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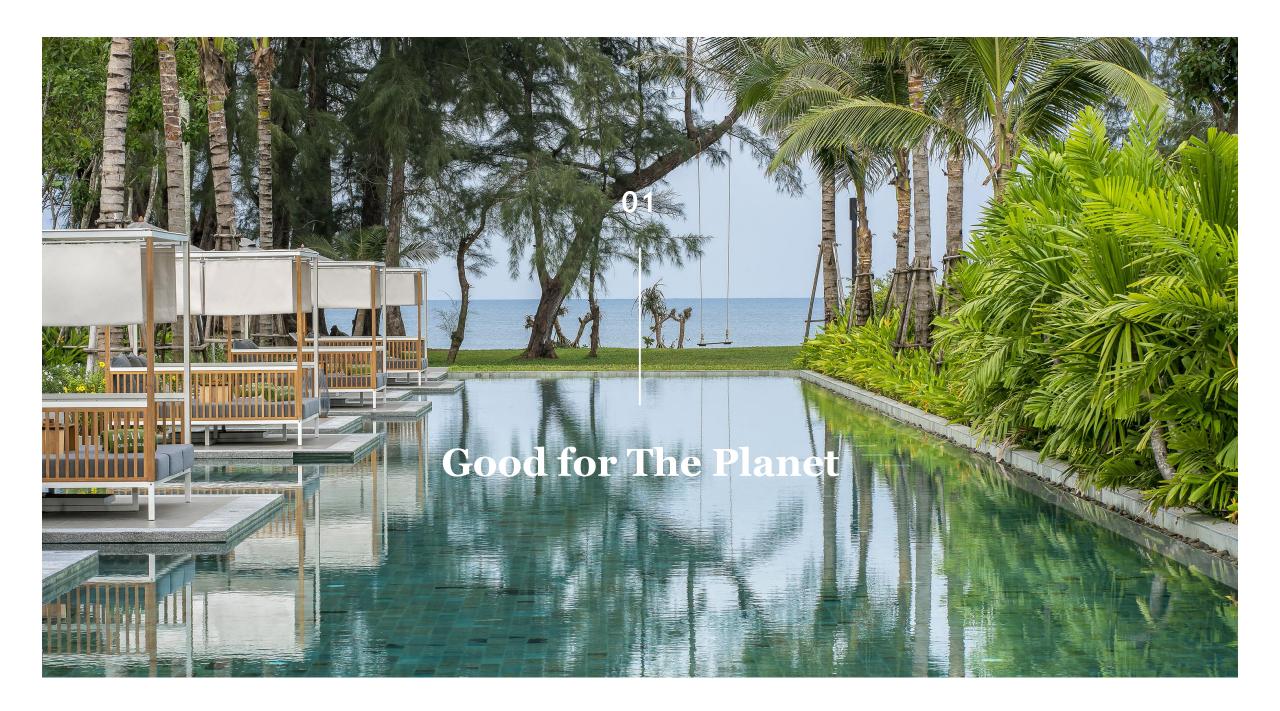
GOVERNANCE for GOOD

Travel for GOOD is our **environmental**, **social and governance (ESG) strategy**, designed to support sustainable tourism and help us become a better company for the planet.

The fact that we are hoteliers at heart, means that hospitality is not just a business for us, it's our passion. And that passion is what drives us to respond to the global challenges faced by our planet, viewing sustainability as a fundamental means by which we can create a **positive legacy for our planet and for society**.

Discover all the projects we are implementing to tackle the problems that affect our environment.



















GOOD FOR THE PLANET

The seriousness of the climate crisis requires us to make ever greater commitments. The Paris Agreement laid the foundations for the global response to **climate change**, and Meliá Hotels International aims to be play an **active role in the solution**.

That is why we want to train the teams in all our hotels worldwide so we can **move forward** with decarbonisation and promote more responsible tourism that is more respectful of the natural environment.

This is how we do it

Sustainable construction



Energy efficiency



Water management



Circularity



Biodiversity



Sustainable construction

We are committed to using low-carbon techniques in hotel construction and renovation projects

The location, materials, integration with the natural environment, facility design and technology are factors we take into account right from the start to reduce the environmental footprint of our hotels throughout their entire life cycle.

That's why our commitment to the environment begins with the design and construction of more efficient and sustainable hotels, and why we also take advantage of hotel renovations to make improvements that allow us to be more respectful of our environment.

