

# Management Report

# 2021





# Letter from the CEO

GRI 102-14



**Gabriel Escarrer Jaume**  
Executive Vice President  
and CEO

Dear shareholders, employees, customers and partners,

2021 was another very difficult year for the global population as a result of a pandemic that is still with us and that, despite the global vaccination programme, has continued to disrupt society in general and travel in particular, based, as we all know, on mobility and interaction between people.

It was a year characterised by constant ups and downs in the evolution of the pandemic and in both domestic and international travel restrictions, factors which have continued to test our resilience, our ability to **adapt our strategy, and also our corporate responsibility**, all of which are aspects that we will try to reflect in this Annual Report.

## A YEAR FOCUSED ON RESILIENCE

2021 began as 2020 had ended, full of uncertainties due to the successive waves of the pandemic. This meant that the key drivers of our resilience in 2020, our liquidity, efficiency and collaboration with our partners and stakeholders, continued to be needed in 2021 to manage a very complex and volatile financial year.

Meliá managed to maintain its liquidity at over €400 million through to the end of the year while also improving its management and consolidating the progress made in efficiency the previous year. This led to a positive trend in EBITDA, which at the end of the year stood at €124.7 million.

The transaction in June also contributed to this performance, with the sale of 6 owned hotels and a share in another 2 hotels for a net cash amount of €170 million, while still retaining the management of the properties through long-term management contracts.

The third quarter saw a turning point in the hotel business, with a progressive improvement in the number of bookings week after week from May (although still way below 2019 levels), allowing Meliá to keep 27% more hotels open than in the third quarter of 2020 (although 22% less than in 2019).

By the end of the quarter, hotels in Spanish and Caribbean resort destinations even managed to recover the levels seen in the third quarter of 2019. This positive trend continued in the fourth quarter, except in December when we began to see the effect of the Omicron variant.

The Group saw month-on-month increases in revenue, closing with €902 million, and was able to meet its commitment to generate positive EBITDA from June onwards, all in spite of the Omicron variant which affected the performance at the end of the year.

In order to maximise hotel openings whenever the situation allowed, Meliá continued to apply agile and effective tactical management that led to almost all its hotels being open at the end of the year (except resort hotels closed for the winter season), with only 6% of hotels closed either due to Covid or due to being used to accommodate people affected by Covid or essential workers.

Although the pandemic caused a delay to numerous projects, it did not prevent us from continuing to grow. We added no less than 20 hotels with more than 4,300 rooms over the year, enhancing our strategic focus on destinations in Spain, the Mediterranean and Asia.

To keep up our growth in an increasingly competitive market and also adapt to changing market trends, we also introduced a franchise and affiliation model under the "Affiliated by Meliá" brand, as well as *"The Meliá Collection"*, an attractive opportunity for unique and singular hotels all over the world to leverage all the commercial and management strengths of a market leader like Meliá.

## FORESIGHT AND STRATEGIC ADAPTATION

As a company with strong family values, our long-term vision has allowed us to look further into the distance as the industry was hit by the perfect storm of Covid-19. That's why in 2020 we focused on maintaining momentum in strategic areas that would be key in emerging from the crisis even stronger and enhancing our competitiveness in the post-Covid business environment.

In 2021 we started work on a new strategy for the recovery period, which aims to see us become more profitable, better managers, more efficient, and more sustainable as we move towards 2024.

While always maintaining our mission and our vision as a company, as you will read in this report, the **new strategic roadmap** is based on the lessons learned during the pandemic and an in-depth analysis of the post-Covid business environment, including changes in society and habits, new trends in the demand for travel, the opportunities presented by a market in the process of consolidation, and the growing regulation and universal awareness of the importance of sustainability.

I sincerely believe this strategy sets the right path for us in times such as these if we wish to continue enhancing our strengths, recovering value that has been lost, and taking advantage of all the opportunities that the end of the crisis will undoubtedly bring for companies such as ours, that have prepared themselves better for the recovery period. We aim to continue to grow with a special focus on resort and bleisure (business & leisure) hotels, to further strengthen our balance sheet, to complete the implementation of our "Leading a New Future" operating model, to continue increasing our digital leadership in sales and supporting our "BeDigital360" digital transformation, and to continue to develop our sustainable management model.

## RESPONSIBLE MANAGEMENT

Since the beginning of the pandemic, Meliá Hotels International has aimed to maintain and even strengthen as far as possible our commitments to society, the environment, ethics and corporate governance. In addition to bolstering our resilience, the Contingency Plan that we explained in our previous report focused significant efforts on preserving the health and safety of our customers and employees, protecting employment and retaining talent, and also showing our solidarity with the communities most affected by the pandemic.

In 2021 we continued to make progress with our commitments in corporate responsibility, focused on the defence of the **Principles of the Global Compact** and promoting responsible tourism through projects with partners, such as the creation together with the *World Travel and Tourism Council* and the *Sustainable Hospitality Alliance* of a Basic Sustainability Framework to be made accessible to hotels all over the world in line with the Glasgow Declaration and the SDGs.

We have also recently signed the *UNESCO Sustainability Travel Pledge*, a global commitment to promote responsible tourism and travel projects. With regard to **diversity and equality**, we also form part of the CEO Action for Diversity & Inclusion, in addition to making progress in our commitment to reduce the gender gap in Spain through the CloSinGap cluster.



In **environmental issues**, in 2021 we set far more ambitious goals for reducing our emissions, introducing improvements in technology and processes to be more energy-efficient, committing to reduce the carbon footprint of our hotels, and ultimately, as a leading company in sustainability in the travel industry, making a major effort to adapt to the new regulatory environment and the new deadlines and demands caused by accelerating climate change

All this led to us being named the leading company in the industry in the Governance and Economic dimension in the *S&P Global Corporate Sustainability Assessment* thanks to our progress in Corporate Governance.

This important report also named us the best company in the industry in the area of Climate Strategy. In one of the most difficult periods in the history of the travel industry, our commitments and performance in the different dimensions evaluated in the report once again led to us being declared the most sustainable hotel company in Spain and Europe, and second in the world, earning the category of *Silver Class* in the *S&P Global Sustainability Yearbook 2022*.

In relation to **our people**, in 2021 we once again focused on supporting employees through furlough programmes, recovering as many of our people as possible as activity began to resume and facilitating teleworking whenever advisable, while at the same time involving them in the company's profound digital and cultural transformation to ensure, as we said during the pandemic, that nobody was left behind.

Our constant commitment to our people, at a time when there is strong competition for talent, has been recognised with our certification as a **TOP Employer 2022**, as one of the companies that contributes the most to excellence in the work environment in some of the countries where we have the greatest critical mass, such as Spain, Mexico and the Dominican Republic.

This report coincides with the end of the so-called "sixth wave" caused by the Omicron variant. Although we must still remain extremely prudent, this may become a turning point that will mark the end of the global disruption caused by Covid, and the beginning of a new era of "living with" a virus that has changed everything.

Again with the greatest prudence, if there are no major surprises, we believe 2022 will be a historic year for resort tourism, which may recover the RevPAR (Revenue Per Available Room) levels seen in 2019, thanks to reduced disruption and a new stage that will allow greater social interaction and mobility, releasing all the pent-up demand for travel.

At Meliá Hotels International we expect to be at the forefront of this historic change, and as a leading company in the tourism industry, we will continue to do our very best to lead a solid, responsible and sustainable recovery together with all our stakeholders.



**Gabriel Escarrer Jaume**  
Executive Vice President  
and CEO

# About this report

GRI 102-48; GRI 102-49; GRI 102-53; GRI 102-54; GRI 102-55; GRI 102-56

## CONTEXT

The context was defined by a year in which the pandemic wreaked havoc on the travel industry, eventually leading to a slow but stable recovery. The constant restrictions imposed by governments on mobility and interaction kept a part of our normal hotel activities on standby, affecting our operations and, consequently, our data reporting. However, the increasing demands of our stakeholders and the environment encourages us to continue to share a vision of our annual performance with the greatest transparency and rigour. Following international reporting standards and recommendations, we therefore assume our commitment to publish corporate information that reflects both our performance and the challenges and opportunities we face in this new post-pandemic stage.

## REPORTING FRAMEWORKS

This report has been prepared in accordance with the Global Reporting Initiative (GRI) Guide, the International Integrated Reporting Council (IIRC), which allows us to continue moving forwards towards a fully Integrated Report, and also in accordance with financial materiality in the hotel industry as defined by the Sustainability Accounting Standards Board (SASB). These international reporting frameworks ensure that the information we share with our stakeholders is consistent, comparable and reliable, while also conveying the alignment between our strategy, material issues, our governance model and our performance, both financial and non-financial.

## MATERIALITY AND STAKEHOLDER PARTICIPATION

Based on the principles in the GRI Standards, the Integrated Annual Report focuses on the material issues identified in the materiality analysis updated in 2021, whose preparation process and results are described in the chapter on "Value creation for our stakeholders" in this report.

The preparation of the materiality analysis has allowed the company to identify the most relevant issues for each of its stakeholders, defining the areas or aspects considered essential in the preparation of this report and thus allowing an evaluation of company performance in these areas.

Regarding the quality of the information, we always aim to transmit a balanced view, reflecting both the positive and negative aspects of our performance, particularly in the key areas of materiality identified throughout the 2021 financial year. We therefore publish this information in the most precise, detailed, clear, comprehensible and reliable way possible, offering stakeholders an assessment of the evolution over time of material issues for their information and to ensure comparability with other companies or industries.

## NON-FINANCIAL INFORMATION STATEMENT

Additionally, and in accordance with Law 11/2018 of December 28 on non-financial information and diversity, and article 44 of the Commercial Code, we have incorporated into this report the Non-Financial Information Statement for 2021.

## INFORMATION SCOPE

This Management Report consists of:

- The **Consolidated Management Report** presented by the Board of Directors on February 28, 2022, which also includes the Non-financial Information Statement, the contents of which can be seen in the table “Non-financial and diversity information requirements (Law 11/2018)” in the annexes.

This report contains relevant information on company management, financial results and non-financial information for Meliá Hotels International. The information corresponds to a control perimeter aligned with the subsidiaries that are fully consolidated in the Annual Accounts. For some non-financial indicators, in addition to the consolidated perimeter, the aggregated perimeter is also reported, corresponding to companies in which Meliá Hotels International does not have operational control (consolidation by equity method or not consolidated in Annual Accounts). Throughout the report, the perimeter within which each data is reported is stated.

In order to ensure the comparability of information and allow visibility of the evolution of the Meliá performance over time, the report also shows indicators with historical data and, where appropriate, with the objectives that were defined. It should also be noted that the pandemic has significantly affected indicators due to the disruption of our activity, thus affecting all comparisons with historical data.

## VERIFICATION

In order to ensure the transparency and reliability of the information, since 2010 Meliá Hotels International has submitted its non-financial information report for verification by an independent, external body. The 2021 non-financial information has been verified by Deloitte, with a limited level of assurance, obtaining the attached independent review report based on essential GRI standards, which includes the objectives and scope of the process as well as the verification procedures used and their conclusions.

## QUESTIONS

If you have any question or suggestion related to this report, please use the following channels for direct contact:

### **FINANCIAL INFORMATION:**

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Investor Relations Department ([investor.relations@melia.com](mailto:investor.relations@melia.com))

### **NON-FINANCIAL INFORMATION:**

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Sustainability Department ([sustainability@melia.com](mailto:sustainability@melia.com))

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# Meliá in 2021

Most important  
milestones

Key indicators

Contribution to the SDGs





Most important milestones



We start the year with a historic alliance to support a project to transform the travel industry based on sustainability and digitalisation, with 70 companies from different parts of the tourism value chain, including Meliá, presenting a Manifesto of Interest to the Spanish Government.

We are once again named leaders in sustainability and earn Silver Class recognition in the 2021 Sustainability Yearbook of S&P Global.



The prestigious consulting firm Brand Finance places us fourth in Spain in the "Brand Strength" index and among the top 10 brands in the country for "brand consideration" in its report on the most valuable brands in Spain.



We present our Affiliated by Meliá brand, a new partnership opportunity specially designed to meet the needs of independent hotels. We also announce a boost to our growth in Asia Pacific and the Mediterranean with the signature of 11 new hotel projects.

We add the Playa Esperanza Resort, Affiliated by Meliá, one of the most iconic hotels in Mallorca, to our portfolio.

02

FEBRUARY

04

APRIL

06

JUNE

JANUARY

MARCH

MAY

01

03

05

Thanks to our leadership in digitalisation, we reach an agreement with the famous Spanish Paradores hotel brand to provide the services of our distribution platform.

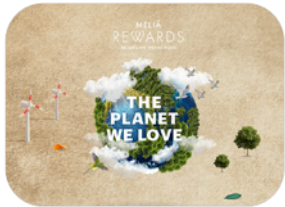


We continue with progress in digitalisation: one year after the launch of the Robotics 360 project focused on Robotic Process Automation (RPA), we have 30 working software robots present in 30% of the company's areas.



The Financial Times includes us among Europe's Climate Leaders 2021. An award that comes as we continue to make progress in combatting climate change, launching The Planet We Love project which uses blockchain technology to offer MeliáRewards members a chance to support environmental projects certified under international standards.

We inaugurate the Meliá Frankfurt City, one of our most exciting new hotels in Europe. It opens in the One Forty West skyscraper with a design reflecting the modern, cosmopolitan lifestyle of the city.





We are named the Best Luxury Resort Hotel Chain in the Leisure Lifestyle Awards organised by Global Traveler. An award that we receive for the seventh consecutive year and that confirms our continued leadership of the resort hotel industry.



An important month for the company in which S&P Global once again names us the Second Most Sustainable Hotel Company in the World, and number one in Europe and Spain.

We also inaugurate one of our most exciting openings in Spain. ME Barcelona opens its doors with a contemporary vision of luxury and one of the first newly built five-star hotels in recent years. We also open the Meliá Phuket Mai Khao, a sanctuary of luxury and wellness in Thailand.

Our Chairman and Founder, Gabriel Escarrer Juliá, presents his memoirs *My Life*, the story of the man who created the largest hotel group in Spain.



As part of our commitment to the transformation of Magaluf in Mallorca and its consolidation as a quality tourist destination, and with the collaboration of our INNSiDE by Meliá brand, we announce the first edition of the Expanded Literature Festival, attended by many of the leading personalities in the cultural world.

08

AUGUST

10

OCTOBER

12

DECEMBER

JULY

SEPTEMBER

NOVEMBER

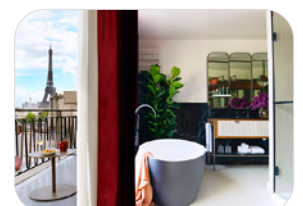
We announce the signing of a new project in Albania, Sol Dürres. With 4 hotel openings scheduled in the country, we continue to increase our presence in the Mediterranean as one of the most important international hotel chains operating in Albania.









After borders open in the USA, we accelerate the recovery of international demand for our hotels with an important sales campaign which sees the number of bookings above that for the same period in 2019.



We end the year presenting The Meliá Collection, a new collection of unique, luxury hotels for travellers seeking authenticity and a connection with the destination. This is a further step in a strategy focused on differentiation, a commitment to quality tourism and to the authenticity of destinations.



## Key indicators

 <b>Financial</b>	 <b>Business</b>	 <b>Governance</b>	 <b>People</b>	 <b>Environment</b>	 <b>Society</b>
Total consolidated revenue <b>€902.4 M</b> (+70.8%)	Aggregated revenue <b>€1,075 M</b> (+65.6%)	Board Members <b>11</b>	Active workforce <b>23,434</b>	Scope 1 emissions (SBTi) <b>38.4k TCO<sub>2</sub></b> (-45% base year)	Grupos Stakeholders <b>+680 meetings</b>
EBITDA (excluding capital gains) <b>€61.0 M</b> (+146.7%)	Aggregate RevPAR <b>€39.4</b> (+14.9%)	External independent directors <b>54.5%</b>	Female staff members <b>41.93%</b> (+1.53pp)	Scope 2 emissions (SBTi) <b>190.1k TCO<sub>2</sub></b> (-41% base year)	Materiality analysis participation <b>27%</b> (+2pp)
Net profit attributed to parent company <b>-€192.9M</b> (+67.6%)	Aggregate ARR <b>€107.8</b> (+9.7%)	Board attendance (in person and by proxy) <b>100%</b>	Women in management positions <b>29.05%</b> (+3.55pp)	Renewable energy use <b>29.7%</b> (+3.8pp)	Project Linens for Life <b>+20.3 k Masks made</b>
Net debt <b>€2,853.2M</b> (+9.6%)	Aggregated occupancy <b>36.6%</b> (+1.7pp)	Average membership of the Board <b>8.8 Years</b>	Workforce covered by collective agreements <b>65.8%</b>	Portfolio located in protected areas <b>53 Hotels</b>	Stay Safe with Meliá satisfaction <b>85.5%</b> (+3.2pp)
Consolidated RevPAR <b>€48.7</b> (+12.8%)	NPS customers <b>48.2%</b> (+0.1pp)	Female Board members <b>36.4%</b> (+9.1pp)	Total hours of training <b>+237k</b>	Portfolio located in areas with water stress <b>97 Hotels</b>	Training in human rights <b>3,919 employees</b>
Consolidated ARR <b>€117.9</b> (+7%)	Meliá.com revenue <b>41.3%</b> (+9.1pp)	Board meetings <b>6</b>	Training hours per employee <b>12.94</b>	Recycling rate (selective waste collection) <b>60%</b> (+6.8pp)	Portfolio with no risk in human rights issues <b>98%</b>

## Contribution to the SDGs

**“THE SUSTAINABLE DEVELOPMENT GOALS ARE AN EXCELLENT FRAMEWORK FOR HELPING COMPANIES INTEGRATE SUSTAINABILITY, HELPING PEOPLE UNDERSTAND IT AND, ULTIMATELY, MAKING PROGRESS IN THE ACHIEVEMENT OF SHARED GOALS”**



### Commitment

We have a firm commitment to the health and safety of our stakeholders. The pandemic led us to make it a top priority, adapting our products and services, reinforcing our protocols and management systems to make our hotels and work environments safe spaces.

### Priorities

- Redefinition of products and services
- Support for the local authorities
- Support for the vaccination programme

### Impact

**43.5k** SSWM customer surveys (85.5% satisfaction)  
**1** hotel converted to hospital and 2 for essential workers  
**+ 20k** employees received SSWM training  
**38** new hotels certified in SSWM by Bureau Veritas  
**13** audits of critical points in the occupational health system  
 Cooperation with local authorities in the vaccination programme

+ Info in the Occupational Health & Safety section



### Commitment

People are at the centre of all of our approaches, and more than ever before, we are committed to preserving employment, providing constant training and talent development in non-discriminatory and diverse work environments.

### Priorities

- Comprehensive responsibility with collaborators
- Internal training programmes
- Focus on talent development
- Support for the employability of vulnerable people

### Impact

**+29%** of women in managerial positions\*  
**+36%** of women in junior managerial position\*  
**+39%** of women in managerial positions with revenue-generating responsibilities\*  
**+33%** of women in STEM (science, technology, engineering and mathematics) positions  
**+€1.42m** invested in training (€77.4 per employee)  
**+2,700** courses to improve the professional skills of employees  
**+100k** hours of online training  
**336** offers for people at risk since 2018 (coverage rate 89.3%)

\* Of the total in the category

+ Info in the People section



### Commitment

We continue to make progress in integrating sustainability and ethical management in our supply chain, working together with suppliers who share our values and commitments. We are working on the elimination of single-use products, the use of products with a low environmental impact, the reduction of food waste and the promotion of circular hotels

### Priorities

- Responsible supply chain
- Low impact products and services
- Healthy, local and seasonal dining options
- Projects to combat food waste
- Waste reduction and circular hospitality

### Impact

**-18.6%** food-waste reduction  
**+7k** kilos of food saved in the Too Good to Go project (14 hotels)  
**+20.3k** masks made with reusable linen  
**1,839** suppliers signing sustainability clauses  
**1980** suppliers signing the Meliá Code of Ethics  
 Incorporation of sustainable attributes in brands, products and services

+ Info in the Supply Chain section

### Associated SDGs:



## Contribution to the SDGs

**“THE SUSTAINABLE DEVELOPMENT GOALS ARE AN EXCELLENT FRAMEWORK FOR HELPING COMPANIES INTEGRATE SUSTAINABILITY, HELPING PEOPLE UNDERSTAND IT AND, ULTIMATELY, MAKING PROGRESS IN THE ACHIEVEMENT OF SHARED GOALS”**



### Commitment

Combatting climate change, protecting the environment and biodiversity are strategic priorities in our commitment to sustainability and the protection of travel destinations. That is why the company continues to promote an efficient and responsible hotel management model, both in regard to the use of resources and minimising the impact of our activity

### Priorities

- Investment with sustainable criteria
- Energy efficiency and responsible use of resources
- Measurement and reduction of our carbon footprint
- Water management
- Protection of biodiversity

### Impact

**+2.7 M€** invested in energy efficiency  
**+24M kWh** saved  
**+11 Tn** of CO<sub>2</sub> avoided  
**+29%** renewable energy  
**98** hotels involved in the CO<sub>2</sub>perate project  
**53** hotels located in special protection areas  
**42 tons** of CO<sub>2</sub> offset through MeliáRewards (ClimateTrade)  
**100%** of CO<sub>2</sub> emissions related to travel offset (Cabify and JoinUp)  
**+3.7k** participants in actions to defend biodiversity  
**+66k** turtles released and **+103.6k** protected turtle eggs

+ Info in the Environment & Climate Change section



### Commitment

Our commitment to ethical management ensures the integration of sustainability in all our governing bodies, promoting transparency in the management and reporting of company information

### Priorities

- Governance structure focused on ethics, transparency and responsible management
- Regulatory body that integrates ESG criteria
- ESG risk management

### Impact

New Materiality Analysis (27% average participation)  
**78%** compliance with CBG recommendations  
**36.36%** of women on the Board of Directors  
**37** ESG risks integrated into the Global Risk Map  
**100%** of stakeholders with access to complaint channels  
**+200** internal audit reports  
**55** controls to prevent and/or avoid tax crimes  
**3,919** employees trained in issues related to human rights

+ Info in the Good Governance & Ethics and Integrity sections



### Commitment

Meliá is firmly committed to open dialogue and direct contact with stakeholders, an essential driver of the development of the business and the generation of a positive impact. Meliá also forms lasting alliances and assumes new public commitments focused on the achievement of the SDGs through partnerships.

### Priorities

- Creation of alliances and agreements
- New public commitments

### Impact

**68** social organisations helped  
Members of the International Chamber of Commerce (ICC), the Spanish Chamber of Commerce, the Association for Management Progress, the World Travel & Tourism Council (WTTC), UNWTO, Exceltur, the Global Compact, the SERES Foundation, members of the Incorpora project of La Caixa Foundation  
**6** new commitments and memberships in social, climate change, environment, sustainability and tourism areas

+ Info in the Social Impact & Presence sections

### Associated SDGs:





01

# Business model

Our essence

Business model

Brand portfolio &  
positioning

Portfolio Location

Asset Management





# Our essence

GRI 102-16

Hospitality is more than just a business, it is an attitude towards life, something which you have in your heart. That is why we care as much about our customers' experience as we do about the excellence of our management. Hearts and minds, united to earn your trust and achieve success.

## *Leisure at heart, business in mind*



## *Our values*

Our values allow us to make our corporate slogan tangible, expressing the perfect harmony between our hearts and our minds, between the exceptional hospitality we offer and our excellence and rigour in management.

### **SERVICE VOCATION**

born of our passion for hospitality.

### **EXCELLENCE AND COHERENCE**

because we do things well, professionally, efficiently and consistently

### **PROXIMITY**

because we love to share, listen and feel.

### **INNOVATION**

because we anticipate events and innovate to become better every day.

Our corporate values come to life through the behaviour that we encourage among all of us who form part of this large family.

# Business model



# Brand portfolio & positioning

GRI 102-2; 102-6

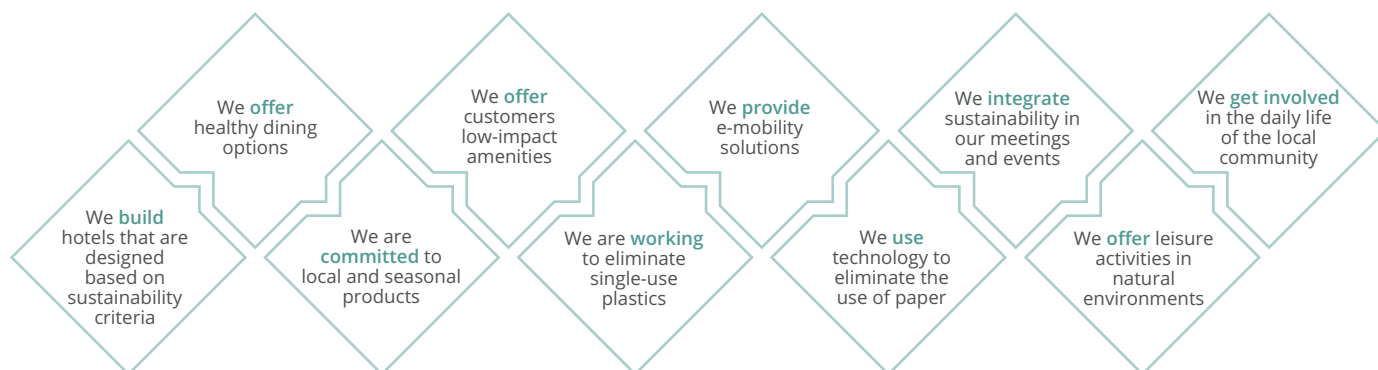
At Meliá we transmit our experience in resort and bleisure through each of our brands, ensuring they all reflect our values and principles while retaining the essence and personality that make each of them unique. Each brand addresses well-defined psychographic and demographic profiles, thus responding to the different demands or needs of modern travellers. At the same time, our drive to achieve constant improvement and innovation, together with our strong commitment to excellence and quality, mean that we are flexible in our approach to changes and new trends that lead to our constant evolution.



## Sustainable brands

Our commitment to sustainability is also tangible in our brand portfolio. Customers today expect companies to be committed to the social and environmental challenges we face. To respond to these expectations we integrate sustainable attributes into the customer experience to increase their social and environmental value proposition.

Our brands offer an experience aligned with our commitments to sustainability bringing them closer to customers during their stay in the hotel.



GRAN MELIÁ  
HOTELS & RESORTS

*A life well lived*





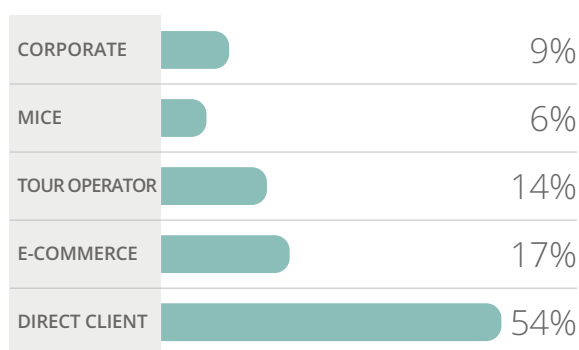
## BRAND POSITIONING

Gran Meliá evokes the essence of Spanish culture and a life well lived. It is a space in which Mediterranean character coexists with European prestige. It's a way of life and a way of understanding impeccable service, experiencing outstanding experiences and the possibility of enjoying the best expression of Spanish luxury culture. Because it's not enough to only fall in love with the place, you also have to fall in love with the moment.

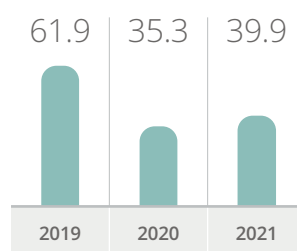
Our philosophy shines through every moment of the experience. From the extraordinary architecture in our hotels to the quality of carefully prepared cuisine in which local flavours accompany the most friendly and attentive service. At Gran Meliá you will perceive all the details typical of Spanish style, however small.

Every Gran Meliá experience shows our appreciation for everyday life while also embracing the creativity and talent of our culture.

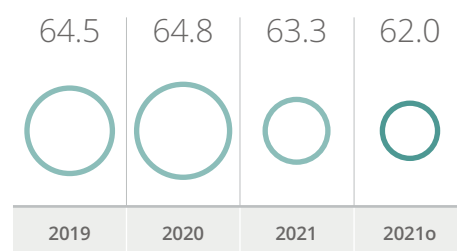
### REVENUE SEGMENTATION



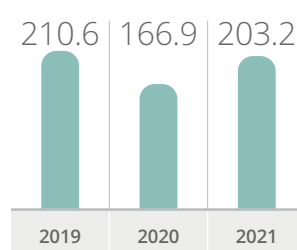
### OCCUPANCY (%)



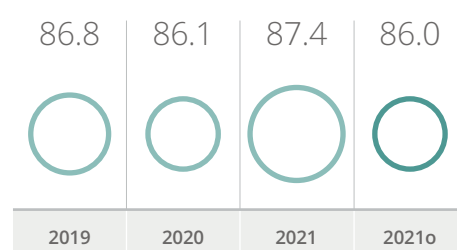
### NET PROMOTER SCORE (NPS) (%)



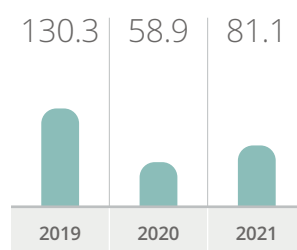
### ARR (€)



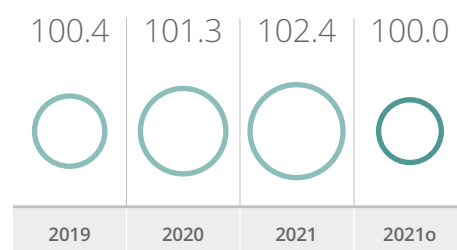
### GUEST SATISFACTION SCORE (GSS) (%)



### REVPAR (€)



### QUALITY PENETRATION INDEX (QPI) (%)



	Hotels	Rooms	Countries
OPERATIONAL	14	3,337	6
PIPELINE	7	1,813	6

# ME

BY MELIÁ

HOTELS WITH EXPRESSION

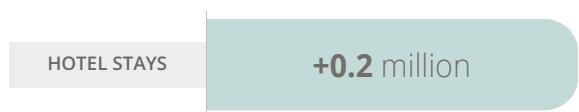
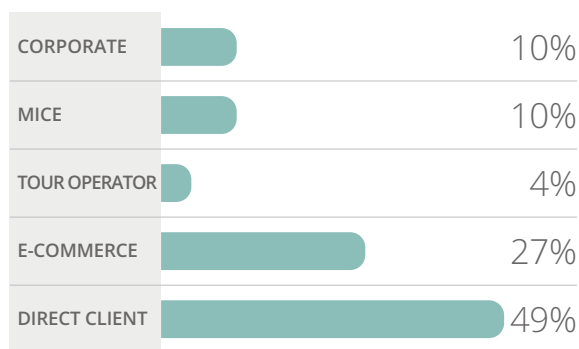


## BRAND POSITIONING

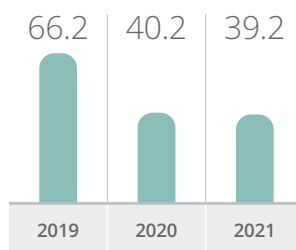
Inspired by the cutting edge of Europe's contemporary scene, ME by Meliá gives guests a true taste of its destinations. Combining architecture, design, art and gastronomy with a bespoke service culture that anticipates the needs of each guest, ME ensures every stay is meaningful.

Considering the uniqueness of each destination, we create customer experiences that contain the best of local culture so that each ME hotel is a reflection of the destination in which it is located. Through our strong cultural connections, we bring local and international talent into our hotels, working with artists, influencers and creative technologists to create social epicentres which buzz with energy and inspiration.

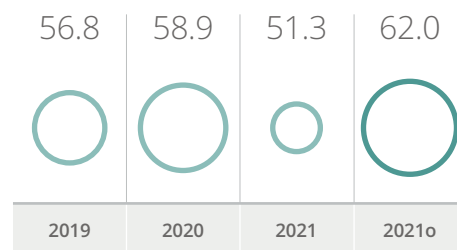
### REVENUE SEGMENTATION



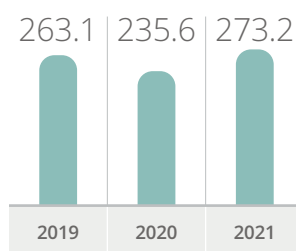
### OCCUPANCY (%)



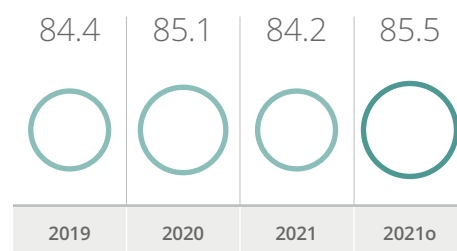
### NET PROMOTER SCORE (NPS) (%)



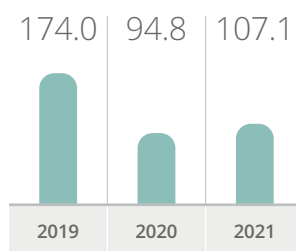
### ARR (€)



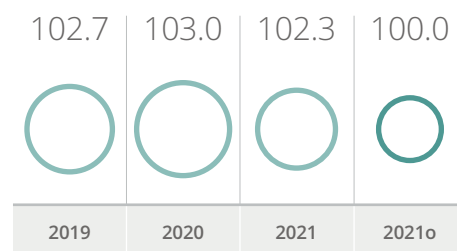
### GUEST SATISFACTION SCORE (GSS) (%)



### REVPAR (€)



### QUALITY PENETRATION INDEX (QPI) (%)



	Hotels	Rooms	Countries
OPERATIONAL	8	1,320	5
PIPELINE	2	350	2





PARADISUS

BY MELIÁ

EMBRACE YOUR NATURE

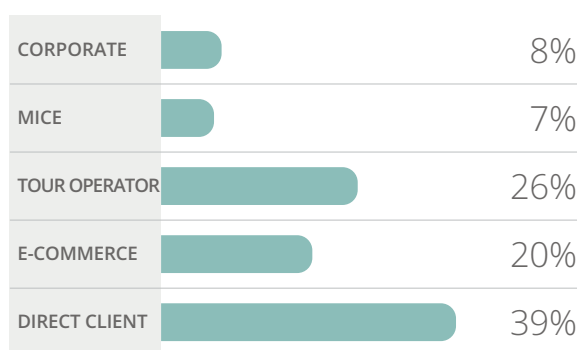




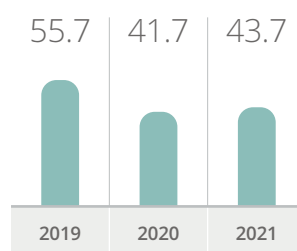
## BRAND POSITIONING

Paradisus by Meliá offers a unique and outstanding collection of luxury all-inclusive beachfront resorts. It provides guests with an experience in the culture of each destination and the chance to enjoy an exceptional adults-only experience at The Reserve or an amazing and unforgettable family vacation. However guests decide to interact with the destination, they always have numerous activities within easy reach to make their experience truly unforgettable. Unbeatable hospitality, impeccable service, delicious dining options, well-being, nature and adventure are the chief attractions of Paradisus by Meliá. Paradise has it all.

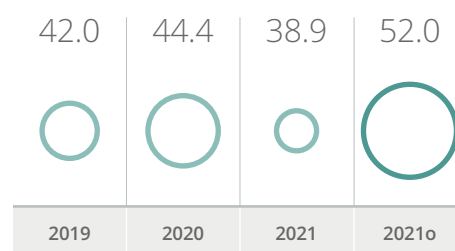
### REVENUE SEGMENTATION



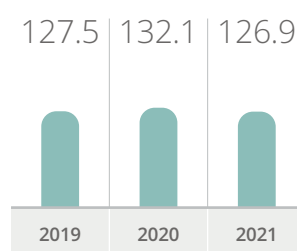
### OCCUPANCY (%)



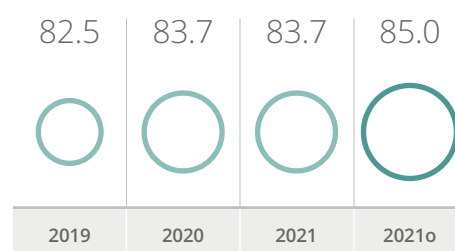
### NET PROMOTER SCORE (NPS) (%)



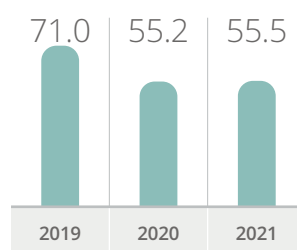
### ARR (€)



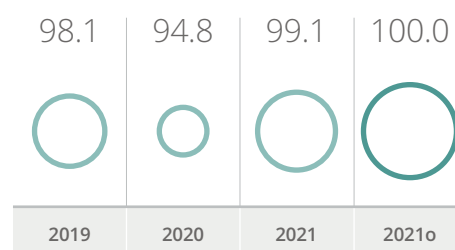
### GUEST SATISFACTION SCORE (GSS) (%)



### REVPAR (€)



### QUALITY PENETRATION INDEX (QPI) (%)



	Hotels	Rooms	Countries
OPERATIONAL	12	6,421	3
PIPELINE	1	498	1

# The MELIÁ COLLECTION



## BRAND POSITIONING

The hotels that form part of The Meliá Collection reflect the true essence of their destination. The Meliá Collection is a select group of singular luxury hotels embodying an independent spirit and an unmistakable sense of place.

They are iconic hotels, either due to their history or their select location. Without exception, they offer tailor-made services for the most discerning travellers seeking sophisticated, authentic and extraordinary experiences.

Each hotel is unique, and an invitation to enjoy unforgettable moments. They are a faithful reflection of a transformational experience. Everyone who stays at The Meliá Collection can expect the extraordinary.

\*The data on The Meliá Collection refers to annual indicators for hotels that operate under the brand as of December 2021. As of 2022, the other indicators will be presented with the same criteria as the rest of the brands in the portfolio.

OCCUPANCY (%)	ARR (€)	REVPAR (€)
42.5	222.5	94.5

	Hotels	Rooms	Countries
OPERATIONAL	6	386	6
PIPELINE	1	142	1





## Soul Matters





## BRAND POSITIONING

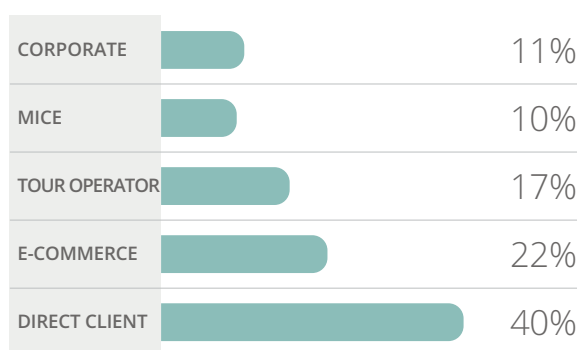
At Meliá Hotels & Resorts, a unique Spanish style, friendliness, proximity and passion for service are our hallmarks. We always understand the wishes and needs of our guests and aim to anticipate them. This is the way that we make them feel that they are extremely well attended and welcome throughout their stay.

Spanish warmth and spontaneity are part of our Mediterranean heritage, and are always present in an experience that is enhanced through a selection of extra services and attention to even the tiniest details that makes all the difference and guarantees personalised experiences.

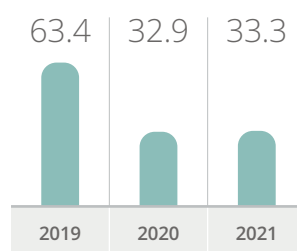
Meliá offers a perfect balance between work and rest. Power Meetings is our special service for events, focused on innovation and guaranteeing the success of our customers. Our wellness activities and YHI Spa also play a significant role, designed for guests who aim to soothe the mind and cultivate the soul. Love Stories opens up a wide range of opportunities to make special celebrations and weddings a guaranteed success. And we never forget our younger guests, for whom we have designed our Kidsdom programme, combining maximum fun with learning at all times.

Soul Matters is our way of understanding and expressing the exclusive combination of passion for service and Spanish friendliness. We do everything with so much care, attention and passion that we awaken your soul.

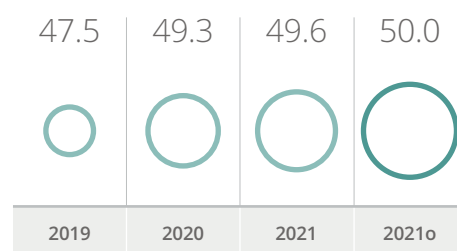
### REVENUE SEGMENTATION



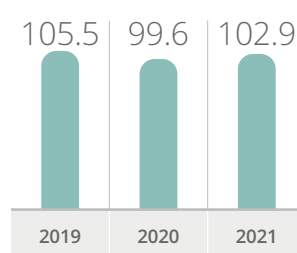
### OCCUPANCY (%)



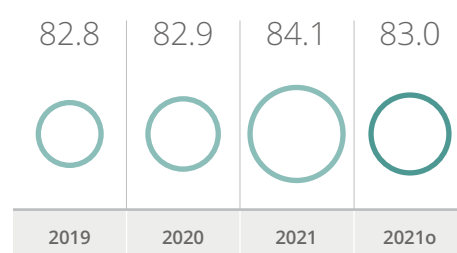
### NET PROMOTER SCORE (NPS) (%)



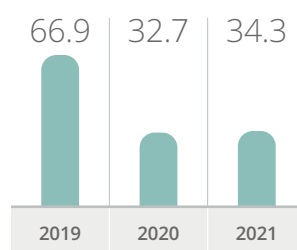
### ARR (€)



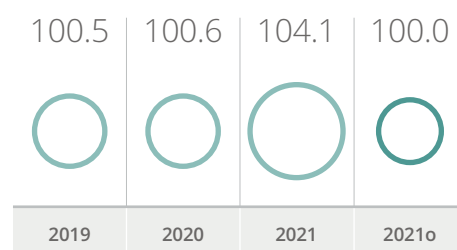
### GUEST SATISFACTION SCORE (GSS) (%)



### REVPAR (€)



### QUALITY PENETRATION INDEX (QPI) (%)



	Hotels	Rooms	Countries
OPERATIONAL	115	35,604	33
PIPELINE	25	6,787	10

# INNSiDE

BY MELIÁ

Stay Curious.

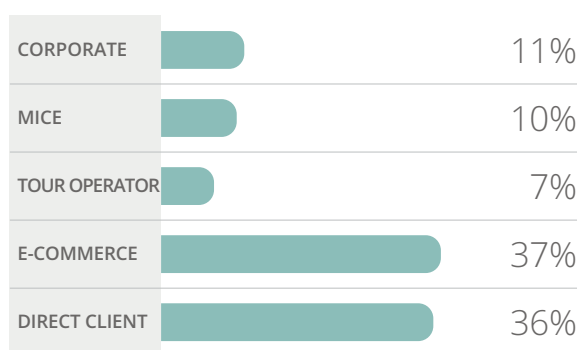
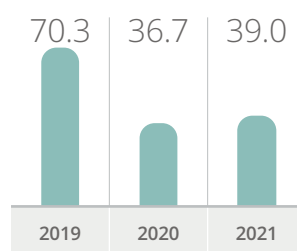
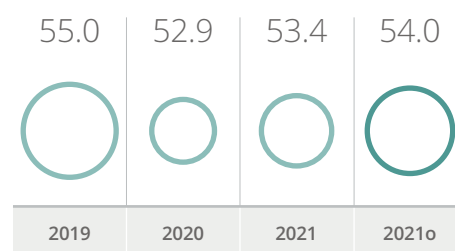
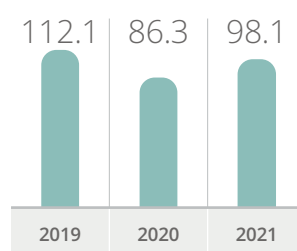
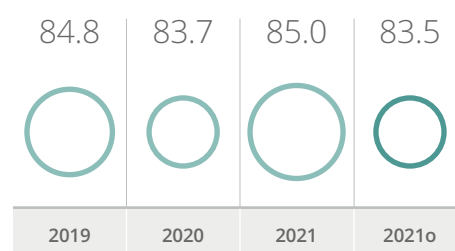
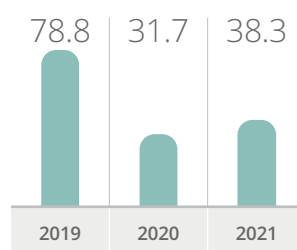
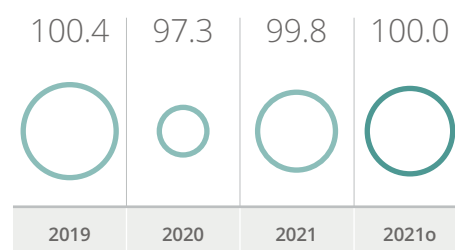




**BRAND POSITIONING**

INNSiDE by Meliá hotels are design-led lifestyle and resort hotels that give guests the freedom to relax and explore, whether they are travelling for work or leisure. The brand embraces the local culture of each destination through an extensive events calendar, city guides, artwork and free bicycle hire to encourage guests to discover new neighbourhoods. Hotel lobbies become versatile spaces for informal get-togethers or business meetings.

INNSiDE creates spaces where guests can disconnect and relax their body and mind in modern fitness facilities, yoga classes or with DJs in the pool and in the lobby. A hotel where guests can try local drinks without leaving their room and enjoy all the flavours of local cuisine during meals. But INNSiDE also thinks about the planet. That's why we have reduced the use of paper and single-use plastics and ensured that more room amenities, sheets and towels are manufactured with organic materials.

**REVENUE SEGMENTATION**

**OCCUPANCY (%)**

**NET PROMOTER SCORE (NPS) (%)**

**ARR (€)**

**GUEST SATISFACTION SCORE (GSS) (%)**

**REVPAR (€)**

**QUALITY PENETRATION INDEX (QPI) (%)**


	Hotels	Rooms	Countries
OPERATIONAL	37	6,767	14
PIPELINE	8	1,236	7

# SOL

BY MELIÁ

#LetYourSolShine



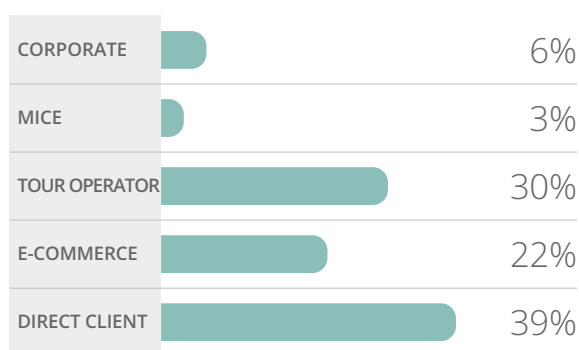


## BRAND POSITIONING

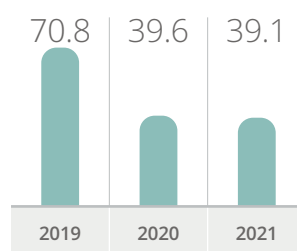
Sol by Meliá is dedicated to the most important type of holiday – the one you share with the people you love. A place where you feel the joy, fun and relaxation that are so vital during your time away, and where the memories created last a lifetime. A new generation of resorts designed for modern families and contemporary travellers that includes fantastic facilities for children and experiences geared towards adults. Our design is colourful, vibrant and full of energy, as well as welcoming and homely, something that becomes clear in the service that we provide.

From the moment you arrive, we will make you feel right at home. A unique and unforgettable experience created through the hospitality and friendliness of the staff and the small details that make all the difference. SOL is a place in which to dream, jump and play. Our goal is to satisfy our guests, personalise their experience and anticipate their every need.

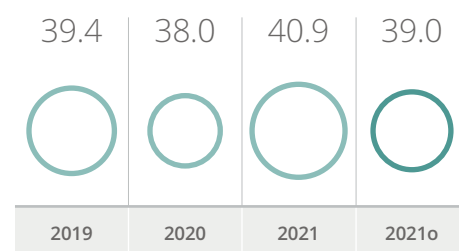
### REVENUE SEGMENTATION



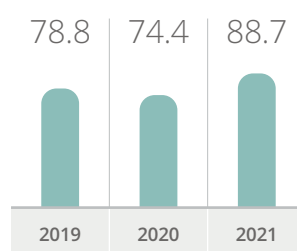
### OCCUPANCY (%)



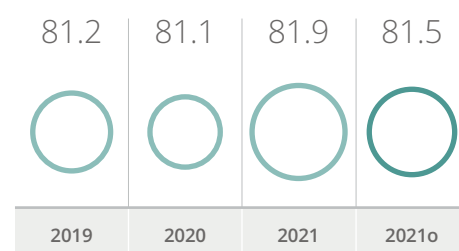
### NET PROMOTER SCORE (NPS) (%)



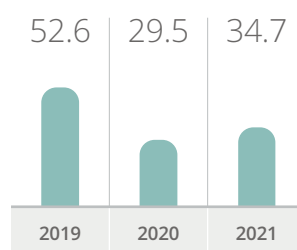
### ARR (€)



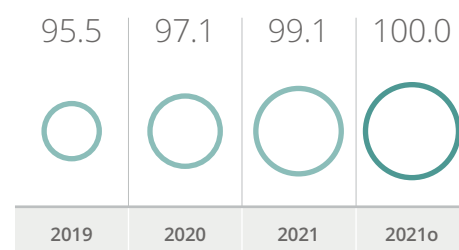
### GUEST SATISFACTION SCORE (GSS) (%)



### REVPAR (€)



### QUALITY PENETRATION INDEX (QPI) (%)



	Hotels	Rooms	Countries
OPERATIONAL	66	20,054	9
PIPELINE	3	1,058	3

*Affiliated  
by Meliá*

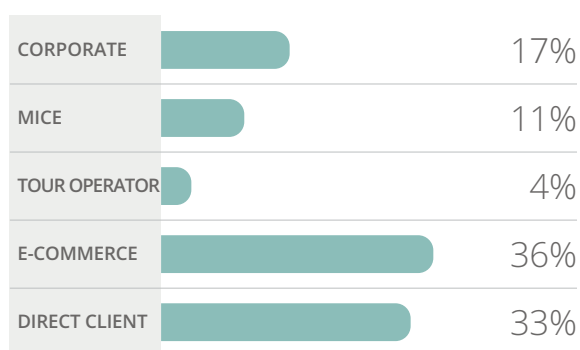


*Affiliated  
by Meliá*

## BRAND POSITIONING

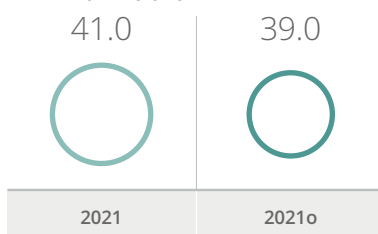
Affiliated by Meliá brings together a portfolio of independent midscale and upscale hotels selected by Meliá for their consistency and their close connection with their destination. Affiliated by Meliá hotels can leverage the competitive advantages of forming part of Meliá based on their needs, and without losing any of their essence as unique and independent hotels or part of a small hotel chain.

### REVENUE SEGMENTATION

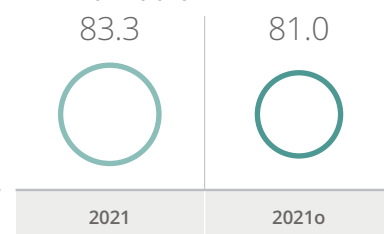


OCCUPANCY (%)	ARR (€)	REVPAR (€)
42.5	73.1	31.0

### NET PROMOTER SCORE (NPS) (%)



### GUEST SATISFACTION SCORE (GSS) (%)



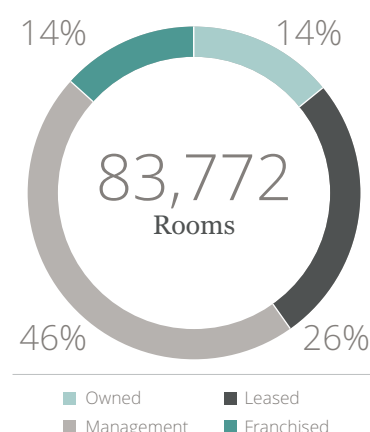
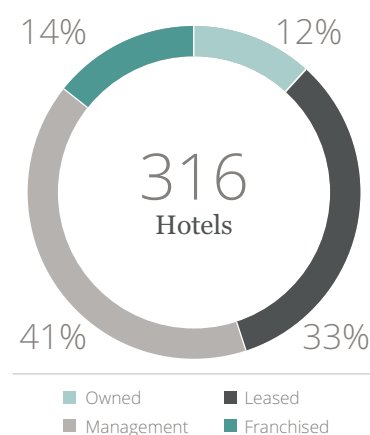
	Hotels	Rooms	Countries
OPERATIONAL	58	9,883	9
PIPELINE	5	496	3

\*Affiliated by Meliá was launched as a brand in 2021. That is why the data is only available for this year. As of 2022, the reporting criteria for Affiliated by Meliá hotels will be adjusted to those of the rest of the brand portfolio.

# Portfolio location

GRI 102-4; 102-7; 102-10

## ACTIVE PORTFOLIO



## PORTFOLIO & PIPELINE

368 Hotels	96,152 Rooms	42 Countries	51% Resort	49% City

### SPAIN

137	33,535	1	54%	46%

### CUBA

36	14,840	1	72%	28%

### AMERICAS

37	11,658	11	51%	49%

## EVOLUTION 2021

In 2021, the health crisis remained a fundamental variable in both domestic and international markets. We see 2021 as the beginning of a partial recovery which, while not forgetting all the ups and downs, points towards the beginning of the full recovery from the pandemic. However, the appearance of new variants, including Omicron at the end of 2021, reminds us about the volatility of the situation and the importance of measures to prevent infections, including the health and safety protocols in our hotels.

That is why the evolution of the pandemic in 2021 made the performance over the year so uneven. **Cuba** continued to suffer the negative impact of the pandemic, with only 7 hotels in operation, one converted into a hospital and renovations undertaken in important hotels to take advantage of the reduced activity. The increase in the number of flights in the third quarter raised the number of hotels to 12. **Spain** saw a positive evolution in resort destinations and an extremely positive performance in destinations with the highest proportion of domestic customers. However, destinations with a greater dependence on British guests saw a lower degree of recovery. The preponderance of last-minute reservations and a preference for superior rooms are also of note.

In the Americas, performance is uneven depending on the country. Mexico was the first country to return to pre-Covid revenue levels, driven by visitors from the United States. The Dominican Republic had more difficulties during the year due to the lack of flights. In **EMEA**, most markets are seeing an incipient recovery, although slower in the city hotels and business travel due to the travel bans in place in most companies and the absence of large trade fairs. Asia Pacific also had an uneven performance depending on the country. China saw stable growth from the second quarter of the year, with increased confidence among individual travellers. In destinations in Southeast Asia, travel restrictions, the lack of international travellers and mandatory quarantines prevented a recovery in the region due to its greater dependence on long-haul travel.



## ASIA



40



9,294



6



50%



50%

## PIPELINE

## EMEA



118



26,825



22



41%



59%

## GROWTH 2021

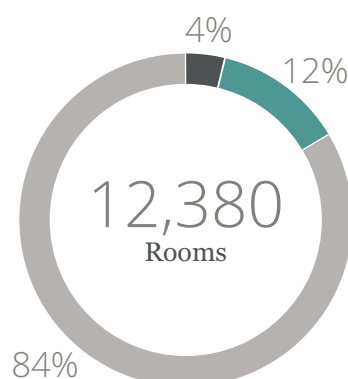
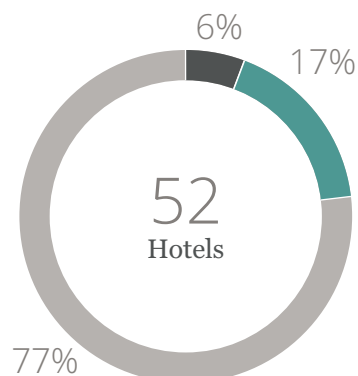
In general, 2021 was an enormously complex year in which we nevertheless managed to continue to grow, signing 22 new hotels that will gradually be added to the portfolio up to 2025. Thanks to the strong brand and recognition of Meliá Hotels International, our diversification and leadership in the industry has allowed us to add a total of 13 new hotels to the portfolio with more than 3,000 rooms in 9 countries. Growth was focused on formulas related to our asset-light strategy. Highlights for the year included the opening of the **Meliá Phuket Mai Khao**, a hotel designed to stimulate the senses in contact with nature, as well as the **ME Barcelona**, a luxurious hotel with contemporary design in one of Europe's fashion capitals. We also opened hotels in well-known European destinations such as **Amsterdam, Liverpool or Frankfurt**. Our commitment is also focused on leadership in the **three major holiday destinations in the world**: the Mediterranean, the Caribbean and Southeast Asia.

## FUTURE EVOLUTION

Our future growth strategy will continue to strengthen our positioning as one of the leading hotel groups in upscale and premium hotels, strengthening our leadership in the most important holiday and leisure destinations in alignment with criteria of excellence and sustainability. In the next 10 years, **Meliá Hotels International** will focus its growth strategy on **key destinations and holiday areas in the Mediterranean** (mainly focused on Spain, Portugal, Greece, Italy, Croatia and Montenegro), as well as in the **Caribbean and Southeast Asia**, which may account for 80% of our growth over the coming years, not forgetting key **leisure destinations** in central and southern Europe. To respond to current market needs caused by Covid-19, the "Affiliated by Meliá" strategy is seen as a way of providing independent hotels and small hotel chains with the expertise of MHI and the support of its powerful distribution network. Our **asset-light growth strategy** will focus on generating new agreements under franchise and management models.

In addition, the all-inclusive luxury brand Paradisus by Meliá, which up until now only operates in the Caribbean, will open its first hotels in Spain in 2022. The **Paradisus Gran Canaria** and **Paradisus Salinas Lanzarote** will be the result of the total transformation of the Meliá Tamarindos and Meliá Salinas, respectively. We also launched **The Meliá Collection** brand, designed for unique luxury hotels and to respond to the growing demand for premium hotels, local experiences and authentic destinations.

At the end of the year, our pipeline comprised 52 hotels, mostly under **asset-light management agreements** (94%) and in our **premium** (19%) and **upscale** (85%) brands. We continue to strengthen our international presence, with 94% of our future additions outside Spain. Meliá Hotels International remains committed to consolidating its position as leader in the **three major holiday destinations in the world**, the Mediterranean, the Caribbean and Southeast Asia, the locations of the majority of the scheduled future openings.



Legend: Owned (light blue), Leased (dark blue), Management (grey), Franchised (teal)

Growing global competition in the post-Covid travel industry and a requirement to reduce debt, taking advantage of the global recovery, drive us to design the best possible financial strategy and analyse the best market opportunities to help us become more resilient, profitable, efficient and sustainable.

These premises underpin an asset strategy which has to maximise the profitability of our assets, ensuring the diversification of the portfolio and the differentiation of hotel products and services, currently responding to demand focused on experiences and greater added value.

On the other hand, integrating sustainability principles into our real estate strategy, minimising our environmental impact, preserving the environment, and generating a positive social and economic impact in the destinations in which we operate is an area in which we have been working for several years and where we have been recognised as one of the most sustainable and responsible companies in the world since 2018.

In 2021 we continued work on the different dimensions of our real estate strategy, such as asset rotation, mixed-capital models, repositioning our portfolio, allocating financial resources to adapt hotels to brand standards and new trends in demand, the optimisation of space and proactive management with our Joint Venture partners.

Among the milestones to highlight in 2021, there is one particular asset rotation operation that was one of the most relevant and complex hotel sales operations in recent years. This operation undoubtedly played a major role in the financial statements for this year.

## ASSET ROTATION

In the middle of 2021, the sale of six owned hotels and our participation in two additional hotels to the Victoria Hotels company was completed. The total value of the transaction exceeded €200 million, and the impact on cash flow was around €170 million.

This operation allowed us to meet our commitment to carry out a certain degree of asset sales that would allow us to increase liquidity in response to the health crisis and its impact on the hotel industry. It should also be noted that the operation allowed us to take advantage of:

- The low opportunity cost, after two years of COVID and very depressed operating results due to the crisis.
- Ideal period for obtaining licenses and carrying out renovations.
- Facilitating the payback of investments, and a reopening that may coincide in certain cases with the recovery in the industry and the return of international feeder markets.

The operation also helps continue to strengthen our commitment to growth under a management or asset-light model, as Meliá holds on to a 7.5% stake in the parent company of the resulting joint venture.

Of the eight hotels included in the sale, the Ininside Bosque and Ininside Zaragoza had already made a significant investment prior to the transaction in reforms and rebranding, meaning that neither asset requires any adaptation or reform.

The other six hotels will see a total investment of €125 million in a profound renovation process that will raise their category and enhance their alignment with the needs of a new type of customer.

Four of the hotels to be renovated are located in top international holiday destinations and, given their excellent location, will be added to our portfolio of premium brands:

- Paradisus Gran Canaria (former Meliá Tamarindos)
- Paradisus Salinas Lanzarote (former Meliá Salinas)
- ME Palma Victoria (former Gran Meliá Victoria)
- Gran Meliá Menorca (former Sol Beach House Menorca)

This last hotel has been designed with the **objective of contributing to the fight against climate change and the reduction of our carbon footprint**, applying responsible and sustainable criteria throughout the hotel rebuilding process to become a prototype and benchmark for future constructions and renovation projects.

Gran Meliá Menorca will operate with **renewable resources** (biomass, geothermal and solar energy) and **energy-efficiency** measures to make it easier to improve electricity consumption and reduce CO<sub>2</sub> emissions by 87%. The remaining 13% of emissions will be offset to help decarbonise its environmental footprint (scope 1 and 2).

The project also involves water management measures which will use technology (automation and sensors) to allow the constant optimisation of the water cycle and water consumption.

## INTEGRATION OF SUSTAINABILITY

Technology and sustainability are key factors on the road to the decarbonisation of our business model and achieving our public commitments to reduce our carbon footprint.

The progress made in the integration of sustainability throughout our value chain has allowed us to improve our hotel refurbishment and construction process and design a value proposal that promotes a new hotel experience that is more attractive, responsible and sustainable, both for customers and for hotel owners or partners.

As a result of this progress, the renovation of the future Gran Meliá hotel on the island of Menorca and the transformation of the Meliá Tamarindos in Gran Canaria into the future Paradisus Gran Canaria Resort were named as winners of the Rethink Hotel **Award**. The award is organised by the Habitat Futura Group on the eve of the FITUR International Tourism Trade Fair to reward the most sustainable hotel refurbishment projects, based on criteria including energy efficiency, renewable energy use and production, waste management and water use.

## RELEVANT PROJECTS

### ME BARCELONA

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2021 also saw a grand opening in the modern luxury hotel industry, with the inauguration of the new ME Barcelona hotel, offering a space in which art, music, innovation and technology combine with more than 2,500m<sup>2</sup> of Mediterranean garden and with the hotel's private urban garden that will supply raw materials to its restaurants.





ME Barcelona

In line with our commitment to sustainability, ME Barcelona will make the most efficient use of energy and also only use energy from renewable sources. Hot water is generated using energy obtained through the recovery of heat from air-conditioning systems, which also heats the rooftop swimming pool in winter. The hotel has also installed solar panels to reduce the environmental impact of the building and its carbon footprint.

## OPTIMISATION & MANAGEMENT OF SPACES

### STRATEGIC ALLIANCE WITH CELLNEX

In our constant search to maximise revenue and profitability while also optimising the use of available space, in 2021 we reached a strategic agreement with Cellnex, the top European wireless telecommunications infrastructure operator, with a portfolio of 71,000 sites and an objective to reach 128,000 sites by 2030.

We have signed a 20-year income capitalisation agreement which will allow the installation of base stations and telecommunications infrastructure in our hotels in Spain. This transaction helped increase the cash flow of the company and partners also forming part of the agreement by more than €11 million.

The operation not only helps improve profitability, it also boosts our commitment to innovation and digital transformation, two areas of vital importance to the company.

The arrival of Cellnex as a strategic partner allows us to delegate the management and marketing of the rooftops of a group of hotels to a leading company in wireless telecommunications infrastructure in Spain and Europe. This agreement helps maximise revenue thanks to their knowledge of the business, and also to preserve the sustainability principles and criteria that both companies share.

- Single multi-operator infrastructure that reduces the use of materials and visual impact (1 aerial compared to 3)
- Optimisation of energy resources and temperature control systems
- Reduction of CO<sub>2</sub> emissions due to a reduction in travel thanks to remote repairs and maintenance, and remote inspections by drones
- Renewable energy thanks to the new Cellnex towers which have solar panels and hydrogen batteries to facilitate self-sufficiency and efficiency
- Leading global certifications in environmental management (ISO 140001) and energy efficiency (ISO 50001)

The project responds to the European Plan objectives for digital solutions, ensuring a minimum connectivity of 100 Mbps. It is also aligned with the Strategic Plan for the introduction of the 5G network in Europe (closing the digital divide or the digitalisation of key industries) and in line with:

- 4G and 5G connectivity for the areas around the aerial sites
- Technology which enables IoT (*Internet of Things*) solutions, robotics, virtual and augmented reality, artificial intelligence, etc.
- DAS solution. Aerials that provide indoor multi-operator mobile coverage (4G, 5G)
- Artificial Intelligence/Robotics. Security cameras and video monitoring systems

#### **FALCON'S BEYOND GLOBAL**

Another of the key areas in our real estate strategy is the consolidation of strategic alliances with first-class partners. Mixed capital or joint venture models that encourage the pursuit of projects that go beyond the hotel business and also generate other lines of business.

In 2012, a joint venture with the Katmandu Group, a company specialised in theme parks, led to the first Katmandu Park being inaugurated in Mallorca. Among other awards, the success of the project has been recognised for its innovative nature by the European Hospitality Awards, and also named one of the best water parks in Spain by TripAdvisor.

Last May, Falcon's Creative Group, a leader in the design of theme parks, joined forces with the Katmandú Group to create Falcon's Beyond Global, a new company focused on the comprehensive development of intellectual property in partnership with Meliá Hotels International.

