

# FBD Hotels and Resorts Group Procurement Policy

# FBD Hotels & Resorts Sustainable Procurement Plan

## Introduction

FBD Hotels & Resorts, a prestigious hotel group with four-star properties in Ireland and Spain, is committed to providing exceptional guest experiences while fostering sustainable and ethical practices. In alignment with the movement towards sustainability and responsible business operations, FBD Hotels & Resorts has recently developed an ESG (Environmental, Social, and Governance) Strategy. This strategy underscores the company's dedication to environmental stewardship, social responsibility, and robust governance practices.

The next critical step in embedding this strategy into the core operations of FBD Hotels & Resorts is the development of a comprehensive sustainable procurement plan. This plan aims to integrate sustainability principles into all procurement activities, ensuring that the products and services sourced by the hotels contribute positively to the environment, society, and the broader economic landscape.

The purpose of this sustainable procurement plan is to outline clear objectives and actionable steps that will guide FBD Hotels & Resorts in making informed and responsible purchasing decisions. By prioritising eco-friendly products, supporting local communities, and ensuring transparency and ethical behaviour in the supply chain, the plan will help our hotels achieve their sustainability goals and set a benchmark for the hospitality industry.

This document will detail the specific strategies, initiatives, and monitoring mechanisms that will drive the procurement process towards sustainability. By implementing this plan, FBD Hotels & Resorts not only enhances its reputation as a socially responsible company but also contributes to a more sustainable future for the hospitality industry and the communities in which it works.

**Goal:** Develop a sustainable procurement plan to ensure that key suppliers align with the groups ESG goals.

## Objectives

### Environmental Goals:

- Reduce carbon emissions by sourcing eco-friendly products.
- Minimise waste with reusable, recyclable, and compostable materials.
- Promote biodiversity through sustainable and local sourcing.

### Social Goals:

- Encourage fair labour practices and ethical treatment of workers in the supply chain.
- Support local communities by prioritising local suppliers and businesses.
- Enhance guest experience through the provision of sustainable products and services.

## **Governance Goals:**

- Promote transparency and accountability in procurement processes.
- Integrate ESG criteria into supplier choice and evaluation.
- Adhere to the highest standards and best practices in sustainability.

## **Supplier Assessment and Engagement**

- **Develop a Supplier Code of Conduct:** Establish guidelines for environmental practices, labour conditions, and ethical behaviour.
- **Supplier Evaluation:** Implement a thorough assessment process to evaluate current and potential suppliers based on ESG criteria.
- **Regular Audits:** Conduct periodic audits to ensure suppliers follow FBD Hotels & Resorts' sustainability standards.
- **Collaboration and Capacity Building:** Work with suppliers to enhance their sustainability practices through training and partnerships.

## **Sustainable Sourcing Practices**

- **Eco-friendly Products:** Prioritise the procurement of biodegradable, recyclable, and non-toxic products, including cleaning supplies, guest supplies toiletries, and packaging.
- **Local Sourcing:** Favour local suppliers to reduce transportation emissions and support local economies. This includes local food producers, artisans, and service providers.
- **Sustainable Food and Beverage:** Source food and beverages from suppliers that practice sustainable farming and offer organic options.

## **Energy and Resource Management**

- **Renewable Energy:** Increase the use of renewable energy sources, such as solar and wind, for hotel operations.
- **Energy-efficient Products:** Invest in energy-efficient appliances, lighting, and HVAC systems.
- **Water Conservation:** Install water-saving fixtures and implement water conservation programs.

## **Waste Management**

- **Reduce Single-use Plastics:** Eliminate single-use plastics in favour of reusable, biodegradable, or compostable alternatives.
- **Recycling Programs:** Establish comprehensive recycling programs in all hotels, including paper, plastic, glass, and metal.
- **Waste Audits:** Conduct regular waste audits to identify opportunities for reducing waste.

## **Food Waste**

- **Conduct Food Waste Audits:** Regularly measure and analyse food waste to identify key waste sources and patterns.
- **Set Reduction Targets:** Establish specific, measurable goals for reducing food waste.
- **Order Optimisation:** Use historical data to forecast demand more accurately and avoid over-ordering.
- **Local and Seasonal Sourcing:** Prioritise local and seasonal products to reduce the risk of spoilage and decrease transportation emissions.