100%

Sustainable criteria in our design & construction books



Carbon-neutral hotel prototype

Villa Le Blanc Gran Meliá is an iconic hotel in Menorca that has been totally refurbished to add state-of-the-art facilities and technology to reduce its direct and indirect emissions (scope 1 and 2) by 87%. The remaining emissions will be offset to achieve carbon neutrality. The hotel has received the Rethink Award for sustainable hotel renovation.





Energy efficiency

We are moving towards decarbonisation, with the objective of reducing our emissions by more than 70% by 2035

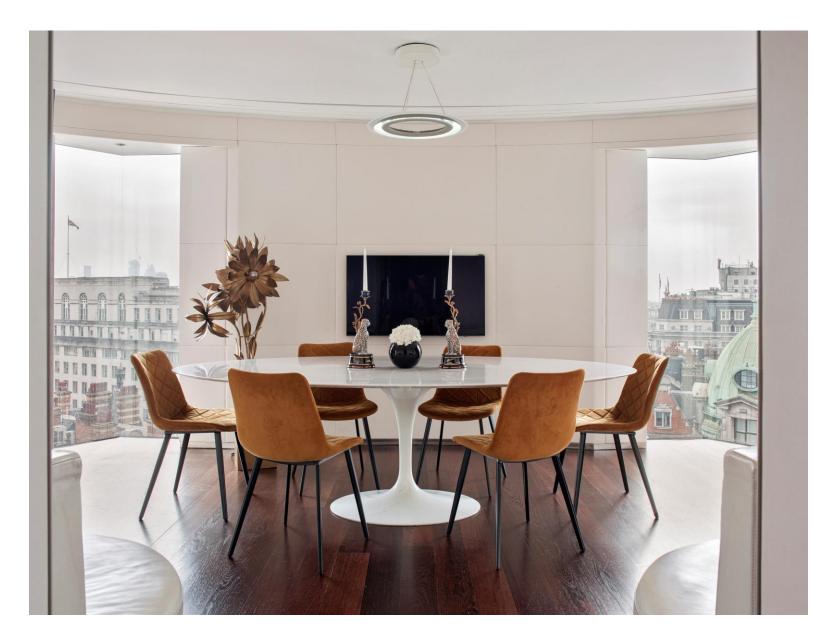
It's now or never. We believe mitigating climate change is an immediate and urgent concern. For us this means a strong commitment to the preservation of tourist destinations. We have a very ambitious objective to reduce our direct and indirect emissions (scope 1 and 2) based on scientific criteria and aligned with the Paris Agreement.

To help us achieve this, we are using innovative technology to make us more efficient, we are committed to using clean energy, and since 2007 we have had an environmental and energy management system (SAVE) that has allowed us to significantly reduce consumption.

37.6% of consumption from renewable sources

-17.4%
Reduction of scope 1 and 2
emissions since 2018





Maximum energy efficiency

The <u>SAVE</u> programme allows us to measure consumption and detect opportunities for improvement in all our owned, leased and managed hotels. The <u>CO2PERATE</u> project helps us to optimise energy use in airconditioning systems with the assistance of artificial intelligence. We use technology to predict the flow of people and the capacity of our spaces to adjust energy use.

During 2022 we have allocated €2.2 M to these projects to achieve our energy consumption reduction goals



-22.2%

Water consumed per stay in 2022 vs 2021

Water management

We are committed to more sustainable water management

Water is vital to the survival of our planet. Without water, there is no life. However, water scarcity affects approximately 40% of the world's population and climate change is aggravating this situation.

The sustainable management of water is essential for the tourism industry. Our environmental management system monitors our water use. Together with investments in more efficient facilities and actions to raise awareness among our customers and employees, this has allowed us to reduce our water footprint.

Gran Meliá Palacio de Isora (Tenerife) is the first hotel in Tenerife to produce almost all the water it consumes through its own desalination plant. The water used by the hotel is later purified to reuse in the hotel gardens. It also has an ecological salt chlorination system in its swimming pool, the largest hotel pool in Europe, which allows it to save thousands of litres of water. These measures has allowed the hotel to reduce its water use to levels far below the average for a conventional hotel.

