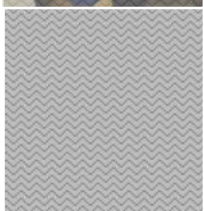
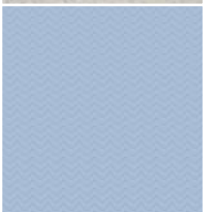


2013



NEPTUNE HOTELS SUSTAINABILITY PROGRESS REPORT

tourist period 2013

TABLE OF CONTENTS

A. Sustainability Policy.....	5
SUSTAINABLE MANAGEMENT OBJECTIVES AND RESULTS.....	5
B. Environmental Conservation.....	5
B.1. Waste Management (liquid & solid).....	5
B.1.A. Liquid Waste (waste water):.....	5
B.1.B. Solid Waste Management:.....	6
Solid Waste Reduction Through Discontinuation, Re-use, Return.....	6
Solid Waste Reduction Through Recycling.....	7
B.2. Energy Saving.....	8
B.3. Water Saving.....	9
B.4. Pollution Control and Prevention (air, water, soil).....	9
Gaseous Emissions Prevention and Quality Control.....	10
Liquid Leakages/Emissions Prevention and Quality Control.....	10
C. Social Responsibility.....	11
C.1. Local Community Support.....	11
C.2. Personnel Status and Policy.....	12
C.3. Environmental Communication for Guests.....	13
D. Awards and Recognitions.....	13

NEPTUNE HOTELS – RESORT, CONVENTION CENTRE & SPA

SUSTAINABILITY PROGRESS REPORT

TOURIST PERIOD 2013

In April 2013 the management of Neptune Hotels - Resort, Convention Centre & Spa launched the implementation of the international Travelife Sustainable Management System, aiming to incorporate a sustainable basis in the hotel's Operation & Development.

It was the result of the Hotel's commitment to offer high quality services and respect the cultural and natural environment of the local destination in conjunction with the recognition of the increased concern about social and environmental issues by their guests and tourist partners.

A sustainable policy was developed and a professional ECO-audit was conducted by a specialized external consultant. Areas of improvements were identified and the best possible practises applied to achieve measurable goals according to Sustainability Policy commitments. Results records were kept regularly during the period and a follow up inspection and measures improvement were conducted twice, in the middle and at the end of the tourist period.

A. Sustainability Policy

It includes the basic principles and guidelines of sustainability, for environmental protection and social responsibility which Neptune Hotels' sustainable management abides. It was established in May 2013 and is clearly documented in the company's Sustainable Statement.

Neptune Hotels Sustainable Policies Objectives:

- Reduce operation's impact on the Environment by improved water/energy/waste management and the application of an improved environmental friendly purchasing policy
- Be able to meet local, national and European legislation
- Operate more efficient and reduce costs by monitoring better the above mentioned aspects according to annual turnover
- Operate with respect towards the hotel's staff and the local destination
- Keep up with competitors and offer guests a sustainable holiday environment to stay in

SUSTAINABLE MANAGEMENT OBJECTIVES AND RESULTS

B. Environmental Conservation

B.1. Waste Management (liquid & solid)

Objective: *To reduce waste production and to minimize the relative pollution of natural resources (water and soil.)*

B.1.A. Liquid Waste (waste water):

Neptune Hotels owns its private sewage-treatment plant.

The unit is based on a three-stage process with active silt and a ventilation system with specific filters allowing part of the "final" wastewater to be used for irrigation purposes (except lawn). A secured underground disposal is used to store the rest of the treated last wastewater as to avoid the pollution of the underground water. A daily inspection of the unit's proper operation is conducted by the hotel's maintenance department and chemicals and microbiological tests are performed regularly by an accredited private laboratory. Files of the results are kept annually.

B. I. B. Solid Waste Management:

Objective: Solid waste reduction through the application of the revise, re-use, return, recycle, environmental friendly purchasing principles, wherever possible.

Measurable Short Term Goals by 2014 (quantity in pieces or kg./overnight)

- 10% increase of returnable packaging
- 30% reduce of disposable/single-use items
- 20% decrease of plastic bags
- 40% decrease of the plastic wastes(in kg.) produced by cleaning agents packaging
- More than 70% increase of hazardous wastes recycling
- 20% increase of cooking oil recycling

As on most of the Greek islands, also on the islands of Kos the waste management procedures and recycling infrastructure are still in a developing stage. Apart from daily life consumptions tourism, especially during the summer, continually increases the quantity of waste production. On the other hand, the capacity of the available landfill decreases, which leads to enormous difficulties in waste collection and disposal increasing the threat of natural resources pollution.

