



Mexico City, May 03, 2021 – Grupo Hotelero Santa Fe S.A.B. de C.V. (BMV: HOTEL) (the “Hotel” or the “Company”), published its 2020 Sustainability Report today.

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Message from our Chief Executive Officer

[102-14, 102-15]

At Grupo Hotelero Santa Fe, today more than ever we value the effort of each and every person who is a part of this company and who has helped it to continue operating successfully. The year 2020 provided us with plenty of opportunities to learn the best ways to protect our people, the environment, and the communities where we operate. Our global society has been deeply impacted not only by communications and technology, but also by how profoundly the world is interconnected; and now a major pandemic has caused us all to view the world differently.

Our sector was one of the most heavily impacted by the pandemic. The five-month closure at several destinations challenged us to be better, and despite the headwinds we continue to face, we know that as a team we have met these difficulties with determination, experience, and effective strategic decision-making. We have come out on the other side even stronger, and with our reputation of being the most efficient hotel operator in Mexico intact.

This Sustainability Report contains information from an atypical year that is difficult to compare to prior years; but we are firmly committed to communicating the Group's economic, social, ethical and environmental results with our shareholders, investors, employees, guests, providers, and all our stakeholders. The **Stay Safe & Clean** initiative was the standout program during the year, created to ensure the health and safety of everyone in a complex health environment.

In this second Sustainability Report, I am pleased to share how committed Grupo Hotelero Santa Fe is to transparency and accountability with all of our stakeholders, based on the international Global Reporting Initiative (GRI) methodology.

One of our strategic decisions led to a capital increase in October 2020, which had been approved by the Group's General Ordinary Shareholders' Meeting. This bolstered our financial strength, enabling us to remain in the market and to continue offering the best services and experiences to our clients in each of our hotels, while we continued working to generate the profitability expected by our investors.

In Sustainability matters, the focus in 2020 was to continue managing responsibly, and extraordinary efforts were made with a clear focus on improving every aspect related to protecting health. These measures led to an effective and successful hotel reopening under the strictest safety conditions required in the market.

Other matters, such as ethical management and quality of service were given a lot of attention, and in this report we will share our main achievements during this reporting period.

We recognize our employees as the keystone of our business success, thanks to the commitment each and every one of them has shown. They have exemplified the values that are indispensable as people and as an organization, and that have enabled us to successfully implement the improvements and innovations that are necessary in times of change.

The challenges we face at the global level require immediate actions, and we must ensure that our current and future generations live in a sustainable and healthy world, where freedom is promoted and respected, society is fairer, and the environment is healthy. We are committed to these precepts at Grupo Hotelero Santa Fe, and we will continue working to that end, knowing that people are safe in our hotels, and that they can continue enjoying the experience of traveling and staying with us.

In the years to come, we have no doubt that Sustainability will continue to be paramount in corporate management. We will continue working to take actions that contribute to sustainable development and Agenda 2030 of the United Nations' Sustainable Development Goals.

About this report

[102-50, 102-51, 102-52, 102-53, 102-54]

Grupo Hotelero Santa Fe is very pleased to present this second annual Sustainability Report 2020. It is the result of an outstanding team that reflects our commitment and values, and an exercise in communication and transparency with our various stakeholders. The report has been prepared in conformance with the *Essential* option of GRI Standards.

In 2019, the indicators for the Company's material issues were established, as well as their respective baselines. However, due to the COVID-19 pandemic, the comparisons between years created a distortion in the analysis, resulting in non-comparable differences in GHSF'S performance, as 2020 was an atypical year worldwide.

The period this report covers is January to December 2020, and it is in line with the Ten Principles of the United Nations Global Compact. Our materials also contribute to the following Sustainable Development Goals of the United Nations:



For any questions on their content, please contact: Maximilian Zimmermann Canovas, Director of Investor Relations and Sustainability of Grupo Hotelero Santa Fe. Contact e-mail: mzimmermann@gsf-hotels.com

Our achievements in 2020

- Creation of the **Stay Safe & Clean** program, to ensure a safe reopening
- All board members, directors, and employees know the Company's Code of Ethics
- Improved and updated our Code of Ethics
- Resolved 100% of the complaints or reports received through our anonymous tip line
- Provided more than 200 hours of training in anti-corruption matters
- Provided more than 30 hours of training per person in transferrable skills
- Launched our internal bulletin, Santa Fe News
- Received the SRC (Socially Responsible Company) Award for the fifth consecutive year
- Confirmed our adherence to the United Nations Global Compact
- Reduced existing salary discrepancies
- 17 of our hotels have waste-monitoring and reduction processes
- 13,848 turtles released in Cancún through the sea turtle protection program

About Grupo Hotelero Santa Fe

Our Company

[102-1, 102-2, 102-3, 102-4, 102-6, 102-7]

Grupo Hotelero Santa Fe has its own brand, Krystal. We also invest in, integrate, and operate other widely recognized brands, such as Hilton, Marriott, Ibis, and Hyatt, totaling 28 hotels in operation and 6,897 rooms in 2020.

Our ability to understand the market's needs, and our financial strength have allowed us to continue operating efficiently, despite the hardships that COVID-19 has brought with it to the entire tourism industry, and particularly to the hotel sector.

With the many upheavals that 2020 brought with it, we had to adapt and face the challenges that arose, such as the five-month closure of all beach and some urban hotels. Throughout this time we focused on the safety of our employees and their families, and on implementing health protocols for the safety of our guests.

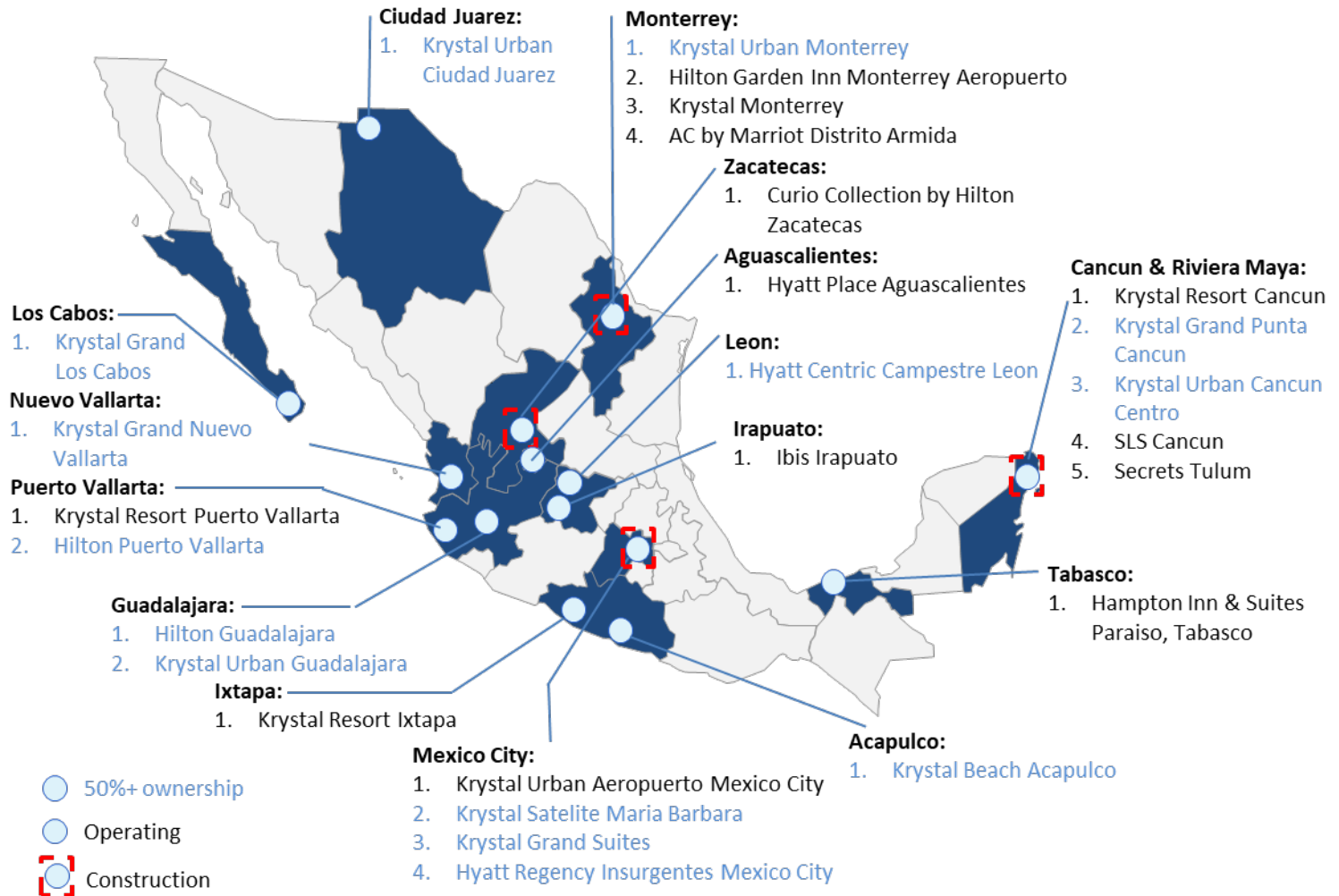
Hotel development, acquisition and operation

We are a leading, highly efficient hotel operating company in Mexico with a focus on three essential areas: the development, acquisition, and operation of our own hotels and those of third parties, employing a multi-brand and multi-segment strategy that provides excellent-quality infrastructure and services, and meeting the expectations and demands of the domestic and international markets, thus maximizing profitability.

Presence in Mexico and our brands

Our corporate offices are located in Mexico City, and our 28 hotels are located in 16 cities throughout Mexico. Our own brand is Hoteles Krystal, which is recognized in Mexico and worldwide. We have several other recognized companies that enable us to provide attractive options for various market segments, both urban and beach hotels, including: Hoteles Krystal, Hilton, Hyatt, AC Marriott, Ibis, Curio and Breathless.

The following is the geographic distribution of the hotel portfolio:



Our services

Grupo Hotelero Santa Fe provides lodging in both urban and beach destinations. With our 3,987 rooms, we serve four- and five-star markets, as well as Gran Turismo, or very high-end markets, using European layouts and all-inclusive models. We also provide a wide range of complementary services, with the principal objective of ensuring that every guest who stays with us has an extraordinary experience. We have a wide variety of restaurants, bars, spas, coffee shops, and specialized products, such as spaces to hold events.

Our operating model is defined by its foundation of multi-functional efficiency and strict expense control, which allow us to adapt and react quickly to the industry's changing needs. Part of our strategy is to incorporate hotel assets that have strategic value and that offer us long-term growth and profitability in different relevant markets.