More info



Circularity

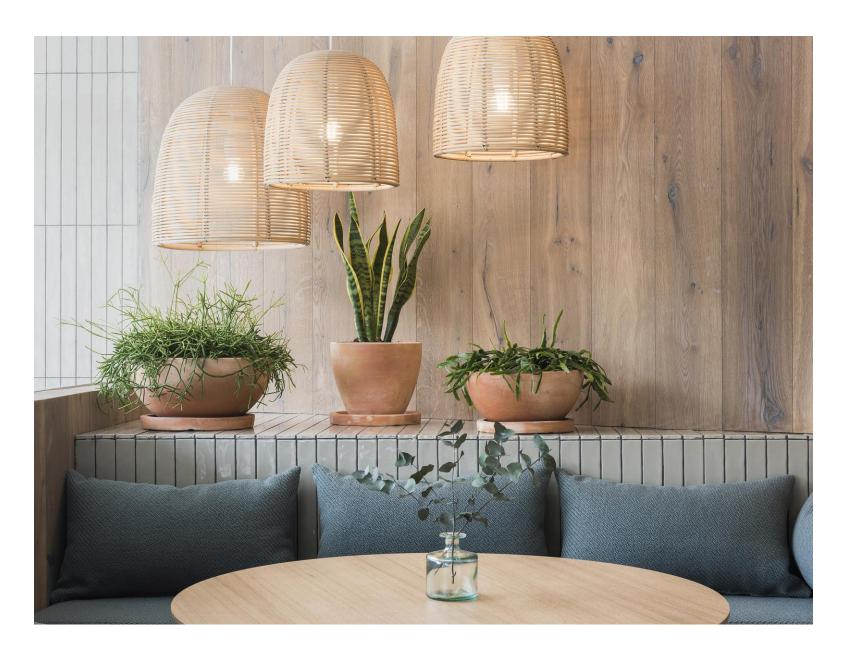
We are committed to making progress towards a circular hotel industry

The modern world demands a drastic change in the traditional ways we produce and consume things, and a move towards a circular model which encourages a more responsible use of resources, the reduction of waste and recycling.

Meliá approaches circularity as a fantastic opportunity to bolster our sustainable management model and raise awareness among our customers through a number of different projects, such as the elimination of single-use plastics, the reduction of food waste, the recycling of organic waste and soap and the reuse of water, among many others.



54.5% Waste recycling rate



"Hoteles Circulares" is a project involving hotels, farmers and the local waste management Company in Mallorca (Spain), and encompasses the entire cycle of food production and consumption. Organic waste generated in hotels is collected and quantified. It is then converted into compost which is delivered to local farmers, whose produce is then acquired by the hotel and reincorporated into the supply chain.

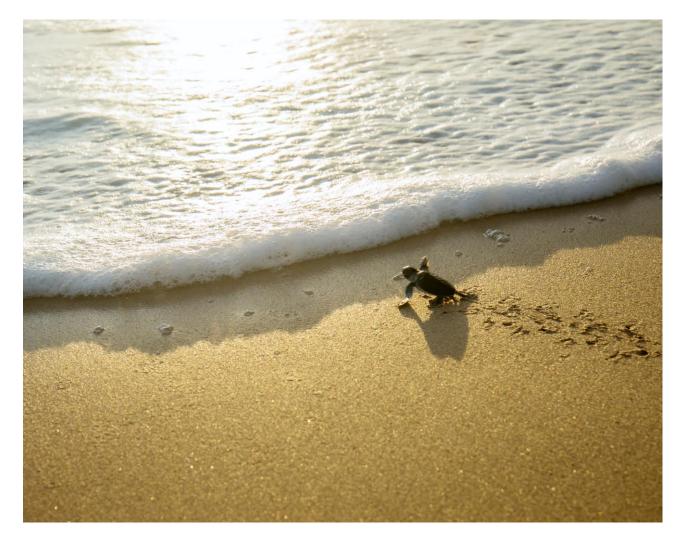
In 2022, the four Meliá hotels participating in this project avoided 24 tons of Co₂.

Biodiversity

Conserving biodiversity is the basis for ensuring the sustainability and attractiveness of travel destinations

As the leading hotel company in the resort segment, we have the utmost responsibility to protect and preserve the natural environment, one of the greatest assets of any resort destination.

