dei Greci	Sicily, Italy	200
NH Gottingen	Gottingen, Germany	114
NH Fuenlabrada	Madrid, Spain	132
NH Ligure	Turin, Italy	169
NH Lucerna	Lucerne, Switzerland	110
NH Genk Molenvijver	Genk, Belgium	82
<b>TOTAL SOLD</b>	<b>1,051</b>	

As part of Operation Artos, NH Hoteles exercised an option to purchase that it held for 10 hotels operating under lease in Germany and Austria. Simultaneously, the Company sold five of the aforementioned hotels to the INVESCO investment fund, with which it signed a new operating rental agreement. The sale generated €38 Mn of capital gains, and the NH Hoteles Group now owns five of the ten assets.





NH Bogotá 93 - Colombia

## NH Hoteles enters Colombia.

### 2011 RESULTS

The main NH Hoteles figures at 31st December 2011, show a **considerable recovery** compared to the results for 2010. The efforts made and the commercial boost have enabled the Company to generate an EBITDA of **€202.4 million**, 37% more than the previous year. 79% of the EBITDA comes from the chain's operations in Benelux, Central Europe and America.

The total revenue of NH Hoteles at 31st December 2011, reached **€1,428.3 billion**, a 7% increase on the previous year. The Group's cumulative net profit shows a notable improvement of up to €6.2 million euros based on a solid cost reduction policy, having achieved extremely high levels of operational efficiency during the

latter months 2011, and the Company's debt/EBITDA ratio was reduced by 6.5 times at the close of 2010, and by 4.5 times at 31st December 2011. In the last quarter of the year, NH Hoteles' net debt dropped more than €100 Mn.

The chain's occupation levels at the end of the year were 65%, with a growth of 3.7%. All of the Business Units recorded RevPar increases (revenue per available room), particularly America with 7.4% and Benelux with 6.1%. The Company's comparable RevPar grew by 4.9% and we gained in market share in relation to the competition in Barcelona, Brussels, Frankfurt and London.

#### MAIN FIGURES OF THE NH HOTELES GROUP AS AT 31<sup>ST</sup> DECEMBER 2011

NH HOTELES, S.A. P&L ACCOUNT			
(€ million)	2011 12M	2010 12M	% var
Hotel Revenues	1,339.2	1,292.8	3.6%
Real estate sales and other	17.0	14.0	21.0%
Non-recurring Revenues	72.1	28.0	157.6%
<b>REVENUES</b>	<b>1,428.3</b>	<b>1,334.8</b>	<b>7.0%</b>
Real estate cost of sales	2.0	3.0	(32.9%)
Staff Cost	479.9	478.3	0.3%
Operating expenses	420.0	416.6	0.8%
Other Non-recurring expenses	32.6	19.3	68.6%
<b>GROSS OPERATING PROFIT</b>	<b>493.8</b>	<b>417.6</b>	<b>18.3%</b>
Lease payments and property taxes	291.4	269.7	8.0%
<b>EBITDA</b>	<b>202.4</b>	<b>147.8</b>	<b>36.9%</b>
Impairment	15.3	9.4	62.7%
Depreciation	119.0	123.2	(3.4%)
<b>EBIT</b>	<b>68.1</b>	<b>15.2</b>	<b>348.6%</b>
Market value derivatives	6.6	(0.7)	n/a
Interest expense	51.3	42.7	20.1%
Non-recurring financial expenses	1.9	24.2	(92.1%)
Income from minority equity interests	4.0	1.5	174.5%
<b>EBT</b>	<b>4.3</b>	<b>(52.5)</b>	<b>108.2%</b>
Corporate income tax	(6.2)	(5.1)	21.3%
<b>NET INCOME before minorities</b>	<b>10.5</b>	<b>(47.4)</b>	<b>122.1%</b>
Minority interests	4.3	(6.1)	(169.5%)
<b>NET INCOME</b>	<b>6.2</b>	<b>(41.3)</b>	<b>115.1%</b>



## POSITIVE BALANCE AND NEW STRATEGY

During 2011, the Company achieved its objectives to adapt the management to its model as well as redefining its processes and organisation in order to make its business better and more efficient in the new competitive context. A new organisation was designed, strengthening the commercial department in order to align technical and commercial needs, objectives and capacities. Likewise, a plan to improve efficiency in all processes was implemented which has enabled greater productivity and lower operational costs.

With the objective of providing the Company with greater financial solvency in order to fulfil its commitments, the disinvestment plan that was started last year continued to be implemented, exceeding the initial objective of €300 Mn by €45 Mn.

The key elements of the structure of the Group strategy for the coming years were also defined, featuring greater integration of the Business Units and services in order to achieve a unified implementation of corporate policies and the identification of commercial opportunities. NH Hoteles is committed to investing in commercial and technological capacities, as well as producing an organisation chart that accommodates the different hotel operation models, with a greater relationship with customer 2.0, a boost for the markets with the greatest potential and online channels.

## 2011 HIGHLIGHTS

### ⊕ Opening in Colombia

In October 2011, the first hotel was opened in Colombia, the NH Bogotá 93. With this new opening, the Group increases its presence on the continent, where it has a brand image and business model with a high level of acceptance in the eight countries where it offers 7,000 rooms.

### ⊕ New Chairman at Sotogrande

The Chairman of NH Hoteles took over as Chairman of Sotogrande in September 2011, to further integrate Sotogrande in the Group, eliminating any duplicity in management and facilitating improvements.

### ⊕ Coperama



The purchasing platform, founded by NH Hoteles, which is also the majority shareholder, signed an agreement with the Spanish chain Zenit Hoteles in 2011. Along with the NH, Hesperia, Husa and Sercotel chains, Zenit Hoteles uses the Coperama services for the purchases that its establishments make.

## CORPORATE GOVERNANCE

### CHANGES IN THE BOARD OF DIRECTORS

- On 28th February 2011, Mr. Gabriele Burgio stepped down as the Company's Chairman and CEO, and Mr. Mariano Pérez Claver was appointed as the Company's new Chairman and CEO. This appointment was subsequently ratified at the Annual General Meeting held on 29th June 2011.
- On 13th June 2011, Mr. José Antonio Samaranch Salisachs tendered his resignation as an external director. In a resolution passed on 29th June 2011, the Board of Directors voted to appoint Mr. Carlos González-Bueno Fernández to replace him as an Independent Director. His appointment was ratified by the Annual General Meeting held that same day.
- The term of office of the independent director Mr. José de Nadal Capará has expired because three years have passed since his last appointment on 17th June 2008, which was not renewed at the AGM held on 29th June 2011.
- On 27th July 2011, the independent director Mr. Antonio Viana Baptista tendered his resignation. The vacancy has been covered by the appointment, at the proposal of the Appointments and Remuneration Committee, of Mr. Gilles Pélisson on 18th January 2012.
- At the same meeting held on 18th January 2012, the Committee accepted the resignation of Caja de Ahorros de Valencia, Castellón y Alicante (Bancaja), and the Corporación Financiera Caja Madrid, whose physical representative is Mr. Manuel Lagares Gómez-Abascal, was appointed in its stead.
- At the meeting held on 29th February 2012, the Board of Directors accepted the change in the physical representative of the nominee director Sociedad de Promoción y Participación Empresarial Caja Madrid, Mr. José Rival Francs having been appointed to replace Mr. Ángel Córdoba Díaz.
- On 25th April 2012, and at the proposal of the Appointments and Remuneration Committee, the Board of Directors appointed Mr. José María López-Elola González as a new independent Director, to fill the vacancy that arose after the resignation of Mr. Miguel Rodríguez Domínguez.





nhow Berlín - Germany

## BOARD OF DIRECTORS (25<sup>TH</sup> APRIL 2012)

Chairman and CEO: **Mr. Mariano Pérez Claver**

Vice-Chairman: **Grupo Inversor Hesperia, S.A.** (represented by **Mr. José Antonio Castro Sousa**)

Members: **Mr. Iñaki Arratibel Olaziregi**  
**Corporación Financiera Caja de Madrid, S.A.**  
 (represented by **Mr. Manuel Lagares**  
**Gómez-Abascal**)  
**Ms. Rosalba Casiraghi**  
**Mr. Roberto Cibeira Moreiras**  
**Mr. Carlos González Fernández**  
**Hoteles Participados S.L.** (represented by  
**Mr. Ignacio Ezquiaga Domínguez**)  
**Mr. Francisco Javier Illa Ruiz**  
**Ms. Nuria Iturriagoitia Ripoll**  
**Mr. Juan Llopart Pérez**  
**Mr. Gilles Péllisson**  
**Mr. José María López-Elola González**  
**Sociedad de Promoción y Participación**  
**Empresarial Caja Madrid S.A.** (represented by  
**Mr. José Riva Francos**)

Secretary/Non-Director: **Mr. José María Mas Millet**

Vice-Secretary (Non-Director): **Mr. Leopoldo González-Echenique Castellanos de Ubao**

## Executive Committee (25<sup>th</sup> April 2012)

In January 2012 the Board of Directors decided to reactivate the Executive Committee, and designated the following members to the Committee:

Chairman: **Mr. Mariano Pérez Claver**

Members: **Grupo Inversor Hesperia, S.A.** (represented by  
**Mr. José Antonio Castro Sousa**)  
**Mr. Iñaki Arratibel Olaziregi**  
**Mr. Carlos González Fernández**  
**Mr. Juan Llopart Pérez**  
**Mr. Gilles Péllisson**

Secretary/Non-Director: **Mr. José María Mas Millet**

Vice-Secretary (Non-Director): **Mr. Leopoldo González-Echenique Castellanos de Ubao**

## Audit and Control Committee (25<sup>th</sup> April 2012)

In 2011 there was a change in the Audit Committee, after the independent director Mr. Antonio Viana-Baptista, who was the

chairman of the Audit and Control Committee, resigned, Mr. Carlos González Fernández having been appointed to replace him.

Following this change, the members of the Audit Committee are now as follows:

Chairman: **Mr. Carlos González Fernández**

Members: **Mr. Iñaki Arratibel Olaziregi**  
**Hoteles Participados S.L.** (represented by  
**Mr. Ignacio Ezquiaga Domínguez**)  
**Mr. Juan Llopart Pérez**

Secretary: **Mr. Leopoldo González-Echenique Castellanos de Ubao**

## Appointments and Compensation Committee (25<sup>th</sup> April 2012)

Chairman: **Ms. Nuria Iturriagoitia Ripoll**

Members: **Mr. Francisco Javier Illa Ruiz**  
**Sociedad de Promoción y Participación**  
**Empresarial Caja Madrid S.A.** (represented by  
**Mr. José Riva Francos**)  
**Mr. Gilles Péllisson**

Secretary: **Mr. José María Mas Millet**

Person in charge of the Annual Corporate Social Responsibility Report: **Ms. Nuria Iturriagoitia Ripoll**

## Management Committee

The Board of Directors of NH Hoteles approved in 2011 a new organizational structure for the Group to develop its future strategy. To this end, the Company set up a Commercial Strategy and Development Division, and two new business support areas, the Resources Division and the Organisation and Systems Division.

**Mr. Mariano Pérez Claver**, Chairman & CEO  
**Mr. Mikael Andersson**, Chief Commercial Officer  
**Mr. Ramón Aragonés Marín**, Chief Operations Officer  
**Mr. Ignacio Aranguren Gonzalez-Tarrío**, Chief Assets & Rents Officer  
**Mr. Íñigo Capell Arrieta**, Chief Resources Officer  
**Mr. Roberto Chollet Ibarra**, Chief Financial Officer  
**Mr. Leopoldo González-Echenique Castellanos de Ubao**, General Counsel  
**Mr. Francisco Javier Matas Martínez**, Chief Organization & Technology Officer  
**Mr. Francisco Alejandro Zinser Cieslik**, Chief Strategy & Development Officer

## SHAREHOLDERS

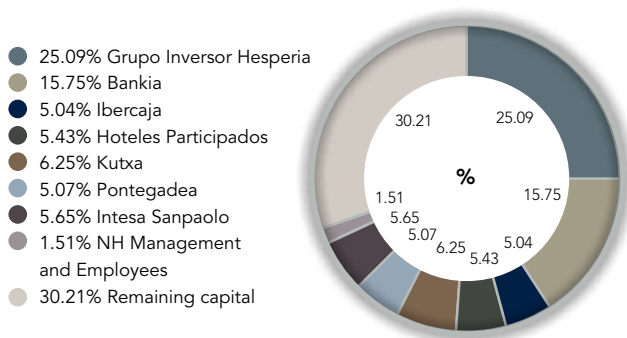
Shareholders are a very important stakeholder for NH Hoteles, with whom we enjoy a relationship based on reciprocal sustainable benefits and governed by **trust, transparency and ethics**.

At the end of 2011, the share capital of NH Hoteles was represented by 246,617,430 bearer shares, each with a par value of 2 euros, fully subscribed and paid up. All these shares have equal voting and dividend rights and are admitted to trading on the Electronic Market of the Madrid, Barcelona, Valencia and Bilbao Stock Exchanges.

*“The year 2011 has been marked by the interest created by the announcement of the Chinese group HNA’s entry in the capital, the suspension of the agreement at the end of the year, and the formal start of the refinancing of most of the Group’s financial debt. During the financial year, we have continued to respond to analysts and investors with the greatest possible flexibility and efficiency and, in the interests of improving communication tools, we have worked to redesign our website for shareholders and investors, introducing major improvements. We are aware that we must continue to progress and improve our communication with the market and, more specifically, the planning for publishing results. This would undoubtedly be one of the main objectives for the 2012 financial year.”*

**Chema García, SVP Investments and Investor Relations**

### SHAREHOLDING STRUCTURE OF NH HOTELES ON 31<sup>ST</sup> DECEMBER 2011



In 2011, Caja de Ahorros y Monte de Piedad de Madrid and Bancaja and other banks merged to form Banco Financiero y de Ahorros S.A. On 1st January 2012, Caja de Ahorros y Monte de Piedad de Guipuzkoa y San Sebastian (Kutxa) and other Basque Country savings banks merged to form Kutxabank.

Following the merger of Caja de Ahorros y Monte de Piedad de Madrid and Bancaja, in January 2012 Mr. Manuel Lagares Gómez-Abascal was appointed a Nominee director in replacement of Bancaja.

Furthermore, the syndication agreements between Banco Financiero y de Ahorros S.A. and Caja de Ahorros y Monte de Piedad de Zaragoza, Aragón y Rioja (Ibercaja), on the one hand, and Hoteles Participados S.L. and Kutxabank on the other, will remain in force until 31st December 2012.

### RELATION WITH THE HNA GROUP

In May 2011, the strategic alliance with the Chinese group HNA was announced, the objective of which had three main elements: a rights issue in order to become one of the key partners, the creation of a joint venture to develop hotels in China, and a large commercial agreement to attract customers destined for Europe. In view of the volatility of the markets after August, in December 2011 the Chinese group announced its decision not to continue with the investment agreement, and was obliged to compensate the NH Hoteles group with compensation amounting to 15 million dollars.

### FURTHER INFORMATION FOR SHAREHOLDERS AND INVESTORS

In the last quarter of 2011, the launch of the new Corporate Website <http://corporate.nh-hotels.com> updated the **Shareholders' Corner**, increasing the content and interactivity and enabling our shareholders and investors to have access to all of the financial, stock-market and corporate governance information and any additional data that may be of interest.

#### → Electronic Shareholders' Forum

In line with the new provisions of the Spanish Stock Market Act, NH Hoteles has added to its articles of association and AGM Regulations the creation of the Electronic Shareholders' Forum, on the website of NH Hoteles and its subsidiary, Sotogrande, alike. This Forum is active all year long so that shareholders can use it as a **permanent communication tool**, and not only in the run-up to a General Meeting. The web page offers the shareholder the possibility to exercise their electronic vote within the timeframe expressly established for the purposes of the Meeting.



Due to the significant interest that was aroused in the market due to the various milestones for the year, including the possible merger with the Chinese group, HNA, 2011 saw a considerable increase in the number of analysts' progress reports received and eight roadshows were organised with investors in Madrid and London.



*Information report for the fourth consecutive year to **Siri Company** (Sustainable Investment Research International) and **Eiris** (Ethical Investment Research Services), sustainable investment managers who analyse the ethical, social, environmental and governance performance of the Companies. In 2011, NH Hoteles participated once again in the **Carbon Disclosure Project (CDP)** as part of the Company's commitment in its management report to fight climate change and use investors as a source of information.*

## SHAREHOLDER CLUB

Initiative to reward shareholders with exclusive benefits. Shareholders earn 6% worth of credits for all the billed items (1 credit = €1), which they can be exchange for free nights' accommodation and catering services.

Furthermore, the **shareholders' reservation hotline** is an exclusive care service for managing their transactions, including direct bookings, extended check-in times, superior rooms, exclusive promotions, Check-In Express, NH World online and special equipment in the room, amongst other benefits.



Annual General Meeting 2011

## CHANGES IN BY-LAWS AND REGULATIONS

In 2011, numerous amendments were approved to the text of the articles of association, to the **Board Regulations and Annual General Meeting**, for the purposes of adapting their content to the new Company Law legislation.

- Ban on restrictive clauses concerning the maximum number of votes, which translated into the removal of the former section 15 of the previous text of the articles of association. Likewise, new information and shareholder participation instruments have been introduced (such as the Electronic Shareholders' Forum) and the composition and powers of the Auditing Commission have been amended.
- The possibility of publishing the meeting announcement on the company web page (instead of in the provincial newspapers), in accordance with the provisions of Royal Decree 13/2010, of 3rd December, concerning measures in the fiscal and labour fields and liberalising actions to promote investment and job creation.
- Obligation to produce an Annual Directors' Remuneration Report that shall be circulated and put to the vote, in a consultative capacity, at the General Shareholders' Meeting in compliance with the provisions of the Sustainable Economy Act.

## MAIN SHAREHOLDERS AND INVESTOR INDICATORS

	2010	2011
N° of nationwide entities that issue NH Hoteles analysis reports	10	10
N° of international entities that issue NH Hoteles analysis reports	11	11
N° of shareholders and investors telephone queries answered	832	874
N° of meetings with shareholders and investors	84	137
N° of analyst follow-up reports	76	135

## CUSTOMERS

For the NH Hoteles Group, **customer satisfaction** is a top priority. Process efficiency, transparent actions and treatment, ensuring the quality of service, are priorities for all employees of NH Hoteles. In this regard, these aspects also have been included in the new 2011 Code of Conduct.

*"The big challenge for 2011 was to equip the Company with a system to measure and monitor customer satisfaction results - Quality Focus Online – which would enable us to integrate in the same tool, accessible to all employees, more than 200,000 customer assessments and over 130,000 comments concerning all of our hotels, with the option to analyse the results for an individual hotel or several establishments. The year 2012 will be very important in terms of customer satisfaction since, as well as continuing to develop Quality Focus On-Line, 15% of all employees' variable objectives will be directly linked to the satisfaction results obtained, which will reinforce quality as one of the pillars of NH Hoteles"*

**Javier Carazo, SVP Quality and Competition**

### EXCELLENCY IN QUALITY



NH Hoteles has implemented new ways to guarantee customer satisfaction and has consolidated the **Quality Focus Online** system, with the development of new channels for customer dialogue

and advanced tools for analysing assessments and comments concerning the chain on the Internet, as well as comparing them to the competition. Satisfaction surveys, calculation and analysis of online opinions and the detailed studies by 'mystery guests' who visit the establishments make it possible to guarantee a customer experience tailored to meet every need.

Quality Focus Online is an internally developed application that enables us to check online any assessment and/or comment about our hotels from 11 defined web pages (Booking, Tripadvisor, Expedia, Atrápalo, etc.), including the results of over **100,000 internal surveys** received from our customers.

In 2011, the number of customer surveys increased by 58% with a total number of 105,135. Furthermore, over 210,000 customer assessments were received including the surveys and online assessments, compared to the over 138,000 assessments of 2010. It is also worth highlighting that of these assessments, around 134,000 comments were received which have been analysed and coded in order to improve decision making. This increase in the number of assessments received is due to the growth in company surveys received at NH Hoteles and the proliferation of online comments on external web pages.

### OVERALL SCORE OF NH HOTELES

	2010	2011	DIFF.
General satisfaction (*)	8.1 (0 a 10)	8.1 (0 a 10)	0 →
N° Surveys	66,323	105,135	38,812 ↑
N° Scores (NH surveys + external pages)	138,408	211,577	73,169 ↑
Value for money score	7.6	7.5	1% ↓

\* We have reported 2010 General satisfaction with NH as 8.1 because it includes internal surveys and external pages.

### INTERNAL MOTIVATION

- Online training via the **"QF in 5 Minutes"** training pills and in developing more efficient procedures and processes and with a greater degree of customer satisfaction.
- Following the success of the **"9 Steps to Quality"** competition held in 2010, in 2011 the **"One Step Forward"** initiative was launched in all the hotels to identify the employees most committed to improving the level of quality perceived by customers. Seven of the hotel's departments and their respective teams have been rewarded in the two editions held during the year.