This alliance has the mission of driving the growth of the Katmandu concept in our resorts and the construction of theme parks and experiences in our different hotels on a global level, including some of the key tourist destinations in the world, such as Punta Cana or Tenerife.

Thanks to this joint venture, we started the first stage of the project designed for the Dominican Republic in 2021.

#### **DOMINICAN REPUBLIC MASTER PLAN**

The plan mainly consists of the development of a new entertainment destination in Punta Cana with investments through the joint venture with Falcon's Beyond Global.

The development has two stages:

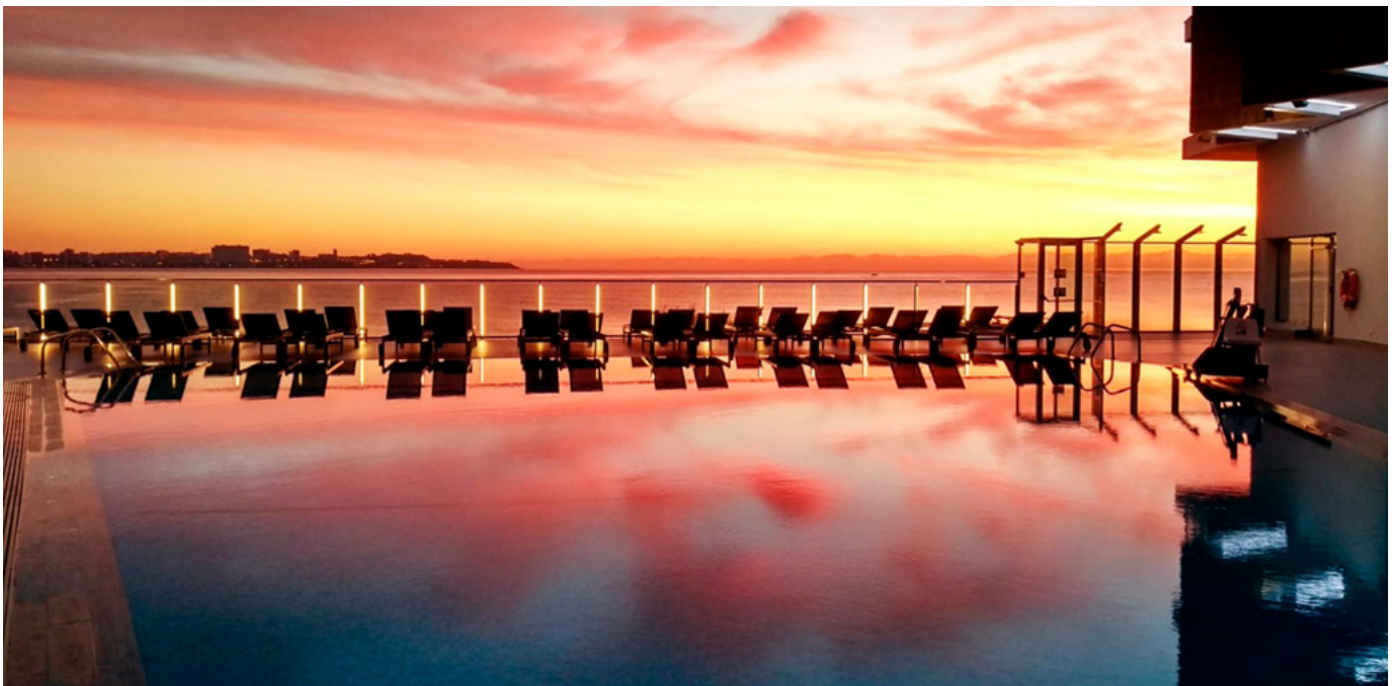
**The first stage** includes the renovation of the Paradisus Palma Real and demolition and reconstruction of Paradisus Punta Cana, as well as the creation of a new theme park.

In line with our commitment to making sustainability part of our business model, the new Paradisus Punta Cana complies with the most rigorous sustainability criteria in its design and construction, using an approach to landscaping which minimises the negative impact its construction could have on its spectacular and sensitive natural environment.

The resort will also prioritise energy efficiency and the use of renewable energy, the best possible management of water resources and a commitment to reduce waste and implement a circular hotel model to minimise its environmental footprint and reduce emissions.

**The second stage**, led by Falcon's Beyond Global, will allow the expansion of the project by adding first-class entertainment, restaurant and shopping facilities with a number of major international brands.

The renovation of the two Paradisus hotels and creation of the theme park extends the commitment we have maintained for more than three decades to Punta Cana, with this project designed to enhance the value proposition of one of the most attractive destinations in Latin America and make a positive contribution to the creation of wealth, new employment opportunities and more responsible business models to ensure the sustainability of the destination.



Meliá Alicante, Spain



02

## Strategy

Tourism industry vision

Strategic vision

Responsible Business



## THE FRAGILE RECOVERY OF TOURISM

If "vaccine" was the word of the year, in the tourism industry perhaps the best definition of 2021 was "roller coaster". A cycle of reservations, cancellations and border closures due to different waves of the virus were a constant feature of a year that was much better than expected, although far from the results achieved in 2019, when tourism accounted for 10.4% of global GDP and revenues of USD 9.2 trillion.

In 2021, the contribution to GDP improved by almost 19% compared to 2020, but still 45% below 2019 as it proved impossible to recover and stabilise domestic and international demand due to the restrictions imposed to limit the spread of Covid.

2021 began with a weak performance that lasted throughout the first half of the year, with a rebound in international tourism coming in the summer season in the northern hemisphere, boosting results in the third quarter of the year, especially in Europe, but with very uneven results in other countries and regions of the world.

The *World Travel and Tourism Council* (WTTC) forecasts that global tourism will recover 85% of business in 2022, with an estimated 18% increase in employment and a forecast to double international travel next year.

## GLOBAL MACROECONOMIC OVERVIEW

The pandemic has accentuated global inequalities and the uneven access to vaccines has widened the gap in recovery from the pandemic between the rich world and developing countries. Growth forecasts in 2021 were adjusted throughout the year, ending with global growth of around 5.9%, very different from the growth seen in countries such as China or India.

The global growth forecast for 2022 by the IMF has been lowered by half a point to 4.4%, with 3.8% growth forecast for 2023.

While strong economies are expected to return to their previous levels, emerging and developing markets, with the exception of China, will remain below pre-pandemic levels until 2024, causing a significant slowdown in improvements to their living conditions.

On the other hand, the impact of successive waves of the virus has created major bottlenecks in critical global supply chains, fueling inflation in many countries and casting a shadow over the recovery, although the inflationary risk is expected to diminish in most countries during 2022.

## THE SPANISH ECONOMY

The Spanish economy grew by 4.5% compared to 2020, compared to a contraction of -10.8% in 2020. Among other reasons, this was due to the slow recovery of tourism, delays in the implementation of the *Next Generation EU* funds, high inflation and supply shortages. In 2022, the Bank of Spain expects growth of 5.4%.

Throughout 2021, the government maintained support for the furlough schemes applied since the beginning of the pandemic. Along with progress with vaccinations, the easing of restrictions towards the end of 2021, and a certain improvement in consumption, this led to a reduction in unemployment, although Spain is still in last position in the EU in terms of percentage unemployment.

The tourism industry in Spain improved compared to the first year of the pandemic, contributing 7.4% of GDP compared to 5.5% in 2020. The year ended with an increase in international visitors of 64.4% and an increase in spending of 76% compared to 2020.

#### **2022, A DECISIVE YEAR FOR THE TOURISM INDUSTRY**

2022 is expected to consolidate the long-awaited recovery of tourism, which will gradually build up over the year if the desired improvements in the health and economic situation continue in the main feeder markets.

The medium-term forecast is positive due to the strong latent demand and a relaxation of travel restrictions, although the inflationary pressures in many economies may reduce the capacity of households and companies to spend on travel.

The scenarios published by the World Tourism Organization (UNWTO) indicate that international tourist arrivals could grow between 30% and 78% compared to 2021. However, these percentages would still be 50% and 63% below pre-pandemic levels.

In early 2022, the rise in cases caused largely by the omicron variant have disrupted the recovery and affected confidence as some countries re-introduced travel bans and restrictions in certain markets. The vaccination roll-out also remains uneven and many destinations still have their borders completely closed, particularly in Asia-Pacific.

A difficult economic environment could put additional pressure on the recovery of international travel, with rising oil prices, rising inflation, possible interest rate increases, high debt and the continued disruption of supply chains.

However, the recovery in tourism already seen in many markets, especially in Europe and the Americas, together with a widespread roll-out of vaccinations and a coordinated lifting of travel restrictions, could help restore consumer confidence and accelerate the recovery of international travel in 2022.

While international tourism recovers, domestic tourism continues to drive the recovery in a growing number of destinations, particularly those with large domestic markets. According to experts, domestic tourism and travel close to home, as well as outdoor activities, nature-based products and rural tourism are some of the key travel trends that will continue to shape tourism in 2022.

In Spain, the expectations for 2022 is that recovery will continue, with an increase in tourism GDP of 52.9% to €135,461 million, equivalent to 10.5% of Spanish GDP, according to estimates by Exceltur. This will come mainly from the growth of international travel from the second quarter of the year. The contribution of foreign visitors is expected to double and the recovery of domestic tourism will also continue. Full recovery to pre-pandemic levels is not expected until the second half of 2023.



The year began as 2020 ended, with a great deal of uncertainty caused by successive waves of the pandemic and travel restrictions, although the appearance of vaccines just a couple of months before the start of the year brought a substantial difference to the outlook for our industry and the expectations of recovery in the medium term.

Given the situation, our **Resilience Plan, "The Day After"**, remained in force in the first quarter and at the start of the second quarter until an improving situation and the significant pent-up demand for travel triggered an increase in bookings from May, although we still remained prudent in our management.

By the third quarter, our strength in resort and bleisure destinations, the first destinations to benefit from the relaxation of travel restrictions, and our leadership in digital distribution (with melia.com generating 55% of bookings in 2021), allowed us to benefit from the upward trends in bookings week after week. This also extended into the fourth quarter, until the appearance of the Omicron variant and a new wave of infections.

## PREPARING "THE DAY AFTER"

Given this background, we maintained our **"The Day After"** programme with a double vision. On the one hand, we supported the tactical management of operations in a limited number of hotels in which every decision was key to optimising results. And on the other hand, we also maintained our commitment to "look ahead" and continue making progress in areas that would allow us to emerge stronger from the pandemic, including our **three strategic priorities: organisational evolution, our commitment to digitalisation and sustainable management.**

The launch of the **new organisational model** named *Leading a New Future* aimed to align the organisation with a new business environment full of uncertainty, in which agility and efficiency would be fundamental to recovery. A new, more digital, dynamic and flexible model that adapts better to a disruptive and constantly changing business environment.

2021 saw the completion of the definition of the new model in both corporate areas and business units, with a clear focus on creating an organisation which would offer the most agile services most needed by hotels, promoting a relationship of trust and collaboration between the Hotel Operations and Hotel Services area to guarantee effectiveness and efficiency.

The implementation of the model led to the creation of eleven operations areas. Departments as significant as Business Development, responsible for sales, marketing and revenue management, were already fully adapted to the model by the second half of the year, along with several new operations centres in America, Spain and EMEA with a critical mass of hotels, ensuring closer, more agile and more efficient management of the business units.

Throughout 2021 we also maintained our **commitment to digitalisation**, with investment levels aligned to pre-Covid times due to the fact that we were fully aware that technological progress would be a huge advantage in the more competitive business environment after the recovery. Driven by the Be Digital 360 digital transformation programme, our commitment is to transform all areas in both *the Front* and *Back Office*, while also ensuring we maintain a first-class digital sales capacity, structuring the programme around 12 major projects with clearly defined and measurable objectives.

Finally, "The Day After" focused on ensuring a **responsible and sustainable management model**. Given our industry leadership and the importance of sustainability during the pandemic, both in society and in terms of legislation and

regulations, our commitment to corporate responsibility will be an increasingly important strategic factor to boost our resilience and recovery. In 2021 we continued to support projects in environmental, social, and governance matters, which we will explain in more detail later in this report.

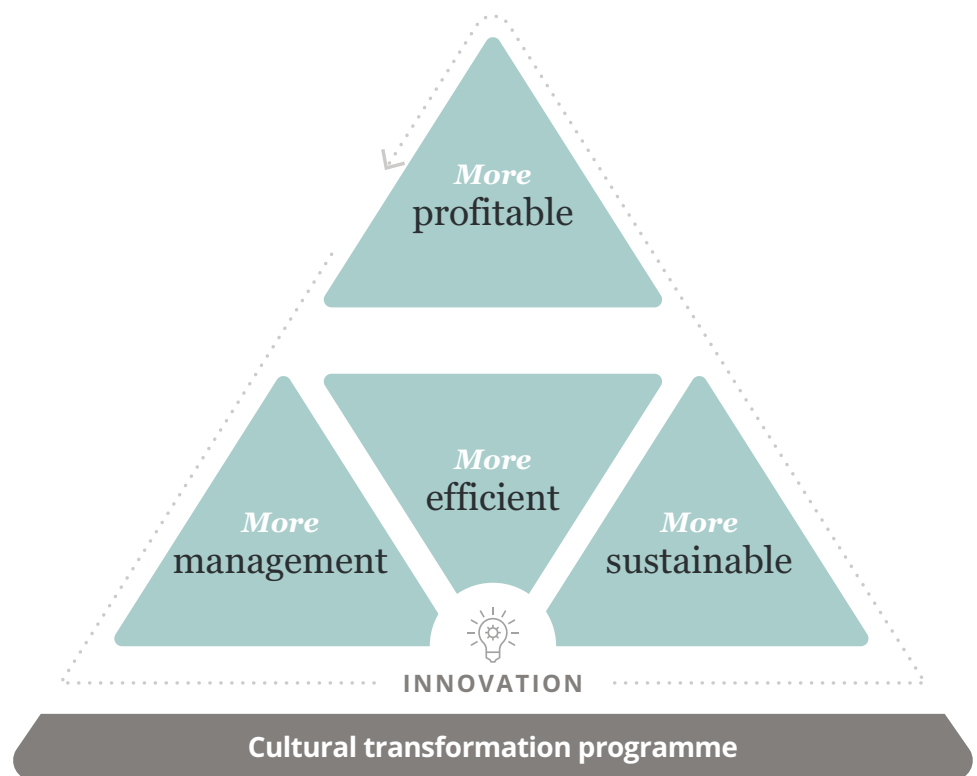
## 2022, A RETURN TO OUR STRATEGY

More than 12 months after the pandemic broke out, the arrival of summer 2021, the growth in the number of vaccinations and the gradual withdrawal of travel restrictions led to a notable turning point that made us think about the need to return to our strategic priorities, designed in such a way as to provide continuity to the short and long-term projects included in "The Day After".

Given the profound changes in the business environment, we carried out an active listening process involving all of our stakeholders and analysing the threats and opportunities in a highly volatile market, as well as the actions of our competitors, bringing this all together in a new **Strategic Roadmap** that contains the priorities for this new year.

Among its basic premises, the roadmap continues to prioritise the creation of value for our stakeholders and making ourselves a global benchmark in leisure and bleisure hotels based on a profitable and agile business model focused on excellence and sustainability. Based on the lessons learned throughout the crisis, this should allow us to strengthen our balance sheet to pre-Covid levels and also become more efficient and competitive.

The new **Strategic Roadmap** therefore focuses on four **strategic priorities**:



These priorities are accompanied by an ambitious **Cultural Transformation Programme** to ensure the commitment of our people, giving continuity to programmes included in "The Day After", such as *Be Digital 360* and *Leading a New Future*, together with new projects focused on this cultural transformation and a strong value proposition for our people.

**Innovation** is intrinsic to the strategy, and even more so in a business environment like the present, in which differentiation is a key success factor. Our Roadmap reflects our commitment to innovation through formulas designed to explore other areas which may be applicable to the hotel industry.

A collection of **strategic projects** will give shape and content to the Roadmap, in which we define priorities to make the most of our strengths and the lessons learned during the pandemic.

The projects are grouped into **three programmes**:

#### **MANAGEMENT MODEL**

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Leverage our brands, our talent, our sales channels, our management skills and ability to generate revenue to generate qualitative and sustainable growth through asset-light formulas.

#### **MANAGEMENT EFFICIENCY**

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Combine the flexibility of a more digital and efficient operating model with greater productivity thanks to digitalisation, giving us greater agility and greater transparency through our analytical and reporting model.

#### **RESPONSIBLE BUSINESS**

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Lead the transformation of tourism towards a more sustainable model that includes ESG criteria to guarantee the generation of long-term economic, environmental and social value.

We are convinced that the projects included in the strategic programmes will become the drivers of a solid and lasting recovery, helping consolidate our position as a more resilient, responsible, digital and efficient company in all of our processes; a genuine winner in the post-Covid era.



# Responsible Business

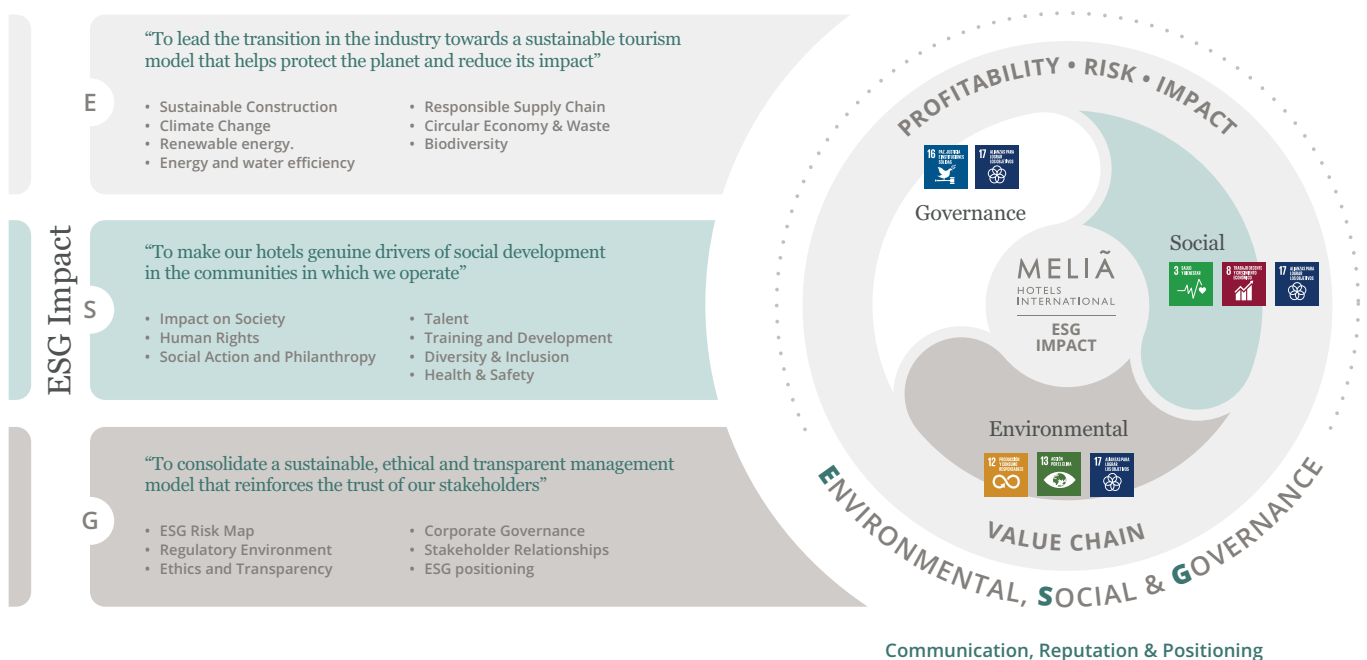
Sustainability is already far much more than just good intentions given the increasing responsibility society demands from companies and the complex agenda caused by the global challenges of the 2030 Agenda and the new regulatory environment. We therefore cannot ignore the need to prioritise health and safety and the growing need to manage an unprecedented economic and social situation in which companies will play an essential role in the recovery.

While the global context revealed major future challenges, 2021 was also the year in which the so-called “regulatory tsunami” began, something which will undoubtedly affect the agenda for 2022 and for years to come. Regulatory changes mean that the EU will focus its efforts on encouraging companies to compete in an increasingly global and complex environment, and particularly in terms of environmental and digital transition.

Our responsible management model and long-term vision thus become even more relevant given our aim to consolidate ethical, transparent and responsible management and become a benchmark for the transformation towards a more sustainable tourism model. This model must contribute to both the needs of the planet and economic and social development in travel destinations, something which at Meliá we define as our **ESG IMPACT**.

This has led us to make sustainability a key driver for creating value in our core business, allowing us to make progress in a sustainability strategy based on our **2030 Vision**. This vision aims to position ourselves among the leading hotel groups in the world in midscale and upscale city and resort hotels, consolidating our leadership in resort and bleisure hotels and being acknowledged as a **global benchmark in excellence, responsibility and sustainability**.

## *“Working towards a sustainable future from a responsible present”*



The vision **combines two different approaches**. On the one hand, long-term approaches and commitments aligned with our vision and global challenges, and on the other hand, short and medium-term approaches to lay the foundations to allow us to gradually achieve our goal of *moving towards a sustainable future from a responsible present*.

We have made significant progress since our first projects in 2008, which have led us to define increasingly ambitious goals. We have moved on from very operational approaches to approaches that respond to public commitments to sustainability aligned with supra-corporate objectives, allowing us to assume new commitments and achieve new milestones in ESG in 2021. Our development was recognised with the **repeat of our 2nd place in the global ranking in the S&P Global CSA and 1st place in Spain and Europe (Silver Class)**

Although progress in sustainability is a very long road with a global and long-term vision, we understand that every small achievement helps us get closer to our goals and ensures that sustainability creates value in all three dimensions, since at Meliá;

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**“WE HAVE A TRIPLE OBJECTIVE AS A COMPANY: TO BE FINANCIALLY VIABLE, SOCIALLY BENEFICIAL AND ENVIRONMENTALLY RESPONSIBLE”**

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In a context in which COVID-19 continues to pose important challenges to the entire tourism industry, at Meliá we have also seen it as an opportunity to listen more closely to our stakeholders, understand the issues that most concern them and align our strategic priorities to their expectations and address the changes we have to face. That is why we updated our Materiality Analysis in 2021, including issues related to the changes this new context will bring, and achieving a 27% participation rate (2 points above 2019).

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**ENVIRONMENTAL PROGRESS**

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After assuming the global commitments to combat global warming defined in 2015 at the COP 21 meeting in Paris, in 2019 we defined our emission-reduction targets using science-based criteria endorsed by the Science-Based Target Initiative (SBTi). During the COP24 meeting in Katowice in Poland, global commitments were updated to demand an even greater effort to limit the temperature increase to 1.5°C. In line with this adjustment, in 2021 we redefined our objectives for this new scenario.

For the tenth consecutive year, we took part in **CDP Climate Change**, a leading international benchmark in climate change and environmental management, obtaining a B rating. We remain committed to achieve an A rating, the highest possible rating, by 2024. We also renewed our participation in **CDP Water**, also achieving a B rating and recognition for having achieved the best rating for any hotel company both in Spain and in Europe.

We have given continuity to projects designed to make us more efficient in our use of natural resources through investments, efficiency measures, and innovative new technology, and also to reduce the waste we generate through the exploration of opportunities in the circular economy and reduction of food waste, among other projects. This turned out to be a high priority for our stakeholders, particularly in relation to issues such as climate action, efficiency, water management, waste management and the circular economy.

If there is one milestone that stands out in this dimension in 2021, it is the alignment of our climate change management with the recommendations of the **Task Force on Climate-related Financial Disclosures (TCFD)**, set up in 2015 by the Financial Stability Board to allow companies to inform stakeholders, particularly financiers and investors, about risks and opportunities related to climate change and how they manage them. This exercise highlighted the comprehensive nature of the concept, involving a large part of the organisation structure, from the Sustainability Department to Environment & Energy, Risk Control & Compliance and Operations, all coordinated by the Sustainability Committee created in 2020, and, of course, by the Management Committee. The conclusions of this analysis allowed us to define a specific Roadmap focused on mitigating risks associated with climate change and exploring opportunities with a long-term vision.

#### **PROGRESS IN THE SOCIAL SPHERE**

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Due to the fact that 2021 continued to be affected by the pandemic, we continued with our special focus on people, the health of our customers and employees, and the preservation and recovery of employment in teams which had suffered such a huge impact ever since the beginning of the pandemic. This global concern was reflected in the expectations of stakeholders in regard to matters such as our commitment to employees, training and development. These areas were considered highly important by our stakeholders, who also believed ethics, integrity, transparency, safety, health and the protection of human rights to be matters of critical importance.

We have therefore consolidated and reinforced our health and safety protocols and processes, providing our teams with better training resources and consolidating new ways of working, which combined physical attendance, teleworking and hybrid formats, aiming to enhance the work-life balance while still ensuring people assume all of their professional responsibilities. In this area, the coming years will be vital in consolidating the cultural transformation in which we are all currently immersed.

In terms of Human Rights, in addition to its inclusion in our Global Risk Map, in 2021 we defined a goal to review our approach to ensure alignment with the new European Due Diligence Directive, for which we have an excellent base which will allow us to easily adapt.

Given that some social projects supported by our hotels have been put on hold as a result of the suspension of activity in 2020, we hope to reactivate them and continue to offer opportunities for social and workplace integration, learning spaces, and philanthropic activities on a local level.

#### **GOVERNANCE**

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Making progress in the integration and influence of ESG criteria is currently a top priority for Meliá. That's why we have continued to enhance the solidity of our governance model, ethics and transparency.

In terms of risk management, we have added risks related to ESG issues to the Meliá global risk map. This allows us to identify, evaluate and manage specific ESG risks through our Sustainability Committee, with 37 risks currently identified in the area of sustainability.



Following the approval of the Director Selection & Diversity Policy, in 2021 the proportion of female directors on the Board of Directors rose from 27.3% to 36.36%. This significant increase means we not only comply with the recommendation of 30%, but it also allows us to define more challenging objectives for 2022, by the end of which we hope that female directors will make up 40% of the Board. This achievement also allowed us to form part of the first *Ibex Gender Equality* index, a ranking that takes into account presence of women in managerial positions in listed Spanish companies and which is only formed by companies with at least 25% of female Board members.

We also defined objectives related to compliance with the recommendations of the CNMV Code of Good Governance. In particular, we expect to increase compliance from 75% in 2021 to 85% in 2022 through the implementation of policies and the achievement of our diversity and transparency objectives.

Our participation in the S&P Global sustainability ranking over the last three years, and the fact that we have been recognised as a benchmark hotel in sustainability management, has been a key driver for creating a more sustainable and responsible business model.



Gran Meliá Fénix, Spain



## Value creation for our stakeholders

Stakeholders

Materiality analysis

Good governance

Risk management

Ethics and integrity

Fiscal transparency

Financial and operating  
results

Digital transformation

Data Security &  
Cybersecurity

Customer experience

People

Occupational Health  
& Safety

Environment and climate  
change

Supply chain

Social impact

Protection of human  
rights

Positioning & Presence



# Stakeholders

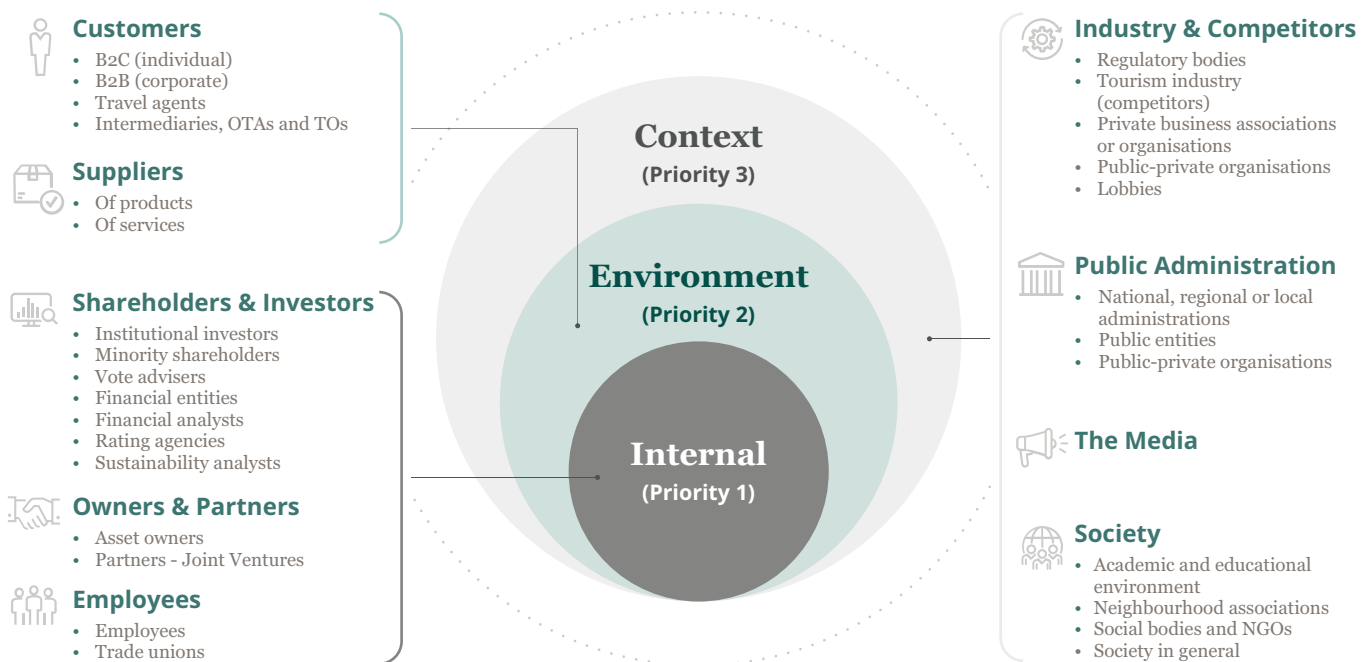
GRI 102-40; 102-42; 102-43

## Stakeholder Map

Being close to stakeholders is a priority for Meliá. The health crisis has confirmed that a fluid, rigorous, transparent and focused relationship with stakeholders is a driver behind the creation of real value.

This closeness is precisely what has allowed us to go beyond merely covering the needs and expectations of our stakeholders. This bond is reflected in the stakeholder map that we reviewed and updated in 2020 based on criteria that take into account the degree of the direct relationship with our day-to-day activity and their own particular interests.

### STAKEHOLDER MAP



Throughout 2021 we continued to maintain a strong relationship with stakeholders, both in terms of their health and in understanding new needs that arise from their relationship with us.

This was demonstrated in the update to our Materiality Analysis, our active presence in forums and meetings, our direct response to requests for information, knowledge sharing, new programmes, more and better information, direct messages through our communications channels and support for the health authorities in attending to Covid patients, among others.



Our bond with them is built around our [Stakeholder Relations Policy](#), based on the principles of **Accountability AA1000SES (2011) for Stakeholder Commitments**, a tool which focuses on providing a comprehensive and balanced response to relevant issues, impacts, opportunities and risks in our relationship with stakeholders. These principles are;

- Inclusion principle: offering stakeholders the chance to take part in the development and achievement of our commitments to sustainability
- Relevance principle: the matters that are material, transcendent and significant for our stakeholders are key aspects in our strategy
- Response principle: through which we offer solutions, actions, performance and communication aligned with material concerns

## Commitments and channels

We have created our own communications channels and spaces for dialogue with each type of stakeholder, managed across the company by different areas with the experience and knowledge that can best respond to their concerns and needs.



Inside New York Nomad, USA

## CHANNEL MAP

Stakeholders Priority 1 - Internal					
Owners & Partners					
Monitoring and compliance commitments	Communication			Frequency	
	Channel	Channel manager	Sporadic	Recurrent	Periodic
Professional management	Owner's Office and Portal	Press office		■	
Seriousness and trust	Press office	Corporate communication		■	
Long-term relationships	Press office	Real Estate		■	
Composition	Dialogue			Frequency	
	Spaces	Space manager	Sporadic	Recurrent	Periodic
Hotel owners	Governing bodies	Real Estate / Owner Relations			■
JV partners	Meetings with owners	Owner Relations		■	
	Meetings with partners	Real Estate		■	
Measurement					
Owner NPS					
Two-way survey					
Shareholders & Investors					
Monitoring and compliance commitments	Communication			Frequency	
	Channel	Person responsible	Sporadic	Recurrent	Periodic
Transparency, coherence and rigour,	Institutional website	Investor relations		■	
Profitability and value creation	Newsletters	Investor relations		■	
Good governance, reliability and compliance	Proxy advisers	Corporate Governance			■
	Shareholder Service Desk (email)	Investor relations		■	
Composition	Dialogue			Frequency	
	Spaces	Person responsible	Sporadic	Recurrent	Periodic
Institutional investors	General Shareholders' Meeting	Meliá Hotels International			■
Minority shareholders	Investor Relations Office	Investor relations		■	
Vote advisers					
Financial entities					
Financial analysts					
Rating agencies					
Sustainability analysts					
Measurement					
Satisfaction surveys					
Employees					
Monitoring and compliance commitments	Communication		Frequency		
	Channel	Person responsible	Sporadic	Recurrent	Periodic
Security	Meliá Home (internal portal)	Global HR		■	
Development opportunities	eMeliá	Global HR		■	
Stability, robustness and fairness	Internal communications	Global HR		■	
Composition	Dialogue		Frequency		
	Spaces	Person responsible	Sporadic	Recurrent	Periodic
Partners	Performance management	Global HR			■
Trade unions	Meetings with teams	Global HR		■	
	Equality Commission	Industrial Relations			■
Measurement	Health & Safety Committees	Occupational Health			■
Work environment surveys	Dialogue with unions	Industrial Relations			■
Training	Surveys	Global HR			■
Training quality assessments	Social Media (external talent)	Global HR		■	
NPS People	Learning communities	Global HR		■	

## Stakeholders Priority 2 - Environment

Suppliers					
Monitoring and compliance commitments	Communication		Frequency		
	Channel	Person responsible	Sporadic	Recurrent	Periodic
Long-lasting business relationships	Supplier Code of Ethics mailbox	Global Procurement		■	
Trust and respect	Central purchasing offices			■	
Mutual benefit	Communications			■	
Objective selection criteria	COUPA system			■	
Composition	Dialogue		Frequency		
	Spaces	Person responsible	Sporadic	Recurrent	Periodic
Product suppliers	COUPA system	Global Procurement		■	
Service suppliers					
Measurement					
Supplier NPS					

Customers					
Monitoring and compliance commitments	Communication		Frequency		
	Channel	Person responsible	Sporadic	Recurrent	Periodic
Personalised experiences	Melia.com / Melia Pro	Business Dev & Marketing		■	
Excellent service	Mobile apps	Business Dev & Marketing		■	
Quality and safety	MeliaRewards	Global Loyalty		■	
Honesty and ethics	Social Media	Social Media		■	
Protection and security	Quality & GEX mailbox	Quality & GEX		■	
	Advertising and campaigns	Business Dev & Marketing			■
Composition	Dialogue		Frequency		
	Spaces	Person responsible	Sporadic	Recurrent	Periodic
B2C (individual)	Webinars	Marketing		■	
B2B (corporate)	Surveys	Loyalty	■		
Travel agents	Workshops	Business Dev & Marketing	■		
Intermediaries, OTAs and TOs					
Measurement					
Customer NPS					
MeliáRewards NPS					
ReviewPro surveys					



Meliá Internacional Varadero, Cuba



Stakeholders Priority 3 - Context					
Public Administration					
Monitoring and compliance commitments	Communication		Frequency		
	Channel	Person responsible	Sporadic	Recurrent	Periodic
Cooperation	Communication Office	Corporate communication		■	
Serve general interests	Regional Corporate Offices	VP Operations		■	
Transparency, truthfulness	Press room	Corporate communication		■	
Honesty and proximity	Secretary to the President / CEO	Secretary to the President / CEP		■	
Neutrality and impartiality	CEO & Meliá Social Media	Corporate communication		■	
Composition	Dialogue		Frequency		
	Spaces	Person responsible	Sporadic	Recurrent	Periodic
National authorities	Institutional Relations	Affected areas		■	
regional or local	Institutional presence	Affected areas		■	
Public entities	Forums, events and meetings	Affected areas		■	
Public-private organisations					
The media					
Monitoring and compliance commitments	Communication		Frequency		
	Channel	Person responsible	Sporadic	Recurrent	Periodic
Cooperation	Press office	Corporate communication		■	
Search for general interest	Virtual press room			■	
Transparency, truthfulness	Social Media			■	
Honesty and proximity					
Neutrality and impartiality					
Composition	Dialogue		Frequency		
	Spaces	Person responsible	Sporadic	Recurrent	Periodic
The Media	Institutional Relations	Affected areas		■	
	Forums and meetings	Affected areas		■	
	Press conferences	Corporate communication	■		
Measurement					
Quality survey segmented by media type					
Industry & Competitors					
Monitoring and compliance commitments	Communication		Frequency		
	Channel	Person responsible	Sporadic	Recurrent	Periodic
Respect and transparency	Institutional Communications	Corporate communication		■	
Active listening and collaboration	Communication Office	Corporate communication		■	
Ethical competition	CEO & Meliá Social Media	Corporate communication		■	
Good faith and cordial relationships	Secretary to the President / CEO	Corporate communication		■	
Serve general interests	Regional Corporate Offices	VP Operations		■	
Composition	Dialogue		Frequency		
	Spaces	Person responsible	Sporadic	Recurrent	Periodic
Regulatory bodies	Institutional relations	Affected areas		■	
Tourism industry (competitors)	Institutional presence	Affected areas		■	
Associations or organisations	Forums, events and meetings	Affected areas		■	
private professionals or businesses					
carácter privado					
Public-private organisations					
Lobbies					

Society & Community					
Monitoring and compliance commitments	Communication		Frequency		
	Channel	Person responsible	Sporadic	Recurrent	Periodic
Cooperation	Press Room	Corporate communication		■	
Search for local social interest	Social Media	Corporate communication		■	
Transparency, truthfulness					
Honesty and proximity					
Neutrality and impartiality					
Composition	Dialogue		Frequency		
	Spaces	Person responsible	Sporadic	Recurrent	Periodic
Academic and educational environment	Forums and meetings	Affected areas		■	
Neighbourhood associations		Sustainability			
Social bodies and NGOs					
Society in general					

## Work areas 2021

To deepen our understanding of certain stakeholders and strengthen our relationship with them, in 2021 we designed specific surveys for hotel owners, partners, suppliers and the media.

Our goal is to better understand how they perceive us as a company, and measure their level of satisfaction and recommendation of our company through a specific NPS for each of them.

This will provide useful information to help us anticipate their needs and be more proactive in our relationship, prioritising content or work areas and ultimately drawing up specific plans.

Aside from these aspects, 2021 was also an intense year for strengthening our relationship with all stakeholders:

### AREAS OF WORK 2021

Priority Level	Stakeholder	Key areas of work in 2021
Priority 1 - Internal	Owners & Partners	<ul style="list-style-type: none"> <li>53 meetings to analyse the evolution of the company, opportunities and reflections on the tourism industry</li> <li>Design of a survey to measure the quality of the relationship with both groups (launch in 2022)</li> </ul>
	Employees	<ul style="list-style-type: none"> <li>Transformation of the Meliá Home website into a key channel for sharing knowledge and information, with more than 30 different sites and over 920,000 visits by employees</li> <li>Launch of a new newsfeed with information updated weekly for employees</li> <li>Over 40 rapid surveys to monitor the cultural and organisational transformation process</li> </ul>
	Shareholders & Investors	<ul style="list-style-type: none"> <li>Participation in over 65 virtual events, forums and financial conferences</li> <li>3 face-to-face road shows in London, Paris and Madrid</li> </ul>
Priority 2 - Environment	Customers	<ul style="list-style-type: none"> <li>123 Travel Labs and 146 webinars with travel agencies</li> </ul>
	Suppliers	<ul style="list-style-type: none"> <li>New Coupa system to digitalise operations and improve relationships with suppliers, supporting greater agility, transparency, and efficiency in our business relationships</li> <li>Design of a survey to measure the quality of the relationship with both groups (launch in 2022)</li> </ul>
Priority 3 - Context	Public Administration	<ul style="list-style-type: none"> <li>88 meetings with different levels of the Public Administration in Spain and internationally, regarding the tourism industry, exploration of public-private partnership opportunities, plans, destinations and new projects, among other matters</li> </ul>
	The Media	<ul style="list-style-type: none"> <li>38 meetings and presentations on current events in the industry and the company, interviews and comments</li> <li>Design of a survey to measure the quality of the relationship with both groups (launch in 2022)</li> </ul>
	Industry & Competitors	<ul style="list-style-type: none"> <li>Attendance at 7 international tourism trade fairs</li> <li>92 meetings and gatherings with tourism companies and participation in a range of relevant forums</li> <li>21 meetings with executives and entrepreneurs</li> </ul>
	Society & Community	<ul style="list-style-type: none"> <li>Participation in 32 labs, webinars, meetings and presentations to share our experience in different areas of ESG</li> <li>Participation in 24 university and academic forums</li> <li>68 direct collaborations with social and cultural organisations</li> </ul>

# Materiality Analysis

GRI 102-21; GRI 102-29; GRI 102-31; GRI 102-44; GRI 102-46; GRI 102-47

## Post-pandemic update

COVID-19 is posing an important challenge for Meliá and the entire tourism industry, but it is also an opportunity to listen to our stakeholders, understand the issues that concern them most, and align our strategic priorities to address the obstacles that we may encounter along the post-pandemic way.

There are many and diverse changes expected to occur as a result of the pandemic: greater concern for personal health, loss or reduction of employment and income, changes in economic and social processes, and a change in social consciousness. That is why we updated our materiality analysis in 2021 to allow us to adapt the dialogue with our stakeholders and better align it with their expectations.

## About the process

The update to the materiality analysis was carried out based on the following premises:

**International standards and frameworks:** An initial list of issues was made based on the criteria in the Global Reporting Initiative (GRI) and the Sustainability Accounting Standards Board (SASB) related to the Hotel & Lodging industry. In addition, we also took into account the key global risks and trends in sustainability taken from the Global Risks Report 2021 by the World Economic Forum (WEF) and the United Nations 2030 Agenda.

**Industry analysis:** We then made an analysis of the top companies in the industry on a global level and selected the material issues that have the greatest relevance and impact on the industry.

**Other reporting frameworks:** Finally, we cross-checked the key issues indicated by ESG Analysts and investors to filter out those that are material for the hotel industry.

The list of material issues was reviewed and approved by the **Sustainability Committee**, selecting the **19 issues** that are most relevant for Meliá in the post-pandemic context. The assessment and validation was carried out with transparency and rigour, ensuring the quality and veracity of the results obtained.

## Stakeholders involved

One of the most important updates in the new materiality analysis was the inclusion of all the stakeholders in our Stakeholder Map, including those with priority 1, 2 and 3 and their respective sub-groups.

To ensure a higher participation rate, we only invited those stakeholders with whom we currently have a closer relationship to take part in the survey. This helped us achieve an **average participation rate of 27%**, 2 percentage points above 2019.


























## Material issues

Material issues were classified into four categories: Climate Change & Environment, People, Society and Governance. The following table shows the 19 issues without prioritisation, together with their respective definitions adapted to the context of Meliá and their connection with the Sustainable Development Goals (SDGs) and GRI and SASB standards.

AVERAGE PARTICIPATION

27%

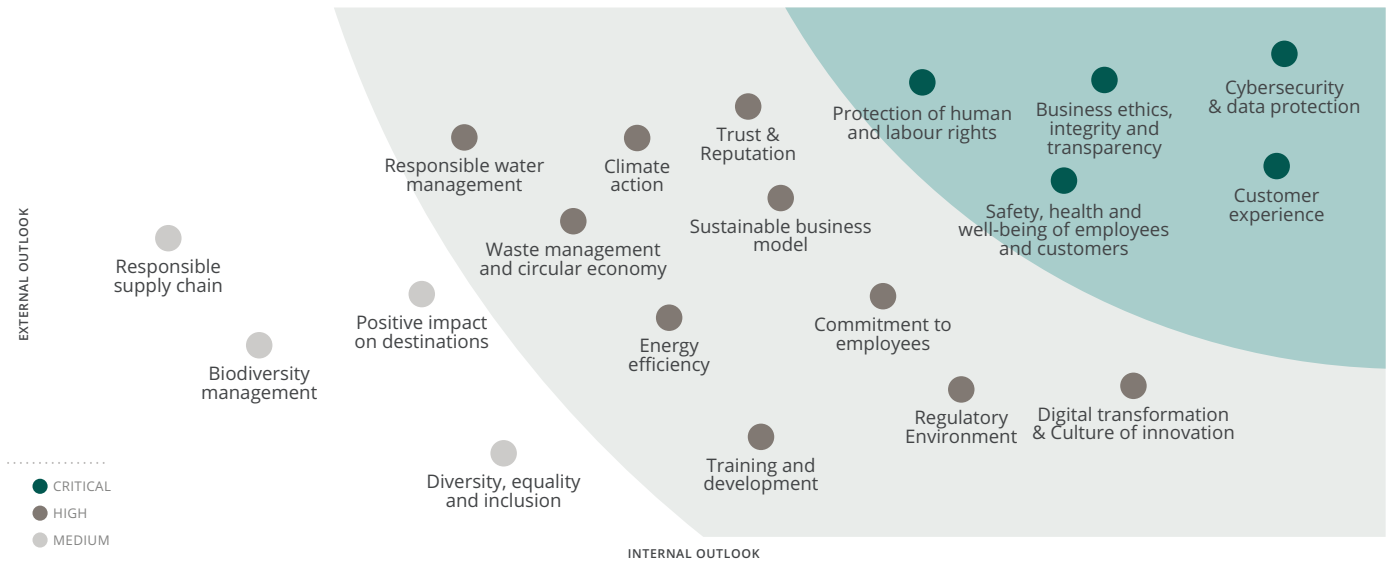


Material Issues	Definition	SDG	GRI issue	GRI indicator	SASB code
<b>Climate Change and the Environment</b>					
<b>Climate action</b>	Decarbonisation of the Meliá value chain through projects to reduce and offset greenhouse gas emissions. Management of the risks and opportunities created by climate change to allow the appropriate adaptation and mitigation of its adverse effects (natural disasters, droughts, floods, temperature changes, ocean acidification, etc.)		• Emissions	305-1 a 305-7	SV-HL-450a.1
<b>Energy efficiency</b>	Promotion of an eco-efficient energy management system certified under ISO 50001 criteria which prioritises the purchase of certified green energy in our global operations and thus contributes to our decarbonisation strategy	 	• Energy	302-1, 302-3 to 302-5	SV-HL-130a.1
<b>Responsible water management</b>	Identification of hotels located in areas with water stress, collecting data on the quality and availability of water and allowing the development of risk management strategies and possible measures for adaptation and mitigation, both for our operations and for the environment	 	• Water	303-1 a 303-5	SV-HL-140a.1
<b>Waste management and circular economy</b>	Identification of opportunities in the management of urban solid waste and hazardous waste to ensure appropriate measurement on a global level. Increase in selective waste collection, recycling and composting. Promotion of circular economy projects which allow the life cycle of products to be extended. Food waste management	 	• Effluents and waste	306-2, 306-3	
<b>Biodiversity management</b>	Responsible management of natural resources, measuring the impact that Meliá hotel activity may have on ecosystems and biodiversity, activating protective measures and raising awareness about our responsibility to preserve protected areas and species at risk as part of the natural heritage of the destinations	 	• Biodiversity	304-1, 304-2	SV-HL-160a.1 SV-HL-160a.2
<b>Sustainable supply chain</b>	Observation of Meliá's commitments, objectives and best practices in sustainability in the supply chain. Promotion of the purchase of low-carbon goods and services. Promotion of local trade and suppliers		• Procurement practices • Supplier environmental assessment • Supplier social assessment	204-1 308-1, 308-2 414-1	
<b>People</b>					
<b>Safety, health and well-being of employees and customers</b>	Management of the health, safety and well-being of people as a top priority, guaranteeing a safe environment for both employees and customers. Health and Safety Management System certification based on the ISO 45001 standard. Health and safety in the supply chain		• Health and safety at work • Customer health and safety • Customer privacy	403-1 to 403-10 416-1, 416-2	
<b>Customer experience</b>	A value proposal to earn the loyalty and trust of our customers and continue to surprise them every day with experiences enveloped in the Spanish warmth and passion that characterise us.		• Customer privacy	418-1	
<b>Diversity, equality and inclusion</b>	A work environment that promotes gender equality, diversity in general and the inclusion of minority groups or people at risk of exclusion	 	• Diversity and equal opportunities • Non-discrimination	405-1 405-2 406-1	SV-HL-310a.1 SV-HL-310a.2 SV-HL-310a.3 SV-HL-310a.4
<b>Training and development</b>	Global training and development strategy to cover skills gaps, digital transformation, new ways of working and the abilities of employees to ensure the constant improvement of both our people and the business		• Training and education	404-1, 404-2	
<b>Commitment to employees</b>	People are our reason to be. To promote an optimal work environment that reinforces employee satisfaction and commitment		• Employment	401-1 (b)	
<b>Protection of human and labour rights</b>	Our presence in more than 40 countries and the current market context requires a system of relationships and management that guarantees the defence of human and labour rights in hotels and regulatory compliance		• Non-discrimination • Freedom of association and collective bargaining • Child, forced or compulsory labour • Rights of indigenous peoples • Evaluation in Human Rights.	406-1, 407-1 408-1, 409-1 411-1, 412-1 412-3	
<b>Society</b>					
<b>Positive impact on destinations</b>	Ensure that Meliá's activity is respectful of society and the environment in which it operates, and has a positive impact on the economic and social development of destinations and on the industries that form part of the company's value chain. Social action and philanthropy		• Indirect economic impacts • Local communities	203-1, 203-2 413-1	
<b>Trust &amp; Reputation</b>	Creation of a close, transparent and empathetic dialogue with all stakeholders to drive joint value creation, allowing us to understand their concerns, exceed their expectations and reinforce our reputation		• Stakeholder inclusiveness	102-40 a 102-44	
<b>Governance</b>					
<b>Business ethics, integrity and transparency</b>	Management of the business with the highest ethical standards and integrity, as well as acting rigorously and decisively before any cases of corruption, fraud or bribery	 	• Ethics and transparency • Governance • Anti-corruption reporting practices • Anti-competitive behaviour	102-16, 102-17 102-18 to 102-39 102-45 to 102-56 205-1 to 205-3 206-1	
<b>Regulatory Environment</b>	Compliance with legislation and regulatory obligations on a global level and the ability to anticipate and adapt to new legal requirements		• Environmental compliance • Public policy • Socio-economic compliance	307-1, 415-1 419-1	
<b>Sustainable business model</b>	Integration of sustainable criteria in the Meliá business model to ensure a value chain that acts responsibly towards people, the environment and society as a whole and ensures a quality growth model		• Management approach	103-1 to 103-3	
<b>Cybersecurity &amp; Data protection</b>	Protection of personal data, secure and responsible treatment of payment data, unauthorized installation or use of computer assets that may violate intellectual and industrial property, computer damage, business continuity, rights related to privacy and unauthorized access		• Customer privacy	418-1	
<b>Digital transformation &amp; Culture of innovation</b>	Evolution towards a digitalised operating model through innovation, technology and more efficient and intelligent processes, with a strong focus on the internal and external customer experience				

## Materiality Matrix

To identify the key material issues by both their importance and by perception, an evaluation was made based on the three priority scales assigned to each group and sub-group in the Stakeholder Map.

### GLOBAL MATRIX BY IMPORTANCE



Importance	Ranking	Material Issues
Critical	1	Cybersecurity & Data protection
	2	Customer experience
	3	Business ethics, integrity and transparency
	4	Safety, health and well-being of employees and customers
	5	Protection of human and labour rights
High	6	Digital transformation & Culture of innovation
	7	Sustainable business model
	8	Regulatory Environment
	9	Trust & Reputation
	10	Commitment to employees
	11	Climate action
	12	Energy efficiency
	13	Training and development
	14	Waste management and circular economy
	15	Responsible water management
Media	16	Positive impact on destinations
	17	Diversity, equality and inclusion
	18	Responsible supply chain
	19	Biodiversity management

Top 5 Perception	
1	Business ethics, integrity and transparency
2	Safety, health and well-being of employees and customers
3	Protection of human and labour rights
4	Customer experience
5	Regulatory Environment

Top 5 Gap Analysis	
1	Cybersecurity & Data protection
2	Training and development
3	Commitment to employees
4	Responsible water management
5	Climate action

### GAP ANALYSIS (IMPORTANCE VS. PERCEPTION)

The objective of expanding the scope to all groups and sub-groups was to be aware of both the **opinion** and the **perception** of everyone with a direct or indirect relationship with Meliá. In addition to importance, another relevant update is that for the first time we have also evaluated the perception each stakeholder has of our performance in each of the areas. This has allowed us to identify the gap between importance and perception in certain areas, and focus on those with a greater gap.

## 2021 highlights

### DIVERSITY

GRI 102-24

Following the indications of the new [Director Selection and Diversity Policy](#) and recommendation number 15 of the CNMV's Code of Good Governance of listed companies ("CBG"), since 2021 the Meliá Board of Directors has 4 female directors out of a total of 11 members. This means that the ratio of female Board members is 36.36%, a percentage higher than the recommended 30% and the average for IBEX 35 companies (31.3%).

This female presence on the Board has allowed us to form part of the **Ibex Gender Equality** index, the first to measure the presence of women in managerial positions in Spanish companies and which comprises 30 listed companies with at least 25% of female members of their Board.

We will continue to make progress in the implementation of measures and policies to promote and guarantee diversity, not only on the Board, but throughout the organisation. In particular, we have set a goal to reach 40% of female directors before 2023.

### REMUNERATION POLICY

In 2021, Meliá approved its new [Board of Directors Remuneration Policy](#) for 2022 to 2024, incorporating the latest recommendations on remuneration and transparency in the CBG and the new requirements after the latest review of the Corporate Enterprises Act in terms of the long-term involvement of shareholders.

Given the economic situation caused by the pandemic, in 2021 we also adopted the following measures:

#### First semester

- Confirmation of the suspension of the short and long-term variable remuneration scheme for the CEO for 2020.
- Extension of the measures to reduce the allowances paid for attendance of Board Committees and the 25% reduction in the fixed remuneration of the CEO. Both reductions were in force in the first half of 2021.

#### Second semester

- Definition of objectives for the short-term variable remuneration of the CEO for 2021.

### NEW RECOMMENDATIONS

After the publication of the latest amendment to the CBG and the changes to the Corporate Enterprises Act, the Board and its Committees implemented the following measures to adjust to the new recommendations and comply with new requirements in terms of good governance:

- Inclusion of a *malus clause* in the remuneration of the CEO.
- Increase in the number of female Directors and compliance with objectives defined by the CBG and the Director Selection and Diversity Policy.
- Modification of the Regulations of the Board to adapt to the new recommendations on the composition of Committees, limitation of the number of boards to which a director can belong, and other recommendations.
- Extension of the scope of the Supplier Complaints Channel to all stakeholders: customers, directors, owners, shareholders, etc.
- Approval of the new Board Remuneration Policy for 2022 to 2024.

## CODE OF ETHICS OFFICE

In 2021, the Appointments, Remuneration & Sustainability Committee approved the reorganisation of the Code of Ethics Office, an internal body whose main objective is to ensure the distribution and correct application and interpretation of our Code of Ethics.

## UPDATE TO REGULATIONS

A number of different policies and regulations were approved or updated to improve our transparency and guarantee solid governance aligned with the needs of our stakeholders.

The following policies and regulations were updated and/or approved:

[Climate Change and Environment Policy](#)

[Corporate Governance Policy](#)

[Anti-Corruption Policy](#)

[Compliance Policy](#)

[Occupational Health and Safety Policy](#)

[Sustainability Policy](#)

[Complaints Channel Regulations](#)

[Code of Ethics Office Regulations](#)

[Board of Directors Regulations](#)

## Governance Model

Our regulatory system consists of a collection of regulations, standards, policies, protocols, processes and procedures based on principles of transparency and best practices in corporate governance which regulate primarily the following aspects:

- Structure, composition and operation of the Governance Model;
- Principles and commitments in the Code of Ethics and the key areas of company activity.

Meliá's corporate governance is based on policies approved by the Board of Directors. Among those that include fundamental aspects of corporate governance that directly affect shareholders are:

- Communication and Contact Policy with Shareholders, Institutional Investors and Voting Advisers and corporate communication.
- Treasury Stock Policy
- Stakeholder Relationship Policy



## CORPORATE POLICIES

POLICY	YEAR APPROVED	LINK	DESCRIPTION
Treasury Stock Policy	2020	<a href="#">See Policy</a>	This defines the general framework to be respected when carrying out any operation that affects Meliá treasury stock, including the purchase and sale of its own shares by the company or any of the Group companies
Director Selection & Diversity Policy	2020	<a href="#">See Policy</a>	This defines the principles that must govern procedures for the selection and proposal of appointments, ratification and re-election of members of the Board of Directors
Risk Control and Analysis Policy	2020	<a href="#">See Policy</a>	This defines the basic principles that govern risk management and the general framework for the control, analysis and assessment of possible risks, including tax risks, faced by Meliá and its Group.
Information Security Policy	2017	<a href="#">See Policy</a>	This defines the data security framework for the activities of Meliá and its Group
Joint Venture Policy	2017	<a href="#">See Policy</a>	This defines the principles that govern the relationships of Meliá and its Group with its different partners
Investment and Financing Policy	2019	<a href="#">See Policy</a>	Policy that defines the principles that govern investment and financing of projects by Meliá and its Group in order to optimize financial resources and maximise value. It defines general guidelines and criteria for the selection and determination of investments, objectivity in decision-making and optimal financial planning in response to strategic, regulatory and operational or tactical needs
Corporate Governance Policy	2021	<a href="#">See Policy</a>	Policy that defines the corporate governance principles for Meliá and its Group, leading to the creation of a governance model that complies with the pertinent regulations and recommendations and also guarantees the proper segregation of functions, coordination, monitoring and control
Marketing, Advertising and Communication Policy	2017	<a href="#">See Policy</a>	This contains the guidelines and principles regarding Meliá's communication with its different stakeholders
Sales Policy	2017	<a href="#">See Policy</a>	Policy that defines the guidelines for contracting processes with third parties (customers, tour operators, etc.) for Meliá and its Group, as well as guidelines on relationships with customers, competitors and the tourism industry in general
Procurement and Service Contracting Policy	2020	<a href="#">See Policy</a>	Policy that defines common and global guidelines and principles that must be applied in relationships with suppliers of goods or services
Privacy policy	2018	<a href="#">See Policy</a>	This defines the guidelines to be followed by Meliá and its Group in its own activities with regard to the generation, collection, treatment, storage and/or deletion of information
Communication Policy with Shareholders, Institutional Investors and Proxy Advisors	2020	<a href="#">See Policy</a>	This defines the principles that must govern Meliá's communication procedures with shareholders and investors and, insofar as is applicable, with other interested parties, such as financial analysts and proxy advisors, among others
Anti-Corruption Policy	2021	<a href="#">See Policy</a>	Policy that defines the principles that govern the conduct of all company directors and employees to prevent, detect, report and remedy any actions that under applicable regulations may be considered corrupt or criminal
Occupational Health and Safety Policy	2021	<a href="#">See Policy</a>	Policy that includes the objectives and commitments of Meliá in terms of occupational health and safety
Climate Change & Environment Policy	2021	<a href="#">See Policy</a>	Policy that defines operational guidelines for Meliá and its Group with special attention to the environmental dimension and efficient, responsible and sustainable management
Human Resources Policy	2019	<a href="#">See Policy</a>	Policy that defines the basic principles for the respect of labour rights, the assurance of a satisfactory work environment, the prevention of occupational risks and the management of talent at the service of the professional development of the people
Sustainability Policy	2021	<a href="#">See Policy</a>	Policy that defines the general principles that ensure an ethical, responsible and sustainable management model
Fiscal Strategy Policy	2018	<a href="#">See Policy</a>	This defines the principles and guidelines for the company's performance within the framework of its fiscal strategy
Compliance Policy	2021	<a href="#">See Policy</a>	Policy that defines the principles and commitments of Meliá and its Group in terms of regulatory compliance
Human Rights Policy	2018	<a href="#">See Policy</a>	Policy that defines the principles, guidelines and commitments assumed by Meliá in relation to the protection and defence of human rights
Philanthropy Policy	2018	<a href="#">See Policy</a>	This defines the principles of Meliá and its Group in relation to social or philanthropic activities
Stakeholder Relationship Policy	2018	<a href="#">See Policy</a>	Policy that defines the principles and guidelines that govern the relationships of Meliá and its Group with the different stakeholders with which it interacts

GRI 102-18; 102-19; 102-22; 102

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graph TD; GSM[General Shareholders' Meeting] --> BD[Board of Directors]; BD --> CEO[CEO]; BD --> AC[Audit and Compliance Committee]; BD --> ARSC[Appointments, Remuneration and Sustainability Committee]; CEO <--> EC[Executive Committee (SET)]; EC --> CEO; EC --> AC; EC --> COEO[Code of Ethics Office]; EC --> SC[Sustainability Committee]; EC --> IC[Investment Committee]; EC --> BC[Business Committee]; EC --> SPC[Strategic Planning Committee]; EC --> DC[Development Committee]; EC --> DPO[Data Protection Office]; EC --> EC2[Ethics Committee];
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The organizational chart illustrates the hierarchy of the Board of Directors. At the top is the General Shareholders' Meeting, which oversees the Board of Directors. The Board of Directors is composed of the CEO, the Audit and Compliance Committee, and the Appointments, Remuneration and Sustainability Committee. The CEO is also a member of the Executive Committee (SET), which reports to the Board of Directors. The Executive Committee (SET) is responsible for the day-to-day management of the company and reports to the CEO. It is composed of the CEO, the Audit and Compliance Committee, and the Appointments, Remuneration and Sustainability Committee. The Executive Committee (SET) also oversees the Code of Ethics Office, the Sustainability Committee, the Investment Committee, the Business Committee, the Strategic Planning Committee, the Development Committee, the Data Protection Office, and the Ethics Committee.

**COMPOSITION:**

GRI 405-1

- Resignation of the Independent External Director, Juan Arena de la Mora, after more than 12 years as a member of the Board and the Audit and Compliance Committee.
- Re-election of Mr. Gabriel Escarrer Jaume as Executive Director.
- Appointment of Maria Antonia Escarrer Jaume as an External Proprietary Director.
- Re-election of Francisco Javier Campo García as an Independent External Director.
- Re-election of Fernando d'Ornellas Silva as an Independent External Director.
- Re-election of Luis María Díaz de Bustamante y Terminel as an Independent External Director.
- Appointment of Cristina Aldámiz-Echevarría González de Durana as an Independent External Director by co-option.

The Chairman, CEO and two company Directors (Luis María Díaz de Bustamante y Terminel and María Cristina Henríquez de Luna Basagoiti) did not participate in the debate and vote on matters dealt with in Board meetings related to decisions in which they or a person related to them might have a potential direct or indirect conflict of interest with the company.

## **FUNCTIONS**

GRI 102-26

In June 2021, the Board of Directors approved the modification of article 5 of the Board Regulations, reorganising its functions as follows:

- Relating to the Annual General Meeting and the involvement of shareholders.
- Relating to Company and Group policies and strategies.
- Relating to the organisation of the Board of Directors.
- Relating to the information the company has to provide.
- Relating to the remuneration of Directors and Executives.

## **COMPETENCIES MATRIX**

GRI 102-27

In 2019 and 2020, the Appointments, Remuneration and Corporate Social Responsibility Committee led the preparation of a competencies matrix for the Board of Directors based on a *self-assessment process*.

In 2020 the matrix was published on the corporate website and has been updated according to the changes in the composition of the Board. The matrix can be seen using the following [link](#).

At the end of 2021, the Appointments, Remuneration and Sustainability Committee agreed to update this matrix to adapt it to new trends and best practices in terms of sustainability. The knowledge and experience of Directors in ESG matters were also updated.

## **BOARD EVALUATION**

GRI 102-28

On an annual basis, the Board evaluates the operation and composition of the Board itself and its Committees, as well as the company's Chief Executive. The Appointments, Remuneration & Sustainability Committee is responsible for approving and implementing this process.

The report with the results of the assessment for 2021 was presented to the Board of Directors at the meeting on February 28, 2022.

In relation to compliance with recommendation 36 of the Code of Good Governance of Listed Companies, which refers to assistance from external consultants in assessing the Board, due to the continuing effects of the pandemic, this year the company considered it was not appropriate to outsource the evaluation process.

However, as in 2020, the Appointments, Remuneration, and Sustainability Committee were supported by the Human Resources and Corporate Governance departments in the review and update of evaluation forms, which also introduced improvements in line with recommendations and best practices.

As a result of this evaluation process for 2021, a sustainability training plan has been approved for 2022.

## **CBG recommendations**

The Board and its Committees continuously monitor the recommendations of the CBG, in addition to external sources such as the Spencer Stuart Index of Boards of Directors and the transparency indicators from the Commitment and Transparency Foundation relating to fiscal transparency and the transparency and independence of the external audit. Taking into account the most recent partial modification of the Code, we now present the comparison of 2021 with respect to 2020.

## COMPARISON OF COMPLIANCE WITH RECOMMENDATIONS 2021 VS 2020

	2021		2020	
COMPLIANT	78%	50	70%	45
EXPLAIN	3%	2	3%	2
N/A	14%	9	14%	9
PARTIALLY COMPLIANT	5%	3	13%	8
TOTAL	100%	64	100%	64

## Delegate Committees

GRI 102-20; 102-22; 102-26; 102-32

As part of the review and adaptation of the Regulations of the Board to the new recommendations of the CNMV Code of Good Governance of Listed Companies, articles 14 and 15 of the regulations, relating to the functions and operation of the Committees were modified.

It should be noted that due to the pandemic, in 2021 most of the Board and Committee meetings were held electronically.

The recent modification of the name of the committee from the "Appointments, Remuneration and Corporate Social Responsibility Committee" to the "Appointments, Remuneration and Sustainability Committee", in line with current best practices.