Hotel portfolio:

No.	Property	Total Rooms	Ownership	Type	Category	Months in Operation	Stabilized	City	State
1	Hilton Guadalajara	450	100%	Urban	Grand Tourism	>36	Yes	Guadalajara	Jalisco
2	Krystal Urban Monterrey	150	100%	Urban	4 Star	>36	Yes	Monterrey	Nuevo León
3	Krystal Urban Cd. Juárez	120	100%	Urban	4 Star	>36	Yes	Juárez	Chihuahua
4	Krystal Urban Cancún	246	100%	Urban	4 Star	>36	Yes	Cancún	Quintana Roo
5	Krystal Satélite María Bárbara	215	100%	Urban	5 Star	>36	Yes	Mexico City	Estado de México
6	Hilton Garden Inn Monterrey Aeropuerto	134	15%	Urban	4 Star	>36	Yes	Monterrey	Nuevo León
7	Hampton Inn & Suites Paraíso Tabasco	117	-	Urban	4 Star	>36	Yes	Paraíso	Tabasco
8	Krystal Urban Aeropuerto Ciudad de México	96	-	Urban	4 Star	>36	Yes	Mexico City	Estado de México
9	Krystal Urban Guadalajara	140	100%	Urban	4 Star	>36	Yes	Guadalajara	Jalisco
10	Krystal Monterrey	207	-	Urban	5 Star	>36	Yes	Monterrey	Nuevo León
11	Ibis Irapuato	140	-	Urban	3 Star	>36	Yes	Irapuato	Guanajuato
12	Krystal Grand Suites Insurgentes	150	50%	Urban	Grand Tourism	>36	Yes	Mexico City	Estado de México
13	Hyatt Centric Campestre León	140	50%	Urban	Grand Tourism	28	In Process	León	Guanajuato
14	Hyatt Place Aguascalientes	144	-	Urban	4 Star	22	In Process	Aguascalientes	Aguascalientes
15	AC Hotel by Marriott Santa Fe	168	-	Urban	4 Star	17	In Process	Mexico City	Estado de México
16	Courtyard by Marriott Puebla	150	-	Urban	4 Star	17	In Process	Puebla	Puebla
Subtotal Urban		2,767							
17	Krystal Resort Cancún	502	-	Beach	5 Star	>36	Yes	Cancún	Quintana Roo
18	Krystal Resort Ixtapa	255	-	Beach	5 Star	>36	Yes	Ixtapa	Guerrero
19	Krystal Resort Puerto Vallarta	530	-	Beach	5 Star	>36	Yes	Puerto Vallarta	Jalisco
20	Hilton Puerto Vallarta Resort	451	100%	Beach	Grand Tourism	>36	Yes	Puerto Vallarta	Jalisco
21	Krystal Beach Acapulco	400	100%	Beach	4 Star	>36	Yes	Acapulco	Guerrero
22	Krystal Grand Punta Cancún	398	100%	Beach	Grand Tourism	>36	Yes	Cancún	Quintana Roo
23	Krystal Grand Los Cabos	454	50%	Beach	Grand Tourism	36	Yes	Los Cabos	Baja California Sur
24	Krystal Grand Nuevo Vallarta	480	50%	Beach	Grand Tourism	36	Yes	Nuevo Vallarta	Nayarit
Subtotal Beach		3,470							
Total in Operation		6,237							
25	Hyatt Regency Insurgentes Mexico City	250	50%	Urban	Grand Tourism			Mexico City	Estado de México
26	AC by Marriott Distrito Armida	168	-	Urban	4 Star			Monterrey	Nuevo León
27	Curio Collection Zacatecas	32	-	Urban	Boutique			Zacatecas	Zacatecas
28	Breathless Tulum Resort & Spa	300	-	Beach	Grand Tourism			Tulum	Quintana Roo
Total under Construction		750							
Total		6,987							

GHSF in Numbers

- 28 Hotels
- Present in 16 cities throughout Mexico
- 6,897 rooms

Corporate governance

[102-18, 102-19, 102-20, 102-21, 102-22]

Board of Directors

The year 2020 brought with it relevant changes in shareholder structure, which generated the investments necessary to allow us to continue pursuing our business goals. This was reflected in our corporate governance, which was improved not only by our new partners and the capital infusion, but also by the expanded group of external advisers who work closely with us to meet our strategic business goals and to follow the Company's corporate philosophy.

The Board of Directors, as the highest governing body in the Company, is comprised of 12 board members, of whom ten are independent board members. The corporate governance structures are presented below:

Name	Position	Capacity
Carlos Gerardo Ancira Elizondo	Executive Chairman of the Board of Directors	NA
Maria del Rocio Alarcón Brockmann	Board Member	Independent
Luis Alberto Harvey MacKissack	Board Member	Independent
Arturo José Saval Pérez	Board Member	Independent
Pablo Villanueva Martínez	Board Member	Independent
Federico Martín del Campo Flores	Board Member	NA
Diego Gutiérrez Aguayo	Board Member	NA
Jorge Manuel Perez	Board Member	Independent
Francisco Javier Moguel Gloria	Board Member	Independent
Eduardo Chaillo Ortiz	Board Member	Independent
Jerónimo Marcos Gerard Rivero	Board Member	Independent
Eduardo Diaz Balogh	Board Member	Independent
Enrique Gerardo Martínez Guerrero (1)	Alternate Board Member	NA
Roberto Langenauer Neuman (2)	Alternate Board Member	NA
Eduardo Guemez Sarre (3)	Alternate Board Member	NA
Alejandro Diaque Ballesteros (3)	Alternate Board Member	NA
Yosef Witzinzer Eilemberg (3)	Alternate Board Member	NA
Eduardo Barajas Ramirez (4)	Alternate Board Member	NA
Jon Paul Perez (5)	Alternate Board Member	NA

(1) Alternate board member for either Carlos Gerardo Ancira Elizondo or Maria del Rocio Alarcón Brockmann

(2) Alternate board member for Arturo J. Saval Pérez

(3) Alternate board member for either Federico Martín del Campo or Diego Gutiérrez Aguayo

(4) Alternate board member for Pablo Villanueva Martínez

(5) Alternate board member for Jorge Manuel Perez

Audit Committee

<p>Francisco Javier Moguel Gloria</p> <p>Capacity of Board Member: Independent</p> <p>Chairman</p>	<p>Eduardo Chaillo Ortiz</p> <p>Capacity of Board Member: Independent</p> <p>Member</p>	<p>Eduardo Diaz Balogh</p> <p>Capacity of Board Member: Independent</p> <p>Member</p>
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Corporate Practices Committee

<p>Arturo José Saval Pérez</p> <p>Capacity of Board Member: Independent</p> <p>Chairman</p>	<p>Eduardo Chaillo Ortiz</p> <p>Capacity of Board Member: Independent</p> <p>Member</p>	<p>Jerónimo Marcos Gerard Rivero</p> <p>Capacity of Board Member: Independent</p> <p>Member</p>
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Executive Committee:

Carlos Gerardo Ancira Elizondo	Chairman of the Executive Committee
Member	Francisco Alejandro Zinser Cieslik
Eduardo Diaz Balogh	Member
Member	Arturo José Saval Pérez
Federico Martín del Campo Flores	Member
Member	Diego Gutiérrez Aguayo
Enrique Gerardo Martínez Guerrero (1)	Alternate Member
Alternate Member	Roberto Langenauer Neuman (2)
Eduardo Guemez Sarre	Alternate Member
Alternate Member	Alejandro Diaque Ballesteros (3)
Yosef Wiznitzer Eilemberg	Alternate Member

(1) Alternate member for any of: Carlos Gerardo Ancira Elizondo, Francisco Alejandro Zinser Cieslik or Eduardo Diaz Balogh

(2) Alternate member for Arturo José Sava Pérez

(3) Alternate member for either Federico Martín del Campo, or Diego Gutiérrez Aguayo

Ethical culture

[102-16,102-17 103-1, 103-2, 103-3, 205-1, 205-2]

At Grupo Hotelero Santa Fe, we have not only built a firmly ethical culture; we have also implemented best domestic and international practices to ensure that we protect the well-being of our people, the environment, the Company's assets, and that we maintain our valuable relationships with our supply chain and the communities where we operate.

Our values



Code of Ethics and Conduct

Our Code has cemented great strengths in our corporate culture, establishing guidelines and norms of conduct that apply at all levels of the Company. Established within this frame of reference are the principles and values for daily conduct for every employee in their internal relationships, and with our various stakeholders.

The Code of Ethics and Conduct was modified in 2020, and due to the COVID-19 pandemic Grupo Hotelero Santa Fe incorporated actions into its guidelines whose end goal is to safeguard the health and well-being of every employee.

Matters included in the Code of Ethics



Ethical training

In this reporting period we continued informing and training all personnel in the Group in matters of ethical conduct.

Ethical training courses by gender – 2020



Ethical training courses by position



Front Desk Standardization

This year we implemented a Front Desk Standardization project in which several areas participated, including Internal Audit, Technology, Operations, Sales, Administration and Reservations. The goal of this project is to improve internal controls at Reception, and facilitate the timely prevention of those activities which, due to their nature, represent an inherent risk, such as handling cash. This project also supports compliance with internal programs at each hotel.

During the reporting period, the contents of the Code were communicated to all board members, directors, and employees.

Ethics Committee

Our Ethics Committee is the body that oversees compliance with the guidelines of our Code of Ethics, and it also establishes and applies the appropriate penalties.

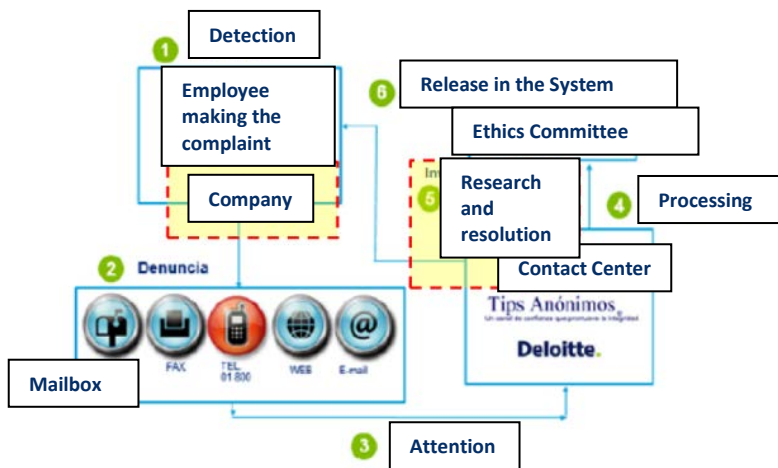
This Committee is comprised of senior management (partners, shareholders, directors and board members). The improvements we implemented focused on the times required for research, analysis, and response time to every complaint. We again highlight our commitment to ensuring the protection of the rights and anonymity of anyone filing a complaint.

Ethics System and Tip Line

The *Tip Line* is a very effective instrument for detecting diversions or possible breaches of the guidelines in the Code of Conduct. As a leading company in implementing best practices, our Tip Line is managed by a third party, providing certainty and trust in the processes and in the anonymity of callers. Deloitte, a consulting firm, is responsible for managing the Ethical System, and offering its professional services both to our internal personnel and to our providers. We are thus assured of being involved at the highest level with the situations that might harm people, or the reputation of equity of the Company.

During 2020, 29 internal complaints were received and handled, and no complaints came from providers. Of these complaints, 100% were closed successfully, abiding by the established protocols.

Complaint management process



Complaints through our ethics system



During this reporting period and because of the pandemic, new sub-categories were added to the tip line.

Categories incorporated into the Tip Line (Anonymous Tips): COVID-19

Subcategories	Code of Ethics Violation
1 Discrimination due to having contracted COVID-19	Discrimination
2 Knowledge of an employee who has tested positive and/or who has had contact with someone confirmed to have COVID-19, and who is working in-person .	Hazardous conditions
3 Refusal by a manager to quarantine as required, if positive for COVID-19.	Abuse of power / Work-related negligence
4 Refusal by a manager or difficulty obtaining approval from a manager to take a COVID-19 detection test .	Abuse of power / Work-related negligence

Anti-Corruption Initiatives

This year we implemented high-impact, anti-corruption measures. Our commitment to an ethical culture and transparency extend beyond legal compliance, as we are aligned with best practices both domestically and internationally. The plans and implementation of the various actions are coordinated by the Internal Audit Department, which is the area responsible for developing the protocols and tools that facilitate an extensive operational roll-out throughout the Company, both at the corporate level and at each hotel.

