

COMMITTED TO SOCIAL RESPONSIBILITY ENVIRONMENT, SOCIETY AND GOVERNANCE

LUXURY WITH PURPOSE: A RESPONSIBLE VISION FOR THE FUTURE OF HOSPITALITY

At The Palace, a Luxury Collection Hotel, Madrid, our heritage and commitment to excellence go hand in hand with a responsible vision for the future. To this end, we have implemented a range of sustainable initiatives that reflect our commitment to environmental stewardship, social responsibility, and sound governance.

We continuously strive to integrate sustainable practices into our daily operations, from energy efficiency and water conservation to responsible waste management. These actions not only help reduce our environmental footprint but also enhance the overall guest experience.

In addition, we develop projects and initiatives that enable us to advance toward an increasingly sustainable business model. The work of our sustainability team drives new ideas and opportunities, allowing us to continue creating a positive impact for our community, our guests, and the environment.



IMPACTO EN LA COMUNIDAD

We believe that our commitment extends beyond the hotel's operations. Through social initiatives, partnerships with charitable organizations, and volunteer programs, we actively contribute to the well-being of our community and support projects that create a positive and lasting impact.

Inspired by the global goals of Marriott International, we encourage our associates to participate in volunteer activities, particularly those focused on children, young people, and skills development initiatives that generate long-term value for society.

RESPONSIBLE SOURCING

We promote a more sustainable supply chain through the selection of responsible suppliers and certified products that meet recognized environmental and social standards.

Our procurement strategy prioritizes local sourcing whenever possible, the reduction of packaging materials, the use of certified products and materials, and the support of responsible practices across sectors such as food and beverage, paper products, and other consumables.

Through these actions, we help reduce our environmental impact, strengthen a more responsible supply chain, and support the sustainable development of the communities with which we collaborate.

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CONTINUOUS IMPROVEMENT POLICY

At The Palace, a Luxury Collection Hotel, Madrid, we implement a range of social responsibility and sustainability initiatives, including:

1. **LED and Energy-Efficient Lighting:** Replacement of conventional light bulbs with LED and low-energy technology throughout the hotel.
2. **Efficient Temperature Management:** Adjustment of heating and cooling operating schedules according to external weather conditions to optimize energy consumption.
3. **Energy Conservation in Employee Areas:** Awareness campaigns and informational signage encourage associates to reduce electricity consumption in staff areas.
4. **"Make a Green Choice" Program:** Guests may opt out of daily housekeeping services for up to three consecutive days, helping to reduce energy and water consumption.
5. **Air Conditioning Management:** Air conditioning in hotel offices is switched off between 7:00 p.m. and 7:00 a.m. to minimize unnecessary energy use.
6. **Monthly Consumption Monitoring:** The Engineering Department reports utility consumption data each month to Administration, Management, and the Environmental Manager to identify and address any excessive usage.

In addition, the hotel's electricity supply is sourced from 100% renewable energy, certified by the Spanish National Commission on Markets and Competition (CNMC).



CERTIFICATIONS

BREEAM

The BREEAM certification is an internationally recognized standard that acknowledges excellence in sustainable building performance. It demonstrates high standards in energy efficiency, water management, waste reduction, indoor environmental quality, and overall environmental responsibility, reflecting a strong commitment to sustainable and responsible operations.



ISO 14001

ISO 14001 is an international standard that recognizes best practices in environmental management. It confirms a proactive approach to controlling and reducing environmental impacts, optimizing resource use, preventing pollution, and complying with applicable regulations. The certification supports a culture of continuous improvement and demonstrates a strong commitment to sustainability across all operations.



GREEN KEY

Green Key is a leading international eco-label awarded to tourism and hospitality establishments committed to sustainable practices. The certification reflects active environmental responsibility, a reduced ecological footprint, and continuous improvement in areas such as energy and water efficiency, waste management, and community engagement.



AWARDS & RECOGNITION

TRAVELING FOR HAPPINESS

This recognition celebrates hospitality projects that place guest well-being, emotional connection, and meaningful experiences at the heart of their service philosophy. The award highlights the hotel's commitment to creating stays that go beyond luxury and comfort, fostering happiness through personalized service, cultural immersion, and memorable moments that inspire joy.



EMAS ENVIRONMENTAL MANAGEMENT AWARD

A prestigious recognition granted to organizations that demonstrate excellence in verified environmental management. Receiving this award reflects our hotel's strong commitment to sustainability, transparency, and continuous improvement in reducing its environmental impact. It also confirms compliance with the highest European standards in environmental management and responsible business practices.