This change will be completed with the modification of the Regulations of the Board and the Bylaws in 2022.

### APPOINTMENTS, REMUNERATION AND SUSTAINABILITY COMMITTEE

#### COMPOSITION:

Members	Women	External proprietary directors	External independent directors	Meetings 2021	President	Assistance
5	2 (40%)	1 (20%)	4 (80%)	8	Independent Director	100%

Among other functions, it is responsible for preparing proposals for appointments and re-elections of directors and senior managers, as well as proposing their remuneration.

The committee also reports on transactions that involve or may involve conflicts of interest and leads the periodic assessment of the structure, size, composition and performance of the Board of Directors and the specialist Committees, making the recommendations it deems necessary and convenient in each case.

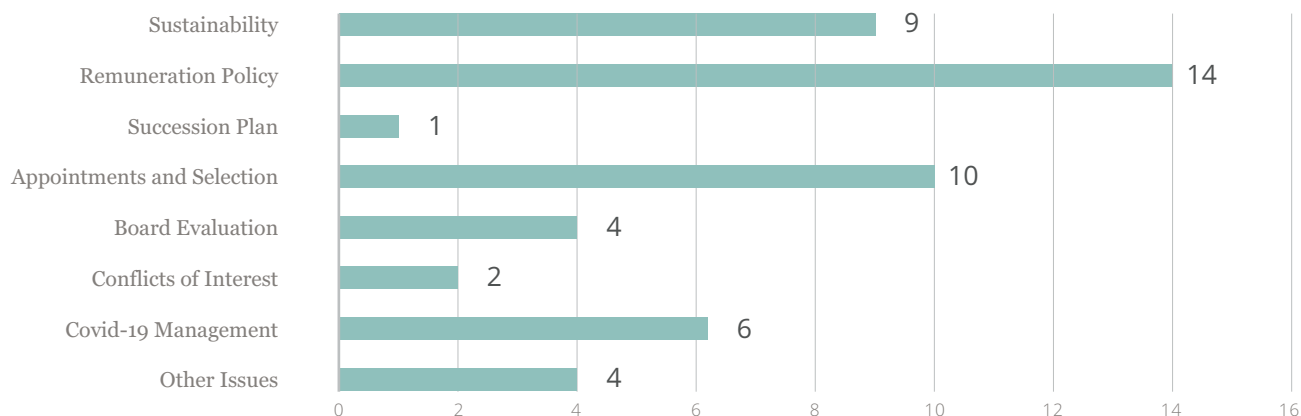
On the other hand, it is also the highest governance body with functions and responsibilities regarding sustainability, as it is in charge of monitoring the sustainability strategy and practices and the degree of compliance, in coordination with the Sustainability Committee. The Sustainability Committee is the body in charge of ensuring the integration of ESG criteria into the business strategy, promoting the implementation of projects required for compliance with the principles and objectives in the Sustainability Policy.

In 2021 the Committee focused on remuneration, having constantly monitored the measures adopted regarding the remuneration of the CEO (reductions in fixed remuneration, analysis and definition of variable remuneration), and also the preparation of the [Director Remuneration Policy](#) for 2022 to 2024, which was submitted for approval by the Annual General Meeting for the 2021 financial year.



Below is a summary of the key activities carried out by the Committee in 2021:

#### ACTIVITIES CARRIED OUT BY THE COMMITTEE IN 2021



#### AUDIT AND COMPLIANCE COMMITTEE

##### COMPOSITION:

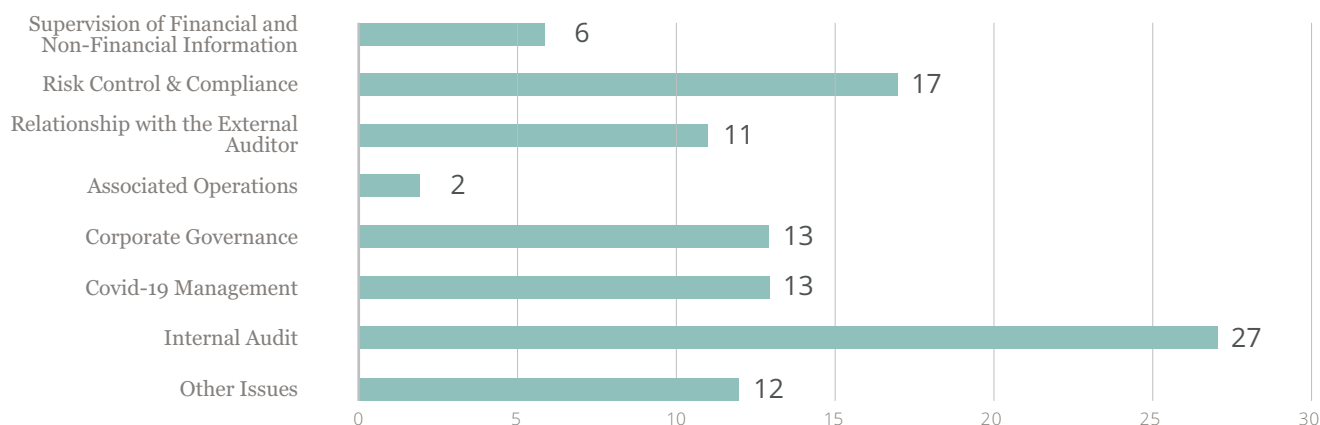
Members	Women	External independent directors	Meetings 2021	President	Assistance
4	2 (50%)	4 (100%)	11	Independent Director	100%

Among other functions, the Audit and Compliance Committee supports the Board of Directors in monitoring the effectiveness of the company's internal control and risk management systems, acting as a communication channel with internal and external auditors. It also monitors the preparation and presentation of financial and non-financial information to the Board of Directors, as well as compliance with legal provisions and internal regulations.

This year, the Committee continued to focus on monitoring the impact of the pandemic on the Group's business and financial statements, periodically reviewing the company's liquidity and the different measures and projects implemented by the management team. The Committee also promoted and monitored the transformation of the Company's internal audit function.

Below we summarise the key activities of the Committee in 2021:

#### ACTIVITIES CARRIED OUT BY THE COMMITTEE IN 2021



## Executive Committee (SET)

The SET (Senior Executive Team) is the collegiate body that drives the day-to-day management of Meliá Hotels International and the critical and continuous review of the business, ensuring compliance with the objectives defined by the Board of Directors and supporting the CEO in his management of the company.

It also ensures the sustainable growth of company activity and the creation of value for shareholders, supporting projects we undertake as a company for which they have been assigned responsibility, defining priorities, allocating the required resources and ensuring the achievement of objectives.

The SET is also responsible for providing the Board of Directors with updated, objective and sufficient information to allow it to carry out its supervisory functions.

Given the global pandemic, the SET has played a special role in ensuring the correct management of the crisis. It has supported, coordinated and ensured the implementation of all the measures taken to respond to the needs created by the COVID-19 crisis.

As in 2020, and similar to the rest of the Company's internal bodies, the degree of activity increased, combining both face-to-face and versatile sessions.

## Remuneration of the Board & Senior Management

GRI: 102-38

The remuneration of the Board of Directors of Meliá Hotels International, S.A. is based on the Remuneration Policy, best practices in the market, and the pertinent applicable regulations and recommendations including, where appropriate, remuneration surveys prepared by external advisors.

At the 2021 Annual General Meeting, the remuneration of Directors for the 2020 financial year (Annual Remuneration Report) was approved in a consultative vote by 99.49% of the total votes cast, indicating the support of shareholders and investors for the Remuneration Policy.

% Approval Annual Remuneration Report				
AGM 2017	AGM 2018	AGM 2019	AGM 2020	AGM 2021
69.95%	94.88%	97.28%	99.84%	99.49%

During the process of preparing the 2021 Annual Remuneration Report, the recommendations received from the proxy advisers during the preparation of the Annual General Meeting (Glass Lewis and ISS) and the latest review of the Corporate Enterprises Act were also taken into account.

The new Board Remuneration Policy for 2022 to 2024 was also approved at the Annual General Meeting with 98.47% of the votes cast in favour.

In accordance with article 15 of the Regulations of the Board of Directors, the Appointments, Remuneration and Sustainability Committee is responsible for remuneration policy and for (i) proposing to the Board of Directors the criteria and conditions of the Remuneration Policy, and (ii) ensuring the transparency of the same. The Board of Directors is responsible for (i) approving the Remuneration Policy and (ii) proposing their approval to the Annual General Meeting.

The remuneration of the Board of Directors for 2021, as defined in the aforementioned Remuneration Policy, and taking into account the reductions applied throughout the year, is as follows:

#### REMUNERATION MODEL

Concepts	Executive Directors	Non-Executive Directors
Fixed Remuneration (annual)	€694,958.30 / year	€21,636.43 / year per Director
Attendance allowances	€5,409.11 for each meeting of the Board of Directors	€5,409.11 for each meeting of the Board of Directors
		€3,000 / Committee session
		€3,000 / extra for the Chairman of each Committee
Short-term variable remuneration	60% of fixed remuneration	€6,000 / Board meeting to the Secretary
		Not applicable
Variable long-term remuneration	Not applicable	Not applicable
Long-term savings systems	€ 76,108.80	Not applicable

#### BOARD AND SENIOR MANAGEMENT REMUNERATION

(In thousands of €)	2020						2021					
	SALARY	FIXED REMUNERATION	ALLOWANCES	SHORT-TERM VARIABLE REMUNERATION	LONG-TERM VARIABLE REMUNERATION	TOTAL	SALARY	FIXED REMUNERATION	ALLOWANCES	SHORT-TERM VARIABLE REMUNERATION	LONG-TERM VARIABLE REMUNERATION	TOTAL
CEO	578	22	32	-	-	632	695	22	32	457	-	1,206
Non-Executive Directors		206	549	-	-	755		233	602	-	-	834
Senior Management		1,467		-	-	1,467		1,762		837	-	2,599
Total	578	1,695	581	-	-	2,854	695	2,017	634	1,293	-	4,639

Note:

- In 2021, the difference between the annual remuneration of the CEO and the average remuneration of staff (consolidated perimeter) was a multiple of 55.53
- The average fixed remuneration for Directors and Senior Executives (including the Internal Auditor) is €89,876 for women and €174,152 for men.
- The average fixed and variable remuneration for Directors and Senior Executives (including the Internal Auditor) is €101,432 for women and €236,735 for men.

## Challenges 2022

### REVIEW / UPDATE OF BYLAWS

In 2022, the modification of the Bylaws will be submitted to the Annual General Meeting to adapt them to the latest modification of the Corporate Enterprises Act in terms of the long-term involvement of shareholders. Among other proposals, we plan to include a provision that will allow Annual General Meetings to be held only virtually.

### REVIEW OF THE CODE OF ETHICS

In 2022 we also plan to update our Code of Ethics and certain policies to adapt them to the European Due Diligence Directive, among other best practises and recommendations.

# Risk management

## Risk management governance

GRI 102-30

Since 2009 we have had a Risk Control and Management System that allows us to identify, evaluate and manage the main risks that could have an impact on the company's strategy and objectives. The system is based on **3 key areas**.

- We have a [Risk Control Policy](#) approved by the Board of Directors and last updated in October 2020, which defines the basic principles and general framework for risk management. This Policy is further developed in an internal regulation that defines the rules, guidelines or criteria the risk management system has to follow to ensure that it is fully aligned with company strategy.
- An organisational structure and Governing Bodies that have specific functions and responsibilities in this area.
- The segregation and independence of functions under the 3-lines-of-defence model, in which both the second and third lines depend directly on the **Audit and Compliance Committee**, ensuring maximum independence in risk management.





## Risk management model

Our risk management model is based on the **COSO II (Committee of Sponsoring Organizations of the Treadway Commission)** integrated corporate risk management framework, a model focused on constant improvement across the entire company with the following key stages:

- Identification of risks that affect business strategy and objectives
- Assessment of the risks identified
- Response to risks and definition of appropriate action plans
- Monitoring and control of risks and the measures adopted
- Reporting to Governing Bodies and the rest of the organisation

In 2021 we identified a total of 78 risks in 6 categories:



## Key risks

GRI 102-15

Our risk management model applies across the entire company, meaning that both business units and corporate areas participate directly in the identification and assessment of risks that directly affect them based on standardised criteria.

In 2021, the update to the risk map involved **66 executives**, creating a total of **86 risk maps** which include maps for each business area, corporate area and globally.

					Management and control measures	
Category	Risks	ESG	Possible Implications	Trend	Resilience Plan: The Day After	New Strategic Roadmap
Global	Pandemics, health crises	☑	• Lack of adaptation or capacity to respond to minimise the impact of this type of crisis on a local or global level, which can even cause the interruption or suspension of operations.	⇓	<b>STAY SAFE WITH MELIÁ PROGRAMME</b> Programme designed to ensure the health and safety of our customers and employees during COVID-19  <b>LEADING A NEW FUTURE</b> A new more digital, dynamic and flexible model that adapts to a business context in constant evolution  <b>COMMITMENT TO DIGITALISATION</b> Driven by the Be Digital 360 digital transformation programme, the company's commitment is to transform all areas in both the Front and Back Office, while also ensuring we maintain a first-class digital sales capacity, structuring the programme around 12 major projects.  <b>PROMOTE RESPONSIBLE AND SUSTAINABLE MANAGEMENT</b> In 2021, we continued to promote pioneering projects in environmental, social, ethical and corporate governance areas.	A collection of strategic projects will give shape and content to this Roadmap.  The projects are grouped under three key programmes:  <b>MANAGEMENT MODEL</b> Leverage our brands, our talent, our sales channels, our management skills and ability to generate revenue to generate qualitative and sustainable growth through asset-light formulas.  <b>MANAGEMENT EFFICIENCY</b> Combine the flexibility of a more digital and efficient operating model with greater productivity thanks to digitalisation, giving us greater agility and greater transparency through our analytical and reporting model.  <b>RESPONSIBLE BUSINESS</b> Lead the transformation of tourism towards a more sustainable model that includes ESG criteria to guarantee the generation of long-term economic, environmental and social value.  We are convinced that the projects included in the strategic programmes will become the drivers of a solid and lasting recovery, helping us become a more resilient, responsible, digital and efficient company, and a winner in the post-Covid era.
	Economic uncertainty		• Economic uncertainty or crises at the national or international level	⇓		
	Geopolitical risks		• Terrorism • Political crises or insecurity in countries in which we operate • Wars, popular uprisings or military coups	⇨		
	Commodity prices	☑	• Price increases or scarcity of natural resources and raw materials which can change the market or even cause the interruption of operations.	⇑		
	Catastrophes or natural disasters	☑	• Hurricanes; Earthquakes; Volcanoes	⇨		
	Climate change	☑	• Adverse effects of climate change • Lack of adaptation to climate change	⇓		
Business	Portfolio distribution			⇓		
	Industry restructuring		• Mergers, acquisitions, closures	⇨		
	Changes in market trends	☑	• Demographic changes • Changes in preferences, habits, values, purchasing systems, etc.	⇓		
Operational	Talent and human resources	☑	• Loss or flight of talent • Talent and people management • Organisational model • Change management	⇑		
	Management model	☑	• Competitiveness of the Management Model • Hotel Management Culture • Generation of new revenue streams • Profitability	⇨		
	Expansion and growth	☑	• Lack of growth • Delays in planned openings • Need for resources and ability to assimilate the pace of growth • Appropriate choice of areas, countries and partners	⇑		
	Emerging technology risks	☑	• Computer security breaches from cyberattacks • Risks related to data protection and security and intellectual property • Lack of evolution or adaptation of systems to technological risks	⇑		
Financial	Financial Risks		• Liquidity • Debt • Lack of visibility for appropriate budget management	⇑		

Note 1: The identification of risks does not imply their materialisation during the year. However, the Group does work on ensuring that the necessary mechanisms are in place for their management and control.

Note 2: Greater detail of the Risk Management Model available in the Annual Corporate Governance Report (section E)

Note 3: For more information on management and control measures, see the chapter on Strategy

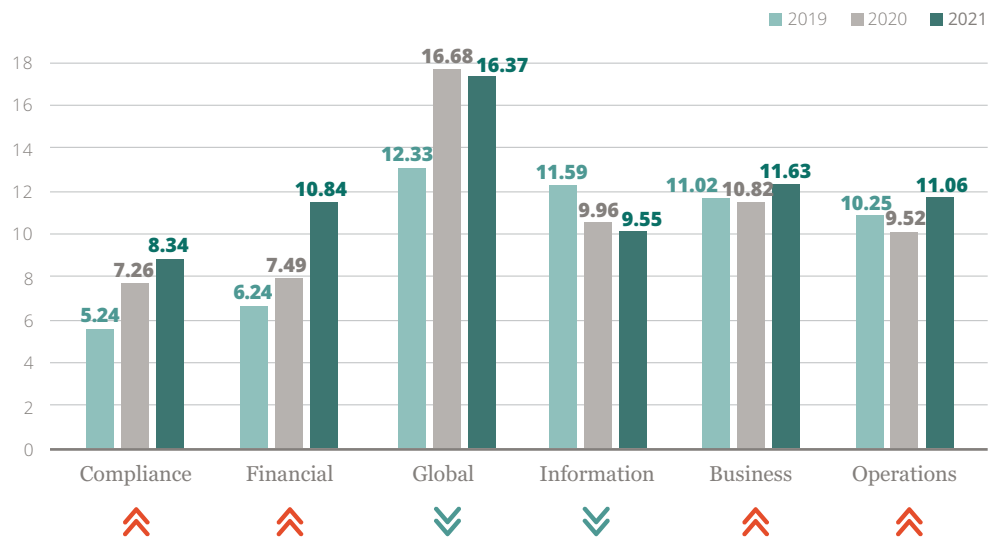
## RISK MAPS

86

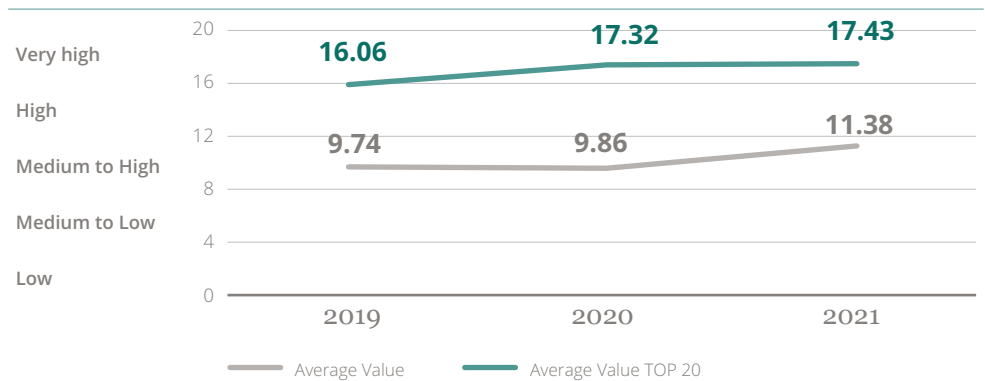
## MANAGERS INVOLVED

66

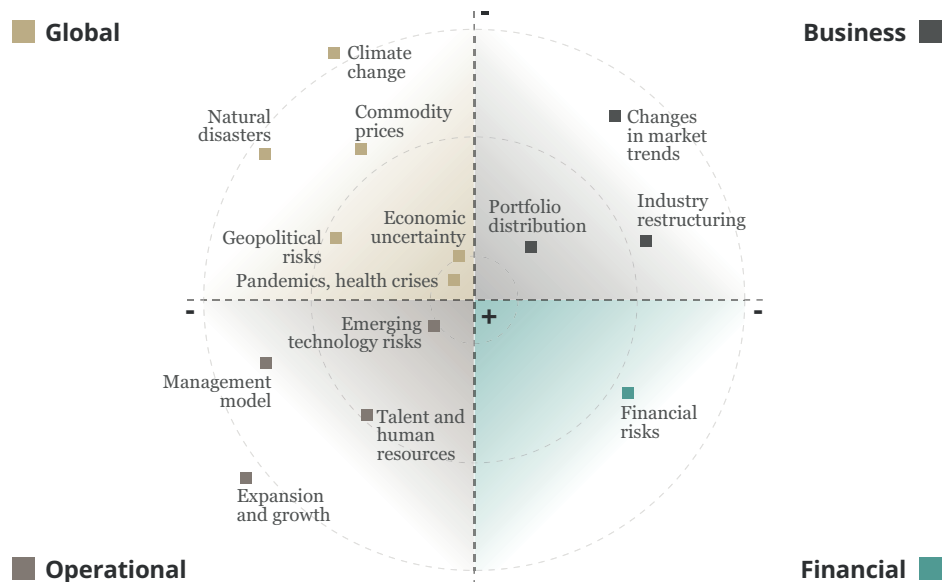
## EVOLUTION OF THE AVERAGE VALUE BY RISK CATEGORY



## EVOLUTION OF THE AVERAGE VALUE OF RISKS



## RISK CRITICALITY MAP



## ESG risks

ESG risks are integrated into the global risk map. This integration allows us to identify, assess and manage specific risks through the Sustainability Committee. This map includes 37 risks associated with ESG.

### ESG TOP 3 RISKS BY DIMENSION



As part of the company's Risk Management Model, the ESG Risk Map follows the same process, including response to risks, monitoring and control, and the mitigation measures adopted.

## Emerging risks

An important part of our risk management model is the identification of emerging risks. This means those risks resulting from increased exposure or susceptibility to new environmental factors, such as Covid-19, as well as those risks related to increasing exposure to a risk that has already been identified, such as the risks related to climate change. These risks form part of our risk map, but we are deepening our analysis in order to identify their potential long-term impacts and bring forward the appropriate mitigation measures.

### SHORTAGE OF WATER IN DESTINATIONS WHERE WE OPERATE

Water is an indispensable natural resource for the hotel industry and our services and activities. As a leading hotel company in sustainability, we are well aware of the importance of responsible water management to ensure continued tourism activity and the sustainable, efficient and responsible management of water, in line with the 2030 Agenda (SDG 6).

For Meliá and the entire hotel industry, the risk of water shortages and/or droughts can have a negative impact on the business in several ways:

- Damage to facilities and equipment. Insufficient supplies due to problems with water sources
- Increase in operating costs due to limited access to water
- Discontinuity of operations and/or loss of business
- Breach of service quality standards and customer dissatisfaction.
- Loss of attractiveness as a tourism destination



Our **adaptation and mitigation measures**, include an **Environmental and Energy Management System called "SAVE"**, which monitors water consumption in our hotels and helps ensure responsible use and a control system for water management. In 2021 we also produced a report with regard to the **recommendations of the TCFD (Taskforce on Climate-related Financial Disclosures)**, making a comprehensive assessment of the risks and opportunities arising from climate change, including water scarcity, in four of our top destinations: Spain, Mexico, the Dominican Republic and the United Kingdom, in order to assist decision-making and allow a more strategic focus in their management.

We also work with the **Aqueduct Water Risk Atlas**, which allows us to identify areas with the highest risk of water stress worldwide and monitor our portfolio in these areas and adopt any necessary preventative measures. In line with our commitment to guarantee the efficient use of resources, for the second consecutive year we have participated voluntarily in **CDP Water Security**, a prestigious international ranking which measures our capacity to ensure water safety and quality. More information in the chapter on the Environment & Climate Change

## CHANGES IN CUSTOMER BEHAVIOUR

The exceptional situation caused by the pandemic in 2020 continued to affect global tourism in 2021, altering travel patterns and making it difficult to forecast demand. Governments around the world have restricted travel and even taken drastic measures such as closing borders. Together with the fear and insecurity created by the virus, these measures led to travel and hotel occupancy being seriously affected.

Despite efforts by the private sector and governments to reactivate tourism, we expect to see changes in customer behaviour, travel patterns and tourism consumption, as well as a greater demand for health and safety guarantees.

The negative impact of changes in customer behaviour was reflected in key areas:

- Decrease in air travel
- Increase in tourism within the home country, the so-called *staycations*
- Reduction of business trips due to the use of technology for virtual meetings
- Change in accommodation preferences to rural or natural settings

All these factors alter demand forecasts and reduce the profitability of the business. That's why we aim to anticipate these changes by adapting our services, creating products such as the Workation and Out of Office programmes, which adapt to the new needs created by the pandemic with a range of accommodation and services focused on teleworking and coworking, as well as the Stay Safe With Meliá programme, focused on guaranteeing the health and safety of our customers and employees.

We constantly aim to monitor emerging risks, analysing the available information with two objectives: to identify cause-effect relationships with other types of risks, and to define all the protocols and mechanisms required to mitigate the negative impact if the risk materialises in the future. More information in the Customer Experience chapter.

## Codes of Conduct

GRI 102-17

### CODE OF ETHICS

At the top of our regulatory system is our [Code of Ethics](#), which contains all the principles and public commitments we assume as a company, as well as a collection of guidelines that give order and meaning to our values.

Among the commitments in our Code of Ethics, we highlight two that condition the way in which we run the business:

- Comply with applicable national and international legislation and regulatory obligations
- Act with the greatest rigour and decisiveness with regard to corruption, fraud or bribery.

Integrity is therefore one of our most fundamental principles, and we are committed to doing business in a legal, fair and honest way, while expecting the same from our business partners.

It is expressly designed to guide the ethical relations and commitments which, as a company, we have undertaken with our stakeholders. It is also a framework to guide the conduct of Meliá employees which is the basis for the company's internal regulations. All our employees must comply with the Code of Ethics to ensure the manifestation of our principles, values and commitments in our day-to-day operations. The Code is available to them through both the [institutional website](#) and the Employee Portal.

### CODE OF ETHICS GOVERNANCE MODEL

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The following tools guarantee the correct functioning of the Code of Ethics:

#### COMPLAINTS CHANNEL

A key tool in channelling complaints to the company. We have an internal complaints channel for employees and an external channel which has been open to all stakeholders since the last quarter of 2021.

#### ETHICS COMMITTEE

Independent body whose main function is to ensure the proper management of any complaints received.

Both the Complaints Channel and the Ethics Committee have their own operating Regulations, approved by the Audit and Compliance Committee. The [Regulations of the external Complaints Channel](#) were updated in 2021.

In 2021 we received a total of **27 complaints**, all of them from employees, and in the following categories: Unethical behaviour, Policies, rules and procedures, and Business principles.

## COMPLAINTS RECEIVED THROUGH THE COMPLAINTS CHANNEL



All the complaints received lead to an investigation led by the **Ethics Committee**, guaranteeing confidentiality and the absence of any repercussions of any kind. The **Risk and Compliance Department** regularly reports to the **Audit and Compliance Committee** about the complaints channels.

The complaints received in 2021 had no significant impact on the company from a criminal, financial or reputational point of view. After the investigations were carried out, the measures considered appropriate were taken in each particular case, mostly involving further training or improvements in processes, as well as disciplinary actions.

## OPERATION OF THE COMPLAINTS CHANNEL

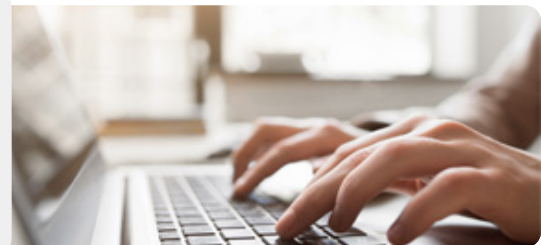


**Through Meliá Home**  
(employee portal), in the “Code of Ethics” section, clicking on “Complaints Channel”.

**Visiting the URL:**  
<http://melia.xperta.es/incidencias/crear>

**Through the Meliá corporate website:**  
<https://www.meliahotelsinternational.com/es/shareholders-and-investors/corporate-governance/ethical-code> Clicking on the Complaints Channel.

**By courier or ordinary post**  
Note: Ethics Committee  
Meliá Hotels International, S.A.  
Gremio Toneleros, 24.  
(Polígono Son Castelló)  
07009 - Palma de Mallorca



## CODE OF ETHICS OFFICE

Responsible for the interpretation and application of the Code. In 2021, we updated the regulations of the Code of Ethics Office and relaunched the office together with a dedicated space on the employee portal to guarantee maximum visibility.

## SUPPLIER CODE OF ETHICS

In 2018 we published our first Supplier Code of Ethics in order to extend the reach of our corporate principles and values. This document is based on our support for business conduct models such as the Universal Declaration of Human Rights, the Principles of the Global Compact, the Sustainable Development Goals (SDG) and the Convention on Children's Rights, which define the general challenges and commitments.

The specific principles in the Code are as follows:

- Professional ethics
- Human rights and the eradication of child labour
- Safety, health and hygiene at work
- Product quality and service
- Protection of the environment and the community
- Protection of information and assets

To enhance the operation of the Supplier Code of Ethics, we have also made a specific [Complaints Channel](#) available to suppliers to report any behaviour that breaches the Code. The operation of this Complaints Channel is the same as the channel for employees and it also has its own regulations (updated in 2021).

## Compliance model

Our Compliance Model is built around the [Compliance Policy](#), updated in 2021, which defines the guiding principles and elements that make up the governance of our model:

- **The Board of Directors**, through the Audit and Compliance Committee, is responsible for supervising Risks and Compliance.
- **The Risks and Compliance Department** reports directly to the Audit and Compliance Committee through the company's Compliance Officer. The Compliance Officer is responsible, among other things, for developing the Compliance Model and supervising the validity of the controls in place, with a special focus on criminal compliance.
- **The Code of Ethics and its regulatory framework**, consisting of policies, regulations and processes. Additionally, this section also includes the Supplier Code of Ethics.
- **The Ethics Committee** guarantees the proper management of complaints reported through the complaints channels provided by the company.

## Crime Prevention and Detection Model

The Compliance Model includes a protocol for Crime Prevention and Detection, whose main objective is to prevent or reduce the risk of crime, especially those that involve criminal liability.

This protocol consists of the following elements:

- The existing General Control Environment at Meliá
- The Criminal Risk Map, which identifies and assesses the criminal offences to which we may be exposed, as well as the behaviours associated with them. We have currently identified 23 risks of this type.
- The company's Regulatory System and General Measures and Controls that help prevent and detect crime.
- The Specific Controls defined for each of the criminal risks identified. At the end of 2021, a total of 356 controls have been defined. These controls are verified every year to assess their appropriateness, recording the evidence revealed by said controls.





#### SPECIFIC CONTROLS

356

#### CRIMINAL RISKS

23

#### SPECIFIC CONTROLS FOR CRIMINAL RISKS

102

The Crime Prevention and Detection Protocol is reviewed every year. The 2021 review allowed us to eliminate 5 controls and add 18 new controls.

We also have a regular reporting model to ensure the results of the analysis of the protocol are reported to the **Executive Committee, Audit and Compliance Committee and Board of Directors**, as well as all those people directly affected.

Our protocol has been certified by AENOR, certifying that the **Criminal Compliance Management System** meets the requirements defined in the **UNE 19601:2017** standard. This certification was renewed in 2021 after passing the audit process carried out by AENOR.

#### COMMITMENT TO COMBAT CORRUPTION AND BRIBERY

GRI 205-1; 205-2

Our commitment to fight corruption is articulated in the [Anticorruption Policy](#), updated in 2021. actualizada en 2021. The objective of the policy is to define the principles that must govern our actions to prevent, detect, report and remedy any actions that applicable regulations might classify as corruption or bribery, either active or passive, and always attending to the zero-tolerance principle with regard to any such practices.

This policy contains the following commitments:

- Comply with applicable national and international legislation and regulatory obligations
- Define mechanisms for the monitoring and control of our principles, values and commitments, at all times guaranteeing action in the case of any irregular conduct, particularly corruption, fraud or bribery.
- Reject gifts and courtesies from third parties if they exceed the reasonable value of mere courtesy, nor accept any type of economic consideration, gift or invitation from our suppliers that due to their value may exceed the purely symbolic or mere courtesy.

Corruption is one of the criminal offences included in our Crime Prevention Protocol. In order to mitigate this criminal risk, we have identified 102 specific controls which are evaluated annually.

The protocol also includes an **Internal Hotel Administration and Control Regulation**, accessible to all employees through the Employee Portal, which defines clear guidelines in the accounts payable and cash management areas to avoid corruption and fraud in processes related to:

- Invoice receipt, validation and accounting
- Payments to third parties
- Cash movements and management
- Bank reconciliation
- Opening and management of bank accounts

#### SPECIFIC MONEY LAUNDERING CONTROLS

61

### PREVENTION OF MONEY LAUNDERING

The way we act to prevent this crime is included in the **Money Laundering Manual**, along with the due diligence measures that must be applied in hotels that offer foreign currency exchange services. The Manual is accessible to all company employees through the Employee Portal.

As defined in the Manual, We also have an Internal Control body which is ultimately responsible for all internal control procedures to prevent money laundering in currency exchange activities.

Money laundering is also included in our Protocol for the Prevention of Criminal Offences, with a total of 61 controls implemented for the prevention of this criminal offence.

#### INTERNAL AUDIT REPORTS

205

In addition to the external audit by AENOR related to UNE 19601 certification, our **Internal Audit Department** acts as the **third line of defence** and annually reviews our Crime Prevention Protocol to guarantee the correct and effective implementation of the controls in the protocol linked to criminal offences.

#### CORRUPTION OR FRAUD DETECTED

No

It also conducts a review of the Internal Control System for Financial Information (SCIIF), and the correct implementation in business units and corporate areas of the policies, regulations and internal processes, including those indicated.

Internal Audit carried out a total of 205 audits in 2021 on a global level, covering all the different regions and areas of the company.

As a result, based on the results of the audits, in 2021 we have not detected any practices that might expose the company to crimes of corruption or fraud.

### Training in ethics and compliance

Our eMeliá training platform has an online training course on ethics and compliance consisting of three modules that is included as part of the compulsory training schedule for all employees. The modules in this course refer to:

- Code of Ethics and Complaints Channel: Specific training on the Code, its content and objectives.
- Compliance at Meliá: A specific focus on compliance, its role and management culture, as well as an explanation of the responsibilities of the company's Compliance Officer.
- Most Important Crimes: Training module that deals with some of the main criminal offences to which the company is exposed (among which corruption and money laundering receive the greatest attention), explaining them in detail along with the behaviours or situations that may lead to their commission and the mechanisms we have for their prevention and communication.

In addition to the content of each module, all of them also provide a video and infographics. At the end of each module employees have to pass a test to complete the course.

The course is global and currently reaches more than 15,000 employees, including all our corporate staff, Hotel General Managers, Hotel Assistant General Managers and Heads of Department in hotels, who we consider to be the staff with the highest degree of potential exposure to such criminal risks. At the end of 2021, of the 824 people that make up this group, 84% (692 employees), had completed and passed the three modules of the training course.

#### SCOPE

+15.000

## Privacy protection

In our Code of Ethics we assume a commitment to protect the personal information our stakeholders have provided us and to guarantee its integrity, availability, security and confidentiality.

That's why we have a **Data Protection Office** responsible for the protection of personal data, which reports to the **Risk Control and Compliance** area, which in turn reports to the **Audit and Compliance Committee**.

To meet its objectives, the office has a management system with a number of different and complementary tools:

### DATA SECURITY POLICY

The [Data Security Policy](#) defines our data security framework. It is based on internationally recognised best practices in Data Security to guarantee at all times the confidentiality, integrity and availability of the data we manage and ensure it is handled appropriately. One of the guiding principles of our policy is the protection of personal data. For more information, see the chapter on Data Security.

### PRIVACY POLICY

The [Privacy Policy](#) defines the guidelines to be followed by all our employees and refers to the creation, collection, processing, storage and/or deletion of information.

### PRIVACY REGULATION

Contains the criteria and principles that govern the incorporation, handling and use of personal data by our employees. It also defines the roles and responsibilities of the people who have access to processing personal data, the principles to be applied in processing and the minimum measures required to comply with the Policy.

It also defines the guidelines to follow to ensure that people can exercise their rights, notification procedures in the event of any possible contingencies, and the monitoring and control mechanisms required to ensure the effective implementation of the Meliá privacy management system.

The regulation also has a chapter on non-compliance which aims to promote a philosophy of **zero tolerance** with regard to any conduct that may involve breaches of legislation, regulations or internal processes.

### PROCEDURE FOR NOTIFICATION, MANAGEMENT AND REGISTRATION OF DATA PROTECTION SECURITY INCIDENTS

Defined with a double objective. Firstly, to minimise the impact, loss or deterioration of said data, and secondly, to make it easier to detect any possible security breaches and accelerate their notification.

Through the eMeliá online training platform all our employees have access to mandatory courses related to Data Protection and Cybersecurity, as well as other related courses such as Phishing and PCI.

Thanks to good management and the Privacy Management Model, in 2021 no case has been opened by any authorities, nor have any substantiated claims related to violations of customer privacy been registered.

## Fiscal strategy

GRI 207-1; 207-2

The company's [Fiscal Strategy \(Policy\)](#) was approved by the Board of Directors on February 25, 2016 and updated on June 6, 2018, in accordance with the provisions of article 529 ter of the Companies Act and article 5 of the regulations of the Board of Directors.

The guiding principles of our Fiscal Strategy are:

- Regulatory compliance and responsible fiscal management
- Cooperative relations with tax administrations and the risk management system
- Fiscal efficiency, effective defence of our fiscal positions and transparency

It is also aligned with our vision, values and long-term business strategy, as well as with our [Corporate Responsibility Policy](#) in two areas: the first states that one of its objectives is to ensure a proactive attitude towards the identification, prevention and mitigation of financial and non-financial risks; the second is a guiding principle focused on compliance with applicable legislation and regulations in force in all the countries in which we operate, and with our own [Code of Ethics](#), which includes an express commitment to the public authorities to respect the laws and regulations in all the places in which we operate, ensuring transparency and maximum cooperation with all public authorities.

The highest recognition of our efforts since 2017 to be more transparent with regard to tax matters is that we are no longer considered an "opaque" company according to the Transparency and Corporate Responsibility Report published every year by the Commitment and Transparency Foundation with regard to companies listed on the IBEX 35 stock market index.

## Fiscal control and risk management policy

As a Group we have developed a Fiscal Control and Risk Management System that is supervised by the Audit and Compliance Committee, which operates on all the fiscal risks that are inherent to Group activities and processes, with particular emphasis on risks related to high-value investments and operations, the creation or acquisition of stakes in companies with a special purpose or domiciled in countries considered tax havens, and operations involving company board members or shareholders.

This system forms part of the function developed by our Tax Department with the support of all the business units and is deployed to ensure compliance with applicable tax legislation and internal policies (including the Tax Strategy).

In 2021, AENOR certified our **Criminal Compliance Management System** under the standards of the UNE 19601:2017 standard. As part of the certification process, 55 controls implemented by Meliá to prevent and/or avoid tax crime were analysed and favourably evaluated.

Our Tax Department reports directly to the Board of Directors at least once a year and through the Audit and Compliance Committee on a recurring basis and whenever there may be a particularly relevant issue to report.

CONTROLS TO PREVENT AND/OR  
AVOID TAX CRIME

55



## Structure and presence in tax havens

Within the framework of our commitment to fiscal responsibility, we have a structure aligned with the business and appropriate to legal requirements, all within a transfer pricing policy framework aligned with value creation and the principles of free competition.

The creation or acquisition of a stake in companies with a special purpose or domiciled in countries or territories that are considered tax havens must be reported to and approved by the Board of Directors.. This approval is a non-delegable power. Similarly, any presence in tax havens must respond to legitimate economic motives.

At the close of 2021, the only Group company registered in a tax haven is Sol Meliá Funding, which is registered in the Cayman Islands. This company has a residual activity related to the former Vacation Club and applies the general criteria and procedures for administration and control of the Group's management and cooperates with the authorities involved to provide the information they deem necessary in relation to the company's activities.

The Group also has hotel activities in countries that, while not considered tax havens according to Spanish legislation, are considered by certain external observers as jurisdictions that enjoy a tax system that is more favourable than the Spanish system, as may be the case in Panama, Holland or Luxembourg. It should be mentioned, firstly, that our presence in these jurisdictions is due to genuine hotel operations, and, secondly, that all of them are jurisdictions that have signed an agreement with Spain to avoid double taxation and with an information exchange clause.

In 2021 we carried out several operations (liquidations, mergers, changes of address) in Group subsidiaries to simplify our corporate structure.

## Tax contribution

GRI 207-4

Meliá Hotels International is subject to taxes of various kinds on the profit it earns in the countries where it operates. Each tax has its own particular structure and rate.

**Table A** refers to results before taxes and contains aggregate data for each jurisdiction and excludes dividends from other group entities following the guidelines for the preparation and presentation of country-by-country reports issued by the OECD (Action 13 BEPS report). Taxes on profits paid in 2021 are shown in **Table B**, detailed by jurisdiction.

TABLE A - EARNINGS BEFORE TAXES (2021)

Country	€ thousand	Country	€ thousand
Germany	(26,343)	Cayman Islands	(69)
Argentina	392	Italy	(9,373)
Austria	(1,452)	Luxembourg	(768)
Brazil	(5,538)	Mexico	(4,832)
Bulgaria	711	Panama	496
China	(1,117)	Peru	(790)
Costa Rica	1	Puerto Rico	468
Cuba	(576)	United Kingdom	(29,916)
USA	(12,026)	Dominican Rep.	(14,460)
Spain	(93,477)	Switzerland	99
France	(16,087)	Venezuela	2,350
Greece	(96)	Vietnam	140
Indonesia	(228)	Netherlands	(2,570)
<b>Total</b>		<b>(212,561)</b>	

TABLE B - TAXES PAID ON PROFITS (2021)

Country	€ thousand	Country	€ thousand
Bulgaria	55	Luxembourg	352
Argentina	19	Mexico	(35)
Austria	(41)	Netherlands	(39)
Brazil	1	Peru	215
Cuba	100	United Kingdom	(10)
USA	143	Dominican Republic	565
Spain	(14,060)	Switzerland	(1)
France	(237)	Venezuela	53
Indonesia	10	Vietnam	34
China	203	Puerto Rico	(981)
Costa Rica	1		
<b>Total</b>		<b>(13,653)</b>	

The total amount of taxes paid appears in the Cash Flow Statement and the Consolidated Annual Accounts.

We would like to highlight that full tax information is included in the Consolidated Annual Accounts and the Individual Annual Accounts for Meliá Hotels International, S.A. and each of its subsidiaries and, in particular, the Tax Note includes Tax Expenses and the most important litigation related to tax issues.

## Other relevant tax information

### NON-PROVISION OF TAX SERVICES BY THE ACCOUNT AUDITOR

In compliance with our Tax Strategy Policy and best practices, the Group does not contract tax advisory services with the same firm that performs our accounts audit.

# Financial and operating results

## Global indicators

### FINANCIAL RESULTS

#### OWNED & LEASED

(millions of €)	2020	2021	Δ%
<b>Revenues Owned and Leased Hotels</b>	<b>413.8</b>	<b>704.6</b>	<b>70.3%</b>
Owned	213.7	354.4	65.8%
Leased	200.1	350.2	75.0%
<b>Of which, Room Revenues</b>	<b>235.4</b>	<b>403.4</b>	<b>71.3%</b>
Owned	106.3	181.4	70.7%
Leased	129.2	222.0	71.8%
<b>EBITDAR</b>	<b>-62.3</b>	<b>102.2</b>	<b>264.0%</b>
Owned	-32.8	47.4	244.6%
Leased	-29.5	54.8	285.6%
<b>EBITDA</b>	<b>-63.0</b>	<b>96.9</b>	<b>254.0%</b>
Owned	-32.8	47.4	244.6%
Leased	-30.2	49.5	264.2%
<b>EBIT</b>	<b>-409.6</b>	<b>-144.8</b>	<b>64.6%</b>
Owned	-156.2	-28.4	81.8%
Leased	-253.4	-116.4	54.1%

#### MANAGEMENT MODEL

(€ millions)	2020	2021	Δ%
<b>Revenue</b>	<b>80.2</b>	<b>108.4</b>	<b>35.1%</b>
Fees from third parties	10.4	17.0	63.7%
Fees from owned and leased hotels	17.2	35.0	103.4%
Other revenues	52.6	56.4	7.1%
<b>EBITDA</b>	<b>-18.6</b>	<b>-2.4</b>	<b>87.2%</b>
<b>EBIT</b>	<b>-37.4</b>	<b>-10.7</b>	<b>71.3%</b>

#### OTHER HOTEL REVENUES

(millions of €)	2020	2021	Δ%
<b>Revenue</b>	<b>18.1</b>	<b>15.6</b>	<b>-13.5%</b>
<b>EBITDA</b>	<b>-4.2</b>	<b>0.3</b>	<b>-106.4%</b>
<b>EBIT</b>	<b>-5.5</b>	<b>-1.0</b>	<b>-82.7%</b>

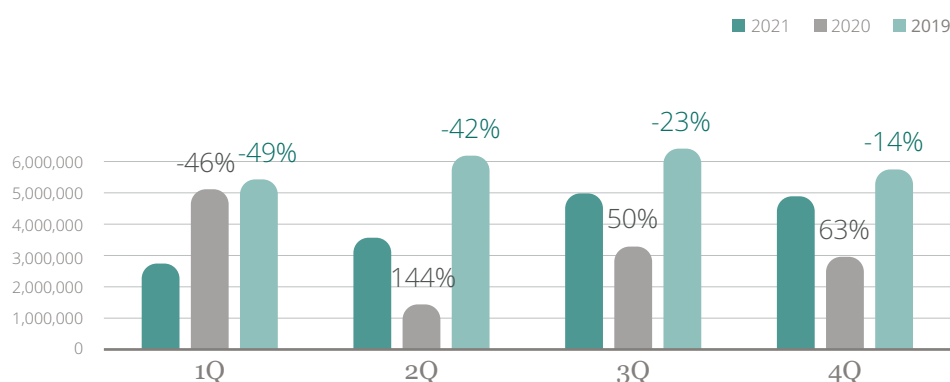
### BUSINESS RESULTS

#### KEY STATISTICS

	OWNED & LEASED						OWNED, LEASED AND MANAGED					
	OCCUPANCY		ARR		REVPAR*		OCCUPANCY		ARR		REVPAR*	
	%	Δ (pp)	€	Δ%	€	Δ%	%	Δ (pp)	€	Δ%	€	Δ%
<b>Total Hotels</b>	<b>41.3%</b>	<b>2.2</b>	<b>€ 117.9</b>	<b>7.0%</b>	<b>€ 48.7</b>	<b>12.8%</b>	<b>36.6%</b>	<b>1.7</b>	<b>€ 107.8</b>	<b>9.7%</b>	<b>€ 39.4</b>	<b>14.9%</b>
AMERICA	42.4%	5.3	€ 107.2	-2.1%	€ 45.4	11.9%	37.8%	8.1	€ 95.0	-6.5%	€ 35.9	19.2%
EMEA	32.6%	-1.7	€ 122.6	4.7%	€ 39.9	-0.4%	32.8%	-0.3	€ 131.7	7.8%	€ 43.2	6.9%
SPAIN	46.2%	2.0	€ 121.6	14.1%	€ 56.2	19.3%	45.3%	3.9	€ 118.9	19.6%	€ 53.9	30.8%
CUBA	-	-	-	-	-	-	19.7%	-13.7	€ 66.9	-26.7%	€ 13.2	-56.8%
ASIA	-	-	-	-	-	-	28.2%	-2.8	€ 68.6	-1.9%	€ 19.4	-10.6%

(\*) Note: the calculation of RevPAR only takes into account open hotels.

#### ROOMS AVAILABLE



## OPERATIONAL PORTFOLIO & PIPELINE

	OPERATIONAL PORTFOLIO				PIPELINE							
	2020		2021		2022		2023		>2023		TOTAL	
	HOTELS	ROOMS	HOTELS	ROOMS	HOTELS	ROOMS	HOTELS	ROOMS	HOTELS	ROOMS	HOTELS	ROOMS
Owned	43	13,126	37	11,854	-	-	-	-	-	-	-	-
Leased	103	20,984	105	21,872	-	-	2	211	1	271	3	482
Management	124	37,538	129	38,822	8	2,548	21	4,912	11	2,897	40	10,357
Franchised	47	10,928	45	11,224	4	867	4	494	1	180	9	1,541
Total	317	82,576	316	83,772	12	3,415	27	5,617	13	3,348	52	12,380

## CHANGES TO THE PORTFOLIO

OPENINGS				DISAFFILIATIONS			
HOTEL	CITY	MANAGED	ROOMS	HOTEL	CITY	MANAGED	ROOMS
Innside Amsterdam	Amsterdam	Leased	328	Tryp Medellín	Medellin	Franchised	140
Melia Chongqing	Chongqing	Management	230	Sol House Taghazout Bay Surf	Agadir	Management	91
Playa Esperanza Resort Affiliated by Meliá	Muro (Mallorca)	Franchised	565	Melia Saidia Garden All Incl. Golf Resort	Saidia	Management	150
Sol Cosmopolitan Rhodes	Rhodes	Franchised	377	Melia Saidia Garden Golf Resort	Saidia	Management	397
Innside Newcastle	Newcastle	Leased	161	Meliá Girona	Girona	Management	111
Innside Luxembourg	Luxembourg	Leased	123	Tryp Madrid Chamberi	Madrid	Leased	72
Sol Oasis Marrakech	Marrakech	Management	211	Tryp Celle	Celle	Leased	126
Meliá Frankfurt City	Frankfurt am Main	Leased	431	Tryp Porto Expo	Leca da Palmeira	Franchised	120
Palacio de Avilés Affiliated by Meliá	Avilés	Franchised	78	Tryp Montijo Parque Hotel	Montijo	Franchised	84
Halley Hotel & Apartments Affiliated by Meliá	Benidorm	Franchised	106	Tryp Porto Centro	Porto	Franchised	62
Innside Liverpool	Liverpool	Leased	207	Tryp Valladolid Sofia Parquesol	Valladolid	Leased	70
ME Barcelona	Barcelona	Leased	164	Tryp Leiria	Leiria	Franchised	70
Meliá Phuket Mai Khao	Phuket	Management	100	Meliá Shanghai Hongqiao	Shanghai	Management	185
				Tryp Lisboa Caparica Mar	Lisbon	Franchised	354



## Results by region

### Region SPAIN

#### FINANCIAL RESULTS

##### OWNED & LEASED

(millions of €)	2020	2021	Δ%
<b>Revenues Owned and Leased Hotels</b>	<b>167.6</b>	<b>303.6</b>	<b>81.1%</b>
Owned	71.6	112.9	57.5%
Leased	96.0	190.8	98.7%
<b>Of which, Room Revenues</b>	<b>107.7</b>	<b>209.2</b>	<b>94.2%</b>
Owned	43.6	76.7	75.9%
Leased	64.2	132.5	106.6%
<b>EBITDAR</b>	<b>-28.4</b>	<b>49.2</b>	<b>273.3%</b>
Owned	-11.3	20.2	278.7%
Leased	-17.1	29.0	269.8%
<b>EBITDA</b>	<b>-28.3</b>	<b>46.1</b>	<b>263.1%</b>
Owned	-11.3	20.2	278.7%
Leased	-17.0	25.9	252.7%
<b>EBIT</b>	<b>-210.5</b>	<b>-75.7</b>	<b>64.0%</b>
Owned	-51.4	-1.3	97.5%
Leased	-159.1	-74.4	53.2%

##### MANAGEMENT MODEL

(€ millions)	2020	2021	Δ%
<b>Revenue</b>	<b>17.7</b>	<b>31.1</b>	<b>75.5%</b>
Fees from third parties	5.2	10.3	96.0%
Fees from owned and leased hotels	6.9	16.8	144.2%
Other revenues	5.6	4.0	-27.8%

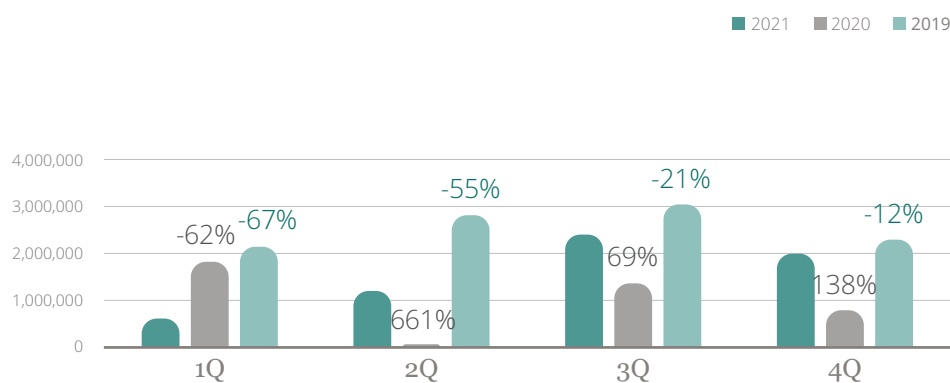
#### BUSINESS RESULTS

##### KEY STATISTICS

	OWNED & LEASED						OWNED, LEASED AND MANAGED					
	OCCUPANCY		ARR		REVPAR*		OCCUPANCY		ARR		REVPAR*	
	%	Δ (pp)	€	Δ%	€	Δ%	%	Δ (pp)	€	Δ%	€	Δ%
<b>Total SPAIN Hotels</b>	<b>46.2%</b>	<b>2.0</b>	<b>€ 121.6</b>	<b>14.1%</b>	<b>€ 56.2</b>	<b>19.3%</b>	<b>45.3%</b>	<b>3.9</b>	<b>€ 118.9</b>	<b>19.6%</b>	<b>€ 53.9</b>	<b>30.8%</b>
Resort	46.7%	-1.3	€ 146.5	23.3%	€ 68.4	20.0%	47.3%	3.6	€ 131.8	26.0%	€ 62.3	36.3%
City	45.9%	4.4	€ 101.4	-22.1%	€ 46.5	16.9%	43.2%	4.5	€ 103.5	11.9%	€ 44.7	24.8%

(\*) Note: the calculation of RevPAR only takes into account open hotels.

##### ROOMS AVAILABLE



## OPERATIONAL PORTFOLIO & PIPELINE

	OPERATIONAL PORTFOLIO				PIPELINE							
	2020		2021		2022		2023		>2023		TOTAL	
	HOTELS	ROOMS	HOTELS	ROOMS	HOTELS	ROOMS	HOTELS	ROOMS	HOTELS	ROOMS	HOTELS	ROOMS
Owned	20	5,328	14	3,957	-	-	-	-	-	-	-	-
Leased	66	14,509	64	14,228	-	-	-	-	1	271	1	271
Management	42	13,104	46	14,235	-	-	1	308	4	1,435	5	1,743
Franchised	13	2,111	16	2,860	2	245	-	-	-	-	2	245
Total SPAIN	141	35,052	140	35,280	2	245	1	308	5	1,706	8	2,259

## CHANGES TO THE PORTFOLIO

OPENINGS				DISAFFILIATIONS			
HOTEL	CITY	MANAGED	ROOMS	HOTEL	CITY	MANAGED	ROOMS
Playa Esperanza Resort Affiliated by Meliá	Muro (Mallorca)	Franchised	565	Sol House Taghazout Bay Surf	Agadir	Management	91
Sol Oasis Marrakech	Marrakech	Management	211	Meliá Saidia Garden All Incl. Golf Resort	Saidia	Management	150
Palacio de Avilés Affiliated by Meliá	Avilés	Franchised	78	Meliá Saidia Garden Golf Resort	Saidia	Management	397
Halley Hotel & Apartments Affiliated by Meliá	Benidorm	Franchised	106	Meliá Girona	Girona	Management	111
ME Barcelona	Barcelona	Leased	164	Tryp Madrid Chamberi	Madrid	Leased	72
				Tryp Valladolid Sofia Parquesol	Valladolid	Leased	70

## PERFORMANCE

In city hotels, travel and capacity restrictions in the first part of the year led to the disappearance of the MICE segment, with an impact in cities such as Barcelona, Madrid and Palma de Mallorca. During this period we kept the minimum number of hotels open in each destination. Starting in April, there was a gradual recovery in occupancy, allowing the opening of more hotels. Guests were largely from the domestic market, with bookings made through our direct channels. The MICE segment was almost inexistent, although some destinations had some sports groups, small business groups and air crews.

In the summer, second-tier “bleisure” destinations saw positive trends, closing the third quarter with occupancies in some cases higher than in 2019 thanks to a strong local market. Hotels that are more dependent on MICE business continued to suffer most due to the lack of any organised events. September did see a slight recovery in the MICE segment with smaller meetings. At the end of September, practically all of our city hotels were open.

The last quarter of the year started with reservations already above previous months. Although last-minute sales were still very important, the difference compared to 2019 was getting less every month. The increase in the “Corporate Travel” segment should be highlighted, as it began to recover somewhat earlier. During public holidays and the summer-holiday period, we saw a strong recovery in occupancy thanks to leisure travellers. At the beginning of December, reservations began to slow down and the number of cancellations began to grow due to the Omicron variant.

In resort hotels, the year began with the reopening of hotels in May and June. Sales improved every week from May after the reopening of the hotels, with a high dependence at the beginning of summer on domestic guests and on direct bookings and OTAs. As restrictions on cross-border travel eased, especially in the United Kingdom, a gradual improvement was seen in international markets and from the key tour operators, with the exception of the final days of December due to the latest wave of infections.

There were positive results in upscale hotels, especially for superior rooms, and we managed to achieve higher revenues in the peak summer months than in 2019, with some of the hotels beating their best-ever performances in average rate.

#### **OUTLOOK 2022**

In spite of a continuing lack of visibility, we believe that the beginning of the year will be significantly affected by the Omicron variant, which had a significant impact on booking cancellations in January and February, but with a foreseeable recovery from March onwards. However, the bookings already made for the summer season in resort hotels in Spain are above those of 2019, especially driven by an improvement in the average price.

In city hotels in Spain we continue to depend on the domestic market. At the beginning of January, cancellations were registered for short-term groups (January and February 2022), mainly with an impact on hotels with a greater dependence on the MICE segment. Worthy of note was the positive performance in ski-resort hotels. As for the Canary Islands, this first quarter has been affected by the slowdown in reservations caused by Omicron, damaging the positive trends that had been seen in the destination. From the third week of January, we began to see an improvement in sales, with direct sales channels and tour operators providing greater volume, especially from the UK market after the decision to eliminate the need for a PCR test before returning to the country.



Melia Lebreros, Spain

## EMEA Region

### FINANCIAL RESULTS

#### OWNED & LEASED

(millions of €)	2020	2021	Δ%
<b>Revenues Owned and Leased Hotels</b>	<b>120.3</b>	<b>181.4</b>	<b>50.7%</b>
Owned	23.4	38.7	65.2%
Leased	96.9	142.7	47.2%
<b>Of which, Room Revenues</b>	<b>72.0</b>	<b>94.5</b>	<b>31.2%</b>
Owned	12.6	18.5	46.5%
Leased	59.4	76.0	28.0%
<b>EBITDAR</b>	<b>-17.1</b>	<b>26.3</b>	<b>253.4%</b>
Owned	-8.3	2.7	132.3%
Leased	-8.8	23.6	368.3%
<b>EBITDA</b>	<b>-16.7</b>	<b>26.2</b>	<b>256.6%</b>
Owned	-8.3	2.7	132.3%
Leased	-8.4	23.5	379.6%
<b>EBIT</b>	<b>-119.8</b>	<b>-57.9</b>	<b>51.6%</b>
Owned	-46.1	-21.8	52.7%
Leased	-73.7	-36.1	51.0%

#### MANAGEMENT MODEL

(€ millions)	2020	2021	Δ%
<b>Revenue</b>	<b>6.2</b>	<b>10.7</b>	<b>71.5%</b>
Fees from third parties	0.5	1.2	141.9%
Fees from owned and leased hotels	4.2	5.6	33.6%
Other revenues	1.5	3.9	152.3%

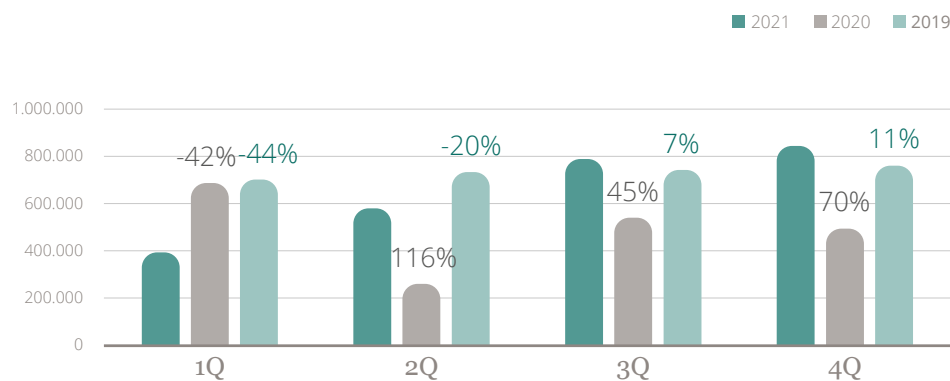
### BUSINESS RESULTS

#### KEY STATISTICS

	OWNED & LEASED						OWNED, LEASED AND MANAGED					
	OCCUPANCY		ARR		REVPAR*		OCCUPANCY		ARR		REVPAR*	
	%	Δ (pp)	€	Δ%	€	Δ%	%	Δ (pp)	€	Δ%	€	Δ%
<b>Total EMEA Hotels</b>	<b>32.6%</b>	<b>-1.7</b>	<b>€ 122.6</b>	<b>4.7%</b>	<b>€ 39.9</b>	<b>-0.4%</b>	<b>32.8%</b>	<b>-0.3</b>	<b>€ 131.7</b>	<b>7.8%</b>	<b>€ 43.2</b>	<b>6.9%</b>
Germany	29.8%	-3.5	€ 89.8	-7.4%	€ 26.8	-17.1%	29.8%	-3.5	€ 89.8	-7.4%	€ 26.8	-17.1%
France	45.0%	-7.0	€ 127.1	2.6%	€ 57.2	-11.1%	45.0%	-7.0	€ 127.1	2.6%	€ 57.2	-11.1%
United Kingdom	33.3%	0.5	€ 173.8	-1.0%	€ 57.8	0.5%	46.4%	10.7	€ 200.6	12.9%	€ 93.1	46.9%
Italy	46.4%	10.8	€ 200.6	12.9%	€ 93.1	46.9%	33.6%	1.8	€ 175.1	0.8%	€ 58.8	6.5%
Other EMEA	27.5%	-0.3	€ 130.6	-4.9%	€ 36.0	-5.8%	31.0%	5.6	€ 172.5	5.1%	€ 53.5	28.4%

(\*) Note: the calculation of RevPAR only takes into account open hotels.

#### ROOMS AVAILABLE



## OPERATIONAL PORTFOLIO & PIPELINE

	OPERATIONAL PORTFOLIO				PIPELINE							
	2020		2021		2022		2023		>2023		TOTAL	
	HOTELS	ROOMS	HOTELS	ROOMS	HOTELS	ROOMS	HOTELS	ROOMS	HOTELS	ROOMS	HOTELS	ROOMS
Owned	7	1,395	7	1,395	-	-	-	-	-	-	-	-
Leased	35	5,926	39	7,050	-	-	2	211	-	-	2	211
Management	8	812	8	812	2	637	13	3,060	1	142	16	3,839
Franchised	32	8,531	28	8,218	2	622	4	494	1	180	7	1,296
Total EMEA	82	16,664	82	17,475	4	1,259	19	3,765	2	322	25	5,346

## CHANGES TO THE PORTFOLIO

OPENINGS				DISAFFILIATIONS			
HOTEL	CITY	MANAGED	ROOMS	HOTEL	CITY	MANAGED	ROOMS
Innside Amsterdam	Amsterdam	Leased	328	Tryp Celle	Celle	Leased	126
Sol Cosmopolitan Rhodes	Rhodes	Franchised	377	Tryp Porto Expo	Leca da Palmeira	Franchised	120
Innside Newcastle	Newcastle	Leased	161	Tryp Montijo Parque Hotel	Montijo	Franchised	84
Innside Luxembourg	Luxembourg	Leased	123	Tryp Porto Centro	Porto	Franchised	62
Meliá Frankfurt City	Frankfurt am Main	Leased	431	Tryp Leiria	Leiria	Franchised	70
Innside Liverpool	Liverpool	Leased	207	Tryp Lisboa Caparica Mar	Lisbon	Franchised	354

## PERFORMANCE

From the beginning of the year, we adapted the opening of hotels to the restrictions imposed by different governments. The situation evolved slightly differently in each destination, depending on the restrictions in place and the dependence on the domestic market. The recovery process that began in the second quarter was interrupted by the sudden increase in cases in December due to the Omicron variant.

In Germany, an average of 60% of our hotels were operating at the beginning of the year after restrictions were tightened at the end of 2020. Although they have been affected by similar restrictions to the rest of Europe, the fact that the hotels depend more on domestic rather than international travel have allowed them to accommodate a certain demand for leisure and business trips. In the second quarter, with practically all the hotels open, the domestic market represented almost 64% of total demand, not only due to the border closures we had up to May, but also because of the subsequent travel restrictions and quarantine requirements. In the third quarter, hotels with a strong leisure component had a good summer thanks to the domestic markets, just as they had in 2020. The greatest difficulty in the region has been the lack of large trade fairs and MICE business, as most companies have still not lifted their restrictions on travel. As of September, a general improvement was seen throughout the region thanks to the peculiar business mix in that month, in which corporate travel and MICE appeared for the first time since 2020, and even some trade fairs were held, in addition to strong demand for leisure travel at the weekends. The positive trend ended in mid-November due to the spread of Covid, with restrictions reimposed and the cancellation of Christmas markets and closure of restaurants.

The situation in the UK was the most difficult in Europe. The country was under a very restrictive lockdown in the first quarter and all of our hotels were closed throughout



the period. In the second quarter, with all the hotels having been open since mid-May, we focused on a purely local market. The performance was different in Manchester and Newcastle compared to London, with the former being less dependent on international travel. In the summer, London was negatively affected by travel restrictions which made it difficult for international travellers to visit. Manchester managed to exceed 2019 revenues, thanks to a great number of domestic customers. Along the same lines, the openings in Newcastle and Liverpool have also seen encouraging results.