- **Update on corruption risks:** in this period we updated the risk matrix. **Anti-corruption manual:** contains guidelines and mechanisms for the timely prevention of acts that might violate ethical rules and corporate governance. The manual uses the following as its frame of reference: General Law of Administrative Responsibilities – Art. 25 Constitution of the United Mexican States – Section 4
c) Federal Tax Code – Art. 69B

Roles and responsibilities

Role:

Corporate Ethics Committee

Responsibilities:

- Conduct investigations, screen complaints and assess penalties.
- Ensure protection of the rights and identity of the complainant.

Role:

Human Resources Department

Responsibilities:

- Ensure compliance with the Code of Ethics and Conduct of GHSF.
- Penalize those who violate the Code of Ethics and Conduct.
- Conduct investigations, screen complaints and assess penalties.

Role:

Internal Audit Department

Responsibilities:

- Verify timely compliance with internal programs to prevent corruption implemented by GHSF.
- Ensure timely compliance with the Integrity Policy implemented by GHSF.

Role:

Administration and Finance Department

Responsibilities:

- Ensure timely compliance with the internal anti-corruption programs implemented by GHSF.
- Create, authorize, and issue internal policies and procedures that mitigate identified risks and needs in the operation of the hotels and corporate offices.

- **Anti-Corruption training:** In 2020, a total of 268 hours of training was provided, broken down as follows:

		Number of participants	Hours	Total hours
1	Corporate actions regarding COVID-19	55	4	220
2	Federal law for Prevention and Identification of Operations using Funds of Illegal Origin	4	8	32
3	Follow-up on compliance with PLD	4	4	16
				Total hours 268

Anti-Money Laundering Activities (AML)

We improved our Anti-Money Laundering program in 2020 by hiring a corporate compliance official to head the Internal Audit Department, as well as an official from each of our hotels. Their objective is to comply with the legal provisions in three specific matters for Grupo Hotelero Santa Fe: property leasing, exchange, and development. The 28 individuals responsible for existing compliance rules are listed on the AML portal, as required by law.

Our ethical commitment

“To comply with legal requirements and to prevent money-laundering, 100% of the hotels are registered on the government portal. An analysis was performed on each unit regarding vulnerable activities (leasing, real estate development, and exchanges); now we have a trained compliance officer at each hotel who officially oversees compliance with the policies and procedures in the matter.”

Alejandro Abaid
Director of Auditing

COVID-19 Actions

Benchmark: Best Health and Safety Practices

Due to the pandemic, in 2020 we performed a Risk Evaluation Analysis, identifying internal and external factors that could impact our goal of guaranteeing a healthy and safe environment for everyone. During the year, every measure and protocol proposed by the federal and state health authorities that focused on providing a healthy and safe environment was taken into account.

The following actions were identified:

- a. **Preventive Actions.** Measures implemented to prevent worker exposure in situations that could pose a risk of contagion.
- b. **Detection Actions.** Activities to identify personnel whose symptoms (fever, headache, loss of smell/taste) indicate they might have been infected.
- c. **Containment Actions.** The plan of execution that must be followed, so that if there is a case of identified contagion, the location and people who might have come into contact with the infected person can be traced.
- d. **Follow-Up Actions.** The actions taken in order to:
 - i. Monitor the re-incorporation of personnel who have been infected back into work.
 - ii. Audits to ensure compliance with the implemented actions.

Evaluation of emerging risks

We also performed an evaluation and analysis of internal and external risks that could weaken or place business continuity at risk.

Each risk was plotted according to its probability of occurrence and economic impact, and is being monitored by the Internal Audit Department in order to anticipate any corporate action that might need to be taken in order to protect workers.

Our sustainability strategy

[102-20, 102-21, 102,32, 102-40, 102-43, 102-44, 102-46 102-47]

In 2020, some sustainability initiatives were implemented as part of our strategy. However, the impact from temporarily closing operations at several hotels due to the pandemic meant that not all activities planned for the year could be implemented. We remained in close contact with our stakeholders, and were attentive to the new needs that arose from the pandemic.

At Grupo Hotelero Santa Fe we have a clear vision of what sustainable management is, and today more than ever we are committed to continuing to work with a focus on the impact and creation of economic, social, and environment value, which includes effective cooperation in achieving our Sustainable Development Objectives.

We are confident that the tourism industry and hotel sector will recover from the pandemic's impact, which sharply reduced travel and vacations. With this recovery, we believe we will be able to reach the Group's highest potential, and put into place our robust sustainability plans.

Sustainability Board

We have a Sustainability Board, which is responsible for defining strategies and making relevant decisions regarding the Company's sustainable performance. Each hotel has a Social Responsibility Committee (SRC) that is headed by the Corporate Social Responsibility Department, in coordination with the committees from each hotel (connecting the principal issues of Quality of Life, Environment, Ethics and Providers, and Community Ties), which are headed by a "Key Leader."

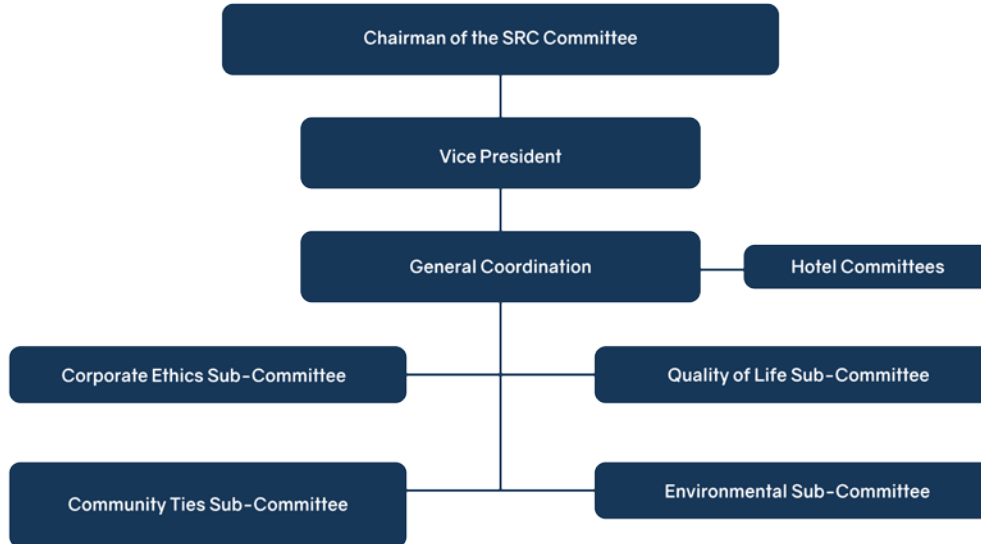
One of the most important functions performed by the SRC Committee, is maintaining a dialogue with stakeholders, understanding their concerns and expectations, and keeping hotel management, upper management, and the corporate Social Responsibility area informed and involved.

Implementing the majority of social and environmental initiatives of each hotel is one of the Group's strategic goals; implementation occurs under an autonomous model that considers local issues and the guidelines of some of the hotel brands operated by the Company.

The organizational charts of the Board and the Committee are shown below:



