

ANNUAL
REPORT 2013

Corporate
Responsibility



OUR PRESENCE IN THE WORLD 2013



nh | HOTEL GROUP

nh
HOTELS


NH COLLECTION

nhow

Hesperia
RESORTS

Argentina • Germany • Andorra • Austria • Belgium • Chile • Colombia
Slovakia • Spain • United States • France • Haiti • The Netherlands • Hungary
Italy • Luxembourg • Mexico • Poland • Portugal • United Kingdom • Czech Republic
Dominican Republic • Romania • South Africa • Switzerland • Uruguay • Venezuela



379
hotels

IN 27
countries

58,195
rooms

18,889
employees

16 MILLION
customers

nh-hotels.com



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This is NH Hotel Group's eighth Corporate Responsibility Report detailing the Company's approach and economic, environmental and social performance for the 2013 financial year. This report has been produced in accordance with the guidelines set out by the G3.1 Guide to the Global Reporting Initiative, being graded as **A+**. The report has also been subject to an independent review by KPMG in relation to the reliability of the information reported and the monitoring of reporting rules. This report and the previous ones are published in digital format and are available at <http://corporate.nh-hotels.com>

KPMG statement concerning the NH Hotel Group S.A. Corporate Responsibility Report. The information contained in this executive summary is consistent with that included in the NH Hotel Group, S.A. (hereafter NH Hotel Group) Corporate Responsibility Report, available throughout the month of June 2014 at <http://corporate.nh-hotels.com>

With the objective of forming a broader and deeper opinion of the actions carried out and the results obtained by NH Hotel Group in its commitments to contribute towards sustainable development, this publication must be read together with the NH Hotel Group Corporate Responsibility Report.

Likewise, we inform you that we have reviewed the content of the NH Hotel Group Corporate Responsibility Report, using the scope and results described in our associated report that you will find attached to the aforementioned report, the reading of which we recommend in order to acquire a better understanding of our work.

Madrid, June 2014
KPMG Asesores, S.L

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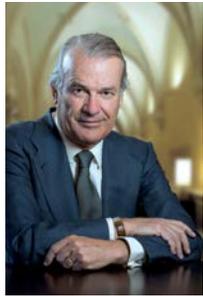
nh-hotels.com



OUR VISION:

One day, whenever anyone contemplates a trip to a city for an overnight stay or meeting, for business or pleasure, they will always ask themselves: “Is there an NH hotel at my destination?”

Dear shareholders



CHAIRMAN

I am pleased to present the 2013 Annual Report as part of our transparency commitment to all our shareholders, consumers, employees and society in general. Our intention with this report is to provide insight into our performance and showcase the value created from the economic, environmental and social dimensions in a year which marked a turning point in the Company's history.

Although it is still too early for the milestones achieved last year to have an impact on earnings, NH Hotel Group's strategic positioning has improved considerably since the start of the year, thanks to renewed financial health and a more flexible and favourable financing structure, on the one hand, and the potential implicit in the business plan being deployed in order to boost the Group's productivity, on the other.

Having increased the Company's liquidity and solvency by issuing equity to one of our main shareholders, HNA, while making progress on the asset restructuring effort, the Group successfully placed plain and convertible bond issues which, coupled with the new syndicated loan obtained, have articulated a borrowing structure in line with our business plans.

With the Company's financial equilibrium definitively restored and having secured the funds needed to tackle an ambitious and necessary five-year business plan - rollout of which is being meticulously executed - the Group's credibility improved substantially over the course of the year.

The achievement of all these milestones, the market's approval of the new strategy and decision-making agility, thanks to the renewed shareholder structure, have caught the interest of the investor community, which today sees NH Hotel Group as a leading international player.

This is the new NH: solvent, renovated and credible. All of which without wavering on its commitment to sustainability and solidarity, as is clearly shown in the initiatives undertaken on the corporate social responsibility front, which are outlined inside this report.

I would like to take this opportunity to thank our shareholders, partners and customers for their trust in the management team and in all our employees. I would like to specially congratulate our professionals for their hard work and their dedication to the transformation of NH Hotel Group.



Rodrigo Echenique Gordillo
Chairman of NH Hotel Group



CEO

2013 was a very important year for NH Hotel Group. After a profound analysis of the Company, we have defined a vision that marks the path to follow, who we are and the values that inspire us, clearly shaped by our passion for service. We have established our global operational promise to consumers, whether at an NH Collection, an NH Hotel, a nhw or an Hesperia.

All of this under the umbrella of a five-year business plan designed to overhaul the Company with a view to transforming it into an urban and business hotel group of reference at international level. This plan is the result of a clear and specific vision, which unites us all and that places the Company's focus on a common ambition, namely that one day, whenever anyone contemplates a trip to a city for an overnight stay or meeting, for business or pleasure, they will always ask themselves: "Is there an NH hotel at my destination?".

With this ambition guiding us, we set out to face the challenges of a business plan built around four major areas that include all the deliverables which the management team has committed to: revenue, margin improvement, growth and enhanced management and organisational capabilities. Each is supported by specific initiatives and rigorous methodologies which we are executing meticulously.

We are focused on increasing revenue growth and this entails a new value proposition, an improved guest experience, finding the right way of selling and communicating our promise and a portfolio of quality hotels that meet consumer expectations. Because we will only succeed if we win over their trust.

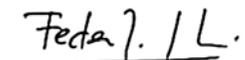
We have already embarked on this journey to fulfil our objectives. The fact that NH is back in action, with renewed energy and a solid plan for the future, has been greeted enthusiastically by the investment community.

We want to be a global company at all levels, a benchmark in our key operating markets, characterised by a consistent culture, a team of extraordinary professionals, efficient systems and unique solutions. We are beginning to leverage these strengths and the market will acknowledge this fact in the short term.

We have a great future ahead of us, a great brand and a group of professionals committed to delivering a superior and memorable experience. We are going to provide what we promise. When we tell consumers that we are passionate about service, they will sense it for themselves. When we tell them we are going to enhance their experience during their stay, they will experience it. And when we tell them we are going to make them feel special, they will feel special.

I would like to thank everyone who has trusted in the new NH for their enthusiasm and support. Together we are going to achieve that shareholders, investors and consumers alike always choose NH as their destination.

Many thanks,



Federico González Tejera
CEO of NH Hotel Group

CORPORATE GOVERNANCE

SHAREHOLDING STRUCTURE

SHARE CAPITAL 2013

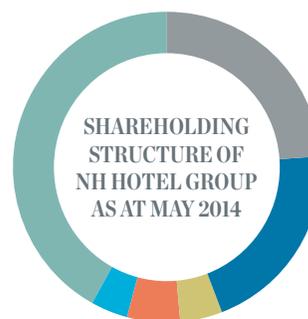
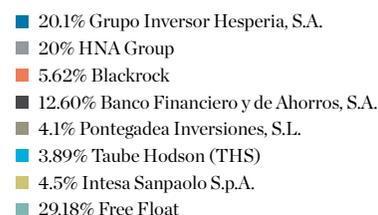
The share capital increase of NH Hotel Group, S.A. was completed on April 17th 2013. The Chinese group HNA became a new shareholder with a 20% shareholding in the Company's share capital. The capital increase (€123,308,716M) was fully subscribed and paid up through the issue and sale of a total of 61,654,358 ordinary shares with a par value of €2 each, i.e. a total disbursement in the amount of €234,286,560.40M.

As at December 31st 2013 and following the capital increase, the Company's share capital is divided into 308,271,788 bearer shares with a par value of €2 each, which have all been fully subscribed and paid up.

- In 2013 the Spanish financial institutions sold their entire share in NH Hotel Group, S.A. This was the case of Hoteles Participados, S.L., Ibercaja Banco, S.A. and Kutxa Bank.
- On January 17th 2014 Banco Financiero y de Ahorros, S.A. reported the sale of its entire share in NH Hotel Group, S.A. Pontegadea Inversiones, S.L. also sold its share (4.06%) in NH Hotel Group, S.A., effective January 24th 2014, to HNA Group Co. Limited, which now holds 24.059% of the Company.
- Following the sale by the financial institutions of their shares in the Company throughout in 2013, the existing Syndication Agreements gradually came to an end. Therefore, as at the date of writing, no Syndication Agreement remained in force.
- On April 15th 2014 NH Hotel Group signed an agreement with Intesa Sanpaolo, thereby acquiring the Italian company's share in NH Italia. As a result, NH Hotel Group now holds 100% of NH Italia. NH Italia manages the Group's hotel business in Italy and the United States, and operates hotels in Germany, the Netherlands and Belgium.

Through this operation Intesa Sanpaolo will have a larger interest in the shareholding structure of NH Hotel Group, increasing its share from 4.5% to 16%, in consideration of its 44.5% interest in NH Italia.

- As part of its transformation process, the NH Group decided to change the registered name of its holding company from NH Hoteles, S.A. to NH Hotel Group, S.A.



* Spain's Securities and Exchange Commission (CNMV), May 2014

No changes were made to our internal corporate governance rules in 2013. However, on March 26th 2014, the Board approved a new Internal Code of Ethics for Activities Conducted at the Securities and Exchange Commission. The new code includes, inter alia, a special protocol on the use and handling of sensitive information, which applies to all persons subject to the regulation. It sets forth strict security measures to prevent undue disclosure of sensitive information. Also on March 26th 2014, the Board of NH Hotel Group, S.A. agreed on a procedure regulating conflicts of interest and associated operations, which applies to the members of the Board and the senior management, as well as the Company.

BOARD OF DIRECTORS AND MANAGEMENT COMMITTEE

MEMBERS OF THE BOARD OF DIRECTORS AND
THE MANAGEMENT COMMITTEE
AS AT DECEMBER 31ST 2013

BOARD OF DIRECTORS

Chairman: Mr. Rodrigo Echenique Gordillo

Vice-Chairman: Mr. José Antonio Castro Sousa

CEO: Mr. Federico González Tejera

Members:

Mr. Charles Bromwell Mobus

Ms. Rosalba Casiraghi

Mr. Manuel Galarza Pont (representing Participaciones
y Cartera de Inversión, S.L.)

Mr. Carlos González Fernández

Mr. Francisco Javier Illa Ruiz

Mr. Ramón Lanau Viñals

Mr. Daoqi Liu

Mr. José María López-Elola González

Mr. Xianyi Mu

Mr. Gilles Pélisson

Mr. Octavio Sánchez Laguna (representing Abitaria
Consultoría y Gestión S.A.)

Please note, however, that in a meeting held on February 27th 2014 the Board decided to accept the resignation of Participaciones y Cartera de Inversión, S.A. and Abitaria Consultoría y Gestión, S.A., both representing our shareholder Banco Financiero y de Ahorros, S.A. This was the result of the sale of the entire share of the latter company in NH Hotel Group, S.A. At the same meeting the Board decided to accept Mr. Daoqi Liu's resignation, who was then replaced by Mr. Haibo Bai, prior consent of the Commission for Appointments and Compensations. Mr. Haibo Bai was appointed Director (representing an influential part of the share capital) in representation of HNA Group.



MANAGEMENT COMMITTEE

Mr. Federico González Tejera, CEO

Mr. Ramón Aragonés Marín, Chief Operations Officer

Mr. Ignacio Aranguren Gonzalez-Tarrío, Chief Assets & Development Officer

Mr. Íñigo Capell Arrieta, Chief Resources Officer

Mr. Roberto Chollet Ibarra, Chief Financial Officer

Ms. Rocío Escondrillas Labad, Chief Marketing Officer

Mr. Carlos Ulecia Palacios, General Counsel

NH HOTEL GROUP

PRESENCE

NH Hotel Group is the third most important European hotel chain in the business travel sector worldwide, the fifth largest in Europe and one of the top 25 hotel chains in the world. With **over 370 hotels** in prime locations and **almost 60,000 rooms**, NH Hotel Group is a European leader present in **27 countries**. The Group also has strong presence in America. The Company is present in the world's most important cities including Amsterdam, Barcelona, Berlin, Bogota, Brussels, Buenos Aires, Frankfurt, London, Madrid, Mexico D.F., Milan, New York, Paris, Rome and Vienna.

