

THE PALMS HOTEL & SPA **SUSTAINABILITY MANAGEMENT PLAN**

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I. PURPOSE

The Palms Hotel & Spa is committed to taking care of the world we live in – to become part of the solution rather than the problem.

The management team as well as the line-level team members at The Palms Hotel & Spa have agreed to follow the guidelines within our Inspired by Nature Program – our Environmental Policy – as well as follow our core values of Environmental Friendliness and Social Responsibility in order to control and minimize where possible the business's environmental impact while increasing its positive social impact.

Known as one of the most sustainable hotels on the beach for over a decade now, The Palms has been a Green Key and Green Key Meetings certified property in the past and is still a Florida Green Lodging certified property with a 3 Palm rating.

Over and above complying with the City of Miami Beach's environmental laws and requirements, we endeavor to reduce energy and water consumption as well as waste production, thus limiting our negative impact on the environment through our business operations while training our employees to help look after the environment as well.

The primary purpose of the Sustainability Management Plan is to guide decision making, management, and the daily operations of the hotel in a sustainable manner by considering the environmental, socio-cultural, quality, health & safety issues as well as monitoring and evaluating them over time.

This plan is communicated to all team members, our guests and the community at large.

SCOPE

The Scope of the Sustainability Management Plan covers all initiatives and activities at The Palms Hotel & Spa and its integration with all team members, customers, suppliers, business partners and owners.

REFERENCE

Green Globe Certification Standards & City of Miami Beach, Miami-Dade County, Florida State and Federal Requirements



II. SUSTAINABILITY GOALS

All Goals can be found in our online <u>Sustainability Action Plan</u>. Some of which are:

1. Waste Reduction

- a. Reducing waste generated by becoming as close to 100% disposable plastic free as possible both FOH and BOH
- b. Ensuring all team members are trained and retrained in the right way to recycle and encouraged always to refuse and reduce diverting more trash to recycling.
- c. Determine a way to better monitor waste based on actual amounts rather than contracted amounts.

2. Energy Efficiency

- a. Reducing total energy consumption by:
 - Working and refining the new tracking system implemented to monitor and identify ways to reduce consumption
 - Reducing the use of energy (lighting and A/C) in room through better utilization of our Mode Green energy management system
 - Implementing the Mode Green Program in all the smaller meeting rooms to better manage the A/C and lighting when rooms are not occupied
 - Increasing the percentage of LED's in the property from 80% to 100%
 - Ensuring any new electronics are Energy Star rated
 - Staff Training

3. Water Conservation

- a. Reducing water consumption in the property by:
 - Ensuring the irrigation system is always maintained
 - Ensuring all faucets and showers remain low flow and are maintained regularly
 - Implementing a more efficient preventative maintenance program for the Engineering Department (through Nuvola)

4. Emissions and Carbon footprint

- a. Exploring the feasibility of composting
- b. Relaunching Essensia restaurant and increasing purchases at local farmers and purveyors

5. Communication

- a. Continue promoting our Inspired by Nature Program to our team members through our <u>Team Sustainability page</u>.
- b. Continue promoting our Inspired by Nature Program to our guests through the Guest Sustainability page.
- c. Become an even stronger voice in the community and with our followers with ideas on how to lead greener lifestyles through social media, email marketing, etc.

We are aware that sustainability is an ongoing journey, therefore, we have a Sustainability Action Plan that gets regularly updated as well as reviewing this Sustainability Management Plan, the Environmental Policy – Our Inspired by Nature Program – and purchasing policy annually.



III. IMPLEMENTING THE SUSTAINABILITY MANAGEMENT PLAN

Our Sustainability Management Plan is supported by the following Policies and Procedures along with other supporting documents:

- Harassment & Equal Opportunity Policies (A.3.4)
- Code of Business Ethics and Conduct (A.1.9, A.3.4)
- Fire and Hurricane Plans (A.10.1)
- Purchasing Policy (D.1.1)
- Inspired by Nature Program (A.1, A.8, D.1 and D.2)

The Palms Hotel & Spa hotel has established and will maintain the SMP within the requirements included in this section. There are a number of elements that make up the SMP as shown below.

LEGAL COMPLIANCE

The Palms Hotel & Spa is licensed according to Miami-Dade County, Florida and Federal law and in compliance with all relevant local legislation and regulations, including health, safety, labor, environmental aspects, and insurance policies.

EMPLOYEE TRAINING

We recruit the best suited and team members available to work for The Palms Hotel & Spa, we train our team members so that the service we give will be performed within our established 10 Service Standards and 12 Core Values.