Organizational chart of the Sustainability Board

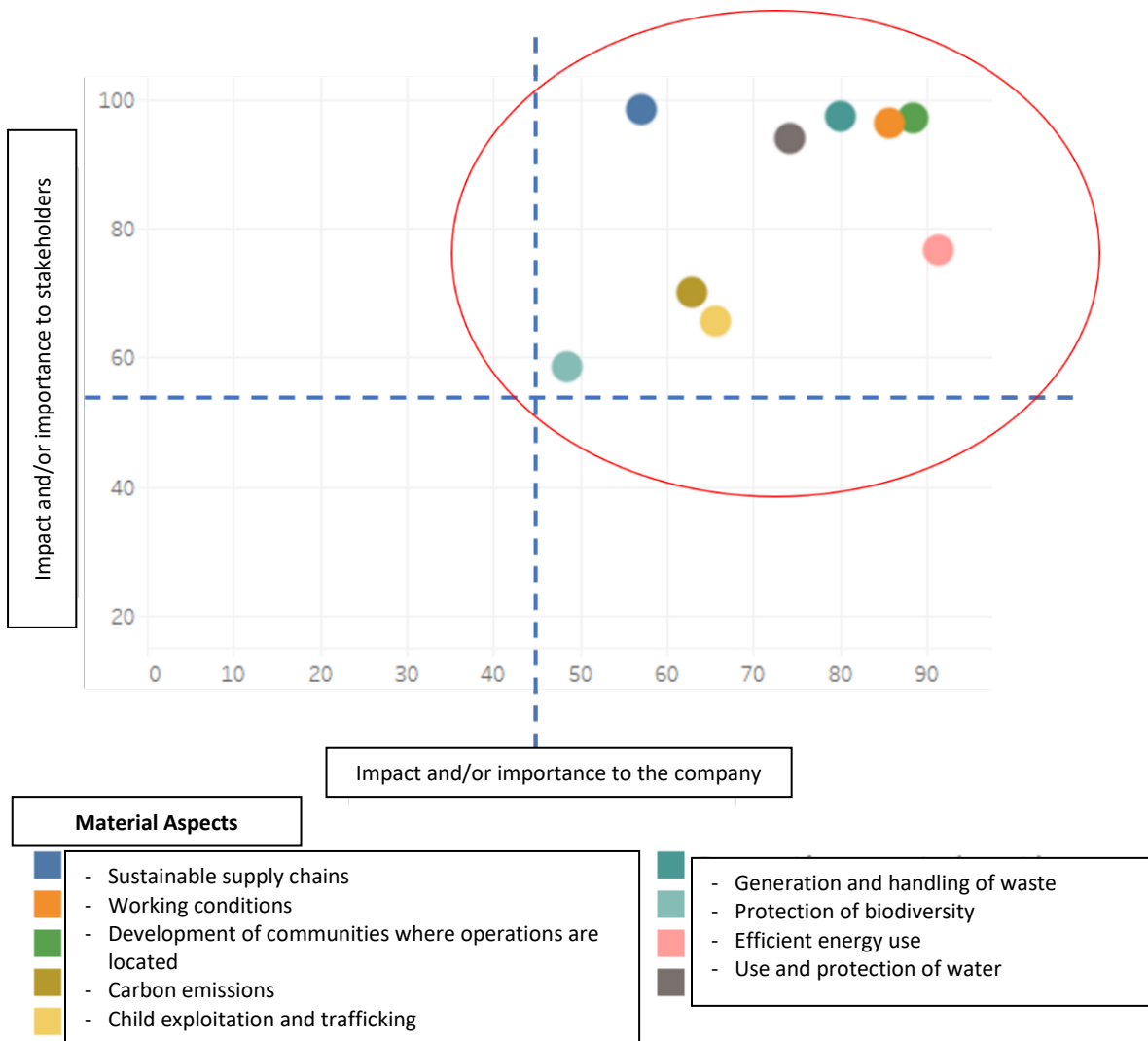


Organizational chart of the Social Responsibility Committee

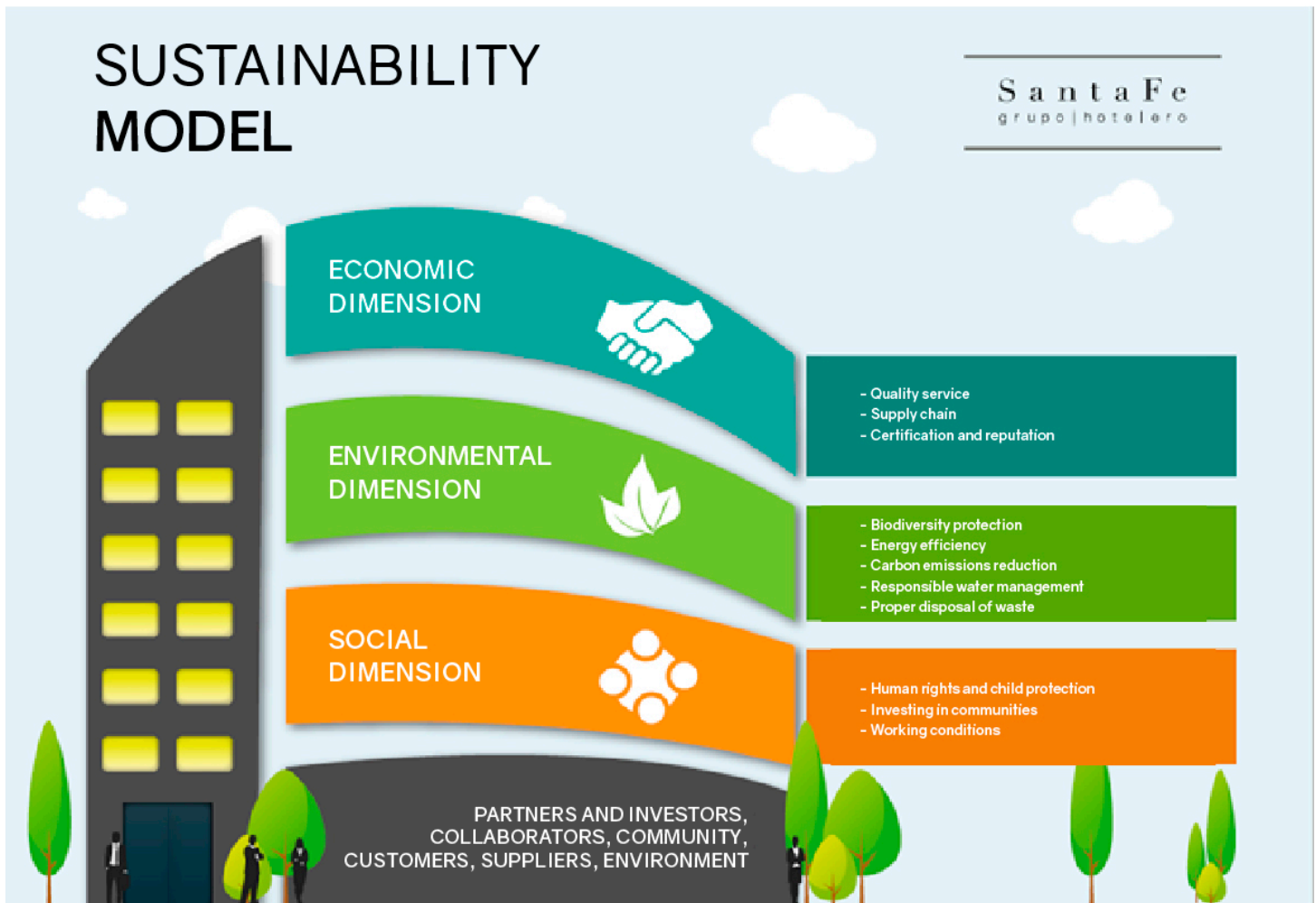


Materiality matrix

The year 2020 was the second one in which the Company worked with the Study and the Matrix developed in 2018. That Study identified the most relevant issues with respect to the environmental, social and economic impact of the Company, and the voices of our stakeholders were included through a consultation and research exercise.



Our Sustainability Model



Sustainability, strategic investment path

“There is an increasing amount of capital interested in green investing and green consumption. Various sectors such as AFORES are increasingly demanding more solid performance in the Environment, Social, and Governance (ESG) sphere. At Grupo Hotelero Santa Fe, we are on the correct path.”

Maximilian Zimmermann
Director of Investor Relations and Sustainability

Model of communication with our stakeholders

Our dialogue and interaction with our main stakeholders is based on the communication model presented below:

Partners and Shareholders	Relevant matters identified <ul style="list-style-type: none"> Economic growth Ethical questions Corporate governance Job creation Reputation ESG 	Mode of interaction <ul style="list-style-type: none"> Economic growth Job creation Ethical questions 	Frequency <ul style="list-style-type: none"> On demand Quarterly Annually
Directors	Relevant matters identified <ul style="list-style-type: none"> Competitors Certifications Natural disasters Working conditions Reputation Ties to the community Job creation Economic growth Emissions Talent retention Energy savings 	Mode of interaction <ul style="list-style-type: none"> Board of Directors Board of Operating Committee Financial report Sustainability report Mailing 	Frequency <ul style="list-style-type: none"> On demand Monthly Quarterly Annually
Employees	Relevant matters identified <ul style="list-style-type: none"> Working conditions Community support Turnover Insecurity Workday Economic growth Leadership Environmental awareness 	Mode of interaction <ul style="list-style-type: none"> Employee blackboard Santa Fe News Mailing Training sessions Grupo Hotelero Santa Fe University Platform 	Frequency <ul style="list-style-type: none"> On demand Daily Quarterly
Clients	Relevant matters identified <ul style="list-style-type: none"> Protecting beaches Reforestation Direct communication at hotels Volunteering Reducing emissions 	Mode of interaction <ul style="list-style-type: none"> Web page Digital announcements on screens at hotels Relevant events 	Frequency <ul style="list-style-type: none"> Ongoing
Providers	Relevant matters identified <ul style="list-style-type: none"> Working conditions Recycling ESG Management Local economy Value chain 	Mode of interaction <ul style="list-style-type: none"> Questionnaire to providers Providers Code of Ethics Telephone interviews 	Frequency <ul style="list-style-type: none"> Annual
Societal organizations	Relevant matters identified <ul style="list-style-type: none"> Biodiversity Poverty in tourist communities Company – community relationship Climate change 	Mode of interaction <ul style="list-style-type: none"> Focus groups Telephone interviews 	Frequency <ul style="list-style-type: none"> Annual
Government	Relevant matters identified <ul style="list-style-type: none"> Biodiversity Poverty in tourist communities Child labor 	Mode of interaction <ul style="list-style-type: none"> Meeting for the Materiality Study 	Frequency <ul style="list-style-type: none"> On demand

Communication model

The following sections of our report will cover the sustainability performance of Grupo Hotelero Santa Fe, considering its Sustainability Model and the indicators to be reported, considering the GRI Standards that were defined based on the material issues. The advances will be presented grouped into our three main focal points:

1. Economic
2. Social
3. Environmental

Economic

This section presents the actions and results related to the economic value created and distributed by Grupo Hotelero Santa Fe from the perspective of the Sustainability Model, as well as their ties with other relevant matters, such as the quality of our service, the guest experience, the value relationship with the supply chain, and our reputation.

Focus on client service

At Grupo Hotelero Santa Fe, we have a service quality system that is focused not only on process standardization, but also on providing every guest with an unforgettable experience, from the day they arrive until the end of their stay at our hotels.

Our *Service Standards Manual* specifies the processes through which every employee learns their responsibilities, so they can provide personalized attention with a solid understanding of the role they play in the quality of the service, within our culture of focusing on the client. This Manual has new protocols that consider the health of our clients to be the highest priority. The **Stay Safe & Clean** plan was created, which, through training and programs, will assure a safe reopening for everyone.

How do we measure quality?

- Standards
- Protocols and procedures
- Own internal measurements
- Third-party internal measurements
- Client comments

Our focus:

- To always do things well the first time around
- *To meet and exceed clients' expectations*
- *The quality of our properties, whose purpose is to to meet the needs of our guests*

The COVID-19 Challenge

- Limited occupancy
- Limited personnel
- Resources
- Elimination of products
- Changes in procedures
- Reinforcement and introduction of new procedures

Stay Safe & Clean

This year we substantially modified our “Stay Green” program to include COVID-19 health and safety protocols. The program is now called **Stay Safe & Clean**, for which we have designed sophisticated mechanisms based on international standards to ensure the health of our guests and of everyone who enters our hotels and various facilities.

We were the first Mexican hotel chain to announce our sanitary certification program, based on complying with strict health and sanitation protocols, duly audited and certified, with the main objective of our guests and clients feeling confident and safe in our hotels.

Stay Safe & Clean is the result of a profound analysis of domestic and international standards to define the actions that should be taken to clean and disinfect our hotels and all of their connected facilities. The result was three main areas in which to take action:

1. **Protocols: Stay Safe & Clean** is supported by rules and standards recommended by **Ecolab**, to ensure that they function efficiently, and to achieve sustainability goals. **Procedures:** Through our alliance with **Ecolab**, we implemented additional cleaning and disinfection procedures prior to reopening our hotels and during their operation, and we have periodic processes that we implement.
3. **Certification:** To certify our **Stay Safe & Clean** program, we have chosen the company **Cristal International Standards** to provide services based on global quality models.

Acting strategically and quickly

“Many things were done well during the pandemic, but I would like to point out how quickly we acted in implementing health and safety protocols. We rapidly and temporarily closed hotels, resulting in cost savings during the pandemic, while working to keep people in their jobs as long as possible. More than ever, our experience in operating efficiency is bearing fruit, enabling us to handle very complex global environments.”






Francisco Zinser
Executive Vice President

The **Stay Safe & Clean** program has a manual of protocols, guidelines and specific procedures for COVID-19, notably:

- Use of new products (Ecolab)
- Hiring certifiers and programs (H / Clean Point / Cristal)
- Antigen testing for clients
- Quality control standards for cleaning and maintenance by the corporate staff
- Daily audit of rooms, areas, pools, and dining rooms
- SS&C 2021 Standards
- Quarterly evaluation by corporate

To be able to evaluate and verify the new protocols, we are using the software *Lauditor*. Furthermore, as part of the **Stay Safe & Clean** program, we have started sending out satisfaction surveys to clients after their stay, using the technological applications called *Myhotel* and *Medallia*.

The Stay Safe & Clean program will be certified by the company CRISTAL, one of the leading global risk management companies. Our hotels will be certified in five modules:

-  **Posicheck** audit program designed to oversee an effective response to contagious infections
-  **Foodcheck** measures 255 points of control throughout the food chain and measures yield under global standards
-  **Room Check** measures and evaluates the efficacy of room service
-  **Pool Check** verifies that the water in the pools is safe and the surrounding area is controlled
-  **Acqua Check** verifies and controls water systems



“The client experience was good when the hotels were reopened. Guest expectations were met, even with the restrictions due to COVID-19. We offered a safe stay, and the **Stay Safe & Clean** program became the bellweather in the hotel sector, meeting international standards.”

Ignacio Garay
Director of Purchasing

BIENVENIDO

Este hotel cuenta con un programa de certificación sanitaria **Stay Safe & Clean** basado en el cumplimiento de estrictos protocolos de higiene y sanitización para que desde su llegada, pueda sentir la mayor confianza y seguridad al hospedarse con nosotros.