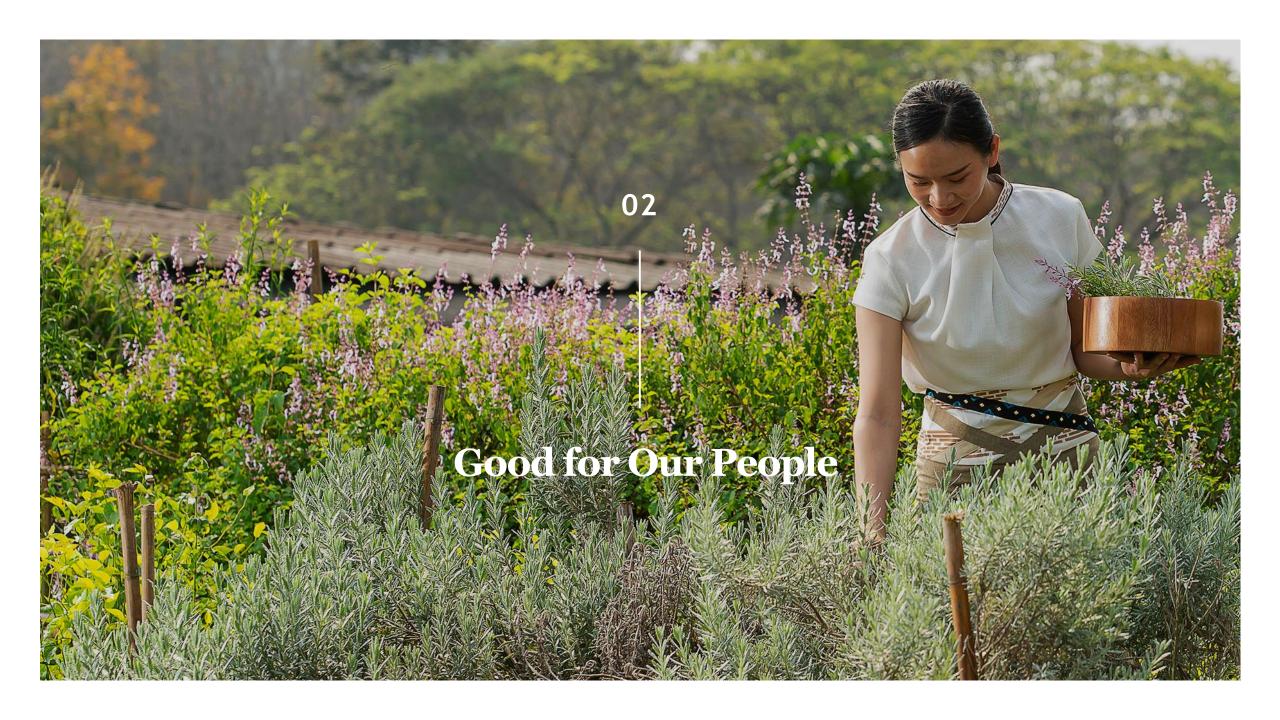
Our preventative management of the environment is based on a comprehensive vision which involves the design and construction of our hotels, cooperation in the conservation of local fauna, planting native plants and flowers, cleaning up natural spaces, training our teams and raising awareness among our customers.



95
Hotels in protected areas

Welcome to Life is our programme to protect endangered species in Mexico and the Dominican Republic. Since 2017, more than 5,200 employees and guests actively participated in raising awareness and protecting biodiversity in the places where they live.













This is how we do it

GOOD FOR OUR PEOPLE

The future of our company is with our people.
Our employees all around the world are the
heart of our business and drive our efforts
to become a better company every day.

We are focused on **enhancing the talent** of our teams and continuing to improve their experience with our company, offering them a work environment founded on the principles of **equality and diversity.**