AMERICA

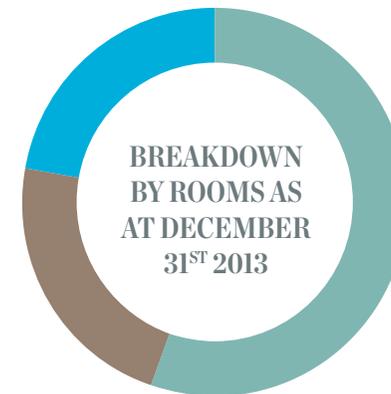
37 hotels
7,947 rooms
9 countries

EUROPE

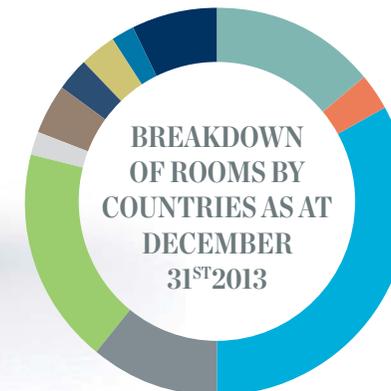
340 hotels
50,006 rooms
17 countries

AFRICA

2 hotels
242 rooms
1 country



- 53% Leased
- 24% Managed
- 23% Owned



- 33% Spain
- 18% Germany
- 14% Italy
- 11% The Netherlands
- 7% Others
- 4% Argentina
- 3% Belgium
- 3% Mexico
- 3% Dominican Republic
- 2% Austria
- 2% Venezuela



NH HOTEL GROUP PORTFOLIO BREAKDOWN AS AT DECEMBER 31ST 2013

	TOTAL		LEASED		OWNED		MANAGED		FRANCHISE	
	Hotels	Rooms	Hotels	Rooms	Hotels	Rooms	Hotels	Rooms	Hotels	Rooms
TOTAL NH HOTEL GROUP	379	58,195	211	30,966	82	13,352	77	13,156	9	721
EUROPE										
Spain	161	19,474	86	10,032	16	2,428	51	6,386	8	628
Germany	59	10,438	54	9,438	5	1,000	-	-	-	-
Italy	49	7,970	31	5,185	15	2,280	3	505	-	-
The Netherlands	35	6,509	16	2,441	17	3,520	2	548	-	-
Belgium	10	1,550	2	434	8	1,116	-	-	-	-
Austria	6	1,183	6	1,183	-	-	-	-	-	-
Switzerland	4	522	3	400	1	122	-	-	-	-
France	3	556	2	397	-	-	1	159	-	-
Czech Republic	2	579	-	-	-	-	2	579	-	-
United Kingdom	2	321	1	121	-	-	1	200	-	-
Portugal	2	165	2	165	-	-	-	-	-	-
Romania	2	161	1	83	-	-	1	78	-	-
Hungary	1	160	1	160	-	-	-	-	-	-
Luxembourg	1	148	1	148	-	-	-	-	-	-
Slovakia	1	117	-	-	-	-	1	117	-	-
Poland	1	93	-	-	-	-	-	-	1	93
Andorra	1	60	-	-	-	-	1	60	-	-
TOTAL EUROPE	340	50,006	206	30,187	62	10,466	63	8,632	9	721
AMERICA										
Argentina	13	2,049	-	-	11	1,524	2	525	-	-
Mexico	12	1,984	4	581	4	681	4	722	-	-
Dominican Republic	4	2,011	-	-	-	-	4	2,011	-	-
Venezuela	3	1,194	-	-	-	-	3	1,194	-	-
United States	1	242	-	-	1	242	-	-	-	-
Colombia	1	137	-	-	1	137	-	-	-	-
Uruguay	1	136	-	-	1	136	-	-	-	-
Chile	1	122	-	-	1	122	-	-	-	-
Haiti	1	72	-	-	-	-	1	72	-	-
TOTAL AMERICA	37	7,947	4	581	19	2,842	14	4,524	0	0
AFRICA										
South Africa	2	242	1	198	1	44	-	-	-	-
TOTAL AFRICA	2	242	1	198	1	44	0	0	-	-

RESULTS AND EVOLUTION 2013

A moderate rise in the Company's ratios was observed in 2013. In comparable terms, the average occupancy rate was 66.8% and average prices reached €76.6, resulting in a RevPar of €51.2. Therefore, the Group's consolidated RevPar grew 1.07% over the year as a whole.

Total recurring revenue (€1,280M) declined only slightly (-2.2%), as opposed to 2012, as a result of the deconsolidation of non-core hotels and changes in the regime under which other hotels were operated. The initiatives undertaken helped make up for a large part of the decrease in sales and increased recurring EBITDA. This metric gradually improved quarter after quarter, recording a 2.9% growth over the year as a whole, reaching €121.6M.

Finally the Group's consolidated net results improved by +86.4%, compared to those of the previous year, and accumulated losses from 2012 decreased by €252.3M. Strengthening of the financial structure started during the second quarter of the year, as did debt reduction, owing to HNA Group's equity injection (€234M). This trend continued in June with the sale of NH Grand Hotel Krasnapolsky (€142M), which nevertheless remains within the Group's portfolio under a management contract.

NH HOTEL GROUP RESULTS AS AT DECEMBER 31ST 2013

NH HOTEL GROUP - P&L ACCOUNT			
(€ million)	12M 2013	12M 2012	2013/2012
Hotel Revenues	1,266.0	1,288.0	(1.7%)
Real estate sales and other	14.9	22.1	(32.7%)
TOTAL REVENUES	1,280.8	1,310.1	(2.2%)
GROSS OPERATING PROFIT	398.1	411.1	(3.2%)
EBITDA	121.6	118.1	2.9%
EBIT	27.7	5.5	403.8%
EBT	(36.0)	(53.6)	32.9%
Recurring NET RESULT	(44.1)	(66.9)	34.1%
Non recurring EBITDA	21.3	(40.2)	153.0%
Other non recurring items	(17.0)	(185.0)	90.8%
NET RESULT including Non-Recurring activity	(39.8)	(292.1)	86.4%

REFINANCING PLAN

The refinancing of a large part of the Group's debt successfully culminated at the end of October 2013. The process ended with the issuance of the three financial instruments specifically selected to articulate the new financial structure:

- **Senior secured notes**
Simple, senior and secured notes in the amount of €250M, maturing within 6 years in November 2019, with a fixed rate coupon of 6.875%.
- **Convertible bonds**
Unsecured bonds convertible into or exchangeable for shares, at the holder's choice, in NH Hotel Group, S.A. in the amount of €250M, maturing within 5 years in November 2018, with a fixed rate coupon of 4% per annum. The conversion price for NH Hotel Group shares is established at €4.919 per share.
- **"Club Deal" financing**
New syndicated financing ("Club Deal") in the amount of €200M, maturing within 4 years in November 2017 (without prejudice to mandatory and voluntary repayments at an earlier date), with a variable interest rate equal to Euribor three months + 4%.

These operations amounting to €700M enabled the Company to fully repay the March 2012 syndicated loan and other financial obligations. This helped to reduce average financing costs and increased average terms. A new, more flexible financial structure emerged as a result, through which the Group can now have access to additional funds, including cash on hand, for investing up to €200M in the new strategic initiatives contemplated in its Business Plan.

The refinancing of the debt helped achieve the following goals: extending average terms by reducing financial expenditure; diversifying financing sources by reducing dependence on financial institutions; and lastly, aligning the repayment calendar to the initial investment phase of the new plan.

The refinancing of a large part of the Group's debt through the capital markets (fixed rate bond and bonds convertible into shares) led to several investor events and many individual and collective meetings with investors and shareholders in 2013.



ASSET MANAGEMENT

In 2013 the Company reduced its number of establishments by fourteen and twelve projects, which had already been signed and were about to open, were cancelled.

To make up for this, work focused on four new hotels: two enlargements and two planned openings for 2016.

HOTELS THAT LEFT THE GROUP IN 2013

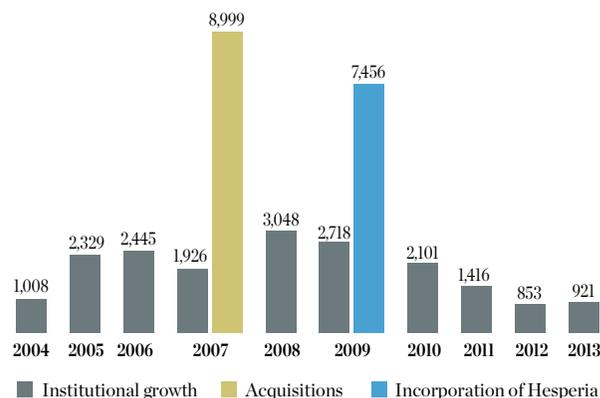
Hotels	City	Rooms
NH Abashiri	Valencia, Spain	168
NH Girona	Gerona, Spain	115
Hesperia Park Hotel Troya	Tenerife, Spain	318
NH Liberty	Messina, Italy	51
NH Royal Palace	Messina, Italy	103
NH La Perdiz	Jaen, Spain	81
NH Rincon de Pepe	Murcia, Spain	146
Hesperia Ferrol	Ferrol, Spain	95
NH Veracruz	Veracruz, Mexico	108
Hesperia Areatza	Areatza, Spain	65
NH Jardines del Turia	Valencia, Spain	112
NH Vicenza	Vicenza, Italy	115
NH Villacarlos	Valencia, Spain	51
NH Albar	Albacete, Spain	52
Total rooms		1,580

GROUP EXPANSION

All of our 2013 openings were oriented towards a model based on low investment commitments. In this way, 100% of the Group's openings for that year were made under management terms (including two new hotels and two enlargements), adding 921 new rooms to the Group's portfolio.

In 2013 the NH Hotel Group signed a lease contract in **Curitiba (Brazil)**, accounting for 180 rooms and expected opening date in 2016; a management contract in **Punta Cana (Dominican Republic)**, accounting for 750 rooms and opening date in November 2013; and another management contract in **Santiago de Chile**, accounting for 146 rooms and our first ever nhow hotel in Latin America, which is expected to open by the end of 2016.

PERFORMANCE OF OPENINGS AND INCORPORATIONS



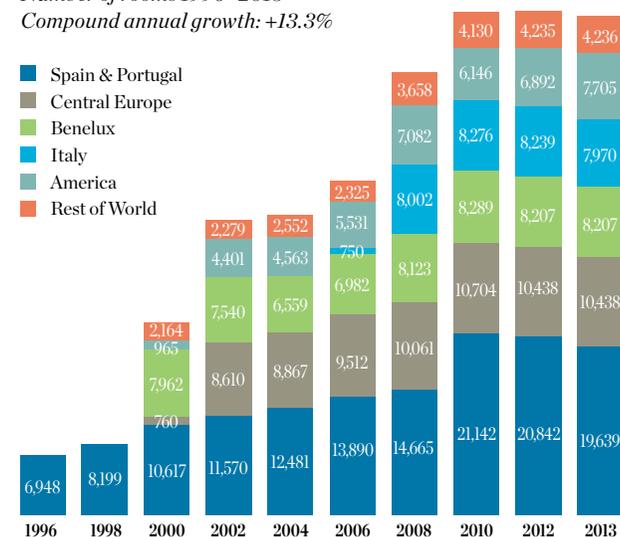
NEW OPENINGS AND ENLARGEMENTS 2013

Hotels	City	Country	Rooms
Hesperia WTC Valencia*	Valencia	Venezuela	47
NH Puebla*	Puebla	Mexico	52
NH Haití el Rancho	Puerto Príncipe	Haiti	72
Breathless Punta Cana	Punta Cana	Dominican Republic	750
Total new rooms			921

*Extension of existing hotels

ONGOING GROWTH

Number of rooms 1996- 2013
Compound annual growth: +13.3%



BUILDING THE NEW NH

NH Hotel Group is immersed in an ambitious transformation process in which the Company has defined the vision, beliefs and attributes on which the new NH is built.

OUR VISION

One day, whenever anyone contemplates a trip to a city for an overnight stay or meeting, for business or pleasure, they will always ask themselves: “Is there an NH hotel at my destination?”

This clear and specific vision is the approach guiding the performance and commitment of the people who form part of the Group. Our ambition is that NH becomes the consumers’ choice, rewarding their time with flawless service provided with passion, offering them memorable experiences, and making them feel special.