"One Step Forward" Initiative



"Your Second NH Family"  
Programme

## MYSTERY GUEST

In addition to the assessment made by customers, the Quality Department at NH Hoteles has carried out 290 audits using the **Mystery Guest** (quality provided) methodology in order to determine whether the service meets the standards and follows the procedures defined by the Company.

	Average Mystery Guest score (scale of 0-10)
2010	7.03 (189 hotels)
2011	7.08 (290 hotels)

As for the evaluation and management procedures for products and services which have a possible impact on customer health and safety, our policy includes the general European guidelines which must be fulfilled in relation to food safety and hygiene.

## CUSTOMER CARE

The NH Hoteles Customer Care Department, in its desire to strengthen the relationship between our customers, has in 2011, for the first time, given customers the option to request to be contacted through their completed survey, which has enabled the Group to contact **17,696 customers** compared to the 4,246 customers that were contacted in 2010. This evolution makes it possible to strengthen the relationship and improve the perception of confidence in the Company.

## CAMPAIGNS AND PROMOTIONS

### The Organizers

Prepaid offers available on a monthly basis with discounts of between 15% and 25% on the best available tariff. This campaign rewards the early action of customers who book a minimum of 7 days in advance and make a direct pre-payment. In 2011, sales grew by 25%.

### Weekend Extender

This campaign offers added-value benefits with weekend reservations in all the hotels in Europe or Latin America, from only €128 including breakfast, as well as the option of checking out at 5 p.m. on Sundays and free use of the mini-bar with all bookings made via the web.

### Flash discounts

Web users at NH Hoteles are offered the option of making their prepaid bookings promptly within 48 and 96 hours applying a 50% discount and having a period of 6 months within which to enjoy their stay.

### Stay longer pay less

Prepaid offer that enables NH Hoteles guests to enjoy long stays at the best price, making use of discounts of up to 25% after the third night without the need to book in advance.

### Your Second NH Family

Reward Programme for travel agents with the aim of creating links that keep us close to the channel. Different offline and online actions were carried out via the website **www.tusegundafamilanh.com**, such as viral campaigns, promotional gifts and events for this stakeholder.





## NEW SERVICES

### ⊕ New design of the Commercial Website

With greater clarity of content and ease of use for visitors, the sales web has enhanced its level of interactivity, making it more global and participatory, thanks, among other things, to the integration of social networks.

### ⊕ Mobile Applications

Multi-channeling (in the B2C and the B2B business) and mobility have been a key in 2011.

### ⊕ Integration of Trip Advisor remarks on the web

In striving to ensure total transparency with customers and with the goal of keeping on improving the quality of our services and establishments, NH Hoteles displays the remarks made on the Trip Advisor tourist opinion website in most of its hotels to take account of its guests' impressions.

### ⊕ Local flavour AntiOX

AntiOX breakfasts are now on offer in **148 hotels** of the Spain Business Unit and, during 2011, we also began the planning, to offer them, tailored to local tastes, in other Business Units such as Italy, Netherlands and America, to promote **healthy and innovative ideas** in our breakfasts.



## NEW COMMERCIAL STRATEGY

NH Hoteles is committed to an **strategy online** based on non-presence sales channels, boosting positioning in Google, online advertising and better integration in Google Places.

Integration of several meta search engines such as Trivago or Kayak, developing the **relaunch of the Mobile Web and of Mobile Apps** for iPhone, Android and tablets.

The commercial commitment focuses upon boosting the markets with the greatest potential in all kinds of sales channels, concentrating on distribution and online channels. The Company has designed a more centralised commercial structure, as such, positive results are expected throughout 2012.

In the **Revenue Management** department, new revenue management tools have been implemented in a large number of hotels, such as EZRMS, systems which predict price positioning depending on the occupation, enabling greater control, dynamism, immediacy and clarity in revenue management.

## SOCIAL MEDIA STRATEGY

With the aim of managing a close relationship with our customers, the social networks strategy has been reorganised and relaunched on **Facebook, Twitter, Foursquare** and other applications such as **Instagram**.

NH Hoteles has a presence on social networks worldwide, although there are countries that have their own local presence (Spain, Italy, Argentina, Germany, Holland and Portugal). Thanks to initiatives such as **Name your Room** and **Wake Up Pics**, the community grew around the brand, as our Facebook page reflects, for example, which at the beginning of 2011 had 259 "likes" and at the end of the year had over 27,000 members. During the year, our Twitter followers totalled 3,851.

## Relaunch of the Mobile Web and of Mobile Apps for iPhone, Android and tablets.

## SOCIAL NETWORKING NEWS

**Wake Up Pics:** NH Hoteles organized the nationwide photography competition through Instagram, an application that lets people share pictures through their Iphone. More than 600 photos were submitted and 30 of them were selected for display in the first offline exhibition at the NH Palacio de Tepa hotel in Madrid.

**Name Your Room:** NH Hoteles' Facebook page now features an application that lets people choose one of the chain's approximately 60,000 rooms and give it a name, not only in the social network, but also in the real world. In doing so, NH Hoteles created a real human map that went beyond cyberspace to reach each of its establishments through nameplates with the names of the 'virtual owners' of their respective rooms.



## NH WORLD PROGRAMME

In 2011 the NH World loyalty-building programme innovated its services by launching the **Citizen, Attraction and Fascination** categories, which include new and better benefits.

Programme members have received cards with revamped designs personalized by category and gender, with a chip that stores their **personal details and preferences**. These categories are reviewed every year to analyse the number of credits each cardholder has earned throughout the previous year.

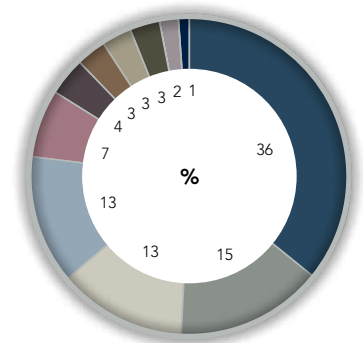


### GROWTH IN NH WORLD CARDHOLDERS

2010	2011	%
1,692,960	2,130,066	+ 26.37%

### DISTRIBUTION OF CARDHOLDERS BY NATIONALITIES

- 36% Spain
- 15% Germany
- 13% Others
- 13% Italy
- 7% The Netherlands
- 4% UK
- 3% Mexico
- 3% United States
- 3% France
- 2% Belgium
- 1% Portugal



NH World guest sales now represent **17.37%** of the Company's total sales. **54.77%** of these sales are made via direct channels such as the Hotel, the Reservations Desk, NH World Web and NH Sales Web.



Renovated room  
in NH Grand Hotel Krasnapolski, Amsterdam - The Netherlands

## NH WORLD MEMBERSHIP AND BENEFITS

Citizen	Attraction	Fascination
<ul style="list-style-type: none"> <li>→ New NH World members, who earn between 0 and 35 credits during a 12 month-period.</li> <li>→ Get 3% of their invoice back in credits.</li> <li>→ Check-in in just 19 minutes.</li> </ul>	<ul style="list-style-type: none"> <li>→ Members who have earned between 36 and 89 credits.</li> <li>→ Get 5% of their invoice back in credits.</li> <li>→ The benefits of Citizen plus free Early Check-in and Late Check-out.</li> <li>→ 50% discount on cancellation charges</li> <li>→ Priority on waiting lists.</li> <li>→ 20% discount on Green fees at golf courses.</li> </ul>	<ul style="list-style-type: none"> <li>→ Members who have earned 90 or more credits.</li> <li>→ Get 7% of their invoice back in credits.</li> <li>→ The benefits of the other categories plus guaranteed availability on bookings made at least 72 hours in advance.</li> <li>→ They do not have booking cancellation charges.</li> <li>→ Free upgrade to a superior room.</li> <li>→ Free wifi throughout the hotel.</li> <li>→ 20% discount on Green fees at golf courses.</li> </ul>

## PERSONAL DATA PROCESSING

The chain handles personal information using compulsory standard processes which ensure the fulfilment of the appropriate security measures. In 2011, references to data protection were included in the **new NH Hoteles Code of Conduct** which defines the respect of all Group employees for the legislation on personal data protection when they handle data concerning customers, suppliers, shareholders and that related to employees themselves.

The forms enabling customers to exercise their right to data protection were published on the NH Hoteles Intranet and, as such, they are accessible to all employees that require them. No complaint has been lodged concerning this subject during the present financial year, 2011.

## MAIN CUSTOMER INDICATORS

	2010	2011
N° of Mystery Guest hotel assessments	189	290
N° of customer surveys	66,323	105,135
N° Customer Care Communications	4,246	17,696
NH World cardholders	1,692,960	2,130,066

## 2011 AWARDS AND RECOGNITIONS

- **Senses magazine awards.** The Hesperia Lanzarote hotel has been named the Best Resort for Families and NH Resorts as the best family holiday concept.
- **TUI Nordic 2011 Award.** The Hesperia Lanzarote hotel has also been awarded the Silver Blue Award, in recognition of the quality of its services and customer care.
- **Five Star Diamond Awards.** The American Academy of Hospitality Sciences has given two awards to Gran Hotel Convento di Amalfi and Donnafugata Golf, Resorts & Spa, both for their excellent quality and the service offered to guests.



## SUPPLIERS

In order to ensure sustainable management, it is vitally important to have suppliers who share the **willingness and determination to be responsible companies** and who develop their business applying the same ethical principles that NH Hoteles supports, respects and fulfils.

*“This year has been one of continuity and consolidation of the major projects of NH Hoteles’ Purchasing Department. In addition to continuing to develop purchasing synergies in local and corporate negotiations, we highlight the consolidation of Coperama, the commitment to extend the hiring model to all classes of purchase, the growth of electronic invoicing with Click NH Buy and the third meeting of our most committed suppliers through the Sustainable NH Club, in Milan. In 2012, the objective is to increase the number of Club members as well as the number of projects carried out”.*

**Salvador Serra, SVP Purchasing**

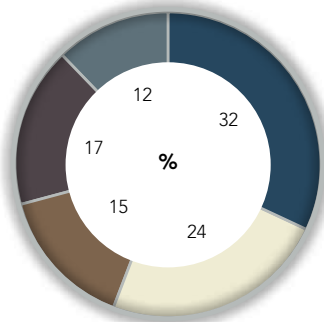
The NH Hoteles **Corporate Purchasing Policy** sets the criteria that enable us to establish the highest standards of quality, service and corporate responsibility by keeping these parameters up to date and under evaluation. A strict and detailed procedure is applied when evaluating suppliers, based on social, ethical and environmental criteria, selecting those which, in addition to offering the best negotiation terms, share our principles and commitments.

### OUR SUPPLIERS

In 2011, NH Hoteles worked with a total of 23,866 national and international suppliers, with an annual purchasing volume (cost plus investment) of €447.8 million. Spain, Benelux, Germany and Italy account for 90% of this volume and the degree of internationalisation is rising all the time, because only 32% of suppliers are Spain Business Unit undertakings.

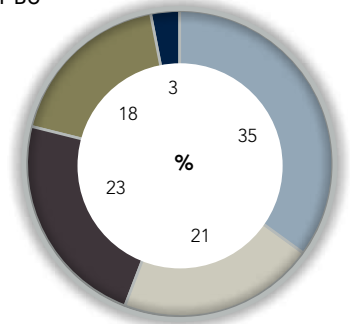
#### SUPPLIERS BY BU

- 7,558 Spain (32%)
- 5,747 Central Europe (24%)
- 3,598 Italy (15%)
- 4,025 Benelux (17%)
- 2,938 America (12%)



#### VOLUME OF PURCHASES BY BU

- 35% Spain
- 21% Benelux
- 23% Central Europe
- 18% Italy
- 3% America

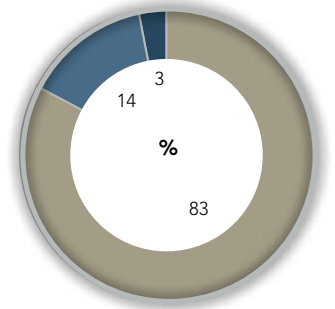


Following the principles of our Corporate Procurement Policy, at NH Hoteles we strive to offer equal opportunities and **promote local purchasing**. In 2011, the local purchasing volume represented 88% of approved purchases, slightly less than in 2010 (-5%).

By types of suppliers, 82.7% of the total fall under operating expenses and services, which accounts for 63% of the total volume of purchases.

#### VOLUME OF SUPPLIERS BY FAMILY

- 83% Opex & Services
- 14% Food & Beverages
- 3% Furniture, conditioning & equipment



Our suppliers share the willingness to be responsible companies.



NH Castellar, Cadiz - Spain

## ADOPTION OF THE CODE OF CONDUCT

The new NH Hoteles Code of Conduct is the instrument for formally extending our commitment in terms of Corporate Responsibility to our stakeholders by reflecting, in this case, the relationship with our suppliers who must:

- ⊕ Respect the fulfilment of internationally recognised Human Rights and make sure that they neither disappoint nor abuse these rights in carrying out their business transactions.
- ⊕ Every supplier must treat its employees with dignity and respect observing international and local laws in each country, not allowing the use of child labour or any form of forced or compulsory labour.
- ⊕ Maintain a preventive focus with regard to environmental protection, promoting the development of environmentally-friendly technologies.
- ⊕ Furthermore, suppliers must avoid participating in any kind of corruption, extortion or bribery that could affect the principles of fair trade or lead to scandals in which the NH Hoteles Group could be implicated.

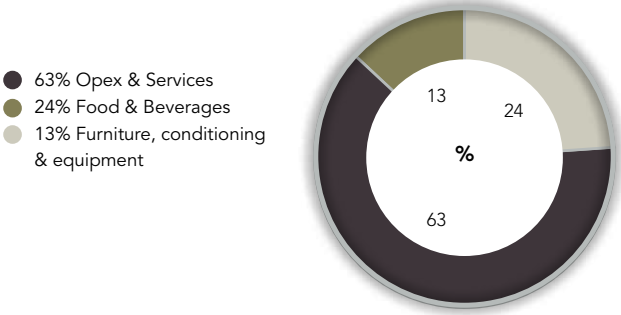
In 2011, **215 Ethical Codes** were signed throughout the world, 25% more than in 2010, and to date 994 Codes of both versions have been signed altogether. The volume of sales of the suppliers that have signed an ethical code in 2011 amounted to €40,523,738.19, which represents 9% of total turnover in 2011.

## ENVIRONMENTAL COMMITMENT

In 2011, the suppliers who participated in corporate tenders were assessed according to their environmental commitment and respect. The **Ecodesign questionnaire** used to classify participants according to the degree of environmental impact and management following a category system similar to the energy grading label, Energy Star, became further consolidated. Furthermore, the Environment Department collaborated in assessing suppliers in four corporate tenders and the selection of successful bidders coincided 100% with their recommendation.

For 2012, the objective is to design a standard procedure for all Business Units which, in addition to setting the economic selection criteria, systematically incorporates the environmental assessment criteria. Giving greater transparency to recruitment also forms part of the 2012 objectives. In order to fulfil such a commitment, a project to source a purchasing platform shall be embarked upon (Esourcing) which guarantees uniform negotiations, reinforces the control over concessions, brings greater transparency to the purchasing function and makes it possible to obtain greater savings thanks to the use of new forms of bidding.

## VOLUME OF PURCHASES BY TYPE OF SUPPLIER



## NH SUSTAINABLE CLUB

In the fourth year of the Sustainable NH Club, a group innovation workshop for developing innovative solutions in the hotel industry, we continue to work with the 40 suppliers who are most **committed to sustainability**.

During 2011, we continued to implement projects started in previous years, generating significant savings through, for example, the use of LED technology, low-energy light bulbs and other eco-efficient applications; the replacement of absorption minibars with low-consumption minibars; the replacement of plastic material in products like amenities, ballpoint pens and laundry bags; encouraging the use of electric cars in Madrid by using these vehicles on our elevator maintenance routes.

## 2011 HIGHLIGHTS



- **Calmell Eco-Card biodegradable keys** for our rooms.
- The bed linen supplied by **Standard Textile** bears the **Oekotek and Ecolabel labels** as a sign of respect for the environment and health, both by NH Hoteles and our manufacturers.
- Effective use of **sustainable cellulose** thanks to **SCA Hygiene Products** that lets us save 75,000 kilometres of paper with regard to the previous year.



NHOW Milan, July 5th, 2011

- The **Cork2Cork bottle cork recycling** project, together with **Amorim Revestimentos**, is underway at 200 European hotels, with a campaign to encourage employees and guests to recycle corks.
- **Villeroy & Boch water saving** systems in our new baths with an estimated 25% reduction.
- Development of **High-Low technology** together with our towel supplier Standard Textile, allowing us to reduce cotton consumption and save on chemicals and water in washing them.
- Purchase of new models of **Philips more sustainable TV sets**.
- Installation of Otis Gen2 **energy-efficient elevators**, featuring a system that is more than 75 percent more energy efficient, reduces wear and provides a smooth, quiet ride. The electricity generated is used in the car parks for our hotels' electric vehicles.

## AGREEMENTS TO WORK IN 2012

- ⊕ Optimisation of our partners' transport routes to **reduce indirect CO<sub>2</sub> emissions**.
- ⊕ **Proteus Project** with our towel supplier Standard Textile, the laundry Blycolin and the chemical product manufacturer Diversey, to reduce water and chemical consumption and CO<sub>2</sub> emissions.
- ⊕ Research in the reuse of grey waters.
- ⊕ New projects to boost **recycling of waste material** in hotels after they have been replaced with new materials.
- ⊕ New **eco-efficient beverage coolers by Indel B**.
- ⊕ **Sustainable Desso carpets** with materials that contribute to the health of our guests as their components are natural and the concentration of dust in the air is 4 times less than in places where a traditional carpet is installed. Furthermore Desso carpets are recyclable and can be used to make new products when their useful life comes to an end.
- ⊕ **Awareness-raising campaigns** about water consumption, use of recycled materials, the shortage of natural resources...

## 3RD NH SUSTAINABLE CLUB MEETING

In July 2011, the 3rd edition of the Sustainable NH Club Conference was held in Milan, enjoying enormous success and having far-reaching effects, with over 100 delegates including suppliers, NH Hoteles managers and distinguished figures in the field of sustainability. The Club's fundamental objective is to promote dialogue between the Company and its strategic suppliers, as well as disseminating the main projects that are being carried out, at an international level. At this edition the Club's principal challenges for 2012 were presented, as well as the most important projects implemented during 2011, encouraging the creation of round tables and chats which would promote collaboration between the members.

For the first time, a **satisfaction survey** was carried out concerning the event, the results of which demonstrated the high degree of satisfaction amongst the delegates (4.35 points out of 5), as well as the quality of the presentations that were given (4.07 points out of 5). 100% recommend attending the next event and **97.8%** believe that belonging to the Club adds value to their business.

## OUR SUPPLIERS' OPINION

We are working on updating the **Suppliers Satisfaction Survey** which will be relaunched in 2012. The parameters to evaluate will stress NH Hoteles' responsibility, the supplier portal, its operation and advantages, incident management, the quality of the negotiations in which they participate and the transparency of the negotiators, as well as the reputation of NH Hoteles as a commercial partner in each sector. The opinion of our suppliers will enable us to establish **measures for improvement** in our continued effort to apply and disseminate the best practices in this field.



Cork2Cork Project



## CLICK NH'BUY

In 2011 we continued bringing our **Click NH'Buy** supply management system into play in all the hotels in Spain (including resorts), and finished implementing it (after starting to do so in 2010) in the Italy Business Unit, where it is now operating in all the hotels. In the first quarter of 2012 we will start implementing it in the Benelux and Central Europe business units. In the Spain Business Unit, the volume of electronic invoicing is as follows:

### ELECTRONIC INVOICING BUSINESS UNIT SPAIN

	2010	2011	%
Participating suppliers	38	44	+ 15.8
Electronic invoices	22,092	45,444	+106%

The **Supplier Portal** has prompted greater transparency and efficiency in communication, by automating the supply cycle, from the generation of the order until the invoice payment.

**Active participation in AECOC.** As a member of the E-Invoicing Committee, NH Hoteles is still working on defining criteria and practices to improve the procedure.

## SATISFACTION OF INTERNAL CUSTOMERS

For the fourth year running, in 2011 the Purchasing area conducted the **International Internal Customer Satisfaction Survey** to obtain feedback on the service provided by the Purchasing Department, process automation and on our suppliers' performance.

Employees from Spain, Germany, Italy, Benelux and Central Europe took part in it. The overall assessment is positive with a score of 3.15 on a 5-point scale. The most highly-valued parameters were once again the purchasing team's kindness, the desire to resolve issues and the information shared via the corporate website.

A new feature this year is that an **internal report** was drawn up with input from our customers to improve the service, establishing action plans for each business unit. At an international level, improvements are sought to both the external and internal communication of the Purchasing Department and the coordination of operations of all Business Units, as well as improvements to the quality, negotiated product price and the speed of the computer systems.