In Italy, as in the majority of regions, the first quarter was affected by strict COVID restrictions. From the end of March, the government imposed even more restrictive measures, closing businesses, imposing a curfew and further limiting travel. From the third quarter onwards, thanks to the high rates of vaccination, the restrictions were gradually reduced, allowing a large number of scheduled events to take place. This caused a rebound in demand in all destinations in the country.

In France, the only hotel operating since the beginning of the year was the Ininside Charles de Gaulle (Paris), taking advantage of airport traffic and stays by airline crews. In the second quarter, the main trade fairs and congresses in Paris for 2021 were all postponed to 2022 or 2023 or cancelled. September saw the beginning of a recovery, with an increase in demand, particularly in "bleisure" hotels, leading us to reopen 2 more of our hotels. The recovery was very quick, allowing the highest occupancy in the area to be reached in October. Overall, October was the strongest month of 2021, also due to a notable contribution from the MICE segment.

## **OUTLOOK 2022**

The beginning of 2022 has seen a significant increase in Covid infections throughout Europe. In Germany, the trade fairs scheduled for the first quarter are being cancelled or postponed to the second half of the year, although in recent weeks we have been receiving booking requests for groups for the end of March. The United Kingdom is starting to show signs of recovery, with weekend business doing much better, especially in our lifestyle brands. However, tight restrictions across Europe are having a negative effect.

In Italy, the government has decided to increase restrictions, which has led to an increase in cancellations, particularly from groups. A gradual improvement is expected in February and March, taking into account that the main events have still not been cancelled.

The same situation can be seen in Paris, where there is a general lack of demand affecting all segments, and almost no MICE business at all. The only positive trend is at the Ininside Charles de Gaulle thanks to more airport traffic. However, we are confident about a quick recovery from March onwards, taking into account the trend we saw in September.

## Americas Region

### FINANCIAL RESULTS

#### OWNED & LEASED

(millions of €)	2020	2021	Δ%
<b>Revenues Owned and Leased Hotels</b>	<b>125.8</b>	<b>219.6</b>	<b>74.5%</b>
Owned	118.7	202.9	70.9%
Leased	7.1	16.7	134.7%
<b>Of which, Room Revenues</b>	<b>55.7</b>	<b>99.7</b>	<b>79.0%</b>
Owned	50.1	86.3	72.3%
Leased	5.6	13.4	139.1%
<b>EBITDAR</b>	<b>-16.9</b>	<b>26.8</b>	<b>259.1%</b>
Owned	-13.2	24.5	286.4%
Leased	-3.7	2.3	161.9%
<b>EBITDA</b>	<b>-17.9</b>	<b>24.6</b>	<b>237.3%</b>
Owned	-13.2	24.5	286.4%
Leased	-4.8	0.1	101.8%
<b>EBIT</b>	<b>-79.3</b>	<b>-11.2</b>	<b>85.9%</b>
Owned	-58.7	-5.3	91.0%
Leased	-20.6	-5.9	71.4%

#### MANAGEMENT MODEL

(€ millions)	2020	2021	Δ%
<b>Revenue</b>	<b>16.5</b>	<b>16.0</b>	<b>-3.1%</b>
Fees from third parties	1.6	1.4	-13.9%
Fees from owned and leased hotels	6.1	12.5	105.4%
Other revenues	8.8	2.1	-76.4%

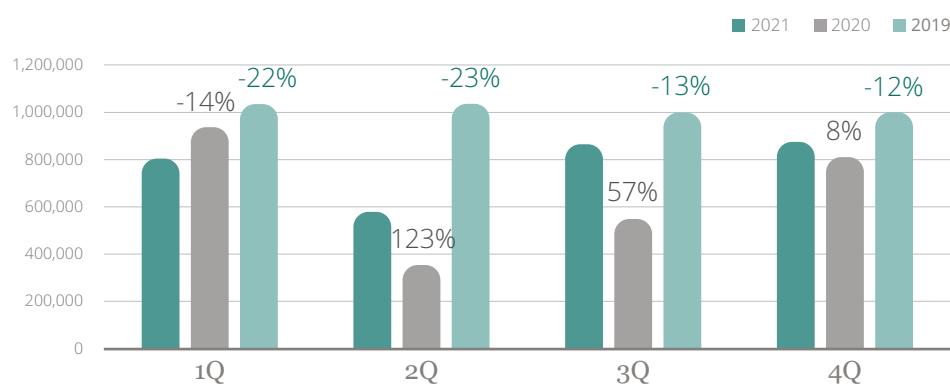
### BUSINESS RESULTS

#### KEY STATISTICS

	OWNED & LEASED						OWNED, LEASED AND MANAGED					
	OCCUPANCY		ARR		REVPAR*		OCCUPANCY		ARR		REVPAR*	
	%	Δ (pp)	€	Δ%	€	Δ%	%	Δ (pp)	€	Δ%	€	Δ%
<b>Total Hotels AMERICA</b>	<b>42.4%</b>	<b>5.3</b>	<b>€ 107.2</b>	<b>-2.1%</b>	<b>€ 45.4</b>	<b>11.9%</b>	<b>37.8%</b>	<b>8.1</b>	<b>€ 95.0</b>	<b>-6.5%</b>	<b>€ 35.9</b>	<b>19.2%</b>
Brazil	-	-	-	-	-	-	30.4%	12.5	€ 47.0	-23.8%	€ 14.3	29.0%
Mexico	50.2%	9.1	€ 116.3	-7.6%	€ 58.4	13.0%	50.2%	9.2	€ 116.3	-7.6%	€ 58.4	13.0%
Dominican Republic	41.6%	-4.9	€ 90.1	-8.8%	€ 37.5	-18.4%	41.6%	-4.9	€ 90.1	-8.8%	€ 37.5	-18.4%
Others AMERICA	30.1%	5.1	€ 115.2	24.3%	€ 34.6	49.3%	28.1%	0.2	€ 121.1	10.8%	€ 34.0	11.7%

(\*) Note: the calculation of RevPAR only takes into account open hotels.

#### ROOMS AVAILABLE



## OPERATIONAL PORTFOLIO & PIPELINE

	OPERATIONAL PORTFOLIO				PIPELINE							
	2020		2021		2022		2023		>2023		TOTAL	
	HOTELS	ROOMS	HOTELS	ROOMS	HOTELS	ROOMS	HOTELS	ROOMS	HOTELS	ROOMS	HOTELS	ROOMS
Owned	16	6,403	16	6,502	-	-	-	-	-	-	-	-
Leased	2	549	2	594	-	-	-	-	-	-	-	-
Management	17	3,933	17	3,918	1	498	-	-	-	-	1	498
Franchised	2	286	1	146	-	-	-	-	-	-	-	-
Total AMERICA	37	11,171	36	11,160	1	498					1	498

## CHANGES TO THE PORTFOLIO

OPENINGS				DISAFFILIATIONS			
HOTEL	CITY	MANAGED	ROOMS	HOTEL	CITY	MANAGED	ROOMS
				Tryp Medellín	Medellin	Franchised	140

## PERFORMANCE

In Mexico, the lack of border restrictions compared to other Caribbean destinations made it one of the top destinations for travellers, particularly from the United States. The segment most affected was MICE. During the first part of the year, local governments maintained moderate health and safety restrictions, allowing occupancy of 50% to 65% depending on the destination. In the summer, Mexico became the first country to return to pre-Covid revenue figures, despite the 3 hurricanes that hit the country. Although they did not cause any serious consequences, they did lead to some interruptions in demand and cancellations. The strong performance in the segments for individual travellers has offset the fall in other segments, particularly MICE. US customers made up the majority of demand, while the contribution of the Canadian, LATAM and European markets was sorely missed.

In the last quarter of the year the Canadian market recovered ground thanks to the Canadian government relaxing travel restrictions. However, in mid-December the appearance of the Omicron variant made the government once again recommend only essential travel, as did as the US State Department.

In the Dominican Republic we saw a significant spurt in demand from March onwards thanks to global progress on vaccinations, especially in the US, and the influence of the Easter period, where the rebound in the American market was accompanied by both the local and Spanish markets. In the summer, most of the arrivals were from the US, reflecting the gradual recovery in the US market, but also reflecting the weakness of other markets. On a revenue level, excluding the Paradisus Punta Cana that is still closed, figures were very similar to 2019, a year that the destination was negatively affected by media scandals. The lower occupancy was offset by an improvement in average rates. Towards the end of 2021 more reservations began to be seen from other Latin American countries.

Regarding the US, expectations were not very encouraging for the first quarter of the year, but the evolution of the pandemic and the vaccination programme in the country allowed results that were better than the original forecasts, particularly in Florida, where demand was focused on the weekends, coinciding with some of the major public holidays. The destination benefited from a desire for vacations along with the fact that other domestic destinations were not as open as Florida. This trend will likely slow down as hotels in California or New York begin to reopen. New York saw a gradual improvement from the third quarter, although with a greater dependence on the local market.

## OUTLOOK 2022

Just like in other destinations, in Mexico and the Dominican Republic the Omicron variant and alerts about non-essential travel from the governments of the United States and Canada increased the number of cancellations in all segments for the first two months of the year. Group business has also been cancelled, together with requests to move events, initially planned for the first quarter to the third and fourth quarters of 2022. On the other hand, we are still seeing a large number of group requests (RFPs) for the second part of 2022 and for 2023.

In the USA, booking and cancellation trends seen in the latter part of December 2021 continue to spill over into the first quarter of 2022, with many companies extending remote working policies indefinitely. The Inside New York is focusing its strategy for the coming months on domestic travellers. Meliá Orlando is expected to perform at the same level as 2019. For other countries in Latin America, January and February are considered the low season for holidays, with the MICE and Corporate Travel segments expected to pick up again as of March, when the main trade fairs and events are scheduled.



Meliá Seville, Spain

## ASIA Region

### FINANCIAL RESULTS

#### OWNED & LEASED

(millions of €)	2020	2021	Δ%
Revenues Owned and Leased Hotels	N.A.	N.A.	-
Owned			
Leased			
Of which, Room Revenues	N.A.	N.A.	-
Owned			
Leased			

#### MANAGEMENT MODEL

(€ millions)	2020	2021	Δ%
Revenue	2.3	3.1	36.6%
Fees from third parties	1.6	1.7	6.0%
Fees from owned and leased hotels	0.0	0.0	-
Other revenues	0.7	1.5	102.9%

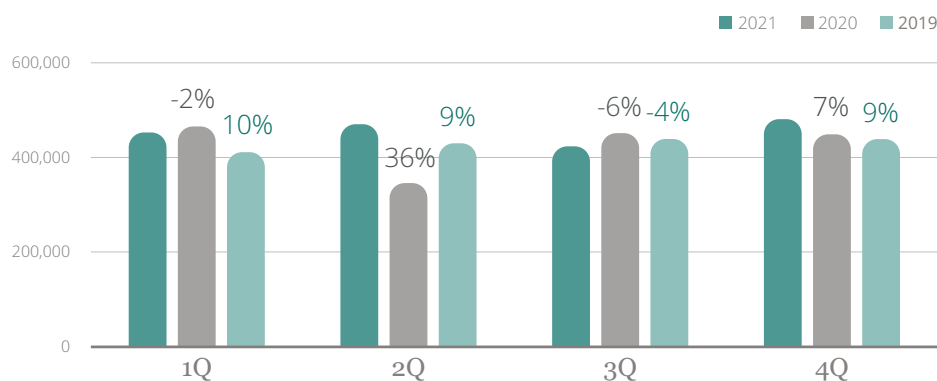
### BUSINESS RESULTS

#### KEY STATISTICS

	OWNED & LEASED						OWNED, LEASED AND MANAGED					
	OCCUPANCY		ARR		REVPAR*		OCCUPANCY		ARR		REVPAR*	
	%	Δ (pp)	€	Δ%	€	Δ%	%	Δ (pp)	€	Δ%	€	Δ%
Total ASIA Hotels	-	-	-	-	-	-	28.2%	-2.8	€ 68.6	-1.9%	€ 19.4	-10.6%
China	-	-	-	-	-	-	45.8%	-2.9	€ 78.1	22.1%	€ 35.8	14.9%
Southeast Asia	-	-	-	-	-	-	20.3%	-4.6	€ 58.9	-20.3%	€ 11.9	-35.1%

(\*) Note: the calculation of RevPAR only takes into account open hotels.

#### ROOMS AVAILABLE



#### OPERATIONAL PORTFOLIO & PIPELINE

	OPERATIONAL PORTFOLIO				PIPELINE							
	2020		2021		2022		2023		>2023		TOTAL	
	HOTELS	ROOMS	HOTELS	ROOMS	HOTELS	ROOMS	HOTELS	ROOMS	HOTELS	ROOMS	HOTELS	ROOMS
Owned	-	-	-	-	-	-	-	-	-	-	-	-
Leased	-	-	-	-	-	-	-	-	-	-	-	-
Management	25	5,773	26	5,941	4	1,012	4	1,021	6	1,320	14	3,353
Franchised	-	-	-	-	-	-	-	-	-	-	-	-
Total ASIA	25	5,773	26	5,941	4	1,012	4	1,021	6	1,320	14	3,353



## CHANGES TO THE PORTFOLIO

OPENINGS				DISAFFILIATIONS			
HOTEL	CITY	MANAGED	ROOMS	HOTEL	CITY	MANAGED	ROOMS
Melia Chongqing	Chongqing	Management	230	Meliá Shanghai Hongqiao	Shanghai	Management	185
Meliá Phuket Mai Khao	Phuket	Management	100				

## PERFORMANCE

2021 was a year very much affected by the different stages of the pandemic for our hotels in China. From March to July, when the pandemic was fully under control in the country, we saw revenues higher than in 2020 and in line with 2019. In the rest of the year, and especially during the second half of the year, the Government re-established restrictions to control the pandemic. This caused a decrease in occupancy in all our hotels, affecting all segments, but especially the group segment due to capacity limitations.

For the rest of the portfolio in Southeast Asia, most of the hotels remained closed in the first half of the year due to travel restrictions or a general lack of business. Only those resort hotels with a focus on the domestic market have managed to replace the loss of the international market, but with a reduction in average rates. There has also been a drop in revenues in city hotels due to the lack of business in the “Corporate Travel” segment.

## OUTLOOK 2022

China has started the year with a situation similar to the final months of 2019. The different outbreaks in various cities in China caused their closure, along with strong government restrictions to limit movement between provinces. After the Chinese New Year, a rapid recovery in demand is expected to maintain revenues above the previous year.

In Southeast Asian countries a similar situation to the end of 2021 is expected for the first few months of the year. Strategies are focusing on domestic markets in the first semester, with international markets not expected to open until the second half of the year.

## CUBA Region

### FINANCIAL RESULTS

#### OWNED & LEASED

(millions of €)	2020	2021	Δ%
Revenues Owned and Leased Hotels	N.A.	N.A.	-
Owned			
Leased			
Of which, Room Revenues	N.A.	N.A.	-
Owned			
Leased			

#### MANAGEMENT MODEL

(€ millions)	2020	2021	Δ%
Revenue	1.9	2.5	31.2%
Fees from third parties	1.5	2.4	67.3%
Fees from owned and leased hotels	-	-	-
Other revenues	0.5	0.1	-80.0%

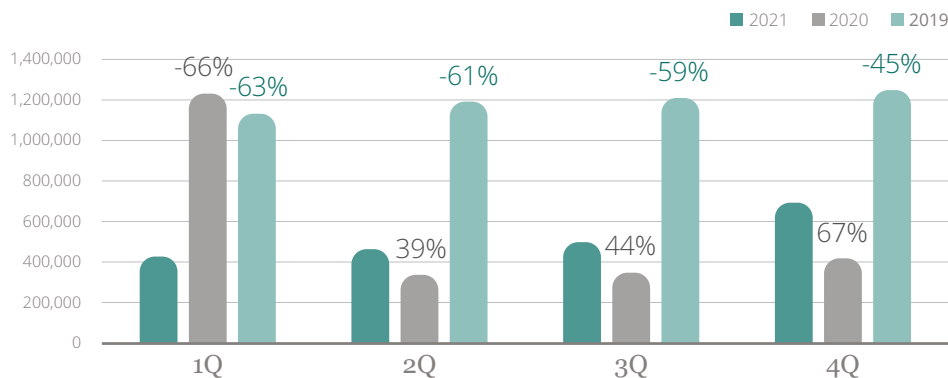
### BUSINESS RESULTS

#### KEY STATISTICS

	OWNED & LEASED						OWNED, LEASED AND MANAGED					
	OCCUPANCY		ARR		REVPAR*		OCCUPANCY		ARR		REVPAR*	
	%	Δ (pp)	€	Δ%	€	Δ%	%	Δ (pp)	€	Δ%	€	Δ%
Total CUBA Hotels	-	-	-	-	-	-	19.7%	-13.7	€ 66.9	-26.7%	€ 13.2	-56.8%

(\*) Note: the calculation of RevPAR only takes into account open hotels.

#### ROOMS AVAILABLE



#### OPERATIONAL PORTFOLIO & PIPELINE

	OPERATIONAL PORTFOLIO				PIPELINE							
	2020		2021		2022		2023		>2023		TOTAL	
	HOTELS	ROOMS	HOTELS	ROOMS	HOTELS	ROOMS	HOTELS	ROOMS	HOTELS	ROOMS	HOTELS	ROOMS
Owned	-	-	-	-	-	-	-	-	-	-	-	-
Leased	-	-	-	-	-	-	-	-	-	-	-	-
Management	32	13,916	32	13,916	1	401	3	523	-	-	4	924
Franchised	-	-	-	-	-	-	-	-	-	-	-	-
Total CUBA	32	13,916	32	13,916	1	401	3	523			4	924

#### CHANGES TO THE PORTFOLIO

There have been no changes in the portfolio.

## PERFORMANCE

After the controlled reopening of borders in November 2020, the new wave of the pandemic once again reduced the number of flights and passengers from the beginning of the new year, including the cancellation of flights from Canada and the United Kingdom. The number of weekly flights from Russia grew in the second quarter, making Russia the country with the greatest contribution of customers and revenue. After having only five hotels open at the beginning of the year, by the summer the growth of the Russian market allowed that to be extended to seven hotels, in addition to the Sol Cayo Coco which was still acting as a converted hospital.

In the third quarter of the year, the number of flights and passenger arrivals continued in rise slowly. The first positive news came in early July in the Canadian market, with the restart of weekly flights to Varadero and Cayo Coco by Air Canada Vacations complementing existing operations started by Russian tour operators.

After the reopening of borders, the number of flights and visitor arrivals improved notably from November 15th. In fact, from the first week of October, Sunwing restarted operations from Canada, with weekly flights to Varadero and Cayo Coco. After the further relaxation of health protocols for travellers, this was also extended to Holguín and Cayo Santa Maria. Other feeder markets such as Poland, Germany and Mexico, also announced the renewal of flights. This growth in the number of flights was a decisive factor in ending the year with twenty hotels in operation in the country.

Over the year, important repairs and renovations have been carried out in several of the hotels, among them Sol Santa Maria in Cayo Santa Maria, Sol Río de Mares in Holguín, Paradisus Varadero and the future Sol Caribe Beach (former Sol Coral), both in Varadero. Finally, we should note the progress in works on the new Meliá Trinidad, with the opening scheduled for winter 2022.

## OUTLOOK 2022

In Cuba, stronger health control measures for foreign visitors put in place on January 5 are affecting the recovery of tourism, although demand is projected to grow significantly compared to the first quarter of 2021. Work on the improvement of several hotels will continue over the first quarter of 2022.

## Club Meliá & The Circle

At the end of 2021, sales reached US\$33.5M, -29% down on 2019, but +26% above 2020. The 2021 result can be considered positive in the light of the major challenges created by low hotel occupancy due to the pandemic, meaning up to -43% less eligible couples over the year compared to 2019 for potential sales. The improvement in this percentage in terms of sales was made possible by the efficiencies achieved in the sales room, growth in remote sales, Circle membership upgrades and the opening of new sales rooms and products.

Remote sales were an important support for the business at the beginning of the year until occupancy levels got back to normal, and by the end of the year had become a key part of strategy as an additional source for generating new prospects and reaching out to partners not staying at the property. Remote sales reached US\$3.2M, contributing 10% of total sales achieved over the year.

The opening of new sales rooms and product development to generate greater sales and the expansion of the customer portfolio also contributed to the numbers achieved in 2021. Two new sales rooms were opened: the Circle sales room in Los Cabos and the marketing of the Destinations product in Punta Cana.

## Real estate business

During the year, Meliá transferred 6 of its owned hotels and its stake in 2 additional hotels to another company. The group of companies resulting from this transfer will maintain ownership and management of the 8 hotel assets: Gran Meliá Victoria (Mallorca), Meliá Tamarindos (Gran Canaria), Meliá Granada, Sol Beach House Menorca, Meliá Salinas (Lanzarote), Ininside Bosque (Mallorca), Meliá Atlanterra (Cádiz) and Ininside Zaragoza, with a total of 1,801 rooms.

Meliá will retain a 7.5% stake in the parent company of said group. We also retain the management of the 8 hotels through long-term management contracts and, based on certain success indicators, will be able to exercise purchase options for the hotels in the future at market rates.

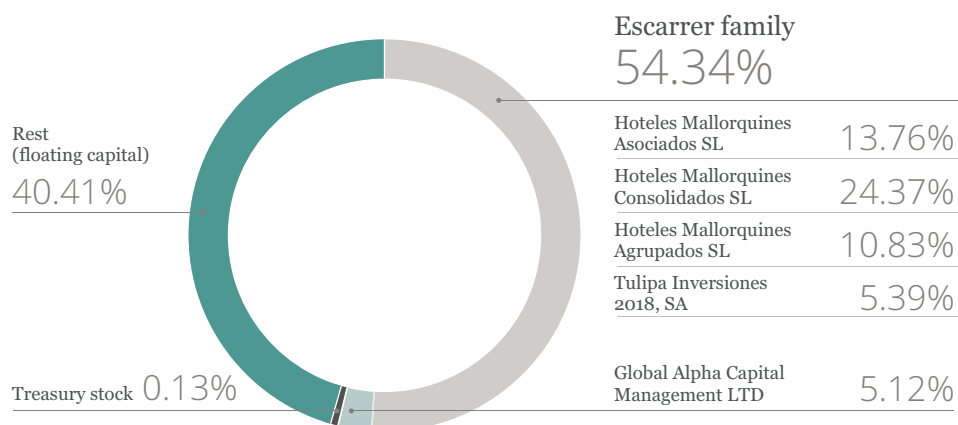
The total value of the transaction amounts to €203.9 million. Discounting Meliá's residual interest, taxes and other expenses, the impact on cash flow is €170 million, generating capital gains at the EBITDA level of approximately €64 million.

The company thus delivers on its commitment to make divestments to increase liquidity after the crisis caused by Covid-19. This operation also reinforces our asset rotation strategy and the consolidation of our management model. The company continues to analyse additional asset sales as an option to reduce debt.

## Value for our shareholders

### SHAREHOLDER DISTRIBUTION

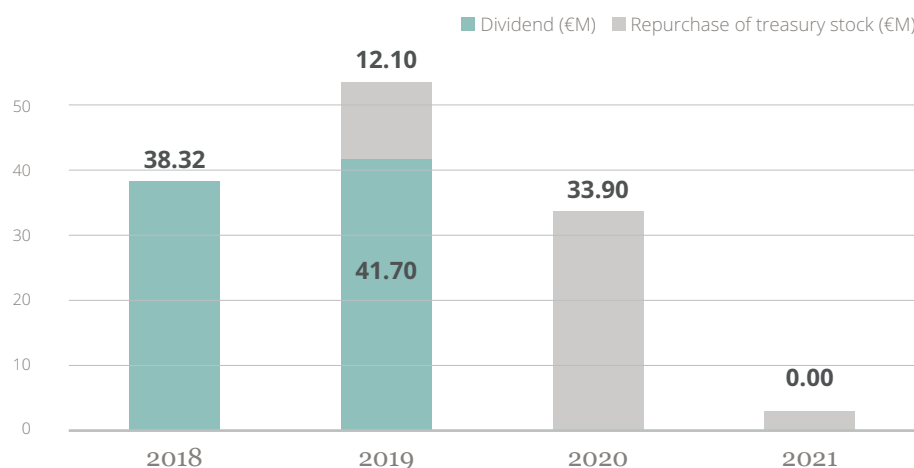
As of December 31, 2021, the shareholding structure of Meliá Hotels International is as follows: manera:



### SHAREHOLDER REMUNERATION

Shareholder remuneration policy aims to offer an attractive, predictable and sustainable dividend over time. This policy is compatible with the maximum priority of ensuring a sufficient amount of resources to guarantee investments for the future growth of the company and value creation.

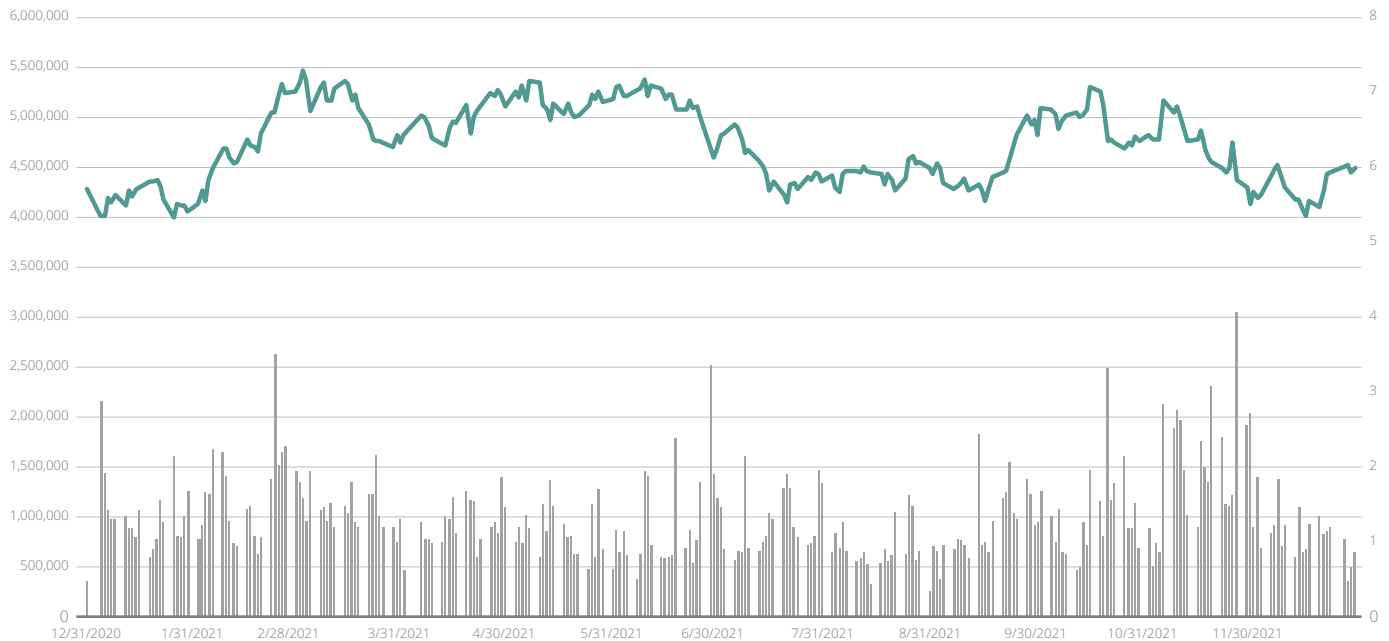
Due to the difficult situation caused by the pandemic, and in order to strengthen the company's solvency and liquidity, in an ordinary session on February 25, 2021, the Board of Directors proposed to not distribute dividends.





## STOCK MARKET EVOLUTION

During the year, our share value grew by +4.9%, while the Ibex 35 grew by +7.9%.

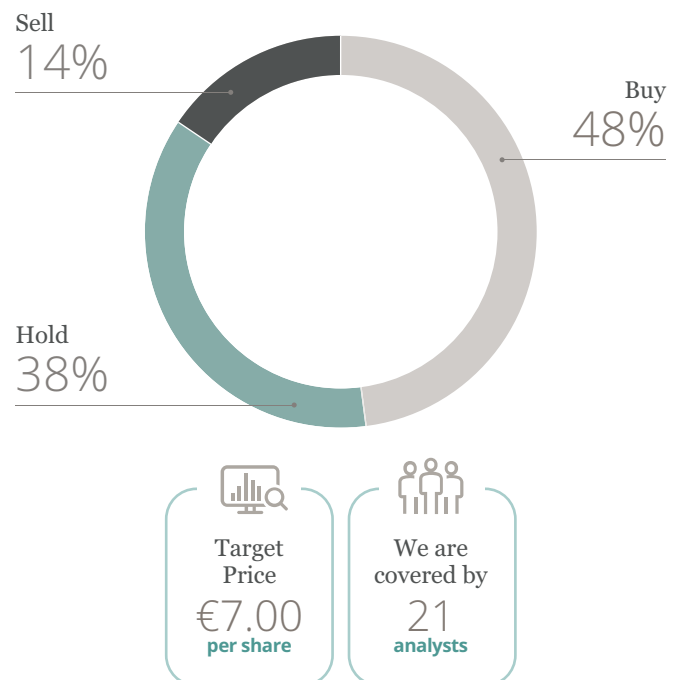


## MAIN STOCK MARKET INDICATORS

	1T 2021	2T 2021	3T 2021	4T 2021	2021
Average daily volume (thousands of shares)	1,139	924	869	1,147	1,019
Meliá (% change)	10.75%	-1.50%	3.04%	-6.66%	4.93%
Ibex 35 (% change)	6.27%	2.81%	-0.28%	-0.94%	7.93%

	2021	2020
Number of shares (millions)	220.4	220.4
Average daily volume (thousands of shares)	1,018.9	1,486.5
Maximum price (€)	7.30	8.34
Lowest price (€)	5.33	2.74
Latest price (€)	6.00	5.72
Market capitalisation (€M)	1,322.8	1,260.7
Dividend (€)	-	-

## ANALYST RECOMMENDATIONS



## 2021, a key year

Beyond the commitment to investment we have shown over the last few years and our commitment to digital transformation, in 2021 we saw the launch and activation of numerous projects with different degrees of significance. Since the pandemic period began in March 2020, we have learned numerous lessons in many areas related to our activity.

One of them was precisely the major importance of digitalisation in such a competitive business environment. For that reason, we continued to make progress in digitalising an operating model that has made us a benchmark for efficiency thanks to the technology applied throughout our value chain.

**Be Digital 360** Our digital transformation programme became increasingly relevant after its launch in 2020, and a key factor in our business strategy. The programme extends to all areas of the business through a focus on 3 areas: Front, Back and Distribution.

## Significant projects

In line with the above, in 2021 we worked on a portfolio of 12 key projects. Several of them were successfully completed during the year. Others have allowed us to lay the foundations for their continuity in 2022.

### EXPERIENCE CUSTOMER SERVICE CENTRE (ECSC)

The growing importance of the voice channel and other associated technologies (assistants, bots and mobile) in the sales process led us to digitalise our old Call Centre, increasing the capacity of the new *Customer Experience Contact Center (CECC)* through the elimination or automation of low-value processes (particularly the use of an automated assistant that has reduced interactions by 12.6%), while also prioritising new channels (chat, email and high-value customer segments) focused on generating greater revenue and profitability and generating an 8% increase in the conversion rate compared to 2019 along with the prioritisation of high-value customers. We will continue to make progress in ensuring the use of technology and processes throughout the entire Customer Journey to ensure a single point of contact with the customer.

### CRS EVOLUTION (OUR BOOKING ENGINE):

In 2021 we successfully completed the migration of the booking engine and website to a cloud-based environment. We thus no longer use obsolete technology that had significantly hampered the development of our booking management. This migration of our CRS to a much more agile environment is in line with our support for innovation and constant improvement. This new solution is more efficient, faster, more scalable and more secure, and also reduces the transaction costs in our booking system.

### NEW GENERATION MELIA.COM

Our leadership in digital sales has been strengthened with the preparation of a new website which will enhance our B2C sales and distribution capacity while also seamlessly integrating our B2B, Circle and F&B offerings, allowing us to make the full range of experiences available to our online users. This new platform was designed in 2021 and will be launched in the first quarter of 2022.



### DIGITAL STAY

Our commitment to digitalising our guests' hotel stays led us to promote an online check-in system that also enhances our relationship with guests. This functionality is available for all our hotels and is in a process of constant improvement. In parallel, the Meliá APP has increased its role as a *driver* of the customer experience through the evolution of its functionality and more widespread implementation in hotels, promoting the APP both as a sales channel and, more importantly, as a digital tool which with guests can manage their stay.

### POINT OF SALE (POS) MANAGEMENT

The evolution in 2021 of the two functionality and integrations of the POS systems used by the company (Revo and Symphony) has enhanced the customer F&B experience thanks to the digitalisation of processes to allow access through different channels (mobile app, staff app, etc.) while also ensuring a better experience from a health and safety point of view. The development has made it possible to standardise processes and integrate data with our business intelligence systems, allowing a better management of all the associated data.

### PMS OPERA CLOUD CENTRALISATION

In 2021 we also carried out a global project to implement a single, centralised PMS system in a cloud-based environment in order to generate a significant number of benefits and efficiencies. It is allowing us to standardise packages and administrative concepts, ensuring better data management and more efficient operational analytics. In 2021 we designed the solution and pilot projects in Spain, EMEA and America, together with all the corresponding PMS integrations (mainly RMS, POS and ERP SAP). The exercise ended with a roll-out in more than 30 hotels which are now fully operational under the new system. Mexico is the first country operating 100% with the new system. We expect the rest of the hotels in the consolidated perimeter of Meliá to implement the solution in 2022.

### CASH FLOW EVOLUTION

In 2021 we made significant progress in the digitalisation of our cash management. This helped underpin the management of our liquidity, one of the key factors during the pandemic. The correct structuring of the data and the integration of additional data sources, allowed us to have a greater analytical capacity and thus enhance our management of such an important area in recent times.

## EMPLOYEE CENTRAL

Given that Meliá is a company that is focused on its people, the implementation of this solution in Spain allows us to move forward with greater intensity and efficiency in the digitalisation of processes associated with people management. Implementation has brought numerous benefits, from the standardisation of processes to the collection and better organisation of data, as well as the digitalisation of the employee experience, among others.

## DIGITAL EXPERIENCE

Although we have been promoting an increasingly digital culture for some time, with solutions such as eMeliá acting as a driver of the transmission of this digital culture, in 2021 we made even greater progress in the digitalisation and efficiency of processes associated with the day-to-day experience of our people. We extended the use of RPA technology to all kinds of processes and created the DigitalSpace platform to allow us to manage data in a completely new way. These solutions have greatly enhanced the interaction between our corporate offices and business units.

## DIGITAL PROCUREMENT

We successfully defined and piloted a project that will allow us to evolve our procurement processes and comprehensively manage our expenses as we move towards a 100% digital procurement model. Thanks to Coupa, a world leader in digital procurement, we have a platform to drive change in this key area for our business.

In 2021 we defined the model and all the required prototypes to begin a pilot project in selected hotels to help ensure the success of the scheduled roll-out in Spain, EMEA and America.

## TRANSFORMATION OF OPERATIONAL PROCESSES

Digitalisation at Melia has been accompanied by the reengineering of processes both in the Front Office with the Opera Cloud PMS, and in the Back Office with solutions such as Coupa. We also leveraged the current situation to redesign certain operating processes that will allow us to extract even greater value from the solutions that we have implemented. The creation of a shared services centre named Meliá Hospitality Services was accompanied by the use of all the technology required to automate a large number of its processes and redesign other processes within the context of a new centralised model.



## ANALYTICS 360

Meliá sees analytics and business intelligence as a key driver of our evolution towards decision-making models based on quality data. The implementation of the new PMS has allowed us to update all our operational analytics to better monitor the business and provide the organisation with the information required to optimise business processes.

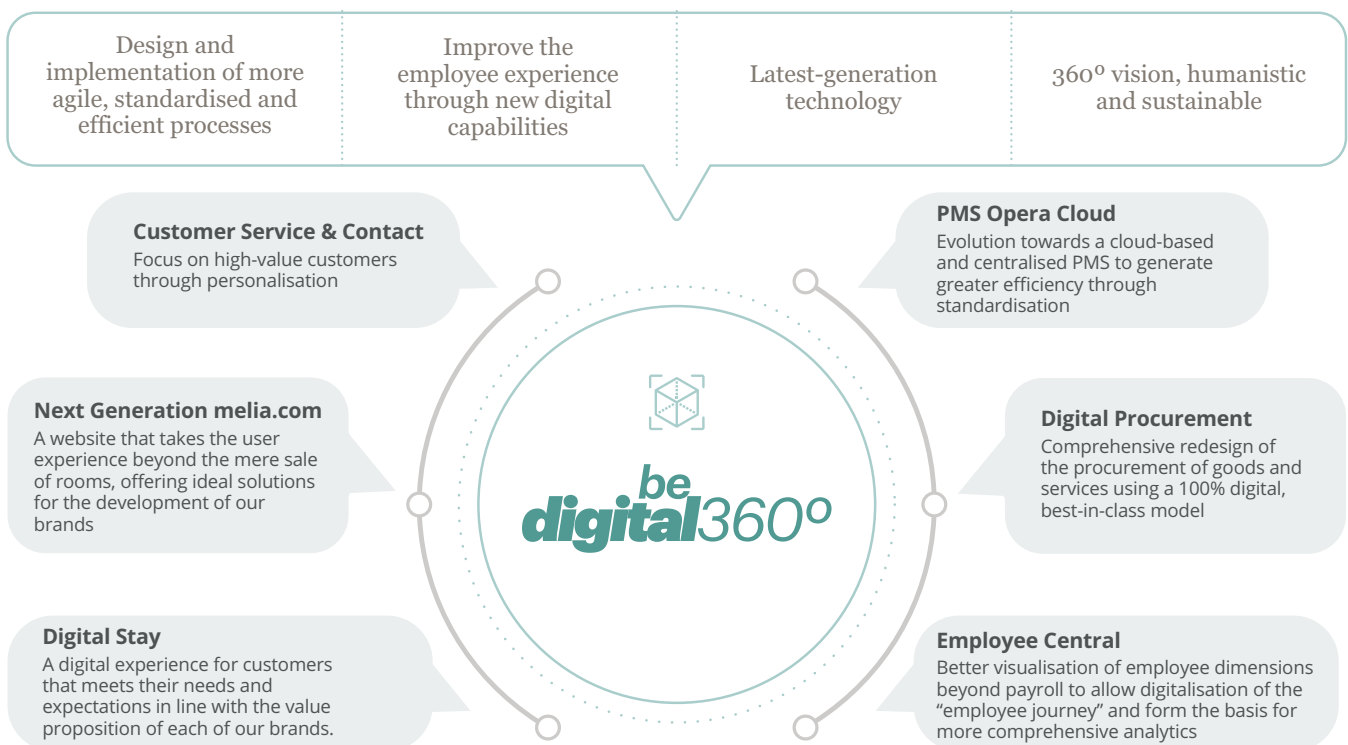
Our distribution model and price management have allowed us to constantly enhance analytics to improve our revenue and price management. Analytics has also allowed progress in other operational areas, providing managers with the tools needed to ensure more professional and efficient data management both in the Front and Back Offices.

## Challenges 2022

Our continued commitment to digital transformation in 2022 can be seen in the prioritisation of projects that will have a high impact on efficiency, with a particular focus on the experience of our customers and employees. Proof of this is *Digital Efficiency*, A key project in our strategic roadmap which aims to provide a comprehensive boost to our efficiency.

The following graph shows the most important projects in the constant evolution of our digital transformation, as well as the alignment in processes thanks to more minor technological solutions.

In another order of magnitude, Meliá also has a Cultural Transformation Plan with a far more humanistic vision of the digitalisation process. We understand that our people are a key component in ensuring an efficient and sustainable digital transformation. And that is precisely why we have designed an action plan in which training, awareness and communication play an essential role in ensuring that digitalisation becomes an intrinsic part of our company culture.





## Cybersecurity governance

In line with our digital transformation and solid governance model, we are highly committed to addressing the risks related to data security, aided by the specific experience in this area on our Board of Directors. Since 2017 we have had a regulatory system which includes a [Data Security Policy](#), reinforced by a Systems Security Regulation approved by the Executive Committee in September 2020.

The guiding principles of our Data Security Policy focus on the following:

- Personal data protection
- Secure and responsible processing of credit card data and payment methods
- Unauthorised installation or use of IT assets that may undermine intellectual and industrial property
- Computer damage
- Business continuity
- Defence of the rights regarding privacy and unauthorised access

For Meliá, the protection of the personal data of its customers and other stakeholders is a top priority. To guarantee protection, the company has all the required structures, plans and control mechanisms to ensure alignment with the applicable legislation and regulations in each country.

The key aspects covered by our Systems Security Regulation are:

- Classification of the sensitivity of data by level of confidentiality
- Data classification process
- Information systems security framework
- Associated roles
- Mandatory compliance with PCI and its external certification
- Security incidents and crisis management
- Procedures for non-compliance

## Supply chain security

We carry out analyses of data security requirements with all our suppliers based on their access to data and/or technological environments. This analysis focuses on guaranteeing compliance with the Meliá regulatory system. We have also implemented a technological risk management framework with third parties to ensure visibility and allow the verification of the security of information and technological environments within the entire supply chain.

## Security in payment systems

As part of the commitment of the company to safeguard and correctly manage credit card information, in 2021 we guaranteed PCI DSS certification of the booking environment for the eleventh consecutive year. Similarly, best practices in security are also applied to ensure proper use in the different means of payment offered to customers.

## Cloud solutions

Cloud solutions comply with all the required security measures to guarantee technological alignment with data security, risk management and regulatory compliance.

Across the whole company, starting with the most critical areas, regular safety reviews of the different solutions are carried out. The objective of this process is to regularly and systematically evaluate the alignment of security controls in each environment, measure the risks detected, and define and implement action plans.

## COVID-19 context: IT infrastructure resilience

Given a context in which teleworking has grown as a result of the pandemic, it is essential that we have all the technical and organisational measures required to ensure the continuity of operations in the safest way possible.

Thanks to the best practices implemented in Cybersecurity, we have been able to face new requirements and risks in a very agile and secure way.

We have a Security Operations Centre (SOC) which manages cybersecurity globally, monitoring and controlling security on our networks and in our system environments. We also control user access and permissions both internally and externally and also use VPN technology, double authentication and virtual desktops.

We keep the software used on the computers up to date and protect our private network through firewalls that block unauthorized access and also allow authorised communication. We use a state-of-the-art antivirus programme installed in all of our systems and hardware and we carry out mandatory cybersecurity training programmes on an annual basis to raise awareness about cybersecurity issues throughout the company. We want all of our employees to be able to enjoy the benefits of teleworking with the same security guarantees that are offered by our workplaces.

## Security incident

Last October, Meliá was affected by a security incident caused by ransomware introduced by a cybercriminal group called HIVE. Thanks to the rapid and efficient actions taken by our internal teams and the support of technology partners, we were able to respond to the attack very early on and halt the spread of the infection.

Our digital systems and services in the online market were not affected by the incident and remained operational throughout the attack, except for a controlled and managed deactivation which we used to verify and prevent them suffering any impact. The incident did not affect any personal data in Meliá Hotels International S.A. hotels.

Great efforts in damage containment allowed us to recover normal activity as quickly as possible, ensuring we could continue to offer services with the highest possible degree of data security. Our priority will continue to be the protection of our customer and stakeholder data, as indicated in our [Security Policy and Regulation](#).

EMPLOYEES TRAINED IN  
CYBERSECURITY

7,859

EMPLOYEES TRAINED IN PCI

5,715

EMPLOYEES TRAINED IN GDPR

1,888

## Sales strategy & structure

Meliá Hotels International is committed to a transformation of the sales function to adapt to the new challenges faced by the tourism industry, maintaining a focus on customer relationships and reinforcing our leadership in the main leisure and bleisure markets.

In a rapidly changing environment, we have adapted our global sales strategy to the reality in each of the destinations and regions in which we operate with the assistance of specialist teams in each market segment. In a year marked by mobility restrictions, stimulating demand has been one of our key objectives.

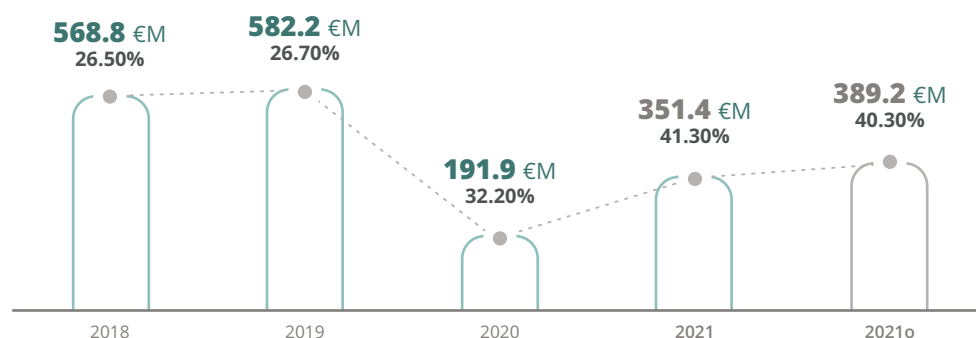
### MELIA.COM

After significant growth in recent years, melia.com has become an essential driver of improvements to company performance and also our greatest strength in an increasingly competitive environment.

#### MELIA.COM CUSTOMERS

2018	2019	2020	2021	2021o
19.8%	20.4%	28.1%	34.1%	30.0%

#### DIRECT SALES REVENUE\*



\* Percentage calculated on aggregate revenue (room + meal plan)

### VOICE OF THE CUSTOMER

We maintain our commitment to a service culture focused on customers. That is why we have added new tools and procedures to give the customer a voice, and make them the driving force behind all the company's strategic decisions.

With this in mind, we have taken a new approach to analysis to get more and better feedback throughout the customer journey, creating new communication channels which are better aligned to the needs of modern travellers, such as instant messaging and social media, among others.

## SATISFACTION LEVELS

In addition to fluid conversations with customers to improve their experience, we also pay special attention to monitoring their satisfaction. In 2021 we registered 2,034 incidents, of which 100% were answered within the time periods defined.

The **NPS (Net Promoter Score)** improved compared to previous years, despite the limitations to our service and outlets caused by the pandemic.

	2018	2019	2020	2021	2021o
<b>NPS Customers (Global)</b>	46.90%	46.10%	48.10%	48.20%	47.50%

In terms of **GSS (Guest Satisfaction Score)**, results were also positive and in line with the objectives defined.

	2018	2019	2020	2021	2021o
<b>Customer GSS</b>	82.30%	82.80%	83.00%	84.00%	82.40%

For the **QPI (Quality Penetration Index)**, which measures ourselves against the average of our competitive set, an ambitious target of 100% was defined for 2021 (3 points above 2020). Although we have not achieved this objective, we continue to make progress in our positioning in OTAs (Online Travel Agencies) to bring about a positive impact on prices.

	2018	2019	2020	2021	2021o
<b>Customer QPI</b>	96.50%	96.60%	96.50%	97.90%	100.00%

## DIGITALISATION OF THE CUSTOMER EXPERIENCE DURING THEIR STAY

Digitalisation is key to our business model, and part of our efforts are focused on improving the digital experience of customers in every stage of the customer journey. In addition to greater agility in our hotels, allowing customers to carry out certain procedures electronically, quickly and easily, our digital transformation is also improving communication with customers and helping us create a personalised experience adapted to each traveller's needs.

The digitalisation of the room experience involves two major strategic projects:

### EVOLUTION OF THE APP AS THE DRIVER OF CUSTOMER DIGITALISATION

The growing use of mobile phones by customers means that one of our goals is to make our App a useful tool for travellers, allowing access to full hotel information and procedures such as making bookings for spas or restaurants, ordering room service, requesting services or receiving special promotions. Work has been done in several different areas:

- Digitalisation of hotel content: Creation of a digital directory with full information about the hotels (restaurant information, activity schedules, menus, etc.).
- Request management: the integration of the App with Stay, Hmobile, Revo and our PMS allows customers to request services such as room service, amenities, repairs, etc.
- To reduce personal contact during the pandemic, a system for reading restaurant menus and other information using QR codes has been set up in our points of sale.

#### **DIGITALISATION OF INTERACTIONS WITH CUSTOMERS**

New technology has helped us automate processes and promote a contactless environment to improve hotel operations and also allow guests to be more independent and boost their satisfaction.

- Pre-arrival contact: Customers can access all the information they require before arrival at the hotel. We have implemented this in 99% of our hotels.
- Online check-in: The process has been digitalised to allow guests to avoid paperwork on arrival. This has also enabled us to further personalise our customer service and improve their arrival experience. We have currently implemented online check-in in 83% of our hotels.
- Digital Key: Giving continuity to the arrival experience, we have defined a process and technology which allow rooms to be opened using mobile devices once the check-in has been completed. This will be piloted in Q1 2022.
- Online check-out: We have also begun piloting the check-out process, allowing customers to see account statements and check out without having to visit reception.

#### **MELIÁ REWARDS**

In 2021, MeliáRewards played a leading role in maintaining the relationship between members, the programme and our brands fully active, while also offering numerous benefits:

- **Stimulating the desire to travel:** through keeping the best available rate open to members and a number of flexible promotions with added incentives, including pre-stay points, extra points to redeem in the hotels, extra benefits when purchasing points, as well as post-stay points for business travellers to encourage their return.
- **Maintaining membership tiers:** in 2021, members were able to move to a higher tier, but we did not demote anyone to a lower level. All of our hotels delivered all the benefits for each tier, adapting the capacity, for example, for access to superior services such as The Level.
- **Improving customer satisfaction:** through the MeliáRewards Coach, to guarantee the delivery of all the benefits of the programme in our hotels.
- **No points expiry:** given the decrease in travel, we informed members and encouraged them to use them for their next stay.
- **Increasing the number of redemption partners:** ending the year with 115 partner brands and more than 500 redemption options, in addition to our hotels.
- **Developing a gift-card programme:** for members who want to give points to their relatives or loved ones.
- **Creating educational content on social media:** to help members better understand how to get more out of the programme.



## MELIÁPRO, CORPORATE & MICE

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Business trips fulfil a very important human and social role that, far from disappearing for ever, we may need now more than ever before. Making contact, connections, the new ideas that only happen through shared experiences, whether that's with our customers, our employees, our suppliers or other stakeholders. Now is the time to support the recovery of not only business travel, but also the role of business trips as a driver of greater business activity.

MeliáPRO, the Meliá programme for B2B customers, launched the most ambitious campaign in its history in the Business Travel segment in 2021. Under the motto "Let's make the world go round again. Together we are unstoppable", we have strengthened relationships with the segment and offer benefits in all our city hotels across the world.

We also continue to work on making our relationships with our B2B customer more digital and dynamic. In 2021 we strengthened the **MeliáPRO Travel Labs** communities as an effective way of reaching out virtually to all our customers with our news.

We have also developed programmes that have made it possible to reward both the customer who stays at the hotel and the travel professional who makes the reservation. The **MeliáPRO Premium** programme for high-end customers is already in force, and the **MeliáPRO Corporate** programme for corporate customers with both fixed and dynamic rates is in the pre-launch phase.

The customer experience in the MICE segment also saw important changes in 2021. The first of these comes in the first stage of the customer journey, the beginning of the contract. An important improvement has been made using the new, more dynamic and more visual **eProposal** system. This new presentation gives access to a FirstView virtual tour to allow customers to view all the hotel spaces, and they can also virtually set up event rooms using the **Spacious** system.

The integration of the hotel PMS with the company CRM system has also guaranteed a better flow of information and increased efficiency between the different sales teams to ensure that everything related to MICE business is perfectly synchronised.

## CO-WORKING "OUT OF OFFICE"

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The pandemic has tested the ability of hotel chains to innovate and find new formulas to adapt to the needs of changing times. In this context, we entered the co-working market with the creation of the **Out Of Office** brand. We leveraged our know-how and leadership in the bleisure segment to respond to a growing demand from companies and employees who needed a well-equipped, comfortable and safe place to work.

**Out Of Office** is a concept with a strong focus on the our lifestyle brands ME by Meliá and Inside, perfect for connecting people and companies, leisure and business.

## Continued management of Covid-19

As a result of the gradual recovery of the industry in 2021 and a reduction in the impact of the pandemic, **we focused on recovering employment**, making an exhaustive analysis of each of our business units under “Break-to-Open” criteria in order to gradually recover employees as we reopened hotels. This process has been carried out with the top priority of ensuring their **health and safety**, alongside the **Stay Safe With Meliá** programme certified by Bureau Veritas for reopening hotels and guaranteeing the safety of stakeholders, including employees and customers.

As we all know, the recovery is happening at different speeds in the different countries in which we operate, and we have had to maintain certain salary reductions and furlough measures that began in 2020, while also making an effort to recover a path back to normality. The good news is that **we have managed to reduce the number of employees with salary reductions or on furlough thanks to the incipient economic recovery**.

As we will see in the following sections, **we have also implemented a new and more agile organisational model** which is better adjusted to the current needs of Meliá, designing accompaniment programmes and a culture of change to implement the new model more effectively and efficiently, including all our different stakeholders in the process and explaining the change to them in their different roles or functions.

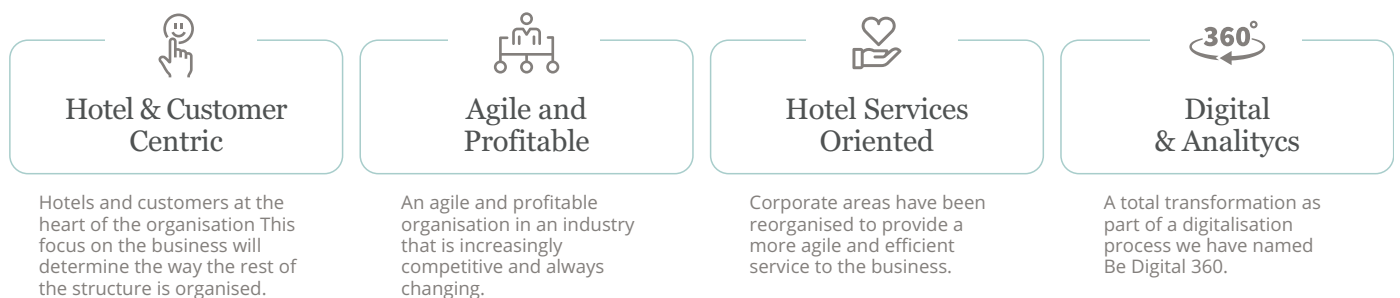
We also worked on defining a roadmap with our new strategic priorities and projects and activities related to the talent development and management.

## New organisational model – Leading a New Future

Since the end of 2019, we have been working on defining a new organisational model that would allow us to be more agile and efficient in an increasingly changing and disruptive environment. Without a doubt, 2020 was an exceptional year that made us accelerate the definition of this new organisational model to respond more quickly to the effects of the pandemic on the industry and adapt to the new and changing market.

Throughout 2021 we worked on the implementation of the new Leading a New Future model, an organisational and cultural transformation designed to create a **more agile, more profitable and more digital organisation**, allowing us to maintain our competitiveness in a business context full of uncertainty and constant change.

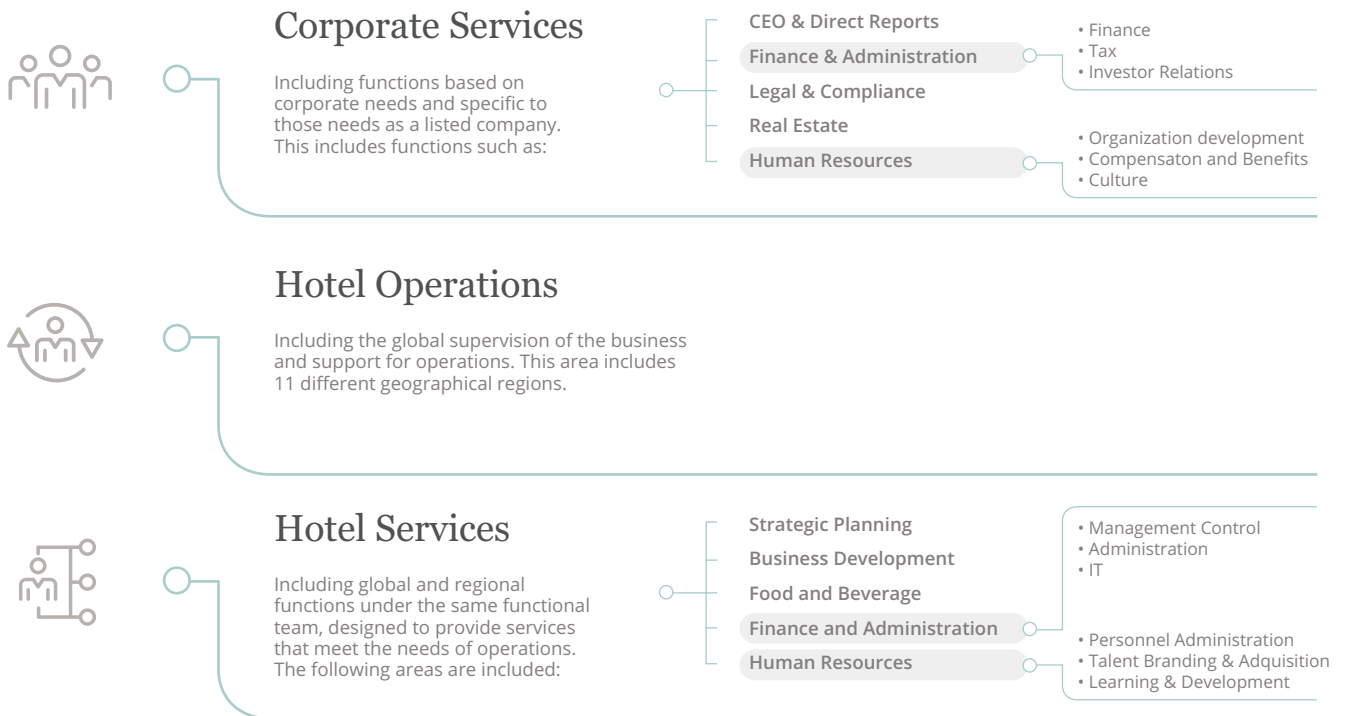
The new organisational model is based on four key areas:



In summary, this new organisational model is a change in our way of organising, working, interacting with each other and behaving that has the following objective: **become more agile and ensure profitability in an industry that is increasingly competitive and always changing, laying solid foundations adapted to the new business context.**

We have organised the company by placing customers and hotels at the heart of the organisation. The main change with respect to the previous model is the integration of the corporate and business vision under the same structure, while also enhancing our capacity as managers and optimising our service quality.

In the new model, the main functions have been reorganised into three major groups:



This new organisational model is supported by new role models adapted to each of the 3 areas mentioned above.

In summary, the new model aims to guide the entire organisation in making hotels the real central hub of the organisation, championing our vocation for service as a hallmark of the company.



## EMELIÁ TRAINING

### ACTIVE USERS

11,601

### TOTAL HOURS OF TRAINING IN EMELIÁ

101,706

### HOURS OF TRAINING PER EMPLOYEE IN EMELIÁ

8.77

### SATISFACTION

8.79

## TRAINING & GLOBAL DEVELOPMENT\*

### TOTAL INVESTMENT IN TRAINING

€ 1,417,404

### INVESTMENT IN TRAINING PER EMPLOYEE

€ 77.4

### INVESTMENT IN TRAINING / SOCIAL COST

0.31%

(\*) Aggregated perimeter

## Training and Development

GRI 404-1, 404-2

### E-MELIÁ

#### E-MELIÁ TRAINING CONTENT

In 2021, we continued to open up access to the eMELIÁ online training platform to a greater number of hotel employees, extending access to 20,000 people, an extra 5,000. Exceptional access was also given to staff to carry out the Stay Safe with Meliá training to guarantee hygiene, safety and emotional well-being protocols in all hotels.

To raise awareness about the new organisational model, **the focus was on improving skills (reskilling/upskilling), continuing with training in areas of digitalisation and new tools, as well as more content specific to the hotel industry.**

Continuity was also given to the offer of global training aimed at meeting the needs of hotel teams. To do this we created personalised training programmes for different roles and in the language of each region in which the company operates, meaning we now have training content in **more than 15 languages.**

To extend the amount of training on offer, we also continued to work with several partners of acknowledged international prestige. The key training partners are:

**GOOD HABITZ:** content to promote good habits on a personal and professional level. In 2021, eMELIÁ encouraged the completion of these training courses. 5,944 courses with certificates were carried out, involving 14,102 hours of training.

**THINKING HEADS:** training resources comprising interviews with renowned international speakers in which they share their vision of global trends in innovation, leadership, strategic vision and change management.

**LANGUAGE SCHOOL:** as a company which is increasingly global and to improve the language skills of employees, regular invitations are made to employees to access courses in more than 12 different languages. In 2021, two editions were held, with 423 people completing the course. In total, in 2021 more than 33 hours of training were carried out per user through two suppliers: Busuu, with classes via APP and Learnlight, which also includes one-to-one calls with native teachers.

**TYPSTY:** a library of more than 1,000 video training courses on hotel operations available in more than 10 languages and of great value to our teams due to the fact that they offer content which is specific to our industry. The programme was launched in November 2021.

**HOOTSUITE:** a website and mobile platform for the centralised management of the key social media (Facebook, Twitter, Instagram and LinkedIn, among others) in which Meliá is present. The company's global Social Media area has worked with HootSuite to prepare two training programmes in eMELIÁ to allow users to get the most out of the tool and also train them in concepts related to Social Marketing. Virtual sessions were also held with a group of HootSuite ambassadors in the company to amplify content on social media and humanise the brand and involving our team in their success.

**CONTENT ANYTIME:** library with more than 2,700 courses to improve the skills of our employees, including digital skills in order to enhance the company's digital transformation.

## STAY SAFE WITH MELIÁ TRAINING

### EMPLOYEES INVOLVED

4,076

### TOTAL HOURS OF TRAINING

60,087

### TRAINING HOURS PER EMPLOYEE

14.74

### SATISFACTION

9.15

The importance of the preservation of the health and safety of our employees led us to update the contents of the Stay Safe with Meliá training programme after the initial training in June 2020, including new hygiene and safety procedures and protocols. These have been implemented in all our hotels worldwide. Virtual sessions were held with our partner DIVERSEY to enhance knowledge about cleaning procedures in rooms and restaurants to guarantee the correct implementation of protocols in each and every one of the areas of hotel operations. The training also focused on the emotional well-being and resilience of our employees.

In order to support employees who have been on furlough, a **training action plan was launched to help them improve their skills and digital abilities**. A catalogue with 40 hours of training courses was designed, mainly focused on reskilling in Food and Beverage and Housekeeping. The courses also aim to empower, educate and raise awareness among employees about how the digital transformation is a driver of change. This package of actions for furloughed workers also included training activities to improve language skills and standard software packages. 192 people signed up for courses, with language training and operational reskilling being the most popular

## LEADING A NEW FUTURE TRANSFORMATION PROGRAMME

To accompany the company organisational and cultural transformation, training in our **service culture was redesigned** for each hotel brand to further reinforce and emphasise company values.

At the same time, a programme to raise awareness in the business was launched, focusing on the corporate values of Meliá Hotels International. This awareness started with our **service vocation**, using different communications and training courses for employees in corporate offices to help them take on board certain behaviours and anticipate the needs of the business to ensure we provide a quality service.

As part of our need to **attract and retain talent**, the onboarding process for new employees has been updated in hotels and corporate offices, guaranteeing a unique welcome to the company that also expresses what we are all about: **friendliness, hospitality, professionalism and creativity**. To standardise the onboarding process for all employees and help create a unique experience, training schedules have been updated online, along with the support materials used in face-to-face sessions.

To help in the reopening of hotels as the pandemic eased, a **specific training programme for hotel reopenings and rebranding** within the new organisational model was prepared. This offers a global vision to employees with a clear focus on luxury service and the service culture experience in each of our brands, reinforcing training in Food and Beverage and Customer Service. All these training programmes are complemented by our master force teams, consisting of internal expert trainers who have been helping department heads in each hotel to implement the standard operating procedures and offer personalised support to improve the customer experience.

Finally, **online training programmes have been created for new heads of department** in different areas who have risen to management positions. The training programme covers the knowledge and skills required for them to perform comfortably in their new role, dealing with topics such as change management, team management and communication and influence, among others.



## TALENT DEVELOPMENT AND SUPPORT PROGRAMMES WITHIN THE LEADING A NEW FUTURE TRANSFORMATION

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To support adaptation and the transition to the new competencies required by the new organisational model, the **DRIVE programme was specifically aimed at talented managers and key figures within the organisation**. Through an individualised evaluation of their personality traits, emotional intelligence, motivation and reasoning, this programme allows the definition of a personalised action plan for growth which acts as a roadmap for managers to strengthen their leadership skills. The programme also facilitates the accompaniment of their teams within the organisational transformation process. In 2021, 73 people were evaluated, 61 received feedback with development recommendations and 10 are in pilot coaching development programmes.

As a complement to the DRIVE programme, the **TPG programme (Transition Profile Guidance)** was launched to accompany the leaders of each area in the operations centres to assimilate the new knowledge and skills required for their development and consolidation in their new roles or in regard to their new responsibilities. In 2021, the programme involved 45 people in the first stage, including employees from the Balearic Islands, the Dominican Republic, Barcelona and Germany.

Given that internal talent is a key priority for the company, our talent map has been updated worldwide to regularly identify talent on a global level, incorporating groups from America and the Dominican Republic. This tool will help us cover internal vacancies and create personalised career plans for internal talent. Talent mapping data includes 910 people from the following areas: Spain with 695 people, EMEA with 154 people and ASIA with 61 people.

Finally, and taking into account the importance of this role at Meliá, a **new talent identification process for hotel management positions identified 71 people in 2021**. This process identifies those people who are consolidated in their current position and have the potential to occupy managerial positions and the motivation and commitment to achieve it from among the Heads and Deputy Heads of Department and the Executive and Operating Committees. Once the pre-selection process has been completed, candidates are evaluated through an Assessment Centre (identifying 24 people, of which 13 were approved to form part of the Talent Pool in 2022), in which we assess their profile and potential for growth. Once they pass the assessment, they become part of the **Hotel Management Talent Pool** and start a Development Plan that supports their development in technical skills and managerial abilities with a view to occupying hotel management positions, always adapting them to the new organisational model and current business needs.