The hotel's financial contribution to the Municipalities waste management system is not affected by their relative waste production so Neptune hotels do not estimate the annual volume of the produced refuse. Measuring waste generated per year will become one of the future objectives of the hotel's sustainable management but for the time being it was decided to improve related performance by setting the above mentioned objectives and measurable goals.

Solid Waste Reduction through Discontinuation, Re-use, Return

Current Status (year 2013):

- 8% increase use of returnable packaging per overnight
- 17% reduction of disposables per overnight
- 17% reduction of plastic bags use per overnight
- 37,5% decrease of the cleaning agents plastic packaging per overnight

The above results were achieved by applying the following operational practices:

- Introduction of **Environmental friendly Purchasing Principles** such as:
 1. Every purchase must cover a real need of the hotel whilst taking into account the hotel category.
 2. Preference is given, wherever possible, to the purchase of products in bulk and in re-useable or returnable packages.
 3. Priority is given to recyclable products as well as those from recycled materials without excessive multiple packaging.
 4. Regarding the cleaning agents, preference is given to the use of concentrated products with automatic dosing control systems and in containers produced by recyclable materials or less plastic.
- Implementation of the following measures in compliance with the above mentioned principles:
 1. The discontinuation of purchasing disposable items such as cocktail decorations, cups, plates, glasses, some categories of plastic bags and, wherever their use is necessary, biodegradable or reusable products were preferred.
 2. Plastic bags for the guest rooms were replaced with paper bottoms
 3. Plastic laundry bags gradually are being replacing by paper ones
 4. Increased use of returnable glass bottles in all the F&B outlets and minimization of their damage due to regular staff information and better control

	2012	2013	Consumption/overnight		Results 2013 (change/overnight)
			2012	2013	
Returnable Packaging (pieces)	101.704	135.121	0,72	0,78	0,06 increase = 8%
Disposable items (pieces)	497.684	509.210	3,5	2,9	0,6 reduction = 17%
Plastic bags (pieces)	411.075	416.059	2,9	2,4	0,5 decrease = 17%
Cleaning agents & plastic packaging in kg.	1.160	945	0,008=8 gr.	0,005=5 gr.	3 gr. decrease = 37,5%
Occupancy	141.521	172.919	141.521	172.919	

Table 1: Total number of returnable containers, disposables, plastic bags and the quantity in kilos of the cleaning agents plastic containers used at Neptune Hotels in 2013 and 2012, while documenting the corresponding consumption per overnight

Solid Waste Reduction through Recycling

Recycling is an integral part of Neptune Hotels' policy to reduce waste wherever possible. Unfortunately, on the island of Kos, lack of adequate infrastructure for paper, glass, metal and plastic recycling and the high transportation cost from the island to the relative recycling centres in Athens did not encourage the recycling of simple packaging.

On the contrary, in compliance with legislation, a complete recycling system has been developed for most of the Hotel's hazardous wastes such as small batteries, energy saving bulbs, electrical & electronic equipment, ink cartridges, rechargeable batteries weight more than 1,5 kg., lubricants, and tires and used cooking oils. The following results concern hazardous waste collection which should be 100% according to relative legislation.

Current Status (year 2013):

- An increase of 70-75% documented in the hazardous wastes estimated in kg.
- An increase of 62% in those estimated in pieces.

The results will be more realistic next year as during 2012 an organized recycling system was not established.

Hazardous recyclable waste	Quantity 2012	Quantity 2013
Small Batteries in kg	0	50
Electrical & Electronic Devices in kg.	0	350
Energy Saving Bulbs in kg.	0	0
Ink Cartridges in pieces	65	75
Large Batteries in pieces	0	26
Tires in pieces	8	24
Lubricants in kg.	50	300

Table 2: Quantity of hazardous waste recycling during year 2012 and 2013

In addition 800 kg. of **used cooking oils** were given for recycling in 2013 over 740 kg. of the year 2012 which means an increase of **15% per guest per night**.

B.2. Energy Saving

Objective: Neptune hotels efforts are oriented towards improving energy efficiency. In other words to reduce non-renewable energy consumption without affecting the quality of their services

Measurable Goals by 2014:

- Electricity reduction 20% per overnight (kWh/guest night)
- Reduce oil consumption by 10% per overnight (lt./guest night)

Current Status (year 2013):

- Electricity reduction of 16,9% with respective 22,7% cost reduction per guest per night
- Oil consumption reduction of 9,4% per guest per night with 16,8% respective cost reduction.

Global environmental problems (climate change) are directly related to the burning of fossil fuels for the supply of our energy needs. Energy is a very important and costly factor for any hotel operation. The efficient use of all energy sources -conventional and renewable- can prove beneficial for both the environment and the hotel industry.