Le invitamos a conocerlo



ESPACIO
SANITIZADO

HOTEL CON
PROGRAMA DE
CERTIFICACIÓN
SANITARIA



HOTEL WITH A
SATINITIZED
CERTIFICATION
PROGRAM

WELCOME

This hotel has one of the most effective and rigorous **Stay Safe & Clean** sanitary certification programs based on compliance with strict hygiene and sanitation protocols so guests, partners and colleagues can feel safe, comfortable and confident from the moment they arrive to the moment they departure every time they visit or stay with us.

Cordially invite you
to learn more



SANITIZED
SPACE



Our value chain

[102-9]

Due to its complexity and requirements, the hotel sector has a very complicated value chain due to its multiple activities, from providing food and beverages, to all the requirements involved in offering lodging that meets our clients' demands.

Since we began operations, we have created programs whose purpose has been to reduce negative impacts by introducing good practices that maximize our performance as a socially responsible company. This vision has also permeated our value chain, with a focus that includes hiring providers who comply with the established criteria, and purchasing products using responsible criteria.

Supply chain

[103-1, 103-2, 103-3, 204-1]

One of the most important elements in our operation is our supply chain, which, in the hotel sector, is very large and covers a vast array of products and services, and which is subject to internal policies and processes. Due to the activities that are particular to our business we interact with hundreds of providers; these commercial relationships are governed by rigorous quality guidelines and strict ethical criteria.

In 2020, due to the pandemic caused by COVID-19, we faced numerous challenges, including the availability of supplies, as numerous providers were also impacted. This led us to create financing schemes in a mutually beneficial relationship. The Purchasing Committees continued operating, with collaboration between the Auditing Department and the Commercial Department. Notably, purchasing from local providers increased due to the problems of lack of supplies, so the purchasing areas worked hard to find the majority of supplies from new sources, and thus allow operations to continue uninterrupted.

In managing our supply chain, we work hard to build lasting and valuable relationships through good negotiating practices and initiatives that allow varying needs to be understood. Different from 2019, whose budget allocated 55% to local providers, in 2020 the percentage of the budget was lower at 45%, but the percentage of local providers vs. foreign provides increased to 54.18%.

Our external SRC initiatives

[102-12]

For our Group it is essential to have the trust of our clients and credibility among our various stakeholders. Therefore, every day we work hard to attain high quality standards in the services we provide, while simultaneously taking action in the commitments that underlie our reputation. At the Group level, we support

the adoption of standards, differentials, and programs that help us corroborate our sustainable performance, such as the following:

United Nations Global Compact

Our Company has been part of this international initiative since 2015, and since that time, in our communication report we have provided updates on our advances in supporting and implementing the 10 Principles in four key areas: human rights, environmental protection, anti-corruption, and working conditions.

Socially Responsible Company Award

In 2020, for the fifth consecutive year we won the *Socially Responsible Company Award*, given by the Mexican Center for Philanthropy (CEMEFI), in recognition of our performance in five pillars: SRC Management, Quality of Life of our Employees, Protecting the Environment, Ethics and Corporate Governance, and Creating Value for the Community.

Economic Value Created and Distributed

[201-1]



Commitments 2020 – Economic

Client service and reputation

- Ensure the health and safety of our guests through the **Stay Safe & Clean** program
- Maintain the level of quality and service with the improvements necessary to increase our positive perception with our guests

Supply chain

- Ensure that 80% of our strategic providers sign the Code of Ethics letter through the Purchasing Committee at each hotel
- Ensure that 25% of our strategic providers answer the GHSF Sustainability questionnaire
- Train 80% of our local strategic providers in ethical and social responsibility matters

Value creation

- Based on the implementation of social and environmental programs, coordinated by corporate, improve our measurements of distributed value

Sustainability management

- Update the organizational chart of the Sustainability Board, and review its scopes and functions
- Standardize a quarterly meeting of the Sustainability Board: explain the advances and challenges for the Sustainability area
- Improve the quality of information of the indicators reported to GRI
- Have a third party verify our Sustainability Report, and obtain the Materiality Disclosure issued by GRI

Social

The year 2020 was a period of huge economic and social challenges all over the world. At Grupo Hotelero Santa Fe, for more than a decade we have committed to offering excellent working conditions to our employees, in alignment with our Sustainability policy, legislation, and human and working rights. We share our 2020 results below.

Our employees

[102-8, 103-1, 103-2, 103- 3, 401-1, 401-2]

During the pandemic, the Board of Directors and upper management of our Company kept everyone fully employed for as long as possible, but starting in May 2020, when hotels were ordered to close, it was necessary to lay off personnel at the hotels and at the corporate offices. The result was a 23.5% reduction in personnel compared to 2019. We believe that as things get back to normal, not only will we be able to rehire people to fill these jobs, but we will be in a position to create more and better jobs.

During 2020 our employees were extremely diligent and committed to the Company. They implemented all health protocols required to provide safety to our guests, which allowed us to reopen successfully and to continue offering memorable experiences to our guests.

Occupational health and safety: our main focus

“In the Human Resources area, in 2020 we focused on motivating our people and reinforcing the feeling of belonging. Standard 035 brought a greater focus on people’s quality of life during their workday, an assessment of hours, positions, and evaluations to determine impacts from stress caused by work and the pandemic. We are focusing on our employees, to whom we provide competitive benefits that were not impacted by COVID-19.”

Juan Carlos Quijano
Director of Human Resources

Our people: a key factor in our success

“We are extremely grateful for the team that is Grupo Hotelero Santa Fe. Everyone went the extra mile, every amazing man and woman reacted in an exemplary way under conditions of great uncertainty...”

Francisco Zinser
Executive Vice President

Number of employees at GHSF (2019-2020)



Our workforce is the driver behind our activity, and low turnover among our staff is one of the main goals of Grupo Hotelero Santa Fe. In 2020 not only did we have to reduce staff, but there is currently a great deal of movement of personnel, which only increased with the pandemic. In 2019, we reported a turnover rate of 10.56%, and in 2020 it was 24%.

Turnover rate by gender and age group

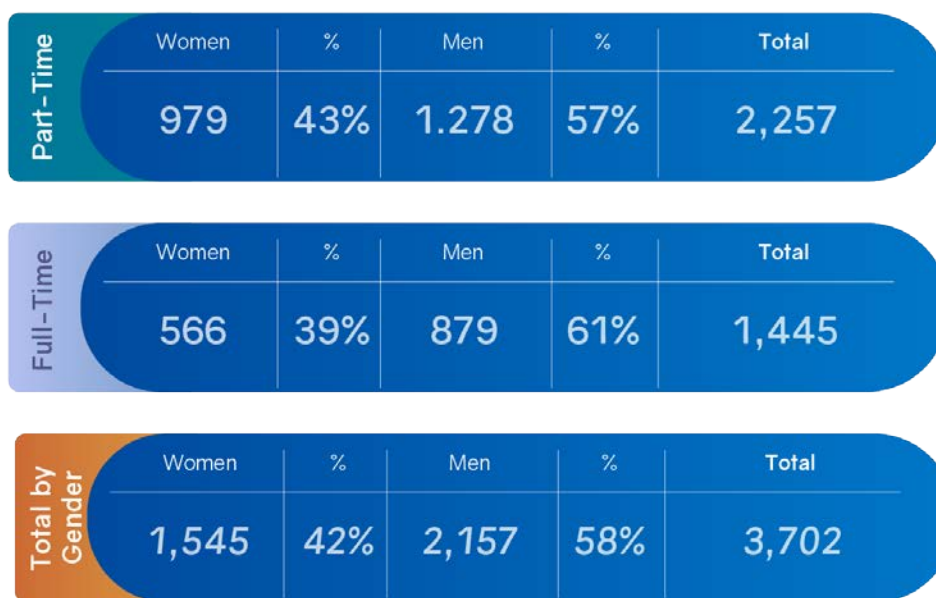
Gender	Age	2019	2020
		18 to 29 years old	5.13%
Women	30 to 45 years old	3.45%	10.93%
	46 and up	1.26%	2.05%
	Overall Turnover Rate	10.56%	24%
Men	18 to 29 years old	5.49%	11.70%
	30 to 45 years old	4.21%	10.29%
	46 and up	1.06%	2.01%

⁽¹⁾ The reduction of personnel is tied to the close of temporary operations due to COVID-19

We know that our turnover rate was within the average parameters of the hotel sector; however, the period this report considers is an atypical year, therefore the indicators provided do not show comparative parameters against the 2019 baseline.

According to the most recent numbers reported, in 2020 there were 2,334 new hires; 54% of our personnel have full-time contracts, and 46% work part time. We would like to note that we provide the same benefits that are offered to employees, both for full-time and seasonal hires.

Employees by gender and type of contract



Working conditions

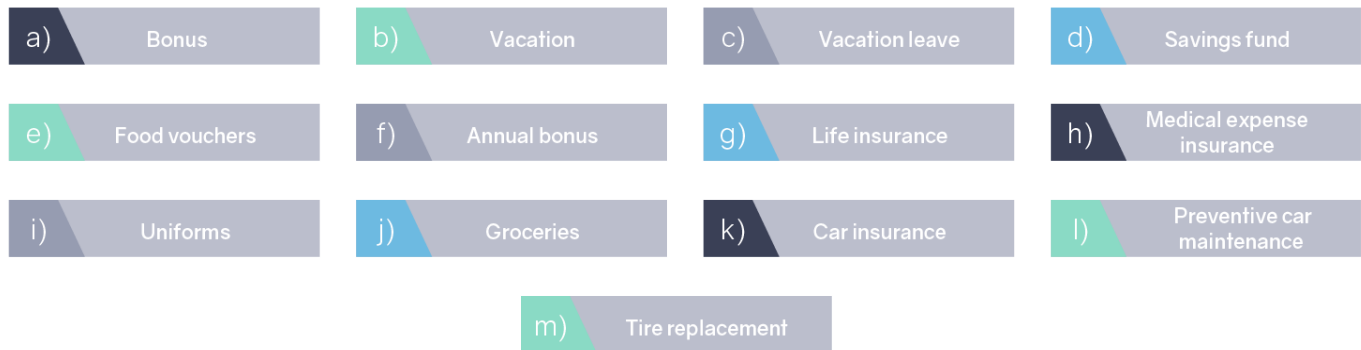
[102-41, 103-1, 103-2, 103-3, 401-1, 401-2, 403-1, 403-3, 403,4, 404-1, 404-2, 404-3]

At Grupo Hotelero Santa Fe, we are constantly working to make improvements so that our employees will not only have optimal working conditions that promote a feeling of belonging and well-being, but also so their commitment and loyalty will be focused on our brands. Below we present our commitments and initiatives in this field.

Benefits and payments

In order to be able to offer our employees competitive salaries, a package that exceeds legal requirements has been created, with a series of benefits that vary according to the needs of the various jobs.

Employee benefits



Freedom of association

As part of its Human Resources management, we strictly comply with the law and worker guarantees, one of which is the right to collective bargaining. In 2019, 59% of our employees were affiliated with one of the 21 unions with which we have a relationship, and in 2020 this percentage was 55.4%.