## DEVELOPMENT OF DIGITAL SKILLS

In line with the company's objectives in process digitalisation, we have implemented training programmes in the new tools that will allow us to move towards a more digital and more efficient operating model in all areas of the organisation.

Below are some of the main projects we have launched with a training and support programme:

### EMPLOYEE CENTRAL – MY PLACE

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Training for Human Resources teams in the new Personnel Administration processes carried out in the Employee Central tool using Success Factors and SAP technology. The training covers all the different processes in personnel administration.

### DIGITAL SPACE

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In order to be able to gather new kinds of data from the business areas, Digital Space has been created as a platform to both collect and analyse this data. Several training modules have been created for each area included in Digital Space, creating an online training programme to support end users in the data collection process.

### NEW WAVE

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This training programme focuses on the Administration team, designed to support the transformation process and evolution towards a more operational role. The goal is for them to be able to analyse data and also communicate that data appropriately, connecting the relevant parts of the data to provide solutions to the challenges and opportunities faced by the business and actively participating in company decision making. The programme is aimed at 213 people worldwide for business partners.

### SAP COUPA

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Training for the Procurement & Technical Services teams in SAP Coupa, a new procurement tool used by the company. In this first stage, training was carried out by webinar on eMELIÁ for employees in all areas to explain the key functionalities of the tool and the different processes available within it. It is also accompanied by 8 training sessions for support and to respond to any doubts.

### OPERA CLOUD

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Opera Cloud was implemented as the only PMS in our hotels in 2021, and a powerful training programme was developed to help employees master the changes in the new system. 7 specific training programmes were prepared for the different roles and departments with digital courses and standard operating procedures related to all the processes carried out every in the PMS in hotels. The content also acts like a library that employees can access to optimise their use of the tool. At the end of 2021, a total of 1,024 employees had already completed the training.

## Benefits for employees

GRI 102-35

Meliá is always committed to its people and has continued to extend the benefits for employees through the **MyBenefits programme**, a very relevant component in the enhancing of the so-called “emotional salary”. This programme provides flexible options adapted to the needs of each person and currently consists of:

- **BeFlex** a flexible remuneration programme for employees which offers a range of options to buy products and services such as health insurance, childcare, transportation, training or daily meals with significant tax advantages.
- **Privilege**, an employee discount programme offering a wide range of discounted products and services for all employees, regardless of their place of work.
- **My Insurance**, with access to special coverage for vehicles, home, life, death, travel and overseas health.
- **My Finances**, programme providing access to Bankinter financial products through a virtual office.
- **Me Wellness**, a programme to promote healthy lifestyles among our employees. Through an agreement with AndJoy, our teams in Spain and Italy have access to more than 1,000 gyms.
- **My social responsibility**, through which employees can make donations to charitable causes and benefit from special prices on sustainable and socially responsible products.

Work continues on the MyBenefits programme to extend benefits for company employees.

## New ways of working

### ORGANISATION OF WORK HOURS AND SPACES

Continuing with the measures adopted in 2020 to maximise health and safety due to the pandemic, teleworking was still used as a temporary option, also adjusting things to the maximum capacity allowed in closed spaces by legislation and avoiding a concentration of employees in corporate offices. Flexibility was temporarily offered to departments to plan attendance in the different corporate offices and guarantee a gradual return to the office which would always take into account and respect the guidelines in terms of workplace health and safety.

In order to improve the work-life balance of employees, various flexibility measures were also introduced, while always guaranteeing an appropriate level of service to the business.

### WORKPLACE DIGITALISATION

Due to the pandemic, several measures related to the digitalisation of the workplace were taken in 2020. Some tools, such as Microsoft Teams, have become a general work tool in 2021 for internal communication and cooperation between the different teams, encouraging coordination and enhancing project work.

We currently have 1,832 Active Teams and 5,456 Active Users

### MELIÁHOME AND KNOWLEDGE MANAGEMENT

In 2021, the MeliáHome employee portal underwent a considerable transformation, becoming a key channel for sharing knowledge and information. The change was possible thanks to a new knowledge management strategy, with a change of platform giving departments more independence in content management.

The new MeliáHome (made up of more than 30 different sites) received a total of 922,500 visits from its launch in June 2021.

In addition to the Sites created in 2020, new Sites were published throughout 2021, allowing the different areas of Hotel & Corporate Services to share content with the business areas in the most efficient and orderly way:

## VISITS TO MELIÁHOME

### Visits to MeliáHome

Leading a New Future

32,900

Food & Beverage

30,190

Travel Management

8,899

Code of Ethics

582

Sustainability

7,177

My Place

5,738

TOTAL WOMEN  
IN THE WORKFORCE\*

41.93%

WOMEN IN MANAGERIAL POSITIONS  
(% OF TOTAL IN CATEGORY)\*

29.05%

WOMEN IN JUNIOR MANAGEMENT  
POSITIONS (% OF TOTAL IN  
CATEGORY)\*

36.72%

WOMEN IN SENIOR MANAGEMENT  
POSITIONS AT A MAXIMUM  
OF 2 LEVELS FROM THE CEO  
(% OF TOTAL IN CATEGORY)\*

15.55%

Objective 2040: 40%

WOMEN IN MANAGEMENT  
POSITIONS IN REVENUE-  
GENERATING POSITIONS  
(% OF TOTAL IN CATEGORY)\*

39.80%

WOMEN IN STEM POSITIONS\*\*

33.02%

(\*) Aggregate scope  
(\*\*) STEM: science, technology, engineering  
and mathematics

COMPLAINTS RECEIVED ABOUT  
SEXUAL HARASSMENT THROUGH  
THE COMPLAINTS CHANNEL\*

6

(\*) All the complaints received are investigated  
by the Ethics Committee. More information is  
available in the chapter on Ethics and Integrity.

## DIGITAL DISCONNECTION

To the extent that business activity allows, Meliá recognises and respects employees' rights to digital disconnection outside of the working hours defined by law or convention, respecting rest periods, leave and holidays, as well as personal and family privacy. We have a Digital Disconnection Policy as part of our [Human Resources Policy](#).

The Digital Awareness course associated with the policy is part of the mandatory training that company employees have to take to be aware of the legal measures and policies that have been adopted. We make sure that employees are aware of the implications of hyperconnection and its impact, and we encourage digital disconnection to ensure the well-being of employees and an appropriate work-life balance.

## Equality, diversity and inclusion

### SECOND EQUALITY PLAN

GRI 405-1

In 2019, the company's second Equality Plan was approved, an update and improvement to the first plan announced in 2011.

This plan includes commitments assumed by workers' defence organisations in terms of gender equality. Meliá promotes measures to support equality in nine areas: access to the company, recruitment, promotion, training, remuneration, occupational health, gender violence, communication and work-life balance.

### PROTECTION FROM SEXUAL OR WORKPLACE HARASSMENT

The company is a signatory to an agreement with the IUF (International Trade Union for the travel industry) which aims to combat sexual and workplace harassment. We have therefore introduced improvements related to victims of gender violence in matters such as time off work and help in moving house, justification of absences and refuge in hotels, among others.

In terms of **work-life balance**, the plan improves access to training and promotion and extends facilities for people with children or other dependants, introducing greater flexibility so they can accompany children to school tutorials, visits to the doctor or hospital, greater flexibility in adjusting shifts and the possibility of reaching a mutual agreement with the company to change their working hours during the first year after the birth of a child without the need to reduce the number of hours.

# closingap

MERCK



MAPFRE



REPSOL

MELIÁ HOTELS INTERNATIONAL

BMW GROUP

MAHOU SAN MIGUEL

PwC

CaixaBank

grupo social ONCE

KREAB WORLDWIDE

CEOE Fundación

Telefónica

CLOSINGGAP INDEX

**64.1%**  
(35.9% gender gap)

## CLOSINGAP

A dozen large companies have come together to create a cluster that analyses the opportunity cost for the economy of not taking full advantage of female talent. The project has its origins in a global programme created by Merck in 2014 under the name Healthy Women, Healthy Economies, which aimed to achieve the full participation of women in national economies. Meliá has been an active member since 2018.

The mission of the cluster is:

- To raise awareness and collect data on the key gender gaps
- To identify and share best practices in different areas that help reduce these gaps
- To encourage and launch projects among the companies in the cluster to demonstrate that change is possible
- To encourage public policies in the area of equal opportunities

The Strategic Plan 2020-2022 focused on the following areas with the aim of contributing to the achievement of the Sustainable Development Goals:

### KNOWLEDGE AND DEBATE

Consolidate Closingap as a point of reference for enhancing knowledge about women and the economy, making it a top-level forum for debate.

### INNOVATION

To become a source of innovation in projects related to women and the economy

### TRANSFORMATION

To become a driver of social and economic transformation through public-private partnerships

In 2021 the cluster continued to act with the same energy and dedication, promoting projects focused on its objective as a cluster:

- The Closingap Indicator on Women and GDP was prepared with the assistance of PwC, becoming the first consolidated indicator in Spain that measures the total impact of gender inequality on the economy in five different categories: digitalisation, employment, education, conciliation and health and well-being.
- Gender Gap Public Awareness led by Kreab Worldwide. In Spain, only one in four people with decision-making authority in the key areas of power is a woman. The proportion of women in leadership positions in critical areas of influence stands at only 25.8%, well below the parity threshold of 40%.
- Gender gap in disability, led by the ONCE Social Group. In Spain, women with disabilities face the double inequality of gender and disability. In the employment market, women with and without disabilities often have less stable contracts, although it is women with disabilities who have a higher rate of temporary employment and partiality (29.6% and 24.3%, respectively).
- Continuity of the Mentoring Programme aimed at talented women in the organisations that form part of the cluster.
- III Closingap Economic Equality Summit, an important annual with regard to women and the economy



## WORKPLACE INTEGRATION OF PEOPLE AT RISK

Despite the complex situation since 2020, we have always aimed to continue offering job placements to the degree that the recovery of our activity allowed us. **“First Professional Experience”**, one of our most important youth employment projects, is still on hold as it requires a management structure that we have still not been able to guarantee due to the restrictions caused by the pandemic.

However, we were able to resume the workplace insertion projects together with the **La Caixa Foundation** as part of the **“Incorpora” Programme**, of which we have been a member since 2018. We are proud that we have been able to keep the project active, and that since it started it has allowed us to take on 300 people in our hotels. Our challenge in 2022 will be to reactivate the projects designed to create more employment opportunities.

### EVOLUTION OF THE INCORPORA PROGRAMME (2018-2021)

	2018	2019	2020	2021	Total
Participating hotels:	39	47	12	15	
Offers	116	166	32	22	336
Offers per hotel (average)	2.97	3.53	2.67	1.47	
Insertions	91	140	39	30	300
Coverage ratio	78.4%	84.3%	121.9%	136.4%	89.3%
Women included (%)	62%	59%	38%	80%	59%
Men included (%)	38%	41%	62%	20%	41%
Profiles at risk of exclusion (%)	92%	93%	87%	97%	

## UNIVERSAL DISABILITY AND ACCESSIBILITY

### EMPLOYEES WITH DISABILITIES (CONSOLIDATED PERIMETER)

97

### EMPLOYEES WITH DISABILITIES (AGGREGATE PERIMETER)

163

Meliá understands that disability management is something that has to be considered for both internal and external customers. Raising our sustainability standards requires us to act at different levels of technical and sustainable management.

Our design and construction manuals include universal accessibility criteria such as motion sensors for lighting, wide lifts, ramps, pool lifts, public areas free of any obstacles and specially adapted guestrooms, among others.

The manuals provide our teams with design criteria and standards which must be applied to all renovation projects or new hotels, regardless of their location.

# Occupational Health and Safety

## Continued management of Covid-19

Covid-19 set the agenda for 2021, reaching the highest levels of infection seen since the start of the pandemic in March 2020.

2021 was also, however, the year when the vaccination programme began, with a very positive impact on the reduction of serious or very serious cases and allowing a certain reactivation of economic and social activity. Meliá made significant efforts in all the destinations in which it operates to encourage and promote vaccination among its team members. An example of this is the agreement signed in the Balearic Islands (Spain) between SEAT, a leading car manufacturer, and the Balearic Government to promote the vaccination of the entire population.

As a result of our collaboration in this project, more than 40,000 vaccinations were given to island residents. Our support for the project allowed the free accommodation of health and administrative staff in charge of the project to carry out vaccinations in the Balearic Islands.

Given the knowledge about health and safety we have acquired during the pandemic, we were able to adapt our protocols, define specific measures, adapt our products, redefine processes and also make specific investments to continue to guarantee the health and safety of our customers and employees.

In 2020 we experienced first-hand the importance of collaboration with the health authorities. That is why this was also a priority for us in 2021, as we continued to assist in case management, defining guidelines, and sharing our experience and knowledge in special forums.

## Occupational health and safety management system

GRI 403-1; 403-2; 403-6; 403-8

Many years with a clear focus on health as a consequence of our commitment to our people, allowed us to design an **Occupational Health and Safety Management System** aligned with the international ISO 45001:2018 standard, certified in June 2021 by Full Audit, S.A.

Since 2018, we have had a global [Occupational Health and Safety Policy](#) approved by the Board of Directors. The policy was updated in 2021 and defines our principles and commitments in occupational health and safety, and the general well-being of all company employees in their daily activities. We have defined the actions required to ensure the highest degree of physical, mental and cognitive health among our team members, seeking to go beyond mere compliance with the requirements and obligations included in applicable regulations.

Given that the reduction of occupational accidents and illnesses for our employees and external partners is one of our priorities, the system ensures compliance with legal, regulatory and contractual requirements and provides the appropriate tools for the control and measurement of progress and the identification of areas for improvement.

To ensure its correct application, the Internal Audit Department carries out internal audits to check critical areas, with the support of the Department of Occupational Health.

INTERNAL AUDITS TO CHECK  
CRITICAL AREAS OF THE SYSTEM

13

HEALTHY WORK ENVIRONMENT  
PROGRAMME

**Certified**  
2021

In 2021 we achieved certification for our Healthy Work Environment Programme, designed in line with the parameters and recommendations of the World Health Organization (WHO). The programme complies with requirements as it contains both individual and organisational activities to create healthy and safe work environments, allowing the participation and interaction of employees at all levels and without discrimination of any kind in different areas and on a permanent basis.

The following are some of the measures implemented in corporate offices and hotels:

- Promotion of training on well-being and healthy habits,
- Improvement in spaces for carrying out internal well-being training activities (mindfulness, relaxation, etc.)
- Promotion of healthy habits and rationalisation of the food offered in staff canteens.
- Optimisation of the management of chemical products in work centres.
- Health campaigns (nutrition, physical exercise, etc.).
- Encourage the creation of healthy habits to apply during the working day.

A large part of the improvement opportunities we identified were due to the participation of our teams on issues that affect occupational health and safety and healthy work environments. This direct participation is channelled through the different Occupational Health and Safety Committees or employees specially designated for this purpose.

In addition, we also have a Health Work Group with the skills required to ensure the implementation, maintenance and improvement of our Healthy Work Environment Programme.

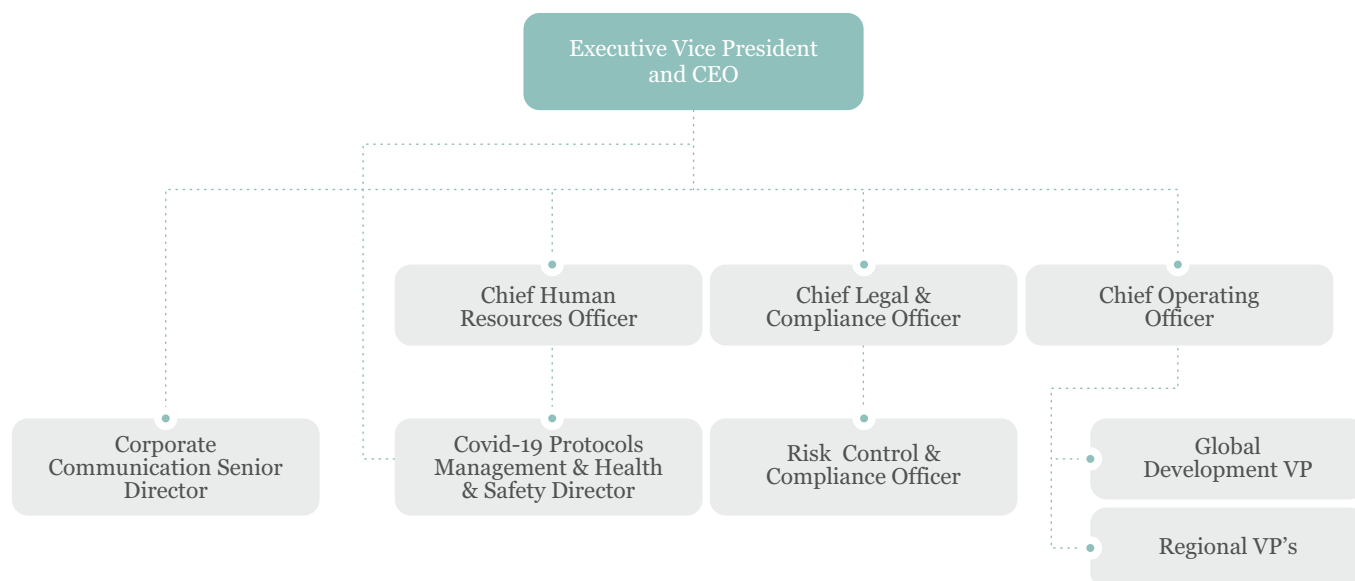
## COVID-19 Crisis Management Committee

GRI 403-1

Given the context in 2021, Meliá decided to continue with the Committee set up to manage the crisis in order to continue having a space for reflection and debate which would allow decision-making at the highest level and the guidelines required for coordination.

Led from the beginning by our Executive Vice President & CEO, it defines the appropriate guidelines for managing the crisis, combining debate on its impact on the business and operations, based on coordinated work and agile and effective decision-making, always with the health and safety of employees and customers as the top priority.

## COVID-19 CRISIS MANAGEMENT COMMITTEE ORGANISATION CHART



The Health & Safety Director, who reports to both the Chief Human Resources Officer (CHRO) and the Chief Executive Officer (CEO), continues to lead the management of the company's health and safety protocols. The scope of this management is global in nature and defines the guidelines for our response in terms of health and safety. All the decisions made by the committee are communicated across the entire organisation to ensure their correct implementation.

The management of health emergencies caused by natural phenomena is activated immediately and with direct communication to the Crisis Committee, which then takes the measures required to control the situation. The best example in this area is the management of the consequences of the volcanic eruption on the island of La Palma in the Canary Islands. The entire hotel was evacuated and an Employee Assistance Programme was immediately activated, providing psychological assistance (24/7) to help resolve any personal or workplace psychological and emotional difficulties. This programme was later extended to all of our staff in the Canary Islands.

## Global Response Plan

In 2021 Meliá decided to keep the Global Pandemic Response Plan defined in 2020 active, with the plan having proven its effectiveness for almost two years. Although the plan has maintained its original essence, we have also been adapting all the measures it contains based on the evolution of the pandemic and the knowledge we have about it.

We have therefore reinforced prevention measures to interrupt the chain of transmission of the virus, reviewing and developing tools on a global level, standardising guidelines and respecting the requirements, regulations and recommendations of local authorities.

The Functional Site created in 2020 has remained active and is constantly updated to offer health and safety information and resources. The SharepointOnline system which is accessible to all our employees continues to offer information on the preventative measures and protocols required to ensure healthy work environments and guidelines for management, as well as acting as a repository for documents to help respond to the needs of the business units.

## Risk assessment and incident handling

GRI403-2

We have specific monitoring procedures for the early identification, evaluation and control of risks, and the identification and assessment of opportunities.

To ensure its correct management, our system assigns specific responsibilities to the different functions that must then ensure their implementation in the business units.

To permanently ensure healthy working environments and conditions, we carry out regular and specific evaluations, whenever conditions or the environment suffer alterations.

These evaluations also analyse the job positions in each business unit, the tasks they have to do and the environment and facilities in which they are carried out.

Regardless of whether they are generic or specific, all of these evaluations are made with the frequency defined by the preventative services in each business unit, and agreed with the aforementioned consultation and participation bodies.

These evaluations are also updated in circumstances such as:

- Implementation of new equipment
- Use of chemical substances or preparations
- Incorporation of new technology
- Modification or improvements to the work environment
- Changes or adjustments to the work environment caused by changes in processes
- Incorporation of employees that are especially sensitive to certain risks (pregnant, lactating, previous cases, etc.)
- Detection of insufficient or inappropriate preventative activities.

Our Internal Audit Department regularly verifies the validity of both the risk assessments and prevention plans defined.

These actions allow us to verify the degree of compliance with the corrective measures and action plans defined through the use of specific indicators (incidence and frequency rate, severity index, average duration, days lost due to accidents, % absenteeism due to work and common contingencies), thus providing a basis for making management decisions based on analytics.

In addition to audits we carry out due to our commitment to our people's health, we also carry out all the audits required by applicable regulations to verify health and safety conditions at work and in our management system. For example, in Spain, the company Prevycontrol, Occupational Risk Audit S.L., began the process of auditing our Prevention System. The audit is scheduled to be completed in May 2022.

One of the top objectives is to ensure the health of all of our teams, supported by our Occupational Health strategy designed to achieve the highest possible degree of protection, promote healthy working conditions, and promote preventative measures at all levels .

Although it is true that our activity does not involve any job positions with a particularly high risk of illness, there are some positions, such as those in the Housekeeping and Food and Beverage departments, with greater exposure to illness due to their work, mainly musculoskeletal disorders (carpal tunnel, tendonitis, rotator cuffs), for which Meliá has implemented all the necessary preventative and corrective training required to minimise them.



## Stay Safe with Meliá

GRI 416-1

One of the great challenges of 2020 was the definition of a global response that would allow pandemic management and governance guidelines to ensure safe work environments and protocols that would minimise the impact of Covid-19.

The result of this exercise was the Stay Safe with Meliá programme. The excellence of the plan and positive reception by employees and customers in 2020 led us to maintain it throughout 2021.

Given that 2021 presented new challenges, the programme was also updated as the pandemic evolved through the Customer Journey Map. This roadmap allows us to continue providing value to customers from a 360° perspective with the maximum quality and health and safety guarantees based on clearly defined premises.

### STAY SAFE WITH MELIÁ PREMISES



#### CUSTOMERS WHO HAVE EVALUATED STAY SAFE WITH MELIÁ

**+43,5k**  
(+154% vs 2020)

#### LEVEL OF SATISFACTION WITH STAY SAFE WITH MELIÁ

**85.5**  
(+3.2 bps vs. 2020)

Our objective has been to adapt procedures to the different stages of the pandemic, adopting new preventative standards and adapting processes, people management, cleaning and disinfection protocols and, of course, reviewing all the technical installations in our hotels.

One thing that we are proud of is the fact that our efforts have been well received by our customers, who have continued to indicate a high degree of satisfaction with the programme.

After the implementation of the programme in 2020, one of the factors required to indicate its suitability to our customers and employees was to submit the programme to external verification. In 2020 Bureau Veritas, a leading global company in testing, inspection and certification, began to audit the programme in our different business units to certify them as Global Safe Sites, ensuring compliance with all of the preventative measures and health and safety standards, protocols and processes implemented in hotels.



Our Internal Audit team also verified and audited the protocols defined in the Stay Safe with Meliá programme as an extension to the audit already completed by Bureau Veritas.

#### STAY SAFE BY MELIÁ AUDITS (BUREAU VERITAS)

	Number of audits 2021
SPAIN	28
AMERICA	6
EMEA	8
ASIA	1
<b>Total</b>	<b>43</b>

# Environment and climate change

## Environmental measures in the context of Covid-19

The industry gradually recovered throughout the year, with operational control of our facilities in line with our management system to guarantee the most efficient use of resources. The objectives are several: to ensure cost reductions, identify possible incidents in facilities and ensure the correct maintenance of equipment in closed hotels.

In line with the commitments and objectives in our [Environmental Policy](#), we also continue to focus on prioritising the acquisition of renewable energies, the promotion of investments to reduce emissions, and the permanent monitoring of energy and water use to identify deviations, potential improvements and corrective actions.

## Environmental and energy management system

Launched in 2007, the **Meliá Environmental Management System (SAVE)** allows us to measure and manage key indicators regarding energy, water, waste and emissions in all of our owned, leased and managed hotels on a global level, guaranteeing the identification of opportunities for improvement and the monitoring of our performance with regard to objectives.

Our environmental and energy management system, the latter certified under ISO 50001 standards, has been acknowledged over the years for its commitment to sustainability and reducing our impact on the climate.

### PORTFOLIO CERTIFIED

Due to the suspension of our activity due to the pandemic and the need to activate contingency plans, in 2021 we put on hold the renewal of our ISO 14001 certification and the certification processes in sustainable tourism with other entities endorsed by the Global Sustainable Tourism Council (GSTC), Earthcheck and Travelife.

At the end of 2021, 13 of our hotels had a valid certification endorsed by the GSTC. The certification process for the rest of our portfolio will be resumed in 2022 as our hotel activity returns to normal.

### SAVE INDICATORS

#### PORTFOLIO INVOLVED

**100%**  
aggregated

#### TOTAL INVESTMENT

**€2.7 M**

#### ENERGY SAVED

**5,321,260**  
KWh

#### FINANCIAL SAVINGS

**646.9€k**

#### EMISSIONS AVOIDED

**2,195**  
Tn CO<sub>2</sub>

## Energy management

GRI 302-1, 302-3, 302-4, 302-5

### ENERGY EFFICIENCY MEASURES

The energy management system aims to generate savings, optimise consumption and efficiency, and stimulate constant improvement in energy use while minimising the impact on hotel operations.

Investments in the environmental and energy management system aim to support our decarbonisation objectives. For that reason, in 2021 we provided the resources required to achieve our objectives of reducing energy consumption and greenhouse gas emissions, with a total investment of €2.7M M€ in energy saving and efficiency measures, among which the CO<sub>2</sub>PERATE and SAVE projects are the most relevant.

### CO<sub>2</sub>PERATE PROJECT

The CO<sub>2</sub>PERATE Project aims to optimize energy consumption in air-conditioning systems by using artificial intelligence in cooling systems and in the control and management of the facilities that consume the most energy, at the same time also contributing to the company's training and communication activities. In 2021, installation was completed in **96 hotels** with the desired results. This specific investment in artificial intelligence to control air-conditioning systems was accompanied by other SAVE investments in measures to improve energy use in our facilities and guarantee the constant improvement of the system.

### ENERGY CONSUMPTION

GRI: 302-1; 302-3; 302-4

In 2021 we gradually resumed activity in our hotels, causing an increase in energy use compared to 2020. In all the countries in which we are able to contract energy from renewable sources, we have maintained our sustainable contracting.

On the other hand, energy costs have been affected by the increase in consumption and the evolution of the energy markets, with strong increases in prices towards the end of the year. We currently use electricity with renewable certification in Spain, Italy, France, the United Kingdom and Germany. The percentage of renewable energy we use increased compared to the previous year, mainly due to disaffiliation of certain hotels in the portfolio, mostly in countries where it's not possible to buy certified renewable energy through our energy supplier contracts.

### CO<sub>2</sub>PERATE INDICATORS (CUMULATIVE)

#### FINANCIAL SAVINGS

€ 1,945,850

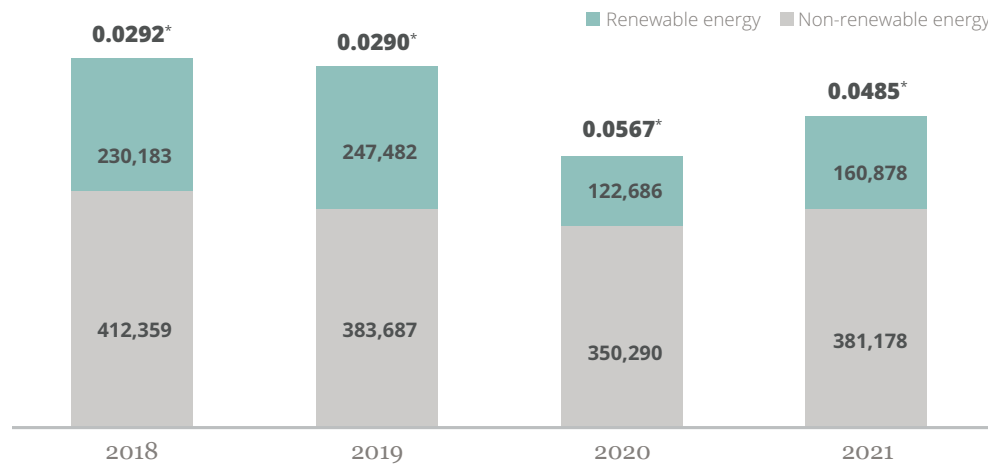
#### ENERGY SAVING

19,092,020  
kWh

#### CO<sub>2</sub> EMISSIONS AVOIDED

9,450,550  
kg

## CONSUMPTION OF RENEWABLE AND NON-RENEWABLE ENERGY (MWH)\*\*



(\*) Intensity ratio (MWh per stay) (\*\*) Aggregate perimeter

## Water management

GRI: 303-1; 303-4, 303-5

### WATER EFFICIENCY MEASURES

In line with our commitment to guarantee the efficient use of resources, for the third consecutive year we took part in the **CDP Water Security** programme, earning a **B rating**. This ranking measures the impact of companies on the environment in general and on the safety and quality of water, in particular. Our participation allows us to continue to make progress in sustainable water management and also assess water risks and opportunities in areas where we operate, facilitating decision-making and a better water management strategy.

### WATER USE

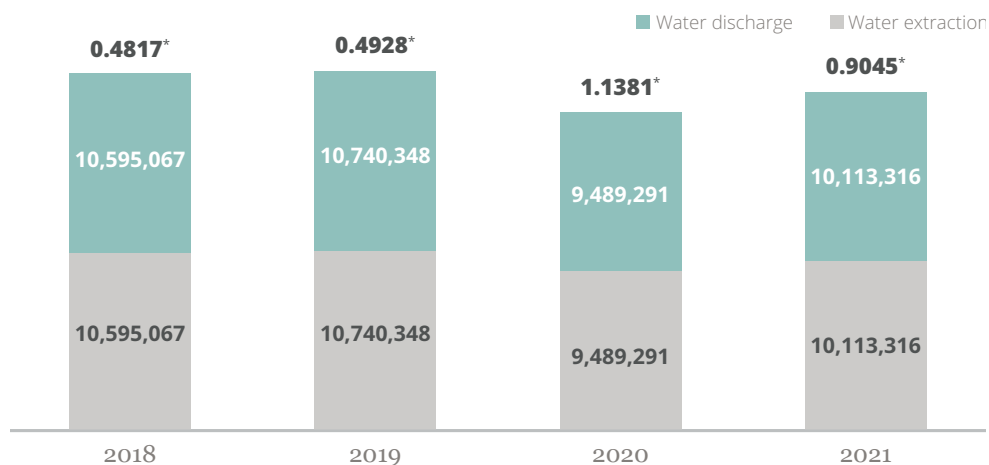
GRI 303-5

The constant monitoring of our consumption and operational control of our facilities allowed us to reduce water consumption and achieve our commitments in responsible water management. Investing in improvements in facilities and sharing best practices with our customers and employees are fundamental factors in proper water management.

To move forward with the calculation of our water footprint, consumption is identified by source or origin, with 0.22% coming from surface water, 67% from municipal and/or private water providers, and 32% from well water. The type of water discharges in each hotel were also identified, guaranteeing compliance with applicable regulations and taking all the samples required to ensure water is returned to the network with a quality similar to or higher than the extracted water. We also made progress in measuring the water discharges with a quality equal to or greater than the extracted water, giving a total net water consumption of 0m<sup>3</sup>. Discharge volume was recalculated for historical data.



## NET WATER CONSUMPTION (THOUSANDS M<sup>3</sup>)\*\*



(\*) Intensity ratio (m<sup>3</sup> per stay) (\*\*) Aggregate perimeter

## WASTEWATER DISCHARGE

GRI 303-2

Wastewater is mainly discharged into the public sewer network (6,616,784m<sup>3</sup>, 65.4%) and wastewater treatment plants (3,411,968m<sup>3</sup>, 33.7%), with an insignificant percentage discharged into the sea (41,319m<sup>3</sup>, 0.41%) or septic tanks (43,244m<sup>3</sup>, 0.43%).

Wastewater management is always handled in accordance with applicable regulations and our management system requires the analysis of the main environmental impacts of our activity, including those related to water spills. The system developed for the identification and analysis of operational risks also allows the early identification of the main risks and their prevention.

### HOTELS LOCATED IN AREAS OF WATER STRESS (CONSOLIDATED)

54

### HOTELS LOCATED IN AREAS OF WATER STRESS (AGGREGATE)

97

### HOTELS IN AREAS AT RISK OF FLOODING (CONSOLIDATED)

39

### HOTELS IN AREAS AT RISK OF FLOODING (AGGREGATE)

102

## PORTFOLIO LOCATED IN AREAS OF WATER STRESS

SASB: SV-HL-140a.1, SV-HL-450a.1

In 2021, the **Aqueduct Water Risk Atlas** tool allowed us to update our analysis of hotels in areas with water stress, including data on the quality and availability of water by geographical area.

Mapping data allowed us to identify risks related to both the quantity and quality of water, so we have greater visibility for hotels in areas with high water risk created by climate change and can begin to develop risk management strategies and possible adaptation and mitigation plans.

To assess the risks related to water safety and determine whether they are significant, we have analyzed the entire operating portfolio and considered two parameters: probability and magnitude of the impact. The probability is evaluated according to the results of the Aqueduct Water Risk Atlas for water stress, assigning a score of 3.5 to high-risk hotels and 4.5 to those with extremely high risk. The magnitude is determined by the importance of each hotel to the business based on its annual revenue. These two parameters have been used to calculate the financial impact for each hotel. When the financial impact is above the significance threshold (> 3% of total annual revenue), a hotel is considered to have a substantial impact on the business.

## Waste management

In accordance with the objectives set by European circular economy directives requiring waste recovery of 65% by 2035, Meliá has aligned its objectives and action plans to the level of European ambitions and current regulations on Climate Change , Energy Transition, Circular Economy and Waste.

Our involvement in projects to help strengthen a sustainable and safe tourism value chain means that we continue to support a hotel model in which the circular economy is seen as an opportunity, viewing waste as just another resource and creating the alliances required to allow its recovery.

### PREVENTION, RECYCLING, REUSE, RECOVERY AND DISPOSAL MEASURES

One of the key aspects of our Environmental Management System is the treatment of the waste we generate: urban solid waste, hazardous waste and spillages.

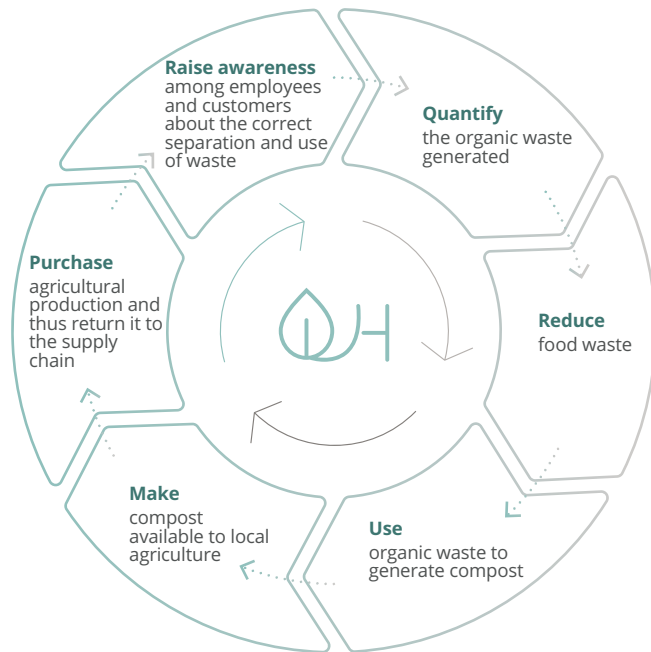
To make progress in our Scope 3 reduction strategy and mitigate the impact of waste generated by our activity, we have adopted the following measures:

- Digitalisation of waste measurement through a pilot project with the Mallorcan start-up company WDNA
- Identification of opportunities in the management of urban solid waste and hazardous waste and the definition of a roadmap based on data from operational risk audits
- Implementation of an operational risk management tool to identify the key needs in hotels to improve the management of solid urban and hazardous waste

In 2021 we also continued with the **Circular Hotels** project, a public-private partnership created in 2019 in the Balearic Islands (Spain) to promote the transition of the hotel industry towards a circular economy model, managing its waste responsibly and reintegrating waste into the economic cycle to minimise its environmental impact .

The project together with TIRME, a private company that manages urban waste in Mallorca (Spain), involves several hotel companies and the agricultural sector, and includes the full cycle of food production and consumption, defining solutions that contribute to environmental sustainability based on an economic and tourism model that operates with limited resources due to the fact that Mallorca is an island.

The project is currently underway in 4 of our hotels in Mallorca: Meliá Palma Bay, Hotel Bellver, Meliá Palma Marina and Innside Palma Bosque.



## RECYCLED AND DISCARDED WASTE

GRI 306-1; 306-2; 306-3

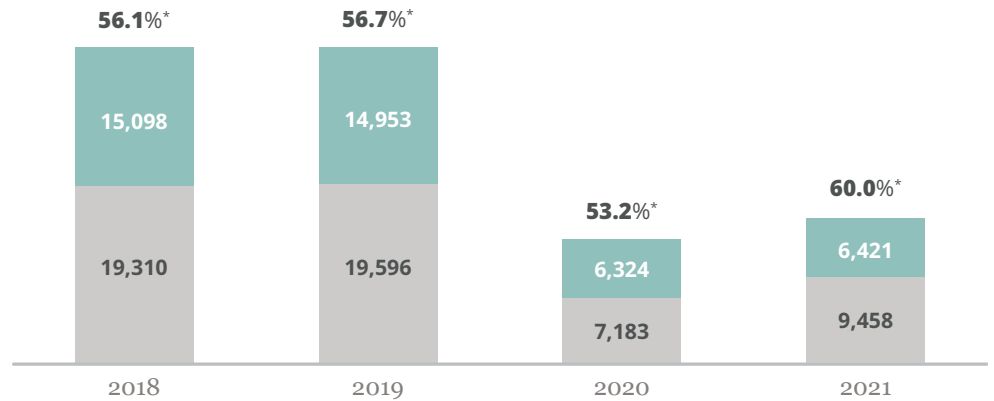
We measure recycled waste in terms of normalised data using the percentage of selective waste collection and the total number of stays per year as metrics. As far as was possible, the suspension of our activity was used to update the existing waste management model and extend the measurement of urban solid waste globally to ensure better measurement. The global measurement sample is therefore from 126 hotels (50% of the aggregate perimeter) that were open in 2021.

In general, we collect reliable information on the amount of waste generated and separated to be recycled in each hotel. This information is provided directly by a private waste collection company or by the hotel, which measures daily waste and reports the data monthly. This information allows us to know the global recycling rate and the ratio of kg of waste per stay and in each hotel. This ratio can be extrapolated to the rest of the hotels that are within the scope of our report (100% aggregate perimeter, 252 hotels).

To improve the reporting system, a ratio is also calculated for each fraction of waste, so that when information is not available for a certain centre, the weight of the fraction can be extrapolated.

## VOLUME OF RECYCLED AND DISCARDED WASTE (TN)\*\*

■ Discarded waste ■ Waste recycled



(\*) Recycling rate (selective collection) (\*\*) Aggregate perimeter

### URBAN SOLID WASTE

**15,879 Tn**

## INITIATIVES TO COMBAT FOOD WASTE

Reducing food waste is an ethical duty if we contrast the waste in developed countries with the number of people in the world who are hungry or have nutritional problems.

However, it is also another opportunity to protect the environment and combat climate change, due to the consumption of land, water and energy that could be avoided, thus minimising the impact food production has on biodiversity, aquifers or the atmosphere.

At Meliá we are working on projects to help reduce food waste and promote the circular economy, as well as defining models based on best practices to minimise the impact of our activity.

### LEANPATH PILOT PROJECT

In line with our commitment to promote the efficient and responsible use of raw materials and reduce waste, we started a project to reduce food waste with the help of technology that can trace the entire process from beginning to end and then use the data the system provides to make improvements.

This model allows us to identify specific problems and work according to objectives. On a financial level, it allows us to reduce food waste, direct food costs and the fees for organic waste management. On an environmental level, we reduce our carbon footprint and water consumption (cleaning), and also help raise awareness among employees about climate change.

Due to the pandemic, the pilot started in 2021 in 3 hotels, 2 of them in Spain (Central Buffet at the Gran Meliá Palacio de Isora and Central Kitchen at the Meliá Salinas), and one in Mexico (Buffet Naos and Hadar at the Paradisus Playa del Carmen).

### TOTAL FOOD WASTE

**18,546 kg**

### FOOD WASTE REDUCTION

**-18.6%**

### OIL FILTER PILOT PROJECT

Using the "Fried Oil Cleaner" system for oil filters in fryers allowed us to extend the amount of time we can use cooking oil. By cleaning the waste daily, we are able to offer customers a much healthier product. Polar compounds and acidity are also reduced, as is the risk of acrylamides, controlled under Regulation (EU) 2017/2158, improving the presentation and flavour of products and **reducing the use of plastic bottles by 35%**.

In 2021, another pilot project was carried out using more innovative machinery allowing more agile and safer filtering by employees. The test was carried out at the Meliá Palma Marina Hotel from October 19 to December 31 in one of the fryers, where after 48 filtering cycles we managed to save 31% in oil consumption and avoid 32.93 kg of CO<sub>2</sub> emissions. In 2022 the implementation will be extended to other hotels in Spain.

### TOO GOOD TO GO PROJECT

Hotels constantly face challenges in forecasting the unpredictable demand for food and beverage. This often leads to significant food waste that affects both the profitability of the business and the environment.

Our alliance with Too Good To Go helps save food by giving an outlet to daily waste through the users of the App. The main objective of working with Too Good To Go is to raise awareness about more responsible consumption and move towards zero waste, with the food produced equal to the food consumed. It also gives us the opportunity to achieve additional benefits, attract new customers and help in combatting climate change.

	2021	2022
Hotels*	14	14
Total weight of food saved**	1,635 kg	7,031 kg
TnCO <sub>2</sub> avoided	4.8	21

\*In 2021 the project was active for an average of 2.8 months. We estimated that it will be active all year round in 2022.

\*\*A calculation is made based on the number of "Packs" saved (1,923 in 2021 and 8,272 in 2022) and the average weight of the Packs delivered (0.85 Kg)

## Biodiversity

GRI: 304-2

### BIODIVERSITY MANAGEMENT MODEL

Concern about the loss of biodiversity is particularly high in an industry such as tourism which has such a high dependence on it. Our presence in resort destinations and commitment to moving towards a sustainable tourism model highlight the importance of preserving biodiversity, even though in our own materiality matrix this only has a medium critical level.

That's why we consider the loss of biodiversity leading to significant deterioration in tourist destinations, or reduced access to resources, such as water shortages, as a risk factor that forms part of our Global Risk Map.

We understand the protection of biodiversity on the widest possible level, as a direct consequence of our environmental and energy management system that stems from the design and construction of our hotels to the training of our teams and the awareness of our customers.



## PREVENTATIVE MANAGEMENT TO PRESERVE BIODIVERSITY

Scope	Preventative management aimed at protecting the environment
Compliance	<ul style="list-style-type: none"> <li>Compliance with applicable urban planning and environmental regulations</li> </ul>
Infrastructure & equipment	<ul style="list-style-type: none"> <li>Hotel design and construction manual with integrated sustainability criteria</li> <li>Investment in efficient equipment, infrastructure and low-impact systems for destinations</li> <li>Efficient lighting systems with a low-energy and light impact</li> <li>Design of gardens and areas with trees that respect natural diversity and integrate it into hotels</li> </ul>
Systems & Protocols	<ul style="list-style-type: none"> <li>Energy &amp; Environmental Management System</li> <li>Sustainable hotel management model</li> <li>Leakage management and safety protocols</li> </ul>
Measurement & Monitoring	<ul style="list-style-type: none"> <li>Consumption of energy</li> <li>Carbon footprint measurement</li> </ul>
Circular Economy & Waste	<ul style="list-style-type: none"> <li>Acquisition of products with a low environmental impact</li> <li>Waste management, reduction and elimination</li> <li>Plastic reduction programmes</li> </ul>
Training & Awareness	<ul style="list-style-type: none"> <li>Team training</li> <li>Raising awareness among employees and customers</li> </ul>
Teamwork	<ul style="list-style-type: none"> <li>Collaboration with specialised local organisations</li> </ul>
Flora & Fauna	<ul style="list-style-type: none"> <li>No use of native animals or species</li> <li>Protection of local species, animals and plants</li> <li>Preservation, recovery and cleaning of the natural environment</li> </ul>

## PROJECTS TO PROTECT BIODIVERSITY



### Beach Photo Challenge. Collaboration with Save the Med

Given our link with the Mediterranean Sea, we support the Save the Med foundation together with ifUiWill.com, encouraging people to visit beaches to take a photo and take part in the Beach Photo Challenge. Save the Med is an organisation whose ultimate goal is support the regeneration of the Mediterranean Sea.

Held between November 13 and December 4, 2021, the objective was to emphasise the value of the Mediterranean to the Balearic Islands to ensure we take better care of it. Save The Med joined forces with ifUiWill.com, an App designed to bring people together to do good in the world. In addition providing publicity for the project through our social media, the winner was also treated to a stay at the Meliá Calviá Beach Hotel, located in Magalluf on one of the best beaches in Mallorca.



### La Palma, Biosphere Reserve

La Palma was the first island in Spain to be named a Biosphere Reserve in a part of its territory in 1983. Since then, the La Palma World Biosphere Reserve Foundation, a public body, has worked on guaranteeing compliance with the goals of UNESCO in all territories classified as biosphere reserves, with joint transparent and independent management in which our Sol La Palma Hotel has taken an active role since 2021. The La Palma authorities aim to encourage local economic agents and the tourism industry to join the challenge and align the economy of the island with the parameters that originally made it a biosphere reserve. With the objective of repositioning itself in line with this shared objective, the Sol La Palma Hotel has been certified by the local Department of the Environment. Meliá is also sharing its experience in sustainability with the local authorities, given that Sol La Palma is one of the leading hotels on the island and that Meliá has a strong commitment to public-private partnerships. This project is particularly relevant given the situation the island is experiencing after the eruption of the Cumbre Vieja volcano. In the process of social and economic recovery of the island, all agents, both public and private, will have to play a very relevant role.

## WELCOME TO LIFE INDICATORS\*

HOTELS INVOLVED IN MEXICO  
& DOMINICAN REPUBLIC

8

AWARDS OBTAINED IN  
BIODIVERSITY MANAGEMENT

7

PARTICIPANTS IN ACTIONS  
TO SUPPORT BIODIVERSITY  
(GUESTS, EMPLOYEES AND LOCAL  
COMMUNITY)

+3,700

TRAINED EMPLOYEES

138

PROTECTED TURTLE NESTS

1,026

PROTECTED TURTLE EGGS

+103,600

TURTLES RELEASED

+66,600

(\*) Cumulative data since 2017

## Welcome to Life Programme

Welcome to Life is our programme to protect endangered species in Mexico and the Dominican Republic. Employees, guests and their families actively participate in raising awareness and protecting biodiversity in the places where they live. Meliá works with local NGOs who are specialists in the control and monitoring of each animal and plant species. We also have the support and involvement of the local community, through volunteering, and specialised events and activities.

Among the main areas of work, we would highlight the training of our teams in the protection of biodiversity, monitoring beach environments, relocation of nests found in high-risk areas, care for hatchlings during their first 5 hours of life, and the registered release of hatchlings.



## HOTELS IN PROTECTED AREAS

GRI: 304-1

SASB: SV-HL-160a.1, SV-HL-160a.2

### CONSOLIDATED PERIMETER

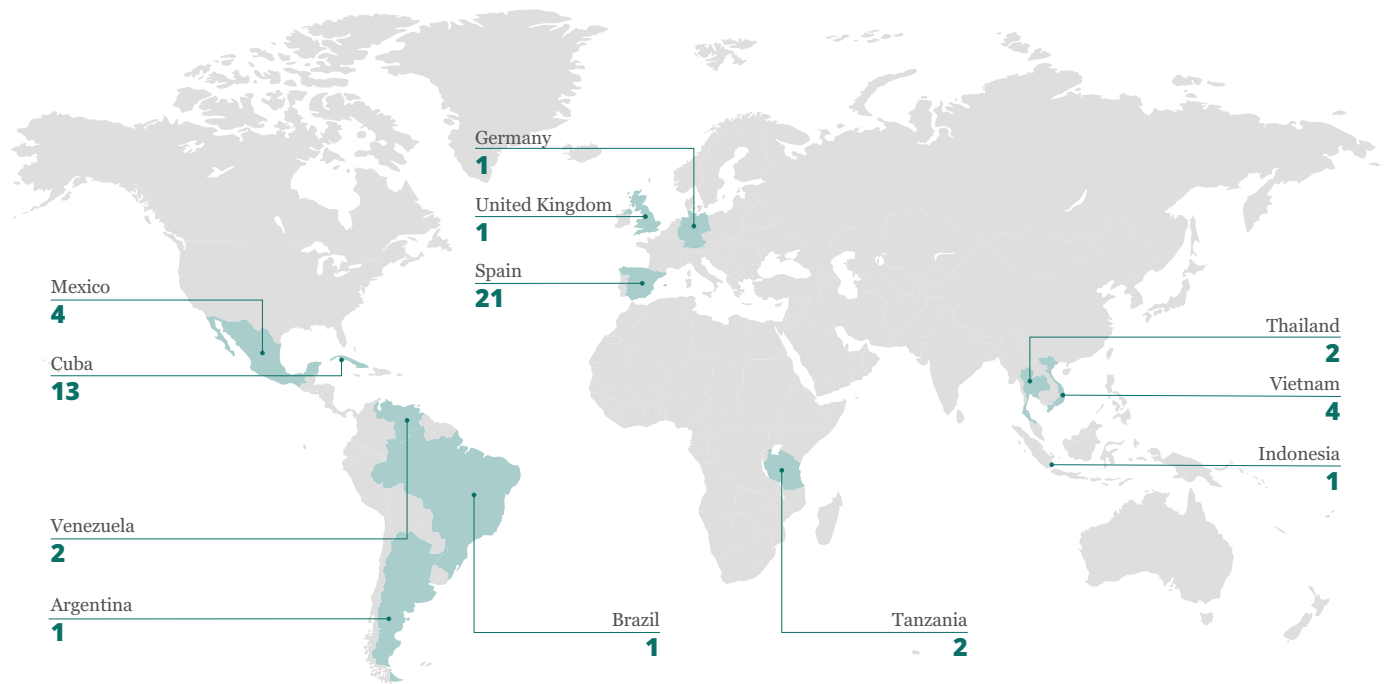
TOTAL HOTELS IN OR NEAR  
PROTECTED AREAS

**21**

Through **Protected Planet**, the world's most comprehensive source of information on protected areas, we regularly update the analysis of our hotels in such areas. Currently 53 of the owned, leased or managed hotels in our portfolio (operational + pipeline) are located either in or near protected areas (21 hotels in the consolidated perimeter). Among the hotels in or near protected areas, 33 are resort hotels in which we are even more rigorous in the implementation of our environmental management model, and 7 are in urban areas and less affected.

The areas in which the resorts are located are especially attractive due to their natural beauty, an essential part of their attractiveness for tourists. An example is the Balearic Islands, with both protected land and sea areas and home to invaluable biodiversity.

### PORTFOLIO LOCATED IN OR NEAR PROTECTED AREAS



(\*) Aggregated perimeter

### AGGREGATED PERIMETER

TOTAL HOTELS LOCATED  
IN OR NEAR PROTECTED AREAS

**53**



HOTELS IN OR NEAR MARINE  
PROTECTED AREAS

**36**

HOTELS IN OR NEAR  
NATIONAL PARKS

**3**

HOTELS IN OR NEAR  
PROTECTED LAND AREAS

**14**

## Climate change

### ALIGNMENT WITH TCFD

In 2021 we aligned our climate change management with the recommendations of the **Task Force on Climate-related Financial Disclosures (TCFD)**, set up in 2015 by the Financial Stability Board to allow companies to inform stakeholders, particularly financiers and investors, about risks and opportunities related to climate change and how they manage them. For more information, see our [TCFD Report 2021](#).

### GOVERNANCE

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#### COMPOSITION AND BODIES

Our organisational structure and **governance** assigns ESG responsibilities to the different executive bodies and Delegate Committees of the Board of Directors in addition to all aspects related to climate change. This governance structure is aligned with the current recommendations on corporate governance and the TCFD.

The **Board of Directors** approves and supervises ESG and climate strategy, and delegates their internal control to its Delegate Committees in addition to defining incentives for the achievement of objectives.

To reinforce the integration of sustainability as part of our business strategy and throughout our value chain, **in 2020 Meliá created a Sustainability Committee**. The main objective of this new governing body is to support the development and implementation of projects that ensure value creation in all three dimensions (environmental, social and governance) in the face of social change and global challenges, as well as to promote the recognition and reputation of Meliá as a **responsible and sustainable Company** in the long term.

The mission of the Committee is to ensure the integration of sustainability at all levels of the organisation, ensuring that the roadmap contributes to complying with the **public commitments** made on ESG and facing the main challenges of the **2030 Agenda**.

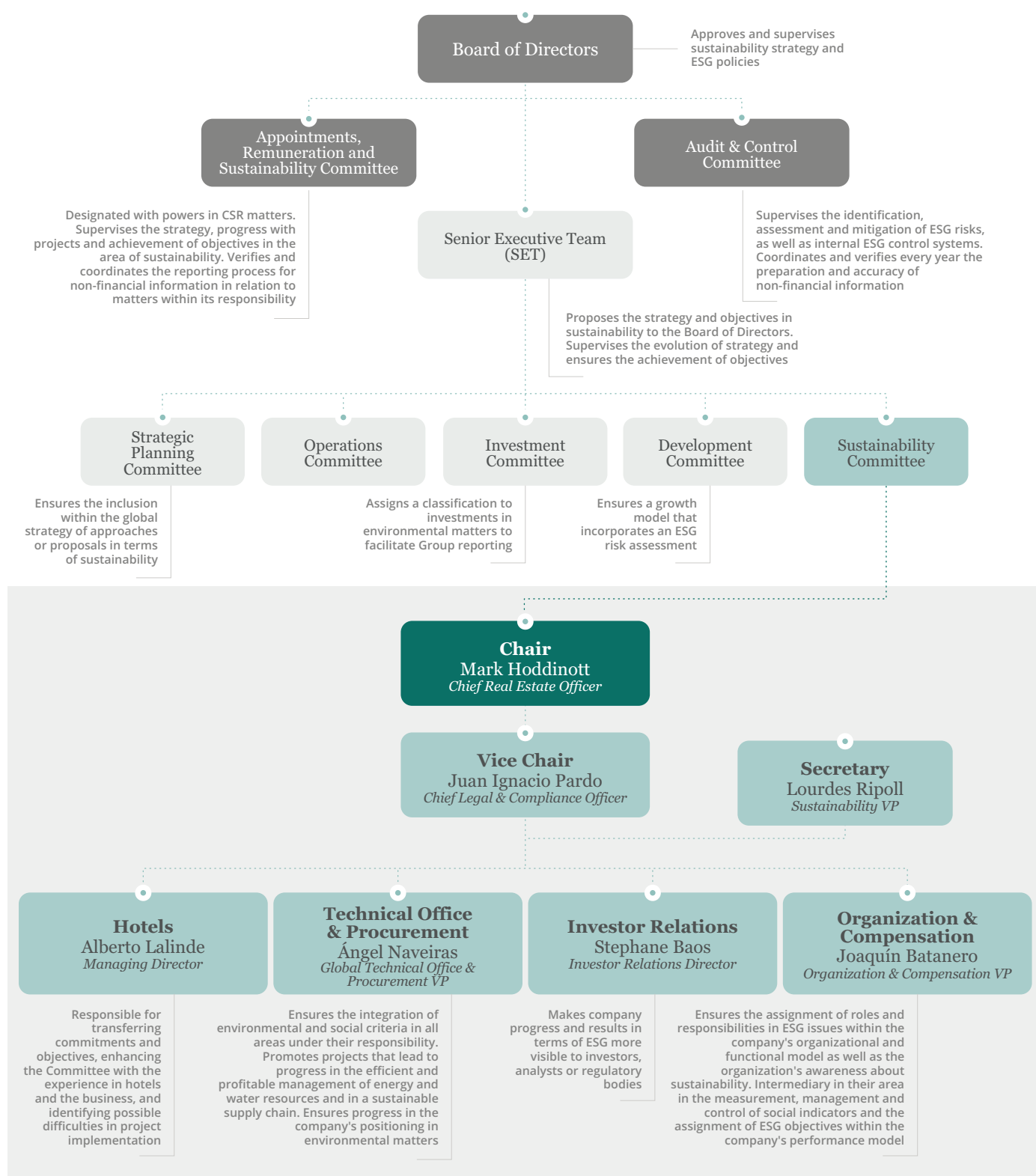
#### RESPONSIBILITIES FOR THE IDENTIFICATION AND MANAGEMENT OF RISKS AND OPPORTUNITIES

**Meliá's Senior Executive Team (SET)** regularly supervises performance with regard to the sustainability and climate change strategies and ensures compliance with the targets defined.

The **Sustainability Committee** is responsible for defining and proposing to the SET the roadmap, commitments and objectives for ESG and climate change, and for monitoring and reporting on progress and achievements.

The **Risk Control & Compliance** area of the company is responsible for updating the Corporate Risk Map, including climate-related risks. The Corporate Risk Catalogue currently contains 103 identified risks, of which 20 are related to climate change.

The Sustainability, Energy & Environment, Risk Control & Compliance and Hotel Operations Departments also assist in the process of identifying risks and opportunities related to climate change and in assessing their impact, probability of occurrence, severity and time horizon as part of the annual review of the Corporate Risk Catalogue.



## STRATEGY

### IDENTIFICATION AND ASSESSMENT OF CLIMATE RISKS AND OPPORTUNITIES IN THE SHORT, MEDIUM AND LONG TERM

The **Meliá Risk Map** includes climate-related risks and is the starting point for a more exhaustive analysis of the risks related to climate change that could potentially affect Meliá's business activity and, in particular, four regions selected on the basis of their present and future strategic relevance: **Spain, Mexico, the Dominican Republic and the United Kingdom.**



This analysis has four stages:

- Definition of our value chain to identify specific activities and/or processes that may be affected by potential risks or open up new opportunities.
- Preparation of an inventory of risks and opportunities using information sources such as the TCFD inventory, the Intergovernmental Panel on Climate Change (IPCC), the European Sustainable Finance Taxonomy or the Spanish Ministry for Ecological Transition and Demographic Challenges (MITECO ). This information is analysed and adapted to Meliá's business activity in line with the processes in its value chain defined in the previous stage.
- Selection of different climate scenarios applying a methodology which imagines four different climate scenarios, one of which is selected as a priority.
- An assessment of climate risks and opportunities, an exercise carried across the entire company and involving members of the Sustainability Committee, executives from each country and members of the strategic planning, risk management, sustainability, environment, investor relations and human resources teams. The risks and opportunities in the inventory are evaluated based on the selected scenario.
- Every risk and opportunity is rated according to three variables: time horizon, impact and probability of occurrence. The regional Operations VPs have validated the selection and assessed the quality of existing controls to manage risks and take advantage of opportunities.

#### **IMPACT OF CLIMATE RISKS AND OPPORTUNITIES ON FINANCIAL PLANNING AND STRATEGY**

To understand the specific impacts of climate change on our activity, a methodology is used that represents and simplifies the value chain and company activities. This involves three different areas:

- Supply Chain
- Infrastructure management
- Service Delivery

For each area in each location, the impact on financial results that each risk and opportunity may potentially have has been evaluated.

<b>Operating Costs and Revenues</b>	Relevant variations in direct costs, personnel costs and revenue, among others
<b>Costs and Capital Allocation</b>	The most relevant financial implications are an increase in material, technology or operational investments
<b>Assets and Liabilities</b>	The value of the Company's assets and liabilities may vary due to climate change
<b>Access to Capital</b>	The effects of climate change may cause difficulties or create opportunities for the Company in gaining access to private/public funding

## **CLIMATE SCENARIOS USED TO DEFINE THE ORGANISATION'S STRATEGY AND FINANCIAL PLANNING**

Following **TCFD recommendations**, an analysis of climate scenarios has been carried out taking into account different physical and socio-economic factors: Representative Concentration Pathway (RCP), Shared Socioeconomic Pathways (SSP), International Energy Agency (IEA), etc.

The analysis has led to the definition of **four** climate scenarios based on a combination of the RCP and SSP projections defined by the IPCC and used to analyse climate risks and opportunities in line with both the technical criteria of TCFD and the commitments of the company.

Of the four scenarios, we have prioritised the analysis of risks and opportunities in the scenario in which society achieves an intermediate degree of sustainable development and is able to limit the increase in temperature to below 2°C by the end of the century: the **SSP2 – RCP 2.6 scenario**.

This scenario is in line with our emission-reduction objectives approved by the Science-Based Target Initiative (SBTi), in which we commit to help keep the increase in temperature to below 1.5°C.

## **RISK AND OPPORTUNITY MANAGEMENT**

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GRI: 201-2

This section describes the methodology and processes used in line with the TCFD in the identification, assessment and management of the risks and opportunities caused by climate change that may affect us. It also describes how these risks and opportunities have been integrated with the Company's global risk management.

## **PROCESSES TO IDENTIFY AND ASSESS CLIMATE RISKS AND OPPORTUNITIES**

The identification and assessment process consists of four stages:

- Definition and assessment of the Meliá value chain
- Definition and classification of risks and opportunities: Current and future regulatory requirements for the four selected countries have also been analysed.
- Selection of climate scenarios
- Assessment of climate risks and opportunities: depending on the impact, probability of occurrence and time horizon.

The valuation scales and time horizons have been defined to adapt to the terminology used in the company's general risk assessment, and also to the timing of the expected impacts in the selected scenario and the useful life of Meliá infrastructure, with the risk analysis limited to 2050.

## **INTEGRATION OF PROCESSES TO IDENTIFY, ASSESS AND MANAGE CLIMATE-RELATED RISKS INTO OVERALL RISK MANAGEMENT**

Meliá has a **Corporate Risk Map** which identifies the key risks the company faces. Special attention has been paid to the specific risks related to climate change in the Risk Map in order to analyse and develop them in a more effective way. The map is reviewed every year and presented to the **Audit and Compliance Committee**, responsible, among other things, for the supervision of Risk Management Systems, including non-financial risks, and also to the Board of Directors.

## SELECTION OF CLIMATE SCENARIOS

A scenario describes a hypothetical but possible path of development leading to a particular outcome. They are not predictions or forecasts, but rather hypothetical narratives, designed to inform and challenge strategic thinking.

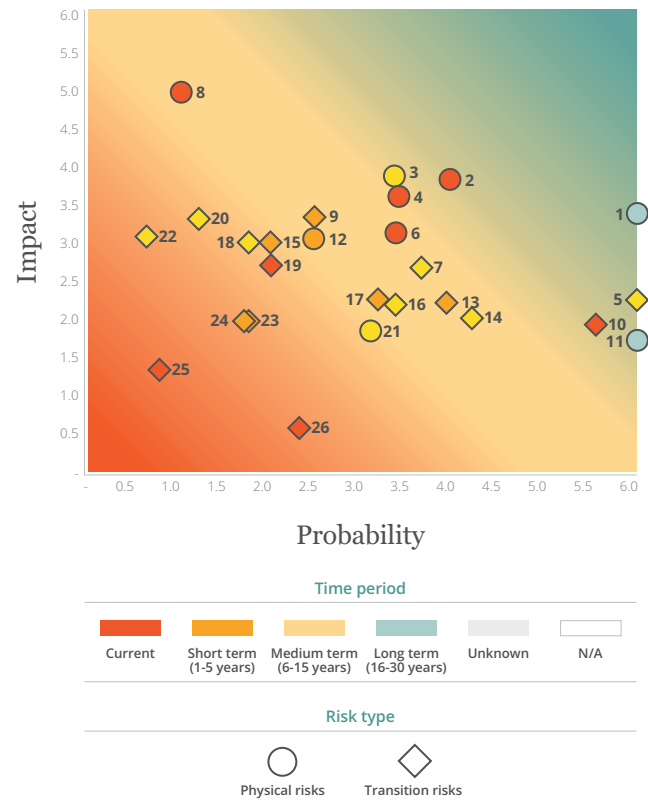
In line with the TCFD recommendations on scenario selection, we analysed 4 different scenarios (SSP3–RCP 8.5, SSP2–RCP 6.0, SSP2–RCP 2.6 and SSP5–RCP 2.6), from which we selected as a priority the SSP2–RCP 2.6 scenario.

## MATRIX AND RANKING OF CLIMATE RISKS

We have identified a total of 26 climate risks, of which 9 are physical risks and 17 are transition risks. The most relevant risks are the physical risks, both in the present and in the medium term, according to their severity rating (probability × impact). In addition, 65% of the transition risks are considered risks that may occur in the present or in the short term.