## **Technology and Innovation**

- **Procurement Software:** Use sustainable procurement software to track and manage ESG metrics.
- **Innovative Solutions:** Keep abreast of and adopt innovative technologies and practices that enhance sustainability.

## **Stakeholder Engagement and Communication**

- **Employee Training:** Regularly train staff on sustainable procurement practices and the importance of sustainability.
- **Guest Communication:** Inform guests about the hotel's sustainability efforts and encourage their participation in green practices.
- **Reporting:** Support transparent reporting of sustainability initiatives and progress to all stakeholders.

## **Monitoring and Continuous Improvement**

- **KPIs and Metrics:** Develop key performance indicators (KPIs) to measure the success of sustainability initiatives.
- **Regular Reviews:** Continuously review procurement practices and make improvements based on performance data.
- **Feedback Mechanism:** Set up a system to collect feedback from suppliers, employees, and guests to identify areas for improvement.

## **Conclusion**

The sustainable procurement plan for FBD Hotels & Resorts is a significant step towards embedding sustainability into the core operations of our hotels in Ireland and Spain. This plan is designed to align with our recently established ESG (Environmental, Social, and Governance) strategy, ensuring that our procurement practices contribute positively to the environment, society, and governance standards.

Through the implementation of this plan, we commit to sourcing eco-friendly products, minimising waste, supporting local communities, and fostering transparent and ethical procurement processes. By prioritising local suppliers and sustainable products, we not only reduce our environmental impact but also enhance the guest experience and support local economies.

Our comprehensive approach includes developing a Supplier Code of Conduct, conducting regular supplier audits, investing in renewable energy and energy-efficient products, and

implementing robust waste management programs. We will also use technology and innovation to track and manage our sustainability metrics effectively.

Stakeholder engagement and communication are critical components of our plan. We will educate our employees on sustainable practices, inform our guests about our sustainability efforts, and keep transparent reporting to all stakeholders. Continuous monitoring and regular reviews will ensure that we stay on track and make necessary improvements to our practices.

The successful implementation of this plan requires the commitment and cooperation of all stakeholders, including our employees, suppliers, and guests. By working together, we can achieve our sustainability goals, enhance our reputation as a socially responsible entity, and contribute to a more sustainable future for the hospitality industry and the communities we serve.

In conclusion, this sustainable procurement plan not only aligns with FBD Hotels & Resorts' ESG strategy but also sets a benchmark for sustainable practices in the hospitality industry. We look forward to the positive impact this plan will have on our operations, our guests, and the environment. Let us all commit to making sustainability a core value in everything we do.

# Group Purchasing Policy for FBD Hotels & Resorts

## Objective:

To establish a standardised and sustainable group purchasing policy for FBD Hotels & Resorts, encompassing our four-star hotels in Ireland and Spain. This policy is intended to promote standardised practices and alignment with broader sustainability objectives across all procurement activities. Procurement activities may include any purchasing needs of the hotel, from routine operations to capital expenditure projects, with the aim of supporting efficiency, sustainability, and alignment with our general standards.

## Introduction

### Purpose:

The purpose of this Group Purchasing Policy is to provide clear guidelines and standard operating procedures (SOPs) for all procurement activities at FBD Hotels & Resorts. This policy aims to promote transparency, efficiency, sustainability, and compliance with regulatory requirements.

### Scope:

This policy applies to all procurement activities, including day to day and capital expenditure projects, across our four Irish hotels and two Spanish hotels.

### Commitment to Sustainability:

FBD Hotels & Resorts is committed to sustainable procurement practices that minimise environmental impact, support local communities, and uphold ethical standards.

## 1. Standard Operating Procedures (SOPs)

### SOP 1: Procurement Planning

- Annual Budgeting: Each hotel must prepare an annual budget, aligned with the overall financial plan and sustainability goals.

### SOP 2: Supplier Selection and Evaluation

- Three Quotes Requirement: For projects, capital expenditures, or one-time purchases exceeding €3,000, two to three competitive quotes must be obtained, and the reasoning behind the selection must be clearly documented. If three quotes cannot be sourced, the justification must be recorded and approved by both the General Manager (GM) and the Financial Controller (FC).
- Supplier Evaluation: Evaluate suppliers based on price, quality, delivery, sustainability practices, and compliance with the FBD Hotels & Resorts Supplier Code of Conduct.