We also work to maintain respectful relationships and open dialogue with union representatives. All of our collective bargaining agreements are in compliance with legal provisions, and reviews of working conditions and the agreements reached are negotiated annually. In health and safety matters, in 2019, 3.87% of these contracts had specific clauses on the matter, and in 2020 this number increased to 4.44%.

Balancing work and family life

At Grupo Hotelero Santa Fe, we are concerned about the well-being of our employees. We know that the temporary closure of our hotels generated uncertainty and stress, so an at-home program was created for our employees, with the following components:

- On-line yoga class (which included employees' families)
- On-line training
- Distribution of our bulletin – Santa Fe News
- Distribution and training in COVID-19 protocols
- Work-Life Balance Program Home Office and Flexible Hours Policy
- Actions to help the community

Parental leave: As part of our compliance with the legislation in force regarding maternity and paternity leave, the Company granted all employees the corresponding parental leave.

Parental leave by gender and retention



Ninety percent of the men and 88% of the women were included, and remained in their jobs at the end of leave, and for the following 12 months.

Internal communication

We believe that internal communication is a highly relevant and impactful matter for the entire organization. Thus the Company has several mechanisms and corporate and local communication tools whose purpose is to keep our employees informed about the most important issues. We would like to point out the impact that our internal bulletin “Santa Fe News” has had, which is distributed electronically every quarter to all levels of the organization, with content highlighting objectives, achievements, and challenges for the Company and its employees.

Gender equality and inclusion

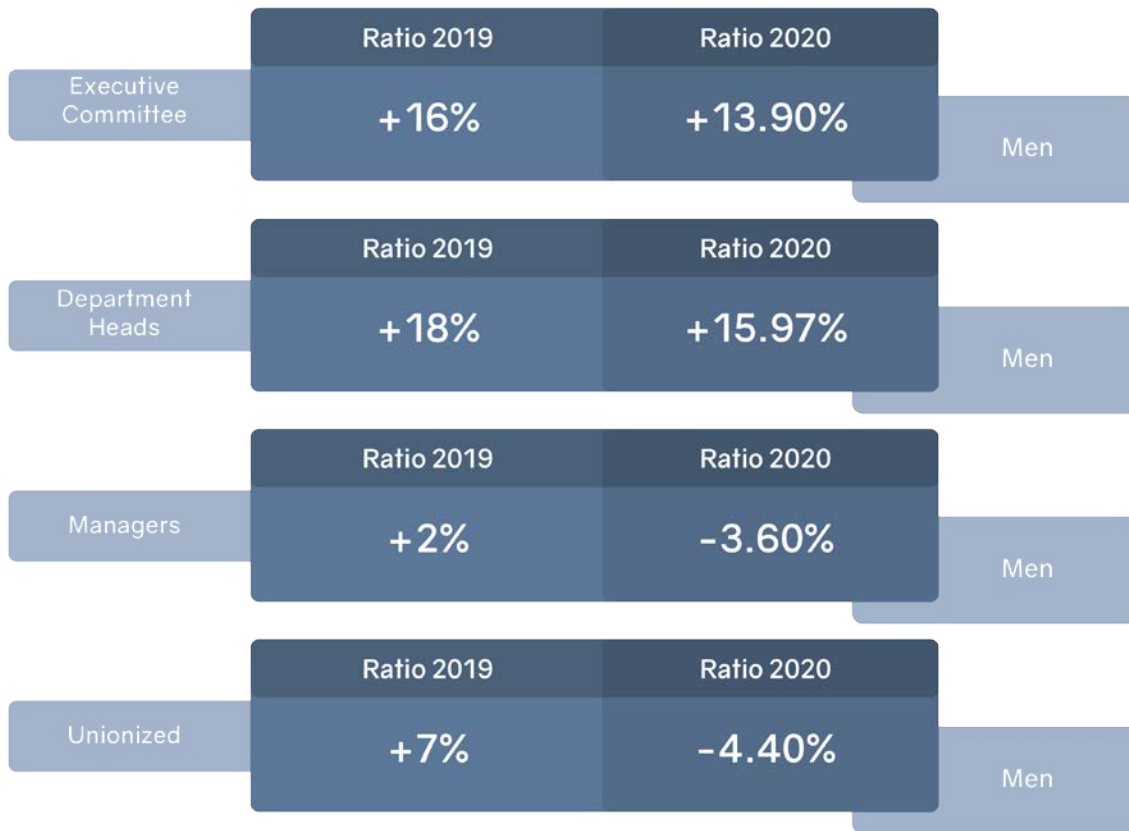
We promote a culture of diversity, inclusion, and equal opportunities for all of our employees. We have institutional instruments such as the Code of Ethics, and the Gender Equality and Inclusion Policy, both of which guidelines establish clear commitments.

In 2020, activities were carried out to improve promotion of gender equality and inclusion:

- **Gender equality training.** At *GHSF University* we have a 10-hour module dedicated to the matter of gender equality, through which we provide a space to create awareness and to provide education on basic concepts on the matter.
- **Equal opportunity hiring.** As our Code of Ethics states, the principle of equity and equality is in our DNA. Human Resources processes, as well as posting vacant jobs, analyzing candidates and selecting personnel, are based on recognizing the ability of people to professionally and personally perform their jobs, always seeking to attract the best talent.

From the gender perspective, in 2019 Grupo Hotelero Santa Fe conducted an analysis on salary equity, considering labor categories and gender, which in 2020 generated a reduction in the salary gaps, as shown below:

Salary ratio by labor category and gender



Training and qualification

[404-1, 404-2, 404-3, 101-2, 101-3]

Through the digital *GHSF University* platform, the Company has been able to maintain the quality of training, and to expand the scope and coverage of its programs year after year. This platform currently has a training program that is divided into three principal subject areas:

- a) Operational courses Human development
- c) Talent development or career plans

The data continues to be encouraging, since in 2019 there was an average of 34.71 hours per employee. Despite the pandemic, in 2020 there was an average of 30.43 hours of training per person. In addition to the on-line training are the in-person training sessions that are provided both for internal personnel as well as for specialists, as needed. Among all of the tools used, we would like to highlight some of the areas in which training was provided during this reporting period:

- Stay Safe & Clean Protocols
- Personal and organizational communication
- Image and non-verbal communication
- Leaderships skills
- English classes
- Stress management
- Teamwork
- Supervisory skills
- Quality service

Training hours and average per employee



Training hours by gender



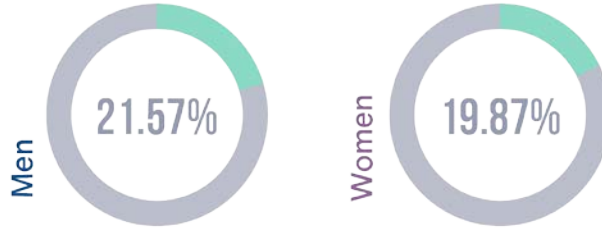
Training hours by labor category



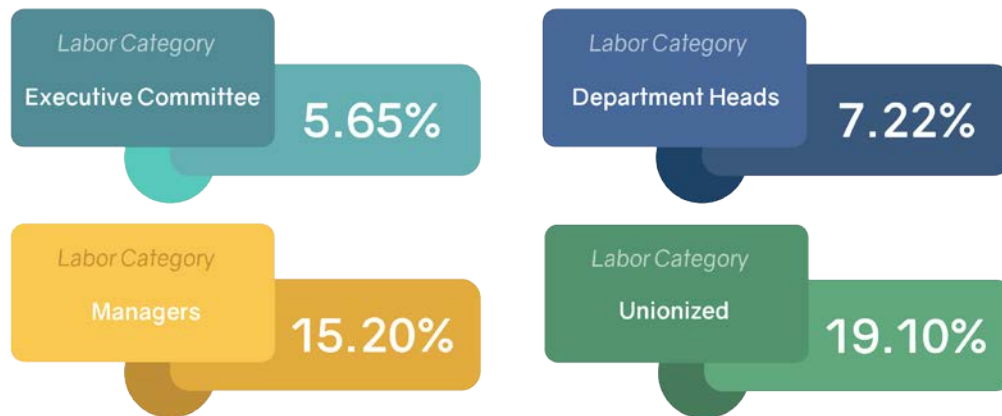
Performance evaluations We work under the premise that each manager and supervisor is responsible for having a development and well-being plan for their team that must meet the objectives for that area, while at the same time creating a deeper commitment and job stability among our personnel.

To comply with established goals, performance evaluations are the instrument that allows the degree of compliance with objectives proposed at the individual level to be displayed. In 2019, 62% of our employees received an evaluation and received the respective feedback. This number was lower in 2020 as part of the impacts from the pandemic, which resulted in a percentage of 20.72% of employees being evaluated.

Performance evaluations by gender 2020



Performance evaluations by labor category



The evaluation forms are on our internal platform, which allows us to keep a history and create a more efficient and more easily accessible process. As one of the natural results of the performance evaluations, training programs are developed and offered to improve skills, among which are courses and workshops so that our employees can improve their knowledge to be able to perform their functions well.

GHSF University

“Thanks to our on-line university, not only have we impacted every employee at Grupo Hotelero Santa Fe with more and better training programs, but this platform was enormous help to our team during the most critical phase of the pandemic, as we were able to offer special programs to counteract stress and provide support to families.”

Ricardo Quintero
Director of Training

Health and safety

[403-1, 403-2, 403-3, 103-1, 103-2, 103-3]

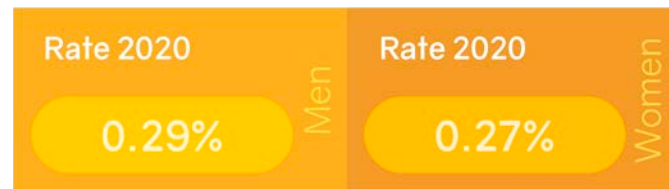
At Grupo Hotelero Santa Fe, we strive to keep our employees healthy and happy. During this reporting period, several initiatives were implemented, including: health campaigns, awareness videos, collaboration with the Mexican Social Security Institute to promote a culture of prevention, and free vision exams, among others.

We are proud of our compliance with legislation in health and safety matters, as each hotel that is part of the Group has a *Mixed Hygiene and Safety Commission* in which workers and Company representatives participate. This Commission has several committees, including: health and safety, firefighting brigades, first aid, evacuation, search and rescue, and communication. The committees meet monthly, and inspect the facilities to detect possible unsafe conditions or activities, and based on their findings, action, prevention and remediation plans are created.

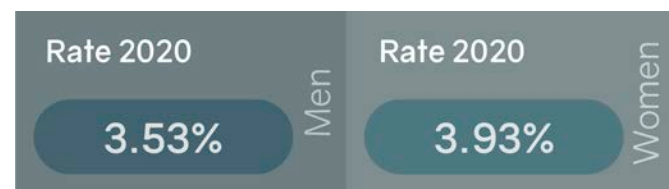
Accident rate by gender



Lost days rate by gender



Absenteeism rate



Our investment in communities

[103-1, 103-2, 103-3, 412-2, 413-1]

Community investment and social and environmental support programs are coordinated autonomously by each hotel. Our Corporate Sustainability Strategy, and the Social Impact Study performed in 2019, had the objective of creating cross-Company programs. With the pandemic, however, a large part of the hotels' focus was on implementing our **Stay Safe & Clean** protocols, in our efforts to protect our team and guests. Below are some of the most relevant initiatives:

YCI Program

Continuing a multi-year tradition, the Hilton Guadalajara and Hilton Puerto Vallarta implemented the YCI Program, which gives tools to vulnerable students, providing them with a well-rounded training plan that joins theory and practice to develop technical skills in the different departments of the hotel. Some of the courses that were included in the program were: English classes, sessions by the "Órale" Institution, corporate etiquette and image classes, cooking with a microwave, and a public speaking workshop, among others.