1 Rising sea levels	20.10	14 Change of insurance conditions	9.78
2 Extreme precipitations: torrential rain, hailstorms, snowfall, etc.	17.01	15 Changes in customer perception	8.94
3 Extreme weather events: cyclones, hurricanes, typhoons and tornadoes	15.32	16 Transition to low-emission technology	8.83
4 Imbalance in the living organisms in marine ecosystems	14.49	17 New legal requirements in energy efficiency matters	8.73
5 Changes in customer behaviour or preferences	13.22	18 Increased stakeholder concerns or negative feedback from stakeholders	8.39
6 Insect plagues	12.48	19 Failure to meet climate targets	8.20
7 Taxes related to GHG emissions	11.21	20 Geopolitical and social instability	8.00
8 Forest fires	11.21	21 Alteration of biodiversity	7.01
9 Variation in resource availability	11.14	22 Difficulties in obtaining financing	6.11
10 New reporting requirements	10.81	23 Damage to the image of the industry	5.52
11 Increased average temperature	10.74	24 Damage to the image due to the use of resources/services	5.52
12 Reduced availability of water	10.31	25 Increased exposure to environmental litigation/infractions	2.79
13 New legal requirements related to the reduction of GHG emissions and climate risk management	9.79	26 Vehicle-mobility restrictions	1.86

\* Ranking based on the severity of the opportunities (probability × impact). Opportunities classified as priority 1 and 2 are included.

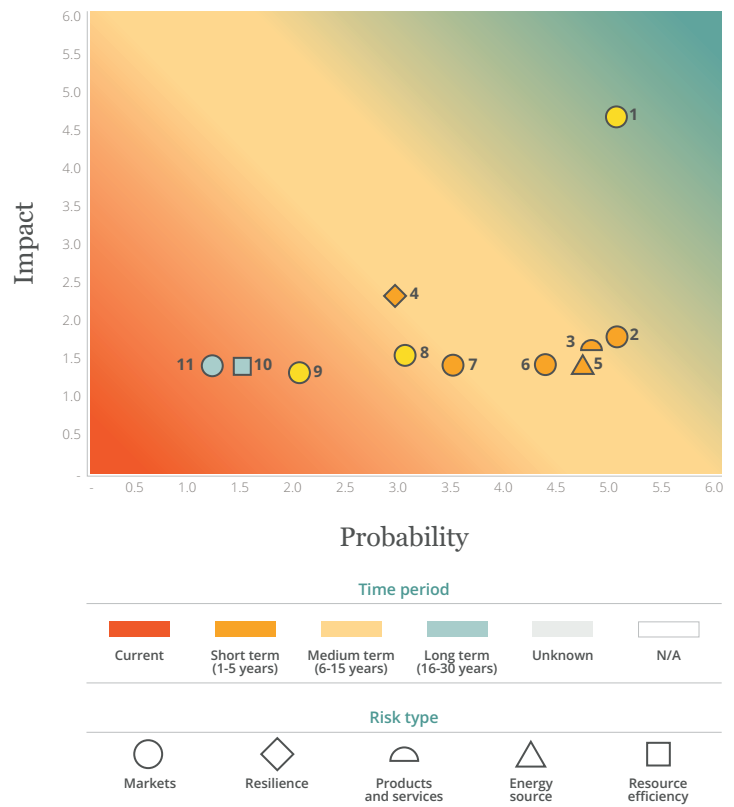


## MATRIX AND RANKING OF CLIMATE OPPORTUNITIES

We have identified 11 climate opportunities, of which 7 are market opportunities and 1 in each of the remaining categories (products and services, resilience, energy sources and resource efficiency). Of note is that the severity rating of the top opportunity in the ranking (23.06) is almost 3 times higher than the rating of the opportunity in second position (8.98).

1	Opening of new markets	23.06
2	Differentiation from competitors	8.98
3	Changes in customer behaviour or preferences	7.91
4	Direct incentives from the authorities related to combatting climate change	6.68
5	Direct incentives from the authorities related to the decarbonisation of transport	6.63
6	Changes in customer perception	6.20
7	Obtaining financing	4.91
8	Improvement to the image of the industry	4.64
9	Change of insurance conditions	2.66
10	Indirect incentives from public authorities	2.05
11	Direct incentives from the authorities related to energy efficiency and use of resources	1.66

\* Ranking based on the severity of the opportunities (probability x impact). Opportunities classified as priority 1 and 2 are included.



## CARBON FOOTPRINT AND EMISSION REDUCTION TARGETS (SBTI)

GRI: 305-1, 305-2, 305-3, 305-5

As a benchmark in the hotel industry, we also have to lead the industry in the way we understand hotel management based on the principles of sustainability, assuming firm commitments that respond to the need to adapt to and mitigate climate change.

That is why we reaffirmed our emission-reduction targets based on the Science-Based Target initiative in 2021, defining a new commitment to helping keep global temperature increases to below 1.5°C, and using this as the basis for our projects to combat climate change.

Our carbon footprint in the three different scopes is measured using the methodology defined in the Greenhouse Gas Protocol (GHG Protocol).

### SCOPE 1 & 2

In 2021 we measured emissions in 100% of our owned, leased and managed hotels (252 hotels), a significant improvement compared to 2018, when only 78% of the that portfolio was measured.

## EMISSION REDUCTIONS (BASE YEAR 2018\*)

### SCOPE 1

**-45%**

### SCOPE 2

**-41%**

(\*) For comparability purposes and to assess progress in our reduction targets, data from the centres included in the 2021 perimeter have been added to the base year 2018.

## EMISSION REDUCTION TARGETS (SBTI)

### SCOPE 1 AND 2 (2025)

**-29.4%**

### SCOPE 1 AND 2 (2035)

**-71.4%**

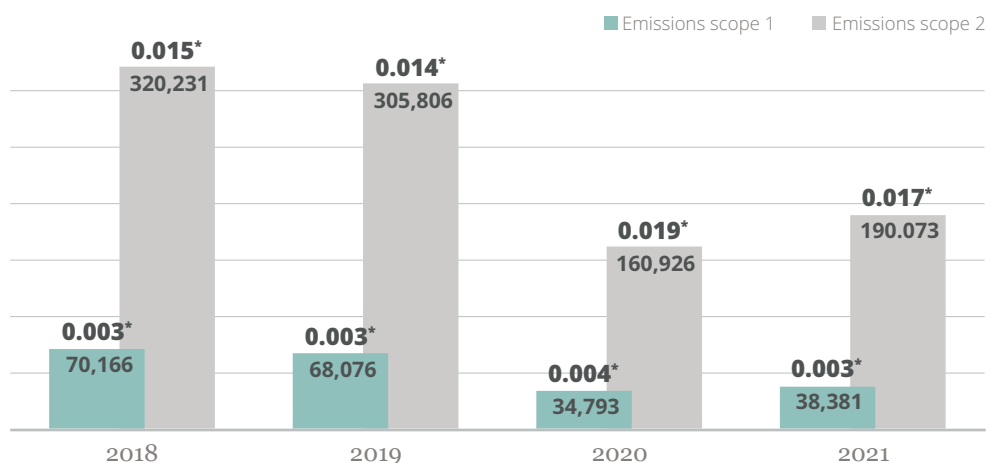
Scope 1 emissions are calculated using the location-based method following the guidance of the GHG Protocol. Scope 1 are direct emissions caused by the use of fuel in our facilities (94%) and fugitive emissions in refrigeration equipment (6%).

Scope 2 is calculated by country and by source (electricity, heating and cooling), using the location-based method. We have a strategy for purchasing energy from renewable sources which is currently effective in Spain, Italy, Germany, France and the United Kingdom.

The emission intensity ratio in both scopes has improved compared to 2020, mainly due to emission reduction measures and improved energy efficiency in our facilities and equipment.

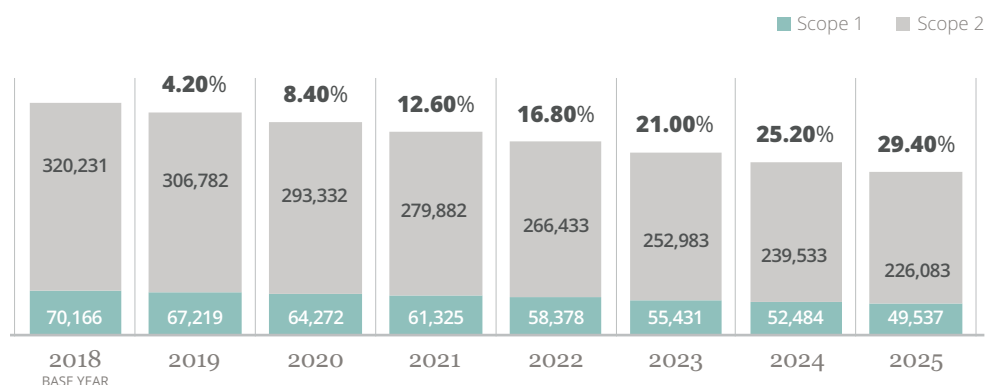
Although 2021 saw the beginning of a recovery in our activity, several hotels still remained closed, although their gross emission was still not zero as we were required to maintain a certain minimum level of consumption.

## CARBON FOOTPRINT DIRECT EMISSIONS SBTI (TCO<sub>2</sub>)\*\*



(\*) Intensity ratio per stay  
(\*\*) Aggregated perimeter

## ROADMAP FOR REDUCTION IN EMISSIONS SBTI TO 2025 (TCO<sub>2</sub>)





## EMISSION REDUCTION TARGETS (SBTI)

SCOPE 3 (2025)

**-29.4%**

SCOPE 3 (2035)

**-71.4%**

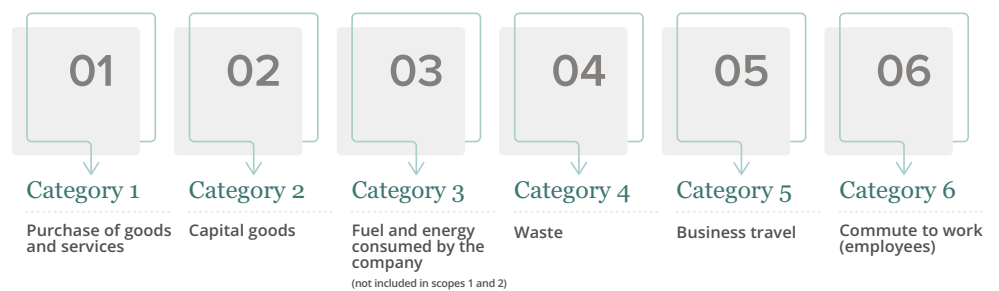
(\*) For comparability purposes and to assess progress in our reduction targets, data from the centres included in the 2021 perimeter have been added to the base year 2018.

## SCOPE 3

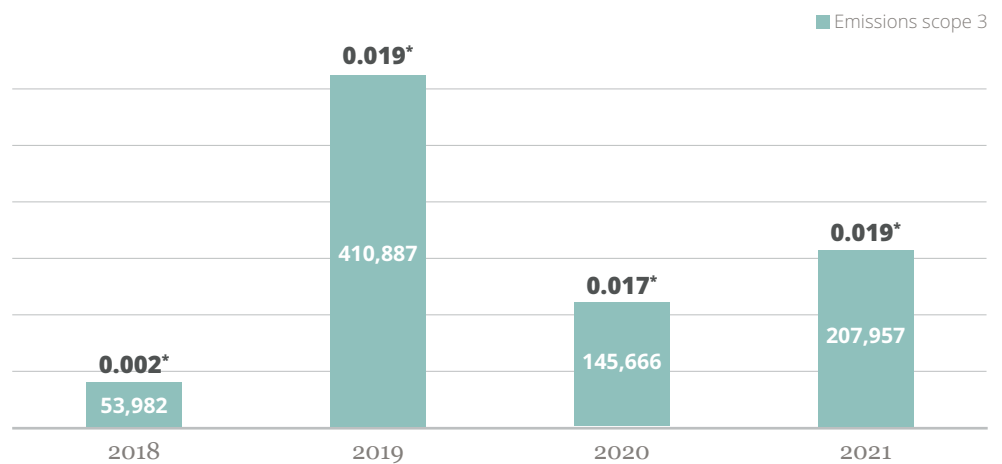
Given the nature of our business model, Scope 3 emissions are very significant in our activity. Following recommendations and best practices, that is why we continue to make progress in measuring our Scope 3 footprint, which includes all the emissions not included in scope 2 and derived from the value chain (upstream and downstream) and on which we have no direct influence.

We currently report on 6 of the 15 categories defined by the GHG Protocol. Those that are not related to our activity or are estimated to have a relevance of less than 1% have been excluded, provided the sum of them all does not exceed 5%. For more information, see the Annex Chapter: Carbon Footprint Methodology.

## MEASUREMENT CATEGORIES



## CARBON FOOTPRINT SCOPE 3 (TCO<sub>2</sub>)



(\*) Intensity ratio per stay  
(\*\*) Aggregated perimeter

## CLIMATE CHANGE ADAPTATION AND MITIGATION MEASURES

### THE PLANET WE LOVE

The Planet We Love is a project launched on a global level in June 2021 to involve customers in the fight against climate change. Developed with the leading Spanish fintech company in carbon credit management, Climatrade, it is a fundamental step forward in our environmental commitment and the transition to a low-carbon economy.

CONTRIBUTIONS  
MADE IN 2021

19

MELIÁREWARDS POINTS  
REDEEMED

50,000

CO<sub>2</sub> EMISSIONS OFFSET

42 Tn

JOURNEYS  
(CABIFY & JOINUP)

KM TRAVELLED

17,998

CO<sub>2</sub> EMISSIONS  
GENERATED (KG)

1,683

CO<sub>2</sub> EMISSIONS OFFSET

100%

The project allows MeliáRewards loyalty programme members to exchange points for carbon credits certified by the United Nations using blockchain technology, ensuring the traceability of the whole process. The credits are used to support a selection of projects in developing countries to reduce greenhouse gas emissions.

We currently support two projects:

- Waste for Energy: This is a project in Brazil to reduce methane emissions and transform the gas into non-polluting energy for thousands of homes at risk.
- Oaxaca III: Endorsed by AENOR and developed by Acciona, this project aims to promote new sustainable water and energy infrastructure to benefit more than 700,000 homes in Mexico, avoiding the emission of more than 670,000 tons of CO<sub>2</sub>, equivalent to the photosynthesis carried out by 33 million trees.

SUSTAINABLE MOBILITY

To encourage our customers to behave more responsibly, at the end of 2021 we signed an agreement with the company WENEA for the implementation of charging stations for electric vehicles in hotels in Spain. In 2021, 8 recharging stations were installed, and we expect to add approximately 14 more in 2022, thus providing recharging stations in all the car parks in our hotels in Spain. In parallel, we will define a roadmap to roll out this project to other countries where we operate.

PARTNERS IN SCOPE 3 REDUCTIONS

To achieve our scope 3 emission-reduction targets, it is essential that we work hand in hand with the key players in our value chain. Since 2018, we have been working with two strategic partners, Cabify and JoinUp, to reduce the carbon footprint of our employees' journeys (category 6).

These agreements ensure 100% of journeys made by car are carbon neutral. This is achieved through the emission compensation programmes managed by both Cabify and JoinUp. For more information on the compensation programmes of both partners, see their websites.



## Continued management of Covid-19

2020 was a very difficult year, and 2021 was also a year full of risks and uncertainties, particularly in our supply-chain management. The scarcity of raw materials, the suspension of operations by certain suppliers, the saturation of logistics channels and significant price increases led to a new period of instability and uncertainty, in which the appropriate management of our supply chain took on a much more relevant role.

However, these circumstances also found us immersed in a digital transformation process that meant we were better prepared to face this new business environment. In such conditions, it becomes even more important to have a resilient supply chain and more collaborative relationships with suppliers, thus guaranteeing the operation of our hotels and avoiding incompliance with the commitments made to our customers and partners.

To better respond to this new context, in 2020 we reviewed our [Procurement and Service Contracting Policy](#), which includes, among other things, new guidelines aligned with our sustainability objectives, such as regular assessments of our suppliers in terms of their sustainability or the selection of environmentally responsible products and services. In line with this latter point, last year we announced a commitment to eliminate the use of eggs from caged birds in our hotels by 2025. The situation created by the pandemic, however, has prevented us making progress at the desired rate, given that we have been focused on reactivating the business and preserving employment. We trust that the recovery of the travel industry over the coming years will allow us to achieve all of our commitments.

## Supply chain management

Our business model has evolved to integrate sustainability as a key driver of transformation in our supply chain, including social, environmental and good governance criteria in the selection and evaluation of all our suppliers and the comprehensive management of these areas to help in the development of a more responsible business model.

### MISSION

Our **mission** is to constantly improve service levels in terms of quality, cost and efficiency, integrating sustainability criteria in our value chain.

### STRATEGY

The procurement strategy is based on 4 dimensions:

- Excellence in the operating model to maximise savings and service quality, both in the purchase of goods and in contracting services
- Digital transformation to ensure greater agility, control and efficiency in our processes
- Investment in training and the development of digital skills
- Integration of sustainability criteria in the selection and evaluation of suppliers

In 2021 our digital transformation acquired even greater importance. We began a selection process and then implementation of a new best-in-class purchasing system (COUPA), applying a comprehensive approach to the digitalisation of the procurement function.

This comprehensive approach involves the following action areas:

- Implementation of a technological solution with a global reach
- That covers both the supply of goods and services
- That facilitates the relationship with suppliers, increasing agility, transparency, and efficiency in our business relationships
- That facilitates monitoring of our requirements in terms of sustainability
- And that also allows us to create a new cost management role thanks to the link between cost analytics and the procurement function.

#### SUPPLIERS THAT HAVE SIGNED THE SUSTAINABILITY CLAUSE

**1,839**  
(35.4%)

Objective 2024: 100%

#### SUPPLIERS WITH SIGNED/ ACCEPTED CODE OF ETHICS

**1,980**  
(38.1%)

Objective 2024: 100%

Associated with the dimensions of Excellence and the Integration of Sustainability Criteria in the selection and evaluation of suppliers, we have also continued to make progress with the centralisation of negotiations and contracting for services worldwide, guaranteeing and standardising the evaluation of suppliers and quality, cost and efficiency objectives.

## Selection of suppliers

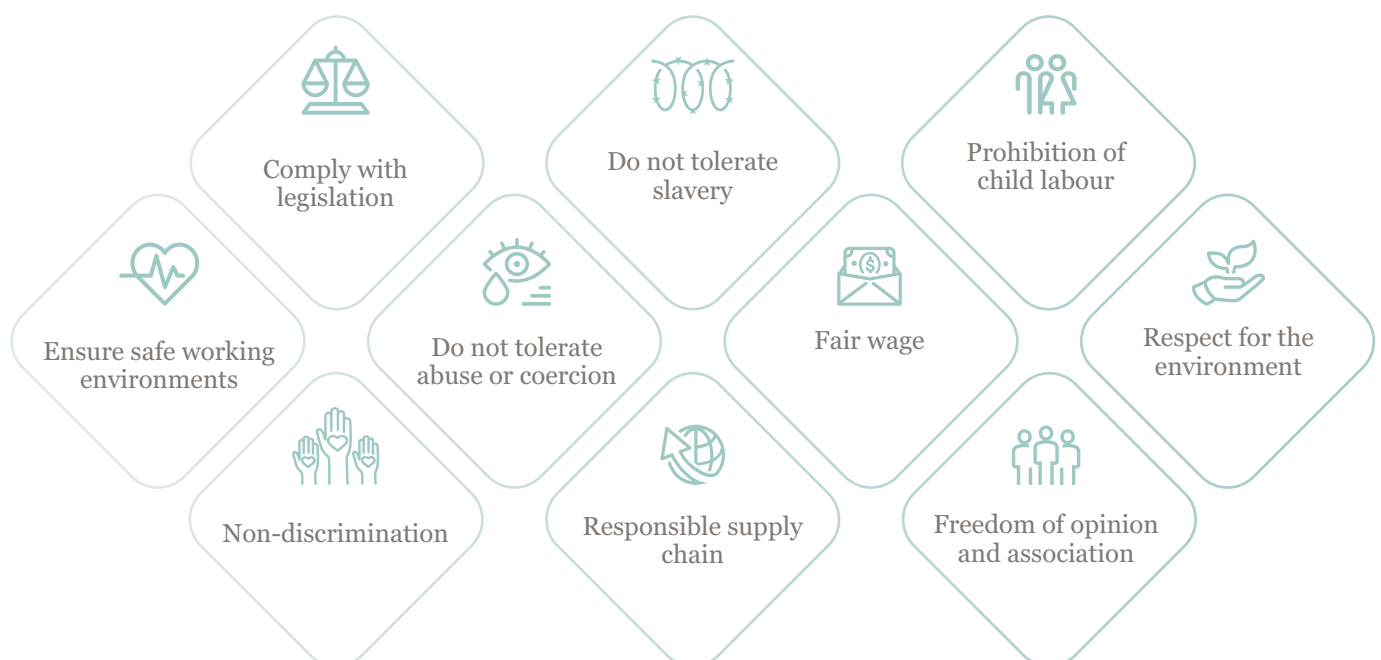
GRI 308-1, 414-1

Supplier selection is based on **technical, financial and sustainability criteria** using a rigorous and transparent process which ensures the selection of the best possible suppliers, aligned with our principles, values and public commitments.

When entering into a partnership with Meliá, all suppliers must accept our [Supplier Code of Ethics](#), or, if they have a Code of their own, sign a *Conformity Statement*, which guarantees they are in alignment with the principles of our Code.

They must also sign a **Sustainability Clause** in which they accept that they are aware of our requirements in this matter and promise to support them, accepting the possibility that we may audit their compliance and progress.

### SUPPLIER CODE OF ETHICS COMMITMENTS



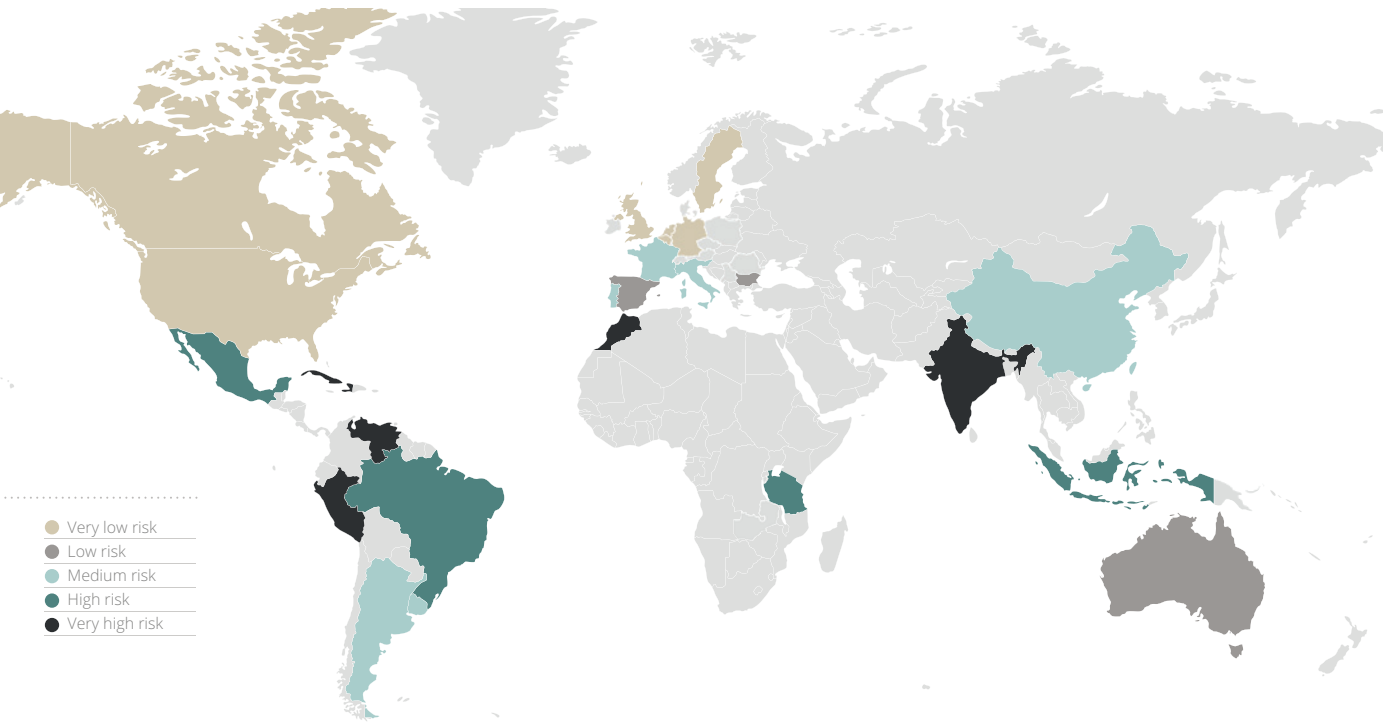
## ESG risk management

To assess the degree of risk that our main suppliers have in relation to environmental, social and governance criteria, we conducted an ESG risk analysis including issues related to human rights, occupational health and safety, talent, diversity, vulnerability, ability to adapt to climate change, availability of natural resources, biodiversity, institutional relations and corruption. The analysis gives us greater visibility on the risks to which we are exposed in countries where we operate and allows us to take the measures required to anticipate these risks should they ever occur.

### ESG RISK ANALYSIS PROCESS



### ESG RISK MAP



TOTAL TIER 1 SUPPLIERS\*

5,198

CRITICAL TIER 1 SUPPLIERS\*

19

CRITICAL NON-TIER 1  
SUPPLIERS\*

110

(\*) Consolidated perimeter

SUPPLIERS EVALUATED BY  
ECOVADIS (LAST 3 YEARS)

86

OBJECTIVE FOR SUPPLIERS  
ASSESSED BY 2024

50%

## Identification of critical suppliers

Based on the results of the ESG risk analysis, a process was defined to identify critical suppliers based on three criteria: purchase volume (minimum of 1% of total centralised purchases), ESG risk by country (location of the main purchasing centres) and product family (food and beverage categories considered most critical as their expiry may affect the health of customers).

## Sustainability evaluation

GRI 308-1, 414-1

To ensure compliance with commitments in the [Procurement and Service Contracting Policy](#) and the Supplier Code of Ethics, we regularly evaluate suppliers to assess their performance regarding sustainability, proposing actions to ensure greater alignment with our strategy and public commitments as well as incorporating the results into our contract selection and renewal process.

The evaluation process is carried out with the support of EcoVadis, a leading international partner in ESG assessments, which carries out a due-diligence analysis using online questionnaires adapted to the size of the supplier, the country in which it is located or the industry to which it belongs, also applying global standards such as the United Nations Global Compact.

The exceptional situation we continued to endure in 2021 prevented us making all the progress we expected in the evaluation process. That is why our objective to assess 50% of our suppliers in 2020 has had to be postponed to 2024, in line with the completion of the new 2022-2024 Strategic Plan. We remain very much aware of the importance of this process, and in 2022 we will continue to move forwards as the reactivation of the business allows.



# Social impact

GRI 102-12; 413-1

2020 was marked by the impact of the pandemic and our ability to react by converting hotels into medical facilities. In 2021 we continued to support society in general and the health authorities in particular with two hotels that throughout 2021 continued to welcome Covid-19 patients during the successive waves of infections throughout the year, and also one hotel that continued to house essential workers.

Much to our regret, our capacity for social support has been greatly reduced given that after so many months of inactivity we have only gradually recovered our operations, with our hotels becoming the key drivers of impact on destinations.

Nevertheless, we have remained committed to social collaboration, focusing on 3 priority areas closely linked to the SDGs: social action and support for vulnerable people (SDG 10), health and the environment (SDGs 3 & 13 ) and knowledge about the destination and culture (SDG 12), through direct support for different social organisations. These collaborations follow the guidelines in our [Philanthropy Policy](#) and are governed by a specific management system for which Meliá has an ad-hoc training programme.

Two projects that had a very important impact in 2020, Soap4Hope and Linen4Life, developed together with Diversey, have performed unevenly in 2021. The first allowed us to recycle a huge amount of soap since its launch at the end of 2017, but had to be put on hold due to health and prevention protocols to combat Covid-19 which meant that soap residue had to be destroyed. However, Linen4Life has remained active in 6 hotels in America and Asia, allowing us to make more than 20,300 triple-layer protective masks, thus avoiding the consumption of 2.4 million litres of water and the emission of 6.1 tons of CO<sub>2</sub>.

## SOCIAL ORGANISATIONS HELPED

68

## TOTAL DONATIONS

€102,946.78

## DONATIONS IN KIND

€85,138.65  
(83%)

## FINANCIAL DONATIONS

€ 17,808.13  
(17%)

While it is true that Meliá has always shown its solidarity, the eruption of the Cumbre Vieja volcano on the island of La Palma (Canary Islands, Spain) in 2021 led to a huge mobilization of our people and of Meliá as a company. For months this violet natural phenomenon affected a destination that was very dear to us. The consequences will take a long time to overcome.

Although this extremely serious situation caused serious suffering, our team showed from the beginning their huge capacity to overcome all difficulties in managing another unprecedented crisis in Spain. The eruption forced thousands of people to evacuate, many of whom have lost their homes, memories, their land and, in summary, a very important part of their lives. Fortunately, and despite the gravity of the situation, we did not have to regret any personal injuries to any of our people.

At the start of the crisis, they managed to successfully evacuate and relocate more than 500 customers who were staying at our Sol La Palma Hotel. 15 members of our kitchen teams worked with the local authorities, the military, the civil guard and the police as volunteers, helping with the donation of food valued at more than €18,000 to the NGO World Central Kitchen, preparing more than 1,000 meals a day, distributing food and clothing, assisting in the removal of personal belongings from homes, providing personal and social assistance, managing the donation of food and basic necessities with the La Palma Food Bank to support all the local residents who needed help. We also connected external desalination plants to the hotel desalination plant to provide water in emergencies and support the island's agricultural sector.

#### SOCIAL ACTION & SUPPORT FOR GROUPS

45%

#### KNOWLEDGE ABOUT DESTINATION

44%

#### CULTURE

11%

Unfortunately however, some of the victims form part of our team in La Palma. Specifically, 96 people associated with Meliá (45 employees and their family members) were affected very directly. Our Occupational Health team set up a psychological support service for them to help them cope with a situation for which nobody is ever prepared. Meliá organised a special campaign called *My heart is in La Palma* to mobilise employees with a promise to match their contribution to the campaign. The support of our employees and the matching funds allowed us to raise €35,616.26 for our team members on the island.

#### SOCIAL CASH FLOW: FINANCIAL VALUE CREATED AND DISTRIBUTED

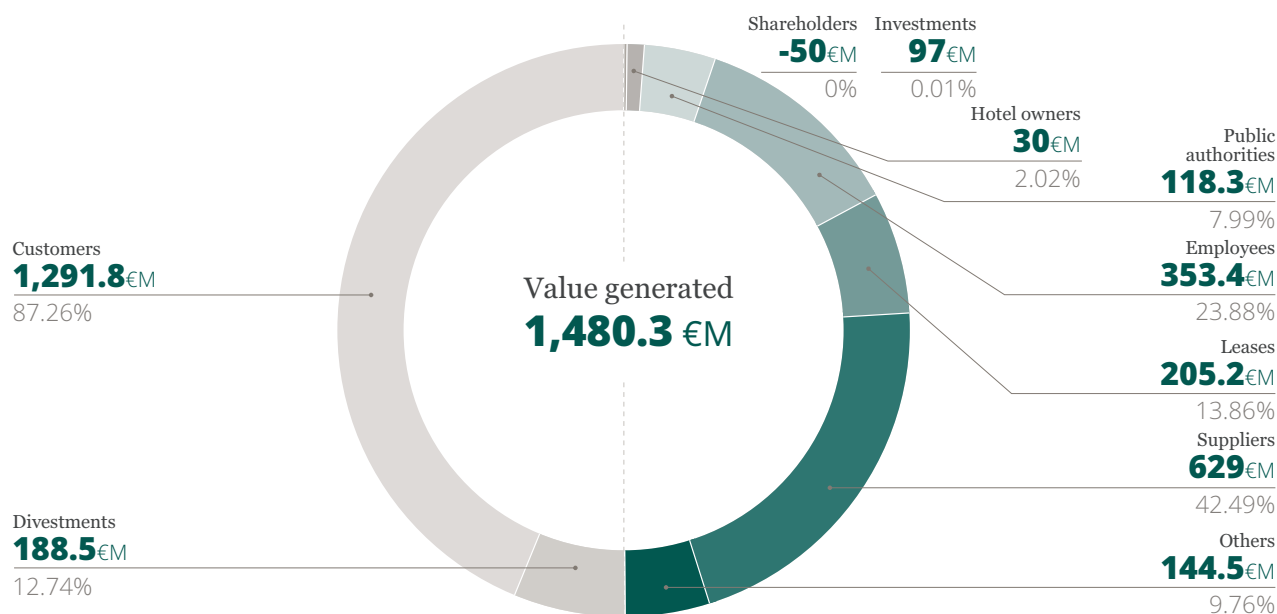
GRI 201-1

Tourism contributes significantly to the economic and social development of destinations and in many other industries that form part of the tourism value chain, generating direct wealth and contributing to growth both directly and indirectly.

The way we give visibility to the redistribution of the wealth generated by our value chain is reflected in our Social Cash Flow. Social Cash Flow reflects the collections and payments generated by the company and distributed to stakeholders, making it possible to trace the flow of incomings and outgoings that have an impact on society and our stakeholders, and therefore representing the economic value generated and distributed by Meliá.

Having shared in 2020 one of the lowest SCFs in our recent history due to the pandemic, the progressive reopening of hotels and reactivation of tourism were reflected in the 2021 SCF.

#### SOCIAL CASH FLOW 2021



#### Incoming value

<b>Customers</b> Revenue from hotels and other assets and businesses	<b>Divestments</b> Revenues from divestments in real estate, group companies, financial assets, etc.

#### Outgoing value

<b>Suppliers</b> Payments to suppliers of food and beverage, external services, transportation, utilities, etc.	<b>Leases</b> Payments to the owners of the real estate used for hotel management or other activities	<b>Employees</b> Payments to personnel in corporate offices and owned and managed hotels	<b>Public authorities</b> For taxes on profits, social costs, taxes on activity, etc.	<b>Investments</b> Payments for investments made, maintenance or reform of company assets	<b>Shareholders, hotel owners and others</b> Shareholder dividends, payments to owners, financial costs, exchange rate variations, loans to subsidiaries, etc.

We calculate the Social Cash Flow since 2008

# Protection of Human Rights

## Context

In 2021 the European Parliament approved the report of the Committee on Legal Affairs regarding 'Corporate due diligence and corporate accountability'. The European Commission now has a mandate to develop specific and mandatory legislation to make companies responsible for detecting, preventing and reducing the environmental and human rights impacts of their activities and throughout their value chain, supply chain and subcontracting activities. Final publication has been postponed to 2022.

These new initiatives will form part of the European Green Deal and the European Recovery Plan, based on the United Nations Guiding Principles on Business and Human Rights and the principles of the OECD and the ILO. The new regulatory context will encourage better management of human rights in companies and will create both challenges and opportunities.

## Evolution at Meliá

We have a positive track record in making human rights part of our value chain. Since 2018, we have extended our commitments to our supply chain. This puts us in a good position to ensure compliance with the future directive.

Our approaches in this area were begun before any external requirements or regulations. Since 2012, we have had a [Code of Ethics](#) that includes human rights, and since 2018 we have had a [Human Rights Policy](#) and [Supplier Code of Ethics](#), which define principles for relationship and selection criteria. Given our commitment to the defence of human rights, in 2019 we also announced compliance with the *Modern Slavery Act* and all the regulatory requirements in force in the United Kingdom. Although limited in scope to the United Kingdom, this compliance is also a reflection of our global commitment in this area.

Throughout 2021, the consequences of Covid-19 led us to maintain job preservation and health among our top priorities. In this area, the 2030 Agenda and the Sustainable Development Goals (SDGs), even more closely associated than ever with the Universal Declaration of Human Rights, became an excellent framework for facing the situation.

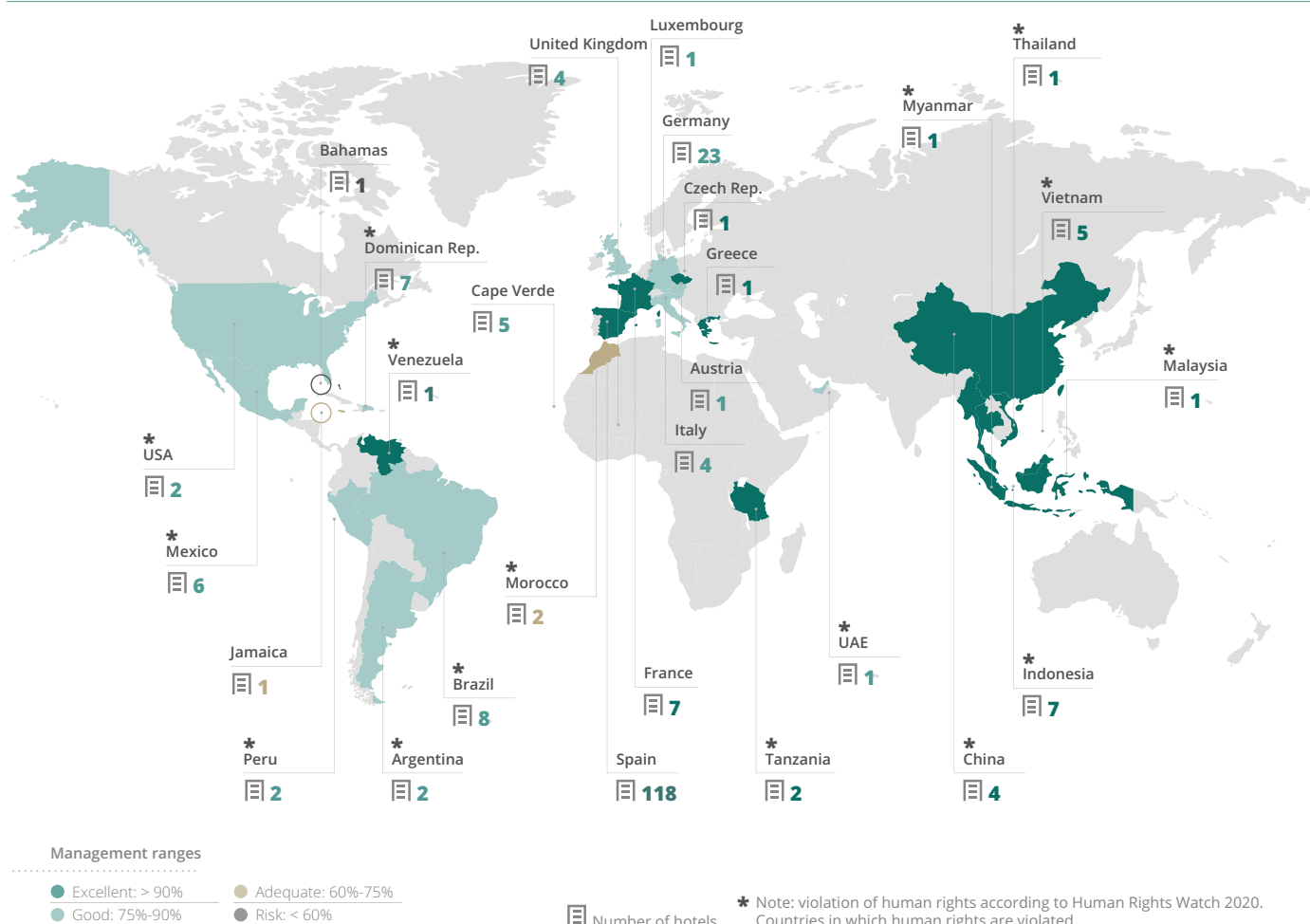
### KEY MILESTONES IN HUMAN RIGHTS

Year	Milestone
2006	• First Spanish tourism company to sign the ECPAT Code to eradicate commercial sexual exploitation.
2008	• Adherence to the Global Compact, a leading international body in the defence of human rights
2011	• Signature of the International Code of Ethics of the United Nations World Tourism Organization (UNWTO)
2012	• Approval of the first Meliá Hotels International Code of Ethics
2013	• Global agreement with the IUF to support the defence of labour rights
2016	• Member of the CSR & Anti-corruption Committee of the International Chamber of Commerce (ICC)
2018	• Publication of the first Meliá Supplier Code of Ethics • Approval of the first Human Rights Policy • Signatory member of the Global Compact
2019	• Launch of the first Self-Assessment in Human Rights • Global agreement with the IUF to support the fight against sexual harassment in the workplace • Approval of the 2nd Meliá Equality Plan (applicable in Spain) and definition of the international equality principles
2021	• Analysis of company compliance with the Guiding Principles of Human Rights • Formalisation of the Meliá Human Rights Governance Model • Addition of the impact on human rights to the Global Risk Map

## Self-assessment

The analysis carried out in 2019 and 2020 of the data generated by our first self-assessment allowed us to design a first approach to the management of this in business units, defining 9 areas with different weights and 54 specific questions that covered all the company's public commitments in the 220 participating hotels (owned, leased and managed hotels, excluding Cuba). We were able to confirm that our direct management does not present any critical risks, apart from certain exceptional situations in Jamaica, the Bahamas and Morocco, which nevertheless did not represent any critical risk as they only affected 4 specific hotels.

### LEVEL OF PARTICIPATION IN SELF-ASSESSMENT



### MEASUREMENTS IN HUMAN RIGHTS

Weight	Dimension
15%	Human dignity, equality and a safe work environment
5%	Avoidance of forced, child or slave labour
10%	Freedom of association and collective bargaining
15%	Fair and decent working and remuneration conditions
7%	Promotion of equal opportunities
15%	Environment and surroundings
5%	Society and stakeholders
8%	Training, information and communication about ethics and human rights HH
20%	Zero tolerance with corruption

#### GLOBAL PARTICIPATION

94%

Our goal in the second half of 2021 was to adapt to the demands of the new directive. Given the delay in its approval, we will now carry out this exercise in 2022. Although the current format in force since 2019 has allowed us to respond to the EINF Law, GRI, public commitments (UN Principles on Business and Human Rights, Principles of the Global Compact, ILO guidelines and issues related to the Modern Slavery Act), we understand that the new context will require a profound review. The new approach for 2022 will have a global reach and will include 2 new countries in addition to those already involved.

## Risk identification

Our Global Risk Map includes potential impacts on human rights as a specific risk since 2021, given that we operate in 16 countries in which these rights are not guaranteed, and 10 further countries where labour rights are not always scrupulously respected

On the other hand, as part of our Crime Prevention and Detection Protocol, Meliá has identified 23 criminal offences. One of them is directly related to crimes against workers' rights. Among the behaviours these crimes involve are working conditions that suppress or restrict rights due to abuse of necessity or by means of deception, people who consent to such measures imposed by others in the transfer of companies, not providing the means by which workers can do their work with the appropriate safety and hygiene measures, the impediment or limitation of freedom of association or the right to strike, the breach of occupational risk prevention regulations, or any type of discrimination based on ideology, religion or belief, ethnicity, race, nationality, sex, sexual orientation, family situation, illness or disability, legal or union representation of workers, kinship and use of languages, without restoring a situation of equality.

On the other hand, we also have an Internal Audit Plan that verifies the implementation of control systems in terms of people management, as well as occupational health and safety audits, areas which have a direct impact on human rights at work. We also have Country Risk Files in which the defence or violation of human rights is a consideration taken into account in our international growth plans.

Since 2020 we have been identifying groups whose human and labour rights are potentially vulnerable in all those countries in which we have an active presence, based on reliable sources of information such as the *Human Rights Watch Report* and the *International Trade Union Confederation Global Labour Rights Index*. Together with our self-assessment, this exercise gives us a global vision of the degree of potential risk to which we are exposed.

## Integration in the supply chain

GRI 412-3; 414-1

The integration of Human Rights management at Meliá goes beyond the mere adherence to public principles, agreements and commitments. These public commitments are an incentive to continue making progress with the integration of this matter in our value chain to ensure we prevent and mitigate any potential breaches. We regard to this progress, we believe it appropriate to highlight the following points:

**Regulations** - we have Codes of Ethics and corporate policies that reinforce our Human Rights Policy, which acts as a framework for defining specific commitments. Of these, the most relevant policies are those regarding Human Resources, Procurement & Service Contracting, Prevention and Occupational Health, Anti-Corruption, Climate Change & the Environment, Stakeholder Dialogue and Sustainability, among others.

**Scope & dimensions** - Our policy and [Code of Ethics](#) are global in scope and extend to the entire hotel portfolio and supply chain (suppliers, contractors, agents and employees), which also have an additional regulatory framework and specific commitments as defined in the [Supplier Code of Ethics](#), ensuring coverage in this area to other vulnerable groups in addition to employees such as women, children, indigenous peoples and migrants.

(\*) All the complaints received are investigated by the Ethics Committee. More information is available in the chapter on Ethics and Integrity.

#### COMPLAINTS RELATED TO HUMAN & LABOUR RIGHTS

14

#### CORRECTIVE PLANS ACTIVATED

14

#### HUMAN & EMPLOYMENT RIGHTS

**TOP 5**  
Materiality

#### SUPPLIERS EVALUATED IN HUMAN RIGHTS 2019-2021

86

#### SUPPLIERS EVALUATED IN HUMAN RIGHTS 2024 (TARGET)

50%

#### STAFF TRAINED IN AREAS THAT HAVE AN IMPACT ON HUMAN RIGHTS

3,919

**Enhanced standards** - Meliá complements or improves, if appropriate, the conditions of its teams to ensure their dignity, regardless of the country in which they work. Being part of the Meliá workforce ensures that employees work in dignified conditions governed by a contract, in environments in which there is no employee exploitation, which respect the minimum work age, provide equal opportunities, access to training, equal pay, non-discrimination, work-life balance options, labour rights, work breaks and holidays, safe work environments, and access to various social benefits, among others.

**Complaint channels** - Meliá makes complaints channels available to all stakeholders, an internal channel for employees, and an external channel for all other stakeholders. These channels allow the communication of any violations. Both of them expressly include a category for Human and Labour Rights. Of the 27 complaints received through these channels, 14 were related to various areas of Human Rights. 100% of these complaints were analysed and investigated, and an ad hoc plan was activated for all of them, either involving greater training or information, or activating disciplinary measures in any cases that required it. None of these complaints was related to violations of the rights of indigenous people or operations involving child labour.

**Materiality** - The Protection of Human and Labour Rights is part of our Materiality Analysis, and was one of the top 5 most important issues for our stakeholders in the review carried out in 2021.

**Governance** - In 2021 we formalised the functions and attributions to manage governance in the different bodies and committees. It involves two key bodies that complement each other: the **Ethics Committee** that manages the Complaints Channel and ensures its correct implementation and operation, and the **Code of Ethics Office**, created in 2021 to respond to the need to continue raising awareness about the ethical principles that underpin our management. More details can be seen in the chapter on Corporate Governance.

**Supply chain** - We strengthened our link with suppliers through the signature of the Supplier Code of Ethics, and we also have an ESG risk analysis system for suppliers that includes human rights, among other matters. The selection of suppliers takes into account social, environmental and governance criteria, and also includes the possibility of audits that may lead to the elimination of suppliers from our supply chain. In June 2019 we began a process aligned with the Guiding Principles on Business and Human Rights to evaluate a group of key suppliers based on their purchase volume, product and country of origin. Between 2019 and 2020, we evaluated 86 suppliers and identified no significant risks regarding the violation of human rights. Given the instability experienced in 2021, Meliá did not analyse any new suppliers during the year. In 2022 we will resume our work in order to reach a level of 50% in our analysis of suppliers by the end of 2024.

**Internal communication** - Ensuring that the integrated management system is understood by company employees is just as important as having the system in the first place. In June 2021 we created a sharepoint for ESG content to enhance understanding about our approaches. This digital tool has a specific area for information on human rights and how we manage the issue.

**Training** - our eMeliá online training platform has courses for all our employees about areas with an impact on human rights such as ethics, compliance, anti-corruption, equality and diversity, occupational health and safety, and sustainability, among others. We are currently working on further specific content about human rights in the company and its importance for social development.



No

**Constant review** – Although the publication of the new Due Diligence Directive will require us to review our model, we have already identified opportunities for improvement that will cause us to update our approach. The reinforcement of our regulatory body and internal audit plans with ESG criteria will be a key means of identifying opportunities.

**Report** – Since 2018 we have been reporting information and progress in this area, responding to the demands of our stakeholders, regulatory requirements, our own commitments and the reporting standards with which we comply. Our Annual Management Report has been verified and audited by an independent organisation of recognised international prestige since 2010. Ever since then, we have not seen any issue in this regard.

## Alignment with Dhaka Principles

The adoption of the *Employer Pays Principle* is essential in combatting worker exploitation, forced labour and the trafficking of migrant workers, preventing workers from assuming any costs in the selection and hiring processes. Although our regulations do not expressly mention this principle, it is nevertheless present in our people management system given that:

- Access to any selection process does not involve any financial payments.
- Inclusive and non-discriminatory selection processes in which the suitability of the candidate for the position prevails
- All company employees have a very clear and transparent employment contract, with a duration that takes into account the circumstances of the business, and always respecting the applicable legislation in each country.
- No personal documents are retained, and only the minimum information is required to ensure the performance of the work in each position, as described in the [Privacy Policy](#).
- Salaries are paid regularly and punctually according to standard practices in each country. This aspect became more important in 2020 and 2021, years in which we made a significant effort to maintain employment and the remuneration of our teams in spite of the global crisis.
- The right to representation is expressly acknowledged in our Code of Ethics.
- Appropriate working conditions for the performance of each function, with a special focus on safety, health and the prevention of occupational risks.
- Ensuring appropriate living conditions in destinations where accommodation is provided to employees.
- Free access to a complaints channel.
- No limitation or restriction on mobility and, if there is an open position, changes of department, position, region and even country.

## Challenges 2022

We will analyse our management system to ensure its adaptation and alignment with the requirements of the new European Due Diligence Directive.

We will review and update our Human Rights Self-Assessment, extending it to two new countries in which we operate and with the aim of carrying out the assessment every two years to ensure information is updated.

We will resume the evaluation of suppliers that was suspended in 2021, and also update our regulatory body to ensure the incorporation of new approaches and aspects that have an impact on, protect or reinforce our approaches to Human Rights.

## Institutional presence

As a leading international travel company, we aim to play an active role in the business fabric in the destinations where we operate, sharing our experience and defending the interests of the industry.

These activities allow us to acquire new knowledge, anticipate new trends, participate in debates with other leading companies or explore collaborative opportunities to enrich our business management system.

We aim to achieve a balanced presence both at home and abroad, participating in those areas that we consider essential for our business and in which we can add tangible value.

### AREAS OF ACTIVITY



\* The details of our presence in associations and other organisations can be seen in the Institutional Relations section (policy influence)

2020 was an especially intense period in terms of institutional activity. The health crisis required cooperation between many different public and private organisations to manage the impact of the pandemic on the tourism industry and the economy.

2021 was also an intense year, but on a far different level. We continued to support projects together with the tourism industry and other agents to improve management systems and enhance institutional, social and environmental commitments.

## MEMBERSHIP OF ORGANISATIONS & INSTITUTIONS

### BUSINESS ORGANISATIONS



International Chamber of Commerce  
*The world business organization*

Help companies face the challenges and opportunities of globalisation. We form part of the Corporate Social Responsibility and Anti-Corruption Committee.



Its main objective is to represent, promote and defend the general interests of Spanish companies. Given our international presence, we also form part of the Spanish Chambers of Commerce in the United Kingdom, France, Belgium, Luxembourg and Peru.

Members since 2014.



Global community of companies and executives aiming to build a stronger and more dynamic society, better prepared to face present and future challenges, through the professional and personal development of the business community.

### TOURIST ORGANISATIONS



Forums Private travel and tourism forum of international repute that brings together more than 200 companies worldwide, aiming to enhance the importance of the tourism industry and its economic and social impact in the world.

Members since 2017.



United Nations agency in charge of promoting responsible, sustainable and accessible tourism for all. .

Members since 2011.



Bringing together 34 of the most relevant companies in the Spanish tourism value chain. Members since 2002. Our Executive Vice President & CEO has chaired the organisation since 2019.

## ESG positioning

In 2021 we reviewed our ESG positioning, applying strategic criteria with a long-term vision aligned with our business objectives to help:

- Manage our intangible ESG assets in a balanced way
- Improve our visibility and public recognition
- Increase our capacity to generate positive impacts
- Help consolidate a reputation based on commitment

## COMMITMENTS & MEMBERSHIPS 2021

We have assumed new commitments in environmental, social and tourism matters to add to those in previous years, amongst which are the following:

Relationship	Scope	Partner	Initiative	Description / Objective
Institutional Commitment	Climate Change and the Environment	We Mean Business Coalition	G20 Leaders (COP 26)	Standardised environmental policy in all G20 countries that allows the collective decarbonisation of value chains, products and services, while supporting shared climate and sustainable development objectives.
Institutional Commitment	Climate Change and the Environment	Conference of the Parties to the United Nations Framework Convention on Climate Change 2015	COP 21 Paris	Redefinition of emission reduction targets based on scientific criteria to help avoid a temperature increase above 1.5°C
Institutional Commitment	Social	CEOE Foundation	CEOs for Diversity	Alliance that aims to promote innovation in diversity, equality and inclusion strategies in Spanish companies
Institutional membership	Sustainability	UNESCO & Expedia	UNESCO Pledge	Commitment from the tourism industry to support sustainable travel projects around the world through support for specific actions in environmental sustainability and social and cultural issues.
Institutional membership	Sustainability	WTTC, Sustainable Hospitality Alliance + 11 international hotel companies	Global Hospitality Sustainable Basic Framework	Promotion of standardised criteria and indicators to measure progress in terms of sustainability in the hotel industry and promote the decarbonisation of activity by 2050.
Institutional membership	Tourism	Minister of Europe and Foreign Affairs	Digital Green Certification	Promotion of the private sector for the reactivation of tourism

## ESG AREA

**"MELIÁ IS THE LEADER IN SUSTAINABILITY IN SPAIN AND EUROPE ACCORDING TO THE SAM 2020 CORPORATE SUSTAINABILITY ASSESSMENT BY S&P GLOBAL "**



Initiative International initiative to promote corporate social responsibility.

Members since 2011 and signatory member since 2018.



Entity Non-profit organisation that supports commitments by companies to improve society and generate economic value and social impact. We are also present in some of the governing bodies of the foundation such as the Board of Trustees and the Advisory Council.

Members since 2010.

## INVESTMENT & ESG RATINGS

We form part of several specialist ESG indices that assist us in measuring our performance in environmental, social and governance matters.



Now a Part of **S&P Global**

Leading international organisation that assesses company performance in sustainability and responsible management. Meliá has participated in this annual index since 2018.



**FTSE4Good**

Global index that assesses business ethics, corporate responsibility and alignment with the SDGs in companies listed on the Spanish stock market.

Present since 2008.

**ISS QualityScore**

Index that analyses corporate risk in areas such as corporate governance, remuneration, shareholders' rights, auditing and risk management.










This year the following scores were obtained\*:

Environment: 1, Social: 1, Governance: 3

(\*) Scale from 1 to 9, with 1 being the maximum.

## RANKINGS AND MONITORS

We also take part in several ranking and benchmark systems in areas related to our priorities and needs or that are aligned with our strategy.

Scope	Ranking		2018	2019	2020	2021
ESG Management & Leadership	 Now a Part of S&P Global	S&P GLOBAL by SAM Most sustainable companies in the world	3	1	2	2
		MERCO EMPRESAS 100 Spanish companies with the best corporate reputation	19	19	30	35
		MERCO LIDERES Top 100 Business Leaders	29	26	25	30
Responsibility & Corporate Governance		MERCO RESPONSIBILITY & CORPORATE GOVERNANCE 100 most responsible Spanish companies with the best corporate governance in Spain	17	17	21	NA
Climate Change and the Environment		CDP CLIMATE Best companies in climate management	B	B	A-	B
		CPD CLIMATE Supplier Engagement Leader	A-	B-	A-	A
		CPD WATER Best companies in water management		B	B	B
People and Talent	IBEX Gender Equality Index		Members			
		MERCO TALENT 100 Spanish companies that best manage talent	16	16	54	NA
		MERCO UNIVERSITY TALENT 100 most attractive Spanish companies for university students	37	29	25	NA

NA Data not available on the date of preparation of this document

## Sustainability Award

Silver Class 2021

**S&P Global**

## Prizes & Awards

We greatly appreciate the external recognition we receive for our progress in different areas and different entities and prestigious forums award to us year after year.

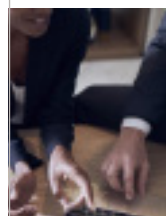
In 2021, and for the third consecutive year, we were named one of the leading hotel companies in the world in sustainability, occupying second position in the global tourism industry in the 2021 Corporate Sustainability Assessment carried out by S&P Global.

In addition to recognition for our firm commitment to sustainability, once again being named a leading company in sustainability gives us an added incentive to continue improving our management and promoting a more sustainable and responsible tourism.