SERVICE STANDARDS

- 1. Be courteous Be you
 - a. Be open and welcoming
 - b. Represent the hotel
 - c. Let your personality shine
- 2. Show that you really care
 - a. Anticipate needs exceed expectations
 - b. Pay attention to detail
 - c. Know the guest's preferences
 - d. Own the request
- 3. Work as a team
 - a. Act together to find solutions share information
 - b. Trust and rely on your team members
 - c. Support and respect each other

CORE VALUES - OUR "INSPIRATIONS"

INTEGRITY INDIVIDUALITY OWNERSHIP

CONSISTENCY TEAMWORK HEALTH CONSCIOUSNESS

RESPECT ATTENTION TO DETAIL ENVIRONMENTAL FRIENDLINESS

PRIDE COMMUNICATION SOCIAL RESPONSIBILITY



SERVICE QUALITY & CUSTOMER SATISFACTION

At The Palms Hotel & Spa, we know that having satisfied guests is the result of all of us working together under the same standards and values. We have systems in place to evaluate our performance, and to ensure that we exceed the expectations of our team members and guests alike.

Our operating structures allow managers to observe employees and provide constructive feedback continuously and in a timely manner. Our <u>Star of the Month Program</u> for FOH and BOH allows Managers to highlight those team members that have excelled in service in the last months and throughout the year.

We highly value guest feedback as it helps us improve our service. We monitor guest feedback through an online "Guest Satisfaction Survey" that our guests receive via email upon departure. We also monitor via our online CRM system (Revinate) any feedback that guests may leave with platforms such as Expedia, Tripadvisor, Booking.com, Google, etc. This feedback is addressed on a weekly basis with the Heads of Department, who in turn address it with their staff.

ACCURACY OF PROMOTIONAL MATERIALS

All promotional and marketing materials – both online and in printed form – are managed by the in-house marketing department. Any concerns or comments regarding confusing or erroneous communication is immediately addressed and remediated.

LOCAL ZONING, DESIGN AND CONSTRUCTION

The Palms Hotel & Spa is a beautiful icon of the Art Deco period, designed by renowned architect Roy F France – the American architect who is credited with creating the Miami Beach skyline. The hotel originally opened its doors as the Sea Isle Hotel in 1941. It was purchased by its current owners, the Krause Family, in 1989, renovated and re-opened as The Miami Beach Ocean Resort in the summer of 1992. In the following years, the family continued to modernize and re-position the property, culminating in a 2010 re-launch as The Palms Hotel & Spa, with a sustainability program to match its new brand positioning of being "Inspired by Nature". The 247 room AAA Four Diamond property is now part of the exclusive Lifestyle collection of Preferred Hotels & Resorts, and one of few independently owned and operated full-service hotels on Miami Beach.

The property is built in a tropical Art Deco style, which has been honed and improved over the years, always maintaining the integrity of its original style. Ongoing maintenance and repairs are performed regularly with the purpose of ensuring its longevity and, wherever possible, environmentally friendly materials as well as energy efficient and water saving appliances are purchased.



COMMUNICATIONS STRATEGY

We inform our guests about our sustainability initiatives through the Sustainability section of our <u>website</u> and our specific <u>Green Stay</u> webpage, which guests receive via email prior to their stay and at check-in. We also point to this webpage via a QR code throughout the property posted on our readerboards and check-in screens as well as when logging into our WIFI. We post tips on how to lead more sustainable lifestyles on social media and communicate the importance of taking care of the world we live in. We also communicate our Environmental guidelines to our team members via <u>this</u> website that is promoted BOH and accessible as a QR code on the New Staff Member checklist.

Our whole Brand Positioning Strategy revolves around sustainability, since we are "Inspired by nature". This philosophy is found in every aspect of our brand and our product(s):

Nature inspires our décor

The tropical climate, exotic flowers, palms and trees in the gardens, the proximity to the crystalline waters of the Atlantic Ocean, the white sandy beaches, marine life and dune vegetation surrounding our sanctuary – all influence our décor and ambiance. Natural products are used wherever possible, and many furnishings feature patterns and colors inspired by the environment surrounding the property.

Nature inspires our cuisine

As a Slow Food "Snail of approval" nominee since 2011, Essensia Restaurant's naturally grounded cuisine follows a farm-to-table philosophy with emphasis on premium local and sustainable ingredients. Working with local farmers and carefully selected purveyors, it offers healthful and flavorful dishes in a vibrant and distinguished style, sustainably farmed wines, all-natural organic and craft cocktails and craft beers.

(Note: The Essensia concept has been paused and is set to re-launch in the Fall of 2022. The Restaurant has sourced locally & sustainably wherever possible, but it has of late not been its focus)

Nature inspires our spa

The hotel's AVEDA lifestyle spa features holistic treatments and rituals set to deliver a highly personalized experience to pamper and relax with natural and botanically derived products made of largely organic pure flower and plant essences which are in tune with the environment as per Aveda's core mission "care for the world we live in, from the products we make to the ways we give back to society".