MARRIOTT INTERNATIONAL ESG POLICY

As part of Marriott International, The Palace, a Luxury Collection Hotel, Madrid integrates Environmental, Social, and Governance (ESG) principles into its daily operations, contributing to the company's global sustainability goals.

CARING FOR OUR ENVIRONMENT AND COMMUNITY

We participate in volunteer initiatives and collaborate with local community organizations, promoting actions that create a positive impact on the social and cultural environment in which we operate.

PROMOTING HUMAN RIGHTS AND INCLUSION

We foster a diverse, inclusive, and respectful workplace, ensuring that our associates receive training on human rights and encouraging a culture built on respect, dignity, and equal opportunities for all.



OPERATING RESPONSIBLY

We continuously work to reduce our environmental impact through energy efficiency, responsible resource management, waste reduction, and adherence to the highest sustainability standards, supported by our environmental certifications.

CREATING OPPORTUNITIES FOR PEOPLE

We support the professional growth of our associates through training programs, internal career development opportunities, and talent development initiatives, helping to create a fair, inclusive, and rewarding workplace.

Through these actions, the hotel reaffirms its commitment to responsible and sustainable management, creating long-term value for our guests, associates, business partners, and the local community.

KEY SUSTAINABILITY AREAS

SUSTAINABILITY CERTIFICATIONS

We are committed to Marriott International's goal of ensuring that 100% of its hotels hold a recognized sustainability certification, guaranteeing the implementation of best environmental practices across operations.

CLIMATE ACTION

We support Marriott International's carbon reduction objectives, working toward significant emissions reductions by 2030 and the achievement of net-zero emissions no later than 2050.

RESPONSIBLE SOURCING

We promote a sustainable supply chain by prioritizing responsible suppliers and, whenever possible, local partners that contribute to the economic development of the communities in which we operate.

WATER CONSERVATION

We implement water-efficiency measures designed to optimize water use and reduce consumption across all operational areas of the hotel.

WASTE REDUCTION

We drive initiatives aimed at minimizing waste generation, reducing food waste, and promoting reuse and recycling practices, thereby lowering the environmental impact of our operations.

ENVIRONMENTAL MANAGEMENT

OUR COMMITMENT TO SUSTAINABILITY

We are fully aware of the impact our activities may have on the environment. For this reason, we continuously implement procedures and initiatives designed to reduce our environmental footprint and create a positive impact on our surroundings.

Our key areas of focus include:

- Climate Change and Resilience
- Sustainable Procurement and Responsible Sourcing
- Energy Efficiency
- Long-Term Community Investment
- Waste Management
- Sustainability Certifications for Our Facilities
- Biodiversity Protection
- Water Efficiency

Through these areas of focus, we reinforce our commitment to responsible and sustainable management, aligned with Marriott International's standards and the expectations of our guests, associates, and local community.

SUSTAINABLE PROCUREMENT AND RESPONSIBLE RESOURCE USE

We prioritize partnerships with suppliers that are committed to sustainability and maintain their own environmental management programs, such as ISO 14001 certification. We also encourage the procurement of certified products, including responsibly sourced sugar, tea, coffee, and chocolate, and work with suppliers that promote fair labor practices.

We support the local economy by sourcing products locally whenever possible, with the objective that at least 80% of our expenditure on fruits and vegetables comes from suppliers based in Spain.

Waste reduction is a key priority within our sustainability strategy. Recognizing that a significant proportion of materials placed in recycling systems are not ultimately recycled, we focus our efforts on preventing waste generation at its source by minimizing unnecessary packaging and promoting the use of recyclable and reusable materials.

In addition, we implement measures to optimize resource consumption throughout our daily operations. Our showers are fitted with water-saving devices, guest rooms are equipped with motion sensors to reduce energy consumption when unoccupied, and each floor features water stations that allow guests to refill reusable glass carafes, helping to reduce the use of single-use packaging.

Through these initiatives, we continue to promote responsible resource management, reduce our environmental footprint, and support a more sustainable hospitality experience.



SUSTAINABLE RENOVATION

The renovation of the hotel has been carried out in accordance with principles of sustainability, circular economy, and architectural heritage conservation. As part of this commitment, furniture and equipment from dozens of guest rooms have been donated to charitable organizations, including SOS Children's Villages and the Ronald McDonald Foundation, while other items have been redirected for reuse through auction processes.

Throughout the refurbishment, priority has been given to the preservation and restoration of existing materials, including marble flooring, bathroom countertops, washbasins and doors, decorative moldings, guest room mirrors, metal signage, artworks, and selected furniture from public areas. This approach has significantly reduced the need for new materials and minimized waste generation.