Training and development



Healthy and safe environment



Equality, diversity and inclusion



Training and development

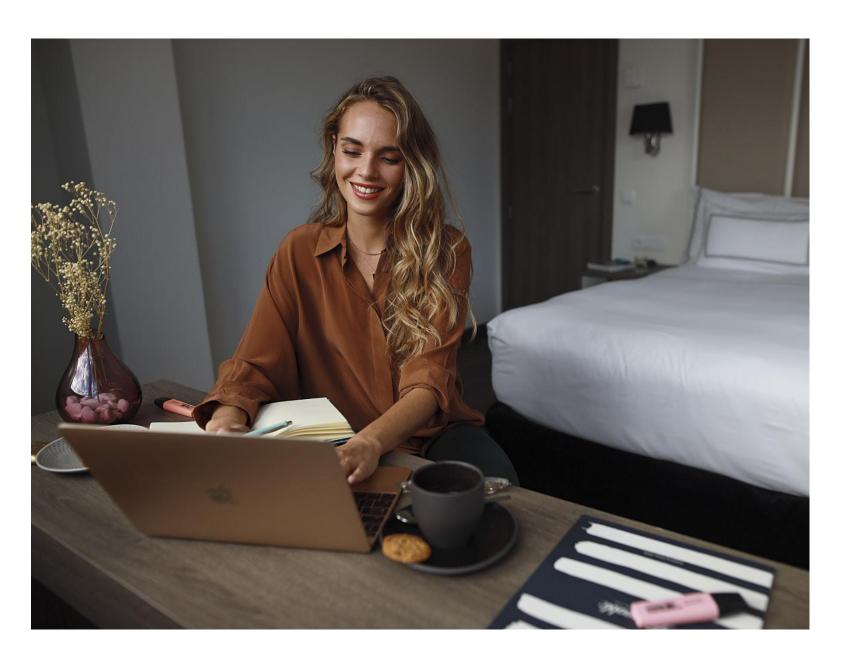
We provide the tools our people require to follow their own path to success

Achieving our business objectives is done through ensuring that our people achieve their own personal and professional goals. That's why we provide our teams with easily accessible and dynamic learning environments to help enhance their development and also accompany them in the transformation processes the company is going through so that together we can face the challenges of both the present and the future.

Over the years we have been able to consolidate a talent management model that encourages the development and leadership of our team members, providing them with opportunities to grow anywhere in the world.



117,739 Training hours in 2022



Developing digital skills

At Meliá, we see digital transformation as an opportunity to accelerate progress and also to ensure that we do it in the most inclusive way. That's why we have created a number of programmes to manage the change created by new workplace technologies and the need for new digital skills.

Safe and healthy environment

We want to be leaders in making well-being a part of the value proposition for employees

The knowledge acquired during the pandemic has allowed us to reinforce our commitment to the safety, health and well-being of our customers and employees all over the world.

This has allowed us to certify our Healthy Work Environment Programme in line with the recommendations of the World Health Organization (WHO) as a result of the measures taken to promote health, improve work spaces and carry out training in the habits of a healthy lifestyle, among others.



85.6% Workforce represented on Health and Safety committees



Stay Safe with Meliá

One of the great challenges of the pandemic was defining a global response that would allow us to minimise the impact of Covid-19 on our customers and employees. The result was Stay Safe with Meliá, a programme through which we adapted numerous operating processes and introduced cleaning and social distancing protocols in our hotels and corporate offices, maintaining all the safety standards learned during the pandemic.

Equality and inclusion

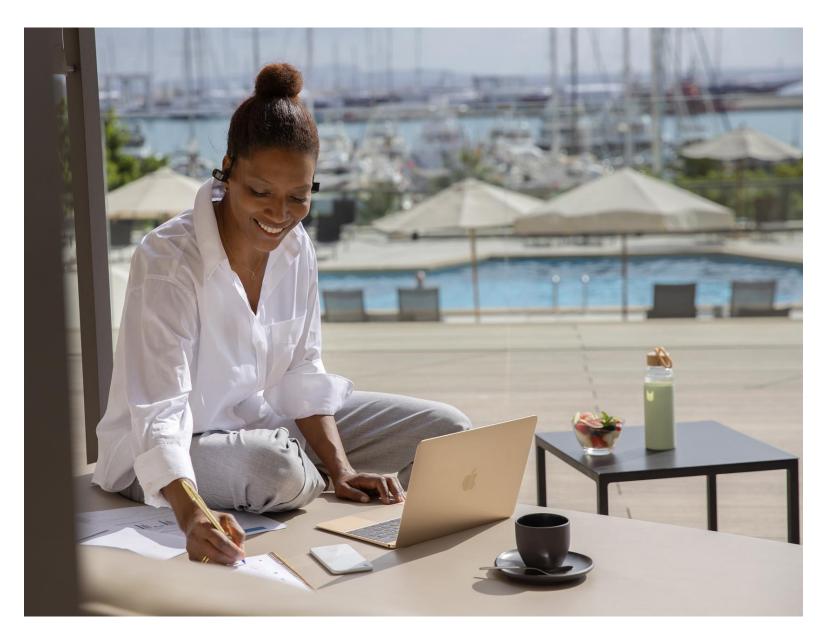
Hospitality is our passion. Everyone is welcome to our home

Diversity is an asset that has greatly enriched our company over the years. We all have different strengths, we all enrich each other and we all adapt better to multicultural environments, all of which has become the foundation for our hospitality, recognised all over the world.