Electricity is the major energy source for Neptune Hotels' provision of ventilation, air-conditioning, lighting, laundry, equipment and power plant. Oil is used for heating and laundry.

For this purpose the following technologies and measures were implemented in all Neptune Hotels' units to save energy:

- Energy-saving lamps in all the hotel public areas, rooms, and external grounds. The use of these lamps accounts for 65-70% of total lighting needs. Additionally, timer switches are used in all interior and exterior spaces
- A magnetic card is used in the electrical systems of all guest room to ensure that all electrical appliances (with the exception of refrigerators) are switched off upon leaving the room
- Air-conditioning is switched off upon opening windows or doors
- The use of a VRV system in centralised air-conditioning controls
- Solar panels are responsible for 70% of water heating during summer period
- Improve insulation of pipes containing hot/cold fluids
- Improve burner/boiler maintenance, control and performance measurements by external accredited technician
- Regular monitor and analyze consumption during tourism period
- Personnel training and information so that they can adopt energy saving actions into their daily activities

The results of all these measures and actions are illustrated in **Table 3**.

	Electricity (kWh)		Oil (lt.)	
	2012	2013	2012	2013
Consumption	5.092.000 kWh	5.116.000 kWh	120.500 lt	134.000 lt
Consumption in €	€ 618.003,00	€ 578.070,00	€ 185.079,00	€ 186.338,00
Occupancy in pax	141.521	172.919	141.521	172.919
Annual consumption per guest	35,6 kWh	29,6 kWh	0,85 lt.	0,77 lt.
Annual consumption per guest in €	€ 4,4	€ 3,4	€ 1,31	€ 1,08

Table 3: Annual energy consumption during the years 2012 & 2013

B.3. Water Saving

Objective: *To reduce water consumption and alleviate the hotel's water supplies.*

Measurable Goals by 2014:

- 5% reduction per overnight (m³/guest night)

Current Status (year 2013):

There were no results recorded as 2013 was the first year of the installation of water meters to measure water consumption in the hotel.

Most of the islands of the Mediterranean, like Kos, typically face water shortage problems, especially during the summer period, due to increased farming, tourism and daily human activities. Lack of sufficient protection and management affect the quality of fresh water and have an impact on its quantity.

Thus sustainable development requires concise planning and proper management in the use of the islands' water resources.

Neptune Hotels has implemented the following practices in order to achieve the above mentioned goal:

- Installation of water meters to monitor and analyze monthly use
- Regular maintenance checks in order to repair faults and leaks as soon as they occur
- Guest info cards to minimize bed linen and towel change reducing laundry and thus save on the use of water and detergents
- Water flow regulators have been installed on faucets and showers heads
- Treated wastewater is partially used for hotel garden irrigation (with the exception of lawns for sanitary purposes)
- Automatic underground irrigation systems have been installed to ensure that watering is performed with the least possible waste of water
- Training of the housekeeping and kitchen staff to ensure the reasonable use of water during their daily duties

B.4. Pollution Control and Prevention (air, water, soil)

Objective: *To apply all necessary measures and guidelines for avoiding and reducing harmful gaseous (carbon emissions, refrigerants, etc.) and liquid emissions in the environment.*

Measurable Goals by 2014:

- To reduce refrigerants (coolants) quantity by 5%
- To reduce cleaning agents quantity by 15% per guest per night (lt./overnight)
- Pool/drinking water chemicals reduction by 5% (kg./overnight)

Current Status (year 2013):

- Reduction of 39% in cleaning agents quantity (kg.) per overnight
- Slight decrease by 1,5% in the quantity (lt.) of pool/water chemicals per overnight. Their use depends on many other factors apart from overnights such as weather conditions, staff handling, etc. Thus, as far as the use of these chemicals is done by hand and the weather conditions are unstable, the results cannot be objective as they are affected significantly.
- Significant increase of 16,3% in coolants consumption. It might be the result of the age of the corresponding equipment and the lack of their proper maintenance.
It would be consider as priority goal during the preventive hotel maintenance before 2014 opening together with the complete replacement of the prohibited coolant R22.

Apart from the previously mentioned measures and actions, regarding waste, water, and energy, further core actions of Neptune Hotels' Pollution Control & Prevention Program concern:

Gaseous Emissions Prevention and Quality Control

The amount of gaseous emissions associated with Neptune Hotels' units is marginal and current sources of emissions are considered insignificant.