## GROWTH OF COPERAMA

The Procurement Platform lead by NH Hoteles and Husa has consolidated its position in its second year. A total of **89 new members** have joined, including hotel chains (17 Zenit hotels; 19 Sercotel chain hotels; 2 Insignia hotels; 35 Husa hotels; 11 NH Hotels; and 5 Independent hotels) and independent customers (hoteliers, groups and restaurants), making for a total of **417 customers** and a volume of purchases of €230 M. 100 tenders were awarded, with an F&B and OSE purchases coverage ratio of 90%, an 80% compliance level in consolidated chains and 45% in new customers, and these figures underscore the project's success. All of Coperama's customers and suppliers have adhered to the NH Hoteles **social and environmental commitments**.

## 2011 AWARDS AND RECOGNITIONS

- **Sourcing Community Award.** Recognition granted by the Global Sourcing Council to the NH Sustainable Club as the best initiative in global provisioning and sustainable and socially responsible supply system.

### MAIN CUSTOMER INDICATORS

	2010	2011
Suppliers managed	26,702	23,866
Annual volume of purchases (expense + investment)	€466.5 Mn	€447.8 Mn
N° suppliers who have signed the Code of Ethics	896	994
Amount invoiced by suppliers who have signed the Code of Ethics	€212,180,878	€40,523,738.19*
% invoiced by suppliers who have signed the Code of Ethics	45%	9%*
Level of supplier satisfaction	N/A	N/A
Level of internal customer satisfaction	3.3	3.15
N° NH Sustainable Club suppliers	40	40

\* Turnover of the suppliers who signed the Code of Ethics in 2011.

# ENVIRONMENTAL PERFORMANCE

At NH Hoteles we work towards rational use of and respect for existing resources, from a sustainable approach throughout the business cycle, from the planning, design and construction of the hotels to their everyday operation and the service that we provide to customers; all through a effective environmental management marked by constant innovation.

*"In 2011 we have stepped up our efforts to comply with the Environmental Strategy Plan that had 2012 as its deadline. Thanks to this, we are proud to be one year ahead of schedule, having completed this year the goals set for 2012."*

**Luis Ortega, SVP Environment & Engineering**

The Company's Environmental Strategy Plan was launched in 2008, enabling the chain to fulfil the objective of the European Union's 20-20-20 Plan four years early. The objective of the plan was to minimise the environmental impact, towards which almost €4 mn were invested, 59.45% of the investments being allocated to sustainable and highly efficient facilities.

The **2008-2012 Environmental Plan** established objectives to reduce energy consumption, CO<sub>2</sub> emissions, water consumption and waste generation by 20%.

The successful implementation of the Plan has meant that not only were the 2012 objectives achieved in 2011 -one year ahead of schedule- but they were exceeded:

- ⊕ Reduction of the energy per guest/night ratio: **23%**
- ⊕ Reduction of the CO<sub>2</sub> released per guest/night ratio: **40%**
- ⊕ Reduction of the water usage per guest/night ratio: **28%**
- ⊕ Estimated reduction of the waste generation per guest/night ratio: **34%**

Although these objectives have been fulfilled, NH Hoteles is committed to continuing to make progress with its sustainable focus, as such in 2012 it will establish a new and ambitious Environmental Strategy Plan.

It is worth highlighting the important research and development work in the Environment department, the technical teams, employee training and work alongside our suppliers, with whom we have found **highly efficient and innovative solutions**.

## MANAGEMENT SYSTEM

Nh Hoteles entrusts management of its environmental strategy to an Environment Department that reports to the Chief Resources Officer. In order to increase the participation of the Board of Directors in environmental management, one of the Independent Directors is in charge of guiding and monitoring environmental initiatives.

## CONTROL SYSTEM

NH Hoteles has established a system for the monitoring and control of environmental indicators whereby all the data from the hotels in the Group are compiled on a monthly basis. Such data are analysed every quarter in order to assess the degree of compliance with environmental objectives and to identify possible improvement opportunities. A KPI report is also prepared and sent to all managers of the Business Units and hotel managers. Consequently, each one has the key environmental information about their hotel.

## CONSUMPTION TRACKING AND MEASUREMENT

For measurement and comparative reports, a standard measure is used for the entire chain: consumption rates per night per guest (See more in Corporate Responsibility Report 2009).

### Comparable urban hotel

A comparable hotel has a homogeneous business structure and internal organization similar to the one in place in NH Hoteles:

- It has energy and/or water consumption tracking data for at least two full years.
- During the period, it has not undergone any substantial building renovations or increased the number of rooms or altered the sales area, in any way that directly affects the hotel occupation.
- It is not a hotel with seasonal opening periods which prevent a comparison between similar periods.
- It is not a resort hotel. These are considered as a single category, given their unique nature. Their data are processed independently.



The comparability changes each year in line with these criteria, so the 2010 data in this Report are for comparable hotels in the financial year 2011. This ensures that the 2010 and 2011 ratios shown have the same scope in both periods.

**2010-2011 COMPARABLE HOTELS FOR THE REPORTED RATIOS**

	Comparable hotels	% comparable
WATER	328	82%
ENERGY AND CO <sub>2</sub>	339	84.75%
WASTES	324	81.30%

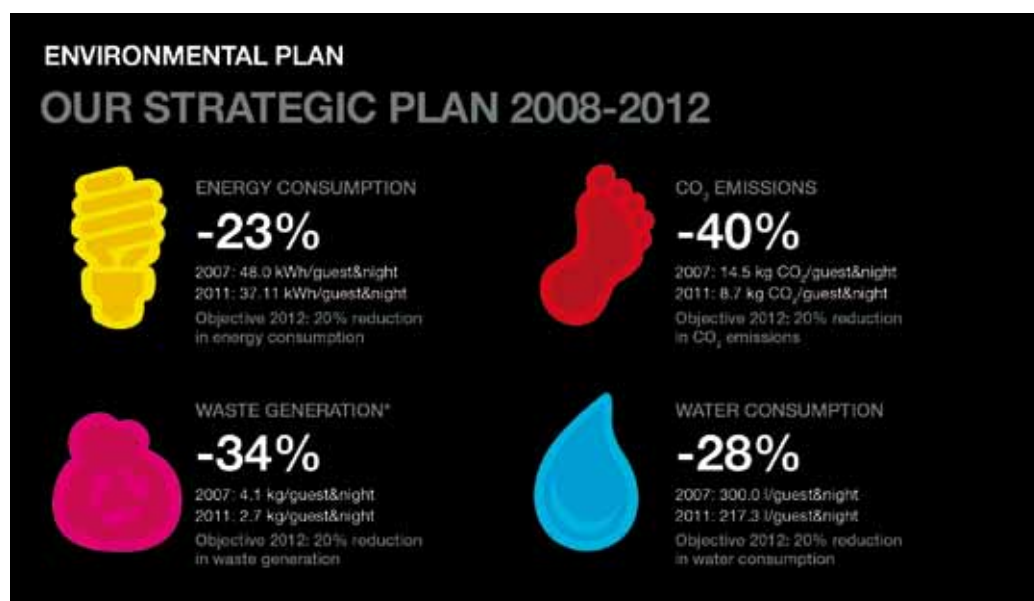
Where monitoring ratios and environmental information is concerned, in 2011, a powerful computer management tool was developed which enables NH Hoteles to monitor over 200 indicators at the hotels. The information collected is analysed at central services and is highly useful for identifying new environmental efficiency opportunities.

Since the Environmental Strategic Plan was launched in 2008, NH Hoteles conducts regular environmental audits to check that levels of efficiency are in line with corporate social and environmental standards. This has enabled us to identify room for improvement in our facilities and encourage action plans with a sizeable increase in energy efficiency in recent years.

## We have accomplished the Environmental Strategic Plan 2008-2012 one year in advance.

### GLOBAL ADVANCES IN THE ENVIRONMENTAL STRATEGIC PLAN

Hoteles' Environmental Performance in 2011 was excellent, and it even went so far as to achieve all the objectives laid down in the **Environmental Strategic Plan 2008-2012** one year ahead of schedule.



\*Waste: Estimated data



## 2011 RESULTS

### 2010-2011 comparability

Every year, data comparability changes as explained above in relation to comparable hotels. The indicators of each year are calculated and then the previous year's indicators are recalculated in terms of the new comparability. This ensures that the indicators are always compared based on the same range. Therefore, in this 2011 Report, some 2010 data differ from the ones published in the 2010 Report.

## ENERGY



In 2011, the energy consumption-cutting measures in place managed to **lower the ratio per guest/night by 9.9%** with respect to 2010.

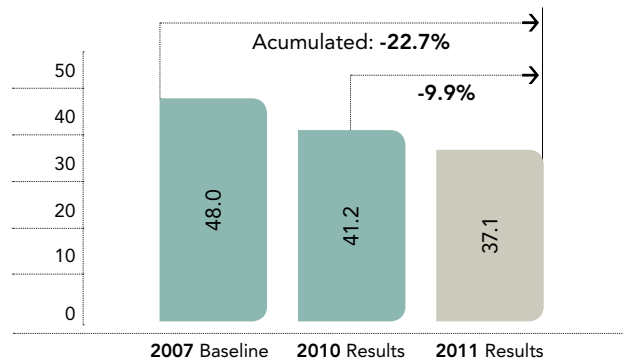
In 2011, total consumption of energy in NH Hoteles has been 2,197,647,273.6 MJ (610,457,576 kWh) by 9.9% compared to 2010.

These major inroads in reducing energy consumption in 2011 have been achieved thanks to the various projects underway:

- More than 84% of our hotels have **efficient lighting**.
- 55% of our employees have completed the **environmental training** programme.
- **Strict monitoring** and control of energy parameters in our hotels.

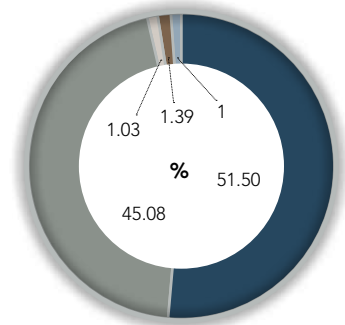


### REDUCTION OF THE RATIO OF ELECTRICITY PER CUSTOMER/NIGHT



### ENERGY CONSUMPTION DISTRIBUTION (%)

- 51.50% Electricity
- 45.08% Natural Gas
- 1.03% Gas Oil
- 1.39% Propane
- 1.00% BTZ



The distribution of energy consumption includes all items pertaining to electricity, gas, diesel, propane and BTZ.

All these measures have succeeded in increasing the efficiency of NH Hoteles and exceed the savings forecasted at the beginning of the Environmental Plan.

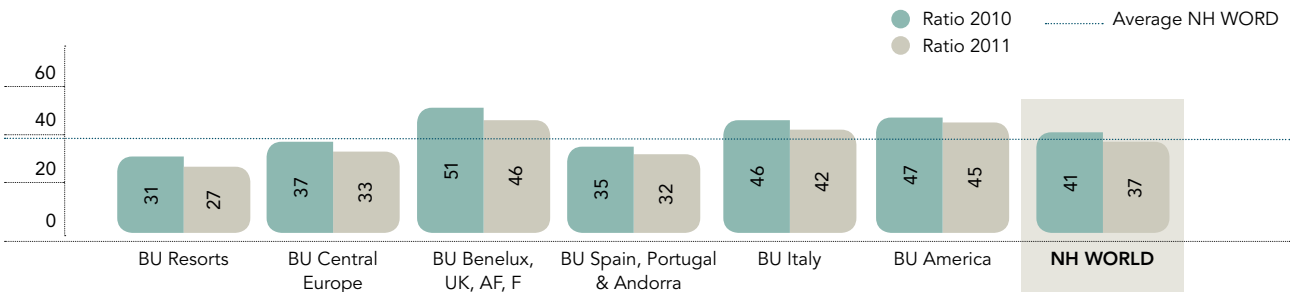


### ENERGY CONSUMPTION

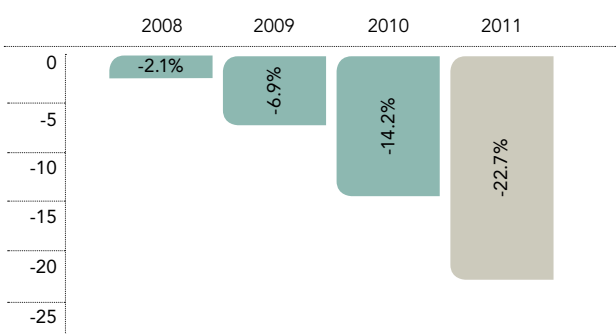
	2010	2011	Dif vs 10	2010	2011	Dif vs 10
	kWh	kWh		kWh/guest night	kWh/guest night	
<b>NH WORLD</b>	<b>654,022,690</b>	<b>610,457,576</b>	<b>-6.66</b>	<b>41.2</b>	<b>37.1</b>	<b>-9.9</b>
BU Benelux, UK, AF, F	160,659,323	143,735,814	-10.53	51.1	46.0	-10.0
BU Italy	100,294,738	95,067,270	-5.21	46.3	42.1	-9.0
BU Spain, Portugal & Andorra	198,279,798	187,470,037	-5.45	35.0	31.8	-9.3
BU Central Europe	142,359,889	131,488,128	-7.64	37.4	33.0	-12.0
BU America	52,428,941	52,696,327	0.51	47.2	44.8	-5.0
BU Resorts	40,896,263	40,376,411	-1.27	30.9	26.7	-13.7

N.B.: Resorts are regarded as a separate category on account of their unique nature and their data is processed independently.

### ENERGY RATIO (KWH/GUEST NIGHT)



### ENERGY RATIO (%)



All these measures have succeeded in increasing the efficiency of NH Hoteles, having achieved savings of **€15.1 million** in energy over 2010, which has translated into over **€29.6 million** of savings since the beginning of the Plan.



NH Frankfurt Messe - Germany

## EMISSIONS



In 2011, the **carbon footprint of NH Hoteles fell by 11.9%** compared to the previous period and by 40% since the launch of the 2008 Strategic Environmental Plan.

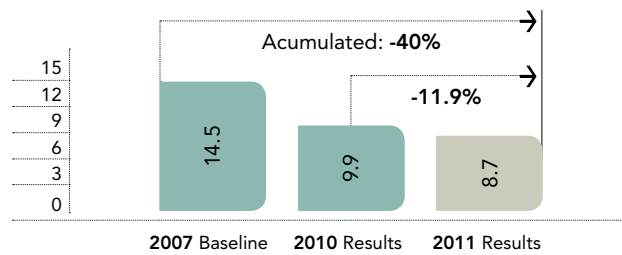
NH Hoteles has an internal procedure to calculate the carbon footprint, based on the **GHG Protocol** methodology for scopes 1 and 2. The extent of the carbon footprint

spans all the group's comparable hotels, which are either owned or managed by the chain.

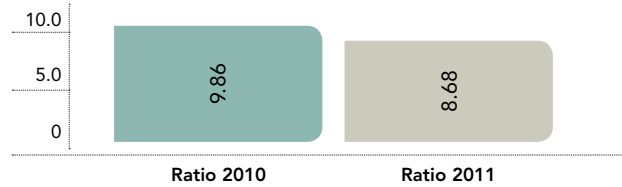
The measures in place to lower CO<sub>2</sub> emissions include the replacement of gas oil or BTZ boilers with natural gas boilers and the agreement reached with **EON Spain** for the purchase of green energy. This footprint been certified by **TÜV Rheinland**.

The agreement with EON certifies that 100% of the electricity supplied in 85% of our 176 hotels in Spain is exclusively **generated from renewable sources**. This added value has led to a significant reduction in the indirect emissions generated by our activity.

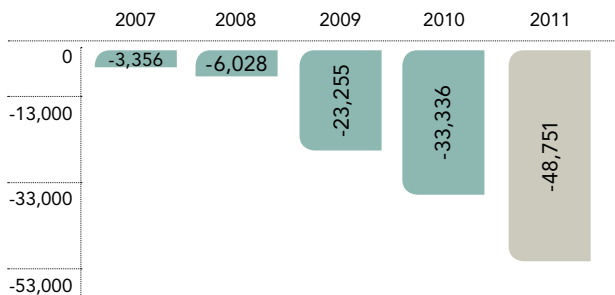
## REDUCTION OF THE RATIO OF CO<sub>2</sub> RELEASED PER GUEST/NIGHT



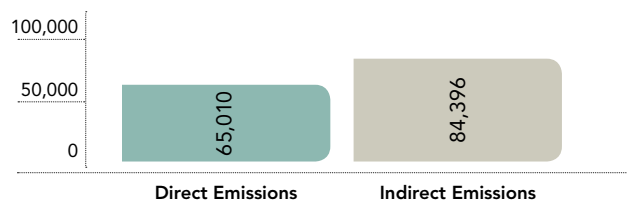
## GLOBAL CO<sub>2</sub> EMISSION RATIO (KG/GUEST NIGHT)



## CUMULATIVE CO<sub>2</sub> EMISSIONS (TONS)



## DIRECT AND INDIRECT CO<sub>2</sub> EMISSIONS (TONS)





## CO<sub>2</sub> EMISSIONS

	2010	2011	Dif vs 10	2010	2011	Dif vs 10
	ton	ton		kWh/guest night	kWh/guest night	
<b>NH WORLD</b>	<b>156,615</b>	<b>142,807</b>	<b>-8.82</b>	<b>9.9</b>	<b>8.7</b>	<b>-11.9</b>
BU Benelux, UK, AF, F	41,134	37,451	-8.95	13.1	12.0	-8.4
BU Italy	32,326	30,992	-4.13	14.9	13.7	-8.0
BU Spain, Portugal & Andorra	27,555	20,600	-25.24	4.9	3.5	-28.3
BU Central Europe	38,896	36,791	-5.41	10.2	9.2	-9.9
BU America	16,704	16,974	1.62	15.0	14.4	-3.9
BU Resorts	8,206	6,599	-19.58	6.2	4.4	-29.7

N.B.: Resorts are regarded as a separate category on account of their unique nature and their data is processed independently.

## WATER

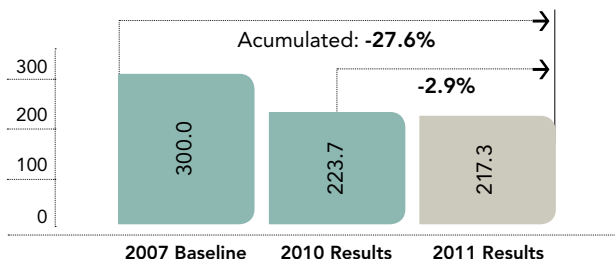


The water usage per guest ratio was lowered by 2.9% in 2011, and has been reduced by **27.6%** since the start of the Environmental Strategic Plan, thereby achieving the objectives scheduled for 2012.

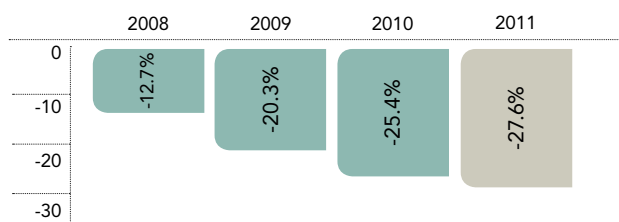
This reduction has been achieved through the **efficiency measures in place** in the rooms such as the use of aerators and usage reduction devices on tanks, the installation of water recovery and reuse systems, employee training and the redesign of operational actions in kitchens and housekeeping.

NH Hoteles establishments obtain water from mains supply networks. No dangerous substances are dumped at our hotels, residual water is managed via the mains drainage systems, which perform the appropriate treatment depending on the application of the local environmental regulations.

### REDUCTION OF THE RATIO OF WATER USAGE PER GUEST/NIGHT (L.)



### REDUCTION OF THE WATER USAGE RATIO (%)

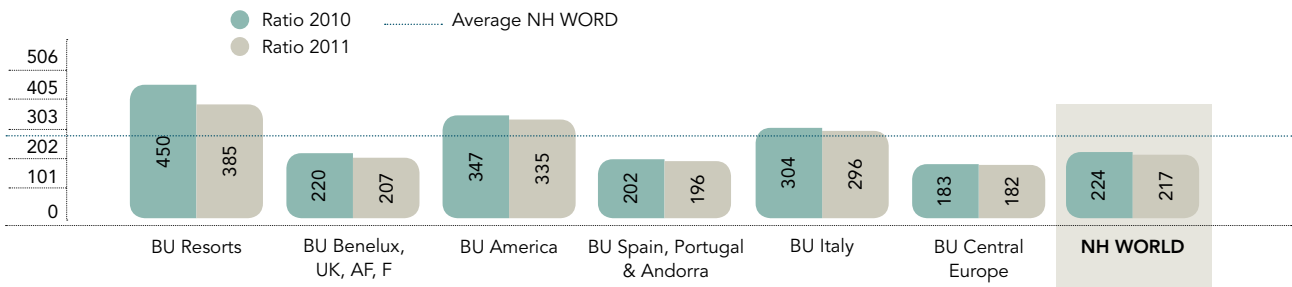


All these measures have let us save **€1.6 million** in water usage during 2011 and **€3.7 million** since the Plan was launched in 2008.