### Executive Leadership

- #30 business leaders with the best reputation in Spain. Merco Líderes.
- Recognition of his business career. Entrepreneurs Magazine
- Entrepreneur of the year Special recognition for his career. Mercado Magazine



### People and Talent

- Europe's Diversity Leaders 2021. European companies most committed to talent. Financial Times
- #1 Tourism company & #54 Most attractive companies for university students in Spain. Merco University Talent
- Most Attractive Employers Top 10 most attractive companies for business and e-commerce students. Top hotel company. Universum
- Best Practices in People Management: through actions to protect employment. Travelling for Happiness Awards. Madrid Hotel Association
- Best Practices in Health: for helping to alleviate the health crisis by converting hotels into medical facilities at the service of health professionals. Travelling for Happiness Awards. Madrid Hotel Association
- National Award for Excellence in inclusion in the workplace and prevention of occupational risks for people with disabilities. Alares Foundation



### Reputation & brand strength

- Best International Hotel Management Groups of China. China Hotel Starlight Awards
- Most Valuable Hotel Brands in the World. Top 50 most valuable hotel brands in the world. Brand Finance
- #3 Strongest Hotels Brands in the World. Top 5 strongest hotel brands in the world. Business Travel Awards
- TRavel Partner of the Year. M&I/W Moxie Supplier Partner Awards in the US
- That's 2021 Hospitality Awards China. Most influential Hotel Company. That's China
- #1 Tourism company with the best reputation & #35 Companies with the best reputation. Merco Empresas.
- #1 hotel company with the largest presence in Spain. Hosteltur



### Sustainability

- 2nd most sustainable hotel company in the world, 1st in Spain and Europe. S&P Global
- Europe's Climate Leaders 2021. European companies most committed to combat climate change. Financial Times
- Award for Commitment to innovation and sustainability in tourism. Outstanding company for commitment to innovation and sustainability in tourism. City of Madrid.
- Duque San Pedro de Galatino Awards. Green Galatino. Recognition of the commitment to sustainability. Granada Federation of Hospitality and Tourism Companies
- Rethink Hotel Awards for Sustainability 2022, Gran Meliá Menorca and Paradisus Gran Canaria hotels



## KPIs

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Financial indicators

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Good governance  
indicators

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HR indicators

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Occupational health and  
safety indicators

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Social indicators

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Environmental indicators

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# Financial indicators

## FINANCIAL RESULTS

CONSOLIDATED INFORMATION (in € millions)	UNIT	2019	2020	2021
Total consolidated revenue	M€	1,800.7	528.4	902.4
Total revenue (excluding capital gains)	M€	1,789.5	528.4	827.2
EBITDA	M€	477.9	-151.5	125.5
EBITDA (excluding capital gains)	M€	470.9	-130.5	61.0
EBIT/Operating revenue	M€	222.8	-557.3	-145.3
<b>Result before taxes</b>	<b>M€</b>	<b>156.3</b>	<b>-663.8</b>	<b>-217.4</b>
<b>Consolidated result</b>	<b>M€</b>	<b>121.7</b>	<b>-612.7</b>	<b>-197.9</b>
Net profit attributed to parent company	M€	112.9	-595.9	-192.9
EBITDA margin (excluding capital gains)	%	26.3%	N/A	7.4%
Net debt	M€	2,028.8	2,603.8	2,853.2
Net debt / EBITDA ratio (excluding capital gains)	Multiple (x)	4,31x	N/A	46,77x

## STOCK MARKET EVOLUTION

	UNIT	2018	2019	2020	2021
No. of shares	M	229.70	229.70	220.40	220.40
Average daily volume	Thousands of shares	724.36	623.87	1,486.55	1,018.89
Maximum share price	€	12.66	9.18	8.34	7.30
Minimum share price	€	7.96	6.93	2.74	5.33
Closing price (as of December 31)	€	8.21	7.86	5.72	6.00
Market capitalization	M€	1,885.84	1,805.44	1,260.69	1,322.84
Dividend	€	0.17	0.18	-	-

# Good Governance indicators

## CORPORATE GOVERNANCE

GRI: 102-22

	UNIT	2018	2019	2020	2021
Board Members	Number	11	11	11	11
External proprietary directors	%	36.4	36.4	36.4	36.4
External independent directors	%	45.5	54.5	54.5	54.5
Board attendance (in person and by proxy)	%	100.0	100.0	100.0	100.0
Average tenure of the Board	Years	14.2	11.0	9.8	8.8
Directors' average age	Years	64.5	62.6	65.3	63.8
Female board members	%	18.2	27.3	27.3	36.4
Board meetings	Number	6	7	7	6
Quorum at the AGM	%	77.30	76.80	71.20	74.88
Women in Senior Executive Team	%	16.70	16.70	16.70	16.70
Compliance with CBG CNMV recommendations (Compliant)	%	67.20	75.00	70.30	78.13

## POLICIES

POLICY	YEAR APPROVED	LINK	DESCRIPTION
Treasury Stock Policy	2020	<a href="#">See Policy</a>	This defines the general framework to be respected when carrying out any operation that affects Meliá treasury stock, including the purchase and sale of its own shares by the company or any of the Group companies
Director Selection & Diversity Policy	2020	<a href="#">See Policy</a>	This defines the principles that must govern procedures for the selection and proposal of appointments, ratification and re-election of members of the Board of Directors
Risk Control and Analysis Policy	2020	<a href="#">See Policy</a>	This defines the basic principles that govern risk management and the general framework for the control, analysis and assessment of possible risks, including tax risks, faced by Meliá and its Group.
Data Security Policy	2017	<a href="#">See Policy</a>	This defines the data security framework for the activities of Meliá and its Group
Joint Venture Policy	2017	<a href="#">See Policy</a>	This defines the principles that govern the relationships of Meliá and its Group with its different partners
Investment and Financing Policy	2019	<a href="#">See Policy</a>	Policy that defines the principles that govern investment and financing of projects by Meliá and its Group in order to optimize financial resources and maximise value. It defines general guidelines and criteria for the selection and determination of investments, objectivity in decision-making and optimal financial planning in response to strategic, regulatory and operational or tactical needs
Corporate Governance Policy	2021	<a href="#">See Policy</a>	Policy that defines the corporate governance principles for Meliá and its Group, leading to the creation of a governance model that complies with the pertinent regulations and recommendations and also guarantees the proper segregation of functions, coordination, monitoring and control
Marketing, Advertising and Communication Policy	2017	<a href="#">See Policy</a>	This contains the guidelines and principles regarding Meliá's communication with its different stakeholders
Sales Policy	2017	<a href="#">See Policy</a>	Policy that defines the guidelines for contracting processes with third parties (customers, tour operators, etc.) for Meliá and its Group, as well as guidelines on relationships with customers, competitors and the tourism industry in general
Procurement and Service Contracting Policy	2020	<a href="#">See Policy</a>	Policy that defines common and global guidelines and principles that must be applied in relationships with suppliers of goods or services
Privacy policy	2018	<a href="#">See Policy</a>	This defines the guidelines to be followed by Meliá and its Group in its own activities with regard to the generation, collection, treatment, storage and/or deletion of information
Communication Policy with Shareholders, Institutional Investors and Proxy Advisors	2020	<a href="#">See Policy</a>	This defines the principles that must govern Meliá's communication procedures with shareholders and investors and, insofar as is applicable, with other interested parties, such as financial analysts and proxy advisors, among others
Anti-Corruption Policy	2021	<a href="#">See Policy</a>	Policy that defines the principles that govern the conduct of all company directors and employees to prevent, detect, report and remedy any actions that under applicable regulations may be considered corrupt or criminal
Occupational Health and Safety Policy	2021	<a href="#">See Policy</a>	Policy that includes the objectives and commitments of Meliá in terms of occupational health and safety
Climate Change & Environment Policy	2021	<a href="#">See Policy</a>	Policy that defines operational guidelines for Meliá and its Group with special attention to the environmental dimension and efficient, responsible and sustainable management
Human Resources Policy	2019	<a href="#">See Policy</a>	Policy that defines the basic principles for the respect of labour rights, the assurance of a satisfactory work environment, the prevention of occupational risks and the management of talent at the service of the professional development of the people
Sustainability Policy	2021	<a href="#">See Policy</a>	Policy that defines the general principles that ensure an ethical, responsible and sustainable management model
Fiscal Strategy Policy	2018	<a href="#">See Policy</a>	This defines the principles and guidelines for the company's performance within the framework of its fiscal strategy
Compliance Policy	2021	<a href="#">See Policy</a>	Policy that defines the principles and commitments of Meliá and its Group in terms of regulatory compliance
Human Rights Policy	2018	<a href="#">See Policy</a>	Policy that defines the principles, guidelines and commitments assumed by Meliá in relation to the protection and defence of human rights
Philanthropy Policy	2018	<a href="#">See Policy</a>	This defines the principles of Meliá and its Group in relation to social or philanthropic activities
Stakeholder Relationship Policy	2018	<a href="#">See Policy</a>	Policy that defines the principles and guidelines that govern the relationships of Meliá and its Group with the different stakeholders with which it interacts

# HR indicators

## Consolidated Perimeter

### AVERAGE WORKFORCE BY GENDER, REGION, PROFESSIONAL CATEGORY AND AGE (FTES)

GRI: 102-8; 102-48; 405-1

REGION	GENDER	YEAR	MANAGEMENT				MIDDLE MANAGEMENT				STAFF				TOTAL
			<30	30-50	>50	TOTAL	<30	30-50	>50	TOTAL	<30	30-50	>50	TOTAL	
EMEA	M	2021	-	11.49	9.94	21.43	4.79	71.05	20.54	96.38	146.14	287.97	73.87	507.97	625.78
		2020	-	11.28	9.38	20.66	4.07	67.76	13.67	85.50	175.51	245.58	49.58	470.68	576.84
	F	2021	-	3.47	1.75	5.22	13.28	66.23	13.67	93.18	164.46	217.71	49.87	432.05	530.45
		2020	-	2.15	1.05	3.20	10.70	46.11	12.87	69.69	207.71	170.89	36.65	415.25	488.13
	TOTAL	2021	-	14.96	11.69	26.65	18.07	137.28	34.21	189.55	310.60	505.68	123.74	940.02	1,156.23
		2020	-	13.43	10.43	23.86	14.77	113.88	26.54	155.18	383.22	416.48	86.23	885.93	1,064.97
CUBA	M	2021	-	-	-	-	-	-	-	-	-	-	-	-	-
		2020	-	-	-	-	-	-	-	-	-	-	-	-	-
	F	2021	-	-	-	-	-	-	-	-	-	-	-	-	-
		2020	-	-	-	-	-	-	-	-	-	-	-	-	-
	TOTAL	2021	-	-	-	-	-	-	-	-	-	-	-	-	-
		2020	-	-	-	-	-	-	-	-	-	-	-	-	-
SPAIN	M	2021	-	55.26	47.66	102.92	6.18	246.03	109.37	361.58	210.08	882.61	441.46	1,534.14	1,998.65
		2020	-	53.28	44.69	97.96	3.03	194.78	89.81	287.61	178.23	613.88	323.32	1,115.43	1,501.00
	F	2021	-	38.65	15.09	53.74	10.66	233.30	73.95	317.92	218.76	967.41	500.81	1,686.97	2,058.63
		2020	-	35.77	9.88	45.65	8.86	172.45	53.12	234.42	164.53	670.43	326.92	1,161.88	1,441.95
	TOTAL	2021	-	93.91	62.75	156.66	16.84	479.33	183.32	679.49	428.83	1,850.02	942.27	3,221.12	4,057.27
		2020	-	89.04	54.57	143.61	11.89	367.22	142.92	522.04	342.76	1,284.30	650.25	2,277.30	2,942.95
ASIA	M	2021	-	4.55	2.73	7.28	-	5.30	-	5.30	0.91	-	-	0.91	13.49
		2020	-	4.55	2.28	6.83	-	3.46	-	3.46	0.76	-	-	0.76	11.05
	F	2021	-	0.91	0.91	1.82	1.57	11.51	-	13.08	3.00	6.00	-	9.00	23.90
		2020	-	0.76	0.76	1.52	2.14	9.74	-	11.88	3.86	4.71	-	8.57	21.96
	TOTAL	2021	-	5.46	3.64	9.10	1.57	16.81	-	18.38	3.91	6.00	-	9.91	37.39
		2020	-	5.31	3.04	8.35	2.14	13.20	-	15.34	4.62	4.71	-	9.33	33.01
AMERICAS	M	2021	-	11.46	11.48	22.95	13.39	159.32	48.28	220.99	1,106.18	1,893.31	361.73	3,361.22	3,605.15
		2020	-	13.24	9.02	22.27	6.26	106.25	43.46	155.98	851.67	1,526.49	335.06	2,713.22	2,891.46
	F	2021	-	3.47	2.03	5.50	7.79	116.15	29.76	153.70	607.45	1,047.04	126.13	1,780.61	1,939.81
		2020	-	3.11	1.41	4.52	2.94	90.82	28.79	122.56	480.02	823.46	111.74	1,415.22	1,542.30
	TOTAL	2021	-	14.93	13.51	28.44	21.18	275.47	78.04	374.69	1,713.63	2,940.34	487.86	5,141.83	5,544.96
		2020	-	16.35	10.44	26.79	9.21	197.08	72.25	278.54	1,331.69	2,349.95	446.79	4,128.43	4,433.76
TOTAL		2021	-	129.26	91.59	220.85	57.66	908.88	295.58	1,262.12	2,456.97	5,302.04	1,553.87	9,312.88	10,795.85
		2020	-	124.13	78.47	202.60	38.00	691.38	241.72	971.10	2,062.29	4,055.44	1,183.26	7,300.99	8,474.69

## AVERAGE WORKFORCE BY GENDER, REGION, PROFESSIONAL CATEGORY AND TYPE OF WORKING DAY (FTES)

GRI: 102-8; 102-48

REGION	GENDER	YEAR	MANAGEMENT			MIDDLE MANAGEMENT			STAFF			TOTAL
			FULL-TIME	PART-TIME	TOTAL	FULL-TIME	PART-TIME	TOTAL	FULL-TIME	PART-TIME	TOTAL	
EMEA	M	2021	18.96	2.46	21.43	91.78	4.60	96.38	471.06	36.91	507.97	625.78
		2020	20.66	-	20.66	84.87	0.63	85.50	441.68	29.00	470.68	576.84
	F	2021	5.22	-	5.22	80.63	12.55	93.18	371.58	60.46	432.05	530.45
		2020	3.20	-	3.20	65.52	4.16	69.69	371.13	44.12	415.25	488.13
	TOTAL	2021	24.19	2.46	26.65	172.41	17.14	189.55	842.65	97.37	940.02	1,156.23
		2020	23.86	-	23.86	150.39	4.79	155.18	812.81	73.12	885.93	1,064.97
CUBA	M	2021	-	-	-	-	-	-	-	-	-	-
		2020	-	-	-	-	-	-	-	-	-	-
	F	2021	-	-	-	-	-	-	-	-	-	-
		2020	-	-	-	-	-	-	-	-	-	-
	TOTAL	2021	-	-	-	-	-	-	-	-	-	-
		2020	-	-	-	-	-	-	-	-	-	-
SPAIN	M	2021	99.18	3.74	102.92	357.22	4.36	361.58	1,477.32	56.82	1,534.14	1,998.65
		2020	96.40	1.56	97.96	281.57	6.04	287.61	1,077.34	38.09	1,115.43	1,501.00
	F	2021	53.74	-	53.74	305.11	12.80	317.92	1,534.46	152.51	1,686.97	2,058.63
		2020	45.65	-	45.65	231.21	3.21	234.42	1,103.88	58.00	1,161.88	1,441.95
	TOTAL	2021	152.92	3.74	156.66	662.33	17.16	679.49	3,011.78	209.34	3,221.12	4,057.27
		2020	142.05	1.56	143.61	512.78	9.25	522.04	2,181.22	96.08	2,277.30	2,942.95
ASIA	M	2021	7.28	-	7.28	5.30	-	5.30	0.91	-	0.91	13.49
		2020	6.83	-	6.83	3.46	-	3.46	0.76	-	0.76	11.05
	F	2021	1.82	-	1.82	13.08	-	13.08	9.00	-	9.00	23.90
		2020	1.52	-	1.52	11.88	-	11.88	8.57	-	8.57	21.96
	TOTAL	2021	9.10	-	9.10	18.38	-	18.38	9.91	-	9.91	37.39
		2020	8.35	-	8.35	15.34	-	15.34	9.33	-	9.33	33.01
AMERICAS	M	2021	22.95	-	22.95	220.99	-	220.99	3,361.22	-	3,361.22	3,605.15
		2020	22.27	-	22.27	155.98	-	155.98	2,709.28	3.93	2,713.22	2,891.46
	F	2021	5.50	-	5.50	153.70	-	153.70	1,780.61	-	1,780.61	1,939.81
		2020	4.52	-	4.52	122.56	-	122.56	1,413.73	1.49	1,415.22	1,542.30
	TOTAL	2021	28.44	-	28.44	374.69	-	374.69	5,141.83	-	5,141.83	5,544.96
		2020	26.79	-	26.79	278.54	-	278.54	4,123.01	5.42	4,128.43	4,433.76
TOTAL		2021	214.65	6.20	220.85	1,227.81	34.31	1,262.12	9,006.17	306.71	9,312.88	10,795.85
		2020	201.04	1.56	202.60	957.06	14.04	971.10	7,126.37	174.63	7,300.99	8,474.69



## AVERAGE WORKFORCE BY GENDER, REGION, PROFESSIONAL CATEGORY AND TYPE OF CONTRACT (FTES)

GRI: 102-8; 102-48

REGION	GENDER	YEAR	MANAGEMENT			MIDDLE MANAGEMENT			STAFF			TOTAL
			PERMANENT	TEMPORARY	TOTAL	PERMANENT	TEMPORARY	TOTAL	PERMANENT	TEMPORARY	TOTAL	
EMEA	M	2021	21.43	-	21.43	96.18	0.20	96.38	483.70	24.27	507.97	625.78
		2020	19.12	1.54	20.66	79.80	5.70	85.50	341.30	129.38	470.68	576.84
	F	2021	5.22	-	5.22	92.94	0.24	93.18	406.82	25.23	432.05	530.45
		2020	3.20	-	3.20	66.62	3.06	69.69	270.17	145.08	415.25	488.13
	TOTAL	2021	26.65	-	26.65	189.11	0.44	189.55	890.52	49.50	940.02	1,156.23
		2020	22.32	1.54	23.86	146.42	8.77	155.18	611.47	274.46	885.93	1,064.97
CUBA	M	2021	-	-	-	-	-	-	-	-	-	-
		2020	-	-	-	-	-	-	-	-	-	-
	F	2021	-	-	-	-	-	-	-	-	-	-
		2020	-	-	-	-	-	-	-	-	-	-
	TOTAL	2021	-	-	-	-	-	-	-	-	-	-
		2020	-	-	-	-	-	-	-	-	-	-
SPAIN	M	2021	102.11	0.81	102.92	351.27	10.30	361.58	1,180.28	353.86	1,534.14	1,998.65
		2020	97.03	0.93	97.96	279.04	8.57	287.61	851.41	264.01	1,115.43	1,501.00
	F	2021	53.74	-	53.74	306.82	11.10	317.92	1,265.90	421.08	1,686.97	2,058.63
		2020	45.65	-	45.65	228.00	6.42	234.42	878.24	283.64	1,161.88	1,441.95
	TOTAL	2021	155.85	0.81	156.66	658.09	21.40	679.49	2,446.18	774.94	3,221.12	4,057.27
		2020	142.68	0.93	143.61	507.04	15.00	522.04	1,729.65	547.66	2,277.30	2,942.95
ASIA	M	2021	5.46	1.82	7.28	4.64	0.66	5.30	0.91	-	0.91	13.49
		2020	5.31	1.52	6.83	3.46	-	3.46	0.76	-	0.76	11.05
	F	2021	1.82	-	1.82	7.70	5.38	13.08	6.00	3.00	9.00	23.90
		2020	1.52	-	1.52	7.37	4.51	11.88	5.73	2.84	8.57	21.96
	TOTAL	2021	7.28	1.82	9.10	12.34	6.04	18.38	6.91	3.00	9.91	37.39
		2020	6.83	1.52	8.35	10.83	4.51	15.34	6.49	2.84	9.33	33.01
AMERICAS	M	2021	17.67	5.27	22.95	170.71	50.28	220.99	2,213.48	1,147.74	3,361.22	3,605.15
		2020	22.08	0.18	22.27	144.75	11.23	155.98	2,056.15	657.07	2,713.22	2,891.46
	F	2021	5.00	0.50	5.50	130.05	23.65	153.70	1,029.44	751.18	1,780.61	1,939.81
		2020	4.52	-	4.52	117.86	4.70	122.56	1,010.69	404.53	1,415.22	1,542.30
	TOTAL	2021	22.67	5.77	28.44	300.77	73.93	374.69	3,242.91	1,898.92	5,141.83	5,544.96
		2020	26.60	0.18	26.79	262.61	15.93	278.54	3,066.84	1,061.60	4,128.43	4,433.76
TOTAL		2021	212.45	8.40	220.85	1,160.31	101.81	1,262.12	6,586.53	2,726.35	9,312.88	10,795.85
		2020	198.43	4.18	202.60	926.89	44.21	971.10	5,414.45	1,886.54	7,300.99	8,474.69

## EMPLOYED AND ACTIVE STAFF BY REGION (FTES)

GRI: 102-8; 102-48

REGION	YEAR	EMPLOYED WORKFORCE	ACTIVE WORKFORCE
SPAIN	2021	5,613.82	4,057.27
	2020	6,983.04	2,942.95
AMERICAS	2021	5,966.92	5,544.96
	2020	6,210.61	4,433.76
EMEA	2021	1,832.48	1,156.23
	2020	2,214.18	1,064.97
ASIA	2021	39.82	37.39
	2020	39.36	33.01
CUBA	2021	-	-
	2020	-	-
TOTAL	2021	13,453.03	10,795.85
	2020	15,447.18	8,474.69



NEW CONTRACTS BY GENDER, AGE, PROFESSIONAL CATEGORY AND TYPE OF WORKING DAY (NUMBER)

GRI: 401-1

LEVEL	AGE	CONTRACT TYPE							WORKING DAY						TOTAL
		PERMANENT			TEMPORARY			TOTAL	FULL-TIME			PART-TIME			
		F	M	TOTAL	F	M	TOTAL		F	M	TOTAL	F	M	TOTAL	
MANAGEMENT	< 30	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	30 - 50	3	5	8	-	-	-	8	3	4	7	-	1	1	8
	>50	-	3	3	-	1	1	4	-	4	4	-	-	-	4
	Total	3	8	11	-	1	1	12	3	8	11	-	1	1	12
MIDDLE MANAGEMENT	< 30	4	11	15	3	4	7	22	7	15	22	-	-	-	22
	30 - 50	44	53	97	20	34	54	151	63	84	147	1	3	4	151
	>50	6	10	16	2	4	6	22	7	13	20	1	1	2	22
	Total	54	74	128	25	42	67	195	77	112	189	2	4	6	195
STAFF	< 30	574	1,015	1,589	962	1,233	2,195	3,784	1,470	2,185	3,655	66	63	129	3,784
	30 - 50	437	765	1,202	978	1,051	2,029	3,231	1,325	1,772	3,097	90	44	134	3,231
	>50	25	83	108	137	126	263	371	133	197	330	29	12	41	371
	Total	1,036	1,863	2,899	2,077	2,410	4,487	7,386	2,928	4,154	7,082	185	119	304	7,386
TOTAL		1,093	1,945	3,038	2,102	2,453	4,555	7,593	3,008	4,274	7,282	187	124	311	7,593

TURNOVER RATE FOR AVERAGE WORKFORCE BY GENDER, REGION AND AGE (%)

GRI: 401-1

REGION	GENDER	INVOLUNTARY TURNOVER				VOLUNTARY TURNOVER				TOTAL TURNOVER			
		<30	30-50	>50	TOTAL	<30	30-50	>50	TOTAL	<30	30-50	>50	TOTAL
EMEA	M	9.4%	10.1%	11.5%	10.2%	13.4%	14.3%	10.6%	13.6%	22.8%	24.2%	22.1%	23.7%
	F	12.2%	7.2%	2.1%	8.5%	19.3%	17.5%	25.0%	19.2%	31.5%	24.6%	27.1%	27.7%
	TOTAL	10.9%	8.9%	7.7%	9.5%	16.6%	15.7%	16.5%	16.2%	27.5%	24.5%	24.2%	25.6%
SPAIN	M	41.8%	20.1%	11.1%	21.1%	11.4%	7.6%	7.8%	8.3%	52.9%	27.2%	18.7%	29.0%
	F	41.4%	24.9%	21.6%	26.7%	9.8%	5.7%	4.6%	6.1%	50.7%	30.3%	26.1%	32.4%
	TOTAL	41.6%	22.7%	16.5%	24.1%	10.5%	6.5%	6.1%	7.1%	51.7%	28.9%	22.5%	30.9%
ASIA	M	0.0%	8.3%	0.0%	6.3%	0.0%	0.0%	0.0%	0.0%	0.0%	8.3%	0.0%	6.3%
	F	0.0%	0.0%	0.0%	0.0%	40.0%	4.8%	0.0%	11.1%	40.0%	4.8%	0.0%	11.1%
	TOTAL	0.0%	3.0%	0.0%	2.3%	33.3%	3.0%	0.0%	7.0%	33.3%	6.1%	0.0%	9.3%
AMERICAS	M	40.7%	27.5%	14.5%	31.8%	6.1%	6.6%	4.0%	6.2%	46.7%	33.9%	18.5%	37.8%
	F	42.8%	30.0%	16.3%	34.4%	5.8%	5.7%	5.0%	5.7%	48.5%	35.6%	21.3%	40.0%
	TOTAL	41.4%	28.5%	15.0%	32.7%	6.0%	6.3%	4.3%	6.0%	47.4%	34.5%	19.3%	38.6%
TOTAL		37.8%	23.9%	15.4%	26.7%	8.2%	7.4%	6.7%	7.5%	46.0%	31.0%	21.9%	34.1%

DISMISSALS BY CATEGORY, AGE AND GENDER (NUMBER)

LEVEL	AGE	WOMEN	MEN	TOTAL
MANAGEMENT	<30	-	-	-
	30-50	-	1	1
	>50	-	1	1
	TOTAL	-	2	2
MIDDLE MANAGEMENT	<30	2	-	2
	30-50	5	10	15
	>50	-	1	1
	TOTAL	7	11	18
STAFF	<30	71	212	283
	30-50	100	228	328
	>50	10	31	41
	TOTAL	181	471	652
TOTAL		188	484	672

## AVERAGE REMUNERATION AND PAY GAP BY PROFESSIONAL CATEGORY AND AGE (€ AND RATIO)

GRI: 405-2

TYPE OF REMUNERATION	GENDER	MANAGEMENT				MIDDLE MANAGEMENT				STAFF				TOTAL
		<30	30-50	>50	TOTAL	<30	30-50	>50	TOTAL	<30	30-50	>50	TOTAL	
FIXED REMUNERATION	M	-	€ 79,649	€ 99,546	€ 88,016	€ 26,731	€ 35,638	€ 39,310	€ 36,127	€ 8,446	€ 12,759	€ 17,905	€ 11,962	€ 14,927
	F	-	€ 70,591	€ 85,095	€ 74,942	€ 29,318	€ 33,092	€ 34,869	€ 33,204	€ 11,339	€ 15,000	€ 19,494	€ 14,562	€ 16,585
	GAP	-	0.89	0.85	0.85	1.10	0.93	0.89	0.92	1.34	1.18	1.09	1.22	1.11

TYPE OF REMUNERATION	GENDER	MANAGEMENT				MIDDLE MANAGEMENT				STAFF				TOTAL
		<30	30-50	>50	TOTAL	<30	30-50	>50	TOTAL	<30	30-50	>50	TOTAL	
TOTAL REMUNERATION	M	-	€ 98,082	€ 126,471	€ 110,020	€ 28,120	€ 39,075	€ 43,075	€ 39,554	€ 8,495	€ 12,861	€ 18,008	€ 12,046	€ 15,588
	F	-	€ 90,168	€ 103,270	€ 94,099	€ 31,131	€ 36,413	€ 38,524	€ 36,495	€ 11,419	€ 15,128	€ 19,647	€ 14,679	€ 17,113
	GAP	-	0.92	0.82	0.86	1.11	0.93	0.89	0.92	1.34	1.18	1.09	1.22	1.10

Notes:

- a. The remunerations used in this calculation by the Group refers to the employees that would have been present in a normal situation were it not for the pandemic (especially furloughed staff), with the aim of facilitating a comparison with previous and future years. The Group has taken into account the situation in each country and the measures allowed by employment regulations to make different decisions with respect to the protection of employment and the compensation of remuneration paid to employees by national social security systems.
- b. Neither partial retirements, interns, extras for banquets nor hourly wages have been taken into account in any of the calculations.
- Venezuela is not included due to the hyperinflation in the country.

## WAGE GAP BY PROFESSIONAL CATEGORY AND COUNTRY (RATIO)

GRI: 405-2

FIXED REMUNERATION	SPAIN	DOMINICAN REPUBLIC	MEXICO	GERMANY	FRANCE	ITALY	UNITED KINGDOM	BRAZIL	CHINA	USA
BUSINESS UNITS										
HOTEL MANAGEMENT	0.91	-	0.94	0.73	0.98	-	1.75	-	-	-
MIDDLE MANAGEMENT	0.93	0.96	0.87	0.79	0.92	0.93	1.09	-	-	1.07
STAFF	0.96	1.02	0.95	0.95	0.98	1.02	0.97	-	-	0.95
CORPORATE OFFICES										
MANAGEMENT	0.85	0.53	0.90	0.50	-	0.61	-	-	0.53	-
MIDDLE MANAGEMENT	0.90	0.80	0.88	0.65	0.87	1.92	-	0.60	1.00	1.50
TECHNICIANS	0.94	1.08	0.92	-	-	-	-	-	0.67	-
STAFF	0.98	1.51	0.89	0.90	-	-	-	0.55	-	-

TOTAL REMUNERATION	SPAIN	DOMINICAN REPUBLIC	MEXICO	GERMANY	FRANCE	ITALY	UNITED KINGDOM	BRAZIL	CHINA	USA
BUSINESS UNITS										
HOTEL MANAGEMENT	0.90	-	0.93	0.74	0.99	-	1.67	-	-	-
MIDDLE MANAGEMENT	0.93	0.94	0.88	0.82	0.92	0.93	0.94	-	-	1.07
STAFF	0.96	1.02	0.95	0.95	0.98	1.01	0.96	-	-	0.94
CORPORATE OFFICES										
MANAGEMENT	0.84	0.63	0.90	0.56	-	0.70	-	-	0.49	-
MIDDLE MANAGEMENT	0.89	0.80	0.88	0.67	0.86	1.78	-	0.60	1.02	1.25
TECHNICIANS	0.93	1.07	0.92	-	-	-	-	-	0.64	-
STAFF	0.98	1.51	0.89	0.90	-	-	-	0.55	-	-

Note: The wage gap ratio does not include countries with a very reduced workforce (Luxembourg, Austria, Peru, Croatia and Bulgaria), but they are included in the gap calculations by age and by category. Venezuela is also not included due to the hyperinflation in the country.

## RATIO OF BASIC WAGE TO LOCAL MINIMUM WAGE BY GENDER

GRI: 202-1

RATIO	GENDER	SPAIN	DOMINICAN REPUBLIC	MEXICO	GERMANY	FRANCE	ITALY	UNITED KINGDOM	BRAZIL
BASIC WAGE / MINIMUM WAGE FOR COUNTRY	M	1.04	1.00	1.00	1.14	1.00	1.01	1.00	1.17
	F	1.04	1.00	1.00	1.24	1.00	1.01	1.00	1.17

## TRAINING BY PROFESSIONAL CATEGORY AND GENDER (NO. HOURS)

GRI: 404-1

PROFESSIONAL CATEGORY	GENDER	TOTAL HOURS	HOURS / EMPLOYEE
MANAGEMENT	M	3,411.84	22.07
	F	1,838.46	27.74
	TOTAL	5,250.31	23.77
MIDDLE MANAGEMENT	M	15,036.16	21.97
	F	17,942.02	31.05
	TOTAL	32,978.17	26.13
STAFF	M	72,064.83	13.33
	F	65,601.29	16.78
	TOTAL	137,666.12	14.78
TOTAL		175,894.60	16.29

# Aggregated Perimeter

## AVERAGE WORKFORCE BY GENDER, REGION, PROFESSIONAL CATEGORY AND AGE (FTES)

GRI: 102-8; 102-48; 405-1

REGION	GENDER	YEAR	MANAGEMENT				MIDDLE MANAGEMENT				STAFF				TOTAL
			<30	30-50	>50	TOTAL	<30	30-50	>50	TOTAL	<30	30-50	>50	TOTAL	
EMEA	M	2021	-	12.82	12.11	24.93	5.04	102.77	22.12	129.93	297.05	585.69	87.87	970.61	1,125.47
		2020	0.50	15.31	10.57	26.39	11.27	119.99	16.67	147.93	530.89	747.69	77.91	1,356.49	1,530.81
	F	2021	-	5.47	1.75	7.22	14.57	75.50	14.67	104.74	239.05	340.90	57.46	637.41	749.37
		2020	-	4.86	1.05	5.91	13.21	64.88	13.87	91.96	508.70	485.15	53.46	1,047.32	1,145.19
	TOTAL	2021	-	18.29	13.86	32.15	19.61	178.26	36.79	234.67	536.09	926.59	145.33	1,608.02	1,874.84
		2020	0.50	20.17	11.62	32.30	24.47	184.87	30.54	239.89	1,039.59	1,232.84	131.38	2,403.81	2,675.99
CUBA	M	2021	-	-	-	-	5.00	92.00	49.00	146.00	540.00	1,499.00	789.00	2,828.00	2,974.00
		2020	-	-	-	-	10.00	158.00	60.00	228.00	679.00	1,954.24	803.00	3,436.24	3,664.24
	F	2021	-	-	-	-	5.00	55.00	33.00	93.00	514.00	1,143.00	397.00	2,054.00	2,147.00
		2020	-	-	-	-	9.00	90.00	41.00	140.00	390.00	1,301.00	420.00	2,111.00	2,251.00
	TOTAL	2021	-	-	-	-	10.00	147.00	82.00	239.00	1,054.00	2,642.00	1,186.00	4,882.00	5,121.00
		2020	-	-	-	-	19.00	248.00	101.00	368.00	1,069.00	3,255.24	1,223.00	5,547.24	5,915.24
SPAIN	M	2021	-	63.83	55.46	119.28	11.33	336.31	161.32	508.96	347.55	1,375.56	760.96	2,484.07	3,112.31
		2020	-	58.24	50.69	108.93	9.84	274.77	138.48	423.09	275.43	963.44	662.50	1,901.36	2,433.39
	F	2021	-	41.24	16.67	57.91	16.33	285.47	96.54	398.35	351.44	1,494.99	847.25	2,693.69	3,149.95
		2020	-	38.41	9.88	48.29	10.96	210.00	72.24	293.20	264.15	1,041.19	578.62	1,883.96	2,225.45
	TOTAL	2021	-	105.06	72.13	177.19	27.67	621.78	257.87	907.31	698.99	2,870.56	1,608.21	5,177.76	6,262.26
		2020	-	96.65	60.57	157.22	20.80	484.78	210.71	716.29	539.58	2,004.62	1,241.11	3,785.32	4,658.83
ASIA	M	2021	-	12.68	7.12	19.80	15.78	143.16	21.46	180.40	542.35	1,027.12	352.80	1,922.27	2,122.47
		2020	-	13.46	5.75	19.20	14.45	162.88	29.78	207.11	641.83	1,079.65	329.44	2,050.92	2,277.23
	F	2021	-	2.58	0.91	3.49	27.07	138.04	10.85	175.96	444.59	591.31	145.78	1,181.68	1,361.13
		2020	-	2.49	0.76	3.25	26.82	136.24	10.47	173.54	521.23	618.49	127.55	1,267.27	1,444.06
	TOTAL	2021	-	15.26	8.03	23.29	42.85	281.19	32.31	356.36	986.94	1,618.43	498.58	3,103.95	3,483.59
		2020	-	15.95	6.51	22.46	41.27	299.12	40.25	380.65	1,163.06	1,698.14	456.99	3,318.19	3,721.30
AMERICAS	M	2021	-	17.80	13.20	30.99	13.59	179.19	51.48	244.26	1,304.93	2,245.59	449.35	3,999.87	4,275.13
		2020	-	16.58	10.32	26.90	8.80	141.63	52.84	203.27	1,053.65	1,854.47	410.78	3,318.90	3,549.07
	F	2021	-	8.40	2.82	11.22	8.79	130.35	33.48	172.61	716.65	1,332.94	184.29	2,233.87	2,417.71
		2020	-	3.16	1.41	4.58	6.06	118.93	35.45	160.44	594.84	1,105.93	184.78	1,885.55	2,050.57
	TOTAL	2021	-	26.20	16.01	42.21	22.38	309.53	84.96	416.88	2,021.58	3,578.53	633.64	6,233.74	6,692.83
		2020	-	19.74	11.74	31.48	14.86	260.57	88.29	363.72	1,648.49	2,960.40	595.55	5,204.45	5,599.64
TOTAL	2021	-	164.81	110.03	274.85	122.52	1,537.77	493.93	2,154.21	5,297.60	11,636.11	4,071.76	21,005.47	23,434.53	
	2020	0.50	152.52	90.43	243.45	120.40	1,477.34	470.80	2,068.54	5,459.72	11,151.25	3,648.04	20,259.01	22,571.00	

## AVERAGE WORKFORCE BY GENDER, REGION, PROFESSIONAL CATEGORY AND TYPE OF WORKING DAY (FTES)

GRI: 102-8; 102-48

REGION	GENDER	YEAR	MANAGEMENT			MIDDLE MANAGEMENT			STAFF			TOTAL
			FULL-TIME	PART-TIME	TOTAL	FULL-TIME	PART-TIME	TOTAL	FULL-TIME	PART-TIME	TOTAL	
EMEA	M	2021	23.93	1.00	24.93	129.15	0.78	129.93	893.16	77.45	970.61	1,125.47
		2020	26.39	-	26.39	147.30	0.63	147.93	1,327.24	29.25	1,356.49	1,530.81
	F	2021	7.22	-	7.22	104.50	0.24	104.74	598.29	39.12	637.41	749.37
		2020	5.91	-	5.91	87.80	4.16	91.96	1,003.19	44.12	1,047.32	1,145.19
	TOTAL	2021	31.16	1.00	32.15	233.65	1.02	234.67	1,491.45	116.57	1,608.02	1,874.84
		2020	32.30	-	32.30	235.09	4.79	239.89	2,330.43	73.37	2,403.81	2,675.99
CUBA	M	2021	-	-	-	151.00	6.00	157.00	2,670.00	76.00	2,746.00	2,903.00
		2020	-	-	-	228.00	-	228.00	3,285.99	150.00	3,435.99	3,663.99
	F	2021	-	-	-	98.00	4.00	102.00	2,078.00	38.00	2,116.00	2,218.00
		2020	-	-	-	140.00	-	140.00	1,983.25	128.00	2,111.25	2,251.25
	TOTAL	2021	-	-	-	249.00	10.00	259.00	4,748.00	114.00	4,862.00	5,121.00
		2020	-	-	-	368.00	-	368.00	5,269.24	278.00	5,547.24	5,915.24
SPAIN	M	2021	118.45	0.83	119.28	492.66	16.30	508.96	1,853.18	630.89	2,484.07	3,112.31
		2020	107.21	1.71	108.93	415.33	7.77	423.09	1,799.14	102.22	1,901.36	2,433.39
	F	2021	57.91	-	57.91	382.10	16.25	398.35	1,936.01	757.68	2,693.69	3,149.95
		2020	48.29	-	48.29	289.13	4.07	293.20	1,750.75	133.21	1,883.96	2,225.45
	TOTAL	2021	176.36	0.83	177.19	874.76	32.55	907.31	3,789.19	1,388.57	5,177.76	6,262.26
		2020	155.50	1.71	157.22	704.46	11.83	716.29	3,549.89	235.43	3,785.32	4,658.83
ASIA	M	2021	17.03	2.77	19.80	179.74	0.66	180.40	1,922.27	-	1,922.27	2,122.47
		2020	19.20	-	19.20	206.24	0.86	207.11	2,044.10	6.82	2,050.92	2,277.23
	F	2021	2.82	0.67	3.49	169.07	6.89	175.96	1,176.89	4.79	1,181.68	1,361.13
		2020	3.25	-	3.25	173.54	-	173.54	1,263.87	3.40	1,267.27	1,444.06
	TOTAL	2021	19.85	3.44	23.29	348.81	7.55	356.36	3,099.16	4.79	3,103.95	3,483.59
		2020	22.46	-	22.46	379.78	0.86	380.65	3,307.97	10.22	3,318.19	3,721.30
AMERICAS	M	2021	30.99	-	30.99	244.26	-	244.26	3,996.32	3.56	3,999.87	4,275.13
		2020	26.90	-	26.90	202.78	0.50	203.27	3,304.00	14.90	3,318.90	3,549.07
	F	2021	11.22	-	11.22	172.61	-	172.61	2,228.34	5.54	2,233.87	2,417.71
		2020	4.58	-	4.58	159.94	0.50	160.44	1,875.09	10.46	1,885.55	2,050.57
	TOTAL	2021	42.21	-	42.21	416.88	-	416.88	6,224.65	9.09	6,233.74	6,692.83
		2020	31.48	-	31.48	362.72	1.00	363.72	5,179.09	25.36	5,204.45	5,599.64
TOTAL		2021	269.58	5.27	274.85	2,123.09	51.12	2,174.21	19,352.46	1,633.01	20,985.47	23,434.53
		2020	241.74	1.71	243.45	2,050.05	18.49	2,068.54	19,636.62	622.39	20,259.01	22,571.00

## AVERAGE WORKFORCE BY GENDER, REGION, PROFESSIONAL CATEGORY AND TYPE OF CONTRACT (FTES)

GRI: 102-8; 102-48

REGION	GENDER	YEAR	MANAGEMENT			MIDDLE MANAGEMENT			STAFF			TOTAL
			PERMANENT	TEMPORARY	TOTAL	PERMANENT	TEMPORARY	TOTAL	PERMANENT	TEMPORARY	TOTAL	
EMEA	M	2021	23.93	1.00	24.93	129.15	0.78	129.93	893.16	77.45	970.61	1,125.47
		2020	24.85	1.54	26.39	142.14	5.78	147.93	1,167.18	189.31	1,356.49	1,530.81
	F	2021	7.22	-	7.22	104.50	0.24	104.74	598.29	39.12	637.41	749.37
		2020	5.91	-	5.91	88.39	3.57	91.96	886.75	160.56	1,047.32	1,145.19
	TOTAL	2021	31.16	1.00	32.15	233.65	1.02	234.67	1,491.45	116.57	1,608.02	1,874.84
		2020	30.76	1.54	32.30	230.54	9.35	239.89	2,053.93	349.88	2,403.81	2,675.99
CUBA	M	2021	-	-	-	157.00	-	157.00	2,431.00	315.00	2,746.00	2,903.00
		2020	-	-	-	221.00	7.00	228.00	3,172.40	263.59	3,435.99	3,663.99
	F	2021	-	-	-	101.00	1.00	102.00	1,747.00	369.00	2,116.00	2,218.00
		2020	-	-	-	136.00	4.00	140.00	1,947.95	163.30	2,111.25	2,251.25
	TOTAL	2021	-	-	-	258.00	1.00	259.00	4,178.00	4,437.00	4,862.00	5,121.00
		2020	-	-	-	357.00	11.00	368.00	5,120.35	426.89	5,547.24	5,915.24
SPAIN	M	2021	118.45	0.83	119.28	492.66	16.30	508.96	1,853.18	630.89	2,484.07	3,112.31
		2020	107.99	0.93	108.93	409.14	13.95	423.09	1,417.63	483.73	1,901.36	2,433.39
	F	2021	57.91	-	57.91	382.10	16.25	398.35	1,936.01	757.68	2,693.69	3,149.95
		2020	48.29	-	48.29	284.19	9.01	293.20	1,386.18	497.78	1,883.96	2,225.45
	TOTAL	2021	176.36	0.83	177.19	874.76	32.55	907.31	3,789.19	1,388.57	5,177.76	6,262.26
		2020	156.28	0.93	157.22	693.33	22.96	716.29	2,803.81	981.51	3,785.32	4,658.83
ASIA	M	2021	17.03	2.77	19.80	179.74	0.66	180.40	1,922.27	-	1,922.27	2,122.47
		2020	17.69	1.52	19.20	207.11	-	207.11	2,050.75	0.17	2,050.92	2,277.23
	F	2021	2.82	0.67	3.49	169.07	6.89	175.96	1,176.89	4.79	1,181.68	1,361.13
		2020	3.25	-	3.25	167.65	5.89	173.54	1,264.43	2.84	1,267.27	1,444.06
	TOTAL	2021	19.85	3.44	23.29	348.81	7.55	356.36	3,099.16	4.79	3,103.95	3,483.59
		2020	20.94	1.52	22.46	374.76	5.89	380.65	3,315.18	3.01	3,318.19	3,721.30
AMERICAS	M	2021	25.72	5.27	30.99	193.98	50.28	244.26	2,848.39	1,151.49	3,999.87	4,275.13
		2020	26.72	0.18	26.90	192.05	11.23	203.27	2,645.27	673.62	3,318.90	3,549.07
	F	2021	10.72	0.50	11.22	148.97	23.65	172.61	1,482.70	751.18	2,233.87	2,417.71
		2020	4.58	-	4.58	153.61	6.83	160.44	1,471.31	414.24	1,885.55	2,050.57
	TOTAL	2021	36.44	5.77	42.21	342.95	73.93	416.88	4,331.08	1,902.66	6,233.74	6,692.83
		2020	31.30	0.18	31.48	345.66	18.06	363.72	4,116.58	1,087.87	5,204.45	5,599.64
TOTAL		2021	263.81	11.04	274.85	2,058.17	116.04	2,174.21	16,888.88	7,849.58	20,985.47	23,434.53
		2020	239.28	4.18	243.45	2,001.29	67.26	2,068.54	17,409.85	2,849.16	20,259.01	22,571.00

## EMPLOYED AND ACTIVE STAFF BY REGION (FTES)

GRI: 102-8; 102-48

REGION	YEAR	EMPLOYED WORKFORCE	ACTIVE WORKFORCE
SPAIN	2021	8,350.55	6,262.26
	2020	9,318.96	4,658.83
AMERICAS	2021	7,224.93	6,692.83
	2020	8,315.65	5,599.64
EMEA	2021	3,170.25	1,874.84
	2020	4,571.39	2,675.99
ASIA	2021	4,544.11	3,483.59
	2020	4,696.48	3,721.30
CUBA	2021	Note*	5,121.00
	2020	Note**	5,915.24
TOTAL	2021	23,289.84	23,434.53
	2020	26,902.48	22,571.00

Note:

(\*) The average workforce employed through the state agency in Cuba in 2021 was 5,121

(\*\*) The average workforce employed through the state agency in Cuba in 2020 was 5,915.24



NEW CONTRACTS BY GENDER, AGE, PROFESSIONAL CATEGORY AND TYPE OF WORKING DAY (NUMBER)

GRI: 401-1

LEVEL	AGE	CONTRACT TYPE						TOTAL	WORKING DAY						TOTAL
		PERMANENT			TEMPORARY				FULL-TIME			PART-TIME			
		F	M	TOTAL	F	M	TOTAL		F	M	TOTAL	F	M	TOTAL	
MANAGEMENT	< 30	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	30 - 50	3	5	8	1	-	1	9	4	4	8	-	1	1	9
	>50	-	6	6	-	2	2	8	-	8	8	-	-	-	8
	Total	3	11	14	1	2	3	17	4	12	16	-	1	1	17
MIDDLE MANAGEMENT	< 30	22	18	40	3	4	7	47	24	22	46	1	-	1	47
	30 - 50	108	118	226	24	39	63	289	131	154	285	1	3	4	289
	>50	8	15	23	2	5	7	30	9	19	28	1	1	2	30
	Total	138	151	289	29	48	77	366	164	195	359	3	4	7	366
STAFF	< 30	843	1,292	2,135	1,204	1,461	2,665	4,800	1,936	2,660	4,596	111	93	204	4,800
	30 - 50	671	1,058	1,729	1,366	1,298	2,664	4,393	1,901	2,283	4,184	136	73	209	4,393
	>50	54	108	162	208	172	380	542	225	267	492	37	13	50	542
	Total	1,568	2,458	4,026	2,778	2,931	5,709	9,735	4,062	5,210	9,272	284	179	463	9,735
TOTAL		1,709	2,620	4,329	2,808	2,981	5,789	10,118	4,230	5,417	9,647	287	184	471	10,118

TURNOVER RATE FOR AVERAGE WORKFORCE BY GENDER, REGION AND AGE (%)

GRI: 401-1

REGION	GENDER	INVOLUNTARY TURNOVER				VOLUNTARY TURNOVER				TOTAL TURNOVER			
		<30	30-50	>50	TOTAL	<30	30-50	>50	TOTAL	<30	30-50	>50	TOTAL
EMEA	M	6.1%	8.2%	10.5%	7.8%	11.5%	12.0%	9.7%	11.6%	17.6%	20.1%	20.2%	19.4%
	F	9.5%	5.2%	1.7%	6.5%	14.8%	13.2%	21.4%	14.6%	24.4%	18.4%	23.1%	21.0%
	TOTAL	7.8%	7.0%	6.9%	7.3%	13.1%	12.5%	14.5%	13.0%	20.9%	19.4%	21.4%	20.2%
CUBA	M	9.9%	12.9%	6.9%	10.7%	-	-	-	-	9.9%	12.9%	6.9%	10.7%
	F	8.3%	11.6%	8.6%	10.2%	-	-	-	-	8.3%	11.6%	8.6%	10.2%
	TOTAL	9.1%	12.4%	7.5%	10.5%	-	-	-	-	9.1%	12.4%	7.5%	10.5%
SPAIN	M	51.8%	24.2%	14.1%	26.2%	9.5%	7.7%	8.1%	8.2%	60.9%	31.2%	22.0%	33.9%
	F	51.9%	32.2%	25.0%	33.5%	8.4%	5.9%	4.5%	5.9%	59.5%	37.6%	29.3%	38.9%
	TOTAL	51.9%	28.6%	19.8%	30.1%	9.0%	6.7%	6.2%	7.0%	60.2%	34.7%	25.8%	36.6%
ASIA	M	21.9%	13.9%	11.9%	15.9%	0.6%	1.0%	2.5%	1.1%	22.6%	14.9%	14.4%	17.1%
	F	26.4%	13.4%	15.5%	18.6%	1.1%	0.9%	0.5%	1.0%	27.6%	14.3%	16.0%	19.5%
	TOTAL	24.0%	13.7%	12.9%	17.0%	0.9%	1.0%	1.9%	1.1%	24.9%	14.7%	14.8%	18.0%
AMERICAS	M	37.8%	25.0%	12.7%	29.0%	5.8%	6.0%	3.4%	5.7%	43.5%	30.8%	16.1%	34.5%
	F	39.8%	26.5%	13.6%	30.8%	5.4%	5.0%	3.9%	5.1%	45.1%	31.3%	17.6%	35.7%
	TOTAL	38.6%	25.6%	13.0%	29.7%	5.6%	5.6%	3.6%	5.5%	44.1%	31.0%	16.6%	35.0%
TOTAL		35.3%	22.8%	17.0%	25.5%	6.9%	7.0%	6.1%	6.8%	38.8%	26.8%	20.2%	29.0%

TRAINING BY PROFESSIONAL CATEGORY AND GENDER (No. HOURS)

GRI: 404-1

PROFESSIONAL CATEGORY		GENDER	TOTAL HOURS	HOURS / EMPLOYEE
MANAGEMENT		M	4,118.79	21.12
		F	1,958.21	24.53
		TOTAL	6,077.01	22.11
MIDDLE MANAGEMENT		M	20,370.47	19.15
		F	21,899.64	25.71
		TOTAL	42,270.11	22.07
STAFF		M	100,145.71	10.68
		F	88,557.56	13.13
		TOTAL	188,703.27	11.70
TOTAL			237,050.39	12.94

## INVESTMENT IN TRAINING (€ AND RATIO)

GRI: 404-1

TOTAL INVESTMENT IN TRAINING	AVERAGE INVESTMENT PER EMPLOYEE	INVESTMENT IN TRAINING / SOCIAL COST
€ 1,417,404	€ 77	0.31%

## DIVERSITY OF NATIONALITIES

NATIONALITY	% WORKFORCE	% IN MANAGEMENT POSITIONS (JUNIOR, MIDDLE MANAGEMENT AND SENIOR)
Spanish	30.71%	49.08%
Cuban	28.12%	10.98%
Mexican	15.46%	0.29%
Dominican	13.03%	0.25%
Indonesian	5.89%	0.11%
Vietnamese	5.85%	0.11%

Note: Only the most significant nationalities in the workforce are detailed

## DIVERSITY OF OTHER MINORITIES

INDICATOR	TOTAL EMPLOYEES	% WORKFORCE
<b>Disability</b>		
Employees with disabilities	163	0.70%
<b>Generational (Age Ranges)</b>		
<30 years	5,420.11	23.13%
30 - 50 years old	13,338.70	56.92%
>50 years	4,675.72	19.95%
<b>Total</b>	<b>23,434.53</b>	<b>100.00%</b>

# Occupational health and safety indicators

## Consolidated Perimeter

### OCCUPATIONAL HEALTH INDICES - EMPLOYEES

GRI: 403-9

INDICATOR	GENDER	WORKPLACE ACCIDENTS		OCCUPATIONAL ILLNESS	
		2020	2021	2020*	2021
INCIDENT INDEX	M	35.41	33.96	-	1.60
	F	39.62	45.47	4.12	2.64
	TOTAL	37.15	38.81	2.02	2.04
FREQUENCY INDEX	M	19.35	18.53	-	0.87
	F	22.02	25.20	2.44	1.46
	TOTAL	20.44	21.32	1.20	1.12
SEVERITY INDEX	M	0.26	0.36	-	0.02
	F	0.32	0.46	0.16	0.10
	TOTAL	0.28	0.40	0.08	0.05
NUMBER OF WORK ACCIDENTS	M	177.00	212.00	-	10.00
	F	139.00	207.00	6.00	12.00
	TOTAL	316.00	419.00	6.00	22.00
NUMBER OF DEATHS	M	-	-	-	-
	F	-	-	-	-
	TOTAL	-	-	-	-

(\*) Scope - Spain

Note: In 2021, the scope of occupational illnesses was the global consolidated total. As a point of reference, in Spain in 2021 the total incidence index fell to 0.74 and the frequency index to 0.44

### OCCUPATIONAL HEALTH INDICES - CONTRACTORS

INDICATOR	GENDER	2020	2021
NUMBER OF DEATHS	M	N/A	-
	F	N/A	-
	TOTAL	N/A	-

### ABSENTEEISM

GRI 403-9

INDICATOR	GENDER	WORKPLACE ACCIDENTS		OCCUPATIONAL ILLNESS		COMMON ILLNESS		COVID-19		TOTAL ABSENTEEISM	
		2020	2021	2020*	2021	2020*	2021	2020*	2021	2020*	2021
PERCENTAGE ABSENTEEISM	M	0.20	0.29	-	0.01	11.86	2.71	0.77	0.75	12.85	3.76
	F	0.25	0.37	0.13	0.08	17.46	4.95	0.66	0.85	18.55	6.24
	TOTAL	0.22	0.32	0.06	0.04	14.60	3.65	0.73	0.79	15.64	4.80
NUMBER OF DAYS LOST	M	2,401.75	4,094.00	-	201.00	37,975.00	38,821.00	2,474.00	10,738.00	41,158.75	53,854.00
	F	1,996.75	3,809.00	405.00	792.00	53,563.00	50,816.00	2,113.00	8,688.00	56,910.75	64,105.00
	TOTAL	4,398.50	7,903.00	405.00	993.00	91,538.00	89,637.00	4,587.00	19,426.00	98,069.50	117,959.00
NUMBER OF HOURS LOST	M	18,702.10	32,752.00	-	1,608.00	303,800.00	310,568.00	19,792.00	85,904.00	329,270.00	430,832.00
	F	15,905.20	30,472.00	3,240.00	6,336.00	428,504.00	406,528.00	16,904.00	69,504.00	455,286.00	512,840.00
	TOTAL	34,607.30	63,224.00	3,240.00	7,944.00	732,304.00	717,096.00	36,696.00	155,408.00	784,556.00	943,672.00

(\*) Scope - Spain

In 2021 the scope of measurement was extended to a global level. As a point of reference, total absenteeism in Spain in 2021 was 7.95, half of the total in 2020, with absenteeism due to Covid-19 having a significant impact.

Calculation methodology:

Incident index: (Number of Incidents \* 1,000) / Average Workforce Frequency index: (No. Incidents x 1,000,000) / Hours worked

Severity index: (Days lost \* 1,000) / Hours worked Absenteeism percentage: (Hours lost x 100) / Hours worked

## Aggregated Perimeter

### OCCUPATIONAL HEALTH INDICES - EMPLOYEES

GRI: 403-9

INDICATOR	GENDER	WORKPLACE ACCIDENTS		OCCUPATIONAL ILLNESS	
		2020	2021	2020*	2021
INCIDENT INDEX	M	31.26	29.90	0.92	1.03
	F	34.48	45.06	2.95	2.08
	<b>TOTAL</b>	<b>32.59</b>	<b>36.26</b>	<b>1.90</b>	<b>1.47</b>
FREQUENCY INDEX	M	17.61	16.77	0.55	0.58
	F	19.58	25.51	1.75	1.18
	<b>TOTAL</b>	<b>18.41</b>	<b>20.41</b>	<b>1.13</b>	<b>0.83</b>
SEVERITY INDEX	M	0.21	0.38	0.09	0.01
	F	0.33	0.46	0.12	0.07
	<b>TOTAL</b>	<b>0.26</b>	<b>0.41</b>	<b>0.11</b>	<b>0.04</b>
NO. OF WORKPLACE ACCIDENTS/OCCUPATIONAL ILLNESSES	M	298.00	318.00	2.00	11.00
	F	230.00	346.00	6.00	16.00
	<b>TOTAL</b>	<b>528.00</b>	<b>664.00</b>	<b>8.00</b>	<b>27.00</b>
NUMBER OF DEATHS	M	-	-	-	-
	F	-	-	-	-
	<b>TOTAL</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

(\*) Scope - Spain

In 2021 the scope of measurement of occupational illness was extended to a global level. In Spain, the incidence index was reduced to 0.80, frequency to 0.47 and severity to 0.05

### OCCUPATIONAL HEALTH INDICES - CONTRACTORS

INDICATOR	GENDER	2020	2021
NUMBER OF DEATHS	M	N/A	-
	F	N/A	-
	<b>TOTAL</b>	<b>N/A</b>	<b>-</b>

### ABSENTEEISM

GRI 403-9

INDICATOR	GENDER	WORKPLACE ACCIDENTS		OCCUPATIONAL ILLNESS		COMMON ILLNESS		COVID-19*		TOTAL ABSENTEEISM	
		2020	2021	2020*	2021	2020*	2021	2020	2021	2020*	2021
ABSENTEEISM RATE	M	0.16	0.30	0.07	0.01	10.95	3.24	0.79	0.82	<b>12.05</b>	<b>4.38</b>
	F	0.26	0.37	0.09	0.06	16.68	6.73	0.67	1.03	<b>17.81</b>	<b>8.19</b>
	<b>TOTAL</b>	<b>0.20</b>	<b>0.33</b>	<b>0.08</b>	<b>0.03</b>	<b>13.72</b>	<b>4.69</b>	<b>0.73</b>	<b>0.91</b>	<b>14.84</b>	<b>5.97</b>
NUMBER OF DAYS LOST	M	3,093.75	7,157.00	343.00	209.00	50,201.00	76,825.00	3,632.00	19,548.00	<b>55,246.75</b>	<b>103,739.00</b>
	F	3,787.95	6,288.00	405.00	953.00	71,426.00	114,062.00	2,864.00	17,483.00	<b>76,291.45</b>	<b>138,786.00</b>
	<b>TOTAL</b>	<b>6,881.70</b>	<b>13,445.00</b>	<b>748.00</b>	<b>1,162.00</b>	<b>121,627.00</b>	<b>190,887.00</b>	<b>6,496.00</b>	<b>37,031.00</b>	<b>131,538.20</b>	<b>242,525.00</b>
NUMBER OF HOURS LOST	M	24,229.02	57,256.00	2,744.00	1,672.00	401,608.00	614,600.00	29,056.00	156,384.00	<b>441,974.00</b>	<b>829,912.00</b>
	F	30,070.08	50,304.00	3,240.00	7,624.00	571,408.00	912,496.00	22,912.00	139,864.00	<b>610,331.60</b>	<b>1,110,288.00</b>
	<b>TOTAL</b>	<b>54,299.10</b>	<b>107,560.00</b>	<b>5,984.00</b>	<b>9,296.00</b>	<b>973,016.00</b>	<b>1,527,096.00</b>	<b>51,968.00</b>	<b>367,872.00</b>	<b>1,052,305.60</b>	<b>1,940,200.00</b>

(\*) Scope - Spain

In 2021, the scope of measurement of occupational illnesses, common illnesses and Covid-19 illness was extended to a global level (except Cuba). Total absenteeism in Spain in 2021 was 13.46%

**Calculation methodology:**

**Incident index:** (Number of Incidents \* 1,000) / Average Workforce **Frequency index:** (No. Incidents x 1,000,000) / Hours worked

**Severity index:** (Days lost \* 1,000) / Hours worked **Absenteeism percentage:** (Hours lost x 100) / Hours worked

# Social indicators

## SUPPLY CHAIN

GRI 204-1, 308-1, 414-1

CONSOLIDATED INFORMATION (in € millions)	UNIT	2019	2019	2020	2021
Total supplier portfolio (Tier 1)	Number	5,883	6,263	5,405	5,198
Local supplier portfolio	Number	5,360	5,611	4,882	4,707
	%	91.11%	89.59%	90.32%	90.55%
Critical Tier 1 suppliers	Number	33	43	27	19
Critical Non-Tier 1 suppliers	Number	571	170	61	110
Total purchase volume	€	416,320,227	429,153,686	220,943,238	287,429,168
Local purchase volume	€	414,462,284	413,174,893	193,677,671	237,373,769
	%	99.55%	96.28%	87.66%	82.59%
Central Spain purchase volume	€	292,322,906	293,067,408	160,854,569	170,293,549
Central Dominican Rep. purchase volume	€	55,415,219	63,143,026	14,291,824	41,002,405
Central Mexico purchase volume	€	38,393,391	36,139,605	16,665,942	40,820,266
Central Germany purchase volume	€	14,471,250	15,584,489	3,201,672	3,183,342
Central UK purchasing volume	€	7,870,507	11,916,068	16,712,976	16,187,918
Central France purchase volume	€	4,552,725	5,388,466	7,943,027	7,855,719
Central Italy purchase volume	€	3,294,229	3,914,624	1,273,227	8,085,970

## SOCIAL ACTION

CATEGORY	PERCENTAGE
Charity donations (1)	43%
Community investment (2)	57%
Commercial activities (3)	0%
<b>Total</b>	<b>100%</b>

- (1) We see charity donations as occasional support for certain causes as a response to specific needs and requests from social organisations that are aligned with our Philanthropy Policy. In 2021, our key contributions focused on covering the basic needs of several social associations.
- (2) Investment seen as a long-term strategic participation with social organisations or communities to address or cover certain aspects of our choice, aligned with our long-term interests and also with a significant positive impact on our reputation. In 2021, we focused our contributions on supporting social organisations that work with the community, employability, vulnerable groups or local emergency services.
- (3) Understood as business-related activities in the community to directly support company objectives, promoting corporate and brand identity in association with charities and community organizations. In 2020 we did not make any financial contributions to foundations or entities for this purpose as a direct consequence of the contingency plans caused by COVID-19.

TYPE OF CONTRIBUTION	AMOUNT (€)
Financial (1)	17,808
Time: corporate volunteering during working hours (2)	-
In kind: donated products or services (3)	85,139
<b>Total</b>	<b>102,947</b>

- (1) Understood as the monetary amount paid to cover social needs. In 2021, Meliá doubled the contribution made by employees due to the "My Heart is with La Palma" campaign. The total contribution collected by this campaign was €35,616.26, of which 50% was contributed by Meliá employees and 50% was a corporate contribution. This action helped cover the needs of employees affected by the eruption of the Cumbre Vieja volcano (La Palma, Canary Islands, Spain).
- (2) Understood as the cost to the company of the time spent by employees on community programmes during working hours. The need for teleworking and social distancing and the closure of hotels mean that no contribution has been made through paid employee time.
- (3) Refers to the contribution of products, equipment, services and other non-monetary company items to the community. Our social contribution this year has been almost entirely in kind through the use of accommodation or hotel spaces by essential workers and social organisations or the donation of food to vulnerable people.

# Environmental indicators

INDICATOR FOR INTENSITY RATIOS	UNIT	2018	2019	2020	2021
Stays in owned and leased hotels	Number	14,571,012	14,129,439	3,826,372	6,361,901

## Consolidated Perimeter

### ENERGY

GRI: 302-1; 302-3; 302-4 / SASB: SV-HL-130a.1

INDICATOR	UNIT	2018	2019	2020	2021	2021o
Non-renewable fuel (A + B + C)	GJ	585,716	597,736	292,024	329,889	
	MWh	98,273	102,009	53,734	56,660	
A. Natural gas	GJ	355,379	368,897	194,335	204,892	
	m³	8,216,862	8,529,411	4,493,497	4,737,606	
B. Propane	GJ	149,790	156,886	73,781	101,258	
	Tn	3,292	3,448	1,622	2,225	
C. Diesel	GJ	80,546	71,953	23,908	23,739	
	m³	2,105	1,880	625	620	
Non-renewable electricity	GJ	440,441	331,912	204,444	238,292	
	MWh	122,345	92,198	56,790	66,192	
Steam / heating / cooling and other non-renewable energy	GJ	276,904	279,228	146,614	238,425	
	MWh	76,918	77,563	40,726	66,229	
Total non-renewable energy use	GJ	1,303,061	1,208,876	643,082	806,606	627,005
	MWh	297,536	271,770	151,250	189,081	147,469
Renewable electricity (with green certification)	GJ	580,069	658,431	318,111	391,689	
	MWh	161,130	182,897	88,364	108,803	
Total energy use (non-renewable + renewable)	GJ	1,883,130	1,867,307	961,193	1,198,296	
	MWh	458,666	454,667	239,614	297,884	
Energy intensity ratio	GJ / stay	0.129	0.132	0.251	0.188	
	MWh / stay	0.031	0.032	0.063	0.047	
Total cost of energy use	€	N/A*	N/A*	24,593,193	37,757,845	
Percentage of renewable energy	% total consumption	35.1%	40.2%	36.9%	36.5%	
Percentage of electricity	% total consumption	61.8%	60.5%	60.6%	58.7%	
Data coverage	% portfolio	100%	100%	100%	100%	

(\*) In 2018 and 2019 the total cost of energy consumption was calculated only in the aggregate perimeter.

### WATER

GRI: 303-5 / SASB: SV-HL-140a.1

INDICATOR	UNIT	2018	2019	2020	2021	2021o
Total municipal water use (or other water services)	m³	3,528,107	3,526,747	2,004,988	2,679,996	
Surface freshwater extraction	m³	-	-	-	-	
Fresh groundwater extraction	m³	3,914,716	3,913,207	2,567,450	2,973,669	
Total water extraction	m³	7,442,823	7,439,954	4,572,438	5,653,665	
Discharge: Water returned to the source with a quality similar or superior to the water extracted	m³	7,442,823	7,439,954	4,572,438	5,653,665	
Total net water consumption	m³	-	-	-	-	0
Intensity ratio of net water consumption	m³ / stay	0.511	0.527	1.195	0.889	
Data coverage	% portfolio	100%	100%	100%	100%	

(\*) In 2017 the data was reported only in the aggregate perimeter.

(\*\*) In 2018 and 2019, no data was available by source of extraction or discharge. In 2020 we have information by source of extraction and continue to work on being able to measure discharges.



## WASTE

GRI: 306-1; 306-2; 306-3

INDICATOR	UNIT	2018*	2019*	2020**	2021	2021o
A. Volume of waste generated	Tn	N/A	N/A	6,057	6,065	
B. Volume of waste used / recycled / sold	Tn	N/A	N/A	3,348	3,976	
Net waste generated (A-B)	Tn	N/A	N/A	2,709	2,089	2,229
Recycling rate	% selective collection.	N/A	N/A	55.3%	65.6%	
Data coverage	% portfolio	N/A	N/A	100%	100%	

(\*) From 2018 to 2019 the data were only reported in the aggregate perimeter

(\*\*) To improve the reporting system, the 2020 data has been recalculated.

## NOX AND SOX EMISSIONS

GRI: 305-7

INDICATOR	UNIT	2018	2019	2020	2021
Total NOx emissions	Kg	71,185	73,159	35,626	41,963
Total SOx emissions	Kg	9,136	8,427	3,146	3,240

## CARBON FOOTPRINT

GRI: 305-1; 305-2; 305-3; 305-4; 305-5

INDICATOR	UNIT	2018	2019	2020	2021	2021o
Total emissions scope 1	TCO <sub>2</sub> eq	36,698	37,069	18,404	20,645	32,074
Emissions intensity ratio scope 1	TCO <sub>2</sub> eq / stay	0.003	0.003	0.005	0.003	
Total emissions scope 2	TCO <sub>2</sub> eq	148,143	81,923	48,888	71,961	129,477
Emissions intensity ratio scope 2	TCO <sub>2</sub> eq / stay	0.010	0.006	0.013	0.011	
Total emissions scope 3*	TCO <sub>2</sub> eq	38,535	367,565	88,221	144,631	
Emissions intensity ratio scope 3	TCO <sub>2</sub> eq / stay	0.003	0.026	0.023	0.023	
Data coverage	% portfolio	100%	100%	100%	100%	

(\*) Scope 3 emissions increase dramatically from 2019 as we expand the measurement categories

## Aggregated Perimeter

INDICATOR FOR INTENSITY RATIOS	UNIT	2018	2019	2020	2021
Stays in owned, leased and managed hotels	Number	21,994,362	21,796,651	8,338,039	11,180,898

### ENERGY

GRI: 302-1; 302-3; 302-4 / SASB: SV-HL-130a.1

INDICATOR	UNIT	2018	2019	2020	2021	2021o
Non-renewable fuel (A + B + C)	GJ	816,422	802,506	547,879	597,094	
	MWh	133,307	135,449	85,303	98,301	
A. Natural gas	GJ	482,026	489,798	308,425	355,453	
	m³	11,145,635	11,325,335	7,131,536	8,218,944	
B. Propane	GJ	200,315	190,671	123,306	144,860	
	Tn	4,403	4,191	2,710	3,184	
C. Diesel	GJ	134,081	122,036	116,148	96,781	
	m³	3,504	3,189	3,035	2,529	
Non-renewable electricity	GJ	725,469	614,431	807,337	779,934	
	MWh	201,519	170,675	224,260	216,648	
Steam / heating / cooling and other non-renewable energy	GJ	279,119	279,228	146,614	238,425	
	MWh	77,533	77,563	40,726	66,229	
Total non-renewable energy use	GJ	1,821,010	1,696,165	1,501,830	1,615,453	1,464,285
	MWh	412,359	383,687	350,290	381,178	341,532
Renewable electricity (with green certification)	GJ	828,657	890,934	441,669	579,161	
	MWh	230,183	247,482	122,686	160,878	
Total energy use (non-renewable + renewable)	GJ	2,649,667	2,587,099	1,943,499	2,194,614	
	MWh	642,542	631,169	472,975	542,057	
Energy intensity ratio	GJ / stay	0.120	0.119	0.233	0.196	
	MWh / stay	0.029	0.029	0.057	0.048	
Total cost of energy consumption (by revenues)	€	64,602,536	78,812,082	52,295,572	67,992,089	
Percentage of renewable energy	% total consumption	35.8%	39.2%	25.9%	29.7%	
Percentage of electricity	% total consumption	67.2%	66.3%	73.4%	69.6%	
Data coverage	% portfolio	78%	76%	100%	100%	

Notes: In 2021 we measured the energy use in 100% of the hotels in our aggregate perimeter that form part of our energy management system.

### WATER

GRI: 303-5 / SASB: SV-HL-140a.1

INDICATOR	UNIT	2018	2019	2020	2021	2021o
Total municipal water use (or other water services)	m³	7,148,455	7,246,476	6,640,761	6,823,419	
Surface freshwater extraction	m³	23,164	23,482	21,668	22,111	
Fresh groundwater extraction	m³	3,423,448	3,470,390	2,826,862	3,267,786	
Total water extraction	m³	10,595,067	10,740,348	9,489,291	10,113,316	
Discharge: Water returned to the source with a quality similar or superior to the water extracted	m³	10,595,067	10,740,348	9,489,291	10,113,316	
Total net water consumption	m³	-	-	-	-	0
Intensity ratio of water extraction	m³ / stay	0.482	0.493	1.138	0.905	
Data coverage	% portfolio	78%	76%	100%	100%	

Notes:  
In 2021 we measured the water use (m³) in 100% of the hotels in our aggregate perimeter that form part of our energy management system. The table above refers to our total net water consumption, following the CDP Technical Note on Water Accounting, which is aligned with other reporting frameworks such as CEO Water Mandate, WWF, SASB and similar organisations. The table shows the net water consumption of all water sources for vital use in our activity for the reporting year. To make it easier to read, the same source and discharge types analysed in 2021 were used to recalculate previous years. The water reduction target is defined as a 1% reduction in the number of cubic metres used in the target year compared to the base year.

## WASTE

GRI: 306-1; 306-2; 306-3

INDICATOR	UNIT	2018	2019	2020*	2021	2021o
A. Volume of waste generated	Tn	34,408	34,549	13,507	15,879	
B. Volume of waste used / recycled / sold	Tn	19,310	19,596	7,183	9,458	
Net waste generated (A-B)	Tn	15,098	14,953	6,324	6,421	7,491
Recycling rate	% selective collection.	56.1%	56.7%	53.2%	60.0%	
Data coverage	% portfolio	78%	76%	100%	100%	

(\*) To improve the reporting system, the 2020 data has been recalculated.

## NOX AND SOX EMISSIONS

GRI: 305-7

INDICATOR	UNIT	2018	2019	2020	2021
Total NOx emissions	Kg	98,140.79	96,017.00	64,469.14	71,640.00
Total SOx emissions	Kg	14,641.70	13,555.00	12,115.78	10,600.00

## CARBON FOOTPRINT

GRI: 305-1; 305-2; 305-3; 305-4; 305-5

INDICATOR	UNIT	2018	2019	2020	2021
Total emissions scope 1	TCO <sub>2</sub> eq	51,331	50,262	35,884	38,381
Emissions intensity ratio scope 1	TCO <sub>2</sub> eq / stay	0.002	0.002	0.004	0.003
Total emissions scope 2	TCO <sub>2</sub> eq	153,669	120,386	134,762	148,443
Emissions intensity ratio scope 2	TCO <sub>2</sub> eq / stay	0.007	0.006	0.016	0.013
Total emissions scope 3	TCO <sub>2</sub> eq	53,982	410,887	145,666	207,957
Emissions intensity ratio scope 3	TCO <sub>2</sub> eq / stay	0.002	0.019	0.017	0.019
Data coverage	% portfolio	78%	76%	100%	100%

(\*) Scope 3 emissions increase dramatically from 2019 as we expand the measurement categories

## SCIENCE BASED TARGET INITIATIVE (SBTI)

GRI: 305-1; 305-2; 305-3; 305-4; 305-5

INDICATOR	UNIT	2018	2019	2020	2021	Δ% 2018-2021	2021o
Total emissions scope 1	TCO <sub>2</sub> eq	70,166	68,076	34,793	38,381	-45%	61,325
Emissions intensity ratio scope 1	TCO <sub>2</sub> eq / stay	0.003	0.003	0.004	0.003		
Total emissions scope 2*	TCO <sub>2</sub> eq	320,231	305,806	160,926	190,073	-41%	279,882
Emissions intensity ratio scope 2	TCO <sub>2</sub> eq / stay	0.015	0.014	0.019	0.017		
Data coverage	% base year portfolio SBTi	100%	100%	100%	100%		

Notes:

The historical data (including the base year) has been recalculated to compare directly with the current year (like for like), as indicated in the SBTi.