At the same time our vision seeks to turn the Group into the best choice for investors who wish to grow with us, with a global and flexible proposal, with motivated teams who are proud of what they do, with efficient management tools and unique solutions. The Company wants to offer its investors the best management opportunities with a top tier operator in the urban and business segments.

Above all our vision seeks to maximize returns for shareholders who place their trust in the NH Hotel Group, with the following goals in mind:

- Between 10 and 15% objective for return on capital employed (ROCE)
- Between 3 and 4 times net debt ratio on earnings before interest, taxes, depreciation and amortisation (EBITDA)
- Approximately €200M in EBITDA

NEW CULTURE

Always committed to customer service, the Group’s corporate culture has allowed it to differentiate itself within the sector since its establishment. In this sense, in 1978, NH created the “Fermin” concept, a character focused on commitment and innovation. In 2010, coinciding with the Group’s international expansion, the concept “NH Hoteles, eye for detail” was launched, including innovative values like sustainability.

Inspired by its vision, the new NH culture includes past and present, incorporates new beliefs defined in the five-year Strategic Plan, shows the trends of leading companies and includes the reflections of the Management Committee and the Company’s top 100.

The result is the identification of the beliefs that will guide the new NH Group’s day-to-day activities, fostering change and evolution from a management model to a leadership model.

This new culture is reflected in the **Company’s 8 Beliefs:**

1. WE ARE OBSESSED WITH DELIVERING MEMORABLE EXPERIENCES
 2. WE ARE PROUD TO SERVE
 3. WE STRIVE TO BE THE BEST, EVEN IF WE ARE NOT THE BIGGEST
 4. WE ARE ALL RESPONSIBLE FOR RESULTS
 5. WE CARE FOR OUR PEOPLE. OUR PEOPLE CARE FOR OUR GUESTS
 6. WE ARE ACTIVE IN THE COMMUNITIES WHERE WE LIVE
 7. WE ARE ‘YOUNG MINDED’
 8. WE ENJOY WHAT WE DO
- ... AND WE DO ALL THIS WITH A SMILE!

FIVE-YEAR STRATEGIC PLAN

The Board of Directors unanimously approved the five-year Strategic Plan. Developed in line with the Company's new vision, it guarantees a sustainable and profitable future.

After studying and analysing the Company's key strategic areas, four value creation levers were defined, focused on building the five-year Strategic Plan to transform the business model.

In this sense, the Group has defined and grouped together the initiatives that will allow it to improve profits and margins, increase expansion and provide access to the "facilitators" of NH Hotel Group's transformation through new strategies in sustainability, human resources and systems.

More specifically, these **four value drivers** can be divided as follows:

- 1. IMPROVE REVENUES:** through a **new customer value proposition** based on new brand architecture and experience, as well as new price positioning and increased investment in marketing. In addition, a **repositioning plan** has been designed with enough economic investment to proceed with portfolio segmentation and product renovation, thus increasing the value proposition and maximum ADR potential of the hotels. Furthermore, owned assets that are not in line with NH Hotel Group's new strategy have been sold; and additional assets have also been sold in order to finance this repositioning plan.
- 2. INCREASE MARGINS:** by reducing intermediary costs and indirect channel costs, as well as increasing direct online sales (website and mobile applications). In addition, **sales and pricing** (price-value) **strategy** and a market performance management strategy were designed. Furthermore, we have optimised support (commercial, administration...) and purchasing functions and have continued with the **leases adjustment plan**, including leases renegotiation.
- 3. GROWTH:** through an ambitious **expansion plan** into key markets and reinforcement of presence in Europe and Latin American with different products to compete within each segment (upper-up-scale, up-scale, mid-scale), supported by contracts and conditions of each country.
- 4. TRANSFORMATION ENABLERS:** through a **new Sustainability and Human Resources strategy**, and strong, **innovative IT plans** that will allow us to change business culture and make NH Hotel Group a global company.

24 INITIATIVES UNDER 4 VALUE DRIVERS

▲ REVENUES INCREASE	NEW VALUE PROPOSITION	<ul style="list-style-type: none"> • New Brand Architecture and Experience, new pricing strategy and increased investment in marketing
	PORTFOLIO OPTIMIZATION	<ul style="list-style-type: none"> • Repositioning Plan: €200-220 investment that will allow the portfolio segmentation and to refresh the product in order to increase the value proposal and to extract the full ADR potential of our hotels • Sale of own assets that do not fit either with the new product or NH strategy • Sale of additional assets to finance the repositioning plan
▲ MARGIN INCREASE	DIRECT SALES INCREASE	<ul style="list-style-type: none"> • Reduction of intermediation costs by increasing direct online sales (web site and mobile applications) and lowering the costs of indirect channel • Sales strategy (channels) and strategic pricing (prices-value) and yield management by market
	COST EFFICIENCY	<ul style="list-style-type: none"> • Optimization of support functions and purchases • Continue with the leases adjustment plan and leases renegotiation
GROWTH		<ul style="list-style-type: none"> • Organic expansion strengthening presence in Europe and Latam with different products to compete within each segment (upper-up-scale, up-scale, mid-scale) and with the contracts and conditions of each country
ENABLERS		<ul style="list-style-type: none"> • IT, Human Resources and Sustainability initiatives • Roll out a change in business culture to make NH a global company

THE NEW NH EXPERIENCE

NEW BRAND SEGMENTATION

As part of this transformation process, the Company has changed its name to **NH Hotel Group** and has reorganised the brand architecture as follows: **NH Hotels**, which includes the rest of the four and three-star city hotels; **NH Collection**, which includes the Company's Premium hotels; **nhow**, our disruptive brand; and **Hesperia Resorts**, the vacational brand.

nH | HOTEL GROUP



ALWAYS A PLEASURE

4 and 3 star urban hotels for those travelers who for business or leisure purposes are looking for an excellent location with the best value for money. With a warm and friendly service, we make sure that each guest makes the most of their stay, making it a memorable experience. We are their guide in the city.



NH COLLECTION

FEEL SPECIAL

NH Collection has hotels located in the main capital cities of Europe and Latin America. Hotels that surprise their guests by exceeding their expectations. These unique and authentic buildings maintain their local character and inspire our guests. We pay close attention to detail to achieve that special experience where we aim to surprise offering more than what the guest expects.

nhow

ELEVATE YOUR STAY

nhow is our most unconventional brand. Through a continuous disruption, sense of wow and constant change, each consumer experiences the brand in a different but always creative way. Each hotel is a unique creation. New forms of contemporary architecture, design, technology and smart luxury by prestigious architects and interior designers (Matteo Thun, Rem Koolhaas, Karim Rashid...).

Hesperia
RESORTS

PERFECT ESCAPES

Holiday resorts with a renewed concept of modern accommodation and customized service that is surprising at every level. Situated in stunning locations, they are the perfect choice for couples and families who need the ideal combination of rest and enjoyment. They offer a wide range of services and leisure activities.

NEW CUSTOMER VALUE PROPOSITION

NH Hotel Group has identified customers' needs and defined the experience for each one of its brands. The following principles of experience were derived from this analysis and set the Group apart from its competitors:

- **FEEL AT EASE:**
we want our customers to feel at ease with us, we want to be accessible and for this, we would like to offer them alternatives and styles that adapt to their way of life, working and interacting.
- **FEEL THE PLACE:**
we want our customers to connect with the city, to become familiar with everything that will make their stay more enjoyable.
- **FEEL SPECIAL:**
we want our customers to feel special, to surprise them with generosity and spontaneity, with details that help them enjoy this custom-tailored attention.
- **"BRILLIANT BASICS":**
we work to ensure guests have a memorable experience when they visit our hotels, improving our relationship with them and striving to make them feel special while exceeding their expectations.





NH Príncipe de Vergara - Madrid, Spain

NH Parma - Parma, Italy



NH Tango - Buenos Aires, Argentina



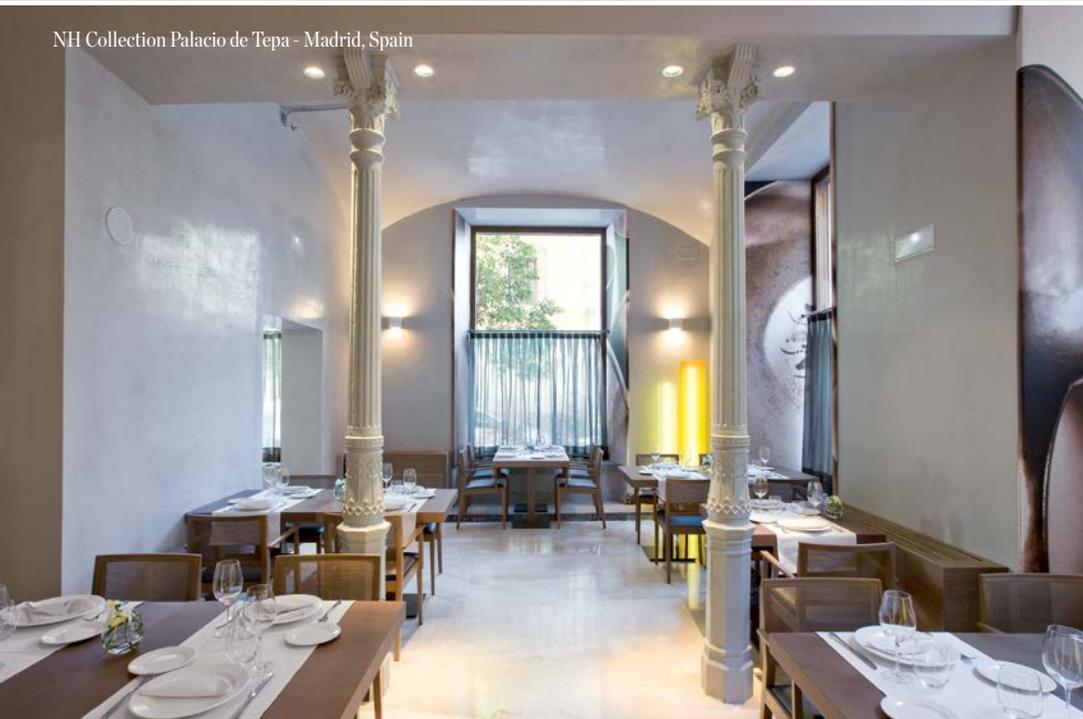
NH COLLECTION



NH Collection Porta Rossa - Florence, Italy



NH Collection Constanza - Barcelona, Spain



NH Collection Palacio de Tepa - Madrid, Spain



NH Collection Olomuc - Olomuc, Czech Republic

nhow



nhow Milano - Milan, Italy



nhow Rotterdam - Rotterdam, The Netherlands



nhow Berlin - Berlin, Germany



nhow Milano - Milan, Italy



Hesperia Lanzarote - Lanzarote, Spain



Hesperia Lanzarote - Lanzarote, Spain



GLOBAL OPERATIONAL PROMISE

Customer satisfaction is one of the priorities for NH Hotel Group. This is the reason why we work under an **operational and service promise**, focused on maintaining the highest quality and innovation standards with transparency in all actions, while guaranteeing service excellence in order to exceed customer expectations.



ALWAYS A PLEASURE

1. ALWAYS YES
2. BRILLIANT BASICS (BED, SHOWER, AMENITIES)
3. EASY FREE WIFI
4. WORLD FAMOUS NH BREAKFAST
5. FOOD SOLUTIONS AND ADVICE AT ANY TIME
6. ALL YOU NEED AND WANT
7. PERFECT LAUNDRY
8. LAZY SUNDAYS
9. PERFECT FIT
10. LEADING ECO-EFFICIENCY



NH COLLECTION

FEEL SPECIAL

1. ALWAYS YES AND ONE STEP AHEAD
2. EXTRAORDINARY BRILLIANT BASICS
3. EASY HIGH SPEED WIFI
4. WORLD FAMOUS NH COLLECTION BREAKFAST
5. HEALTHY AND TASTY FOOD AT ANY TIME
6. BEYOND ALL YOU NEED AND WANT
7. PERFECT AND EXPRESS LAUNDRY
8. LAZY SUNDAYS
9. WORLD-CLASS FITNESS AREA
10. LEADING ECO-EFFICIENCY



1. ALWAYS YES
2. BRILLIANT BASICS
3. EASY FREE WIFI
4. AMBASSADOR SERVICE
5. SPECIALISED ADVISORY SERVICE
6. PERSONALISED PROFESSIONAL RESPONSE
7. TEMPTING BREAKS
8. ECO-FRIENDLY MEETINGS



REPOSITIONING PLAN

NH Hotel Group plans on investing over €200M on implementing a thorough **refurbishment and modernisation programme** in the Company's most important hotels. This repositioning is the key to obtaining better customer evaluations, as well as increasing ADR.