NH Ribera del Manzanares, Madrid - Spain

### WATER RATIO (L/GUEST NIGHT)



### WATER CONSUMPTION

	2010	2011	Dif vs 10	2010	2011	Dif vs 10
	m <sup>3</sup>	m <sup>3</sup>		Litres/guest night	Litres/guest night	
<b>NH WORLD</b>	<b>3,433,229</b>	<b>3,450,508</b>	<b>0.50</b>	<b>223.7</b>	<b>217.3</b>	<b>-2.9</b>
BU Benelux, UK, AF, F	699,541	655,836	-6.25	220.3	207.5	-5.8
BU Italy	641,458	652,903	1.78	303.7	296.2	-2.5
BU Spain, Portugal & Andorra	1,121,264	1,132,576	1.01	202.0	196.2	-2.9
BU Central Europe	307,293	320,506	4.30	346.8	334.9	-3.4
BU America	663,673	688,688	3.77	183.0	182.0	-0.6
BU Resorts	594,957	582,738	-2.05	449.6	385.0	-14.4

N.B.: Resorts are regarded as a separate category on account of their unique nature and their data is processed independently.

### WASTE



In 2011, the **carbon footprint of NH Hoteles fell by 11.9%** compared to the previous period and by **40%** since the launch of the Environmental Strategic Plan in 2008.

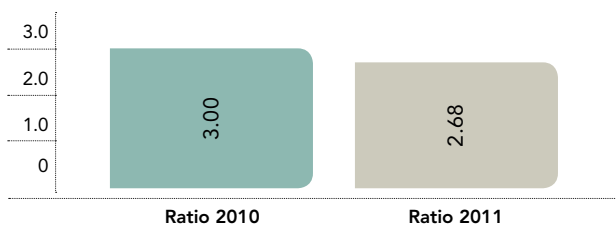
The **sustainable innovation** which the Company has performed on many of our products and services has influenced the quantity and type of raw materials used and as such, the waste generated at our hotels.



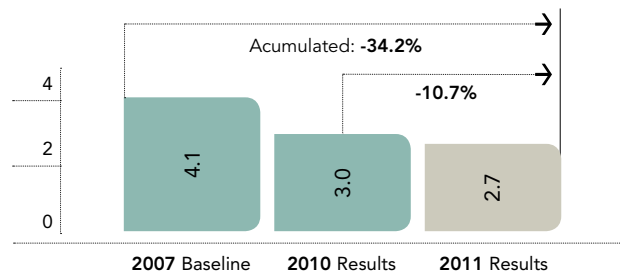


NH Queretaro - Mexico

### GLOBAL WASTE PRODUCTION (KG/GUEST NIGHT)



### REDUCTION OF THE WASTE GENERATION PER GUEST/NIGHT RATIO (KG.)\*



\* Estimated data

### WASTE GENERATION\*

	2010	2011	Dif vs 10	2010	2011	Dif vs 10
	ton	ton		kg/guest night	kg/guest night	
<b>NH WORLD</b>	<b>43,019,872</b>	<b>41,319,219</b>	<b>-3.95</b>	<b>3.0</b>	<b>2.7</b>	<b>-10.7</b>
BU Benelux, UK, AF, F	2,298,140	3,209,692	39.66	1.1	1.6	51.1
BU Italy	7,776,365	7,336,740	-5.65	3.5	3.3	-6.3
BU Spain, Portugal & Andorra	20,914,950	18,803,078	-10.10	3.7	3.0	-18.5
BU Central Europe	9,344,044	9,351,193	0.08	2.8	2.4	-13.8
BU America	2,686,373	2,618,516	-2.53	2.7	2.4	-9.4
BU Resorts	1,210,015	1,251,192	3.40	2.5	1.5	-41.9

N.B.: Resorts are regarded as a separate category on account of their unique nature and their data is processed independently.

\* Estimated data

### PAPER



In 2011, 800 tons of paper were used in NH Hoteles, an improvement on the previous year. The chain implements different practices in order to reduce paper consumption, including:

- ⊕ Electronic invoicing.
- ⊕ The "Paperless office" in place at the corporate headquarters in Madrid.
- ⊕ Control of printing processes through "pay per print" systems.
- ⊕ All of the waste paper generated at the head offices is subjected to a recycling process.

### SUSTAINABLE INNOVATION

At NH Hoteles we believe in innovation as the engine of differentiation, which is why every year we experiment with new technologies, methods and materials.

- The "Cork2cork" project, to encourage the recycling of wine bottle corks in our hotels to make lining and building materials, thereby managing to reduce the volume of waste generated.
- Replicable good practices. One of NH Hoteles' success factors is the replicability in the implementation of environmental measures based on the identification of more efficient equipment or devices, as well as a streamlined process that approves the solution and informs all the Business Units so that they can include it in their own processes.





New Environmental Website

→ **Innovative system for increasing the heat yield.** The NH Ciutat de Reus hotel has been a pioneer in setting up a physical treatment of water in the secondary hot water circuit. This physical treatment is a sustainable technology for the (preventive and/or corrective) solution of any calcification and corrosion problems that arise in a facility that operates with water (plumbing, HVAC, refrigeration, etc.).

→ **Increased energy efficiency in new hotels.** The NH Diagonal Center hotel (Barcelona) has installed a "District City" system consisting of a connection to a city heating and cooling distribution network for use in heating, cooling and hot water. It reduces greenhouse gas emissions by preventing heat losses and increasing energy efficiency. This system is already in place in other countries like Germany, which has 31 hotels with district heating.

## INNOVATION IN HOT WATER PRODUCTION AND HEATING

NH La Perdiz (La Carolina, Spain) is a pioneering hotel since it produces hot water and heating using biomass. This hotel was selected due to its technical characteristics and due to its location away from built-up areas. The boilers installed are able to use anything from wood chippings to olive stones as fuel. The waste generated is combustion ashes which can be used as a fertiliser for the hotel gardens. The goals in this project are to:

- Revamp the facilities.
- Obtain renewable energy.
- Cut energy costs
- Reduce the amount of CO<sub>2</sub> released.

## RECYCLING PROGRAMMES

Since the beginning of the Environmental Plan, waste production was reduced **34.15%** through the **measures to train and raise awareness** among all employees and the continuity of the measures implemented to minimize the use of packaging.

The specific schemes to reduce waste and increase recycling include employee training, the measures designed to minimize the use of packaging and the installation of gel dispensers instead of amenities in hotels in the German chain and the recycling 61,492 kg of oil in 2011 in Spain.

## COMMUNICATION OF ENVIRONMENTAL SUSTAINABILITY

In 2011 the **NH Hoteles Environmental Web** was launched, allowing customers to move through our hotel's different rooms and find out about the environmental initiatives that the Company has implemented and the results achieved by our Environmental Plan.

### ⊕ Employees

55% of NH Hoteles' employees have received environmental training and awareness-raising of two kinds: one general one, for all employees, and another specific one, designed for employees with installation maintenance and efficiency responsibilities. Furthermore, environmental performance is a criterion in their annual assessments.

**Energy ambassador:** In Mexico and the Caribbean, this concept has been created to promote the reduction of consumption and optimise the ratios. Supported by the General Manager of every hotel, the Energy Ambassador is responsible for reducing the electricity, water and gas wasted by all of the operations and administrative departments, promoting a new culture of energy saving and making a positive contribution to a better use of the hotel's resources.

### ⊕ Suppliers

Working sessions and meetings are held regularly via the NH Sustainable Club to **exchange ideas** about sustainable management in the industry.

### ⊕ Shareholders

Shareholder reports on the Company's main results include progress made in implementing the Environmental Plan and the consequent improvements in certain financial ratios due to the reduction of the business' operating expenses.

In 2011 and for the second year running, NH Hoteles has reported to the **Carbon Disclosure Project (CDP)**, an independent non-profit organization that maintains the largest database of corporate information in the world on climate change and used the main sources of information for investors.

### ⊕ Society

We support sustainable initiatives such as "**Earth Hour**" promoted by the **WWF**. In 2011, **307 hotels** in 183 cities in 23 countries took part in this initiative. The action allowed us to save more than 1,386,086 watts and contributed to raise awareness among our guests and employees about the importance of environmental protection.

## COMMITMENT TO PREVENTING CLIMATE CHANGE

At NH Hoteles we pledge to work to reduce our impact on climate change, on the basis of understanding the overall risks it poses and the initiatives that can be implemented as an opportunity for improvement while generating significant savings.

Year after year, we bring in new developments in this field, both in terms of carbon emissions and in the "**Sustainable Innovation**" project fields.

Furthermore, during 2011 we took part in working groups specialised in climate change, offering our experience in the sector. These include the Pro Climate Forum run by Madrid City Council.

NH Hoteles has joined the SACE (Andalusian Emissions Offsetting System), and forms part of the initial block of the nine companies present in the region.

### CARBON FOOTPRINT CALCULATOR

NH Hoteles provides its guests with a **carbon calculator**, which they can access on the chain's website.

NH Hoteles uses this tool, available in Spanish, English and German, to inform its customers of the environmental impact of their trips and stays, in order to implicate them in the campaign against climate change. The calculator facilitates collaboration in any environmental projects, enabling people to offset the emissions generated during their journey and hotel stay.

A good example is the **Ecomeeting service**, thanks to this tool NH Hoteles' headquarters have calculated the carbon footprint of **343 events**, and offset more than 2,021.04 tons of CO<sub>2</sub> in 2011. They were offset with **Voluntary Carbon Standard** certified carbon credits, verified by Det Nortske Veritas and invested in the development of a mini hydro-power plant located on the river Pimienta Bueno (State of Rondônia, Brazil).



### SUSTAINABLE INNOVATION PROJECT

At NH Hoteles we have a long history of sustainable innovation. With the objective of increasing synergies and promoting environmental initiatives at our hotels, we have grouped all of the lines of work under the "**Sustainable Innovation**" project, and every year new features are added.

- ⊕ **Green rooms:** In our 397 hotels worldwide, we have implemented a large variety of eco-efficient solutions which enable us to position our rooms as **the most innovative rooms on the market** from an environmental point of view.
- ⊕ **Ecomeeting:** this initiative consists in organising events, congresses and conventions based on sustainability criteria and that represents eco-friendly use of energy resources, as well as the use of low environmental impact products from fair trade sources. In 2011 **343 carbon neutral events**, in which 7,499 people took part, were held in our hotels.
- ⊕ **Promotion of electric vehicles:** with a total of **37 recharge points** in Europe, 14 underway and 4 under study, this service is provided free of charge to guests and suppliers.
- ⊕ **Implementation of LED technology:** many benefits in terms of energy efficiency. In 2011 NH Hoteles approved the project to replace **65,000 low-energy light bulbs with LED** lamps, thus increasing lighting efficiency by 60%.
- ⊕ **Intelligent room:** capable of monitoring the water, light and energy consumption of a room used regularly. This pilot project is underway at the NH Eurobuilding hotel (Madrid), and the results will provide solutions for our new prototype rooms.
- ⊕ **Use of woods with environmental certifications:** sourced from sustainable forestry. Our new nhow Berlin hotel has more than 10,300 m<sup>2</sup> of PEFC (Program for Endorsement of Forest Certification) certified wood).



More than 12,000 rooms in 84 hotels have some form of environmental certification.

## KEY INITIATIVES

### GREEN CERTIFICATION PROJECT

In 2011 a specific plan was launched for implementing an ISO 14001-based environmental management system in the Italy and Germany Business Units. Based on this Plan, 13 hotels have been certified as having attained maximum environmental efficiency and respectful and sustainable use of resources.

Nh Hoteles has 84 hotels with environmental certificate. The Chain aims to have 100 certified hotels in 2012. Therefore more than 12,000 rooms have some form of environmental certification and we hope that this will increase with the progress of the "Green Certification" project.

Business Unit	Certificate	N° Hotels
ITALY	ISO 14001	11
SPAIN	Catalonian Environmental Licence	19
	ISO 14001	1
	ISO 50001	1
C&EE	ISO 14001	6
	Ökobusinessplan	5
BENELUX	Greenkey gold	30
	Greenkey silver	4
	Greenkey bronze	1
MEXICO	Single Environmental Licence	4
	Environmental Certificate	2
<b>TOTAL</b>	<b>Goal: certify 100 hotels in 2012</b>	<b>84</b>

### Acknowledgements obtained

- **Greenlight** for the whole hotel chain and **GreenBuilding** for 5 hotels, that guarantee a cut in energy consumption.
- The NH Príncipe de la Paz hotel (Aranjuez, Madrid) received the European **GreenBuilding** award as the most replicable project.

### Energy management certification

In 2011, NH Hoteles was awarded **ISO 50001** certification of its International Energy Management Systems, and is the **first international hotel chain** to achieve this prestigious certification in the NH Eurobuilding hotel.



## USE OF RENEWABLE ENERGIES

85% of the electricity supply in the hotels in Spain has the "Source Warranty" certification, which guarantees that the source of the energy supplied comes from renewable energy sources.

In 2011, 67% of NH Hoteles' European hotels had some type of renewable energy supply in accordance with Directive 2009/28/EC on the promotion of the use of energy from renewable sources in the European Union, what has led to a 17.39% increase in the number of hotels using renewable energy.

### HOTELS IN EUROPE THAT USE RENEWABLE ENERGY

	2010	2011
Cogeneration	5	5
Solar panels	36	39
District heating	23	37
Hydroelectric	11	11
Green energy	132	151
<b>TOTAL</b>	<b>207</b>	<b>243</b>

### SOLAR POWER

We have a total of **4,663 m<sup>2</sup>** of solar panels which represent 4,097,953 Kw of installed capacity in 39 hotels. In 2011, the total area of panels installed increased by 4% and generation by 3%.

Despite the fact that most of our hotels are urban and centrally located, with limited space for installing these systems, around 13% of our establishments have this technology. In our hotels in the Netherlands, we have cogeneration facilities with an installed capacity of 1,220 kWh.



## BIODIVERSITY ISSUES

The NH Hoteles' business focuses upon urban hotels, as such the majority of our hotels are not located in protected areas, close to them or in areas with species under threat of extinction. However, in the area of Sotogrande (Spain), in conjunction with the government of Andalusia, control and monitoring work is being carried out with regard to the wild pig, a local species that has an impact on the area.

On the other hand, water management in Sotogrande makes it possible to maintain the watering system and sprinkler distribution which leads to a reduction in water consumption, as well as the water treatment system and the cleaning of dry goods from the bottom of the lake which makes it possible to increase the level of water storage in the facilities. Furthermore, a tree transplanting programme has been implemented and work on cataloguing the existing flora continues.

## ENERGY EFFICIENCY INVESTMENT

At NH Hoteles we implement all technological advances that help us combine energy efficiency with customer comfort. In 2011 we dedicated more than €3.99 million in funding environmental actions, of which 59% were in investments that now provide us with **more sustainable, highly efficient facilities**.

	2010	2011
Environmental investments	€1,839,310.99	€2,373,702
Environmental expenses	€1,162,067.00	€1,618,986.98
Total expense & investment	€3,001,377.99	€3,992,688.98

## 2011 AWARDS AND RECOGNITIONS

- **Muévete Verde (Go Green) Prize.** Prize awarded by Madrid Regional Government in the "Application of new technologies to mobility" category for contributing to promote electric mobility through the installation of electric car recharge points in our hotels' car parks.
- **TRI Award.** Awarded by CETRI (European Circle for the Third Industrial Revolution) to the sustainable business model and the implementation of environmental-friendly measures.

## MAIN ENVIRONMENTAL INDICATORS

URBAN HOTELS	2010	2011
<b>ENERGY</b>	kWh/guest night	kWh/guest night
Global	38.3	<b>37.1</b>
<b>WATER</b>	litres/guest night	litres/guest night
Global	223.6	<b>217.3</b>
<b>WASTES</b>	Kg/guest night	Kg/guest night
Global	3	<b>2.7</b>
<b>CO<sub>2</sub> RELEASED</b>	Kg/guest night	Kg/guest night
Global	9.9	<b>8.7</b>
Reduction of the CO <sub>2</sub> released per guest/night		-11.9%
<b>SOLAR POWER</b>		
Solar panels (m2)	4,476.5 m <sup>2</sup>	<b>4,663 m<sup>2</sup></b>
Power generated	3,975,051 kWh	<b>4,097,953 kWh</b>



# SOCIAL PERFORMANCE

The excellence of NH Hoteles' sustainable services relies on effective management of our teams, which is why we strive to **offer a good place to work and develop**. This approach of our social performance also determines our **commitment to the Communities** in which we operate, where we seek to contribute to sustainable development in the area of our hospitality business.

## EMPLOYEES

As a global company we operate with an ethical brand, defined in our new Code of Conduct for all our stakeholders, committed to **respecting human rights** and the principles of the Global Compact, and to compliance with international and local laws in each country where we are present. We do not permit the use of child labour or any kind of forced or non-consented work.

At NH Hoteles we are committed to **creating quality employment**, in an environment that promotes training, professional development and encourages diversity of cultures and nationalities, all in **equal conditions and rights**.

*"In 2011 we launched the performance assessment called "Time For You" with a level of participation of nearly 100%. We have designed and implemented an International Relocation Policy that has been applied to 62 international assignments. Furthermore, we have managed to convey to employees the values of "Wake Up To a Better World" through effective and creative internal communication campaigns. Additionally, a Diversity Management Action Plan has been designed in every country. In 2012, the challenge is to gear all our efforts towards motivating our employees in their development and that this result in the attainment of the Company's objectives".*

Francisco Catalá, SVP Human Resources

## NH HOTELES' STAFF IN 2011

In 2011, our average headcount was **19,600 employees**, 3.3% more than in 2010. Worth noting is that, unlike 2010, in 2011, all the Business Units took on more staff (there was no declines in the number of hires), mainly in Spain and America, this latter Business Unit having been reorganized in 2011 and now including Mexico, Caribbean and South America.

## EMPLOYEES PER BUSINESS UNIT

	2010	2011	Dif. (%)
Spain*	6,639	7,003	5.5
Central Europe**	3,635	3,705	1.9
Benelux, United Kingdom, Luxembourg, France, Africa	3,025	3,066	1.4
Italy	2,598	2,653	2.1
America**	3,075	3,173	3.2
<b>TOTAL</b>	<b>18,972</b>	<b>19,600</b>	<b>3.3</b>

Data obtained from FTEs (Full Time Equivalents) for all kinds of contracts (open-ended, part-time, extras, temporary employment agencies), considering comparable, non-comparable and managed hotels. Includes the employees of Hesperia S.A.

\* Includes employees of Spain, Portugal, headquarters, and Sotogrande.

\*\* In 2011 the Business Units were reorganized, special emphasis being placed on the new structure of America (which now includes Mexico, Caribbean and South America) and Central Europe (now including Germany and the other Central and Eastern European countries).

<b>Fixed contracts 2011 FTEs*</b>	<b>10,743</b>	<b>59.1%</b>
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\* The percentage of open-ended contracts is obtained by considering the number of open-ended contracts (including headquarters) relative to the average headcount (19,600 employees).

The turnover ratio remained almost stable, dropping from 4.1% in 2010 to 3.9% in 2011, with a voluntary turnover of the 1% and 2.9% of non-voluntary turnover.

## EMPLOYEE TURNOVER PER BUSINESS UNIT

Employee turnover per Business Unit breaks down as follows:

	% Voluntary turnover '11	% Non-voluntary turnover '11
Central Offices	1.7%	1.4%
Spain	0.6%	4.4%
Benelux	1.7%	1.6%
Central Europe	2.0%	1.6%
Italy	0.6%	1.6%
America	0.7%	5.0%
<b>TOTAL</b>	<b>1.0%</b>	<b>2.9%</b>

\* Turnover is calculated using FTEs, with the number of people leaving divided by the total number of employees.



## DIVERSITY MANAGEMENT

NH Hoteles has a diverse staff made up of 16,360 employees (permanent and temporary employment) of **138 different nationalities**, 16.8% of whom work in countries other than their home countries. 50.2% of all employees are women, who hold 48.6% of management position.

	N° Employees	% Immigrants	% Women	N° Nationalities	Most frequent immigrant nationality
GERMANY	2,071	10.2%	55.9%	68	Italian
ARGENTINA	559	5.2%	42.2%	13	Uruguayan
AUSTRIA	337	43.9%	50.8%	52	German
BELGIUM	392	47.8%	53.9%	58	Moroccan
CHILE	36	4.2%	49.3%	3	Spanish
COLOMBIA	7	33.5%	54.0%	6	Spanish
SPAIN	5,471	12.0%	56.1%	71	Ecuadorean
UNITED STATES	87	74.7%	49.5%	2	Puerto Rico
FRANCE	186	41.1%	42.6%	37	Italian
NETHERLANDS	1,751	20.8%	49.6%	73	Filipino
HUNGARY	32	9.9%	60.1%	3	Rumanian
ITALY	1,817	8.2%	42.5%	56	Rumanian
MEXICO	757	0.3%	47.6%	6	Colombian
HEAD OFFICE	363	40.0%	59.2%	22	German
PORTUGAL	40	16.1%	72.9%	4	Angolan
UNITED KINGDOM	108	85.6%	40.0%	36	Spanish
CZECH REPUBLIC	64	8.4%	53.1%	6	Slovak
DOMINICAN REPUBLIC	762	56.9%	30.1%	11	Spanish
ROMANIA	62	0.0%	58.6%	1	-
SOTOGRADE	303	2.1%	45.1%	8	Italian
SOUTH AFRICA	199	13.1%	56.3%	71	Zimbabwe
SWITZERLAND	174	73.2%	53.0%	46	French
URUGUAY	45	0.0%	43.2%	1	-
VENEZUELA	739	2.0%	35.2%	6	Colombian
	<b>16,360</b>	<b>16.8%</b>	<b>50.2%</b>		

\*Figures obtained from number of employees (Full Time Equivalent) with open-ended contract + Part time contract.  
 \*\* Figures for October'11, month of standard-setting activities of the business.