Nature inspires our values

Environmental Friendliness is one of The Palms Hotel & Spa's "12 Core Values", promoting green operational initiatives through our "Inspired by Nature Program", the Environmental Program we have created to assist us in fostering environmental consciousness and progress throughout the hotel and the community at large.



HEALTH & SAFETY

It is our goal to ensure a healthy and safe work place for all team members as well as a safe and healthful destination for our guests.

Disaster Management

The management team of The Palms Hotel & Spa has put in place appropriate disaster management and response plans for incidents including Fire and Hurricanes.

These plans encompass:

- o Emergency lighting and generators that are regularly tested and maintained
- All required fire equipment that is regularly tested and maintained
- All necessary safety, PPE and survival equipment is regularly tested and maintained
- Staff is trained on emergency responses both when they first get hired and then on a regular basis to refresh the knowledge.

OSHA - Occupational Safety and Health Administration

All OSHA information is provided to our team members upon hiring and in form of information in the break area.

Food & Drink Handling

Our food & beverage staff is trained as Responsible Vendors (certifying staff front & back of the house with safety when handling food and serving alcohol) while our Human Resources Department ensures that upon hiring every F&B Manager front and back of the house has a valid and current Managers Food Handlers Certification.

Chemicals Handling

We ensure that toxic chemicals are clearly marked and checked regularly for leaks and replaced as necessary with particular attention paid to the separation and storage of chemicals that may react to each other. Material Safety Data Sheets for all chemicals used on the property are available and list a safety measure for each specific chemical.



IV. SOCIAL/ECONOMIC IMPACT

At The Palms Hotel & Spa we are committed to having a positive and long-lasting impact on our local community, both socially and economically.

LOCAL EMPLOYMENT

The Palms Hotel & Spa recruits mainly from the local Miami community including managerial level positions across its operational and support functions, with an avid culture of promoting from within.

FAIR TRADE

The Palms Hotel & Spa Hotel is committed to deal with authorized suppliers and official distributors who offer supplies with the highest quality in the market. As per our Purchasing Policy our priority is to select the suppliers who provide eco-friendly or local products with certifications wherever possible.

STANDARDS OF CONDUCT

We have appropriate and documented Standards of Conduct integrated into our Staff Handbook and harassment and discriminations training takes place regularly.

EXPLOITATION

The Palms Hotel & Spa is in strict compliance to the Federal and Local Labor Laws and its relations. Hence, appropriate policies are in place against the sexual harassment, human trafficking and general exploitation, as supported by:

- Equal Employment Opportunity & Diversity
- Standard of Business Ethics & Conduct
- Mandatory Harassment and Human Trafficking Training

EQUITABLE HIRING

The Palms Hotel & Spa promotes diversity and equality on all levels of the business, and no employees or applicants are discriminated against in any way. All positions are filled on the basis of competence. Our hotel adheres to all local laws and regulations concerning labor laws, and offer conditions and wages equal or superior to the minimum requirements.

EMPLOYEE PROTECTION

Salaries and benefits meet or exceed national regulations, and all payments required by law into insurance and holiday funds are made on behalf of all employees. Overtime is paid at 1.5 times the rate for hours worked beyond the established work in accordance with Federal Labor Law. Week hours and working hours do not exceed the legal maximum established by Federal Labor Law, but being a hospitality industry at times a need might arise to work additional hours, team members are accordingly remunerated as per the policies outlined. Our Benefit Package exceeds the ACA Regulations. We are continuously upgrading the benefit package for employees.



COMPENSATION AND CAREER PLANNING

Salaries and wages at The Palms Hotel & Spa are being monitored closely and constantly against cost-of-living increases in our community. Cost of living increases are implemented annually and equally for all employees. In addition, salaries and wages are increased with promotions and changes in work responsibilities. Performance is being discussed on an ongoing basis. Employees receive an annual counseling with regard to:

- Career Planning
- Goals and Aspirations
- Training Opportunities
- Capacity building

BASIC SERVICES

The activities of the business have not impacted or jeopardized resources or services in the local area or neighboring communities in any negative manner in regards to the provision of water, energy, sanitation, or other basic services.

LOCAL LIVELIHOODS

The business activities have not impacted or jeopardized individual or community livelihoods by limiting their legal access to land resource, legal access to aquatic resource use, rights-of-way, transport or housing.

BRIBERY & CORRUPTION

All forms of direct or indirect bribery and corruption are prohibited as specified in our Employee Handbook and our Purchasing Policy, whether they take place directly or through third parties.