During the first phase, to be implemented during the next two years, **over €50M will be invested** for the refurbishment of 37 strategic hotels around the world, undertaking partial refurbishment schemes and maintenance in most of the Group's assets.

In addition, the Group aims **to enhance the quality of its portfolio** by including new hotels in strategic markets over the next five years. The addition of these new establishments will offset the exit of hotels with low profit margins that do not fit within the new brand structure.

REPOSITIONING

Apart from the preliminary focus on assets in which the Group will invest during the five year Strategic Plan, partial strategic investments have been made, including the **NH Eurobuilding Collection**. We will progressively invest €24.9M in this asset, although investment in the guest rooms was undertaken during 2013. At the end of 2013 refurbishment works also started at the NH Grand Hotel Krasnapolsky, another flagship of the Company and probably the best-known hotel in The Netherlands.

Other assets refurbished during this time include, in Spain, the NH Embajada (**NH Alonso Martínez** since May 2014) and the **NH Collection Amistad in Cordoba**, where the guest rooms were partially refurbished.

In addition, the Business Unit Benelux boasts the new member of the **nhow** brand located in **Rotterdam**, in the emblematic building designed by Rem Koolhaas. This is a unique hotel that communicates the brand's spirit. The establishment's interior was also designed by Koolhaas, winner of the Pritzker Award, considered the Nobel Prize in architecture, and maintains the brand's contemporary spirit.

BRILLIANT BASICS

The scope of Brilliant Basics was defined in the Strategic Plan in 2013. **Brilliant Basics** are the fundamental equipment in our hotels that allow us to define a **quality and comfort standard** for our guests. These accessories and equipment comprise a total investment that exceeds €10M for all the business units, allowing our guests to enjoy them in any of our hotels depending on its category.

Examples of this equipment include the new bed concept, rainfall showerheads, large flat screen televisions, professional hair dryers and shaving mirrors.

EXTERIOR SIGNAGE

The new exterior signage (access signs, entrance signs, totem signs, rugs, vinyl adhesives on windows and doors, etc.) will be implemented during 2014 in approximately 200 hotels across all business units. The rest of the hotels will incorporate the new signage during 2015 in line with the repositioning plan.



▲ Amenities NH Collection

NH Collection Jousten
Buenos Aires, Argentina ▼



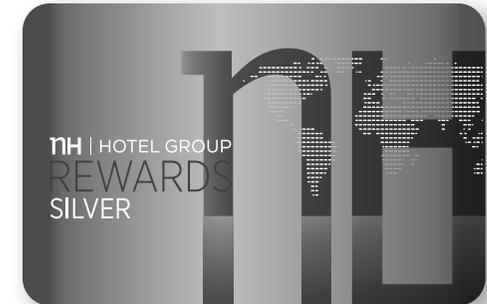
NH HOTEL GROUP REWARDS

The Company has re-launched its customer loyalty programme, NH Hotel Group Rewards, which is one of the strategic pillars of the Group's new differential value proposition. The programme is focused on acknowledging, rewarding and surprising loyal customers. Customers accumulate points they can exchange for free nights or discounts and they also have access to special rates, promotions and exclusive gifts. The programme currently has **over three million members**.

	2011	2012	2013	2014	2015
NH Rewards members	2,130,066	2,601,187	3,245,817	4,300,000	5,100,000

NEW "NH-HOTELS.COM" COMMERCIAL WEBSITE

The Company is committed to the development of an innovative e-commerce platform in order to increase sales through this direct channel, offering customisation possibilities, high-quality content, additional advantages for members of the loyalty programme and excellent usability. To date, **30 million people** have visited the website.



EXCELLENCE IN QUALITY

NH Hotel Group is focused on developing a culture of quality that fosters permanent striving toward excellence; facilitating processes, maintaining transparency in all actions, strengthening bonds with customers while guaranteeing quality of service and innovation.

QUALITY FOCUS

Through the Company's **Quality Management System**, Quality Focus, service and quality have become two of the Group's strategic aspects, giving NH Hotel Group a competitive edge in the market. In 2013, there were 228 internal visits made to the hotels, action plans were defined for each hotel and more than 90 training sessions were completed. In addition, over 450 audits were completed using the Mystery Guest method.

VALORACIÓN GLOBAL DE NH HOTEL GROUP	2012	2013	DIF.
General satisfaction (*)	8.1 (from 0 to 10)	8.2 (from 0 to 10)	+ 0.1
Value for money	7.7	7.8	+ 0.1
No. Surveys	89,985	135,471	+ 45,486
No. Evaluations (NH Surveys + external pages)	229,809	302,918	+ 73,109

(*) Includes the scores from NH Hotel Group internal surveys and external pages.

CONSOLIDATION OF QUALITY FOCUS

Quality Focus On-line is a comprehensive web tool capable of compiling all the opinions and reviews that exist on Internet about the quality of NH Hotel Group and its competition, obtaining reliable and updated statistics about customer satisfaction. In 2013, the tool was consolidated because access and all functions were made available to hotel managers, and generic access was granted to all hotel employees.

CUSTOMER SERVICE

Over 25,000 customers who requested it were contacted in 2013, either through the Customer Service department or the satisfaction survey. As a new feature this year, 21.3% of those who completed a satisfaction survey received a personal response directly from hotel management. This allowed contact with customers to be more direct and transparent, while increasing their loyalty and surprising them (4,565 total contacts).

NEW SERVICES

Wifree

As a response to customer requests, basic WIFI service is available for free in all rooms since 2012. Thanks to our commitment to innovation and after listening to suggestions for improving service, the speed of the free WIFI in all rooms will be quadrupled in 2014. In the case of NH Collection hotels, the speed will be eight times faster.

For these improvements, €1.5M will be invested in new technologies. Among other advantages, this will allow more customers to access Internet at the same time without losing quality in the connection and will also simplify access to the service because customers who've already stayed at one of the Group's hotels will be automatically connected when they return.

THE FIVE BEST RATED HOTELS

NH Collection Olomouc
(Olomouc, Czech Republic) **9.3**

NH Collection Guadalajara
(Guadalajara, Mexico) **9.2**

NH Dresden Altmarkt
(Dresden, Germany) **9.2**

NH Gate One
(Bratislava, Slovakia) **9.1**

NH Gran Casino de Extremadura
(Badajoz, Spain) **9.1**

Selected by travellers thanks to their excellent customer service, prime location and optimum value for money.



OUR SUSTAINABLE COMMITMENT

The Company is working to comply with its commitment to integrate responsible business management within the economic, social and environmental scopes, focused on becoming a reference company in **Corporate Responsibility** in the tourism sector.

RELATIONSHIP WITH STAKEHOLDERS

The Company promotes multiple channels for dialogue and responds to the different needs and challenges that arise.

2013	SHAREHOLDERS	CUSTOMERS	EMPLOYEES	SUPPLIERS	ENVIRONMENT	SOCIETY
Specific corporate Webs	•	•	•	•	•	•
Customer satisfaction surveys	•	•				
Market study	•	•				
Meetings and seminars	•	•	•	•	•	•
Participation in events and forums	•	•	•	•	•	•
Communications and publication of information	•	•	•	•	•	•
Highlights of 2013	Presence FTSE4Good	Brand redefinition Repositioning plan NH Hotel Group Rewards Customer opinions	New NH Training Corporate Volunteering	Responsible purchases (Rate of disabled collaborators 7.06)	New Sustainability Plan GBTA Award	Alliances and social projects

This report is the eighth edition of NH Hotel Group Corporate Social Responsibility Report, published annually since 2006, which reflects the evolution and consolidation of this responsible approach as a strategic pillar of corporate governance. Once again, in 2013 it has achieved an application level of **A+** from the reporting standard of **Global Reporting Initiative (GRI)**.

NH HOTEL GROUP CODE OF CONDUCT

All NH Hotel Group employees, Board members, shareholders and suppliers must comply with a Code of Conduct implemented by the Company in 2011. For the dissemination of the Code of Conduct among employees, there is a **Practical Guide** available on the intranet that details the rules and values of the Code in a didactical manner, as well as a **Frequently Asked Questions** section that includes aspects such as compliance, confidentiality when processing complaints and the anonymity of the channel.

In 2013, we have continued to implement and disseminate the Code with the launching of **an online training**. A total of 709 employees completed the training course in 2013.

GLOBAL FRAMEWORK

UNITED NATIONS GLOBAL COMPACT

In 2006, NH Hotel Group adhered to the United Nations Global Compact and its ten principles as a reference framework for designing Corporate Responsibility strategy and management. In addition, the current Code of Conduct incorporates compliance with international and sectorial ethical commitments that include the Compact's ten principles.

The Annual Progress Report was presented in 2013, like each year, through a public letter signed by NH Hotel Group CEO highlighting the initiatives and results achieved during the year.

SOCIALLY RESPONSIBLE INVESTMENT (SRI)

PRESENCE IN FTSE4GOOD

The Socially Responsible Investing index, **FTSE4Good**, was created by the London Stock Exchange and is designed to help investors integrate environmental, social and governance (ESG) factors in their investments. In March 2013, the index announced the addition of 20 new international companies and NH Hotel Group was the **only Spanish company in the sector** to be included in the semi-annual review.



FTSE4Good

CARBON DISCLOSURE PROJECT (CDP)

In 2013 and for the fourth consecutive year, NH Hotel Group has reported to the Carbon Disclosure Project (CDP), an independent non-profit organisation that analyses companies' environmental performance and whose indicators are consulted by various stakeholders.

INITIATIVES AND ALLIANCES

INTERNATIONAL TOURISM PARTNERSHIP (ITP) (GLOBAL).

Global platform that brings together the leaders in sustainability in the tourism sector. NH Hotel Group participated in the following projects in 2013:



- **Youth Career Initiative.** NH Hotel Group participates in this alliance in Mexico D.F. focused on professional training and development of disadvantaged young people.
- **Hotel Carbon Measurement Initiative (HCMI).** Co-developers, along with 23 of the leading international hotel chains, of this methodology to calculate and standardise carbon emissions.

SUSTAINABLE EXCELLENCE CLUB (SPAIN)

A business association comprised of 22 companies that promote sustainable growth. It has joint working groups on corporate responsibility, sustainability, environment, communications and reputation, purchasing, human resources, ICT and corporate governance.



JUNTOS POR EL EMPLEO (TOGETHER FOR EMPLOYMENT- SPAIN)

Commitment to improve the employability of Spanish society's most vulnerable groups, promoting collaboration between the public and business sectors and third sector organisations. It is led by the Accenture Foundation, Fundación Compromiso Empresarial and the SERES Foundation. This initiative is focused on sharing, integrating individual initiatives and developing key projects to work together in order to achieve a collective impact.

CERVANTES INSTITUTE (GLOBAL)

In 2013, NH Hotel Group renewed its agreement with the Cervantes Institute and is the only hotel group to be part of the institute's Circle of Friends. This agreement is focused on promoting Spain around the world and giving both parties international visibility, allowing for increased dissemination of the Company's cultural values.



EMPLOYEES

NH Hotel Group is also committed to creating quality employment in an environment that fosters training, professional development and cultural diversity, under equal opportunities and rights.

STAFF IN 2013

The average number of employees in 2013 was **18,889**, a 0.4% increase over 2012. All the business units have registered a decline in number of employees, except Business Unit America, which has increased staff by 9.9% and Business Unit Central Europe with a 7.7% increase.