## PERCENTAGE OF WOMEN IN MANAGEMENT POSITIONS

At NH Hoteles we are proud to have **48.6%** of women managers globally, a figure above the sector average and consistent with the presence of women in the company (50.2% of total workforce).

	N° of Men and Women in management positions		N° of Women in management positions		% 2010	% 2011
	2010	2011	2010	2011		
<b>GLOBAL</b>	<b>3,164</b>	<b>3,211</b>	<b>1,559</b>	<b>1,562</b>	<b>49.3</b>	<b>48.6</b>





## AGE PYRAMID

Age	2010 (%)	2011 (%)
Under 25 years old	14.3	16.9
25 - 40 years old	50.4	48.3
Over 40 years old	35.3	34.8

The hiring of disabled people in Spain in 2011 meant this group accounts for **5.6%** of our workforce, considering job insertion in several **Special Employment Centres** supplying different services, in particular FLISA and Icaria which shone for their social commitment.

## COMMITTED TO EQUALITY

In 2011 we completed the definition of the **Diversity Plans** in the Business Units as a result of the conclusions drawn from the Diversity Assessment conducted at the end of 2010. Main actions launched:

- Selective training initiatives in Diversity and Equality.
- Review of the Equality people management processes.
- Cultural Diversity management initiatives.
- Follow-up of defined diversity indicators.
- Meeting of the Annual Equality Plan Monitoring Committee in Spain with the trade union representatives.
- Review of the Annual Action Plan and of indicators with positive results.
- Successful implementation of **Up! For Opportunities** Community Involvement training and employment schemes for people at the risk of exclusion and disabled people. This scheme, implemented in all the Business Units, has fostered a **culture of diversity and solidarity**, most noteworthy being the successful initiatives conducted with young people with intellectual disabilities.

## WORKFORCE DIVERSITY DATA

	2010	2011
N° Employees*	15,350	16,360
% Immigrants	13.6%	16.8%
% Women	49.7%	50.2%

\*\* FTEs of employees with fixed or temporary contracts.

## HEALTH AND SAFETY

In 2011, total absenteeism went up slightly, mainly because of accidents and illness, while absenteeism caused by maternity remained almost unchanged.

### PERCENTAGE OF WORKERS REPRESENTED ON INDUSTRIAL HEALTH AND SAFETY COMMITTEES (IHSC).

	2011 Headcount	Employees represented on IHSC	Percentage
NH	4,335	1,157	26.67%
Hesperia	1,994	1,239	12.39%
<b>TOTAL</b>	<b>6,329</b>	<b>2,396</b>	<b>37.86%</b>

## OCCUPATIONAL HAZARD PREVENTION

Since 2009, NH Hoteles has had a Prevention Plan that establishes prevention duties and responsibilities for senior managers, middle management and employees. The Plan has encouraged everyone to become involved in building a true "culture of prevention" in the workplace under the supervision of the Health and Safety Committees formed by the Hotel Managers, department heads and, in some regions, workers' representatives as well.

	2010 (%)	2011 (%)
Accident	0.19	0.28
Illness	2.77	3.08
Maternity	0.73	0.74
<b>Total absenteeism</b>	<b>3.69*</b>	<b>4.11</b>

*Excludes Extras & temporary employment agencies*

*\*The figures may differ from those reported in 2010 due to the inclusion of data from hotels that were missing and/or corrections to existing data.*

The Plan has encouraged everyone to become involved in building a true "culture of prevention".

# A MORE ATTRACTIVE INTRANET FOR YOU



## INTERNAL COMMUNICATION

In 2011, we consolidated the decentralization of Internal Communication to differentiate corporate information from local information, to ensure that the messages the different Business Units' employees receive are closer to home.

### → Wake Up To a Better World

Positioning in each of the communications with a simple, close and visual tone, providing a glimpse at the values that guide our daily work.

### → Internal Comunicués

In 2011 **61 corporate comunicués** were sent in Spanish and English to all the organization's employees and **118 local comunicués** from the Business Units.

Con el fin de simplificar y facilitar el entendimiento de las diversas comunicaciones, se han creado 5 materias bajo las que se van transmitiendo los mensajes: Estrategia, Estructura Organizativa, Responsabilidad Corporativa, Marketing y Recursos Humanos.



### → Desktop Wallpapers

These remain a key factor in the communication campaigns due to their direct impact through the Company's 6,362 computers. In 2011, more than 26 images were used to generate support for the various corporate strategic projects.

### → Employee Mailbox

Two-way communication channel used to resolve all employees' concerns. In 2011 a **total of 141** queries were received.

### → NH Idea

In the last quarter of 2011 we launched another NH Idea contest to highlight our employees' most innovative ideas on how to cut costs in NH Hoteles' daily operations. Eleven employees were awarded and are getting involved in the analysis and implementation of their ideas.



### → Notice Boards

The 400 Heads of Internal Communication continue promoting corporate initiatives and projects, and every day update the notice boards of the hotels, where all employees can find out about relevant developments.

### → No distances, fully communicated

In 2011 we have sought to narrow borders under the slogan **"No distances, fully communicated"** and carried out different campaigns inviting employees who do not have a corporate email account to provide their personal email and thus receive news that may interest them.

Thanks to this initiative, now a further 4,000 employees are emailed relevant promotions and news.



→ **Corporate Intranet**

In 2011 we revamped the homepage of all the Business Units so as to offer better organized content, a more appealing look & feel and include new sections that improve the site's usability: "Applications", "For your day to day", "Sure you're interested", etc.

We have carried on using static and rotating banners to convey news and ensure internal campaigns are more effective.

Last but not least, the Corporate Intranet pages has been simplified to spotlight the reunification of the Business Units that occurred during 2011.



→ **We are all Sales**

To promote and encourage employees to continue being the first brand specifiers, all the channels at our disposal have been used. In 2011 we also created the role of **We Are All Sales Executives**, people who help to commercially channel employees' requests. This means that anyone who has a doubt or request can go to a specialist who knows the hotels, locations, prices, etc. receiving personalized attention.

**New Code of Conduct**

NH Hoteles has redefined its Code of Conduct for the whole Group, laying down the principles that must guide the Company's conduct and the principles that we want to characterize us as a company.

To bring the new Code, translated into 6 languages, closer to all employees, we organized a strong **communication and awareness campaign**, creating a **Practical Guide** and **FAQs** for better understanding.

A wide range of graphic material was produced for the campaign, and employees were invited to adhere to the Code, a **very high response rate** having been achieved: more than the half of the target audience has read the document and identifies with the values and patterns of behaviour described.



Our new Code of Conduct has achieved a very high response rate from all employees.



## NH UNIVERSITY

In 2011, we invested **€1,009,319 million** in training with a total of **1,331 training sessions** spread over **278** programmes. NH University has trained **16,163** participants in campus sessions and **63,326** via e-learning, totalling **186,404** hours of training, which means an increase of 6% compared to 2010. 372 internal trainers taught 76,167 hours of classes, representing 40.9% of the total number of training hours.



### TRAINING INDICATORS

TRAINING	Business Unit	2010	2011	Difference	
<b>External</b>	Headquarters	775	2,774	1,996	258%
	Spain & Portugal	5,663	10,138	4,476	79%
	Benelux / UK / France /S. Africa	6,798	4,701	-2,097	-31%
	Central Europe	3,043	6,363	3,320	109%
	Italy	9,199	4,088	-5,111	-56%
	America	4,627	4,759	133	3%
<b>TOTAL EXTERNAL</b>		<b>30,104</b>	<b>32,823</b>	<b>2,719</b>	<b>9%</b>
<b>Internal</b>	Headquarters	2,102	2,117	15	1%
	Spain & Portugal	33,615	19,144	-14,471	-43%
	Benelux / UK / France /S. Africa	9,090	17,765	8,675	95%
	Central Europe	20,154	6,865	-13,290	-66%
	Italy	10,597	15,900	5,303	50%
	America	6,160	14,377	8,218	133%
<b>TOTAL INTERNAL</b>		<b>81,717</b>	<b>76,167</b>	<b>-5,550</b>	<b>-7%</b>
<b>E-learning</b>	Headquarters	1,572	3,591	2,019	128%
	Spain & Portugal	35,764	39,061	3,297	9%
	Benelux / UK / France /S. Africa	4,098	5,225	1,127	28%
	Central Europe	9,455	10,454	999	11%
	Italy	4,581	6,129	1,548	34%
	America	8,657	12,954	4,297	50%
<b>TOTAL E-LEARNING</b>		<b>64,127</b>	<b>77,414</b>	<b>13,287</b>	<b>21%</b>
<b>TOTAL</b>		<b>175,948</b>	<b>186,404</b>	<b>10,456</b>	<b>6%</b>

### 2011 NHU HIGHLIGHTS

#### ⊕ NH Knowledge Management Program

In 2011, NH University launched its first official courses under the new concept of "sharing knowledge", designed to strengthen the culture of knowledge sharing within the Company and development of multi-functional skills. In 2011 it held **196 training sessions** as part of 22 different programmes, that were attended by **2,219 people**, mainly from Central Services, and the Sales, Revenue Management, Hotels and Operations Departments.

#### ⊕ Entrepreneurs and Innovation

NH University held a total of **2,700 hours** of training workshops to strengthen entrepreneurial thinking, entrepreneurship and innovation to our hotel managers.

#### ⊕ Quality Focus

Training for developing employees' awareness about the quality approach in order to improve the guest experience.



“Time For You”, the new Performance Management system that simplifies the process and makes it a motivator.

⊕ **Talent Development**

The new talent development programmes for potential hotel department heads (JUMP) and potential hotel managers (PDI) held in 2011 were attended by **50 employees** from the Italy and Benelux Business Units.

⊕ **Excellence in Food & Beverage (F&B)**

In 2011 the “Excellence in F&B” scheme was launched, focused especially on a positive attitude as a skill necessary to improve the guest experience. This training was attended by F&B managers from all over the world with a total of **2,741 hours of training**.

⊕ **Trainee Campaign**

With the launch of our apprentices campaign as part of an “employer branding” strategy, our goal is to encourage candidates with talent to sign up for the NH Hoteles trainee schemes. In addition we continue supporting our current students with a wide range of training courses in the workplace.

**PERFORMANCE MANAGEMENT**

NH Hoteles has been applying Performance Management for 10 years, and this process has contributed to the spirit of continual improvement that distinguishes us in the industry. In 2011 we decided to change the philosophy that inspired this practice and turn it into a tool for identifying talent in the organization.

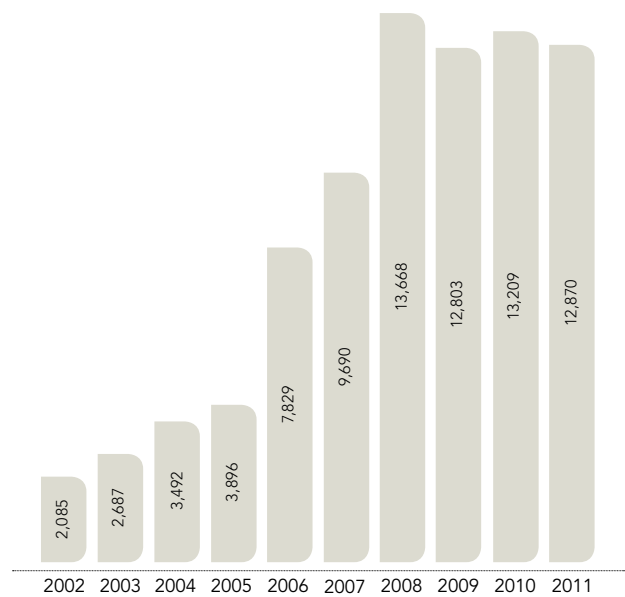
That is why we invented “Time For You”, a new performance management system that simplifies the process, takes it closer to the business and makes it a motivator.

To take part, each employee must lead their own career development through an open conversation with their manager so as to display their full potential and establish a work plan based on training and development actions, the latter in the framework of the corporate “Knowledge Management” scheme.

In 2011 NH Hoteles conducted **12,870 assessments**, 3% less than the previous year on account of the smaller headcount; 54% of the employees assessed were female. Only 1,311 employees - 57% of whom were female - received the top score (“excellent”).

After completing this process, actions were taken to recognise the “excellent” employees by sending them a message of thanks from the CEO or the Director General of each business unit.

PARTICIPATION TREND GRAPH (\*)



(\*) In 2011 NH Hoteles corrected the system for measuring the number of employees assessed during the period, allowing us to identify a single annual record per employee.





NH Runners

## RECOGNITION PROGRAMME

In 2011, employees were rewarded for their tremendous work by giving them credits that they can exchange for hotel nights. NH Hoteles organized **9 Recognition Programmes**, awarding a total of **227,069 credits** on the employees' cards.

Private mail campaign	2,880
Christmas Competition	504
CRO	2,394
2010 In-house instructors	5,040
Jubilee Programme	57,358
Recognition Programme	110,379
SMEs Project	11,990
Upselling	36,524
<b>TOTAL</b>	<b>227,069</b>

## WELFARE BENEFITS

### FLEXIBLE REMUNERATION PLAN

2011 saw the implementation of a **Flexible Remuneration Plan** which included health insurance, luncheon vouchers and nursery vouchers. This project has managed to maximize the net remuneration of our corporate employees at Corporate Central Services, Central Services and hotel Managers from the Spain, Portugal and Andorra Business Unit.

### INTERNATIONAL ASSIGNMENTS

All international movements are governed by the **"NH International Mobility Policy"**. At NH Hoteles we have two types of international assignments: short-term international assignments that respond to short-term needs for a particular project. And the long-term international assignments that cover any long-term needs the Company may have, as well as enhancing the international development of our professionals.

Each year we have more international assignments in which employees accept the local conditions of the destination countries. Adding the short and long term assignments, in addition to international transfers, a total of 62 employees were transferred.

## WELL-BEING AND NH RUNNERS

We believe in sport as a pillar of people's welfare, which is why we invite employees to join **NH Runners** in Madrid. The group and the daily runs are an opportunity to share good times with colleagues from other hotels and departments while doing exercise.

In 2011 and for the first time, several NH Runners took part in a fun run, and an action was performed in collaboration with Sanitas to promote healthy habits and fruit consumption among employees of Central Services in Spain.

## BENEFITS FOR EMPLOYEES

### ⊕ Employee Rate

Employees enjoy stays at almost all NH hotels at an extraordinary rate of €36 + VAT and 50% of the BAR (Best Available Rate) in the Company's top hotels, plus a 30% discount on products and services. In 2011, NH Hoteles' employees spent **59,000 nights** at the Company's different hotels.

### ⊕ Friend Voucher

In 2011, the rate for employees' relatives and friends generated a total of €11,712,505 in **164,228 stays**.



Amigo Voucher

In 2011 employees' relatives and friends enjoyed a total of 164,228 stays.

⊕ **For Your Eyes Only Rate**

New rate available for employees and friends with a 15% discount off the Best Flexible Rate Available. In 2011 it generated almost €400,000 with a total of **5,174 nights**.

⊕ **Special offers for employees and friends**

These campaigns have served to promote the destinations where NH Hoteles is present, the figure of **€500,000** having been reached throughout the year.

⊕ **Discounts on products and services**

NH Hoteles employees get discounts on products and services offered by suppliers and other external companies and that are displayed in the Intranet.

### TRADE UNION REPRESENTATIVES

In 2011, all employees were covered by collective agreements.

Business Unit	Collective Agreements 2010	Collective Agreements 2011	% Employees covered
Spain	56	51	100%
Benelux, United Kingdom, France, Africa	11	11	100%
Italy	4	8	100%
Germany	12	12	100%
America	23	21	100%

### 2011 AWARDS AND RECOGNITIONS

- **Corporate DNA Award.** Awarded to the We Are All Sales programme as the best initiative in the tourism sector's business model.
- **Top Employer CRF.** Recognition obtained in Switzerland for the non-monetary benefits and development opportunities offered to employees.
- **2011 Súper Empresa Award.** Awarded by the Expansión Group to NH Hoteles as a place where everyone wants to work in Mexico, Argentina, Chile and Uruguay.
- **Mercopersonas 2011.** NH Hoteles rose to number 19 among the best companies to work in Spain, and ranked first in the tourism sector.

### MAIN EMPLOYEE INDICATORS

	2010	2011
Total employees 2011*	18,294	19,600
Open-ended contracts	58.40%	59%
Average staff turnover**	4.1%	3.90%
Immigrant employees	13.6%	16.8%
Female employees	49.7%	50.2%
Women in managerial posts	49.3%	48.6%
<b>Age pyramid</b>		
Under 25 years old	14.30%	16.9%
25 - 45 years old	50.40%	48.3%
Over 45 years old	35.30%	34.8%
NHU training hours	175,948	186,404
Nº participants in NHU programmes	56,598	79,489
Nº hours training/ participant	3.11	12.70
Investment in training	€646,800	€1,009,319
Nº of performance evaluations conducted	13,040	12,870
Nº of Employee mailbox questions	107	141
Nº of NH Idea scheme suggestions	59	164

\*FTE including all types of contracts

\*\*Voluntary turnover (1.0%) v. Non-voluntary turnover (2.9%)



Súper Empresa 2011 Award

## SOCIETY



Hesperia Tower,  
Barcelona - Spain

### Consolidation of our International Community Involvement programme *Up! for the People* based in our hospitality business.

The main objective of our social action strategy is to build, as a responsible Tourism sector company, positive relationships with the communities in which we operate, where we can **adding value to local development**, with a commitment and collaboration based on the operations of our hospitality business.

*"The milestones in 2011 have been the consolidation of our international Community Involvement programme **Up! for the People**, now in place in all business units, with innovative projects such as volunteering at the hotel school in Ethiopia, and the launch of a new Code of Conduct that includes principles of the Code of Ethics of the **World Tourism Organization (WTO)** and the **ECPAT** Code of Conduct, signed under the auspices of UNICEF."*

Marta Martín, VP Corporate Responsibility

In 2011 we have effectively implemented an overall **Up! for the People** Community Involvement strategy in the different business units, thus boosting employees' involvement, identifying opportunities and promoting a number of social projects.



### Up! for Opportunities



International training and apprenticeship programme for **young people at risk of social exclusion and the disabled** in the chain's hotels. Encourages the direct involvement of the hotels' employees who, by accompanying and advising the young people, perform valuable volunteer and coaching work.

#### → Juan XXIII Foundation. (Madrid, Spain)

NH Hoteles is collaborating with a **catering and cooking practices scheme** for young disabled people in NH Prisma and NH Nacional in Madrid.

The Hotel Hesperia Tower (Barcelona, Spain) works with the **IReS Foundation** (La Caixa's "Incorpora Scheme"), the **Mariano Foundation**, the **Joia Foundation**, **L'Hospitalet City Hall** and the **ESHOB** (Barcelona Hotel Management School) within the Labour Integration program of the La Caixa Foundation, offering guided tours and practice groups to groups of people at risk of exclusion in the hotel. In 2011, 44 youngsters took part.

#### → Pantar Amsterdam (The Netherlands)

Amsterdam City Council is working with this Foundation to find jobs for people with physical or intellectual disabilities and has identified NH Hoteles as a **strategic partner** for this scheme. The chain's hotels in Amsterdam have employed **4 people** at risk of exclusion through this Foundation.

In **The Netherlands** and also since 2007, NH Hoteles and the NGOs Meacon Werkvoorziening, In2Work and Flexpay have been working on a job placement scheme for the disadvantaged and disabled through which it has helped find jobs for **14 people**. In 2011 5 new employees joined the project.

#### → Carmen Pardo-Valcarce Foundation (Madrid, Spain)

A group of **women with intellectual disabilities** will practice as chambermaids in several NH hotels in Madrid after a training programme that they will begin receiving in 2012.



Carmen Pardo-Valcarce Foundation Initiative





Visita al NH Ribera del Manzanares de Voluntarios por Madrid

→ **Youth Career Initiative (Mexico)**

NH Hoteles is involved, along with leading chains such as Intercontinental, Marriott and Starwood, in an international hotel training scheme for **youngsters at risk of exclusion** created and launched by the International Tourism Partnership (ITP). In 2011, the NH Mexico City hotel has trained the second generation of young people and 8 teenagers have spent six months learning the different hotel & catering trades to be able to find a job. Of the 10 young people trained in 2010 who completed the programme in 2011, **6** joined the staff of the Mexico City NH hotels this year.



Students from YCI Programme (Mexico)

→ **Obra Padre Mario (Argentina)**

We continue our active collaboration in the **Todos Somos Parte (We are All Part)** project through training and corporate volunteer programmes to make it easier for young people at risk of social exclusion to join the job market. Following the success of this programme in Chile, a project of the same kind has been carried out with the **Forges Foundation**.