Our commitments to our employees drive us to continue supporting diversity in all its forms, as well as seeking to place a greater number of women in managerial positions, reducing gender inequality and also favouring social inclusion for the most vulnerable people in our society.



29.1% Women in management positions



Equality plan

Our second Equality Plan includes our commitments to promote equality, diversity and inclusion in nine different areas: access to the company, recruitment, promotion, training, remuneration, occupational health, gender violence, communication and worklife balance. Meliá is committed to hiring people of both sexes in a fair and balanced way, to promote training on equality issues, to be transparent about remuneration criteria and to consider gender variables in Occupational Risk Prevention, for example.











This is how we do it

GOOD FOR THE COMMUNITY

We want to ensure our hotels **generate positive value** for the communities in which we operate, creating relationships based on trust and proximity and providing genuine support to respond to their real needs.

We believe that a responsible hotel model must generate economic and social **growth opportunities**, help eradicate inequality and promote peace, well-being and progress in local communities.

Employability of vulnerable people



Philanthropy



Human rights



Employability of vulnerable people

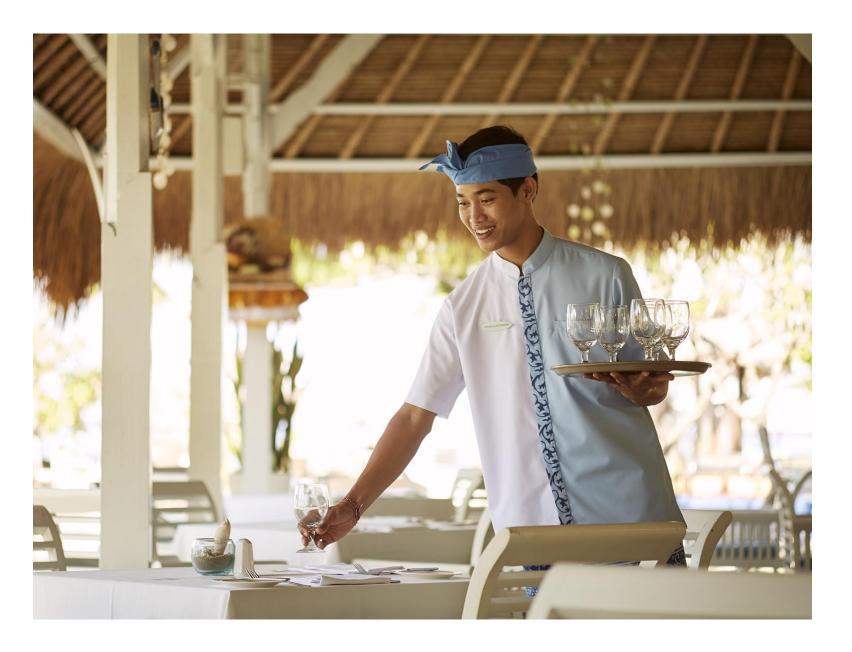
Moving forward in ensuring nondiscriminatory and diverse work environments

We firmly believe in equal opportunities. That is why we support the employability of the most vulnerable people in our society through the training, education and development of young people at risk of social exclusion. We work with a lot of different social bodies to reduce drop-out rates in training and open up opportunities to talented and motivated young people.

We also offer on-the-job training as a way to combat unemployment and academic failure, and we offer internships and employment opportunities to people with special difficulties in getting access to the labour market.



368 Vulnerable people employed (Incorpora Programme Spain 2018-2022)



First profesional experience

Since 2014, we have been working with the Pinardi Foundation on the "First Professional Experience" project, which opens the doors of our hotels to many young people to offer them a work and learning experience in a real work environment. Since then, 12 of our hotels have become training hotels, investing more than 175,000 hours in training 90 young people, of whom 70% were given an employment contract at the end of the experience, the majority of them with Meliá.

See more



As a family company, social responsibility and a commitment to communities have always been inherent to our corporate identity, driving us to strengthen ties and relationships with society, with multilateral organisations and with public authorities to help channel our support and our contribution to the communities in which we operate.

After the approval of our Philanthropy Policy, we have now ensured we have the appropriate mechanisms to continue directly contributing to the development of local communities. Together with our partners, we support projects that have a social impact, we help raise awareness and encourage volunteering, in addition to offering our hotel facilities to be used for different social causes.