### SOP 3: Purchase Orders and Authorisations

- All procurement activities shall be conducted using official purchase orders (POs). For Irish properties, the Procure Wizard system is recommended for managing these transactions. Mini-market categories may include, but are not limited to, Beverage,

Food, Spa & Leisure, Consumables, and Accommodation. Any one-off or departmental-specific purchases that do not fall within these standard categories must be documented using the FBD PO form. Such requests shall be submitted for written approval to both the General Manager and the Financial Controller. Verbal or email orders are not permitted unless in an emergency. For purchases

#### **Authorisation Levels Procure Wizard:**

- **New Suppliers & Price Changes:** All new supplier additions and any changes to supplier pricing through Procure Wizard must be approved by the Group Purchasing Manager.
- **Purchases related to Spa, Leisure, Accommodation, and Consumables:** Require approval by either the General Manager or the Financial Controller.
- **Purchases Related to Food and Beverage:** Up to the value of €15,000 may be approved by the Head of Department.
- **Hotel General Managers and Financial Controllers:** Have an order approval limit of €50,000 across all hotel mini markets.
- **Capital expenditure projects** must require approved by the CEO.
- **IT related purchases** must require approval from Group Head of IT & Innovations.

#### **Suppliers Outside of Procure Wizard:**

For suppliers not managed through Procure Wizard, a separate supplier assessment must be completed. During this assessment, the supplier will be evaluated against our sustainability and operational standards and assigned a traffic light rating—Green (compliant), Amber (conditionally approved pending improvements), or Red (not compliant). This assessment and subsequent classification must be approved by the Group Head of Development, Sustainability, and Procurement before the supplier can be added to the approved vendor list.

- **Local Exceptions:**  
At the discretion of the General Manager, hotel Purchasing Managers/Executives may be granted a local spending limit of up to €250 for immediate, routine procurements. Any expenditure above this threshold shall require approval from the General Manager or the Financial Controller.

#### **SOP 4: Procurement Channels**

- **Preferred Suppliers:** Utilise preferred suppliers (Hotel approved Vendor list) identified through the supplier evaluation process to ensure consistency and leverage bulk purchasing.
- **Sustainable Suppliers:** Prioritise suppliers with strong sustainability practices and certifications – outlined in approved Vendor list.

#### **SOP 5: Compliance and Monitoring**

- **Regulatory Compliance:** Ensure all procurement activities comply with local, national, and international regulations.
- **Internal Audits:** Internal audits may be conducted to monitor adherence to procurement policies and identify areas for improvement.

### **3. Necessity for Compliance**

#### **Legal and Regulatory Compliance:**

- Adherence to this policy may support compliance with applicable laws and regulations, mitigating legal risks and avoiding penalties.

#### **Financial Control:**

- Structured procurement processes enhance financial control, prevent overspending, and ensure the efficient use of resources.

#### **Sustainability Goals:**

- Compliance with the policy supports FBD Hotels & Resorts' sustainable Procurement Plan, promoting environmentally friendly practices and ethical sourcing.

### **4. Best Practices**

#### **Transparent Procurement Processes:**

- Maintain transparency throughout the procurement process to build trust with stakeholders and ensure accountability.
- **Contracts:** All contracts scheduled for renewal must be forwarded to the Group Head of Development, Sustainability and Procurement, ensuring thorough review and alignment with organisational objectives.

#### **Continuous Improvement:**

- Regularly review and update procurement practices to incorporate new sustainability standards and improve efficiency.

#### **Stakeholder Engagement:**

- Engage stakeholders, including employees, suppliers, and guests, in the procurement process to foster collaboration and innovation.

### **5. Conclusion**

This Group Purchasing Policy for FBD Hotels & Resorts establishes a robust framework for procurement activities, ensuring consistency, sustainability, and compliance across our Irish and Spanish hotels. By adhering to these guidelines, we can achieve cost savings, support local communities, and uphold our commitment to environmental and social responsibility.