EMPLOYEES PER BUSINESS UNIT

	2012	2013	DIFF. (%)
BU Spain & Portugal, Headquarters, Sotogrande	6,538	6,194	-5.3
BU Central Europe	3,680	3,964	7.7
BU Benelux, UK, France and Africa	2,748	2,752	0.1
BU Italy	2,421	2,209	-8.8
BU America	3,430	3,770	9.9
Total	18,817	18,889	0.4

**Data obtained from FTEs (Full Time Equivalents) for all types of contracts (open-ended, temporary, extras, temporary employment agencies...) considering comparable, non-comparable and managed hotels.*

Open-ended contracts 2013 FTEs	10,426	55.9%
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EMPLOYEE TURNOVER

The current economic circumstances have led to an employee turnover rate of 3.54%, where 0.75% corresponds to voluntary turnover and 2.79% to involuntary turnover.

Business Unit	% TURNOVER						Total
	Involuntary			Voluntary			
	Women	Men	Total	Women	Men	Total	
BU Spain & Portugal y HQ	2.82	1.79	4.61	0.28	0.25	0.53	5.14
BU Benelux, UK, France & Africa	1.27	0.85	2.12	0.77	0.55	1.32	3.44
BU Central Europe	0.49	0.50	1.00	0.91	0.72	1.63	2.62
BU Italy	1.48	1.27	2.75	0.22	0.31	0.53	3.28
BU America	0.71	1.02	1.74	0.08	0.10	0.18	1.92
Total	1.58	1.21	2.79	0.41	0.34	0.75	3.54

Due to slight modifications in the calculation methodology, the turnover rate for 2013 is not comparable to the 2012 rate.

DIVERSITY MANAGEMENT

NH Hotel Group has a diverse workforce comprised of 15,105 employees (open-ended and temporary contracts) from **141 countries**, of which 14.6% work in countries other than their country of origin. 48.4% of the total NH Hotel Group workforce corresponds to women, who occupy 48% of management positions. This figure increases in Spain, where **49.5%** hold management positions.

WORKFORCE DIVERSITY

	2012	2013
Number of employees*	15,780	15,105
% Immigrants	15.3%	14.6%
% Women	49.1%	48.4%

**Figures obtained from number of employees (Full Time Equivalents) with open-ended + temporary contracts*

In 2013 and along with other leading Spanish companies, NH Hotel Group signed an agreement with the Spanish Ministry of Health, Social Services and Equality to achieve 20% women in management positions, or to increase their presence by five percentage points.

AGE PYRAMID

AGE*	2012 (%)	2013 (%)
Under 25 years old	15.9	15.9
25-40 years old	48.6	49.4
Over 40 years old	35.5	34.7

**Data refers to employees with open-ended and temporary contracts*

HIRING DISABLED PEOPLE IN SPAIN AND RESPONSIBLE PURCHASING

In 2013, the hiring quota for disabled people in Spain reached **7.06%** including direct hiring and responsible purchases made to Special Employment Centres as suppliers of different services, particularly FLISA and Icaria thanks to their social commitment.

THE NEW NH FIVE-YEAR STRATEGIC PLAN

The Human Resources department is committed to facilitating the successful implementation of the five-year strategic plan throughout the organisation. This is achieved through initiatives that strengthen the values and beliefs on which the corporate culture is based. In addition, inspiring and energising leadership is fostered and participates in active listening in order to promote the transformation and development of its teams. Furthermore, the Group promotes connection, innovation and collaboration beyond geographical and cultural boundaries; contributing day to day to build a significant experience for all employees through the creation of a work places and methods that evolve and adapt to different needs and goals.



INTERNAL COMMUNICATION

INTERNAL COMMUNICATION CHANNELS

In order to continue fostering the exchange of information with its employees, the Company promotes various communication channels that disseminate information about internal programmes and initiatives. New for 2013, videos have been included as an interesting channel to communicate important company news.

In addition, Business Unit Spain, Portugal and Andorra and Business Unit Benelux publish local newsletters, **TU RED 2.0** and **Bulletin** respectively, to provide information about important news occurring in each of them.

WELL-BEING PROGRAMMES

NH Hotel Group promotes healthy lifestyles and teamwork among its employees through sports and well-being initiatives. **NH Runners** is one of these initiatives, carried out in Madrid, Valencia, Palma de Mallorca, Barcelona and Milan. In the Business Unit Benelux, a group of employees has participated six times in the **Alpe d'Huez** bicycle ascent in the French Alps to raise funds for the fight against cancer. In addition, the first **Paddle Tennis Tournament** between employees from the Corporate Office and the Business Unit Office in Spain was held this year.

SOCIAL MEDIA

In 2013, the “**Be an NH blogger!**” initiative was launched to provide employees with the opportunity to share their experiences and ideas on NH Hotel Group social networks. In addition, a programme to attract the best talents through local social networks was launched in Germany and Austria

NH HOTEL GROUP RECOGNITION PROGRAMMES

These programmes recognise employees for their extraordinary work by awarding points they can exchange in hotels and restaurants, encouraging them to travel and enjoy the Group's destinations. Six programmes were developed in 2013 and **196,942** points were awarded (€196,942).

LOYALTY PROGRAMME: INCENTIVES PLAN

An incentives plan was created in 2013 focused on increasing the number of customers in the database and the number of new members in the NH Hotel Rewards loyalty programme. Depending on the achievement of these objectives, the hotels are awarded a certain amount of points that are distributed among the employees.

SOCIAL BENEFITS

FLEXIBLE REMUNERATION PLAN

Implemented since 2011, the plan aims to maximise net remuneration of employees in Central Services, the Business Unit Spain offices and hotel managers. NH Hotel Group offers medical insurance, food vouchers, day-care vouchers, transportation vouchers and Internet at home. New products were implemented in 2013 including group savings insurance and Stock Bonus.

NH INTERNATIONAL MOBILITY POLICY

This policy governs the international mobility of employees and determines the two types of assignation, short and long term. In addition, NH Hotel Group offers indefinite international transfers. In these cases, it is the employee who applies for the international position, not considered traditional overseas posting. The concept of the global employee is also fostered, employees who are part of a Business Unit's Corporate or Headquarter Services although they reside in another country.

SPECIAL OFFERS FOR EMPLOYEES

EMPLOYEE RATES AND AMIGO SOLIDARIO VOUCHER

Employees enjoy discounted rates of €36 + VAT at almost any NH hotel and a 50% discount off the BAR (Best Available Rate) in the Company's top hotels, as well as a 30% discount on products and services. In 2013, employees stayed in the Group's hotels for a total of **48,615 nights**. For employees' friends and family, the Group offers the Amigo Solidario Voucher with special rates. In 2013, these vouchers accounted for a total of **130,083 nights**.



▲ NH Hotel Group employees ▼



NH UNIVERSITY

Through NH University, **247 training programmes** have been implemented, distributed into **1,720 campus sessions** and with a total of 27,019 participants, an increase of 9% over 2012. Training hours per employee also increased 15% over 2012.

The students received an average of 16 hours of campus training sessions and 3.5 hours of online sessions. The total number of hours of training in 2013 was **138,602**, with a total investment of €907,796.

Internal training accounted for 59% of the total hours, with a total of 342 internal trainers this year.

NH UNIVERSITY HIGHLIGHTS 2013

New NH Training

NH University plays a key role in the dissemination of the Group's five-year Strategic Plan, new vision and core values among employees. A training plan is designed specifically for this purpose, transmitting the new corporate identity, the behaviour and necessary procedures that guide the day-to-day business of the New NH.

In addition, in 2013, NH University focused its activity on providing training to two groups that play key roles in the Company's transformation process:

Hotel Managers

- **New Heights (Global)**

For the second consecutive year, a new edition of this programme, focused on hotel managers, was held. This time, the main theme was the commercial aspect of managers' roles and exceptional trainers were in charge of the sessions: the Operations Director and the Regional Operations Directors, along with the Commercial Director and Sales Directors, of each Business Unit. A **New Heights Exclusive** edition was also held for the managers of hotels that received the highest ratings in the "Time For You" performance management system. Last, a new initiative was implemented concerning the concept of leadership, geared towards the Operations teams of the different Business Units.

- **Avanzare e Sostenere (BU Italy)**

Using the world of rugby as a reference, hotel managers attended training sessions based on values like responsibility, capacity to surprise, simplicity, trust, teamwork and communication.



Sales Teams

- **Expansion of the Commercial Strategy meeting (BU Italy)**

Training programme for Sales, Meetings & Events and Revenue employees focused on reinforcing skills like teamwork, communication, customer experience and responsibility, among others. This was a two-day course with 120 participants.

- **Sales Certification Programme (BU Central Europe)**

Training programme to promote talent and foster the development of personal networks imparted by experts in the fields of sales and tourism and including the following topics: large accounts management, effective negotiation, sales in the travel sector, coaching, teamwork, etc. With three different certification levels (Junior, Senior and Team Manager), the students needed approximately 18 months to go from one level to another. In total, 69 participants received 1,104 hours of training.

OTHER TRAINING HIGHLIGHTS

NH KNOWLEDGE MANAGEMENT

The Knowledge Management programme has consolidated itself each year in all Business Units and represents 4% of the total of training hours, including new training sessions in the catalogue. We have continued organising "Working Breakfasts" in the Corporate Office and other Business Units, like Italy.

TALENT MANAGEMENT TRAINING (BU BENELUX, UK, FRANCE & AFRICA)

This course is focused on detecting, identifying and developing talent, both in employees and within the organisation. Twelve workshops with a total of 108 participants were organised for the identification and selection process and in order to obtain information about their skills.

EMERGENCY TRAINING (BU SPAIN, PORTUGAL & ANDORRA)

Continuing with the project begun in 2012, this training initiative was comprised of 22 campus sessions to acquire the skills necessary to respond to emergency situations and were developed in the Business Unit Spain. Furthermore, 30 emergency simulations were carried out in different hotels. The project is a significant step towards improving the safety of employees and customers.

PERFORMANCE MANAGEMENT: TIME FOR YOU (TFY)

The Time For You (TFY) performance management system, developed for the third consecutive year, showed similar levels of employee participation in 2013.

Of all those evaluated, only 13% obtained the category of Excellent and 58% of these were women.



SUPPLIERS

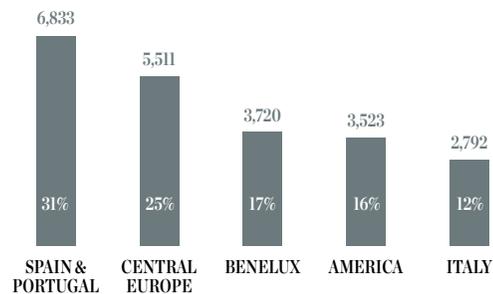
NH Hotel Group believes its suppliers are key partners in the consolidation of the commitment to develop **sustainable and innovative solutions**. The Company is convinced of the value of promoting a close, accessible and solid relationship with its partners and makes every effort to optimise resources and implement tools that facilitate the Company bilateral communication.

OUR SUPPLIERS

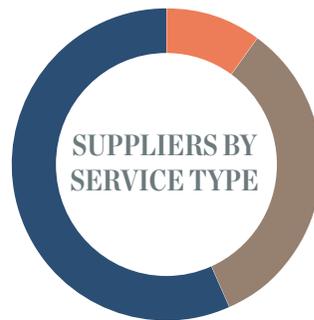
During 2013, NH Hotel Group worked with a total of **22,379 national and international suppliers**, with an annual purchasing volume (cost + investment) of €408.4M. 96% of this volume accounts for the European Business Units.

One of the principles of the Corporate Procurement Policy is to offer **equal opportunities and promote local purchasing** in every region the Company operates. In 2013, the local purchasing volume represented 87% of approved purchases. By supplier type, 78.7% is included in operational costs and services, which is 65.42% of the total volume of invoiced purchases.