Donations of school supplies

At the beginning of 2020, our hotel Krystal Beach Acapulco made a donation of school supplies in conjunction with the Secretary of Public Health, benefiting 100 students at the "Plan de Ayala" elementary school. In addition to the donation, a coexistence event was held at Parque Papagayo, where crime-prevention activities were held through the program "Building Preventive Communities."

Food donations to GHSF employees and good prepared for the community

As part of the activities held during the down-time while hotels were closed due to the pandemic, in conjunction with the DIF of Guerrero, a donation of food was made to employees at the Hotel Krystal Beach Acapulco and their families. Furthermore, food was distributed three times each week to the wider community during the most intense phase of the pandemic.

CRIT Guanajuato

A donation of PET, aluminum, and HDPE was made to CRIT in Guanajuato to build accessible and inclusive benches for parks.

Promoting art and local culture

As it does every year, the Hotel Krystal Grand los Cabos added a space to promote local artists, through a gastronomic and artistic event, creating new experiences for our guests. The Hotel Hilton Puerto Vallarta also provides spaces within its facilities, as well as furniture and food to support local artists, who exhibit and sell their products every weekend.

Labor inclusion

At Hotel Krystal Puerto Vallarta, a labor inclusion program was created for mothers with children who have some type of disability, including flexible hours to facilitate their participation in rehabilitation programs.

Food bank

Through this donation program, the Hotel Hilton Puerto Vallarta and Guadalajara have been able to collaborate with the food bank in Puerto Jalisco, with processes for correctly disposing of, and delivering food from events in perfect condition.

Donation of sheets

The donation of sheets and other items in good condition is promoted among our hotels. The program collects these items during the year to be donated to different civil organizations to benefit various vulnerable groups.

Support for the elderly

At several hotels belonging to Grupo Hotelero Santa Fe, collections are made with the goal of supporting nursing homes, with donations to purchase disposable undergarments for adults.

Donation to pet shelters

In order to provide support to the “Happy Tails” dog shelter, Hotel Krystal Urban Ciudad Juárez and its personnel made a donation to support 43 dogs at the facility.

Volunteering at Casa Hogar

The employees at Hotel Krystal Monterrey volunteered to take food and create recreational activities with the boys and girls at Casa Hogar.

Commitments 2020 – Social

The communities where we operate

- Based on the social impact assessment, to develop a program with social and environmental initiatives in a collaboration between the corporate office and the hotels in each of the 15 states where we operate

- To define an annual budget focused on implementing the social and environmental programs to support the communities where we operate
- Ensure that 100% of our hotels sign the National Code of Conduct for Protection of Children and Adolescents in the Travel and Tourism Sector (SECTUR)

Quality of life of our employees

- To maintain healthy and safe conditions for our work team
- To train 80% of our employees with full-time contracts in ethical and anti-corruption matters
- To implement a parental leave program that exceeds legal compliance and encourages a healthy work-life balance

The Environment

Over the years at Grupo Hotelero Santa Fe, we have worked and invested to reduce our environmental impact, as we are keenly aware of the relevance of sustainable development. The Company's main focus is on energy efficiency, reducing our emissions into the atmosphere, correctly handling waste, saving water, and protecting biodiversity, which is strategically valuable to the tourism sector.

Protecting biodiversity

[103-1, 103-2, 103-3, 314-1, 304-3]

At Grupo Hotelero Santa Fe, we have continued studying the impact of our operations that are close to highly biodiverse areas, particularly the species that appear on the UICN Red List, as well as those on national lists (NOM-059-Semarnat-2010).

As a result of this work, it has been found that three of our hotels are less than two kilometers away from protected areas, areas that are ecologically protected,² or of great value in terms of biodiversity. Furthermore, in 2020, we approached several civil organizations to suggest coordinated work to protect ecosystems, but the pandemic has postponed some of these projects. However, we would like to share our most important activities that are focused on protecting natural resources:

Beach clean-up

Hotel Krystal Beach Acapulco has taken the initiative to clean up beaches for several years in cooperation with the town council of Acapulco. The objective of this program is to pick up cigarette butts and other types of waste left on the beaches. Another volunteering activity was promoted by Hotel Krystal Cancún to celebrate *International Beach Clean-Up Day*, and Hotel Krystal Ixtapa once again held its *Trash Challenge* program, in which an internal team participates every year in cleaning up Playa la Madera. Another example of this type of activity was at Hotel Reflect Krystal Grand Los Cabos, in which employees and other stakeholders were brought together to clean up beaches. We would like to thank our more than 180 volunteers who participated in these programs, showing their commitment to improving their surroundings.

² Krystal Urban Monterrey- close to the State Natural Reserve of Sierra de las Mitras (1.63km), Hilton Puerto Vallarta – El Salado (1.8 km), Krystal Puerto Vallarta- El Salado (1.7 km)

Sea turtle protection program

It is well known that many species of sea turtle are in danger of becoming extinct, due to several factors, such as:

- Only one out of every 1000 turtles reaches maturity (adulthood) Turtles only begin their reproductive cycle when they are 25 years old
- Turtle eggs and meat are a delicacy in a global market that demands these illegal products

Grupo Hotelero is working to extend to all of its beach hotels the initiative currently in place at Hotel Krystal Cancún, which has established a program to protect the sea turtles that lay their eggs on the beaches where we are located. This program is supported by the ecological authorities at the local level, and consists of the following:

- **Monitoring:** During sea turtle nesting season (May to October), hotel personnel watch the beach close to our facilities 24 hours a day to detect the arrival of the sea turtles
- **Sea turtle arrival:** When the presence of turtles is detected, based on several protocols, great care is taken so that the turtles are not bothered by hotel personnel or guests, and the appropriate authorities are notified. It is extremely important to fill in the forms indicating sea turtle sightings for registration
- **Collection of egg clutches:** After a turtle lays her eggs, they are carefully collected, preserving the mucus membrane that covers the shells, and each clutch is placed in its own bucket
- **Artificial nest:** While the eggs are being collected, artificial nests are being created inside the space created for this purpose, complying with the specifications in NOM-162-SEMARNAT-2012
- **Hatch and release:** The hatchlings are released immediately after they hatch. With help from hotel security, the area is cordoned off and the hatchlings are released
- **Documentation:** Photographs are taken as evidence, and the forms required by the authorities are filled out

These activities have been impactful:

- 144 nests
- 14,590 eggs collected
- 13,848 turtles released

Our other hotels that participate in sea turtle protection efforts are the Krystal Beach Acapulco, which has a turtle reserve where new clutches are protected, in cooperation with the tourism authorities; the Krystal Grand Los Cabos also participates, and was the first of our hotels to be awarded for encouraging community participation in conserving and protecting sea turtles along the coasts of Baja California Sur.

World seabird day

In order to create awareness among our Company's employees, Hotel Krystal Resort Cancún had an informational presentation about the birds in the region which, due to pollution and destruction of mangroves, are migrating away from their traditional nesting sites.

Internal campaign – environmental mural

In 2020, the Krystal hotels had a campaign in which they dedicated a space or a mural to show important environmental dates, awareness messages, and images of various species of fauna that appeared during quarantine. These activities promote the importance among the team of preserving natural resources.

Energy efficiency and emissions reduction

[103-1, 103-2, 103-3, 305-1, 302-1]

One of our greatest environmental impacts is in our energy use. In recent years we have focused our efforts on promoting energy-efficiency initiatives, processes, and policies. Based on our materiality assessment, an energy and resources area was created to measure and monitor energy consumption. This area also spearheads proposing energy-saving initiatives. Due to the pandemic's impact on our operations, some energy projects have not been implemented as initially planned; however, during this period we have continued with programs that had already been established, such as:

100-point saving program

This program has operating and/or project activities that focus on the medium and long term, with the goal of each facility implementing a plan for efficient resource use.

The actions are classified as follows:

- Implementation of good energy-saving practices
- Energy efficiency awareness and training programs
- Maintenance **HUNT System**

This is our system for measuring and storing energy consumption data. It allows us to assess, analyze, and decide on the actions to take to consume electricity efficiently at our facilities. Currently ten of our hotels have implemented this system:

- Hilton Guadalajara
- Hilton Puerto Vallarta
- Krystal Beach Acapulco
- Krystal Grand Punta Cancún
- Krystal Urban Cancún

- Krystal Urban Guadalajara
- Krystal Resort Cancún
- Krystal Puerto Vallarta
- Krystal Ixtapa
- Krystal Satélite María Barbara

Evaluation of renewable energy sources

As one of the commitments for 2020, the Energy and Environmental Committee made the decision to start receiving energy from renewable sources through a Power Purchase Agreement (PPA); however, several questions within the legal framework and changes in national energy policy have delayed the agreement. Nevertheless, we are certain that we will be able to use energy more sustainably in the future.

Energy-saving technologies

We use several technologies to attain our energy-saving objectives, such as temperature-regulation systems, the e-cube device that is now at 19 of the Group's facilities, motion sensor lighting, and solar water-heating equipment.

Our energy consumption and CO2eq emissions

Since 2017, we have been working hard to measure and minimize energy consumption at our hotels. By calculating the Group's energy consumption in 2020, we measured the greenhouse gas emissions generated³ by our direct emissions, which included:

- Energy consumption at hotels
- Consumption from fixed and mobile fossil fuel-fired sources

³ The methodology used is based on the GHG Protocol, and on national guidelines on how to calculate emissions into the atmosphere. This calculation included 28 hotels.

Energy consumption



Greenhouse gas effect emissions



The Company's baseline was established in 2019 (the first time this calculation was done), and in 2020 the data showing reduced emissions was due mainly to the temporary close of operations.

Change strategy to renewable energy

"The energy future of Grupo Hotelero Santa Fe lies in renewable sources. The Energy Committee is committed to gradually transforming the Company into an entity that creates less environmental impact, and we hope to have the facilities and a suitable legal framework to be able to move our plans forward."

Jaime Bonilla
Director of Systems

Responsible waste and water management

[103-1, 103-2, 103-3, 303-1]

Water

In 2020, we continued generating reports due to our ongoing commitment to monitor and implement water-savings initiatives.

Many of our hotels have invested in savings-focused technologies, such as products with LEED certification, or water treatment plants.

At the Group level, we continued with our program that offers guests the chance to replace towels less often, raising awareness and involving them in the commitment to conserve water. Another initiative to raise guest awareness is providing a dedicated telephone number to report water leaks.

Furthermore, our Procurement Committees already have guidelines to locate and purchase cleaning products that require less water use when cleaning, without compromising the quality of our service.

Our water consumption for this reporting period is shown in the following table. As can be seen, the pandemic and the closure of our hotels also had repercussions on water consumption.

Water extraction

Type of source of extraction	Volume in m3 2019	Volume in m3 2020 ⁴
Groundwater	169,975 ⁵	161,601
Supplies of municipal water and other public or private water sources	1,171,021	436,543
Total volume of water extracted by GHSF	1,340,996	598,144

⁴ The reduction in the total volume of water extracted is mainly due to the temporary closure of hotels and occupancy restrictions due to the COVID-19 pandemic.