→ **Youth Bank (Germany)**

Support program for social entrepreneurs aged under 25 in which volunteer employees of NH Hoteles offer training in fields such as skills, motivation, infrastructure and contacts in areas such as hospitality or social media in workshops organized in rooms donated by the chain.

→ **Casal dels Infants NGO (Barcelona, Spain)**

Collaboration agreement to start an internship scheme for the Casal students in the chain's hotels in Barcelona.

→ **Fundación Voluntarios por Madrid (Volunteers for Madrid Foundation, Spain)**

Partnership agreement with the Madrid City Council-run organisation to set up a scheme to train and motivate of young people at risk of exclusion. Includes visits to hotels organized by employees themselves in which young people get first-hand information about the various trades that can be performed in a hotel.

This initiative was part of the **international volunteer programme Give&Gain 2011**. In 2012 the goal is to organize these visits also in cities like Barcelona, Valencia, London or Milan.

→ **Francesca Rava Foundation (Italy)**

NH Hoteles has collaborated with this Foundation, which helps poor young people through health care, education and training, especially in Haiti. The Company has provided accommodation, food and catering work experience to **2 students** from an orphanage in Haiti in the NH Milanofiori in Milan.

**Up! for Hospitality**



As a responsible hotel chain, we collaborate with society through **our products and services**. The Company has designed sustainable initiatives that allow it to place its business at the service of NGOs and foundations worldwide.

→ **Free donation of rooms to relatives of hospitalized children**

All the Business Units collaborate with this project. International replica of the "Hotels with a Heart", carried out together with the **Menudos Corazones Foundation (Spain)**. NH Hoteles has been collaborating with this foundation for the last seven years, giving away over 1,000 free nights' accommodation throughout the year at the NH Alcalá in Madrid, to the relatives of children suffering from both congenital and acquired heart disease, who have to travel to the Spanish capital for operations.

→ **Josep Carreras Foundation (Barcelona, Spain)**

NH Hoteles has signed a cooperation agreement with the **Josep Carreras Foundation** through which it will offer additional hotel services to the Foundation's Foster Homes programme, through an agreement with the Hospital Sant Joan de Deu, donating rooms in the NH Porta hotel in Barcelona.

→ **UNICEF- Huésped de Corazón (Mexico)**  
 The Chain gives guests of its hotels in Mexico the chance to donate €1 when they check out of the hotel, and all the proceeds go to support different childcare projects that UNICEF runs in Mexico.

→ **Others**  
 In Brussels, NH Hoteles has signed an agreement with the **Iris Foundation** to help by donating free 2 rooms in the chain's hotels in the city for families with hospitalized children.

In Italy it has signed an agreement with **Anvolt**, a Cancer Association, under which it will donate 2 bedrooms in Milan and 2 in Rome during 2012 for patients and families.



This NH Hoteles scheme encourages employees to propose **Corporate Volunteer** ideas in which they can be actively involved, promoting the Company's solidarity and responsibility values.

Along these lines, NH Hoteles has taken part in an innovative project that involved the collaboration of volunteer employees who spent over a year sharing their knowledge for the construction and management of a **hotel school in Ethiopia**, a project run by the NGO Manos Unidas.

Most of the project has been carried out remotely, but the Company selected two employees, who travelled to Ethiopia to help in its opening. The Head of Reception of the NH Les Corts hotel in Barcelona and the head chef of the NH Fiera hotel in Milan provided consultancy and coaching services to the local employees in Ethiopia. To find out more about the project, go to [www.learningattigray.com](http://www.learningattigray.com)

*Professionally I felt very accomplished seeing how all the employees progressed. Seeing the staff grow with the know-how that we gave them every day was really satisfying for us. The truth is that we are eagerly awaiting the go-ahead. On a personal level I have become richer inside, quieter and now I attach more importance to the little things that maybe, before this experience, I wouldn't have borne in mind"*

**Ada Pérez, Volunteer Employee. Front Office Manager at NH Les Corts (Barcelona, Spain).**



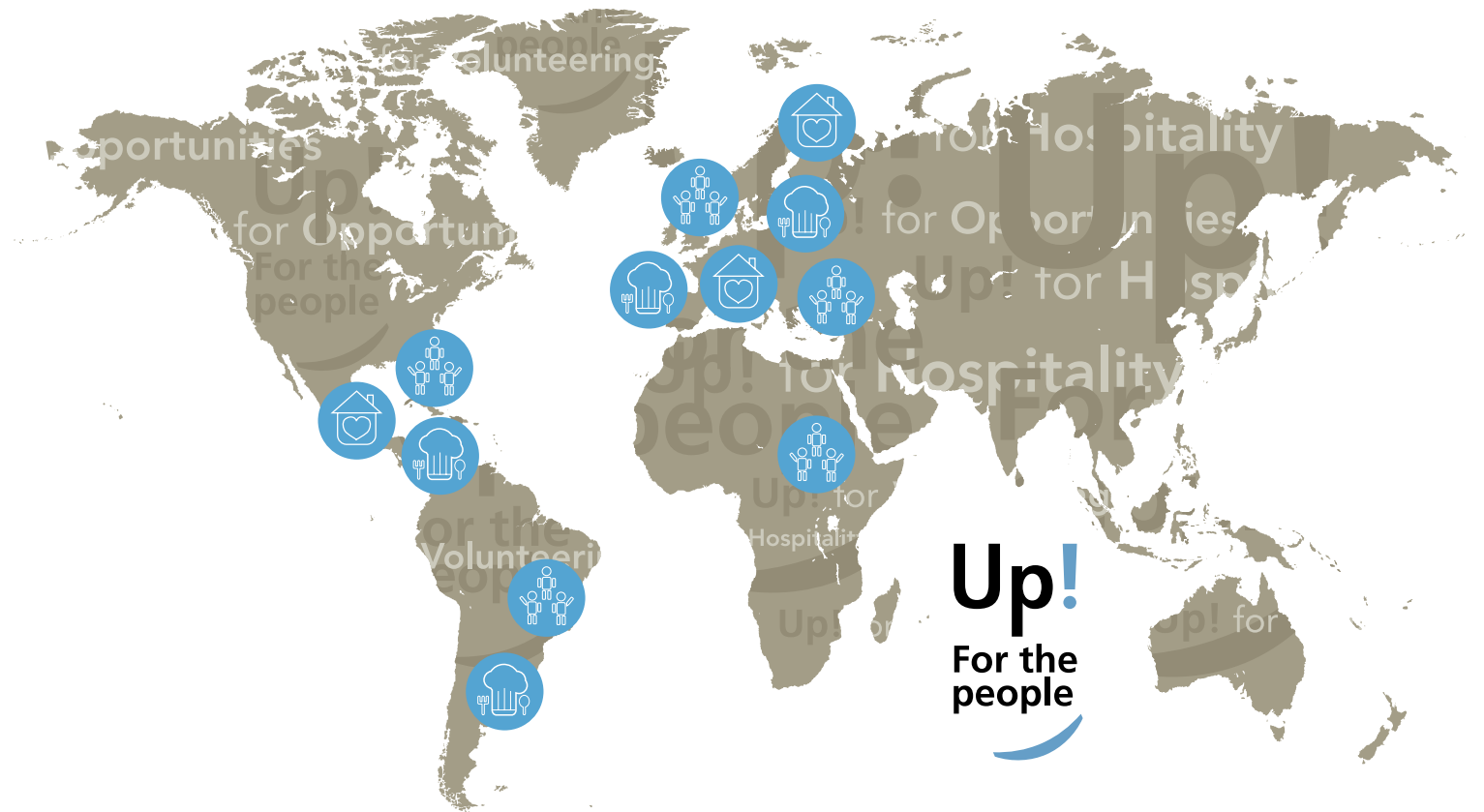
Hotel School project in Ethiopia

→ **2011 "Christmas for All" campaign**  
 Employees from all the Business Units collaborated by donating with food, clothing and toys for the needy. Examples of this solidarity chain have been the 25 volunteers who served a Christmas dinner in Madrid to homeless people in the House of the Sisters of Teresa of Calcutta. In addition, and for the sixth year running, a female employee from Germany travelled to a Rumania orphanage to deliver part of the Christmas campaign presents and employees from different hotels in Mexico visited the residents of the Concepción Beistegui IAP Foundation, which provides assistance to 96 elderly people.

→ **Collaboration with the NGO Equipo Cooperante.**  
 Another example of corporate volunteer work was the employees of the Salamanca hotels who designed and taught a distance course entitled **"Customer service. A real experience with NH Hoteles"** to Hotel & Catering students from the University of Villarrica (Paraguay), to provide training that enables them to develop successful hotel projects in their country.



NH Volunteers in the Hotel School in Ethiopia



## SOCIAL IMPACT INDICATORS



### Up! for Hospitality

- N° of agreements with NGOs: 83
- N° of rooms donated/2011: 3,277
- Total n° of hotels involved: 92



### Up! for Opportunities

- N° of trainees trained: 294
- N° of contracts: 15
- Agreements with NGOs and Institutions: 19



### Up! for Volunteering

- N° of Volunteers (including tutors of Up! for Opportunities trainees): 193
- N° of initiatives: 19

Community  
Investment:  
€880,423

These 2011 results will serve to monitor future results, which we trust will improve as the **Up! For the People** community involvement actions are consolidated and carried out in the next few years.



NH Volunteer Employees

## MANAGEMENT SYSTEM

The Corporate Responsibility Department is responsible for relations with the Community. It supervises and collaborates in all decisions made on social actions to be implemented via the heads of Corporate Responsibility of each Business Unit, that channel all the information required as well as the management of the actions, in line with the **Up! for the People** strategy defined in Community Involvement.

NH Hoteles has a Management System called **Solidarity Index** which enables us to identify any local organisations and projects whose field of work, objectives and needs fall in line with our Community Involvement strategy, selecting those with whom we can collaborate.

In turn, all the social actions carried out at NH Hoteles are gathered in an **Annual inventory**, updated every six months, that lets the Corporate Responsibility Department track, manage and measure investments, broken down to level, hotel and Business Unit project and global data.

## SOCIAL IMPACT

In 2011, NH Hoteles developed a system of indicators (KPIs) of our **Up! for the People** projects globally to monitor the social impacts of the actions implemented.

The **Solidarity Index** assesses the Community Involvement projects best suited to the requirements of the **Up! for the People** Community Involvement strategy defined by NH Hoteles. Once the initiatives that are suited to local needs have been selected, these KPIs that measure their direct impact on society are introduced.

## FRIEND SOLIDARITY VOUCHER AND EMPLOYEE RATE

NH Hoteles donates €1 and €2 to social and environmental projects from the special rates offered to employees. Each time they make use thereof, this amount is added to the budget of all actions and initiatives carried out of a social action nature. In 2011, they managed to collect a total of €387, 425 that has been invested in the housing and catering services, special tariffs and grants of the different Business Units' Community Involvement programmes.

## FUTURE OBJECTIVES

NH Hoteles is aware of the need to assess the impact that it has in the communities where it operates and we believe that in the future we must measure:

- The number of young people at risk of exclusion that have done work experience at our hotels and have opted to have a professional career in the hotel industry.
- The impact of corporate volunteering on the communities in which we carry out social action projects.
- The efficiency with NGOs through the **Up! For Hospitality** initiative thanks to which organisations and foundations receive free products and services with significant discounts which enable them to invest these costs in their own projects.

## RESPONSE TO EMERGENCIES

- ⊕ **Lorca Earthquake (Murcia, Spain):** NH Hoteles donated rooms for the Red Cross volunteers during the rescue tasks.
- ⊕ **Collaboration with WWF - Earth Hour 2010:** For four years, in a row, NH Hoteles has been collaborating with WWF's international campaign by turning of the hotel front lights at 289 NH hotels all over world for one hour to back the fight against climate change.
- ⊕ **NH Day (Mexico):** Once again the NH Guadalajara Collection hotel hosted the NH Day, the NH Hoteles solidarity party. This year it was organized with the Lorena Ochoa Foundation, to which all the proceeds were donated. Employees from 6 Mexican hotels collected **one ton of aid for the Casa Regalo de Amor shelter**, which helps people with intellectual disabilities.
- ⊕ **Cleaning of beaches in the Dominican Republic:** NH Hoteles' employees in the country have helped to clean the beaches to mark the International Cleanup Day. During the **Dominican Republic Health Week**, the Secrets Royal Beach hotel helped to arrange a vaccination and medical check-up campaign for more than 400 collaborators.



## 2011 AWARDS AND RECOGNITIONS

- **Latin American Prize for Corporate Responsibility.** NH Hoteles has been honoured by the Ecumenical Forum in the Business category for its social and environmental initiatives carried out by employees, evidence of its responsible commitment in the environments where it operates.



### MAIN SOCIETY INDICATORS

	2010	2011
Total beneficiary entities: NGO and Foundations	More than 230	More than 290
Total community involvement projects	More than 260	More than 450
Total community involvement investment(*)	�553,388	�490,987
Total collected through Friend Voucher+Employee Rate	�434,444	�387,425
Cultural promotion	�72,920	�16,715
Total Community Investment	�1,065,752	�880,423

(\*) Includes the estimated pro bono and in-kind expense

# CORPORATE RESPONSIBILITY PROGRESS AND INDICATORS

## COMMITMENTS AND CHALLENGES

COMMITMENTS 2011		PROGRESS:	● Not carried out	● In process	● Achieved
CORPORATE RESPONSIBILITY MANAGEMENT	⊕ Implementation and monitoring of activities of the 2011-2013 <i>Corporate Responsibility Master Plan</i> .				●
	⊕ Adoption and dissemination of the new Code of Conduct applicable to all our Stakeholders.				●
	⊕ Corporate Responsibility Scorecard. Monitoring of KPIs and implementation of corrective actions.				●
	⊕ CR Annual Report 2010 publication with external verification. Obtaining GRI highest qualification A+.				●
SHAREHOLDERS	⊕ Signature and development of the strategic alliance with the new partner HNA.				●
	⊕ Process of renegotiating the Debt of the Company with major funders.				●
	⊕ Return to the path of growth by expanding the number of hotels and geographical areas.				●
CUSTOMERS	⊕ Quality Focus On-line progress: Automatic translation feedback from customers in 54 languages.				●
	⊕ Quality Focus On-line progress: automation of customer feedback.				●
	⊕ Quality Focus Championship 2011 ( <i>One Step Forward</i> ): Launch of a championship within the hotels based on customer satisfaction.				●
	⊕ Redefinition of the hotel operating processes, oriented towards the customer experience.				●
	⊕ Strengthening of <i>Wake Up To a Better World</i> communication activities.				●
SUPPLIERS	⊕ International monitoring of the Supplier attending ethical, social and environmental criteria.				●
	⊕ Transfer of the new Code of Conduct commitments towards the complete Value Chain.				●
	⊕ Annual Suppliers Satisfaction Survey.				●
	⊕ Consolidation of direct actions with NH Sustainable Club members. Focus on innovation of products and services based on solutions that respect the environment.				●
ENVIRONMENT	⊕ Sustainable mobility: introducing a pilot customer experience with electric mobility services, car-sharing or rental of electric vehicles.				●
	⊕ Energy efficiency: implementation of energy management pilot projects in order to acquire sufficient experience to develop future global projects and improve the objectives set by the Company.				●
	⊕ Efficient Lighting: Implementation of the new LED technology in all permanent lighting circuits in the hotels, maximizing energy efficiency in this concept.				●
	⊕ Launch of an interactive Environment Website as a channel for communication of environmental initiatives with our customers and other Stakeholders.				●
	⊕ Implementation of an on-line Management System tracking the environmental information of our hotels.				●
	⊕ Carbon Footprint global certification following the "GHG protocol".				●
EMPLOYEES	⊕ Convert NHU Betraind platform into the NH Hoteles Knowledge Management tool and also enhancing its use as internal Social Media.				●
	⊕ Implementation of the new TFY Performance Management System ("Time For You").				●
	⊕ Launch of Employees Satisfaction Survey 2011.				●
	⊕ Definition and implementation of Action plans resulting from the 2011 Satisfaction Survey in all Business Units.				●
	⊕ Implementation and monitoring of Diversity Plans defined in the Business Units.				●
SOCIETY	⊕ Enhance the definition and implementation of more stringent policies and committed to diversity at all levels within the organization in NH Hoteles.				●
	⊕ Implementation of the global strategy for Social Action <i>Up! For the People</i> .				●
	⊕ Identification and implementation of Up! projects in different Business Units focused on the direct involvement of employees.				●
	⊕ Definition and launch of the Corporate Volunteer Program <i>Up! for Volunteering</i> .				●



## CHALLENGES 2012

CORPORATE RESPONSIBILITY MANAGEMENT	⊕ Implementation and monitoring of activities of the 2011-2013 <i>Corporate Responsibility Master Plan</i> .
	⊕ Corporate Responsibility Scorecard. Monitoring of KPIs and implementation of corrective actions.
	⊕ Establish the new <i>Sustainability Strategic Plan 2013-2015</i> of NH Hoteles.
	⊕ Definition and implementation of the Action Plan of the ECPAT Code.
	⊕ Corporate Responsibility Annual Report 2011 publication with external verification. Obtaining GRI highest qualification A+.
⊕ Monitoring and management of any incidents of the Code of Conduct Identified by our stakeholders.	
SHAREHOLDERS	⊕ Successful closing the debt renegotiation process of the Company with major funders.
	⊕ Entry into the Socially Responsible Investment Index (SRI) FTSE4Good Ibx recognition of our commitment to Sustainability.
	⊕ Continue with the path of growth by expanding the number of hotels and geographical areas (Central Europe, Brazil and/or the Caribbean).
CUSTOMERS	⊕ Quality Focus On-line progress: developing a new version that allows to compare customer satisfaction data with ratios on productivity of employees of hotels seeking thereby improving decision making.
	⊕ Commitment to Quality with targeting the results of customer satisfaction in the system of variable compensation of all employees.
	⊕ Redefinition of the hotel operating processes, oriented towards the customer experience.
SUPPLIERS	⊕ International monitoring of the Supplier attending ethical, social and environmental criteria.
	⊕ Extension Click NH'Buy with their implementation in the Benelux Business Unit and Central Europe as well as the other categories of purchases.
	⊕ Launch of the annual Suppliers Satisfaction Survey.
	⊕ Redefinition of direct actions with NH Sustainable Club members. Focus on innovation of products and services based on solutions that respect the environment.
ENVIRONMENT	⊕ Measurement of achievement and levels of compliance with the objectives set by the Environmental Plan 2008-2012.
	⊕ Definition and implementation of new <i>Environmental Plan 2012-2015</i> with demanding additional objectives.
	⊕ Focus on improving the efficiency of the hotels with more opportunity and environmental impact in recent years.
	⊕ Commitment to sustainable innovation with the NH Sustainable Club as a differentiation strategy.
	⊕ Aim to provide greater visibility to the environmental commitment of NH contributing to our brand value.
EMPLOYEES	⊕ Priority programs to promote the motivation of all employees creating new initiatives to enable the development and employee satisfaction in the current economic context.
	⊕ Reconsider the Employees Satisfaction Survey to identify action plans for improvement in all Business Units.
	⊕ Staying engaged with Training (NH University) and Employee Development.
	⊕ Commitment to the design and implementation of new Recognition Programs.
	⊕ Enhance the definition and implementation of more stringent policies and committed to diversity at all levels within the organization in NH Hoteles.
SOCIETY	⊕ Efficiency in the Up! for the People social initiatives. Identification and implementation of Up! projects in different Business Units focused on the direct involvement of employees.
	⊕ Commitment to improving the measurement of social impact of the actions launched by the Company.
	⊕ Strengthening Corporate Volunteer Program <i>Up! for Volunteering</i> for a 10% increase volunteers participating in the program in each Business Unit.