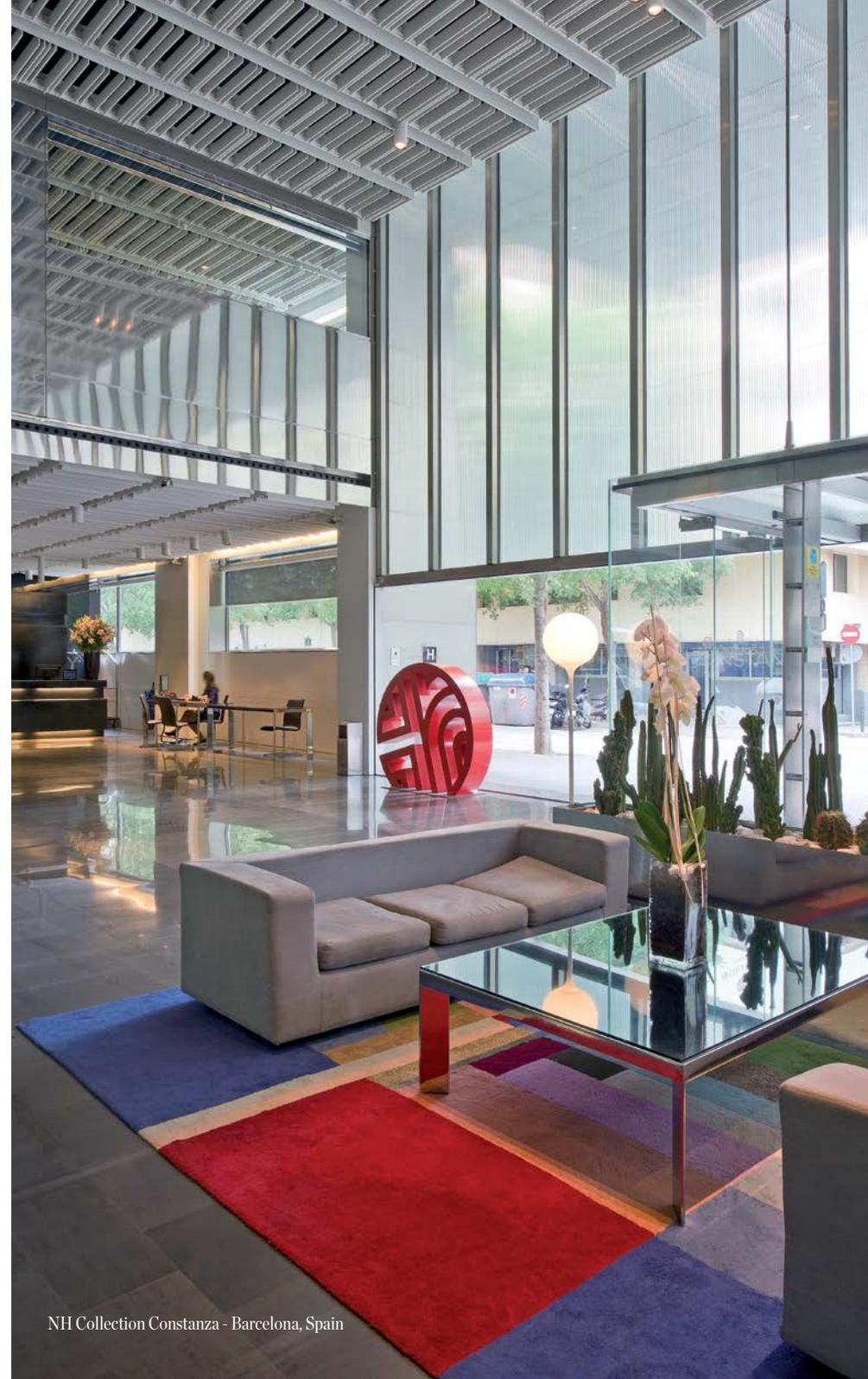
SUPPLIERS BY BU



- 28% BU Spain & Portugal
- 23% BU Central Europe
- 20% BU Benelux, UK, France & Africa
- 17% BU Italy
- 8% Corporate
- 4% BU America



- 28% BU Spain & Portugal
- 23% BU Central Europe
- 20% BU Benelux, UK, France & Africa



NH Collection Constanza - Barcelona, Spain

FIVE-YEAR STRATEGIC PLAN

The Procurement Department's goals include the internationalisation of its central purchasing platform (Coperama), the optimisation of cost control through an increase in capture ratio, negotiation of new purchasing categories and the complete implementation of Click & Buy, as well as SAP integration. In addition, in 2013 the e-sourcing platform was fully implemented in all Business Units.

COMPLIANCE WITH THE CODE OF CONDUCT

The NH Code of Conduct has been included in every approved supply contract signed by the Purchasing Department since 2012. It includes an acceptance clause in the selection phase for suppliers who are approved for participation in the next stages of adjudication, as exclusion criterion. In 2013, 173 codes were signed, reaching an aggregated figure of **1,391 signed codes**.

ENVIRONMENTAL COMMITMENT

The Purchasing Department uses an extensive questionnaire in the supplier selection process that is automatically evaluated depending on the suppliers' environmental commitments and policies. This questionnaire is part of the global evaluation within the supplier approval process.

COPERAMA, THE FIRST PROCUREMENT PLATFORM IN THE SECTOR

Coperama continues growing as a procurement platform with the addition of 159 new customer establishments and expanding the purchase areas covered by contracts with suppliers. Thus, in 2013 we've added the FF&E area (Furniture, Fixtures and Equipment) to the already existing F&B (Food and Beverage) and OSE (Operating Supplies and Expenses) areas. The platform now has 338 suppliers with signed contracts. At the closing of the 2013 fiscal year, Coperama had **500 establishments**: 452 hotels, 45 restaurants and 3 collectives.

CONSOLIDATION OF THE E-SOURCING PLATFORM

This platform is a clear commitment to innovation, equal opportunity and transparency, contributing to an increase in standardised procedures and the unification of evaluation criteria. During the first year it was implemented, a total of **2,475 suppliers from 22 different countries** were registered. During the second half of the year, 75.86% of all negotiations were completed through the platform and 13 e-auctions were held.

SAP MATERIAL MANAGEMENT

The implementation of **SAP MM (Material Management)**, a comprehensive P2P (Procure to Pay) process management system, through an approved and improved hotel template, allows for increased efficiency and effectiveness in operations.

In 2013, there was a significant increase in the number of electronic invoices, both in Spain and Italy; from 48,843 invoices in 2012 to 68,073 invoices in 2013, which constitutes an increase of 39.4%. In January 2014, implementation of SAP MM was finalised in hotels in Spain and in Corporate Offices.

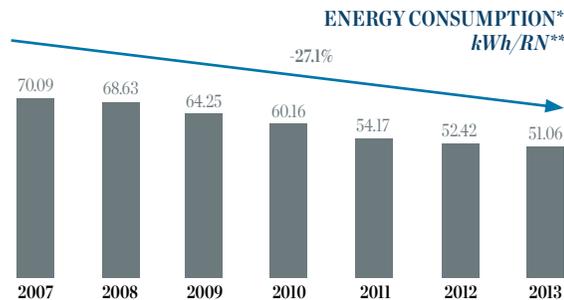


ENVIRONMENT

The Company's sustainability strategy included in the five year Strategic Plan contemplates not only energy efficiency and best environmental practices in all activities, but also constant innovation focused on surprising customers, caring for people and the destinations we share.

Thanks to important measures included in the **2008-2012 Environmental Plan**, NH Hotel Group saved over **€35M**, exceeding our targets. From 2008 to the present, the Company's carbon footprint has been reduced by **60.1%**, energy consumption by **27.1%** and water consumption by **31.2%**. At the beginning of 2013, NH Hotel Group began reporting energy consumption, water usage and carbon footprint ratios based on room/night criteria. (Up to 2012, reporting was based on guest/night).

ENERGY CONSUMPTION OF COMPARABLE HOTELS



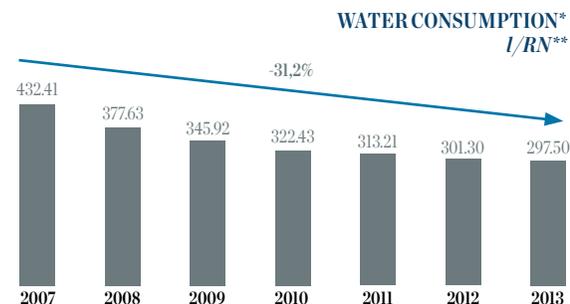
* Energy consumption data extracted from invoices and meters. Energy and water consumption data according to comparability criteria defined by the Company. Percentage of comparable hotels 2012-2013 in energy and emissions: 82%. Resorts are considered a sole category given their unique features and treatment of this data is carried out independently.
** Ratios are kWh hour/room and night

Business Unit	Energy consumption kWh 2012	Energy consumption kWh 2013	Diff.	Consumption ratio (kWh/RN*) 2012	Consumption ratio (kWh/RN) 2013	Diff.
BU America	51,753,317	51,735,149	0.0%	60.00	56.21	-6.3%
BU Benelux, UK, France & Africa	79,615,397	79,206,673	-0.5%	72.25	70.52	-2.4%
BU Central Europe	148,781,682	152,041,730	2.2%	48.06	46.88	-2.5%
BU Italy	100,460,194	99,377,835	-1.1%	61.65	58.39	-5.3%
BU Spain, Portugal & Andorra	181,943,520	182,535,492	0.3%	51.93	52.05	0.2%
Total	562,554,110	564,896,879	0.4%	52.42	51.06	-2.6%
BU Resorts**	26,745,125	25,860,729	-3.3%	49.67	45.63	-8.1%

* RN: room and night

** Resorts are considered a sole category given their unique features and treatment of this data is carried out independently.

WATER CONSUMPTION IN COMPARABLE HOTELS



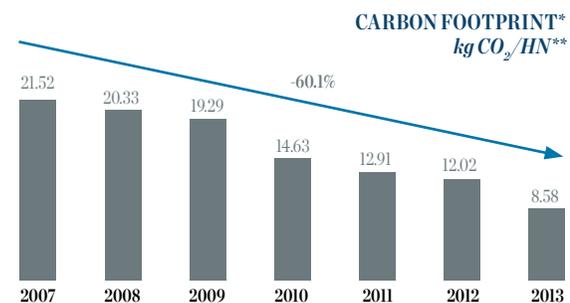
* Water consumption data extracted from invoices and meters. Energy and water consumption data according to comparability criteria defined by the Company. Percentage of comparable hotels 2012-2013 in water usage: 82%. Resorts are considered a sole category given their unique features and treatment of this data is carried out independently.
** Ratios in litres water/room and night.

Business Unit	Water consumption m ³ 2012	Water consumption m ³ 2013	Diff.	Consumption ratio (m ³ /RN*) 2012	Consumption ratio (m ³ /RN) 2013	Diff.
BU America	305,014	321,824	5.5%	0.426	0.418	-1.9%
BU Benelux, UK, France & Africa	461,160	470,903	2.1%	0.323	0.327	1.5%
BU Central Europe	786,576	824,576	4.8%	0.252	0.252	0.1%
BU Italy	630,553	636,374	0.9%	0.418	0.402	-4.0%
BU Spain, Portugal & Andorra	1,042,576	1,026,460	-1.5%	0.306	0.301	-1.7%
Total	3,225,880	3,280,138	1.7%	0.301	0.298	-1.2%
BU Resorts**	360,807	373,499	3.5%	0.644	0.639	-0.9%

* RN: room and night

** Resorts are considered a sole category given their unique features and treatment of this data is carried out independently.

CARBON FOOTPRINT OF COMPARABLE HOTELS



* Resorts are considered a sole category given their unique features and treatment of this data is carried out independently.

** Ratios in kg CO₂/room and night.

*** We reduced our carbon footprint in 2012-2013 by using renewable energies in order to meet our electricity needs in Germany, Spain and Italy.

Business Unit	Total emissions Kg CO ₂ 2012	Total emissions Kg CO ₂ 2013	Diff.	Emissions ratio (Kg CO ₂ /RN*) 2012	Emissions ratio (Kg CO ₂ /RN) 2013	Diff.
BU America	16,618,046	15,837,914	-4.7%	19.27	17.21	-10.7%
BU Benelux, UK, France & Africa	17,363,338	17,682,340	1.8%	14.22	14.20	-0.1%
BU Central Europe	41,793,392	20,871,731	-50.1%	13.50	6.44	-52.3%
BU Italy	30,451,240	18,842,198	-38.1%	18.69	11.07	-40.8%
BU Spain, Portugal & Andorra	17,765,229	17,862,617	0.5%	5.07	5.09	0.4%
Total	123,991,245	91,096,801	-26.5%	12.02	8.58	-28.6%
BU Resorts**	3,638,987	2,800,218	-23.0%	6.76	4.94	-26.9%

* RN: room and night

** Resorts are considered a sole category given their unique features and treatment of this data is carried out independently.