⁵ The hotels that report water extraction from aquifers are listed below: Reflect Krystal Grand Punta Cancún, Krystal Urban Guadalajara, Hilton Garden Inn Monterrey Aeropuerto, and Hampton Inn Paraíso Tabasco.

Waste

Waste management is one of the material issues for our Group, and little by little we have been adopting initiatives to monitor, control, and decrease the amount of waste we generate. Please note that the hotels listed below already have processes for monitoring, measuring, and recycling waste:

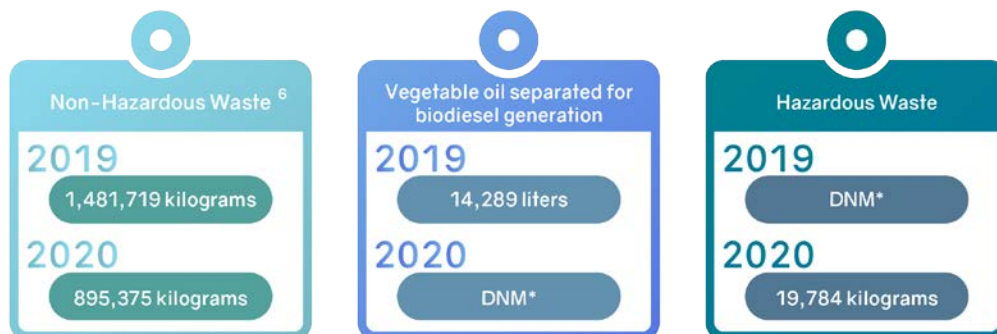
- Krystal Acapulco
- Krystal Cancún
- Krystal Ixtapa
- Hilton Puerto Vallarta
- Krystal Puerto Vallarta
- Reflect Cancún
- María Barbara
- Krystal Urban Aeropuerto CDMX
- Krystal Urban Cancún
- Krystal Suites Insurgentes

- Reflect Los Cabos
- Reflect Nuevo Vallarta
- Ibis Irapuato
- Hilton Garden Inn Aeropuerto Monterrey
- Hilton Guadalajara
- Hampton Inn Tabasco

Integral waste management procedure

Our corporate procedure for handling waste establishes the guidelines for integral management of hazardous and solid urban waste, and waste that requires special handling. This process was designed by the Social Responsibility area, the SRC Committees, and the maintenance area in each hotel.

Hazardous and non-hazardous waste generated



Commitments 2020 – Environmental

- To implement an environmental verification program to assess the performance of our 28 hotels, in order to develop an efficiency plan in each material matter
- To improve environmental management and communication between corporate and the hotels
- To bring another 10 hotels into the HUNT system to improve our energy performance
- To advance in adopting renewable energy for operation of our hotels
- Waste and the value chain: To establish points of communication to develop synergies with providers in order to reduce waste generation, and to encourage alternatives to lessen the amount of waste that must be disposed of
- A plan to refurbish old equipment with new technologies that have less environmental impact

⁶ The amounts reference waste generated, which includes different types of materials, such as: cardboard, glass, paper, plastic (mainly PET), aluminum, and other organic and inorganic waste.

* DNM – Data not managed

GRI Table of Contents

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Standard	Table of Contents	Page/Response
GRI 101: Basis 2016		
GRI 102: General information 2016		
Profile of the organization		
102-1	Name of the organization	Page
102-2	Main brands, products and services	Page
102-3	Location of the organization's main offices	Page
102-4	Location of operations	Page
102-5	Type of ownership and legal structure	Sociedad Anónima de Capital Variable (S.A. de C.V.)
102-6	Markets served	Page
102-7	Size of the organization	Page
102-8	Information on employees and others	Page
102-9	Supply chain	Page
102-10	Significant changes in the operation and supply chain	Page <p>Our sustained growth has been a constant since the formation of Grupo Hotelero Santa Fe, and despite the conditions of 2020, which year we began operating 29 hotels, we were able to keep our hotels. The divestment of DoubleTree by Hilton Toluca was due to reasons not related to the pandemic. The Group now has a total of 28 hotels.</p>
102-11	Precautionary principle	Page
102-12	External initiatives	Page
102-13	Associations to which it belongs	Page
Strategy		
102-14	Statement from the Chief Executive Officer	Page
102-15	Key impacts, risks and opportunities	Page
Ethics and integrity		
102-16	Values, principles, standards, and rules of the organization	Page
102-17	Advisory mechanisms and ethical matters	Page
Governance		
102-18	Governance structure	Page
102-20	Responsibility at the executive level in economic, environmental, and social matters	Page
Stakeholder participation		
102-40	List of stakeholders	Page
102-41	Collective bargaining agreements	Page
102-42	Identification and selection of stakeholders	Page
102-43	Focus on stakeholder participation	Page
102-44	Key issues and concerns mentioned	Page

Reporting practices

102-45	Entities included in the consolidated financial statements	1	Servicios e Inmuebles Turísticos S. de R.L. de C.V.	HILTON GUANAJUATO
		2	Chartwell Inmobiliaria de Monterrey, S. de R.L. de C.V.	KRYSTAL URBANHOTELS
		3	Chartwell Inmobiliaria de Juarez, S. de R.L. de C.V.	KRYSTAL URBANHOTELS
		4	Grupo Hotelero S.F. México, S. de R.L. de C.V.	KRYSTAL BEACH
		5	Inmobiliaria en Hotelería Cancún Santa Fe, S. de R.L. de C.V.	REFLECT CANCUN
		6	Inmobiliaria en Hotelería Vallarta Santa Fe, S. de R.L. de C.V.	HILTON VALLARTA
		7	Moteles y Restaurantes Maria Barbara, S.A. de C.V.	KRYSTAL SATURDAY
		8	S.F. Partners II, S. de R.L. de C.V.	KRYSTAL URBANHOTELS
		9	Promotora los Angeles Cabos, S.A. de C.V.	REFLECT LOS CABOS
		10	Grupo Inmobiliario 1991, S.A. de C.V.	KRYSTAL GRAND
		11	Inmobiliaria Hotelera del Bajío S.F., S.A. de C.V.	HYATT CENTRAL
		12	Arrendadora los Angeles Vallarta, S.A. de C.V.	REFLECT VALLARTA
		13	Inmobiliaria en Hotelería Cancún Santa Fe, S. de R.L. de C.V.	
		14	Hotelera Chicome, S.A. de C.V.	
		15	Promotora Turística Mexicana, S.A. de C.V.	
		16	Hotelera Caracol, S.A. de C.V.	
		17	Consorcio Hotelero Aeropuerto Monterrey, S.A. P.I. de C.V.	
		18	Yaman, S.A. de C.V.	
		19	Servicios Hoteleros Metropolitanos, S.A. de C.V.	
		20	Operadora INCA, S.A. de C.V.	
		21	Servicios Integrales Parimba, S.A. de C.V.	
		22	Servicios Integrales PIN, S.A. DE C.V.	
		23	Hoteles Alt, S. de R.L. de C.V.	
		24	Magna Operadora Turística, S.A. de C.V.	
		25	Operadora Turística Cosmos, S.A. de C.V.	
102-46	Definition of the contents of the reports and coverage of issues	Page		
102-47	List of material issues	Page		
102-48	Restatement of information	Page		
102-49	Changes in report preparation	Page		
102-50	Reporting period	Page		
102-51	Date of last report	Page		
102-52	Report preparation cycle	Page		
102-53	Point of contact for questions on the report	Page		
102-54	Statement of preparation of the report in conformance with GRI Standards	Page		
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Supply chain

GRI 103: Management focus 2016

103-1	Explanation of material issue and its limits	Page
103-2	Management focus and its components	Page
103-3	Evaluation of management focus	Page
GRI 204: Acquisition practices 2016		
204-1	Proportion of expenses on local providers	Page
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GRI 103: Management focus 2016		
103-1	Explanation of material issue and its limits	Page
103-2	Management focus and its components	Page
103-3	Evaluation of management focus	Page
GRI 201: Economic performance		
201-1	Economic value created and distributed	Page
Working Conditions		
GRI 103: Management focus 2016		
103-1	Explanation of material issue and its limits	Page
103-2	Management focus and its components	Page
103-3	Evaluation of management focus	Page
GRI 401: Employment		
401-1	New employee hires and personnel turnover	Page
401-2	Benefits provided to full-time employees that are not offered to part-time or temporary employees	Page
402-3	Parental leave	Page
GRI 403: Occupational health and safety 2016		
403-1	Occupational health and safety management system	Page
403-3	Occupational health services	Page
403-4	Participation of workers, consultations, and communication regarding occupational health and safety	Page
GRI 404: Training and qualification 2016		
404-1	Average of training hours per year per employee	Page
404-2	Programs to improve the worker skills, and programs to aid them in transition	Page
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GRI 103: Management focus 2016		
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GRI 412: Evaluation of human rights 2016		
412-2	Training workers in human rights policies and procedures	Page
GRI 413: Local communities 2016		

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GRI 103: Management focus 2016		
103-1	Explanation of material issue and its limits	Page
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103-3	Evaluation of management focus	Page
GRI 413: Local communities 2016		
413--1	Operations with participation of the local community, impact assessments, and development programs	Page
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103-2	Management focus and its components	Page
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GRI 304: Biodiversity 2016		
304-1--1	Owned, leased, or managed operating centers located inside or near protected areas, or areas of great value to biodiversity that are outside of protected areas	Page
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Energy efficiency and emissions reduction		
GRI 103: Management focus 2016		
103-1	Explanation of material issue and its limits	Page
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GRI 302: Energy		
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Responsible waste and water management		
GRI 103: Management focus 2016		
103-1	Explanation of material issue and its limits	Page
103-2	Management focus and its components	Page
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GRI 303: Water		
303-1	Water extraction by source	Page
GRI 305: Emissions		
305-1	Direct GHG emissions	Page
GRI 306: Effluents and waste		
305-2	Waste by type and method of elimination	Page

United Nations Global Compact

ECONOMIC	Supply chain	Ethical culture	
	<p>Principle 2: Do not be complicit in human rights abuses.</p> <p>Principle 4: Eliminate all forms of forced and compulsory labor.</p>	<p>Principle 10: Work against corruption in all its forms, including extortion and bribery.</p>	
SOCIAL	Labor conditions	Human rights and protection of children	
	<p>Principle 1: Support and respect the protection of internationally proclaimed human rights.</p> <p>Principle 3: Uphold the freedom of association and the effective recognition of the right to collective bargaining.</p> <p>Principle 4: Eliminate all forms of forced and compulsory labor.</p>	<p>Principle 2: Do not be complicit in human rights abuses.</p> <p>Principle 5: Help abolish child labor.</p>	
ENVIRONMENTAL	Biodiversity	Responsible management of water and energy	Energy efficiency and reduction of emissions
	<p>Principle 7: Support a precautionary approach to environmental challenges.</p> <p>Principle 8: Undertake initiatives to promote greater environmental responsibility.</p>	<p>Principle 7: Support a precautionary approach to environmental challenges.</p> <p>Principle 8: Undertake initiatives to promote greater environmental responsibility.</p> <p>Principle 9: Encourage the development and diffusion of environmentally friendly technologies.</p>	<p>Principle 7: Support a precautionary approach to environmental challenges.</p> <p>Principle 8: Undertake initiatives to promote greater environmental responsibility.</p> <p>Principle 9: Encourage the development and diffusion of environmentally friendly technologies.</p>