1. All parking areas are open-air and all cars belonging to the hotel are checked according to the regulations of "KTEO" (Directorate for Motor Vehicle Roadworthiness Testing of the Ministry of Transportation and Communications) and have an "Emissions Audit Card" issued by the same body.
2. Gaseous emissions may originate from the kitchen areas, which are however equipped with the appropriate filters which are checked and cleaned regularly.
3. Cleanliness of all air vents is systematically checked and measures are taken to reduced levels of humidity and certify that the areas are free of micro-organisms and potentially hazardous particles.
4. All filters of the air-conditioning units are cleaned and sterilized at the start of each tourist season and regular checks are conducted during the hotels' operation.
5. According to legal requirements, the hotel launched annual checking and control of the hotels' burners to measure air emissions and their performance in order to improve the efficiency of the oil which is used.
6. The cooling liquids used (for refrigeration and air-conditioning purposes) are those stipulated by legislation for the protection of the ozone layer. Thus hazardous CFC's/HCFC's have been replaced with environmental friendly R407, R410, R404 and R134 for most of the air-conditioning and refrigerating units except air-conditioning of the Main Building which still operates by using R22 coolants (It is planned to be replaced next year).

Liquid Leakages/Emissions Prevention and Quality Control

Neptune Hotels, as most of the Mediterranean resort hotels, operates in a coastal area, thus it is in their benefit to protect the natural resources and ensure the quality of water (aquatic and fresh) as well as soil as they represent the main components of their coastal ecosystem.

1. Regular chemical/microbiological analysis of drinking, pool, sea and treated waste water through the tourism season by a private accredited Laboratory.
2. Apart from the substances that have been recorded under EU law as hazardous, there are a number of products used in the hotels' operations that can become hazardous if mishandled or disposed of improperly.
Neptune Hotels established a recycling program to collect and safely dispose all recyclable hazardous wastes (see above waste management) and a better management (MSDS check & filing, control use and storage) of other chemical products such as disinfectants, pool chemicals, paints, varnishes & solvents, detergents, etc.
3. Replacement of all cleaning agents with more environmental friendly ones. Meaning agents which are highly biodegradable, free of substances prohibited by EU legislation and their usage is secured through automatic dosing systems.
4. Preference is given to oxygen based bleaching products and less acidic salt removers (e.g. citric acid and vinegar instead of phosphoric acid, etc.) as well as detergents that demand less water for their rinsing.
5. Constant personnel training on correct use and storage of the products used.
6. In most of the old hotel properties the voltage transformers (oil coolers) contained PCB's (polychlorinated biphenyl). Neptune Hotels uses oil filled water transformers as well as dry type water transformers.

Measurable results of some of the above mentioned operational practices are documented in **Table 4**.

Pollutant Substances	Annual Consumption		Quantity/overnight	
	2012	2013	2012	2013
Coolants (lt.)	215 R22: 90 lt.	418 R22: 85 lt.	1,5 ml.	2,4 ml.
Cleaning Agents (kg.) Housekeeping/Kitchen/Laundry	27.957	23.788	230 gr.	140 gr.
Pool/Water Chemicals (lt.)	9.060	10.853	64 gr.	63 gr.
Total Overnights	141.521	172.919	141.521	172.919

Table 4: Annual Pollutant Substances use for the years 2012 & 2013.

C. Social Responsibility

Objective: Support local economy and community whereas promoting and preserving local culture and traditions. In addition fair treatment of personnel and partners and working towards increasing awareness amongst them, guest, locals and other members of the tourism industry.

Goals by 2014:

- To increase the use of local and Greek products. The total should precede more than 65% of the total F&B consumption and improve the promotion of authentic local/Greek dishes.
- To improve guest information regarding Kos Island's culture & natural heritage and the proper code of behaviour when they visit such areas.
- To increase sustainability knowledge and awareness among guests, hotel staff and locals by organizing specialized seminars, various environmental activities inside the hotel and support significant efforts for the nature/culture conservation nationally.

C.1. Local Community Support

Applied Actions and Relative Results for 2013:

- The overall 'product' offered by Neptune Hotels has been enriched with the use and promotion of traditional, local and Greek products within the hotel units and mini market.
- The availability and serving of dishes on the daily hotel buffets and restaurants as well as during thematic events occurring on a weekly basis, aimed at promoting Greek dishes, local sweets, honey, local/Greek wines, beers and other drinks.
- The hotel participates in the "Greek Breakfast" campaign organized by the Hellenic Chamber of Hotels.

In total, the national and local products that are served on a daily basis at all the hotel's F&B outlets account for approximately 58% of the total hotels supplies. Out of this, 10% corresponds to local produce (mainly fresh vegetables, meat, fish, sweets, honey, wine and olive oil) and the rest consists of national products (food and drinks). Preference is given to quality local suppliers who account for almost 50% of the total hotel's purveyors.