In addition, innovative solutions are being evaluated to further reduce the environmental impact of daily operations. These include the implementation of an on-site water bottling system designed to eliminate transportation-related emissions and enable bottle reuse.

To assess the environmental impact of the refurbishment, an embodied carbon study and a full life cycle assessment of the project are currently being undertaken. Preliminary findings indicate that a standard guest room represents approximately 22 tonnes of embodied carbon over an estimated 15-year lifespan, highlighting the importance of preserving and reusing existing materials wherever possible to reduce the building's overall environmental footprint.



EMBODIED CARBON ASSESSMENT AND SUSTAINABILITY CRITERIA IN THE RENOVATION

The hotel's renovation incorporates sustainability principles from the earliest stages of design and material selection, with the objective of reducing long-term environmental impacts and improving operational efficiency.

RESPONSIBLE SOURCING

All timber used throughout the project is sourced from sustainably managed forests certified by FSC or PEFC standards, avoiding tropical and subtropical species. Preference is also given to paints, adhesives, and other materials with low volatile organic compound (VOC) emissions, contributing to improved indoor environmental quality.

Whenever possible, local suppliers are prioritized, along with products supported by Life Cycle Assessments (LCA) or Environmental Product Declarations (EPDs), ensuring greater transparency regarding environmental performance.

WATER EFFICIENCY

The renovation incorporates fixtures designed to optimize water consumption, including low-flow showers with a flow rate of 8 litres per minute, faucets limited to 4 litres per minute, and dual-flush toilet systems. In addition, specific studies are conducted to identify potential leaks and support the continuous improvement of the building's water efficiency.

BIODIVERSITY

An ecological assessment is currently being developed to define biodiversity requirements for future green roofs across selected areas of the hotel. These initiatives will prioritize native, drought-resistant plant species adapted to the local environment, contributing to the enhancement of urban biodiversity.

EMBODIED CARBON

As part of the renovation process, an embodied carbon and life cycle assessment is being carried out for the materials used throughout the project. This study enables the evaluation of environmental impacts associated with construction activities and supports decision-making toward lower-carbon solutions, reinforcing the hotel's commitment to responsible and sustainable management.

ROADMAP TO NET-ZERO EMISSIONS

As part of our commitment to sustainability, we have developed a roadmap to progressively reduce our carbon footprint through energy-efficiency improvements and the adoption of more sustainable technologies.

Key initiatives include the optimization of heating, ventilation, air conditioning, and lighting systems; the modernization of high-efficiency equipment; enhancements to the building's energy management systems; and the implementation of water-saving measures.

The roadmap also includes the integration of renewable energy through the future installation of photovoltaic solar panels, as well as the gradual replacement of fossil fuel-based equipment with more efficient electric alternatives.

These actions will contribute to reducing energy consumption and the CO₂ emissions associated with hotel operations, supporting our journey toward net-zero emissions in alignment with the sustainability commitments of Marriott International.

ENERGY AND EFFICIENT RESOURCE

Efficient energy management is one of the cornerstones of our sustainability strategy. We continuously work to optimize the hotel's energy consumption through the implementation of operational, technological, and awareness initiatives aimed at both associates and guests.

Our heating, ventilation, and air conditioning systems are managed according to energy-efficiency principles, with operating temperatures adjusted based on seasonal requirements, external weather conditions, and building occupancy levels.

In addition, we encourage responsible practices such as switching off lights and equipment in unoccupied areas, optimizing the use of operational equipment, and carrying out preventive maintenance to ensure maximum performance and efficiency across all facilities.

The integration of energy-efficient technologies, smart control systems, and consumption monitoring tools enables us to identify opportunities for improvement and progressively reduce our carbon footprint.

These actions form part of our commitment to advancing toward an increasingly efficient, sustainable, and environmentally responsible operating model.



RESPONSIBLE WATER MANAGEMENT AND WATER EFFICIENCY

Water conservation and responsible water use are fundamental aspects of our environmental management strategy. We develop initiatives designed to reduce consumption while maintaining the highest standards of service and guest experience.

Measures implemented include the installation of water-saving devices, continuous monitoring of facilities to detect and address potential leaks, and the optimization of laundry, housekeeping, and food and beverage operations through the use of high-efficiency equipment and programs.

We also encourage the active participation of our guests through voluntary initiatives such as towel and linen reuse programs and room housekeeping reduction schemes.

The engagement of our associates plays an equally important role in achieving these objectives. We promote a culture of responsible resource use throughout the hotel, enabling us to continuously improve water efficiency and advance toward more sustainable water management across all areas of our operations.