2013 RESULTS

ENERGY RATIO: 52.9KWH/RN

Business Unit**	Ratio (Kwh/RN*) ***
BU America	55.8
BU Benelux, UK, France & Africa	71.8
BU Central Europe	45.8
BU Italy	56.7
BU Spain, Portugal & Andorra	49.9
Total	52.9

WATER RATIO: 331 LITRES/RN

Business Unit**	Ratio (Litres/HN*) ***
BU America	411
BU Benelux, UK, France & Africa	322
BU Central Europe	251
BU Italy	401
BU Spain, Portugal & Andorra	306
Total	311

RATIO DE EMISIONES: 8.55KG/NH

Business Unit**	Emission ratio *** (Kg CO ₂ /RN*) 2013
BU America	16.28
BU Benelux, UK, France & Africa	15.97
BU Central Europe	5.89
BU Italy	10.69
BU Spain, Portugal & Andorra	4.72
Total	8.55

* RN: room and night

** Resorts are not taken into consideration in the 5YP due to their unique features.

*** Consumption data according to comparability criteria defined in the new Strategic Plan (64% of Company hotels)

CLIMATE CHANGE COMMITMENT. SUSTAINABLE INITIATIVES IN THE 5YP

- **Use of renewable energies and reducing the carbon footprint:** The Company has a total of **4,478.12 m² of solar panels**. 100% of the electricity used in NH hotels in Spain, Germany and Italy comes from renewable sources.
- **Neutral events:** The Company offers its customers the possibility of organising events in its hotels with zero environmental impact, contributing to projects in favour of reducing the climate change in Kenya, Uganda and Brazil. Since 2010, the carbon footprint has been compensated for in 286 events.
- **Green mobility:** NH Hotel Group currently offers 82 recharge points for electric vehicles and bicycle rental in over 50 hotels. These solutions help reduce pollution and contribute to the improvement of health overall.

The environmental initiative included in NH Hotel Group's new Strategic Plan is divided into two proposals: the Green Savings Project, which includes energy efficiency measures that guarantee water usage efficiency; and the **Green Hotel Project**, that includes actions to continue advancing in the perception NH guests have of the Company's sustainability. Both initiatives are based on six pillars:

- Sustainable hotel design
- Reducing the environmental impact of materials and amenities
- Nutrition, well-being and local flavour
- Reducing the carbon footprint
- Sustainable hotel operations
- Commitment to green energies

CALCULATING THE CARBON FOOTPRINT

To calculate the carbon footprint, NH Hotel Group has an internal procedure based on the GHG Protocol methodology for scopes 1 and 2. In 2013, the Company participated in the workgroup responsible for designing the Hotel Carbon Measurement Initiative (HCMI) methodology, in collaboration with the **International Tourism Partnership** and **World Travel & Tourism Partnership**.

In addition, for the fourth consecutive year, NH Hotel Group reported to the Carbon Disclosure Project (CDP), and independent non-profit organisation that analyses corporate environmental performance.

GREEN HOTELS

In 2013 we continued working on the specific plan for the implementation of an environmental and energy efficiency management system based on **ISO 14001** and **ISO 50001** standards in the Business Units of Italy, Central Europe and Spain. NH Hotel Group is globally accredited in environmental and energy efficiency based on these standards. The hotels in Belgium and The Netherlands are **Green Key certified**.

Business Unit	Certification	Total
BU Benelux, UK, France & Africa	Greenkey Gold	32
	Greenkey Silver	2
	Greenkey Bronze	1
BU Central Europe	ISO 14001	18
	ISO 50001	1
BU Spain, Portugal & Andorra	Ökobusinessplan	5
	ISO 14001	3
BU Spain, Portugal & Andorra	ISO 50001	3
	ISO 14001	17
BU Italy	ISO 50001	1
BU America	Hotel Hidrosustentable	1
Total certifications		84



SOCIETY

Our Communities is NH Hotel Group's Social Action strategy and is focused on **contributing to the development of communities in which the Company operates** through collaborative alliances with social organisations and the involvement of employee volunteers. Under a global strategy, the local needs in each business unit are identified in order to adapt the initiatives to each country, thus optimising results and promoting a positive impact.

SECOND HOME ALLIANCES

The NGO Rate was created in 2008 in order to cover accommodation needs of collaborating **NGOs** and foundations. The programme offers discounts of up to 30% off the best available rate to organisations that have been previously evaluated and approved by the Corporate Responsibility Department. Through agreements with hospitals and foundations in various countries, children with serious illnesses and underprivileged families are provided support when they need accommodation outside their cities.

YOU CAN ALSO HELP. UNICEF (BU AMERICA - MEXICO)

In 2013, employees of NH Hotel Group in Mexico donated **€6,298** for campaigns in favour of children developed by UNICEF in that country.

MAKE A WISH FOUNDATION INTERNATIONAL (GLOBAL)

NH Hotel Group collaborates with the Make-a-Wish Foundation since 2005, making it easier for children with life-threatening medical conditions to make their dreams come true. From the beginning of this alliance and up to 2013, the Company has helped with **93 wishes**, with a total of **371 direct beneficiaries** and their families; always with the help of employee volunteers.

RONALD MCDONALD FOUNDATION (BU BENELUX)

NH Hotel Group collaborates with this foundation by providing rooms when the foundation's homes are full. The Group's employees give the children and their families all the love and attention they need. Some of our suppliers have also joined this alliance, like Blijcolin and Douwe Egbert, by donating textiles and coffee, respectively, for the foundation's homes.

MENUDOS CORAZONES FOUNDATION (BU SPAIN)

NH Hotel Group has been collaborating with Menudos Corazones for 9 years, by **donating over 1,000 room nights** at the NH Alcalá in Madrid for families with children suffering from heart disease. Since the agreement was signed, accommodations have been provided for **1,074 families**.

JOSEP CARRERAS FOUNDATION (BU SPAIN)

In 2013, it will have been two years since our company signed a collaboration agreement with the Josep Carreras Foundation and Hospital Sant Joan de Déu in Barcelona against leukemia. Through the agreement, patients and their families are provided with a room available for the entire year at the **NH Porta de Barcelona** as support for the Foundation's Foster Homes programme.

GUEST FROM THE HEART WITH UNICEF

In 2013, the Company took one more step in its already consolidated alliance with UNICEF by expanding its collaboration agreement with the "Guest from the Heart" campaign to the 13 hotels in Argentina. Through this agreement, donations made by customers are invested in campaigns to help children in the communities where the Business Unit America is present: Mexico, Argentina, Venezuela, Colombia, Haiti, Dominican Republic, Chile and Uruguay.

EMPLOYMENT PROGRAMMES

Part of the Social Action strategy includes the development of international training and apprenticeship programmes for young people at **risk of social exclusion and the disabled** in the hotels of all the business units. The participants develop technical and personal skills thanks to the direct involvement of hotel employees whose work as volunteer coaches, providing guidance and orientation, is invaluable.

YOUTH CAREER INITIATIVE (YCI) (BU AMERICA - MEXICO)

NH Hotel Group is the only Spanish company committed to this international initiative, along with Intercontinental, Marriott and Starwood, training over 400 young people at risk of social exclusion in 53 hotels around the world. During this seventh edition, the fourth in which NH Hotel Group participated, **12 young people** received training during 24 weeks at NH Mexico City and NH Santa Fe.



CASALS DEL INFANTS (BU SPAIN - BARCELONA)

This is the third year that NH Hotel Group collaborates with this foundation, which promotes social initiatives favouring the integration of young people at risk of social exclusion. In 2013, **ten students** in the Professional Qualification programmes were trained at NH hotels in Barcelona.

ESHOB (BU SPAIN - BARCELONA)

In 2013, the NH Collection Tower collaborated with the School of Hotel Management of Barcelona (ESHOB) by providing apprenticeships to **five students** in the restaurant department. This training course was focused on young people ages 16 to 19 who are at risk of social exclusion and was totally imparted at hotel premises.

HOTEL DOWN HESPERIA FINISTERRE (BU SPAIN - A CORUÑA)

The Hesperia Finisterre Hotel and the Down Syndrome Association of A Coruña collaborated in the Down Hotel by Finisterre programme of apprenticeships for disabled young people focused on promoting their social and employment integration. The hotel signed an apprenticeship agreement whereby **five young people** received training in different departments of the hotel.

JINC (BU BENELUX)

NH Hotel Group and JINC have been collaborating in providing professional training for young people from underprivileged neighbourhoods since 2009, focused on integrating them into the labour market. In 2013, 12 visits and workshops were organised in 7 NH hotels in Amsterdam, Amersfoort and Utrecht, with the participation of **192 young people**.



Youth Career Initiative (YCI)
(BU America - Mexico) ▾

▲ NH Collection Tower
Barcelona, Spain





Earth Hour
nhow Berlin - Berlin, Germany ▾

▲ NH Collection Lancaster
Buenos Aires, Argentina



NH VOLUNTEERS!

Thanks to the commitment of our employees to these volunteer projects, NH *Volunteers!* is now an important part of the Company's new Strategic Plan.

AWARENESS CAMPAIGNS

Volunteer activities in which employees do not necessarily use their professional skills to support and participate in awareness projects and campaigns.

“Christmas for Everyone” 2013 Campaign (Global)

In 2013, the Company asked its employees to collaborate with the International Red Cross to help disadvantaged groups, identifying the most critical needs in each country. In addition, through its New Year's greeting, NH Hotel Group gave customers the opportunity to share their wishes and participate through solidarity clicks (1 click = €1), raising a total of €25,000 for the reconstruction of the areas affected by the typhoon in the Philippines.

Earth Hour 2013 (Global)

For the fifth consecutive year, NH Hotel Group collaborates with **WWF** in this **global initiative**. The Company turned off the façade lighting of 299 of its hotels around the world. In addition, the employees organised a variety of activities to involve customers in this worldwide campaign against climate change: candlelight dinners, environmental workshops for children, etc

World Breast Cancer Day (BU Spain)

NH Hotel Group organised various activities among its employees in Spain to raise awareness. In addition, Reception and Restaurant personnel wore the pink ribbon and seminars were held to raise public awareness about breast cancer and its prevention for employees and customers.

Awareness Week Against Domestic Violence (BU Spain)

In 2012, NH Hotel Group signed a commitment with the Spanish Ministry of Health and Social Services and Equality to support women who are victims of domestic violence. Since then, the Company has participated in training programmes for this group along with the Red Cross, and has also organised awareness campaigns for its employees.

CHRISTMAS FOR EVERYONE IN FIGURES

Hotels and Offices **125**

Employee Volunteers **433**

Beneficiary Foundations **29**

Donated Food (kilos) **1,283**

*Clothes/
Household items (kilos)* **3,904**

Toys **1,409**

Total donations **€ 33,720**

VOLUNTEER COACHING

Includes initiatives in which employees, during their working hours, inside or outside of their workplace, put their skills and knowledge at the service of training and apprenticeship programmes for vulnerable groups in which NH Hotel Group participates.

Track The Talent (BU Benelux - Amsterdam)

This foundation focuses on improving the employability of young people with low levels of education through effective training and employment orientation programmes. Employee volunteers from NH Hotel Group in Amsterdam have participated twice a year since 2009 in kitchen and restaurant workshops organised in the hotels, sharing their knowledge with groups of young people from 12-15 years old in order to help them plan their futures.

Give and Gain (BU Spain – Madrid and Valencia and BU Benelux- London)

For the third consecutive year, NH Hotel Group participated in the III Give and Gain International Week for Employee Volunteering, a reference initiative in Europe that currently develops projects in 16 countries. NH Hotel Group employee volunteers participated as coaches, sharing their experience and knowledge in order to awaken the professional interest of people at risk of exclusion.

Coach Project. EXIT Foundation (BU Spain)

NH Hotel Group participates for the second consecutive year in this project in Madrid, Barcelona, Zaragoza and Palma de Mallorca. The initiative focuses on improving the employability of young people at risk of social and employment exclusion through coaching and mentoring.