V. CULTURAL HERITAGE

The Palms Hotel & Spa is an Art Deco property, originally built in the 1940's, which has been maintained as such over the years. Thus, the history and heritage of Miami Beach is an integral part of our brand.

We don't sell, trade or display any cultural or natural pieces or objects that may be of historic value or endangered in any way. We comply with laws, standards and regulations concerning the protection of historical sites and cultural heritage as mandated by Miami Beach laws and we don't exploit the cultural intellectual property of the local community.



VI. ENVIRONMENTAL IMPACT

At The Palms Hotel & Spa, we are committed to be and act as eco-friendly as possible to minimize our impact on the environment, both locally and globally.

CONSERVING RESOURCES

Our Purchasing Policy favors environmentally friendly products for building materials, capital goods, food, and consumables wherever possible. This means, for example, that our amenities such as soap, shampoo, etc. used are compliant to local environmental standards. Currently we use in our guest rooms and public restrooms BeeKind by <u>Gilchrist & Soames</u> body wash, shampoo, conditioner and body lotion which contain no sulfates, parabens, phthalates or petrol-derived ingredients as well as supporting honey bee and sustainable pollination research. In the spa we use <u>AVEDA</u> products, which are naturally derived and organic. The tissue paper and toilet paper are Livi by <u>Solaris</u> which is committed to zero deforestation and uses renewable fiber that meets USGBC LEED® standards requirements.

Energy usage is recorded and monitored. Goals for usage reduction are established and pursued. We use energy efficient LED lighting throughout the property and where possible lights are controlled by a timer or motion sensor. In our Guest Rooms we use a smart energy management system call Mode Green, we purchase energy efficient equipment as determined by local energy rating standards or EnergyStar when possible whenever new equipment is needed and have a preventative maintenance policy in place with regular checks on all equipment.

Water sourcing is sustainable, and does not adversely affect environmental flows while water consumption is recorded and monitored. Reduction goals are specified and periodically reviewed. Faucets and Showerheads are low-flow, there are motion sensors on basins and toilets in public restrooms and the spa. There is towel and linen re-use program in place in guest rooms.

Our Food Handling Program is in line with industry best practices (for example HACCP or similar local requirements), we offer vegetarian, vegan and seasonal dishes and our meats and poultry are antibiotic free while our seafood is Marine Stewardship Council certified. All of our bottled water is served in glass or aluminum, there are no plastic water bottles on property. We serve no endangered species or products thereof, and items stemming from unsustainable practices are not consumed.

REDUCING POLLUTION

Wastewater, including gray water, is treated effectively and reused where possible. No bodies of water are polluted with toxic and/or hazardous products. Samples of HVAC and cooling tower water are tested. Waste volume is registered and goals to reduce waste and increase recycling are established and monitored. We recycle throughout the property and all residual waste has no adverse effect on the local population and the environment.



We have implemented double-sided printing with greyscale and draft setting set as default on all printers and copiers where duplex printing is available. We have amenity (soap, shampoo, etc.) dispensers in guest bathrooms, employee locker rooms, spa and the fitness center, rather than small disposable amenities. We have no Styrofoam products whatsoever on the property and to-go containers are either made of natural or recyclable materials.

Refusing, Reducing, Reusing and Recycling are an integral part of our Inspired by Nature Program, while the use of harmful substances, including pesticides, paints, swimming pool disinfectants, and cleaning materials, is minimized or less harmful/organic options are used.

CONSERVING BIODIVERSITY, ECOSYSTEMS, AND LANDSCAPES

Endangered species, products thereof, or items stemming from unsustainable practices are not sold, traded or displayed. Business activities do not impact local wildlife or plants or their habitats. Moreover, we have no captive wildlife on property, although we do have two much-loved pet macaws that have been part of the hotel operation for over 20 years and came to us from a local bird rescue.

GREEN TEAM

We have built our Green Team, a group of passionate Green Champions from all departments – both at the manager and the line-level – who are driving and monitoring all environmental activities at our hotel.

Green Champions are responsible for:

- Attending the monthly Green Team Meetings
- Helping manage the hotel's sustainability efforts in alignment with the hotel's policies and goals set forth by the Sustainability Management Plan, the Inspired by Nature Program and the Sustainability Action Plan
- Helping maintain accurate records of sustainability-related data for the purpose of reporting and communication efforts through the Green Globe certification program
- Assisting in getting the Green Globe certification on an annual basis
- Identifying meaningful and impactful sustainability initiatives, including environmental, community and giving programs, for employees and guests to partake in
- Motivating employees and guests to partake in the property's sustainability efforts
- Serving as role models and educators to peers within their own and across departments
- Leading beach clean-ups