## OUR CORPORATE RESPONSIBILITY INDICATORS

PROFILE	2010	2011
<b>Portfolio of hotels (number)</b>		
Number of Hotels	397	397
Number of rooms	58,687	59,052
Net income	-€41.3M	€6.2M
EBITDA Increase	57.5%	115.1%
<b>STAKEHOLDERS</b>		
<b>SHAREHOLDERS</b>		
Entities which conduct analysis of NH during the year	21	21
N° of shareholders and investors queries answered	832	874
One-to-one meetings with shareholders and investors	84	137
Analyst tracking reports	76	135
<b>EMPLOYEES</b>		
Average n° of Employees	18,294	19,600
% Immigrants	13.60%	16.80%
% Female employees	49.70%	50.20%
% Women in management positions	49.30%	48.60%
N° of Nationalities	134	138
NHU training hours	175,948	186,404
Investment in training	€646,800	€1,009,319
N° of performance evaluations conducted	13,040	12,870
Level of satisfaction of Employees (scale 0 to 3)	-	-
% Participation in Climate Survey	-	-
N° of Employee Mailbox queries	107	141
<b>CUSTOMERS</b>		
<b>Quality Assessment</b>		
→ N° of "Mystery Guest "hotel assessments"	190	290
→ N° of Customer Satisfaction Surveys	66,323	105,135
Communications managed by the Customer Service Department	4,200	17,696
NH World cardholders	1,692,960	2,130,066
<b>SUPPLIERS</b>		
Volume of suppliers managed	26,702	23,866
N° of suppliers who have signed the Code of Ethics (accumulated)	896	994
Supplier Satisfaction Index (scale of 1 to 5)	N/A	3.15
NH Sustainable Club members	40	40
<b>SOCIAL ACTION</b>		
N° community involvement projects	262	over 450
Resources allocated to the Community	€1,065,752	€880,423
Resources obtained from solidarity € (Employee Rate and Amigo Voucher)	€434,444	€387,425
Beneficiaries	236	over 290
N° of NH Volunteers	-	193
<b>ENVIRONMENT</b>		
<b>Urban hotels</b>	<b>2010</b>	<b>2011</b>
CO <sub>2</sub> emissions (Ton.)	156,615	142,807
CO <sub>2</sub> emissions (kg per guest/night)	9.9	8.7
Energy Consumption (kWh)	654,022,690	610,457,576
Energy Consumption (kWh per guest/night)	38.3	37.1
Water consumption (m <sup>3</sup> )	3,433,229	3,450,508
Water consumption (litre per guest/night)	223.6	217.3
Waste production (kg)	43,019,872	41,319,219
Waste production (kg per guest/night)	3.0	2.7
Generation of Solar energy (kWh/year)	3,975,051	4,097,953





**KPMG Asesores S.L.**  
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 28046 Madrid

## Independent Assurance Report to the Management of NH Hoteles, S.A.

(Free translation from the original in Spanish.  
 In case of discrepancy, the Spanish language version prevails.)

We performed a limited assurance review on the non-financial information contained in the Annual Report 2011 - Corporate Responsibility of NH Hoteles, S.A. (hereinafter NH Hoteles) for the year ended 31 December 2011 (hereinafter "the Report"). The information reviewed corresponds to the content referenced in the sections Economic, Environmental and Social Performance Indicators referred in the chapter entitled "GRI Indicators", and identified in the "Assured by KPMG" column with the "●" symbol.

NH Hoteles management is responsible for the preparation and presentation of the Report in accordance with the Sustainability Reporting Guidelines version 3.1 (G3.1) of the Global Reporting Initiative as described in the section entitled "About this report". This section details the self-declared application level, which has been confirmed by Global Reporting Initiative. Management is also responsible for the information and assertions contained within the Report; for determining its objectives in respect of the selection and presentation of sustainable development performance; and for establishing and maintaining appropriate performance management and internal control systems from which the reported performance information is derived.

Our responsibility is to carry out a limited assurance engagement and to issue, based on the work performed, an independent report. We conducted our engagement in accordance with International Standard on Assurance Engagements (ISAE) 3000, "Assurance Engagements other than Audits or Reviews of Historical Financial Information", issued by the International Auditing and Assurance Standards Board and also in accordance with the guidance set out by the Accountants Institute of Spain (*Instituto de Censores Jurados de Cuentas de España*). These standards require that we plan and perform the engagement to obtain limited assurance about whether the Report is free from material misstatement and that we comply with the independence requirements included in the International Ethics Standards Board for Accountants Code of Ethics which outlines detailed requirements regarding integrity, objectivity, confidentiality and professional qualifications and conduct.

A limited assurance engagement on a sustainability report consists of making inquiries to Management, primarily to the persons responsible for the preparation of information presented in the Report, and applying analytical and other evidence gathering procedures, as appropriate through the following procedures:

- Interviews with relevant NH Hoteles staff concerning the application of sustainability strategy and policies.
- Interviews with relevant NH Hoteles staff responsible for providing the information contained in the Report.
- Analysing the processes of compiling and internal control over quantitative data reflected in the Report, regarding the reliability of the information, by using analytical procedures and review testing based on sampling.
- Reading the information presented in the Report to determine whether it is in line with our overall knowledge of, and experience with, the sustainability performance of NH Hoteles.

KPMG Asesores S.L., a limited liability Spanish company, is a subsidiary of KPMG Europe LLP and a member firm of the KPMG network of independent member firms affiliated with KPMG International Cooperative ("KPMG International"), a Swiss entity.

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 N.I.F. B-82498650

- Verifying that the financial information reflected in the Report was taken from the annual accounts of NH Hoteles, which were audited by independent third parties.

The extent of evidence gathering procedures performed in a limited assurance engagement is less than that for a reasonable assurance engagement, and therefore also the level of assurance provided. Also, this report should not be considered an audit report.

Our multidisciplinary team included specialists in social, environmental and economic business performance.

Based on the procedures performed, as described above, nothing has come to our attention that causes us to believe that the data included in the Annual Report 2011 - Corporate Responsibility of NH Hoteles, S.A. for the year ended 31 December 2011 have not been reliably obtained, that the information has not been fairly presented, or that significant discrepancies or omissions exist, nor that the Report is not prepared, in all material respects, in accordance with the Sustainability Reporting Guidelines (G3.1) of the Global Reporting Initiative as described in the "About this report" section of the Report.

Under separate cover, we will provide NH Hoteles management with an internal report outlining our complete findings and areas for improvement.

KPMG Asesores, S.L.



José Luis Blasco Vázquez

13 July 2012

## ABOUT THIS REPORT

This is the 6th NH Hoteles Annual Report and Corporate Responsibility Report, in which the evolution in the focus and sustainable performance during the 2011 financial year wants to be reported. It includes the highlights of the year with regard to the sustainable economic, environmental and social management of the business and the relationships with the stakeholders, with an evaluation of the organisation's performance and the results obtained. The objective, just like every year, is to present a balanced, accurate and coherent report of our triple bottom line with emphasis on the traceability of the data and the comparability of the information of previous years and strategic projects. In line with the commitment to offer sustainable, consistent and efficient services to our stakeholders, ever since it published its first report in 2006 NH Hoteles has been striving to further integrate and consolidate the information from all its business units. Like every year, the heads of the different departments and those responsible for each stakeholder involvement process take part and are involved in preparing this report, and this ensures that what we report mirrors what matters to the strategic stakeholders and responds to their expectations. The NH Hoteles Report is a key tool for this process.

### SCOPE OF THE REPORT

This report summarises NH Hoteles' general management results during 2011, broken down by countries in which we operate. The international dimension of our business, with the incorporation of new hotels to the chain and gradual implementation of measurement systems and processes mean that, in some cases, data is reported for comparable hotels in the associated financial year. In each case, the scope of the data reported is specified for greater accuracy and comparability of the information.

### DEFINITION OF CONTENT

NH Hoteles has different stakeholder involvement systems that are a source of analysis of the contents of interest to different audiences. In addition to the tools described on pages 6-7 of this Report (Stakeholder Involvement), we organize specific consultations with stakeholders on a regular basis, and these are described in the sections on Customers, Shareholders, Suppliers, Employees and Society. The results of this communication allow us to keep improving our mechanisms for identifying both needs and expectations and relevant issues to be reported in the Annual Report, including tracking of the targets set in previous years and how the commitments made are answered.

NH Hoteles' new **Corporate Responsibility Plan 2011-2013** integrates these key issues and lets us define the courses of actions to be implemented in the respective annual plans. This Plan is updated annually and the Report-drafting process enables us to report the outcome of our management of the relevant issues, the level of performance and new targets set for the following year.

### PREPARATION CRITERIA

The Report has been prepared based on the reporting of the most important aspects of our management and performance in 2011, in line with objectives set and commitments made to our stakeholders. At the end of each section, the main specific indicators are included by stakeholder and at the end of this document, the chart is published containing the general indicators which enable the evaluation of the Company's overall progress in the sustainable management of the business.

We also followed the guidelines of the Global Reporting Initiative (GRI) and its guide for the Preparation of Sustainability Reports (version G3.1), both the Principles for defining the contents and quality of the Reports as well as compliance with the recommended content, which is listed in the GRI Indicator Table. In terms of the content reported, we consider that this report reaches GRI Application Level A+, including external assurance.

### RIGOR AND EXTERNAL ASSURANCE

Each year NH Hoteles conducts a rigorous internal process of gathering quantitative and qualitative measurement data and information about the Company's sustainable management and the Corporate Responsibility indicators defined by NH Hoteles are reported.

This year, the Report has been assured by an independent auditing firm (KPMG) and its Assurance report can be found in one of the sections of this chapter. The A+ Self-Assessment of the NH Hoteles Sustainability Report has been corroborated by KPMG, and subsequently GRI has reviewed the whole process, assigning the report the highest possible rating (A).

For further information, please go to our website <http://corporate.nh-hotels.com>

## GRI INDICATORS

CRR: Corporate Responsibility Report  
 ACGR: Annual Corporate Governance Report  
 N.A.: Not Applicable / N.AV.: Not Available / N.M.: No Material

### STANDARD DISCLOSURES PART I: Profile Disclosures

Profile Disclosure	Description	Reported	Cross-reference / Direct answer	If applicable, indicate the part not reported	Reason for omission	Explanation
<b>1. Strategy and Analysis</b>						
1.1.	Statement from the most senior decision-maker of the organization	Fully	Pg. 4 Message from the Chairman CRR			
1.2.	Description of key impacts, risks, and opportunities	Fully	Pg. 4 Message from the Chairman; Pag. 5 Risk Map CRR Pg. 47 Risk control system ACGR			
<b>2. Organizational Profile</b>						
2.1.	Name of the organization	Fully	Pg. 3 Our Presence in the world CRR			
2.2.	Primary brands, products, and/or services	Fully	Pg. 3 Our Presence in the world CRR			
2.3.	Operational structure of the organization, including main divisions, operating companies, subsidiaries, and joint ventures	Fully	Pg. 10 Who we are CRR			
2.4.	Location of organization's headquarters	Fully	Cover of this Annual Report			
2.5.	Number of countries where the organization operates, and names of countries with either major operations or that are specifically relevant to the sustainability issues covered in the report	Fully	Pg. 10 Who we are CRR			
2.6.	Nature of ownership and legal form	Fully	NH Hoteles, S.A. Pg. 1 ACGR			
2.7.	Markets served (including geographic breakdown, sectors served, and types of customers/beneficiaries)	Fully	Pg. 10-12 Who we are CRR			
2.8.	Scale of the reporting organization	Fully	Pg. 10-15 Who we are; Pg. 39 NH Hoteles Staff CRR			
2.9.	Significant changes during the reporting period regarding size, structure, or ownership	Fully	Pg. 11-12 Openings- Asset Management; Pg. 14 Results CRR			
2.10.	Awards received in the reporting period	Fully	Awards and Acknowledgements Pg. 9, 22, 26, 36, 47, 53 CRR			



STANDARD DISCLOSURES PART I: Profile Disclosures

Profile Disclosure	Description	Reported	Cross-reference / Direct answer	If applicable, indicate the part not reported	Reason for omission	Explanation
<b>3. Report Parameters</b>						
3.1.	Reporting period (e.g., fiscal/calendar year) for information provided	Fully	Pg. 3 CRR			
3.2.	Date of most recent previous report (if any)	Fully	Pg. 6 1 <sup>st</sup> Paragraph CRR			
3.3.	Reporting cycle (annual, biennial, etc.)	Fully	Pg. 6 1 <sup>st</sup> Paragraph CRR			
3.4.	Contact point for questions regarding the report or its contents	Fully	Pg. 3 CRR			
3.5.	Process for defining report content	Fully	Pg. 6 Commitment to our Stakeholders Pg. 59 About this report CRR			
3.6.	Boundary of the report (e.g., countries, divisions, subsidiaries, leased facilities, joint ventures, suppliers). See GRI Boundary Protocol for further guidance	Fully	Pg. 59 About this report CRR			
3.7.	State any specific limitations on the scope or boundary of the report (see completeness principle for explanation of scope)	Fully	Pg. 59 About this report CRR			
3.8.	Basis for reporting on joint ventures, subsidiaries, leased facilities, outsourced operations, and other entities that can significantly affect comparability from period to period and/or between organizations	Fully	Pg. 27 The Comparability 2010-2011; Pg. 59 About this report CRR			
3.9.	Data measurement techniques and the bases of calculations, including assumptions and techniques underlying estimations applied to the compilation of the Indicators and other information in the report. Explain any decisions not to apply, or to substantially diverge from, the GRI Indicator Protocols	Fully	Pg. 27 Monitoring and measurement; Pg. 59 About this report CRR			
3.10.	Explanation of the effect of any re-statements of information provided in earlier reports, and the reasons for such re-statement (e.g., mergers/acquisitions, change of base years/periods, nature of business, measurement methods)	Fully	No re-statements of information provided in earlier reports			
3.11.	Significant changes from previous reporting periods in the scope, boundary, or measurement methods applied in the report	Fully	No significant changes from previous reporting periods			
3.12.	Table identifying the location of the Standard Disclosures in the report	Fully	Pg. 60 CRR			
3.13.	Policy and current practice with regard to seeking external assurance for the report	Fully	Pg. 57-80 CRR			
<b>4. Governance, Commitments, and Engagement</b>						
4.1.	Governance structure of the organization, including committees under the highest governance body responsible for specific tasks, such as setting strategy or organizational oversight	Partially	Pg. 14-15 Board of Directors, Committees and Steering Committee CRR	The Company does not report a data breakdown according to gender or minority group membership	Does not exist	The Company does not have the necessary mechanisms to report this information
4.2.	Indicate whether the Chair of the highest governance body is also an executive officer	Fully	Pg. 25 B.1.21 ACGR			
4.3.	For organizations that have a unitary board structure, state the number and gender of members of the highest governance body that are independent and/or non-executive members	Fully	Pg. 11, 12 Independent Board members ACGR			
4.4.	Mechanisms for shareholders and employees to provide recommendations or direction to the highest governance body	Fully	Pg. 53 ACGR			
4.5.	Linkage between compensation for members of the highest governance body, senior managers, and executives (including departure arrangements), and the organization's performance (including social and environmental performance)	Fully	Pg. 18 B.1.14 ACGR			
4.6.	Processes in place for the highest governance body to ensure conflicts of interest are avoided	Fully	Pg. 45-46 C.6 ACGR			
4.7.	Process for determining the composition, qualifications, and expertise of the members of the highest governance body and its committees, including any consideration of gender and other indicators of diversity	Fully	Pg. 36-39 B.2.3 ACGR			

STANDARD DISCLOSURES PART I: Profile Disclosures

Profile Disclosure	Description	Reported	Cross-reference / Direct answer	If applicable, indicate the part not reported	Reason for omission	Explanation
<b>4. Governance, Commitments, and Engagement</b>						
4.8.	Internally developed statements of mission or values, codes of conduct, and principles relevant to economic, environmental, and social performance and the status of their implementation	Fully	Pg. 5 Our approach CRR; Pg. 7-8 Our ethical framework CRR			
4.9.	Procedures of the highest governance body for overseeing the organization's identification and management of economic, environmental, and social performance, including relevant risks and opportunities, and adherence or compliance with internationally agreed standards, codes of conduct, and principles	Fully	Pg. 7-8 New Code of Conduct - Corporate Responsibility Management System CRR			
4.10.	Processes for evaluating the highest governance body's own performance, particularly with respect to economic, environmental, and social performance	Fully	Pg. 18 B.1.14 ACGR			
4.11.	Explanation of whether and how the precautionary approach or principle is addressed by the organization	Fully	Pg. 9 Review of risks map – Global Context CRR			
4.12.	Externally developed economic, environmental, and social charters, principles, or other initiatives to which the organization subscribes or endorses	Partially	Pg. 6-8 The Global Compact - New Code of Conduct CRR	No charters of this kind have been signed by the Company in the reporting period	Does not exist	No charters of this kind have been signed in the reporting period
4.13.	Memberships in associations (such as industry associations) and/or national/international advocacy organizations in which the organization: * Has positions in governance bodies; * Participates in projects or committees; * Provides substantive funding beyond routine membership dues; or * Views membership as strategic	Fully	Pg. 9 Initiatives and alliances CRR			
4.14.	List of stakeholder groups engaged by the organization	Fully	Pg. 6 Table CRR			
4.15.	Basis for identification and selection of stakeholders with whom to engage	Fully	Pg. 5 Our Sustainable Approach CRR			
4.16.	Approaches to stakeholder engagement, including frequency of engagement by type and by stakeholder group	Partially	Pg. 5 Table CRR	The frequency of engagement by stakeholder group	Does not exist	Stakeholder engagement is systematized differently according to the tools used and areas/business units involved. The Company does not yet have a consolidated system for reporting these data
4.17.	Key topics and concerns that have been raised through stakeholder engagement, and how the organization has responded to those key topics and concerns, including through its reporting	Fully	Pg. 5 Our Sustainable Approach CRR	List of relevant issues and main worries separately detailed	Does not exist	Stakeholders' needs and expectations as identified from the relationship and dialogue with each of them are not disclosed separately but are included in each section of Shareholders, Suppliers, Customers, Environment, Employees and Society

STANDARD DISCLOSURES PART II: Disclosures on Management Approach (DMAs)

G3 DMA	Description	Reported	Cross-reference / Direct answer	If applicable, indicate the part not reported	Reason for omission	Explanation	A reportar en
	Disclosure on Management Approach EC	Fully					
Aspects	Economic performance	Fully	Pg. 13 Main figures of the NH Hoteles				
	Market presence	Fully	Pg. 3 Our Presence in the world				
	Indirect economic impacts	Fully	Pg. 32-33 Our suppliers; Pg. 56 NH Hoteles Staff; Pg. 74 Community Investment				
	Disclosure on Management Approach EN	Parcial					
Aspects	Materials	Not			N.A.	There is no production process in which materials are processed in the provision of hotel services	
	Energy	Fully	Pg. 27 Environmental Performance				
	Water	Fully	Pg. 27 Environmental Performance				
	Biodiversity	Not			N.M.	Over 90% of hotels operated by the chain are urban	
	Emissions, effluents and waste	Partially	Pg. 27 Environmental Performance	Amount of waste (hazardous and non dangerous) by type of recovery for composting or incineration.	N.AV	The Company does not have the necessary mechanisms to report the information for EN17	2015
	Products and services	Fully	Pg. 34-35 Sustainable innovation; Pg. 37 Sustainable innovation project				
	Compliance	Fully	There is not record of any sanction related to environmental laws and regulations in the reported period				
	Transport	Not			N.AV	The Company does not have the necessary mechanisms to report the information for EN29	2015
	Overall	Fully	Pg. 38 Energy efficiency Investment				
	Disclosure on Management Approach LA	Partially					
Aspects	Employment	Fully	Pg. 39 La plantilla de NH Hoteles				
	Labor/management relations	Fully	Pg. 66 Representación sindical				
	Occupational health and safety	Fully	Pg. 59 Salud y Seguridad				
	Training and education	Fully	Pg. 62-63 NHUniversity				
	Diversity and equal opportunity	Fully	Pg. 57-58 La gestión de la diversidad				
	Equal remuneration for women and men	Not			Proprietary information	This information is confidential	

STANDARD DISCLOSURES PART II: Disclosures on Management Approach (DMAs)

G3 DMA	Description	Reported	Cross-reference / Direct answer	If applicable, indicate the part not reported	Reason for omission	Explanation	A reportar en
	Disclosure on Management Approach HR	Partially					
Aspects	Investment and procurement practices	Partially	Pg. 7-8 Membership of the Code of Conduct	El total de horas de formación por empleado	N.AV	The Company does not have the necessary mechanisms to report the information for HR3	2014
	Non-discrimination	Fully	There is no record of such incidents in the reporting period				
	Freedom of association and collective bargaining	Fully	Pg. 7 New Code of Conduct; Pg. 7-8 Membership of the Code of Conduct				
	Child labor	Fully	Pg. 7-8 New Code of Conduct				
	Prevention of forced and compulsory labor	Partially	Pg. 7-8 Membership of the Code of Conduct		N.A.	NH Hoteles uses an increasingly accurate supplier performance assessment system based on social, ethical and environmental criteria, but does not assess the % of suppliers with most significant risks of such incidents	
	Security practices	Not			N.A.	If security services are required, in all cases are subcontractors	
	Indigenous rights	Fully	There is no record of such incidents in the reporting period				
	Assessment	Not			N.AV	The Company does not have the necessary mechanisms to report this information	2014
Remediation	Not			N.AV	The Company does not have the necessary mechanisms to report this information	2014	
	Disclosure on Management Approach SO	Partially					
Aspects	Local communities	Partially		Infomation about local assessment comitees	N.A.	We analyze the activities that best serve local needs through non-profit organizations and those responsible for corporate responsibility of each Business Unit	2013
	Corruption	Fully	Pg. 7 New Anonymous complaints channel to notify failure to comply with the Code of Conduct. There is no record of complaints in the reporting period				
	Public policy	Fully	Pg 9 Global context				
	Anti-competitive behavior	Fully	There is no record of such incidents in the reporting period				
	Compliance	Fully	There is no record of such incidents in the reporting period				



STANDARD DISCLOSURES PART II: Disclosures on Management Approach (DMAs)