VOLUNTEER FOR DEVELOPMENT

Volunteering programmes in which employee volunteers transmit their knowledge to disadvantaged communities in order to promote economic and social development through job creation, the development of sustainable economic activities and contributing to the eradication of poverty in developing countries.

Agoro Lodge Hotel-School, Ethiopia (Corporate)

NH Hotel Group, Manos Unidas and the Spanish Agency for International Development (AECID) have been developing this project since 2010 to promote the socio-economic development of the Tigray region. Apart from prior assessment and the collaboration of two employee volunteers who travelled to Ethiopia, other volunteers from different departments also collaborated remotely. At the beginning of 2013, the Agoro Lodge was officially inaugurated, positioning itself as a Sustainable and Responsible Tourism option.



NH Jolly Madison Tower
New York, United States ▾

▲ Track The Talent
(BU Benelux - Amsterdam)



SECOND HOME ALLIANCES IN FIGURES

	2012	2013
Number of agreements with NGOs	196	247
Number of rooms donated/year	9,328	2,126
Total hotels involved	143	275

EMPLOYMENT PROGRAMMES IN FIGURES

	2012	2013
Number of trainees	441	465
Number of contracts	38	38
Agreements with NGOs and Institutions	39	39

NH VOLUNTEERS! IN FIGURES

	2012	2013
Number of volunteers	894	1,082
Number of initiatives	57	74

RESPONSE TO EMERGENCIES

NH Hotel Group implements an emergency response protocol applicable to all the Company's hotels.

SAMUR SOCIAL (BU SPAIN - MADRID)

Accommodation agreement with Samur Social for extreme emergencies. Since the beginning of the agreement in 2009, 500 people have been accommodated in the Company's hotels.

FLOODS IN GERMANY (BU CENTRAL EUROPE)

In June 2103, the German city of Passau suffered devastating floods from the overflowing of three rivers. The NH Parkhotel Deggendorf, 60 kilometres from affected city, immediately activated the emergency response protocol. The hotel offered accommodations and food to the victims of the flood and also offered its facilities for use by rescue teams.

TRAIN ACCIDENT IN GALICIA (BU SPAIN)

Due to the tragic train accident that occurred in the summer of 2013 in Santiago de Compostela, NH Hotel Group channelled its support through the Spanish Red Cross. The Company provided accommodations in the city for families of the victims and members of the rescue and psychological support teams.

FLOODS IN MEXICO AND ARGENTINA

The NH Aeropuerto T2 Mexico and NH Collection Guadalajara organised a food collection campaign among the employees to donate to the families affected by the catastrophe. In addition, the employees of NH Panorama in Cordoba (Argentina) organised a collection campaign in favour of the victims of the intense flooding in Argentina.

AIR FRANCE-KLM EMERGENCY PLAN (GLOBAL)

NH Hotel Group signed an agreement with AIR FRANCE-KLM (member of SKYTEAM alliance) to become the airline company's preferred hotel chain within its Emergency Plan. With this agreement, the Group agrees to offer complete availability in case of emergency to accommodate survivors, families, technical teams and SKYTEAM support personnel in its hotels.



AWARDS AND RECOGNITIONS

NH HOTEL GROUP

- Recognised by **Conde Nast Traveller** as the most “bike-friendly” hotels in the world.
- **Oracle Award** for Business Relations.
- **Award granted by Agenttravel** to the best hotel chain in terms of value for money, the best urban and business hotels in Spain, and the best hotel chain for business outside of Spain.
- **BizTravel Award** for Best Hotel Chain 2012 (Italy).
- **Award for Innovation** in Expansion and Employment to the Spanish Human Resources Department.
- 2013 **Dintel Foundation Award** to the E-Commerce department for best mobility project.



NH Grand Hotel Krasnapolsky - Amsterdam, The Netherlands

HOTELS

- 197 NH Hotel Group hotels received the **TripAdvisor Certificate of Excellence**, making them reference hotels for the users of this prestigious website. In addition, 7 hotels received the **Travellers Choice Award 2014** for their activity in 2013.
- “Best hotel chain in The Netherlands in 2014” in the **Zoover Awards 2014** thanks to the high ratings obtained in hospitality (9.1 points), cleanliness (8.98), restaurant quality (8.87), services (8.76) and rooms (8.76).
- The NH Almenara chosen as “Best golf destination” at the 2013 **United Arab Fair**.
- “Best Resort in Spain” to the NH Almenara in the national category of the 2013 **Condé Nast Traveller Awards**.
- 2013 **Green Star Diamond Award** of the American Academy of Hospitality Sciences to NH Almenara.
- **Golden Stamp award from Bodas.net** to NH Palacio de Castellanos, NH Parque Avenidas and NH Collection Príncipe de la Paz.
- NH Collection Guadalajara awarded “4 Diamonds” by the **American Automobile Association (AAA)**.
- 2013 **Inspira Award** in the “Spot and Audiovisual” category for the spot “Welcome to the NH World” created to promote NH Palacio del Duero.
- “**Distintivo M Especializado**” award, granted by the governmental institution in charge of Mexico’s tourism sector, to NH Centro Histórico.
- **RCI Gold Crown Resort Award** to the Now Larimar Punta Cana hotel for its top quality services.
- Secrets Royal Beach Hotel recognised as the “Most popular hotel in the Dominican Republic” by **Holiday Check.com**
- **Quality Assurance Award** to Secrets Royal Beach hotel, for the quality of its customer service. This award acknowledges the best hotels in the US, Mexico, the Caribbean and Europe.
- 2013 **Best Company in Valencia** to the Hesperia World Trade Center hotel for the value added to the city of Valencia (Venezuela) by the establishment and its convention centre.
- **Executive Merit Award** to Hesperia World Trade Center hotel for its initiative, creativity and collaboration for the progress of Carabobo and Venezuela.
- **NTBO Mark Award** presented by the Dutch Wedding Organisation Industry to NH Marquette.
- **Ketelbinkie Rotterdam Award** to NH Atlanta for its innovation and emphasis on the positive aspects of the city of Rotterdam.

GASTRONOMY

Vermeer Restaurant (NH Barbizon Palace, Amsterdam), awarded one Michelin star, chosen as the 25th best restaurant in the country by **Lekker magazine**; in addition, it was granted 17 points (out of 20) by the prestigious **Gault&Millau** restaurant guide.

- Journalists Association of Navarra Award for **Enrique Martínez García**, executive chef of NH Hotel Group.
- Award for the Best Maître during the II Gourmet Club Awards to **Abel Valverde** (Restaurante Santceloni).
- Award for the Best Sommelier during the Business Awards for the Wine Industry and Distribution to **María José Huertas** (La Terraza del Casino Restaurant).
- Third prize for best tapa at the **Zamora Tapa Fair** for NH Palacio del Duero.

ENVIRONMENT

- **Gold Medal in the Icarus Project granted by GBTA** (Global Business Travel Association). NH Hotel Group is the first hotel chain to obtain this acknowledgement on a global scale thanks to the Group's constant investment in sustainable innovation and its environmental social and economic focus.
- **Green Supplier Award** for environmental excellence and innovation in sustainability granted by IMEX and GMIC (Green Meeting Industry Council) acknowledging sustainable policies implemented by large companies in the MICE sector (Meetings, Incentives, Conferences and Exhibitions). NH Hotel Group received the Gold standard, the most prestigious standard awarded.
- **Capital 2013 Awards:** Most Environmentally Responsible Company.
- **II International Awards "A real commitment to sustainability"** granted by ISTur (Institute of Tourism Sustainability) for social and environmental commitment.
- **ECO Services Acknowledgement Dominicana granted by Asociación Ecoturismo Responsable**, for promoting responsible tourism.

EMPLOYEES

- **2014 Top Employer Germany** granted by the Top Employers Institute for excellence in Human Resources strategy and commitment to the professional development of its employees with its own programmes like JUMP, PDI and Commercial School.
- High ratings in the categories "Open Company" and "Top Company" of the **Kunuku**, employment evaluation platform in Germany.
- **Estatuto der Vielfalt**, initiative that acknowledges the promotion of diversity with support from the German government, where Chancellor Angela Merkel is the sponsor.
- Second place in the **Ranking Top Companies Centroamérica 2012**, in the category "the place where everyone wants to work", for the Punta Cana hotels.

SOCIETY

- **XIV Worldwide Hospitality Awards**, Paris. Finalists in the "Best Corporate Responsibility Initiative" category for the SPRINT * Social Action Programme.
 - * The first edition of this programme was launched in 2012 out of the need to cover base and qualified job positions in the BU Central Europe of NH Hotel Group. The Company provided one-year work contracts to 5 young people chosen and trained in hotel management by the **Tomillo Foundation**, with financing from the **Barclays Foundation**. NH Hotel Group employee volunteers participated as mentors in the destination hotels.
- **FORGE Foundation Acknowledgement** for NH Columbia for its training programmes for young people from the foundation's institution.
- **UN University Associations UC-MUN International** acknowledgement, to the Hesperia World Trade Center hotel for its collaboration in international exchange events.

CORPORATE RESPONSIBILITY INDICATORS

PROFILE	2012	2013
Number of hotels	391	379
Number of rooms	58,853	58,195
Net income	- € 292.1 M	€ 39.8 M
EBITDA Increase	-28.0%	2.9%

STAKEHOLDERS	2012	2013
SHAREHOLDERS		
Entities which conduct analysis of NH during the year	20	20
Nº of shareholders and investors queries answered	624	932
One-to-one meetings with shareholders and investors	49	480
Analyst tracking reports	122	140

EMPLOYEES		
Average nº of Employees	18,817	18,889
Open-ended contracts	56%	55.9%
Average staff turnover	3.6%	3.54%
% Immigrants	15.3%	14.6%
% Female employees	49.1%	48.4%
% Women in management positions	48.5%	48.0%
Under 25 years old	15.9%	15.9%
25 - 40 years old *	48.6%	49.4%
Over 40 years old **	35.5%	34.7%
Nº of Nationalities	141	141
NHU training hours	162,131	138,602
Investment in training	€ 1,100,000	€ 907,796
"% Nº of performance evaluations conducted (fixed FTEs)"	94%	90%

CUSTOMERS		
Nº of "Mystery Guest "hotel assessments"	367	465
Nº Scores(NH surveys + external pages)	229,809	302,918
Nº of Customer Satisfaction Surveys	89,985	135,471
Communications managed by the Customer Service Department	13,705	25,270

STAKEHOLDERS	2012	2013
SUPPLIERS		
Volume of suppliers managed	21,892	22,379
Nº suppliers who have signed the Code of Ethics	1,218	1,391
Annual volume of purchases (expense + investment)	€ 403.4 M	€ 408.4 M
% Turnover of suppliers who have signed the Code of Ethics	10.8%	-
Annual volume of purchases by suppliers who signed the Code of Ethics	-	€ 46.8 M
% Negotiations through the e-sourcing platform ***	-	31.81%
NH Sustainable Club members	40	40

SOCIAL ACTION		
Nº community involvement projects	over 700	over 800
Resources allocated to the Community	€ 864,54	€ 896,601
Resources obtained from solidarity € (Employee Rate and Amigo Voucher)	€ 321,869	€ 308,781
Beneficiary Foundations	over 230	over 260
Nº of NH Volunteers	907	1,082
Cultural promotion	€ 64,020	€ 13,800

ENVIRONMENT		
Urban hotels		
CO ₂ emissions (Kg.)	123,991,245	91,096,801
CO ₂ emissions (kg. per room/night)	12.02	8.58
Energy Consumption (kWh.)	562,554,110	564,896,879
Energy Consumption (kWh. per room/night)	52.42	51.06
Water consumption (m ³)	3,225,880	3,280,138
Water consumption (m ³ per room/night)	0.301	0.298
Solar panels (m ²)	4,701.72	4,478.12
Solar power installed capacity (kW./year)	4,104,753	-

* 2012 Data corresponding to "25-45 years old" criterion

** 2012 Data corresponding to "Over 45 years old" criterion

*** New indicator added in 2013

The environmental indicators of each year are calculated, 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 2013 Report, some 2012 data differ from the ones published in the 2012 Report.



Santa Engracia, 120
28003 - Madrid
T: +34 91 451 97 18
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