Philanthropy

We want to be a good partner for local communities

+400 Social organisations supported since 2019

Soap4Hope

Meliá Hotels International and Diversey continue to work together to cover some of the health needs of the most vulnerable local communities in Asia Pacific and America. Through the Soap4Hope project, since 2017 we have recycled 80 tons of leftover soap and deliver free bars to almost 100k vulnerable people.



Human rights

Progress in responsible management involves a firm commitment to protect human rights

As a travel company, our links with the local people and communities in which we operate are very close. We create relationships based on lasting mutual trust with all our stakeholders and make ethics and the defence of human rights a vital component of our business.

This commitment has led us to integrate the defence of human rights into our entire corporate regulatory body and to take concrete actions wherever there is a greater risk of their violation.

Since 2018, we have also encouraged the protection of human rights in our supply chain so we can move forward together with our suppliers towards a fairer society.





SERES Laboratory

Since 2019, we have formed part of the SERES Foundation Human Rights Lab, of which Meliá is a member of the Board of Trustees and Advisory Council. This space allows us to share experiences, analyse Spanish and international trends, and help develop practical know-how that will help other companies make progress in their commitment to people. Since 2011, the year in which we became a partner in the Global Compact, we have defended the use of the 10 Principles of the United Nations Global Compact within the company.











This is how we do it

GOVERNANCE for GOOD

Since we became a listed company in 1996, creating a **solid and transparent governance** model has been one of our greatest challenges. We believe that a well-governed company brings true meaning to what we do and multiplies our capacity to do good.

Our objective is to provide a firm, ethical and transparent response to our stakeholders' expectations, in the face of a society which is increasingly demanding regarding the behaviour of companies and in an increasingly demanding regulatory environment.

Governance



Responsible supply chain



Public affairs





78% Compliance with recommendations of the Good Governance Code of the Spanish CNMV

Governance

Ethics, integrity and responsibility are the essence of our governance

As a family-owned company, we have a long-term view and commitment to our business vision based on our <u>corporate values</u> and <u>Code of Ethics</u>, both of which we have bolstered with the creation of a solid management structure and regulatory body based on principles of transparency and the best practices in corporate governance.

Our governance model has integrated ESG criteria to drive improvements in our management and ensure compliance with our commitments to all of our stakeholders.



Sustainability Committee

In 2020, we created our Sustainability Committee, an internal body focused on ESG matters. Its key objective is to make sustainability an inherent part of our business strategy and value chain, supporting projects that ensure the creation of economic and social value as we tackle the challenges we face as a global company.



Responsible supply chain

We continue to make progress in ethical management in our supply chain, working together with suppliers who share our values and commitments

The success of the responsible hotel model we pursue requires the involvement of every link in our value chain. None of the actions we take to move towards a low-carbon economy would be possible if we do not get our suppliers involved in our projects and commitments.

We have made progress in a supplier selection model which is based not only on technical, quality and economic criteria, but also on sustainability. We also seek active cooperation and partnerships with suppliers to support our shared commitment to sustainability.







1,881
Suppliers who have accepted our Code of Ethics

Supplier Code of Ethics

When they entering into a business relationship with us, our suppliers must accept a <u>Supplier Code of Ethics</u> which is based on our adherence to the Universal Declaration of Human Rights, the Principles of the Global Compact, the Sustainable Development Goals (SDG) and the Convention on the Rights of the Child.



Public affairs

We understand public-private partnerships as the key to rebuilding our industry

Thanks to our industry leadership, we aim to use our capacity to create dialogue and influence others to promote a transition towards a more responsible hotel model in all the destinations in which we operate.

We believe that cooperation with the public authorities is required to redefine and redesign the tourism industry based on sustainability criteria after the Covid-19 crisis, and also to improve the competitiveness of tourist destinations. That is why we actively participate in organisations and institutions in several fields, working in a network with them and simultaneously forming new partnerships to support our public commitments.

97
Meetings with different public authorities in 2022





Transformation of Magaluf

Since 2012, Meliá has been promoting an ambitious project to transform a mature tourism destination in Mallorca based on sustainability criteria. The project received the support of the local government through its classification as a project of 'Autonomous Interest' and since then has been one of the best examples of public-private partnerships for the transformation of mature destinations in Spain, focused on the creation of a more sustainable tourism model, on quality and on the creation of value for the community.



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Contáctanos en <u>sustainability@melia.com</u> Descubre más sobre nosotros en www.meliahotelsinternational.com