Enfoques de gestión G3	Descripción	Reportado	Referencia / Respuesta	Si aplica, indicar la parte no reportada	Motivos de la omisión	Explicación	A reportar en
	Disclosure on Management Approach PR	Partially					
	Customer health and safety	Fully	Pg. 18 Last paragraph				
	Product and service labelling	Fully	Pg. 18 NH Hoteles Global Assessment				
Aspects	Marketing communications	Partially	There is no record of such incidents in the reporting period	Programs for adherence to marketing-related voluntary codes and standards	N.AV.	The Company does not have the necessary mechanisms to report the information for PR6	2014
	Customer privacy	Fully	There is no record of such incidents in the reporting period				
	Compliance	Fully	There is no record of such incidents in the reporting period				

STANDARD DISCLOSURES PART III: Performance Indicators

Performance Indicator	Description	Assured by KPMG	Reported	Cross-reference/ Direct answer	If applicable, indicate the part not reported	Reason for Omission	Explanation	To be reported in
<b>Economic</b>								
<b>Economic performance</b>								
Principal EC1	Direct economic value generated and distributed, including revenues, operating costs, employee compensation, donations and other community investments, retained earnings, and payments to capital providers and governments	●	Fully	Pg. 13 Main figures of NH Hoteles				
Principal EC2	Financial implications and other risks and opportunities for the organization's activities due to climate change	●	Partially	Pg. 36-38 Commitment to preventing climate change		N.A.	The Company does not perform a separate financial calculation of the financial implications of activities performed due to climate change. The consolidated calculation of the whole energy efficiency investment is reported on page 54	
Principal EC3	Coverage of the organization's defined benefit plan obligations		Partially	Pg. 46-47 Social Benefits	The pension's liabilities. The level of participation in retirement plans	N.A.V.	The Company does not have the necessary mechanisms to report this information	2014
Principal EC4	Significant financial assistance received from government	●	Partially	Pg. 9 Government Relations	Financial assistance for tax or credit accrual, aid for investments, research or awards	N.A.	The Company has not received this type of financial assistance	
<b>Market presence</b>								
Additional EC5	Range of ratios of standard entry level wage by gender compared to local minimum wage at significant locations of operation		Not			N.A.V.	The Company does not have the necessary mechanisms to report this information	2014
Principal EC6	Policy, practices, and proportion of spending on locally-based suppliers at significant locations of operation	●	Fully	Pg. 23-24 Our suppliers				
Principal EC7	Procedures for local hiring and proportion of senior management hired from the local community at significant locations of operation	●	Partially	Pg. 40-41 Diversity Management, Committed to Equality	Local hiring with position breakdown	N.A.V.	The Company does not have the necessary mechanisms to report this information	2015
<b>Indirect economic impacts</b>								
Principal EC8	Development and impact of infrastructure investments and services provided primarily for public benefit through commercial, in-kind, or pro bono engagement	●	Fully	Pg. 48-52 Society				
Additional EC9	Understanding and describing significant indirect economic impacts, including the extent of impacts		Partially	Pg. 23-24 Our suppliers; Pg. 39 NH Hoteles Staff; Pg. 51 Community Investment MRC	The significance of the impacts in the context of external benchmarks and stakeholder priorities	N.A.	The Company does not publish this kind of information	

STANDARD DISCLOSURES PART III: Performance Indicators

Performance Indicator	Description	Assured by KPMG	Reported	Cross-reference/ Direct answer	If applicable, indicate the part not reported	Reason for Omission	Explanation	To be reported in
<b>Environmental</b>								
<b>Materials</b>								
Principal EN1	Materials used by weight or volume		Not			N.A.	There is no production process in which materials are processed in the provision of hotel services	
Principal EN2	Percentage of materials used that are recycled input materials		Not			N.A.	There is no production process in which materials are processed in the provision of hotel services	
<b>Energy</b>								
Principal EN3	Direct energy consumption by primary energy source	●	Fully	Pg. 30 Energy consumption; Pg. 29 Total consumption in Joules; Pg. 37 Use of renewable energies				
Principal EN4	Indirect energy consumption by primary source	●	Partially	Pg. 29 Distribution of Energy consumption; Pg. 29 Total consumption in Joules	The corresponding primary energy consumed in its production	N.A.	Indirect energy consumption is obtained from an electricity supplier	2015
Additional EN5	Energy saved due to conservation and efficiency improvements	●	Fully	Pg. 29-30 Energy				
Additional EN6	Initiatives to provide energy-efficient or renewable energy based products and services, and reductions in energy requirements as a result of these initiatives	●	Fully	Pg. 29 Last Paragraph; Pg. 47-48 Sustainable Innovation				
Additional EN7	Initiatives to reduce indirect energy consumption and reductions achieved	●	Fully	Pg. 34-35 Sustainable innovation project				
<b>Water</b>								
Principal EN8	Total water withdrawal by source	●	Fully	Pg. 32-33 Water				
Additional EN9	Water sources significantly affected by withdrawal of water	●	Not			N.A.	NH Hoteles establishments get their water from municipal water networks and therefore the Company does not have mechanisms to report this information	
Additional EN10	Percentage and total volume of water recycled and reused	●	Not			N.A.	There are not water recycling processes, the aim is to develop water saving systems	

STANDARD DISCLOSURES PART III: Performance Indicators

Performance Indicator	Description	Assured by KPMG	Reported	Cross-reference/ Direct answer	If applicable, indicate the part not reported	Reason for Omission	Explanation	To be reported in
<b>Environmental</b>								
<b>Biodiversity</b>								
Principal EN11	Location and size of land owned, leased, managed in, or adjacent to, protected areas and areas of high biodiversity value outside protected areas		Not			N.M.	Over 90% of hotels operated by the chain are urban, with a low impact on areas of high biodiversity value	
Principal EN12	Description of significant impacts of activities, products, and services on biodiversity in protected areas and areas of high biodiversity value outside protected areas		Not			N.M.	Over 90% of hotels operated by the chain are urban, with a low impact on areas of high biodiversity value	
Additional EN13	Habitats protected or restored		Not			N.M.	Over 90% of hotels operated by the chain are urban, with a low impact on areas of high biodiversity value	
Additional EN14	Strategies, current actions, and future plans for managing impacts on biodiversity		Not			N.M.	Over 90% of hotels operated by the chain are urban, with a low impact on areas of high biodiversity value	
Additional EN15	Number of IUCN Red List species and national conservation list species with habitats in areas affected by operations, by level of extinction risk		Not			N.M.	Over 90% of hotels operated by the chain are urban, with a low impact on areas of high biodiversity value	
<b>Emissions, effluents and waste</b>								
Principal EN16	Total direct and indirect greenhouse gas emissions by weight	●	Fully	Pg. 31-32 Emissions				
Principal EN17	Other relevant indirect greenhouse gas emissions by weight	●	Not			N.D.	The Company does not have the necessary mechanisms to report this information	2015
Additional EN18	Initiatives to reduce greenhouse gas emissions and reductions achieved	●	Fully	Pg. 34-35 Sustainable innovation; Pg. 37 Sustainable innovation project				
Principal EN19	Emissions of ozone-depleting substances by weight		Not			N.A.	NH Hoteles prohibits the use of equipment that contain and/or use chloro-fluorocarbons susceptible of being released into the atmosphere	
Principal EN20	NOx, SOx, and other significant air emissions by type and weight		Not			N.A.	NH Hoteles activity does not generate significant emissions of this kind	
Principal EN21	Total water discharge by quality and destination		Not			N.A.	NH Hoteles not perform discharges since the wastewater city hotels is managed through the municipalities sanitation networks, which conduct treatments depending on the application of local environmental regulations	



STANDARD DISCLOSURES PART III: Performance Indicators

Performance Indicator	Description	Assured by KPMG	Reported	Cross-reference/ Direct answer	If applicable, indicate the part not reported	Reason for Omission	Explanation	To be reported in
<b>Environmental</b>								
<b>Emissions, effluents and waste</b>								
Principal EN22	Total weight of waste by type and disposal method		Partially	Pg. 35 Recycling Scheme	Amount of waste (hazardous and non dangerous) by type recovery for composting incineration, landfill health, injection deep well or storage place	N.A.	Relawted to its business, NH Hoteles has developed programs for the reduction in waste generation and increasing recycling, but has not done remaricable composting, incineration, landfill, deep well injection or storage on site	
Principal EN23	Total number and volume of significant spills		Not			N.A.	There have been no significant spills in the reported period	
Additional EN24	Weight of transported, imported, exported, or treated waste deemed hazardous under the terms of the Basel Convention Annex I, II, III, and VIII, and percentage of transported waste shipped internationally		Not			N.A.	It has not made any transportation, import, export or processing of hazardous waste	
Additional EN25	Identity, size, protected status, and biodiversity value of water bodies and related habitats significantly affected by the reporting organization's discharges of water and runoff		Not			N.M.	Over 90% of hotels operated by the chain are urban, with a low impact on areas of high biodiversity value	
<b>Products and services</b>								
Principal EN26	Initiatives to mitigate environmental impacts of products and services, and extent of impact mitigation	●	Fully	Pg. 34-35 Sustainable innovation				
Principal EN27	Percentage of products sold and their packaging materials that are reclaimed by category		Not			N.M.	The sale of products and labeling is not a relevant issue for NH Hoteles business	
<b>Compliance</b>								
Principal EN28	Monetary value of significant fines and total number of non-monetary sanctions for non-compliance with environmental laws and regulations	●	Fully	There is not record of any sanction related to environmental laws and regulations in the reported period				
<b>Transport</b>								
Additional EN29	Significant environmental impacts of transporting products and other goods and materials used for the organization's operations, and transporting members of the workforce		Not			N.A.V.	The Company does not have the necessary mechanisms to report this information	2014
<b>Overall</b>								
Additional EN30	Total environmental protection expenditures and investments by type	●	Fully	Pg. 38 Energy efficiency investment				

STANDARD DISCLOSURES PART III: Performance Indicators

Performance Indicator	Description	Assured by KPMG	Reported	Cross-reference/ Direct answer	If applicable, indicate the part not reported	Reason for Omission	Explanation	To be reported in
<b>Social: Labor Practices and Decent Work</b>								
<b>Employment</b>								
Principal LA1	Total workforce by employment type, employment contract, and region, broken down by gender	●	Fully	Pg. 39 NH Hoteles' staff				
Principal LA2	Total number and rate of new employee hires and employee turnover by age group, gender, and region	●	Partially	Pg. 39-41 NH Hoteles' Staff in 2011, Diversity Management, Committed to Equality	Total and rate of employees leaving employment broken down by age group and gender	N.AV.	The Company does not have the necessary mechanisms to report this information	2014
Additional LA3	Benefits provided to full-time employees that are not provided to temporary or part-time employees, by major operations		Fully	Pg. 46-47 Social Benefits				
LA15	Return to work and retention rates after parental leave, by gender	●	Not			N.AV.	The Company does not have the necessary mechanisms to report this information	2015
<b>Labor/management relations</b>								
Principal LA4	Percentage of employees covered by collective bargaining agreements	●	Fully	Pg. 47 Trade Union representatives				
Principal LA5	Minimum notice period(s) regarding significant operational changes, including whether it is specified in collective agreements		Fully	The minimum notice periods are as specified in the legislation of each country, with no specific corporate rule to regulate it				
<b>Occupational health and safety</b>								
Additional LA6	Percentage of total workforce represented in formal joint management-worker health and safety committees that help monitor and advise on occupational health and safety programs		Fully	Pg. 41 Health and Safety				
Principal LA7	Rates of injury, occupational diseases, lost days, and absenteeism, and number of work-related fatalities by region and by gender		Partially	Pg. 41 Health and Safety	Rates of injury, occupational diseases, lost days, and absenteeism, and number of work-related fatalities by region	N.A.	The report form is that we consider most appropriate for our business	
Principal LA8	PEducation, training, counseling, prevention, and risk-control programs in place to assist workforce members, their families, or community members regarding serious diseases		Partially	Pg. 41 Occupational Hazard Prevention	Programs in place to assist families or community members	N.A.	The Company does not have the necessary programs to report this information	
Additional LA9	Health and safety topics covered in formal agreements with trade unions		Not			N.AV.	The Company does not have the necessary mechanisms to report this information	2014

STANDARD DISCLOSURES PART III: Performance Indicators

Performance Indicator	Description	Assured by KPMG	Reported	Cross-reference/ Direct answer	If applicable, indicate the part not reported	Reason for Omission	Explanation	To be reported in
<b>Social: Labor Practices and Decent Work</b>								
<b>Training and education</b>								
Principal LA10	Average hours of training per year per employee by gender, and by employee category		Partially	Pg. 44-45 NHUniversity	Break down by gender	N.AV.	The Company does not have the necessary mechanisms to report this information	2015
Additional LA11	Programs for skills management and lifelong learning that support the continued employability of employees and assist them in managing career endings		Partially	Pg. 45 NHUniversity Highlights, Performance Management	Assistance programs to support employees who are retiring or who have been terminated	N.A.	The Company does not have the necessary mechanisms to report this information	
Additional LA12	Percentage of employees receiving regular performance and career development reviews, by gender		Partially	Pg. 45 3° y 4° Paragraph	Break down by gender	N.A.	The Company does not have the necessary mechanisms to report this information	2015
<b>Diversity and equal opportunity</b>								
Principal LA13	Composition of governance bodies and breakdown of employees per employee category according to gender, age group, minority group membership, and other indicators of diversity	●	Partially	Pg. 39-40 Diversity Management	Government data broken down by gender or minority group membership	N.AV.	The Company does not have the necessary mechanisms to report this information	2015
<b>Equal remuneration for women and men</b>								
Principal LA14	Ratio of basic salary and remuneration of women to men by employee category, by significant locations of operation		Not			Proprietary information	This information is confidential	
<b>Social: Human Rights</b>								
<b>Investment and procurement practices</b>								
Principal HR1	Percentage and total number of significant investment agreements and contracts that include clauses incorporating human rights concerns, or that have undergone human rights screening		Fully	Pg. 7-8 Membership of the Code of Conduct				
Principal HR2	Percentage of significant suppliers, contractors and other business partners that have undergone human rights screening, and actions taken	●	Fully	Pg. 7-8 Membership of the Code of Conduct				
Additional HR3	Total hours of employee training on policies and procedures concerning aspects of human rights that are relevant to operations, including the percentage of employees trained		Not			N.AV.	The Company does not have the necessary mechanisms to report this information	2014
<b>Non-discrimination</b>								
Principal HR4	Total number of incidents of discrimination and corrective actions taken	●	Fully	There is no record of such incidents in the reporting period				
<b>Freedom of association and collective bargaining</b>								
Principal HR5	Operations and significant suppliers identified in which the right to exercise freedom of association and collective bargaining may be violated or at significant risk, and actions taken to support these rights	●	Fully	Pg. 7 New Code of Conduct; Pg. 7-8 Membership of the Code of Conduct				

STANDARD DISCLOSURES PART III: Performance Indicators

Performance Indicator	Description	Assured by KPMG	Reported	Cross-reference/ Direct answer	If applicable, indicate the part not reported	Reason for Omission	Explanation	To be reported in
<b>Social: Human Rights</b>								
<b>Child labor</b>								
Principal HR6	Operations and significant suppliers identified as having significant risk for incidents of child labor, and measures taken to contribute to the effective abolition of child labor	●	Fully	Pg. 7-8 New Code of Conduct, Box (Pg. 6); Pg. 39 Employees 1st Paragraph				
<b>Forced and compulsory labor</b>								
Principal HR7	Operations and significant suppliers identified as having significant risk for incidents of forced or compulsory labor, and measures to contribute to the elimination of all forms of forced or compulsory labor	●	Partially	Pg. 7-8 Membership of the Code of Conduct		N.A.	NH Hoteles uses an increasingly accurate supplier performance assessment system based on social, ethical and environmental criteria, but does not assess the % of suppliers with most significant risks of such incidents	
<b>Security practices</b>								
Additional HR8	Percentage of security personnel trained in the organization's policies or procedures concerning aspects of human rights that are relevant to operations		Not			N.A.	If security services are required, in all cases are subcontractors	
<b>Indigenous rights</b>								
Additional HR9	Total number of incidents of violations involving rights of indigenous people and actions taken	●	Fully	There is no record of such incidents in the reporting period				
<b>Assessment</b>								
HR10	Percentage and total number of operations that have been subject to human rights reviews and/or impact assessments	●	Not			N.AV.	The Company does not have the necessary mechanisms to report this information	2014
<b>Remediation</b>								
HR11	Number of grievances related to human rights filed, addressed and resolved through formal grievance mechanisms	●	Not			N.AV.	The Company does not have the necessary mechanisms to report this information	2014
<b>Social: Society</b>								
<b>Community</b>								
Principal SO1	Percentage of operations with implemented local community engagement, impact assessments, and development programs	●	Partially	Pg. 51 Social Impact	Información sobre comités de consulta locales	N.A.	We analyze the activities that best serve local needs through non-profit organizations and those responsible for corporate responsibility of each Business Unit.	
SO9	Operations with significant potential or actual negative impacts on local communities		Not			Proprietary information	This information is confidential	



STANDARD DISCLOSURES PART III: Performance Indicators

Performance Indicator	Description	Assured by KPMG	Reported	Cross-reference/ Direct answer	If applicable, indicate the part not reported	Reason for Omission	Explanation	To be reported in
<b>Social: Society</b>								
<b>Community</b>								
SO10	Prevention and mitigation measures implemented in operations with significant potential or actual negative impacts on local communities		Not			Proprietary information	Not applicable because this information is considered confidential	
<b>Corruption</b>								
Principal SO2	Percentage and total number of business units analyzed for risks related to corruption	●	Not			N.AV.	In 2011 the Company launched the New Code of Conduct with an awareness-raising campaign; the anti-corruption training is pending	2014
Principal SO3	Percentage of employees trained in organization's anti-corruption policies and procedures	●	Not			N.AV.	In 2011 the Company launched the New Code of Conduct with an awareness-raising campaign; the anti-corruption training is pending	2014
Principal SO4	Actions taken in response to incidents of corruption	●	Fully	Pg. 7 New Anonymous complaints channel to notify failure to comply with the Code of Conduct. There is no record of complaints in the reporting period				
<b>Public policy</b>								
Principal SO5	Public policy positions and participation in public policy development and lobbying		Fully	Pg. 9 Global context				
Additional SO6	Total value of financial and in-kind contributions to political parties, politicians, and related institutions by country		Fully	Pg. 9 Government relations				
<b>Anti-competitive behavior</b>								
Additional SO7	Total number of legal actions for anti-competitive behavior, anti-trust, and monopoly practices and their outcomes	●	Fully	There is no record of such incidents in the reporting period				
<b>Compliance</b>								
Principal SO8	Monetary value of significant fines and total number of non-monetary sanctions for non-compliance with laws and regulations	●	Fully	There is no record of such incidents in the reporting period				

STANDARD DISCLOSURES PART III: Performance Indicators

Performance Indicator	Description	Assured by KPMG	Reported	Cross-reference/ Direct answer	If applicable, indicate the part not reported	Reason for Omission	Explanation	To be reported in
<b>Social: Product Responsibility</b>								
<b>Customer health and safety</b>								
Principal PR1	Life cycle stages in which health and safety impacts of products and services are assessed for improvement, and percentage of significant products and services categories subject to such procedures	●	Partially	Pg. 18 Last paragraph	Life cycle stages of the products in which customer health and safety impacts are assessed	N.A.	NH Hoteles activity focuses on the analysis of health and safety related to their services	
Additional PR2	Total number of incidents of non-compliance with regulations and voluntary codes concerning health and safety impacts of products and services during their life cycle, by type of outcomes	●	Fully	There is no record of such incidents in the reporting period				
<b>Product and service labelling</b>								
Principal PR3	Type of product and service information required by procedures, and percentage of significant products and services subject to such information requirements		Not			N.M.	The products labelling is not a relevant issue for the business of NH Hoteles	
Additional PR4	Total number of incidents of non-compliance with regulations and voluntary codes concerning product and service information and labelling, by type of outcomes	●	Fully	There is no record of such incidents in the reporting period				
Additional PR5	Practices related to customer satisfaction, including results of surveys measuring customer satisfaction	●	Fully	Pg. 18 NH Hoteles global assesment table				
<b>Communications Marketing</b>								
Principal PR6	Programs for adherence to laws, standards, and voluntary codes related to marketing communications, including advertising, promotion, and sponsorship		Not			N.A.V.	The Company does not have the necessary mechanisms to report this information	2014
Additional PR7	Total number of incidents of non-compliance with regulations and voluntary codes concerning marketing communications, including advertising, promotion, and sponsorship by type of outcomes	●	Fully	There is no record of such incidents in the reporting period				
<b>Customer privacy</b>								
Additional PR8	Total number of substantiated complaints regarding breaches of customer privacy and losses of customer data	●	Fully	There is no record of such incidents in the reporting period				
<b>Compliance</b>								
Principal PR9	Monetary value of significant fines for non-compliance with laws and regulations concerning the provision and use of products and services	●	Fully	There is no record of such incidents in the reporting period				

# 397 HOTELS IN 25 COUNTRIES



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## WEBSITES OF INTEREST:

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Corporate website: <http://corporate.nh-hotels.com>  
Environmental website: <http://medioambiente.nh-hoteles.es>



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