(\*) The guarantees of renewable origin are not taken into account for the calculation of scope 2, allowing the continuous improvement of our Management System to be analysed.

## ENVIRONMENTAL INVESTMENT

INDICATOR	UNIT	2018	2019	2020	2021
Total environmental investment (Capex)	€	4,720,500	3,520,441	10,489,748	2,700,897
Total environmental expenditure (Opex)	€	8,284,694	8,253,814	6,330,537	7,048,651
Total savings generated	€	691,842	1,173,600	994,291	646,860
Data coverage	% portfolio	100%	100%	100%	100%

Note: The above table refers to the total annual investment, including all those investments that involve constant improvements in the environmental impact of our activity. Investments are analysed taking into account whether they are going to reduce any environmental impact and whether they affect the consumption of energy and water or the generation of waste. Environmental investment in 2021 was €2.7M and included improvement projects carried out by the works, risks and environment departments. Meliá made investments in energy and environmental efficiency, such as the adaptation of facilities to legal ventilation requirements, the recovery of residual heat from air-conditioning systems, LED lighting, solar control systems and thermal insulation through the installation of solar film on façade windows, automation systems to optimize energy use, installation of centralised building management systems (BMS), double-glazed windows with aluminium frames, installation of more efficient pumps with speed adjustment, replacement of boilers and equipment for changing fuel, among others.



# Annexes

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# Corporate information and contacts

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\* The Sol Group Corporation is a separate corporation with an office in Miami that provides services to owners and/or operators of hotels located in the Americas that are affiliated with Meliá brands. Meliá Hotels International SA does not have an office or otherwise conduct business in the United States of America.

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# EU Taxonomy eligibility report

## 1. INTRODUCTION

### 1.1 GENERAL SECTION

One of the most important objectives of the EU Sustainable Finance Action Plan is to direct cash flows towards sustainable investments. In this context, the EU Taxonomy Regulation came into force in mid-2020 and has defined new obligations that companies must comply with.

Regulation (EU) 2020/852 of the European Parliament and of the Council of June 18, 2020 on the establishment of a framework to facilitate sustainable investment (hereinafter, "the Taxonomy" or "the Regulation") aims to serve as a standard and mandatory classification system to determine which economic activities may be considered "environmentally sustainable" in the EU.

The EU has currently published a catalogue of sustainable activities covering two of the six environmental objectives: climate change mitigation and climate change adaptation. Companies must report annually on the classification of their activities as "environmentally sustainable", in accordance with the EU Taxonomy. To achieve this, a first distinction between Taxonomy-Eligibility and Taxonomy-Alignment has to be made.

Firstly, we have to examine whether an activity is described in Annexes I and II of the Commission Delegated Regulation (EU) 2021/2139, since only those activities can be considered eligible for the Taxonomy.

A second step requires an analysis of whether previously identified Taxonomy-eligible activities can be considered Taxonomy-aligned and therefore "environmentally sustainable".

In 2022, using data for the 2021 reporting year, and in accordance with a reduced disclosure obligation granted by the EU, only the **economic activities eligible and not eligible for the taxonomy in terms of turnover, capital expenditures (CapEx) and operating expenses (OpEx) have to be published**. Given that this is the first year for this exercise, it is apparent that there are no previous data with which to make comparisons.

### 1.2 PURPOSE AND SCOPE

According to its article 1.1, Regulation (EU) 2020/852 is applicable to companies that have to publish a non-financial statement or a consolidated non-financial statement by virtue of article 19a or article 29a of Directive 2013/ 34/EU of the European Parliament and of the Council, respectively.

By virtue of the obligations mentioned above, Meliá Hotels Internacional S.A. (hereinafter, "the company" or "Meliá") is required to comply with Regulation (EU) 2020/852, and to report on specific key performance indicators ( hereinafter "KPIs") in relation to the eligibility of its activities.

In accordance with the aforementioned regulatory requirements, and based on an analysis of the economic activities carried out by Meliá, it therefore reports the percentage of business / CapEx / OpEx eligible according to the Taxonomy in their respective totals for the fiscal year 2021.

The calculation of these KPIs has been made for the consolidated Group and the companies that comprise it, taking into account that they meet the criteria established by the standard in the information used as the basis for all the indicators.



## 2. KEY RESULTS

### 2.1. KPIS

In 2021, Meliá had a total turnover of €773,557,544, with total CapEx of €67,074,590 and total OpEx of €85,035,359.

The analysis has concluded that, of the figures mentioned above, **9.61% of total turnover, 9.45% of total CapEx and 18.73% of total OpEx are eligible**, attending to the criteria defined by the Taxonomy for the objectives of adaptation and mitigation of climate change.

### 2.2. QUALITATIVE INFORMATION

Eligible activities according to the Taxonomy for 2021		
KPIs	Total (€)	%
Total turnover	773,557,544	100
Eligible turnover	74,359,284	9.61
Ineligible turnover	699,198,259	90.39
Total CapEx	67,074,590	100
Eligible CapEx	6,338,530	9.45
Ineligible CapEx	60,736,060	90.55
Total OpEx	85,035,359	100
Eligible OpEx	15,931,360	18.73
Ineligible OpEx	69,103,999	81.27

In accordance with point 1.2 of Annex I of the Commission Delegated Regulation, complementing Regulation (EU) 2020/852, in 2021, non-financial entities must disclose the following qualitative information.

#### 2.2.1. ACCOUNTING POLICY

In compliance with point 1.2.1 of Annex I of the Commission Delegated Regulation that complements Regulation (EU) 2020/852, below is a description of the way in which turnover, investments in fixed assets and operating expenses must be determined, both with regard to the numerator and denominator of each indicator.

To calculate the amount and percentage of eligibility of Meliá activities for the different indicators, the total turnover, CapEx and the specific OpEx required by the regulations for the different activities have been evaluated according to their eligibility.

#### TURNOVER

Based on our income statement, the accounts to be processed have been selected based on the Delegated Regulation (EU) of the Commission, as well as the "Final Report- Advice on article 8 of the Taxonomy Regulation" published by ESMA on February 26, 2021.

The revenue accounts recognised for accounting purposes have been selected in accordance with IAS 1, paragraph 82, letter a): “ordinary revenue, indicating separately interest revenue calculated according to the effective interest rate method”. These revenues include:

- ordinary revenue from contracts with customers registered in accordance with IFRS 15;
- Revenue from leases recorded in accordance with IFRS 16, both from operating leases and from financial leases, revenue from interest on accounts receivable from financial leases and other accounts receivable calculated using the effective interest method; and,
- other sources of revenue, when applicable.

The **denominator calculation** is based on the Meliá income statement, selecting only the accounts based on previously defined accounting criteria. These accounts are the following: (a) room sales, (b) food sales, (c) beverage sales, (d) sales of various services, (e) sales of derivative activities, (f) sale of real estate assets, (g) returns on sales, (h) provision of direct services, (i) billing for commissions from loyalty programmes, and (j) revenue from franchise fees.

The final figure will be the sum of all these accounts in the consolidated result after adjustments, since all of them meet the criteria in the European Union Regulation.

The **numerator calculation** is also based on the Meliá income statement used to calculate the denominator, but only considers those items that are eligible based on their analysis in relation to the Taxonomy. For more information on the considerations taken into account to determine whether or not an activity is considered eligible, see sections 2.2.2 and 2.2.3 of this report.

## CapEx

For the calculation of this KPI, the detail of the CapEx per project has been extracted from analytical accounting. Based on these data and, following the criteria defined in Annex I and II, section 1.1 of the Delegated Regulation (EU) of the Commission, the types that must be included according to the regulatory mandate have been selected, i.e. those that have been registered in accordance with International Accounting Standards (hereinafter, “IAS”). The types defined for this purpose are: (a) Expansion – rebranding and pre-opening, (b) IT, (c) Business, (d) Operations, (e) Strategic Plan, and (f) Risks.

Additionally, capital expenditures made through joint operations have also been considered as CapEx.

The **denominator calculation** is based on a list of projects with consolidated information after adjustments, taking into account those that can be considered CapEx in accordance with article 8, and indicating whether the project should be chosen based on the accounting criteria established by the Regulation. The total sum of the amounts in these projects constitutes the denominator.

The **numerator calculation** uses the same list of projects, but this time only considering those projects that are eligible based on the criteria defined by the Taxonomy. For more information on the considerations taken into account to determine whether or not an activity is considered eligible, see sections 2.2.2 and 2.2.3 of this report.

## OpEx

For the OpEx indicator, the company's consolidated income statements after adjustments have been used as the base information to avoid duplication.

In accordance with the regulations (Annex I, section 1.1 of the Delegated Regulation (EU) of the Commission; and "Final Report-Advice on article 8 of the Taxonomy Regulation" published by ESMA on February 26, 2021) the following accounts have been taken into account in the calculation. The OpEx calculation therefore will include only non-capitalised direct costs recorded in the income statement for the year relating to:

- Research and development expenses.
- Short-term lease expenses.
- Maintenance and repairs, as well as other direct related expenses that are required to guarantee the continued and efficient operation of said assets.
- Previous operating expenses made through joint operations will also form part of OpEx. However, the operating expenses of joint ventures will not be considered as such.

The **denominator calculation** is based on the Meliá income statement, including the accounts selected according to the previously defined criteria, which are the following: (a) Other Rentals, (b) Other IFRS16 Rentals, (c) High or low value short-term rentals , (d) Long-term rent under value, (e) Fees and others, (f) Off-Shore Rent, (g) Repairs and Conservation, (h) Hotel Rental, (i) Hotel Rental IFRS 16 . Meliá does not have an account related to R&D.

The OpEx denominator consists of the sum of all of these accounts for the companies in the consolidated Group.

The **numerator calculation** of the OpEx indicator is based on the calculation of the denominator, but including only those accounts and items that are considered eligible in accordance with the Taxonomy Regulation.

For more information on the considerations taken into account to determine whether or not an activity is considered eligible, see sections 2.2.2 and 2.2.3 of this report.

### DOUBLE COUNTING

To **avoid double counting** the numbers for these activities, the company has defined the supervision and control measures required to ensure the consistency and reliability of the information extraction and transformation, thereby guaranteeing the integrity and traceability of the information from its origin to the report of the calculated indicators. The company has defined the appropriate responsibilities and mechanisms for segregating functions that allow the tasks in the process to be supervised, and also to ensure the standardisation of accounting criteria, the correct application of the premises, and the avoidance of any duplication in the assignment of activities. or inter-company relationships in the different indicators.

### 2.2.2. ASSESSMENT OF COMPLIANCE WITH REGULATION (EU) 2020/852

#### INFORMATION ON THE ASSESSMENT OF COMPLIANCE WITH REGULATION (EU) 2020/852

In accordance with point 1.2.2.2 of Annex I of the Commission Delegated Regulation supplementing Regulation (EU) 2020/852, Meliá has carried out an analysis to determine whether any of its activities are included in the activities described in Annexes I and II of the Delegated Regulation (EU) 2021/2139 of the Commission.

The main activities carried out by Meliá can be included within the NACE codes: I 55 "Accommodation services"; and I 56 "Food and beverage services", within division I "Hospitality". Neither of these two activities is recognised, in principle, as eligible within the EU taxonomy.

However, due to the nature of its corporate purpose, linked to the supply of accommodation services; and its business model, based on ownership, lease, management and franchising of hotels, Meliá has an undoubted real estate dimension in the purchase and sale of properties included in NACE L-68 "Real estate activities".

This NACE L-68 code, according to the Taxonomy of the European Union, is linked to point 7.7. of the same: "Acquisition and ownership of buildings".

Additionally, economic activities linked to eligible OpEx and CapEx have been identified in accordance with the following taxonomic activities of the Regulation indicated in the following section.

### 2.2.3. CONTEXTUAL INFORMATION ON ELIGIBILITY INDICATORS

In accordance with point 1.2.3 of Annex I of the Commission Delegated Regulation supplementing Regulation (EU) 2020/852, the results of the key indicators are reported in the "key results" section, and specifically the criteria applied and assumptions made:

#### TURNOVER

After an analysis of the activity of the companies included in the perimeter, only the account "Real Estate Sales" has been considered eligible according to taxonomic activity 7.7 "Acquisition and ownership of buildings". This is because, in this case, Meliá behaves as a real estate company carrying out activities more typical of the NACE code L-68 "Real estate activities".

Conservative criteria have been applied when evaluating the eligibility of Meliá's turnover, focusing on its real estate dimension.

#### CapEx

The CapEx eligibility analysis has been carried out in two stages:

#### ANALYSIS BY TYPE OF INVESTMENT

Firstly, the different types of investment have been analysed to identify the eligible and non-eligible projects. In this case, the types considered potentially eligible are: (a) Expansion, (b) Business, and (c) Risks.

#### ANALYSIS BY NATURE OF THE PROJECT

In a second stage, the nature of the projects and activity of the company associated with them have been analysed in greater detail for the potentially eligible types identified in the previous stage.

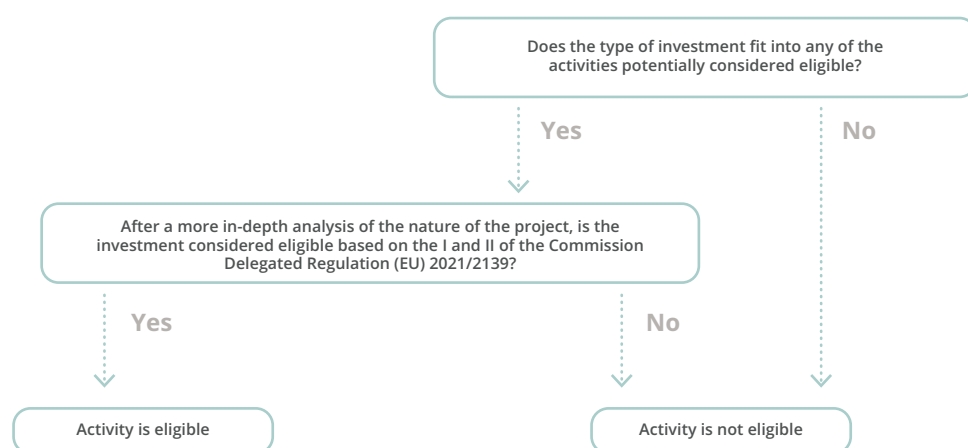
According to that analysis, eligibility or non-eligibility has been identified according to the nature of the projects. In some cases, several projects have been defined as eligible, but their nature is such that they can be applied to several points of the Regulation.

The different eligible activities assigned to CapEx projects are detailed below:

- 5.1. Construction, expansion and operation of water collection, purification and distribution systems.
- 5.2. Renovation of water collection, purification and distribution systems.
- 7.2. Renovation of existing buildings
- 7.3. Installation, maintenance and repair of energy efficient equipment
- 7.5. Installation, maintenance and repair of instruments and devices to measure, regulate and control the energy efficiency of buildings.
- 8.2. Data-driven solutions to reduce greenhouse gas emissions.
- 9.3. Professional services related to the energy efficiency of buildings.

The impact of Meliá in terms of investment projects is largely focused on actions that seek the efficiency of its facilities.

To determine whether an economic activity is considered eligible or not, the following process has been followed:



This work methodology has applied conservative criteria to determine eligibility. In a second stage, knowledge about the nature of the projects will continue to be extended, with the second of the previously described stages acquiring a greater importance.

## OpEx

Finally, for the **numerator calculation** for OpEx, only three items are considered eligible within the "Repairs and conservation" account, in accordance with point 7.3 of the Taxonomy, "Installation, maintenance and repair of energy efficient equipment". This is due to the fact that these items include expenses for the repair and conservation of buildings, installations and machinery.

To reach this conclusion, we carried out an analysis of the items that make up 90% of the total balance of the "Repairs and conservation" account to get results with solid materiality.

Once again, this conservative interpretation, solidly supported by the Taxonomy criteria, determines the proportion of OpEx eligible for Meliá.

# Non-financial and diversity information requirements (Law 11/2018)

## NON-FINANCIAL INFORMATION STATEMENT

CONTENT	GRI RELATED	REPORT CHAPTERS	PAGES	REPORTING SCOPE	EXTERNAL VERIFICATION
Business Model					
Description of the group's business model, including the business environment, organisation and structure, markets in which it operates, objectives and strategies, and the main factors or trends that may affect its evolution	102-1	GRI Standards table of contents	200 - 204	Aggregated	
	102-16	Our essence	16		
	201-1	Business model	17		
	102-2; 102-6	Brand portfolio & positioning	18 - 34		
	102-15	Tourism industry vision	43 - 44		
	from 102-18 to 102-20; from 102-22 to 102-27	Good governance	62 - 67		
	102-4; 102-7; 102-10	Hotel locations	35 - 36		
	-	Strategic vision	45 - 47		
Environmental Issues					
Policies & Risks					
A description of the policies applied by the group, including due diligence procedures for the assessment, prevention and mitigation of risks and impacts, as well as the procedures for verification and control	103-2	Environment and climate change	130 - 149	Aggregated	
The main risks related to the group's activities, including how the group manages those risks and what procedures it uses to detect and evaluate them	102-15;102-29; 102-30; 102-31; 201-2	Risk management	71 - 76		
		Climate change	141 - 146		
Global Information					
Detailed information on the current and foreseeable effects of the company's activities on the environment, environmental assessment or certification procedures, resources dedicated to the prevention of environmental risks and the application of the precautionary principle	102-11; 102-29; 102-30; 307-1	Environment and climate change	130 - 149	Aggregated	
Pollution					
Measures to prevent, reduce or repair carbon emissions taking into account any form of atmospheric pollution specific to an activity	302-4;302-5; 305-1 a 305-5; 305-7	Environment and climate change	131 - 133; 146 - 149; 184; 186	Aggregated & Consolidated	
Circular economy					
Measures of prevention, recycling, reuse, other forms of recovery and disposal of waste	306-1; 306-2; 306-3;	Waste management	135-137	Aggregated & Consolidated	
Actions to combat food waste	103-2	Projects to combat food waste	136	Aggregated	
Sustainable use of resources					
Water use	303-5	Water management	132-133; 138; 185	Aggregated & Consolidated	
Consumption of raw materials and the measures taken to improve the efficiency of their use		This data is not reported as it is not a material issue for the company.		N/A	
Energy consumption and measures taken to improve energy efficiency and the use of renewable energy.	302-1; 302-3; 302-4; 302-5	Energy management	131 - 132; 183; 185	Aggregated & Consolidated	
Climate Change					
The important elements of greenhouse gas emissions produced as a result of company activities	201-2; 305-1 to 305-5; 305-7	Climate change	141 - 149	Aggregated & Consolidated	
Measures taken to adapt to the consequences of climate change	201-2; 305-5	Climate change	141 - 149		
The reduction targets defined voluntarily in the medium and long term to reduce greenhouse gas emissions	103-2; 305-5	Responsible business Climate change	49 - 50; 141 - 149		
Protection of biodiversity					
Measures taken to preserve or restore biodiversity and the impacts caused in protected areas	304-1; 304-2	Biodiversity management model	137 - 139	Aggregated & Consolidated	
Impacts caused by activities or operations in protected areas	304-1	Biodiversity management model	137 - 139		



CONTENT	GRI RELATED	REPORT CHAPTERS	PAGES	REPORTING SCOPE	EXTERNAL VERIFICATION
Social and Personnel Issues					
Policies & Risks					
A description of the policies applied by the group, including due diligence procedures for the assessment, prevention and mitigation of risks and impacts, as well as the procedures for verification and control.	103-2	People	114 - 123	Aggregated	☑
The main risks related to the group's activities, including how the group manages those risks and what procedures it uses to detect and evaluate them	102-15;102-29; 102-30; 102-31	Risk management	43 - 44; 59 - 60; 71 - 76		☑
Employment					
Total number and distribution of employees by gender, age, country and professional classification	102-8; 405-1	HR indicators	169; 175	Aggregated & Consolidated	☑
Total number and distribution of employment contract types	102-8	HR indicators	171; 177		☑
Annual average of permanent contracts, temporary contracts and part-time contracts by gender, age and professional category	102-8, 401-1	HR indicators	169 - 178		☑
Number of dismissals by gender, age and professional classification	401-1 (b)	HR indicators	172		☑
Average remuneration and its evolution by gender, age and professional classification or equal value	405-2	HR indicators	173 - 174	Consolidated	☑
Salary gap, remuneration for equal or average jobs in the company	405-2	HR indicators	173 - 174		☑
Compensation for equal or average jobs in the company	202-1	HR indicators	174		☑
The average remuneration of directors and executives	102-28; 102-35 to 102-39	Composition of the Board of Directors	62 - 67; 69 - 70	Aggregated	☑
Implementation of employee disconnection policies		Digital disconnection	121		☑
Employees with disabilities		Disability and universal accessibility	123; 179	Aggregated & Consolidated	☑
Organisation of work					
Organisation of working hours	102-8 (c)	Organisation of work hours and spaces	120	Aggregated	☑
Number of hours of absenteeism		S&SL indicators	180 - 181	Aggregated & Consolidated	☑
Measures designed to facilitate a work-life balance and encouraging joint responsibility for both parents	401-3 (b,c,e)	New ways of working	50; 120 - 121; 159		☑
Health and safety					
Health and safety conditions at work	403-1; 403-2	Occupational health and safety	124 - 129	Aggregated	☑
Work-related accidents, in particular their frequency and severity	403-9	S&SL indicators	180 - 181	Aggregated & Consolidated	☑
Occupational diseases by gender	403-10	S&SL indicators	180 - 181		☑
Social relationships					
Organisation of social dialogue	102-42; 102-43; 402-1	Stakeholders Table of contents GRI Standards	53 - 54; 200	Aggregated	☑
Percentage of employees covered by collective agreement	102-41	GRI Standards table of contents	200	Aggregated & Consolidated	☑
The balance of collective agreements, particularly in the area of health and safety at work	403-4	GRI Standards table of contents	202		☑
Training					
Policies implemented	103-2 ; 404-2	Training and Development	116 - 119	Aggregated	☑
Total number of hours of training by professional category	404-1	HR indicators	174; 178	Aggregated & Consolidated	☑
Universal accessibility					
Universal accessibility for people with disabilities	103-2	Disability and universal accessibility	123	Aggregated & Consolidated	☑
Equality					
Measures taken to promote equal treatment and opportunities between women and men; equality plans, measures adopted to promote employment, protocols against sexual and gender-based harassment, integration and universal accessibility for people with disabilities; policy against all types of discrimination and, if necessary, management of diversity	103-2; 404-2; 405-1; 406-1	Equality, diversity and inclusion	121 - 123	Aggregated	☑

CONTENT	GRI RELATED	REPORT CHAPTERS	PAGES	REPORTING SCOPE	EXTERNAL VERIFICATION
Human Rights					
Policies & Risks					
A description of the policies applied by the group, including due diligence procedures for the assessment, prevention and mitigation of risks and impacts, as well as the procedures for verification and control.	103-2	Protection of human rights	156 - 160	Aggregated	☑
The main risks related to the group's activities, including how the group manages those risks and what procedures it uses to detect and evaluate them	102-15;102-29; 102-30; 102-31	Risk management	71 - 76		☑
Human Rights					
Application of due diligence procedures in human rights Prevention of the risks of human rights violations and, where appropriate, measures to mitigate, manage and repair possible abuses	414-2	Protection of human rights	156 - 160	Aggregated	
Complaints about human rights violations	102-17; 411-1	Protection of human rights table of content GRI Standards	156 - 160; 203		
Support and compliance with the provisions of the fundamental conventions of the International Labour Organization related to respect for freedom of association and the right to collective bargaining. The elimination of discrimination in employment and occupation. The elimination of forced or compulsory labour. The effective abolition of child labour	103-2; 406-1; 408-1; 409-1	Protection of human rights table of content GRI Standards	156; 204		
Corruption and Bribery					
Policies & Risks					
A description of the policies applied by the group, including due diligence procedures for the assessment, prevention and mitigation of risks and impacts, as well as the procedures for verification and control	103-2	Ethics and integrity	77 - 84	Aggregated	☑
The main risks related to the group's activities, including how the group manages those risks and what procedures it uses to detect and evaluate them	102-15;102-29; 102-30; 102-31	Risk management	71 - 74		☑
Corruption and Bribery					
Measures taken to prevent corruption and bribery	205-1; 205-3	Corruption and bribery	80	Aggregated	☑
Measures to combat money laundering	103-2	Money laundering	81		☑
Contributions to foundations and non-profit organisations	102-12; 102-13; 201-1; 415-1	Social indicators	154 - 155		☑
Society					
Policies & Risks					
A description of the policies applied by the group, including due diligence procedures for the assessment, prevention and mitigation of risks and impacts, as well as the procedures for verification and control	103-2	Social impact	154 - 155	Aggregated	☑
The main risks related to the group's activities, including how the group manages those risks and what procedures it uses to detect and evaluate them	102-15;102-29; 102-30; 102-31	Risk management	71 - 74		☑
Commitments of the company to sustainable development					
The impact of the company's activity on employment and local development	103-2; 413-1; 413-2	Social impact	154 - 155	Aggregated	☑
	202-2	People	114 - 123		☑
The impact of the company's activity on local populations and on the territory	204-1; 413-1; 413-2	Supply chain	150 - 152		☑
The relationships with people in the local communities and the channels for dialogue with them	102-43; 413-1	Stakeholders	53 - 58		☑
Partnership or sponsorship activities	102-13	Social indicators	182		☑
Subcontracting and Suppliers					
Inclusion in the purchasing policy of social, gender equality and environmental issues	102-9; 103-2	Supply chain	150 - 153	Aggregated	☑
Consideration given to suppliers and subcontractors regarding their social and environmental responsibility	308-1; from 407-1 to 409-1; 414-1	Selection of suppliers	150 - 153		☑
Supervision and audit systems and their results	308-2; 414-2	Selection of suppliers	150 - 153		☑

CONTENT	GRI RELATED	REPORT CHAPTERS	PAGES	REPORTING SCOPE	EXTERNAL VERIFICATION
Consumers					
Measures taken for the health and safety of consumers;	416-1	Stay Safe with Meliá	128 - 129	Aggregated	☑
Claims systems, complaints received and their resolution	416-2; 417-2; 417-3; 418-1	Customer experience	110 - 112		☑
Fiscal Information					
Profits obtained by country Taxes paid on profits	207-4 (v.2019)	Fiscal transparency	85	Aggregated	☑
Public grants received	201-4	GRI Standards table of contents	201		☑
Other significant information					
Other information about the company profile	102-1; 102-3; 102-5	GRI Standards table of contents	200 - 205	Aggregated	☑
Identification of material issues	102-21; 102-44	Materiality analysis	59 - 61		☑
About this report	102-14; 102-32; from 102-45 to 102-56	About this report	6 - 7		☑
Other information used in the preparation of the document	201-3; 206-1; 419-1	GRI Standards table of contents	200 - 211		☑

# SASB Standards table of contents

## SUSTAINABILITY DISCLOSURE ISSUES AND ACCOUNTING METRICS

SASB CODE	INDICATOR	UNIT	2020	2021
Energy management				
SV-HL-130a.1	Total energy consumed	GJ per stay	0.2331	0.1963
		GJ	1,943,499	2,194,614
	Grid electricity consumption (over total energy consumed)	%	73.4%	69.6%
	100% renewable energy consumption (over total energy consumed)	%	25.9%	29.7%
Water management				
SV-HL-140a.1	Total water withdrawn	M³ per stay	1.1381	0.9045
		M³	9,489,291	10,113,316
	Total water consumed	M³ per stay	0	0
		M³	0	0
	Portfolio located in regions with high or extremely high baseline water stress	# hotels	93	97
		%	34.4%	35.8%
Ecological Impacts				
SV-HL-160a.1	Portfolio located in or near areas of protected conservation status or endangered species habitat	# hotels	49	53
SV-HL-160a.2	Environmental policy and practices to preserve the ecosystem	Qualitative	Environment and climate change chapter	
Labor practices				
SV-HL-310a.1	Voluntary turnover rate	Rate	12.7%	6.8%
	Involuntary turnover rate	Rate	23.0%	25.5%
SV-HL-310a.2	Total amount of monetary losses as a result of legal proceedings associated with labor law violations	€	N/A	N/A
SV-HL-310a.3	Average hourly wage of minimum wage employees (by region)	€	N/A	N/A
	Percentage of employees earning minimum wage (by region)	%	N/A	N/A
SV-HL-310a.4	Policies and/or programmes to prevent workplace harassment	Qualitative	People Chapter	
Adaptation to climate change				
SV-HL-450a.1	Number of lodging facilities located in 100-year flood zones	# hotels	41	39
		%	15.2%	14.4%

## ACTIVITY METRICS

SASB CODE	INDICATOR	UNIT	2020	2021
SV-HL-000.A	Available rooms	Number	13,126,297	16,436,056
SV-HL-000.B	Occupied rooms	Number	4,585,827	6,015,596
	Average occupancy ratio	%	34.9%	36.6%
SV-HL-000.C	Total area of hotel facilities	m²	N/A	N/A
SV-HL-000.D	Owned Portfolio	# hotels	43	37
		%	14%	12%
	Leased Portfolio	# hotels	103	105
		%	32%	33%
	Managed Portfolio	# hotels	124	129
		%	39%	41%

# GRI Standards table of contents

GRI CODE	GRI	PAGE	COMMENTS / OMISSIONS
<b>GRI 102: General data</b>			
<b>Organisation profile</b>			
102-1	Organisation name	200	Meliá Hotels International
102-2	Activities, brands, products and services	18-34	
102-3	Headquarters location	188	
102-4	Location of operations	35-36	
102-5	Ownership and legal entity	204	Note 1
102-6	Markets served	18-34	
102-7	Organisation size	35-36	
102-8	Information about employees and other workers	169-171; 175-177	
102-9	Supply chain	150	
102-10	Significant changes in the organisation and its supply chain	35-36	
102-11	Precautionary principle or approach	204	Note 2
102-12	External initiatives	154-155; 182	
102-13	Association membership	161-163	
<b>Strategy</b>			
102-14	Statement by senior executives responsible for decision making	3-4	
102-15	Main impacts, risks and opportunities	43-45; 72-76	
<b>Ethics and transparency</b>			
102-16	Values, principles, standards and rules of conduct	16	
102-17	Advisory mechanisms and ethical concerns	77-82	
<b>Governance</b>			
102-18	Governance structure	62-70	
102-19	Delegation of authority	62-70	
102-20	Executive-level responsibility for economic, environmental and social issues	67	
102-21	Consultation with stakeholders on economic, environmental and social issues	59-61	
102-22	Composition of the highest governance body and its committees	62;65;67;188	
102-23	Chair of the highest governance body	62	
102-24	Nomination and selection of the highest governance body	62; 204	Note 3
102-25	Conflicts of interest	204	Note 4
102-26	Role of the highest governance body in defining objectives, values and strategy	66	
102-27	Collective knowledge of the highest governance body	66	
102-28	Performance assessment of the highest governance body	66	
102-29	Identification and management of economic, environmental and social impacts	59-61	
102-30	Effectiveness of risk management processes	71-76	
102-31	Assessment of economic, environmental and social issues	59-61	
102-32	Role of the highest governance body in sustainability reporting	67	Preparation of the Integrated Report by the Board of Directors
102-35	Remuneration policies	69;120	
102-36	Process to determine remuneration	69;70	
102-38	Annual total compensation ratio	69	
<b>Stakeholder inclusiveness</b>			
102-40	List of stakeholders	53	
102-41	Collective bargaining agreements	200	At the consolidated level, 96.4% of our workers are subject to collective agreements. At the aggregated level, 65.8%
102-42	Identification and selection of stakeholders	53	
102-43	Approach to stakeholder engagement	53	

GRI CODE	GRI	PAGE	COMMENTS / OMISSIONS
102-44	Key issues and concerns raised	59-61	
<b>Reporting practices</b>			
102-45	Entities included in the consolidated financial statements	337	Consolidated Annual Accounts 2021
102-46	Definition of the report content and coverage of issues	59-61	
102-47	List of material issues	59-61	
102-48	Restatement of information	6-7	
102-49	Changes in reporting	6-7	
102-50	Reporting period	201	January 1, 2021 to December 31, 2021
102-51	Date of most recent report	201	Annual Report 2020
102-52	Reporting cycle	201	Annual
102-53	Point of contact for questions about the report	6-7	
102-54	Declaration of report preparation in accordance with GRI Standards	6-7	
102-55	Table of contents GRI	6-7	
102-56	External verification	6-7	
<b>GRI 103: Management approach</b>			
103-1	Explanation of the material issue and its coverage	59-61; 62-70; 71-76;	
103-2	The management approach and its components	76-82; 86-103;	
103-3	Assessment of the management approach	104-107; 114-123;	
		124-129; 130-149;	
		150-153; 154-155;	
		156-160; 161-165	
<b>GRI 201: Financial Performance</b>			
201-1	Direct economic value generated and distributed	155	
201-2	Financial implications and other risks and opportunities due to climate change	144-146	
201-3	Benefit plan obligations and other retirement plans	204	Note 4
201-4	Financial assistance received from the government	201	Subsidies for the year amounted to €35,843,531.35 at the consolidated level and €42,104,897.66 at the aggregate level. Additionally, as a result of employment assistance granted by different countries, exemptions from the payment of social security have amounted to €27,165,318.48 at the consolidated level and €29,115,649.66 at the aggregate level. Training grants of € 169,491.55 at the consolidated level and € 225,455.54 at the aggregate level were received during 2021. Governments are not part of the shareholding structure
<b>GRI 202: Market presence</b>			
202-1	Ratio of standard entry-level wage by gender compared to the local minimum wage	174	
<b>GRI 203: Indirect economic impacts</b>			
203-1	Investments in infrastructure and support services	37-41	
203-2	Significant indirect economic impacts	37-41	
<b>GRI 204: Procurement practices</b>			
204-1	Portion of spending on local suppliers	182	
<b>GRI 205: Anti-corruption</b>			
205-1	Operations assessed for corruption-related risks	80	
205-2	Communication and training on anti-corruption policies and procedures	80	
205-3	Confirmed cases of corruption and measures taken		During the year there were no cases of corruption
<b>GRI 206: Anti-competitive behaviour</b>			
206-1	Legal action related to unfair competition and monopolies and contrary to free competition	201	No new sanctions have been imposed or administrative files opened in this regard by public legal entities in 2021
<b>GRI 207 (v.2019): Taxation</b>			
207-1	Tax approach	83-85	
207-2	Tax governance, control and risk management	83-85	
207-4	Reporting by country	85	
<b>GRI 302: Energy</b>			
302-1	Energy consumption within the organisation	131-132; 183; 185;	
302-3	Energy intensity	131-132; 183; 185	
302-4	Reduction of energy consumption	131-132; 183; 185	
302-5	Reductions in the energy requirements of products and services	131-132	



GRI CODE	GRI	PAGE	COMMENTS / OMISSIONS
<b>GRI 303: Water (v.2018)</b>			
303-1	Interaction with water as a shared resource	132	
303-2	Management of impacts related to water discharges	133	
303-3	Water extraction	132-133; 183; 185	
303-4	Water spills	132-133; 183; 185	
303-5	Water use	132-133; 183; 185	
<b>GRI 304: Biodiversity</b>			
304-1	Operations centres in owned, leased or managed hotels within or next to protected areas or areas outside protected areas with high levels of biodiversity	140	
304-2	Significant impacts of activities, products and services on biodiversity	137-140	
<b>GRI 305: Emissions</b>			
305-1	Direct GHG emissions (Scope 1)	146-147; 184; 186; 208-211	
305-2	Indirect GHG emissions (Scope 2)	146-147; 184; 186; 208-211	
305-3	Other indirect GHG emissions (Scope 3)	148; 184; 186; 208-211	
305-5	Reduction of GHG emissions	146-148; 184; 186	
305-7	Nitrogen oxides (NOx), sulphur oxides (SOx) and other significant atmospheric emissions	184; 186	
<b>GRI 306: Waste (v.2020)</b>			
306-1	Generation of waste and significant impacts related to waste	134-137; 184; 186	
306-2	Management of significant impacts related to waste	134-137; 184; 186	
306-3	Waste generated	135-136; 184; 186	The waste data has been calculated by extrapolation based on a sample of 126 hotels
306-4	Waste not destined for disposal	184; 186	
306-5	Waste destined for disposal	184; 186	
<b>GRI 307: Environmental compliance</b>			
307-1	Breach of environmental laws and regulations	202	There have been no breaches of environmental regulations
<b>GRI 308: Supplier environmental assessment</b>			
308-1	New suppliers screened under environmental criteria	151; 153; 182	
308-2	Negative environmental impacts on the supply chain and measures taken	150-153	
<b>GRI 401: Employment</b>			
401-1 (b)	New employee hires and employee turnover (partial)	172; 178	
<b>GRI 402: Labour relations</b>			
402-1	Minimum notice periods regarding operational changes	202	Depending on the country and hotel, the minimum notice periods are met as stipulated by the applicable collective agreements or, in their absence, as stipulated in the corresponding legislation
<b>GRI 403: Health and Safety at Work (v.2018)</b>			
403-1	Occupational health and safety management system	124-129	
403-2	Hazard identification, risk assessment and incident investigation	127-128	
403-3	Occupational health services	124-129	
403-4	Worker participation, consultation and communication on health and safety at work	204	Note 5
403-5	Training of workers in health and safety at work	117	
403-6	Promotion of worker health	124-129	
403-8	Coverage of the occupational health and safety management system	202	At a consolidated level, 41.05% of our workforce is represented by an occupational health and safety committee. At the aggregated level, 54.88%
403-9	Work-accident injuries	180-181	
403-10	Occupational illnesses	180-181	
<b>GRI 404: Training and education</b>			
404-1	Average hours of training per year per employee	116; 174; 178	
404-2	Programmes to improve employee skills and transition assistance programmes	116-119	
<b>GRI 405: Diversity and equal opportunities</b>			
405-1	Diversity in governance bodies and employees	65; 121; 169; 175	
405-2	Ratio of basic salary and remuneration of women compared to men	173	

GRI CODE	GRI	PAGE	COMMENTS / OMISSIONS
GRI 406: Non-discrimination			
406-1	Incidents of discrimination and corrective actions taken	203	In 2021, no discrimination cases were detected.
GRI 407: Freedom of association and collective bargaining			
407-1	Operations and suppliers in which the right to freedom of association and collective bargaining may be at risk	203	Meliá Hotels International has an agreement with UIFUITA that includes these aspects
GRI 408: Child labour			
408-1	Operations and suppliers with significant risk of incidents related to child labour	203	There is no risk within the company. Meliá Hotels International has an agreement with UIF-UITA that includes these aspects, as well as an agreement with UNICEF. In 2018, specific clauses were added to the code of ethics, supplier code of ethics and human rights policy
GRI 409: Forced or compulsory labour			
409-1	Operations and suppliers with significant risks related to forced or compulsory labour	203	There is no risk within the company. Meliá Hotels International has an agreement with UIF-UITA that includes these aspects, as well as an agreement with UNICEF. In 2018, specific clauses were added to the code of ethics, supplier code of ethics and human rights policy
GRI 411: Rights of indigenous peoples			
411-1	Cases of violations of the rights of indigenous peoples	203	No cases of violations of the rights of indigenous peoples were detected
GRI 412: Human rights assessment			
412-3	Significant investment agreements and contracts that include human rights clauses or subject to human rights assessment	158	
GRI 413: Local communities			
413-1	Operations with local community engagement, impact assessments and development programmes	13-14; 154-155	
413-2	Operations with significant and potential negative impacts on local communities	203	No operations with a negative impact were detected in local communities
GRI 414: Supplier social assessment			
414-1	New suppliers screened using social criteria	151; 153; 158; 182	
GRI 415: Public policy			
415-1	Contributions to parties and/or political representatives	203	No political contribution was made during the year. Our code of ethics does not allow it
GRI 416: Customer health and safety Customer privacy			
416-1	Assessment of the health and safety impacts of products or services	128	
416-2	Incidents of non-compliance concerning the health and safety impacts of products and services	203	There have been no incidents with regulatory non-compliance regarding health and safety in products and services
GRI 417: Marketing and labelling			
417-2	Incidents of non-compliance concerning product and service information and labelling	203	No regulations regarding information and labelling of products and services have been breached
417-3	Incidents of non-compliance related to marketing communications	203	No cases have been detected regarding non-compliance with regulations or voluntary codes on marketing communications
GRI 418-1: Customer privacy			
418-1	Substantiated claims regarding breaches of customer privacy and loss of customer data	203	During the year there were no complaints about violation of privacy or leakage of customer data
GRI 419-1: Socio-economic compliance (v.2016)			
419-1	Non-compliance with laws and regulations in the social and economic area	203	No significant fines (>30,000 euros) were received as a result of non-compliance with social and economic laws and regulations

## GRI NOTES

### NOTE 1

Meliá Hotels International, SA (the Company) is a company legally constituted in Madrid on June 24, 1986, under the name Investman, S.A. On June 1, 2011 the corporate name was changed to Meliá Hotels International, S.A. and the company moved its registered office in 1998 to 24 Calle Gremio Toneleros, Palma de Mallorca. Meliá Hotels International, S.A. (the Group) is the parent company of the Meliá Hotels International Group, which presents (in accordance with the requirements of the Commercial Code) consolidated annual accounts in order to show the Group's financial and asset-related position.

### NOTE 2

In regard to the initiatives to mitigate the impact of our activity and taking into account the precautionary principle, the system of pre-openings includes a series of environmental criteria, which are reviewed before the opening of any hotel that is built or acquired from a third party.

The criteria reviewed are:

- Availability of the pertinent corporate environmental information
- Waste management
- Control of discharges to drains or direct discharges into the natural environment
- Energy and water efficiency
- Control of atmospheric emissions

### NOTE 3

It is the obligation of the directors to inform the Company of any situation of direct or indirect conflict that they may have with the interest of the company, in accordance with the provisions in Article 28 of the Regulations of the Board of Directors. Likewise, the Nomination and Remuneration Committee, in accordance with the provisions in Article 15.2. of the Regulations of the Board of Directors, must inform the Board of Directors about transactions that involve or could involve conflicts of interest and proposing, where appropriate, the measures to be adopted.

### NOTE 4

Post-employment benefits: the cost of defined benefit pension plans is determined by actuarial valuations. Actuarial valuations require the use of hypotheses about discount rates, the return on assets, salary increases, employee mortality and turnover tables, as well as the retirement age of employees entitled to these benefits. These estimates are subject to significant uncertainties due to the long term settlement of these plans.

The valuation of these obligations has been carried out by independent experts of recognised prestige, using actuarial valuation techniques.

Defined benefit pension plans: Pension plans that do not have the nature of defined contribution are considered defined benefit plans. Generally, defined benefit plans set out the amount of the benefits the employee will receive at the time of retirement, usually based on one or more factors, such as age, years of service and compensation.

The Group recognises on the balance sheet a provision with respect to the defined benefit premiums established in the collective agreements

for the difference between the present value of the compensations paid and the fair value of the possible assets subject to the commitments with which the obligations will be settled, reduced, if applicable, by the amount of the costs for past services not yet recognised. If an asset arises from the previous difference, its valuation cannot exceed the current value of the economic benefits available in the form of reimbursements from the plan or reductions in future contributions to the same.

The costs for past services are recognised immediately in the profit and loss account, except in the case of revocable rights, in which case they are charged to the profit and loss account on a straight-line basis in the remaining period until the rights for past services are irrevocable. The present value of the obligation is determined by actuarial calculation methods and financial and actuarial assumptions that are unbiased and compatible with each other. The Company recognises directly in the statement of comprehensive income, the gains and losses arising from the variation in the present value and, where applicable, the assets affected by changes in actuarial assumptions or adjustments due to experience.

Certain collective agreements in force and applicable to some group companies establish that permanent staff who choose to terminate their contract with the Company after a certain number of years linked to it shall receive a cash award equivalent to a number of monthly payments proportional to the years worked. During the year, an assessment of said agreements was carried out using the actuarial assumptions of the Group's own employee turnover model, applying the calculation method known as Projected Unit Credit and demographic hypotheses corresponding to the PER2000P tables. The balance of provisions, as well as the activation of payments for future services, cover these commitments acquired, according to an actuarial study carried out by an independent expert. More details on this valuation are provided in Note 17.2 of the Consolidated Annual Accounts.

With regard to pension commitments and obligations stipulated in collective agreements affected by the Ministerial Order of 2 November 2006, the Group has made the corresponding outsourcing. The assets affected by these outsourcing operations are presented by reducing the balance of the commitments acquired.

### NOTE 5

Meliá does not maintain specific agreements with trade unions regarding safety and health beyond those included in collective agreements. These agreements include, where applicable, aspects such as health and safety training, insurance and safety equipment, among others. If these agreements do not include specific aspects on Health and Safety, ultimately, they shall meet at least the stipulations regarding health and safety legislation applicable in each country. In 2021, there were no negotiations within collective agreements.

# Global Compact table of contents

Since 2013, Meliá has been a member of the Spanish Global Compact Network, and since 2018 a signatory partner of the same. The integration of these guiding principles in the 2021 Integrated Annual Report can be seen in the following table.

Scope & Principles	Objectives	Human Rights Management Systems			Annual report
		Governance	Regulatory system	Management tools	
<b>General</b>	1 & 2	Remuneration, Appointments & Sustainability Committee Ethics Committee Code of Ethics Office	Code of Ethics Supplier Code of Ethics Human Rights Policy Purchasing & Service Contracting Policy Sustainability Policy	Complaints Channel Risk Map (Global & ESG) Accountability Principles AA1000SES (2011) Supplier Evaluation System Country-Risk Fact Sheets	P.53-54 P.76-78; 80; 120 P.149-152 P.155-159
	3				
<b>Employment</b>	4		Human Resources Policy Occupational Health & Safety Policy Privacy Policy Equality Plan (Spain) Equality Decalogue (international) Dhaka Principles	Health and Safety Management System Healthy Work Environment Programme Sexual Abuse Identification Protocol (hotels) Plan to combat sexual exploitation in work environments Employability and labour inclusion programmes	P.113-124 P.123-128 P.155-159
	5	Equality Committee Company Committees Health & Safety Committees			
	6				
	7				
<b>Environmental</b>	8	Remuneration, Appointments & Sustainability Committee Sustainability Committee	Climate Change & Environment Policy	Energy Management System Environmental Management System Investment with efficiency and sustainability criteria Waste management and reduction systems Biodiversity management system	P.129-148
	9				
	10				
<b>Anti-corruption</b>		Audit & Compliance Committee Sustainability Committee Compliance Office	Anticorruption Policy Regulatory Compliance Policy Corporate Governance Policy Fiscal Strategy Policy	Crime Prevention & Detection Model Criminal Compliance Management System Financial Information Internal Control System (SCIIF) Criminal Risk Map Crime Prevention Protocol Internal audits Philanthropy & Social Action Management System	P.79-84

Meliá Hotels International is a signatory member of the Spanish Network of the Global Compact. This 2021 Consolidated Management Report responds to the Global Compact criteria in its CoP (Communication on Progress), through which Meliá, as an associated company, reports on actions carried out in relation to the 10 Principles in the Global Compact and communicated to its stakeholders following the Global Compact reporting policy. This document reaches an advanced reporting level following the Global Compact guidelines.

# Glossary

2021o	2021 Objective
Asset light	Hotel portfolio growth category based on operational management models.
ARR - Average Room Rate	Average price per every occupied room
B2B - Business to Business	Transactions involving products and services between two companies
B2C - Business to Consumer	Sales of products and services to end consumers
Bleisure - Business + leisure	The combination of business and leisure travel
Business development	Department dedicated to brand positioning and value creation for customers
CBG/GGC	Good Governance Code
CDP - Carbon Disclosure Project	Organisation that evaluates the positioning of companies in climate change
CNMV	Spanish Securities Market Commission.
COSO - Committee of Sponsoring Organizations of the Treadway Commission	Framework for the implementation of risk management and internal control systems
CSA - Corporate Sustainability Assessment	Annual evaluation of companies with regard to sustainability carried out by S&P Global
CUBG	Unified good governance code
Customer Journey	Contact points with customers during their trip or stay at the hotel (before the stay, during the stay and after their departure)
EBIT - Earnings Before Interest and Taxes	Results before interest and taxes
EBITDA - Earnings before Interest, Taxes, Depreciation and Amortisation	Gross operating profit before interest, taxes, depreciation and amortization
EBITDAR - Earnings before interest, taxes, depreciation, amortization, and restructuring or rent costs	Gross operating profit without considering the expenses derived from leases or rentals
E-commerce - Electronic commerce	Distribution, purchase or sale of products and services over the Internet

EMEA - Europe, Middle East and Africa	Europe, Middle East and Africa
ESG - Environmental, Social & Governance	Environment, social and governance
Essential brands	Hotel category for a customer segment that appreciates high-quality standards, but with greater price sensitivity
F&B - Food & Beverage	Food and Beverage
GDPR - General Data Protection Regulation	General Data Protection Regulation of the European Union for the protection of personal data
GRI - Global Reporting Initiative	Global standard for the preparation of sustainability reports that evaluates the economic, environmental and social performance of companies
GSS - Guest Satisfaction Score	Indicator that measures customer satisfaction
GSTC - Global Sustainable Tourism Council	Manages global standards for sustainability in travel and tourism
High-end	A segment characterised by high purchasing power and demanding exclusivity, luxury, authenticity and excellence.
Aggregate Information	Includes information on owned, leased and managed hotels
Consolidated Information	Includes information on owned and leased hotels (consolidation perimeter)
JV - Joint ventures	Joint investment company that acquires the ownership of a hotel
Lifestyle hotel	A type of hotels that have their own identity and personality.
Meeting & Events	Meetings and Events Segment
NPS - Net Promoter Score	Indicator that measures the level of recommendation from customers with regard to the hotel
SDG	Sustainable Development Goals, part of the United Nations 2030 Agenda
OTA - Online Travel Agency	Online travel agencies mainly dedicated to the sale of travel services or products on the Internet
PCI - Security Standards Council	System that ensures the data security in credit card payments

<b>Phishing</b>	A method used by cybercriminals to deceive, defraud or obtain personal or professional data
<b>Pipeline</b>	Portfolio of hotels signed and pending opening
<b>PMS -Property Management System</b>	Technology used for hotel operations
<b>Premium brands</b>	Segment of hotels offering high-quality products and services and luxury experiences
<b>Proxy advisers</b>	Entities that provide advisory services to investors, mainly institutional, in relation to the exercise of voting rights derived from the ownership of shares in listed companies
<b>Q</b>	Quarter
<b>QPI - Quality Penetration Index</b>	Quality index providing a comparison with competitors. Provides a reputation indicator compared to competitors
<b>Luxury brands</b>	Brands providing maximum luxury and quality for the most discerning customers
<b>Revenue Management</b>	The management and improvement of hotel revenue and sales
<b>ReviewPRO</b>	Satisfaction surveys for a specific customer segment (agencies)
<b>RevPAR - Revenue Per Available Room</b>	Indicator that measures the revenue generated by room sales divided by the total number of rooms available over a given period of time
<b>CSR</b>	Corporate Social Responsibility

<b>SBTI - Science Based Targets initiative</b>	An initiative that aims to help define science-based strategies to combat climate change and reduce greenhouse gas emissions
<b>ICFR</b>	An internal control system for financial information that defines a series of processes to provide reasonable assurance regarding the reliability of financial information published in the markets.
<b>SET - Senior Executive Team</b>	Management Committee made up of the senior management of the company
<b>Stay safe</b>	Program designed to ensure the health and safety of our customers and employees during COVID-19
<b>Sustainability Yearbook</b>	Published by S&P Global and evaluating companies based on their performance in sustainability and environmental, social and governance criteria
<b>Tour Operators Tour Operators</b>	Companies that offer package-travel products to consumers
<b>Upgrade</b>	An offer to a customer to enjoy a service or product of a higher category than the one they originally booked
<b>Upscale</b>	Segment of hotels with the highest product and service standards or of a superior category
<b>VP</b>	Vice President
<b>VUCA (Volatility, Uncertainty, Complexity &amp; Ambiguity)</b>	Acronym that defines the business context in a volatile, uncertain, complex and ambiguous environment



# Carbon footprint methodology

The calculation and reporting of our carbon footprint includes all the facilities where we have operational control, i.e. 100% of the owned, leased and managed hotels.

The methodology used to calculate the carbon footprint follows the procedure in the internationally accepted GHG Protocol.

We have defined highly ambitious emission-reduction targets to assist in keeping the planet's average temperature increase below 1.5 °C. The targets have been validated by the Science-based Target Initiative (SBTi) up to 2030 and in the three different scopes.

The following scopes are considered in the footprint calculation:

## SCOPE 1

Scope 1 greenhouse gas emissions are those derived from using fuels for heating and/or DHW or from leaks of fluorinated gases in our own facilities.

## SCOPE 2

Scope 2 greenhouse gas emissions are indirect emissions caused by the generation of energy the company then consumes and not generated in our own facilities. Included in this category is the purchase of electricity, district heating and district cooling.

## SCOPE 3

Given the nature of our business model, Scope 3 emissions are very significant in our activity. Therefore, following recommendations and best practices, we continue to make progress in measuring our Scope 3 footprint, which includes all the following categories in our value chain.

### CATEGORY 1 PURCHASED GOODS AND SERVICES

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Indirect emissions in this category are estimated through an input/output economic analysis, using a proprietary tool and the emission factors from the database for CEDA 5 calculations (Complete environmental data sheet v5.0. CEDA provides information on emissions in the life cycle per monetary unit spent on goods and services).

The methodology for calculating emissions first breaks down the annual expense for each group of items purchased in the year, taking into account the company code assigned to each group, and making it possible to differentiate between OPEX and/or CAPEX. Secondly, the cost of each group of articles is multiplied by the emission factor that best fits its denomination in the CEDA data set.

The following are the key data used for the calculation of category 1:

- This category includes all upstream emissions from the production of all goods or services purchased or acquired in the reporting year (2021).
- It includes materials (tangible products) and services (intangible products).
- Source: Database of purchasing companies.
- The emission factors used from CEDA 5 (Complete environmental data file v 5.0.

## **CATEGORY 2 CAPITAL GOODS**

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Indirect emissions in this category are estimated through an input/output economic analysis, using a proprietary tool and the emission factors from the database for CEDA 5 calculations (Complete environmental data sheet 5.0. CEDA provides information on emissions in the life cycle per monetary unit spent on goods and services).

The methodology for calculating emissions first breaks down the annual expense for each group of items to identify the capital goods purchased or acquired in the year of the report. Secondly, the cost of each group of articles is multiplied by the emission factor that best fits its denomination in the CEDA data set.

The following are the key data used for the calculation of category 2, equipment and/or capital goods acquired:

- This category includes all upstream emissions caused by equipment and/or capital goods acquired in the reporting year (2021)
- Source: Database of purchasing companies.
- The emission factors used from CEDA 5 (Complete environmental data file v 5.0.

## **CATEGORY 3 FUEL AND ENERGY CONSUMED BY THE COMPANY (NOT INCLUDED IN SCOPE 1 AND 2)**

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These emissions are those associated with fuel and energy consumed, but not included in scopes 1 and 2. We calculate these emissions due to the fact that our fuel and energy consumption is a significant part of scope 3 emissions.

We used the AEI database (2018 version) and followed the updated Standard to use electricity emission factors and grid loss data from global emission data sources (IEA, DEFRA and individual countries) to calculate transmission and distribution losses and emissions associated with the extraction, production and transportation of fuel.

## **CATEGORY 4 TRANSPORTATION AND DISTRIBUTION (UPSTREAM)**

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This category is currently not calculated as it is considered to be of little relevance in the services industry and is associated with categories 1 and 2, which are calculated.

We are currently integrating this data into a new procurement tool which will allow us to include the definition of the data collection processes and the data provided by suppliers into the calculation. Suppliers will be required to provide information related to sustainability vehicles and action plans to reduce emissions.

## **CATEGORY 5 WASTE**

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The emissions associated with the management of waste generated on site are calculated taking into account the emissions derived from its treatment by third parties (recycling, composting, dumping and incineration).

The emissions associated with the management of waste generated on site are calculated based on the treatment alternative: recycling (19.7%), composting (10.3%), landfill disposal (60.2%) and incineration (9.7%); and the emission factors for each of them provided by UNEP (United Nations Environment Program).

#### **CATEGORY 6 BUSINESS TRAVEL**

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The following calculations have been made to obtain scope 3 emissions associated with business travel:

- Emissions associated with flights based on the number of kilometres travelled and the emission factor provided by the UK National Energy Foundation.
- Emissions associated with train travel based on the number of kilometres travelled and the emission factor provided by the UK National Energy Foundation.
- Emission derived from car rentals calculated using the carbon calculator of the UK National Energy Foundation.
- The emissions offset by our partners (Cabify and JoinUp) have been discounted from the total calculation of emissions in this category.

#### **CATEGORY 7 COMMUTE TO WORK (EMPLOYEES)**

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In order to be able to calculate the emissions associated with the commute of our employees worldwide, we have created a survey to collect data on the distance each of them travels every day from their home to their workplace, the means of transport they use and the number of trips they make every day.

Using this information and the emission factors in the GHG Protocol, we have calculated total emissions for 2021.

We have made a huge effort to calculate the emissions caused by the commute of employees. In the 2019 survey update, the level of participation was higher than in 2018, with an increase of more than 270% in the number of employees who participated.

#### **CATEGORY 8 LEASED ASSETS (UPSTREAM)**

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Upstream leased assets are assets leased by the company whose impact is not included in Scope 1 and 2 inventories. They are not covered by our calculation of scope 3 emissions as they are considered insignificant compared to our scope 1 and 2 emissions.

#### **CATEGORY 9 TRANSPORTATION AND DISTRIBUTION (DOWNSTREAM)**

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Downstream transport and distribution refers to the emissions associated with the distribution of products and services sold. Although we provide transportation services through rented vehicles, the emissions associated with this service are considered insignificant compared to our gross emissions.

#### **CATEGORY 10 PROCESSING OF SOLD PRODUCTS**

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No processing of sold products is included in our operations. Meliá provides hospitality services, so this category is not considered relevant in our report.

#### **CATEGORY 11 USE OF SOLD PRODUCTS**

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The emissions related to the products sold are considered in Scope 1 and 2 and categories 1 and 2 of scope 3, where the resources required for the hotel services provided by the company are taken into account. This category is therefore not considered relevant in our report.

#### **CATEGORY 12 END OF LIFE TREATMENT OF SOLD PRODUCTS**

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Our operations do not include the processing of sold products nor the treatment at the end of the useful life of the sold products. Meliá provides hospitality services, so this category is not considered relevant in our report.

#### **CATEGORY 13 LEASED ASSETS (DOWNSTREAM)**

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Downstream leased assets are assets owned by the company and leased to other entities. We lease some assets such as premises within our hotels, but usually the emissions associated with these uses are considered our own and included within our scope 1 and 2 emissions. Therefore, we do not consider this category relevant in our report.

#### **CATEGORY 14 FRANCHISES**

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Franchised hotels are outside the scope of the carbon emissions calculations since the information related to fuel and electricity consumption is not reported by these hotels. However, the Meliá Energy Department carries out internal verifications of the energy consumption in an insignificant number of franchises, as this information is not available in the Meliá SAP platform and in our current Energy Management platform. This category is therefore not considered relevant.

#### **CATEGORY 15 INVESTMENTS**

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The calculation of this category is not included as it is considered that investments are already considered within the calculation of scope 1, 2 and 3 emissions (Categories 1 and 2).

# **Meliá Hotels International, S.A. and its subsidiaries**

Independent assurance report of the  
Non-Financial Information included in  
the 2021 Management Report of  
Meliá Hotels International, S.A. and its  
Subsidiaries for the year ended on  
December 31<sup>st</sup> in 2021

Translation of a report originally issued in Spanish. In the  
event of a discrepancy, the Spanish-language version  
prevails.

Translation of a report originally issued in Spanish. In the event of a discrepancy,  
the Spanish-language version prevails.

## INDEPENDENT LIMITED ASSURANCE REPORT

To the Shareholders of Meliá Hotels International, S.A.:

In accordance with Article 49 of the Spanish Commercial Code, we have performed the verification, with a scope of limited assurance, of the non-financial information included in the Management Report (hereinafter, MR) of Meliá Hotels International, S.A. and its Subsidiaries (hereinafter Meliá), for the year ended on December 31<sup>st</sup> in 2021.

The MR includes information, additional to that required by current Spanish corporate legislation relating to non-financial reporting and by the Global Reporting Initiative Standards for sustainability reporting in their core option ("GRI standards"), that was not the subject matter of our verification. In this regard, our work was limited solely to the verification of the information identified in the table of "Non-financial and diversity information requirements (Law 11/2018)", Annex of the MR "GRI Standards table of contents" and Annex "EU Taxonomy eligibility report" of the MR (hereinafter the Annexes of the MR).

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### Responsibilities of the Directors

The preparation and content of Meliá's MR are the responsibility of the Board of Directors of Meliá Hotels International, S.A. The non-financial information included in the Annexes of the MR was prepared in accordance with the content specified in current Spanish corporate legislation, in accordance with GRI standards in their core option.

The responsibilities of the Board of Directors also include the design, implementation, and maintenance of such internal control as is determined to be necessary to enable the Annexes of the MR to be free from material misstatement, whether due to fraud or error.

The Directors of Meliá are also responsible for defining, implementing, adapting and maintaining the management systems from which the information necessary for the preparation of the Annexes of the MR is obtained.



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## Our Independence and Quality Control

We have complied with the independence and other ethical requirements of the Code of Ethics for Professional Accountants issued by the International Ethics Standards Board for Accountants (IESBA), which is based on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behaviour.

Our firm applies International Standard on Quality Control 1 (ISQC 1) and, accordingly, maintains a comprehensive system of quality control including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

Our engagement team consisted of professionals who are experts in reviews of non-financial information and, specifically, in information about economic, social and environmental performance.

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## Our Responsibility

Our responsibility is to express our conclusions in an independent limited assurance report based on the work performed.

We conducted our review in accordance with the requirements established in the International Standard on Assurance Engagements 3000 Revised in force, Assurance Engagements other than Audits or Reviews of Historical Financial Information (ISAE 3000 Revised), issued by the International Auditing and Assurance Standards Board (IAASB) of the International Federation of Accountants (IFAC) and with the guidelines published by the Spanish Institute of Certified Public Accountants on attestation engagements on regarding non-financial information statements.

The procedures performed in a limited assurance engagement vary in nature and timing from and are less in extent than for a reasonable assurance engagement and, consequently, the level of assurance provided is also substantially lower.

Our work consisted in requesting information from management and the various units of Meliá that participated in the preparation of the Annexes of the MR, reviewing the processes used to compile and validate the information presented on them and carrying out the following analytical procedures and sample-based review tests:

- Meetings held with Meliá personnel to understand the business model, policies and management approaches applied, and the main risks relating to these matters, and to obtain the information required for the external verification.

- Analysis of the scope, relevance and completeness of the contents included in the Annexes of the MR based on the materiality analysis performed by Meliá and described in the “Materiality Analysis” of the MR, also taking into account the contents required under current Spanish corporate legislation.
- Analysis of the processes used to compile and validate the data presented in the Annexes of the MR.
- Review of the information relating to risks and the policies and management approaches applied in relation to the material matters described in the “Materiality Analysis” of the MR.
- Verification, by means of sample-based review tests, of the information relating to the contents identified in Annexes to the MR, and the appropriate compilation thereof based on the data furnished by Meliá’s information sources.
- Obtainment of a representation letter from the Directors and Management.

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### Emphasis of matter

Regulation (EU) 2020/852 of the European Parliament and of the Council of 18 June 2020 on the establishment of a framework to facilitate sustainable investments, establishes the obligation to disclose information on the manner and to what extent the activities of the business are associated with economic activities considered environmentally sustainable in relation to the objectives of climate change mitigation and climate change adaptation for the first time for year 2021 provided that the Management Report is published after 1 January 2022. Consequently, the Management Report does not include comparative information. Additionally, certain information has been incorporated for which Meliá Directors have chosen to apply the criteria that, in their opinion, best allow compliance with the new obligation and that are defined in Annex “UE Taxonomy eligibility report”. Our conclusion has not been modified in relation to this issue.

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## Conclusion

Based on the procedures performed and the evidence obtained, no matter has come to our attention that causes us to believe that the non-financial information included in the Annexes of the Management Report of Meliá Hotels International, S.A. and its Subsidiaries, for the year ended on December 31<sup>st</sup> in 2021, was not prepared, in all material respects, in accordance with the content specified in current Spanish corporate legislation and in keeping with the criteria of the selected GRI standards.

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## Other information

The calculation of greenhouse gas emissions (GHG) of scope 3 and the estimation of waste, given their nature, are subject to uncertainty having been performed according to the methodology and assumptions specified in the MR and in accordance with the available information. A modification in the parameters used in the estimation could impact the total amount of emissions and the carbon footprint presented.

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## Use and distribution

This report has been prepared in response to the requirement established in the commercial regulations in force in Spain, so it may not be suitable for other purposes and jurisdictions.

DELOITTE, S.L.



Xavier Angrill Vallés  
February 28<sup>th</sup> 2022