- Donations , sponsorships and memberships

With respect to sponsoring and memberships as well as donations in the areas of social, cultural and environmental protection details of amounts offered in each case as well as the recipient and the concrete project for which the donation was used, are documented in **Table 5**.

Memberships, Sponsorships & Donations	Recipient	Amount in € or products
Membership Blue Flag	Hellenic Society for Nature Protection	€ 8.685,00
Membership SETE	Greek Tourism Confederation	
Membership HAPCO	Hellenic Association of Professional Congress Organizers	
Membership Hellenic Chamber of Hotels	Hellenic Chamber of Hotels	
Membership Hotel Association of Kos	Hotel Association of Kos	
Membership European Hotel Managers	European Hotel Managers	
Membership Greek - Italian Chamber of Commerce	Greek - Italian Chamber of Commerce	
Sponsorship Athletic Association Kos "Hippocrates"	Athletic Association Kos "Hippocrates"	€ 5.000,00
Donation to Greek Multiple Sclerosis Society	Greek Multiple Sclerosis Society	€ 1.000,00
Donation to repair damages to fire fighting vehicles	Fire Department Kos	€ 1.205,80
Donation of wines for dance	Parents and Guardians Association ninth high school of Antimacheia	72 bottles of wine
Donation of furniture	Garrisons Officers Club	7 sleep couches
Donation of food for Honey Festival	Municipality of Kos	1.700 crêpes
Donation of linen	Hospital of Kos	140 bed sheets 100 pillow cases
Donation of food for nursery home "St. Nektarios" on Kos	Holy Metropolis of Kos	90 kg. of fresh fruits 162 kg. of fresh vegetables

Table 5: Details of memberships, sponsorships and donations made by Neptune Hotels during the year 2013

C.2 .Personnel Status and Policy

As an employer, Neptune Hotels shares a great reputation in the local tourism market due to the following reasons:

- The hotel's management is committed to create a work environment free of discrimination or harassment, offering equal employment opportunities to all staff qualified to work.
- Constantly support the local economy by creating employment and paying salaries and taxes. The total annual payroll is approximately € 5.600.000.
- The majority of the staff that works at the property are locals, making up for about 58,1% of all personnel.
- During the tourism period, the amount of full time employees makes up for about 99,08%; the part-time employees account for 0,92%. In addition during the winter when the Hotel is closed, the amount of seasonal employees is 2%.
- The Hotels has a turnover rate in personnel of 13%. An amount which is significantly below the industry average of even 40% in many resort properties.
- During the summer season 36 young students are attracted to fulfil their practise for their tourism educations for Greek and International schools.
- Internal departmental meetings headed by the managers of each department in the beginning of the period to inform all relative staff and weekly meetings headed by the Hotels Administration to discuss progress and concerns with all the relative heads of the departments.

- In the beginning of 2013 tourist period short presentations and info were given to all staff members by the Hotels external advisor on sustainability management application with the aim of motivating all personnel to actively participate in the sustainability/environmental programme.

C.3. Environmental Communication for Guests

Objective: *To motivate our guests, through a climate of teamwork, sharing of responsibility for their holiday's destination, accountability for our actions and recognition for every award which is achieved.*

Neptune Hotels' major goal is the continually improvement which leads to customer satisfaction.

- Environmental activities in Kids Club.
Heightening awareness parallel to recreation can be the best combination for the enrichment of the Kid's holidays. Thus pilot this year, the Earth Day was established weekly and the Mini Club programme has been enriched with environmental activities aiming to increase Neptune Hotels' young guests Environmental Awareness whilst having fun. Beach cleanings and arts/crafts exhibitions took place using recyclable waste materials from the various hotels operations.
- Appropriate information is communicated during the welcome cocktail and tour of the hotel grounds offered to all new guests.
- Eco-boards with all relative information about the Hotel's new sustainable program and similar projects where it participates have been displayed in the reception area and on the beach of the hotel.

D. Awards and Recognitions

- 🌿 For 11th consecutive year Neptune Hotels' beach was awarded a Blue Flag
- 🌿 Travelife Bronze award in 2013
- 🌿 TUI Environmental Champion 2013
- 🌿 TUI Holly for 8 consecutive years since 2006
- 🌿 HolidayCheck - TopHotel 2013
- 🌿 HolidayCheck - Quality Selection 2013
- 🌿 ITS Red Star Award 2013
- 🌿 Luxair Tours Quality Award 2013
- 🌿 TripAdvisor - Certificate of Excellence 2013
- 🌿 RTK Top100 2013